



In accordance with Article 53 of the Law on the Capital Market (Official Gazette of the Republic of Serbia, No. 31/2011, 112/2015 and 108/2016) and in accordance with the Rulebook on the content, form and manner of publishing annual, semi-annual and quarterly reports of public companies ("Official Gazette of the Republic of Serbia", No. 14/2012, 5/2015 and 24/2017) the Joint Stock Company Airport Nikola Tesla Belgrade announces:

Quarterly Report for the First Quarter of 2019



Content of the Report

1. Financial Statement and as of 31 March 2019:

- Income statement for the period I-III 2019;
- Balance sheet as of 31 March 2019;
- Report on the remaining result for the period I-III 2019;
- Statement of changes in equity for the period I-III 2019;
- Cash flow statement for the period I-III 2019;
- Notes to the financial statements on 31 March 2019.

2. Business report for the period I-III 2019

3. Statement of the persons responsible for the preparation of the report

4. Decision on approval of the financial statements as of 31 March 2019

5. Decision on approval of the business report for the period I-III 2019

FINANCIAL STATEMENTS March 31, 2019

- 1 . PROFIT AND LOSS ACCOUNT for the period I-III 2019;**
- 2. BALANCE SHEET on 31 March 2019;**
- 3. REPORT ON THE REMAINING RESULT for the period I-III 2019;**
- 4. REPORT ON THE CHANGES IN CAPITAL for the period I-III 2019;**
- 5. CASH FLOW STATEMENT for the period I-III 2019;**
- 6 . NOTES TO FINANCIAL STATEMENTS on 31 March 2019.**

9th May 2019

PROFIT AND LOSS ACCOUNT, for the period from January 1 to March 31, 2019

					
PROFIT AND LOSS ACCOUNT					
for the period 01/01/2019 to 31/03/2019					
- in 000 dinars -					
Group of Accounts - Account	POSITION	AOP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	REGULAR OPERATING REVENUES				
60 to 65, except 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		133.224	2.073.979
60	REVENUES FROM SELLING GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002	4	0	444
600	1. Revenues from selling revenues to parent companies and subsidiaries on the domestic market	1003			
601	2. Revenues from selling goods to parent companies and subsidiaries on the foreign market	1004			
602	3. Revenues from selling goods to other affiliated companies on the domestic market	1005			
603	4. Revenues from selling goods to other affiliated companies on the foreign market	1006			
604	5. Revenues from selling goods on the domestic market	1007	4		444
605	6. Revenues from selling goods on the foreign market	1008			
61	II REVENUES FROM SELLING GOODS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	5	1.330	1.877.064
610	1. Revenues from selling goods and services to parent companies and subsidiaries on the domestic market	1010			
611	2. Revenues from selling goods and services to parent companies and subsidiaries on the foreign market	1011			
612	3. Revenues from selling goods and services to other affiliated companies on the domestic market	1012			
613	4. Revenues from selling goods and services to other affiliated companies on the foreign market	1013			
614	5. Revenues from selling goods and services on the domestic market	1014	5	1.330	721.984
615	6. Revenues from selling goods and services on the foreign market	1015	5		1.155.080
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016			
65	IV OTHER OPERATING REVENUES	1017	6	131.894	196.471

PROFIT AND LOSS ACCOUNT (continued), for the period from January 1 to March 31, 2019

	REGULAR OPERATING EXPENSES				
50 to 55, 62 and	B. OPERATING EXPENSES (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	1018		84.267	1.522.793
50	I. COST OF GOODS SOLD	1019	7		278
62	II. REVENUES FROM OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1020			
630	III. INCREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1021			
631	IV. DECREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1022			
51 except 513	V. COST OF MATERIALS	1023	8	140	75.527
513	VI. COST OF FUEL AND ENERGY	1024	9	195	81.441
52	VII. COST OF WAGES, SALARIES AND OTHER PERSONAL EXPENSES	1025	10	27.483	896.805
53	VIII. COST OF PRODUCTION SERVICES	1026	11	13.831	101.657
540	IX. AMORTIZATION COSTS	1027	12	179	258.762
541 to 549	X. COST OF LONG-TERM PROVISIONS	1028	13	11.000	
	55 XI. NON-MATERIAL COSTS	1029	14	31.439	108.323
	C. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		48.957	551.186
	D. OPERATING LOSS (1018 – 1001) ≥ 0	1031			
66	E. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		31.101	22.857
66, except 662, 663 and 664	I. FINANCIAL REVENUES FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033		0	0
660	1. Financial revenues from parent companies and subsidiaries	1034			
661	2. Financial revenues from other affiliated companies	1035			
665	3. Revenues from the stake in the profit of associated companies and joint ventures	1036			
669	4. Other financial revenues	1037			
662	II. INTEREST REVENUES (FROM THIRD PARTIES)	1038	15	13.661	18.214
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1039	16	17.440	4.643
56	F. FINANCIAL EXPENSES (1041 + 1046 + 1047)	1040		40.033	30.707
56, except 562, 563 and 564	G. FINANCIAL EXPENSES FROM THE RELATIONSHIP WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENSES (1042 + 1043 + 1044 + 1045)	1041		0	0
560	1. Financial expenses from the relationship with parent companies and subsidiaries	1042			
561	2. Financial expenses from the relationship with other affiliated companies	1043			
565	3. Expenses from the stake in the loss of associated companies and joint ventures	1044			
566 and 569	4. Other financial expenses	1045			
562	II. INTEREST EXPENSES (TOWARDS THIRD PARTIES)	1046	17	800	9.576
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1047	18	39.233	21.131
	H. PROFIT FROM FINANCING ACTIVITIES (1032 – 1040)	1048		-8.932	
	I. LOSS FROM FINANCING ACTIVITIES (1040 – 1032)	1049			7.850
683 and 685	3. REVENUES FROM VALUE ADJUSTMENT OF OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1050	19		74
583 and 585	J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1051	20		
67 and 68, except 683 and	K. OTHER REVENUES	1052	21	865	5.932
57 and 58, except 583 and	L. OTHER EXPENSES	1053	22	743	14.065

PROFIT AND LOSS ACCOUNT (continued), for the period from January 1 to March 31, 2019

	M. REGULAR OPERATING PROFIT BEFORE TAXATION (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054		40.147	535.277
	N. REGULAR OPERATING LOSS BEFORE TAXATION (1031 – 1030 + 1049 – 1048 + 1051 – 1050 + 1053 – 1052)	1055			
69-59	O. NET OPERATING PROFIT THAT IS WITHELD, THE EFFECT OF THE CHANGE OF ACCOUNTING POLICY AND AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1056	23		
59-69	P. NET OPERATING LOSS THAT IS WITHELD , EXPENSES FROM THE CHANGE OF ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS НЕТО ГУБИТАК ПОСЛОВАЊА	1057	23	8.676	9.831
	R. PROFIT BEFORE TAXATION (1054 – 1055 + 1056 – 1057)	1058	24	31.471	525.446
	O. LOSS BEFORE TAXATION (1055 – 1054 + 1057 – 1056)	1059			
	P. PROFIT TAX				
721	I. TAX EXPENSE OF THE PERIOD	1060	24		80.645
part 722	II. DEFERRED TAX EXPENSE OF THE PERIOD	1061	25		421
part 722	III. DEFERRED TAX REVENUES OF THE PERIOD	1062			0
723	R. PAID SALARIES OF THE EMPLOYER	1063			
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	26	31.471	444.380
	T. NET LOSS (1059 – 1058 + 1060 + 1061 – 1062)	1065			
	I NET PROFIT BELONGING TO THE MINOR STAKEHOLDERS	1066			
	II NET PROFIT BELONGING TO THE MAJOR STAKEHOLDER	1067			
	III EARNINGS PER SHARE				
	1. Basic earnings per share	1068	26	0,90	12,96
	2. Decreased (diluted) earnings per share	1069			
6	TOTAL REVENUES			176.329	2.102.899
5	TOTAL EXPENSES			144.858	1.577.453

BALANCE SHEET on March 31, 2019

BALANCE SHEET						
on 31/03/2019						
- in 000 dinars -						
Group of accounts - Account	Position	AOP	Note no.	Amount		
				Current year 31/03/2019	Previous year	
1	2	3	4	5	6	7
ASSETS						
0	A. SUBSCRIBED UNPAID CAPITAL	1				
	B. FIXED ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	2		26.738.848	26.722.716	0
1	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	3		274.606	276.201	0
010 and part 019	1. Investments in development	4	27			
011, 012 and part 019	2. Concessions, patents, licences, product and service brands, software and other rights	5	27	274.606	274.606	
013 and part 019	3. Goodwill	6				
014 and part 019	4. Other intangible assets	7				
015 and part 019	5. Intangible assets in progress	8		0	0	
016 and part 019	6. Advance payments for intangible assets	9		0	1.595	
2	II. PROPERTY, PLANTS AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	10	27	26.320.274	26.302.258	0
020, 021 and part 029	1. Land	11	27	9.968.707	9.968.707	
022 and part 029	2. Constructions	12	27	10.984.730	10.984.909	
023 and part 029	3. Plants and equipment	13	27	5.344.460	5.341.504	
024 and part 029	4. Investment property	14	27	0	0	
025 and part 029	5. Other property, plants and equipment	15	27	3.619	3.619	
026 and part 029	6. Property, plants and equipment in progress	16	27	18.758	3.519	
027 and part 029	7. Investments in others' property, plants and equipment	17				
028 and part 029	8. Advance payments for property, plants and equipment	18	27	0	0	
3	III. BIOLOGICAL ASSETS (0020 + 0021 + 0022 + 0023)	19		124	124	0
030, 031 and part 039	1. Forests and perennial plantations	20				
032 and part 039	2. Livestock unit	21	27	124	124	
037 and part 039	3. Biological assets in progress	22				
038 and part 039	4. Advance payments for biological assets	23				
04. except 047	IV. LONG-TERM FINANCIAL PLACEMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	24		130.776	131.065	0
040 and part 049	1. Stake in the capital of subsidiaries	25				
041 and part 049	2. Stake in the capital of associated companies and joint ventures	26				
042 and part 049	3. Stake in the capital of other companies and other securities available for sale	27	28	1	1	
part 043, part 044 and part 049	4. Long-term placements to parent companies and subsidiaries	28				
part 043, part 044 and part 049	5. Long-term placements to other affiliated companies	29				
part 045 and part 049	6. Long-term placements in the country	30				
part 045 and part 049	7. Long-term placements abroad	31				
046 and part 049	8. Securites held to maturity	32				
048 and part 049	9. Other long-term financial placements	33	28	130.775	131.064	

BALANCE SHEET (continued), on March 31, 2019

5	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	34		13.068	13.068	0
050 and part 059	1. Receivables from the parent company and subsidiaries	35				
051 and part 059	2. Receivables from other affiliated companies	36				
052 and part 059	3. Receivables from the sales by means of commodity loans	37				
053 and part 059	4. Receivables from the sales by means of financial leasing agreements	38				
054 and part 059	5. Receivables from warranties	39				
055 and part 059	6. Doubtful receivables	40				
056 and part 059	7. Other long-term receivables	41	28	13.068	13.068	
288	C. DEFERRED TAX ASSETS	42				
	D. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	43		55.576.203	65.364.611	0
Class 1	I STOCK (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		33.136	32.948	0
10	1. Materials, spare parts, tools and fixtures and fittings	45	29		0	
11	2. Unfinished production and unfinished services	46				
12	3. Finished products	47				
13	4. Goods	48	30		0	
14	5. Fixed assets intended for sale	49				
15	6. Paid advances for stocks and services	50	31	33.136	32.948	
20	II RECEIVABLES FROM SALES (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51		199.776	1.063.813	0
200 and part 209	1. Customers in the country – parent companies and subsidiaries	52				
201 and part 209	2. Customers abroad – parent companies and subsidiaries	53				
202 and part 209	3. Customers in the country – other affiliated companies	54				
203 and part 209	4. Customers abroad – other affiliated companies	55				
204 and part 209	5. Customers in the country	56	32	124.197	324.818	
205 and part 209	6. Customers abroad	57	33	75.579	738.995	
206 and part 209	7. Other receivables from sales	58				
21	III RECEIVABLES FROM SPECIFIC OPERATIONS	59				
22	IV OTHER RECEIVABLES	60	34	147.343	115.183	
236	V FINANCIAL ASSETS RECOGNIZED AT FAIR VALUE IN THE INCOME STATEMENT	61				
23 except 236 and 237	VI SHORT-TERM FINANCIAL PLACEMENTS (0063 + 0064 + 0065 + 0066 + 0067)	62		1.283.816	2.721.308	0
230 and part 239	1. Short-term loans and placements – parent companies and subsidiaries	63				
231 and part 239	2. Short-term loans and placements – other affiliated companies	64				
232 and part 239	3. Short-term loans in the country	65	35	1.177	289	
233 and part 239	4. Short-term loans abroad	66				
234, 235, 238 and part 239	5. Other short-term financial placements	67	36	1.282.639	2.721.019	
24	VII CASH EQUIVALENTS AND CASH	68	38	53.743.845	61.394.573	
27	VIII VALUE ADDED TAX	69	39	12.083		0
28 except 288	IX PREPAYMENTS AND DEFERRED EXPENSES	70	40	156.204	36.786	
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0042 + 0043)	71		82.315.051	92.087.327	0
88	F. OFF-BALANCE SHEET ASSETS	72	60	372.942	649.072	

BALANCE SHEET (continued), on March 31, 2019

LIABILITIES						
	A. CAPITAL (0402 + 0411 – 0412 + 0413 + 0414 + 0415 – 0416 + 0417 + 0420 – 0421) ≥ 0 = (0071 – 0424 – 0441 – 0442)	401	41	27.974.280	81.105.207	0
30	I BASIC CAPITAL	402		21.264.302	21.264.302	
	(0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)					
300	1. Share capital	403	42	21.015.677	21.015.677	
301	2. Equity interest in limited liability companies	404				
302	3. Equity interest	405				
303	4. State-owned capital	406				
304	5. Public capital	407				
305	6. Aggregate equity interests	408				
306	7. Share issuing premiums	409	43	248.625	248.625	
309	8. Other basic capital	410				
31	II SUBSCRIBED AND UNPAID CAPITAL	411				
047 and 237	III REPURCHASED OWN SHARES	412	41	265.416	265.416	
32	IV RESERVES	413	43	6.356.456	6.356.456	
330	V. REVALORIZATION RESERVES BASED ON THE REVALORIZATION OF INTANGIBLE ASSETS, PROPERTY, PLANTS AND EQUIPMENT	414	43	570.177	570.177	
33 except 330	VI. UNREALIZED GAINS FROM SECURITIES AND OTHER COMPONENTS OF THE REMAINING TOTAL RESULT (credit balance of the accounts from the group 33 except 330)	415	43	17.290	17.290	
33 except 330	VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF THE REMAINING TOTAL RESULT (debit balances of the accounts from the group 33 except 330)	416				
34	VIII UNDISTRIBUTED PROFIT	417	44	31.471	53.162.398	0
	(0418 + 0419)					
340	1. Undistributed profit from previous years	418	44	0	6.948	
341	2. Undistributed profit from the current year	419	44	31.471	53.155.450	
	IX. STAKE WITHOUT THE CONTROL RIGHT	420				
35	X. LOSS (0422 + 0423)	421		0	0	0
350	1. Loss from previous years	422				
351	2. Loss from the current year	423				
	B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	424		630.614	620.490	0
40	I LONG-TERM PROVISIONS	425	45;46	156.341	145.624	0
	(0426 + 0427 + 0428 + 0429 + 0430 + 0431)					
400	1. Provisions for costs in the guarantee period	426				
401	2. Provisions for costs of renewing natural resources	427				
403	3. Provisions for restructuring costs	428				
404	4. Provisions for allowances and other benefits for employees	429	45;46	1.285	1.285	
405	5. Provisions for costs of litigation	430	45;46	155.056	144.339	
402 and 409	6. Other long-term provisions	431				
41	II LONG-TERM LIABILITIES	432		474.273	474.866	0
	(0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)					
410	1. Liabilities that can be converted to capital	433				
411	2. Liabilities towards parent companies and subsidiaries	434				
412	3. Liabilities towards other affiliated companies	435				
413	4. Liabilities from issued securities in a period longer than a year	436				
414	5. Long-term loans in the country	437				
415	6. Дугорочни кредити и зајмови у иностранству	438	48;49	474.273	474.866	
416	7. Financial leasing liabilities	439				
419	8. Other long-term liabilities	440				

BALANCE SHEET (continued), on March 31, 2019

498	C. DEFERRED TAX LIABILITIES	441	25	478.523	478.523	
42 to 49 (except 498)	D. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		53.231.634	9.883.107	0
42	I SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443	50	86.557	98.520	0
420	1. Short-term loans from parent companies and subsidiaries	444				
421	2. Short-term loans from other affiliated companies	445				
422	3. Short-term loans in the country	446				
423	4. Short-term loans abroad	447				
427	5. Liabilities arising from fixed assets and withheld operating assets intended for sale	448				
424, 425, 426 and 429	6. Other short-term financial liabilities	449	50	86.557	98.520	
430	II RECEIVED ADVANCE PAYMENTS, DEPOSITS AND DOWNPAYMENTS	450	51	44.086	101.546	
43 except 430	III OPERATING LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451		67.691	618.354	0
431	1. Suppliers – parent companies and subsidiaries in the country	452				
432	2. Suppliers – parent companies and subsidiaries abroad	453				
433	3. Suppliers – other affiliated companies in the country	454				
434	4. Supplier – other affiliated companies abroad	455				
435	5. Suppliers in the country	456	52	47.398	180.837	
436	6. Suppliers abroad	457	53	125	415.144	
439	7. Other operating liabilities	458	54	20.168	22.373	
44, 45 and 46	IV OTHER SHORT-TERM LIABILITIES	459	55	52.967.732	12.090	
47	V LIABILITIES FOR VALUE ADDED TAX	460	56	0	30.505	
48	VI LIABILITIES FOR OTHER TAXES, BENEFITS AND OTHER DUTIES	461	57,58	1.540	8.929.626	
49 except 498	VII ACCRUED COSTS AND DEFERRED REVENUES	462	59	64.028	92.466	
	E. LOSS BEYOND THE AMOUNT OF CAPITAL (0412 + 0416 + 0421 – 0420 – 0417 – 0415 – 0414 – 0413 – 0411 – 0402) ≥ 0 = (0441 + 0424 + 0442 – 0071) ≥ 0	463		0	0	
	F. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 – 0463) ≥ 0	464		82.315.051	92.087.327	0
89	G. OFF-BALANCE SHEET LIABILITIES	465	60	372.942	649.072	

REPORT ON THE REMAINING RESULT, for the period from 01/01/2019 to 31/03/2019

REPORT ON THE REMAINING RESULT
for the period 01/01/2019 to 31/03/2019

- in 000 dinars -

Group of Accounts Account	POSITION	AOP	Note no.	Amount	
				Current year	Previous year
				Quarter (01/01-31/03/2019)	Quarter (01/01-31/03/2019)
1	2	3	4	5	7
	A. NET OPERATING RESULT				
	I. NET PROFIT (AOP 1064)	2001	28	31.471	444.380
	II. NET LOSS (AOP 1065)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified in the Profit and Loss Account in future periods				
	1. Revalorization changes of intangible assets, property, plants and equipment				
330	a) increase of revalorization reserves	2003			
	b) decrease of revalorization reserves	2004		0	0
	2. Actuarial gains and losses from plans of defined income				
331	a) gains	2005			
	b) losses	2006			
	3. Gains and losses from investment in equity instruments				
332	a) gains	2007			
	b) losses	2008			
	4. Gains or losses from the stake in the remaining comprehensive gain or loss of associated companies				
333	a) gains	2009			
	b) losses	2010			
	b) Items that will be reclassified later in the Profit and Loss Account in future periods				
	1. Gains or losses from the conversion of financial reports on foreign operations				
334	a) gains	2011			
	b) losses	2012			
	2. Gains or losses from hedging instruments used to protect net investments in				
335	a) gains	2013			
	b) losses	2014			
	3. Gains or losses from cash flow risk hedging instruments				
336	a) gains	2015			
	b) losses	2016			
	4. Gains and losses from securities available for sale				
337	a) gains	2017			
	b) losses	2018			
	I. OTHER GROSS COMPREHENSIVE PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) – (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			0
	II. OTHER GROSS COMPREHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) – (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		0	0
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS OF THE PERIOD	2021			
	IV. NET OTHER COMPREHENSIVE PROFIT (2019 – 2020 – 2021) ≥ 0	2022			0
	V. NET OTHER COMPREHENSIVE LOSS (2020 – 2019 + 2021) ≥ 0	2023		0	0
	B. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD				
	I. TOTAL NET COMPREHENSIVE PROFIT (2001 – 2002 + 2022 – 2023) ≥ 0	2024		31.471	444.380
	II. TOTAN NET COMPREHENSIVE LOSS (2002 – 2001 + 2023 – 2022) ≥ 0	2025		0	0
	C. TOTAL NET COMPREHENSIVE PROFIT OR LOSS (2027 + 2028) = AOp 2024 ≥ 0 or AOP 2025 > 0	2026		31.471	444.380
	1. Accrued to major equity owners	2027			
	2. Accrued to owners that do not have control	2028			

REPORT ON THE CHANGES IN CAPITAL for the period 01/01/2019 to 31/03/2019



REPORT ON THE CHANGES IN CAPITAL for the period 01/01 to 31/03/2019

- in 000 dinars -

No.	Description	Components of capital										Components of the remaining result										Total capital Σ (row 16 column 3 to column 15) ≥ 0	Loss beyond capital Σ (row 1a column 3 to column 15) Σ (row 16 column 3 to column 15) ≥ 0								
		30	31	32	35	047/ 237	34	330	331	332	333	334/ 335	336	337	338	339	340	341	342												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19													
	Opening balance 01/01/2018																														
1	a) debit balance	4001	4019	4037	4055	4073	4091	4109	4127	4145	4163	4181	4199	4217	4235	0	4244	0													
	b) credit balance	4002	20.573.610	4020	4038	5.254.126	4056	0	4074	0	4092	3.267.110	4110	596.114	4128	17.482	4146	0	4164	0	4182	0	4200	0	4218	0	4236	0	29.708.442	0	
2	Adjustment of materially significant errors and changes of accounting policies																														
	a) debit balance adjustment	4003	0	4021	0	4039	0	4057	0	4075	0	4093	0	4111	0	4129	0	4147	0	4165	0	4183	0	4201	0	4219	0	4237	0	4245	0
	b) credit balance adjustments	4004	0	4022	0	4040	0	4058	0	4076	0	4094	0	4112	0	4130	0	4148	0	4166	0	4184	0	4202	0	4220	0	4238	0	4246	0
3	Adjusted opening balance on 01/01/2018																														
	a) adjusted debit balance (1a + 2a - 26) ≥ 0	4005	0	4023	0	4041	0	4059	0	4077	0	4095	4113	0	4131	0	4149	0	4167	0	4185	0	4203	0	4221	0	4239	0	4247	0	
	b) adjusted credit balance (1b - 2a + 26) ≥ 0	4006	20.573.610	4024	0	4042	5.254.126	4060	0	4078	0	4096	3.267.110	4114	596.114	4132	17.482	4150	0	4168	0	4186	0	4204	0	4222	0	4240	0	29.708.442	0
4	Changes in the previous year of 2018																														
	a) turnover on the debit side of the account	4007	470.040	4025	0	4043	0	4061	0	4079	265.416	4097	3.267.110	4115	25.937	4133	192	4151	0	4169	0	4187	0	4205	0	4223	0	4238	408.487	4247	0
	b) turnover on the credit side of the account	4008	1.160.732	4026	0	4044	1.102.330	4062	0	4080	0	4098	53.162.398	4116	0	4134	0	4152	0	4170	0	4188	0	4206	0	4224	0	4239	51.805.252	4248	0
5	Closing balance at the end of the previous year, on 31/12/2018																														
	a) debit balance (3a + 4a - 46) ≥ 0	4009	0	4027	0	4045	0	4063	0	4081	265.416	4099	0	4117	0	4135	0	4153	0	4171	0	4189	0	4207	0	4225	0	4239	265.416	4248	0
	b) credit balance (3b - 4a + 46) ≥ 0	4010	21.264.302	4028	0	4046	6.356.456	4064	0	4082	0	4100	53.162.398	4118	570.177	4136	17.290	4154	0	4172	0	4190	0	4208	0	4226	0	4240	81.370.623	4249	0
6	Adjustment of materially significant errors and changes of accounting policies																														
	a) debit balance adjustment	4011	0	4029	0	4047	0	4065	0	4083	0	4101	0	4119	0	4137	0	4155	0	4173	0	4191	0	4209	0	4227	0	4240	0	4249	0
	b) credit balance adjustments	4012	0	4030	0	4048	0	4066	0	4084	0	4102	0	4120	0	4138	0	4156	0	4174	0	4192	0	4210	0	4228	0	4241	0	4250	0
7	Adjusted opening balance at the beginning of the current year, on 01/01/ 2019																														
	a) adjusted debit balance (5a + 6a - 66) ≥ 0	4013	0	4031	0	4049	0	4067	0	4085	265.416	4103	0	4121	0	4139	0	4157	0	4175	0	4193	0	4211	0	4229	0	4241	265.416	4250	0
	b) adjusted credit balance (5b - 6a + 66) ≥ 0	4014	21.264.302	4032	0	4050	6.356.456	4068	0	4086	0	4104	53.162.398	4122	570.177	4140	17.290	4158	0	4176	0	4194	0	4212	0	4230	0	4242	81.370.623	4251	0
8	Changes in the current year of 2019																														
	a) turnover on the debit side of the account	4015	0	4033	0	4051	0	4069	0	4087	0	4105	53.162.398	4123	0	4141	0	4159	0	4177	0	4195	0	4213	0	4231	0	4242	53.162.398	4251	0
	b) turnover on the credit side of the account	4016	0	4034	0	4052	0	4070	0	4088	0	4106	31.471	4124	0	4142	0	4160	0	4178	0	4196	0	4214	0	4232	0	4242	31.471	4251	0
9	Balance on 31/03/2019																														
	a) debit balance (7a + 8a - 86) ≥ 0	4017	0	4035	0	4053	0	4071	0	4089	265.416	4107	4125	0	4143	0	4161	0	4179	0	4197	0	4215	0	4233	0	4243	0	4252	0	
	b) credit balance (7b - 8a + 86) ≥ 0	4018	21.264.302	4036	0	4054	6.356.456	4072	0	4090	0	4108	31.471	4126	570.177	4144	17.290	4162	0	4180	0	4198	0	4216	0	4234	0	4244	27.974.280	4252	0

CASH FLOW STATEMENT for the period 01/01/2019 to 31/03/2019

CASH FLOW STATEMENT

for the period 01/01/2019 to 31/03/2019

- in 000 dinars -

Position	AOP	Note no.	Amount	
			Current year	Previous year
1	2	3	4	5
A. OPERATING CASH FLOW				
I. Operating cash inflow (1 to 3)	3001		850.965	2.348.745
1. Sales and received prepayments	3002		838.602	2.104.739
2. Operating interest received	3003		734	892
3. Other regular operating cash - outgoing	3004		11.629	243.114
II. Operating cash - incoming(1 to 5)	3005		9.747.766	1.588.847
1. Payments to suppliers and prepayments given	3006		565.440	447.768
	3007		22.901	880.719
3. Paid interest	3008		2.871	3.453
4. Profit tax	3009		9.019.667	132.016
5. Cash outgoing for other public revenues	3010		136.887	124.891
III. Net operating cash - incoming (I-II)	3011			759.898
IV. Net operating cash outgoing (II-I)	3012		8.896.801	
B. INVESTMENT CASH FLOW				
I. Incoming cash from investment activities(1 to 5)	3013		1.452.843	18.878
1. Sale of stocks and shares (net inflow)	3014			
2. Sale of intangible assets, property, plant, equipment and biological resources	3015			
3. Other financial placements (net inflow)	3016		1.441.464	
4. Received interests from investment activities	3017		11.379	18.878
5. Received dividends	3018			
II. Cash outgoing from investment activities (1 to 3)	3019		15.331	1.460.675
1. Purchase of stocks and shares (net outflow)	3020			
2. Purchase of intangible assets, property, plant, equipment and biological resources	3021		15.331	664.155
3. Other financial placements (net outflow)	3022			796.520
III. Net cash incoming from investment activities (I-II)	3023			
IV. Net cash outgoing from investment activities (II-I)	3024			1.441.797
C. FINANCIAL CASH FLOW				
I. Cash incoming from financing activities (1 to 5)	3025		0	0
1. Increase of basic capital	3026			
2. Long-term loans (net outflow)	3027			
3. Short-term loans (net inflow)	3028			
4. Other long-term liabilities	3029			
5. Other short-term liabilities	3030			
II. Cash outgoing from financing activities (1 to 6)	3031		159.738	11.866
1. Repurchase of own stocks and shares	3032			
2. Long-term loans (outflow)	3033		11.840	11.866
3. Short-term loans (outflow)	3034			
4. Other liabilities (outflow)	3035		147.898	
5. Financial leasing	3036			
6. Paid dividends	3037			
III. Net cash incoming from financing activities (I-II)	3038		0	0
IV. Net cash outgoing from financing activities (II-I)	3039		159.738	11.866
D. TOTAL CASH INCOMING (3001 + 3013 + 3025)	3040		2.303.808	2.367.623
E. TOTAL CASH OUTGOING (3005 + 3019 + 3031)	3041		9.922.835	3.061.388
F. NET CASH INCOMING (3040 – 3041)	3042		0	
G. NET CASH OUTGOING (3041 – 3040)	3043		7.619.027	693.765
H. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	3044		61.394.573	2.386.010
I. POSITIVE FOREIGN EXCHANGE DIFFERENCES BASED ON THE CONVERSION	3045			184
J. NEGATIVE FOREIGN EXCHANGE DIFFERENCES BASED ON THE CONVERSION	3046		31.701	5.492
K. CASH AT THE END OF THE ACCOUNTING PERIOD	3047		53.743.845	1.686.937
(3042 – 3043 + 3044 + 3045 – 3046)				

**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE**

**NOTES TO THE FINANCIAL STATEMENTS
March 31, 2019**

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

1. COMPANY ESTABLISHMENT AND BUSINESS OPERATIONS

1.1. Company's background

The Joint Stock Company Airport Nikola Tesla Belgrade (hereinafter: "the Company") was established with the aim of providing airport services (landing, taking off, taxiing and parking of aircraft, acceptance and dispatch of aircraft, passengers and goods). In addition to the main activity of providing airport services, the Company performs other services at the airport complex, which also meet the needs of service users, domestic and foreign airlines.

The operations of the Airport date from March 25, 1928 at Bežanijska kosa location, and operations in today's location (Surčin) began in 1962.

By the decision of the Government of the Republic of Serbia in 1992, the airport was re-registered as the Public Enterprise Airport "Belgrade", and in 2006, also by the decision of the Government, it received the name Public Enterprise Airport Nikola Tesla Belgrade.

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

Following the change of legal form, the Company continued to operate under the full name of the Joint Stock Company Airport Nikola Tesla Belgrade.

By the Decision of the Business Registers Agency No. BD 7651/2011 dated 24/01/2011, the entry of the open joint-stock company Airport Nikola Tesla Belgrade was registered in the register of business entities.

On January 05, 2018, the Decision on the selection of the most favorable tender in the procedure for granting concessions for financing, development through the construction and reconstruction, maintenance and management of the infrastructure of the JSC Airport Nikola Tesla Belgrade was made and the activity of an airport operator registered with the Ministry of Construction, Transport and Infrastructure under number: 023 -00-1 / 2018-12 dated January 05, 2018 and with ANT under the number: DG 111/2018 dated January 5, 2018. The most favorable bidder selected is "Vinci Airports SAS France".

On March 22, 2018, a Concession Agreement was signed for financing, development through the construction and reconstruction, maintenance and management of the infrastructure of the JSC Airport Nikola Tesla Belgrade and performance of the operation of the airport operator at the Airport Nikola Tesla Belgrade, between the Government as a representative of the Republic of Serbia, JSC Airport Nikola Tesla Belgrade, and Vinci Airports Serbia d.o.o. Belgrade and "Vinci Airports SAS France".

Provisions of the Concession Agreement provides for a number of preconditions for both parties in the Transition period, which fulfillment in due time means that the conditions are met so that the concession may start on the Concession Commencement Date.

By fulfilling all previous conditions including the payment of the upfront concession fee in the amount of 501.000.000 EUR to the account of the JSC Airport Nikola Tesla Belgrade, executed by Vinci Airports Serbia doo Beograd on December 1, 2018, conditions were met for the concession to begin on the Concession Commencement Date, on December 22, 2018.

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

On December 22, 2018 - the airport certificate was transferred from the JSC Airport Nikola Tesla Belgrade to Vinci Airports Serbia d.o.o. Belgrade.

From the Concession Commencement Date on Dec. 22, 2018, Vinci Airports Serbia d.o.o. Belgrade took over the management of the Airport and performing air traffic services and from that date the JSC Airport Nikola Tesla changed the main activity from air traffic services (52.23) to renting and managing their own or leased real estate (68.20), with the primary task of being the owner of all the movable and immovable property granted under the Concession Agreement for the use and management of VINCI Airports Serbia d.o.o. Belgrade, monitors the implementation of the Concession Agreement in accordance with the Law on Public-Private Partnership and Concessions with accompanying bylaws. From December 22, 2018 - the Concession Commencement Date, the JSC Airport Nikola Tesla Belgrade is not the airport operator, and changed the core business of the Company.

From December 22, 2018 - the Concession Commencement Date, the core business of the JSC Airport Nikola Tesla Belgrade is 68. 20 - renting and managing their own or leased real estate. The company performs foreign trade activities and performs services in foreign trade. In addition to the core business and other activities listed above, the Company may also perform all other activities that are not prohibited by law, including foreign trade, regardless of whether these activities are determined by the founding act or statute. The Company performs activities of general interest.

<i>Head office</i>	11180 Belgrade 59, Surčin
<i>Identification number</i>	07036540
<i>Tax identification number</i>	100000539
<i>Code and business name until 21/12/2018</i>	52 . 23 - Air traffic service activities
<i>Code and business name from 22/12/2018</i>	68 . 20 - Renting and managing their own or leased real estate

According to the criteria for classification from the Law on Accounting, the JSC Airport Nikola Tesla Belgrade is classified as a large legal entity.

1.2. Management structure

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

The Assembly is comprised of shareholders of the Company who have the right to participate in the work of the Assembly. The shareholder who owns 35026 ordinary shares has the right to participate in the work of the Assembly.

The Supervisory Board consists of five (5) members, of which at least one member is independent from the Company.

Members of the Supervisory Board are appointed by the Assembly of the Company. The Supervisory Board is obliged to establish an audit committee and may, if necessary, form other commissions that assist it in its work. The Supervisory Board committees have at least three members, and one of these members must always be an independent member of the Supervisory Board.

The Executive Board consists of three (3) Executive Directors including the Managing Director .

The Executive Directors are appointed by the Supervisory Board of the Company.

1.3. Ownership structure

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

On July 9, 2010, the Government of the Republic of Serbia passed the Decision No. 023-9103 / 2010-1, according to which the right to transfer 16,85% of the ownership of the Company was acquired by

citizens of the Republic of Serbia, employees and former employees of the Company. After the transfer of the right to free shares to citizens, employees and former employees, the

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

Republic of Serbia owns 28,511,988 ordinary shares, representing 83.15% of the total share capital of the Company.

By the decision on admission of shares to Listing A-Prime market 04/4 No. 478/11 dated 28 January 2011, the Company's shares were admitted to Listing A of the Belgrade Stock Exchange. Trade of shares of the Company on the Belgrade Stock Exchange started 07/02/2011.

As of December 31, 2018, 35,026,129 ordinary shares were registered with the Central Registry of Securities with the right to vote with a nominal value of RSD 600.00. The Republic of Serbia owns 29,247,317 ordinary shares, which represents 83,50% of the total share capital of the Company, while the other shareholders have 5,778,129 ordinary shares, which represents 16.50% of the total share capital of the Company.

1.4. Number of employees and engaged persons

At the balance sheet date 31 March 2019 the Company had 34 employees, out of whom 32 are permanent employees and 2 workers are engaged in temporary and occasional work (on 31 December 2018, the Company had 3 of employees, out of whom 3 employees are permanently employed with the Company).

During I-III 2019, the average number of engaged employees in the Company based on the situation at the end of each month was 33, out of whom the average number of employees in the Company is 31 employees (29 full-time and 2 fixed-term employees) and on average 2 workers employed for temporary and occasional jobs. (In the course of 2018 the average number of employees engaged by the Company at the end of each month was 2 227, of whom the average number of employees in the Company was 1 556 (1.092 full-time employees, 464 fixed-term employees), on average 276 workers engaged in temporary and occasional jobs and 395 workers engaged through youth cooperatives.)

2. BASIS FOR COMPOSITION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1 Basis for the preparation and presentation of financial statements

Financial Statements for I- III 2019 were compiled in a manner and in accordance with the legal regulations and established at the session of the Supervisory Board of the Company on 15/05/2019.

Legal entities and entrepreneurs in the Republic of Serbia are obliged to keep business books, recognize and evaluate assets and liabilities, income and expenses, compile, display, submit and disclose financial statements in accordance with the Law on Accounting (hereinafter "the Law" published in "Official Gazette of the Republic of Serbia", No. 62/2013), as well as in accordance with other applicable by-laws. The company, as a large legal entity, is obliged to apply the International Financial Reporting Standards ("IFRS"), which within the meaning of the said law include: Framework for preparation and presentation of financial statements ("Framework"), International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") and related interpretations issued by the IFRIC, subsequent amendments to those standards and related interpretations approved by the International Accounting Standards Board ("IASB"), whose translation is determined and published by the Ministry in charge of finance.

By the decision of the Ministry dated 13 March 2014, published in the Official Gazette of the Republic of Serbia No. 35 dated March 27, 2014 (hereinafter referred to as the "Decision on determining the translation"), published translations of the basic texts of the IAS and IFRS, the Conceptual the Financial Reporting Framework ("Conceptual Framework"), adopted by the Board, as well as related IFRIC interpretations. These translations published in the Translation Decision do not include bases for concluding, illustrative examples, guidelines, comments, contradictions, elaborated examples, as well as other supplementary explanatory material that can be adopted in

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

relation to standards or interpretations, unless explicitly does not state that this material is an integral part of the standard or interpretation. Pursuant to the Decision on the Definition of Translation, the conceptual framework, IAS, IFRS, IFRIC and related interpretations that have been translated are applied from the financial statements that are compiled on December 31, 2014. The revised or issued IFRS and interpretation of the standards, after this date, have not been translated and published, and therefore have not been applied for the preparation of the accompanying financial statements.

However, until the date of drawing up the accompanying financial statements, all amendments to the IAS / IFRS and IFRIC Interpretations that were in force for the annual periods beginning on or after 1 January 2015 have not been translated. In addition, certain laws and regulations regulate accounting procedures, valuations and disclosures that in some cases deviate from the requirements of IAS/ IFRS and IFRIC Interpretations.

In addition, the accompanying financial statements deviate from IAS and IFRS at the following points:

- Deviations from IAS 1 "Presentation of Financial Statements" and IAS 16 "Property, Plant and Equipment" in the treatment and recording of the effects of the valuation of capital, the main part of which is the valuation of the value of property, equipment and investment property. Namely, in accordance with Article 27 of the Independent Articles of the Law on Amendments to the Law on the Right to Free Shares and the Financial Benefit of Citizens in the Privatization Procedure ("Official Gazette of RS" No. 30/2010), the founder of the Company was obliged to ensure that by June 30, 2010, the Company changes the legal form and discloses its share capital in shares of a nominal value based on the adjusted book value of capital. Pursuant to the above, after the valuation procedure of the capital, bookings of estimated values of assets and liabilities in favor of revaluation reserves were made. Pursuant to the Decision of the Board of Directors of the Company No. 04-100 / 1 of May 31, 2010 on capital increase, and the Decision of the Government of the Republic of Serbia No. 023-4175 / 2010 of 4 June 2010 on granting consent to the said Decision on Increasing the Basic capital from own funds by conversion of reserves and retained earnings to the share capital of the Public Enterprise Airport Nikola Tesla Belgrade, the Company recorded in the books the increase in state capital on January 1, 2010, by adjusting the initial balance by way of reducing the remaining capital, reserves, revaluation reserves and retained earnings. The said accounting treatment deviates from the requirement of IAS 16 "Property, plant and equipment" according to which: 1) the result of the revaluation is attributed directly to the capital, within the scope of the revaluation reserve, or recognized as income in the income statement up to the amount to which the revaluation reduction of the same assets previously recognized as an expense, as well as in the part by which 2) revaluation reserves that are an integral part of the capital related to real estate, plant and equipment can be transferred directly to the retained earnings when the asset ceases to be recognized. Due to the aforementioned recognition of the valuation in the accompanying financial statements in accordance with these acts, it is inconsistent with the requirements of IAS 1 "Presentation of Financial Statements" and IAS 16 "Property, Plant and Equipment".

- According to the Ministry's opinion, the participation of employees in profit is recorded as a decrease in retained earnings, not as a result of the results of the current period, as required by IAS 19 "Employee Benefits" .

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

In accordance with the aforementioned, and having in mind the potential material effects that the derogation of the accounting regulations of the Republic of Serbia from IFRS and IASs may have on the reality and objectivity of the Company's financial statements, the accompanying financial statements cannot be considered as financial statements prepared in accordance with IFRS and IAS.

The published standards and interpretations that entered into force in the current period under the Decision on determining the translation are disclosed in note 2.2. Published standards and interpretations in force in the current period that have not yet been officially translated and adopted are disclosed in note 2.3. Published standards and interpretations that are not yet in use are disclosed in Note 2.4.

The financial statements have been prepared in accordance with the historical cost principle, unless otherwise stated in the accounting policies set out below.

In compiling these financial statements, the Company applied the accounting policies set out in Note 3.

In accordance with the Accounting Law, the financial statements of the Company are expressed in thousands of RSD. Dinar represents the official reporting currency in the Republic of Serbia.

2.2. Published standards and interpretations that came into force on the basis of the Decision on determining the translation

- Amendments to IFRS 7 "Financial Instruments: Disclosures" - Amendments to Improve Disclosure of Fair Value and Liquidity Risk (Revised March 2009, effective for annual periods beginning on or after 1 January 2009);
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Additional exemptions for first-time adopters of IFRSs. The changes relate to assets in the oil and gas industry and determining whether the contracts contain leasing (revised July 2009, effective for annual periods beginning on or after 1 January 2010);
- Amendments to various standards and interpretations are the result of the IFRS Annual Qualifications Improvement Project of April 16, 2009 (IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 39, IFRIC 16, primarily with the intention of removing non-compliance and clarification of the wording in the text (amendments to the standards enter into force for annual periods beginning on or after 1 January 2010, and the amendment to the IFRIC on or after 1 July 2009);
- Amendments to IAS 38 "Intangible Assets" (effective for annual periods beginning on or after 1 July 2009);
- Amendments to IFRS 2 "Share Payments": Changes as a result of the IFRS Annual Qualitative Improvements Project (revised April 2009, effective for annual periods beginning on or after 1 July 2009) and changes relating to payment transactions of the cash-based group shares (revised June 2009, effective for annual periods beginning on or after 1 January 2010);

- Amendments to IFRIC 9 "Reassessment of Embedded Derivatives" shall enter into force for annual periods beginning on or after 1 July 2009 and IAS 39 "Financial Instruments: Recognition and Measurement" - Embedded Derivatives (effective for annual periods beginning on day or after June 30, 2009);
- IFRIC 18 "Transfer of funds from customers" (effective for annual periods beginning on or after 1 July 2009);

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

- "Comprehensive Framework for Financial Reporting in 2010", which is a change to the "Framework for preparing and presenting financial statements" (valid for the transfer of funds from customers received on or after September 2010);
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Limited Exemption from Comparative Disclosures Required by IFRS 7 with First-time Adopters (effective for annual periods beginning on or after 1 July 2010);
- Amendments to IAS 24 "Related Party Disclosures" - Simplified disclosure requirements for persons under (significant) control or government influence and clarification of the definition of a related party (effective for annual periods beginning on or after 1 January 2011);
- Amendments to IAS 32 "Financial Instruments: Presentation" - Accounting Inclusion of a Preferential Right for New Shares (effective for annual periods beginning on or after 1 February 2010);
- Amendments to the various standards and interpretations "Improvements to IFRSs (2010)" are the result of the IFRS 1 IFRS 1 IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13 project, an annual qualitative improvement of IFRSs, the intent to remove disagreements and clarify the wording in the text (most of the amendments will be effective for annual periods beginning on or after 1 January 2011);

2. BASIS FOR COMPOSITION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD (continued)

2.2. Published Standards and Interpretations that came into force on the basis of the Decision on Determining the Translation (continued)

- Amendments to IFRIC 14 "IAS 19 - Limit of Defined Benefits, Minimum Requirements for Financing and Interaction" Advance Payment of the Minimum Funding Requirements (effective for annual periods beginning on or after 1 January 2011);
- IFRIC 19 "Imposing Financial Liabilities to Equity Instruments" (effective for annual periods beginning on or after 1 July 2010);
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Great hyperinflation and removal of fixed dates for first-time adopters (effective for annual periods beginning on or after 1 July 2011);
- Amendments to IFRS 7 "Financial Instruments: Disclosures" - Transfer of Financial Assets (effective for annual periods beginning on or after 1 January 2011);

- Amendments to IAS 12 "Taxes on Profit" - Deferred tax: recovery of funds used for taxation (effective for annual periods beginning on or after 1 January 2012);
- IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 12 "Disclosure of Stakes in Other Legal Entities" (effective for annual periods beginning on or after 1 January 2013);

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

- Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosures of Stakes in Other Legal Entities: Transitional Application Instructions" (effective for annual periods beginning on or after 1 January 2013);
- IAS 27 (revised 2011) "Individual Financial Statements" (effective for annual periods beginning on or after 1 January 2013);
- IAS 28 (revised 2011) "Investments in Associated Legal Entities and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013);
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Government loans at an interest rate lower than the market (effective for annual periods beginning on or after 1 January 2013);
- Amendments to IFRS 7 "Financial Instruments: Disclosures" - Netting of Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013);
- Amendments to IAS 1 "Presentation of Financial Statements" - Presentation of items of other overall results (effective for annual periods beginning on or after 1 July 2012);
- Amendments to IAS 19 "Employee Benefits" - Improvements in the accounting inclusion of benefits after termination of employment (effective for annual periods beginning on or after 1 January 2013);
- Annual improvements for the period 2009-2011 were issued in May 2012 relating to various IFRS improvement projects (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34), mainly on the elimination of inconsistencies and clarification of formulations (effective for annual periods beginning on or after 1 January 2013);
- IFRIC 20 "Costs of Coal Overburden in the Production Phase of Open-pit Mines" (effective for annual periods beginning on or after 1 January 2013);

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

On the date of the publication of these financial statements, the standards and amendments to the standards listed below were issued by the International Accounting Standards Board and the following interpretations were published by the International Financial Reporting Interpretation Committee, but not officially adopted in the Republic of Serbia:

- Amendments to IAS 32 "Financial Instruments: Presentation" - Breakdown of Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Participation in Other Entities" and IAS 27 "Individual Financial Statements" - Exemption of subsidiaries from consolidation under IFRS 10 (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IAS 36 - "Impairment of Assets" Disclosures of recoverable amounts for non-financial assets (effective for annual periods beginning on or after 1 January 2014).

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

- Amendments to IAS 39 "Financial Instruments" - Recovery of derivatives and continuation of hedge accounting (effective for annual periods beginning on or after 1 January 2014).
- IFRIC 21 "Duties" (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Benefits (effective for annual periods beginning on or after 1 July 2014).
- Annual improvements for the period 2010 to 2012 as a result of the IFRS 2 IFRS 2 (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) for the elimination of non-compliance and clarification of the formulations (effective for annual periods beginning on or after 1 July 2014).
- Annual improvements for the period 2011-2013, as a result of the Project for the Annual Qualitative Improvements to IFRSs (IFRS 1, IFRS 3, IFRS 13 and IAS 40) elimination of non-compliance and clarification of formulations (effective for annual periods beginning on or after 1 July 2014).
- Amendments to IFRS 11 "Joint Operations" - Accounting for Acquiring Stakes in Joint Operations (effective for annual periods beginning on or after 1 January 2016).
- IFRS 14 "Accounts of Regulative Prepayments and Deferred Expenses" (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Interpretation of Acceptable Depreciation Methods (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture - Industrial Plants (effective for annual periods beginning on or after 1 January 2016).

- Amendments to IAS 27 "Individual Financial Statements" - Share method in individual financial statements (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10, IFRS 12 and IAS 28 "Investment Companies: Application of Exceptions to Consolidation". Amendments clarify that a parent company may be exempt from the obligation to prepare consolidated financial statements if it is simultaneously a subsidiary of an investment firm, even if the investment firm assesses investments in all its subsidiaries at fair value in accordance with IFRS 10. As a result of these amendments, IAS 28 has been amended to clarify the exemption from the application of the method of stake (i.e. retention of measurement at fair value) that applies to the investor in an associate or joint venture if it is a subsidiary of an investment firm that measures all its investments in subsidiaries at fair value. (Amendments are applied retroactively for annual periods beginning on or after 1 January 2016 with allowed earlier application.)
- Amendments to Different Standards "Improvements to IFRSs" (for the period from 2012 to 2014) resulting from the Project for the Annual Qualitative Improvements to IFRSs (IFRS 5, IFRS 7, IAS 19 and IAS 34) to eliminate non-compliance and clarification of formulations (in force for annual periods beginning on or after 1 January 2016).
- IFRS 9 "Financial Instruments" and later amendments, replacing the requirements of IAS 39 "Financial Instruments: Recognition and Measurement", relating to the classification and measurement of financial assets. The standard eliminates existing categories from IAS 39 - held-to-maturity assets, available-for-sale assets, loans and receivables. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with allowed earlier application;

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

- In accordance with IFRS 9, financial assets will be classified in one of the two categories at initial recognition: financial assets valued at amortized cost or financial assets valued at fair value. A financial asset will be recognized at amortized cost if the following two criteria are met: if the assets are related to a business model whose purpose is to charge contracted cash flows and if the contractual terms provide a basis for collection at specified dates of cash flows that are exclusively the principal and interest payments on the remaining principal. All other assets will be valued at fair value. Gains and losses on the valuation of financial assets at fair value will be recognized in the income statement, except for investments in non-traded instruments, where IFRS 9 permits, at initial recognition, subsequently unchanged choice to change all fair values recognized in the other gains and losses in the overall result report. The amount so recognized in the report on the total result will not be able to subsequently be recognized in the income statement;
- IFRS 15 "Revenue from a contract with customers", which defines the framework for revenue recognition. IFRS 15 replaces IAS 18 "Revenues", IAS 11 "Construction Contracts", IFRIC13 "Customer Loyalty Programs", IFRIC15 "Real Estate Agreements" and IFRIC18 "Transfer of funds from customers". IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with prior earlier application;
- Amendments to IFRS 2 "Payments in Shares - Classification and Measurement of Transactions", effective for annual reporting periods beginning on or after January 1, 2018, supported earlier;
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or transfer of funds between an investor and its associated entities or joint ventures. The standard should have been in force for annual periods beginning on or

after 1 January 2016, but in December 2015 the IASB postponed the application to the future date, and the earlier application of the amended standard is permitted;

- Amendments to IAS 7 - "Disclosure Initiative" require entities to disclose such disclosures that enable users of financial statements to assess changes in liabilities arising from financial activities, including changes arising from both cash and non-monetary changes. Amendments to IAS 7 are effective for annual periods beginning on or after 1 January 2017, with the prior permission for application;
- Amendments to IAS 12 "Profit Tax" relating to the identification of deferred tax assets for unrealized losses are applied retrospectively for annual periods beginning on or after January 1, 2017, with supported earlier application.
- Amendments to IFRS 12 due to "IFRS Improvements (Cycle 2014-2016)" arising from the project of the annual improvement of IFRSs (IFRS 1, IFRS 12 and MRS 28) primarily with the aim of removing inconsistencies and clarification of the IFRS amendment 12 apply to annual periods beginning on or after 1 January 2017);
- Amendments to IFRS 4 "Insurance Contracts" - Application of IFRS 9 "Financial Instruments" to IFRS 4 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2018 or when it is first applied to IFRS 9 "Financial instruments")
- Amendments to IAS 40 "Investment Property" - Transfers of investment property (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 1 and IAS 28 as a result of "Improvements to IFRSs (2014-2016)" arising from the IFRS 1 IFRS 1, IFRS 12 and MRS 28 project, primarily with the aim of removing

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

inconsistencies and clarification of the formulation (amendments to IFRS 1 and IAS 28 applies for annual periods beginning on or after 1 January 2018);

- IFRIC 22 "Foreign Currency Transactions and Advance Review" (effective for annual periods beginning on or after 1 January 2018);

2.4. Published standards and interpretations that have not yet come into force

IFRS 16 "Leasing" provides a comprehensive model for identifying leasing arrangements and their treatment in financial statements of both providers and recipients of leases. On the date of entry into force on 1 January 2019, this Standard will replace the following leasing standards and interpretations: IAS 17 "Leasing", IFRIC 4 "Determining whether an arrangement contains leasing", SIC 15 "Operational leasing - incentive" and SIC 27 "Estimation of the substance of the transaction including the legal form of the lease";

3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses

Sales revenue is recognized when the risk and benefit associated with the right of ownership is transferred to the buyer, which implies the date of delivery of the goods to the buyer.

Revenue from services is recognized when the service is performed or proportionally during the performance of the service if it lasts for more than one accounting period.

Lease revenue from operating leases is recognized equally throughout the lease term.

Revenue is stated at the fair value of the assets that are received or will be received, in the net amount after impairment for given discounts and value added tax.

Interest revenue and dividends are recognized in accordance with the principle of origin in favor of the accounting period to which they relate, using the effective interest method.

An appropriate expense (the principle of causation of revenue and expense) is also recognized on the date on which the revenue is recognized.

Operating expenses are recognized in the income statement on the utilization of the acquired service or upon its occurrence.

Expenses are calculated on the basis of the causation of revenues and expenses.

Current maintenance and repair costs of fixed assets are recorded at the expense of the income statement in the accounting period when they occur.

3.2. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are included in the cost of that asset up to that period when, in essence, all activities required to prepare the asset for the intended use or sale have been completed. Qualifying assets are related to assets which necessarily require a significant amount of time to be ready for their intended use.

Revenue from investments made on the basis of the temporary investment of borrowed funds is deducted from the resulting borrowing costs intended to finance the qualifying assets.

All other borrowing costs are recognized in the income statement in the period to which they relate.

3.3. Conversion of assets and liabilities in foreign currencies

Transactions arising in foreign payment instruments are converted into dinars at the middle exchange rate established on the interbank foreign exchange market, valid on the day of the transaction.

Assets and liabilities denominated in foreign currencies at the balance sheet date are converted into dinars at the middle exchange rate established on the interbank foreign exchange market valid on that date.

Positive and negative exchange rate differences arising from business transactions in foreign currencies and in the conversion of monetary items to the balance sheet presented in foreign

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

currencies are credited to or at the expense of the income statement as gains or losses on the basis of foreign exchange differences.

Non-monetary items in the balance sheet are not converted on the balance sheet date but are valued at historical value converted at the exchange rate on the transaction date, except for non-monetary items that are valued at fair value in which case they are converted at the exchange rate on the date of determining fair value "Income and expenses on the basis of exchange rate differentials and the effects of a currency clause", are recorded in the income statement of the observed period.

The middle exchange rates for foreign exchange, determined on the interbank foreign exchange market, applied for the conversion of foreign currency balance sheet items into dinars, for certain major currencies were the following:

Description	31/03/2018	31/12/2018
NBS's middle exchange rate:	RSD value	

EUR	117,972	118,1946
USD	105,0040	103,3893
CHF	105,4451	104,9779
GBP	137,2725	131,1816

Long-term loan liabilities from the EIB are converted to the dinar counter value at the agreed selling rate of the bank.

The bank's selling rate on the date of compilation of the financial statements is shown in the table below:

Description	31/03/2019	31/12/2018
Agreed exchange rate:	RSD value	
EUR - for the loan from EIB	118,5492	118,8281

3.4. Intangible investments

Intangible assets relate to purchased software and licenses and are stated at cost less depreciation and written off using a proportional method over a period of two to ten years.

3.5. Real estate, plant and equipment, biological assets

Property, plant and equipment that meets the requirements for recognition of assets are measured at their cost or cost price. Cost is the invoice value of the purchased assets plus all the costs incurred until they are put into use.

After initial recognition, property, plant and equipment (other than tools and inventory for which the cost model is applied) are stated at the revalued amount that expresses their fair value at the date of

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

revaluation, minus the total amount of the impairment charge on depreciation and the total amount of the revaluation value based on impairment loss.

The fair value of the real estate makes up their market value, which is determined by estimation. Revaluation is carried out only when the fair value of a revalued asset materially differs from its stated value. Revaluation gains are recognized in other gains and losses in favor of revaluation reserves in equity. Up to the amount of previously recognized revaluation losses or impairment losses recognized in the income statement, revaluation gains are recognized in the income statement and the rest of gains are recognized in other gains and losses. Revaluation losses are recognized after valuation or impairment testing, and are recognized in other gains and losses up to the amount of previously recognized revaluation reserves in equity, and the rest of the losses are recognized in the income statement. When assets are disposed of or alienated, the associated revaluation reserve is transferred directly to retained earnings.

The last estimate of the value of property, plant and equipment was made on December 31.

The tool and small inventory, the useful life of which is longer than one year from 01/01/2016, is recognized as a fixed asset regardless of the amount of the individual purchase price. These assets are depreciated according to the estimated useful life.

Gains or losses arising from disposal or alienation are recognized as revenue or expense in the income statement.

3.6. Amortization

Amortization of property, plant and equipment is calculated using the proportional method, during the estimated useful life. The amortization rates used in the business year 2019 as well as the amortization rates calculated on the basis of the useful life of the assets that were applied in 2018 are shown in the table below:

DESCRIPTION	2019	2018
CONSTRUCTIONS	%	%
Electricity and water management constructions		2,27 - 7,14
Roads, airports and car parks		2,22 - 33.33
Other constructions		5,00 - 25,00
Flats given to employees for use	1,49	1,49
Equipment	%	%
New specific equipment		6.67 - 50,00
Road traffic equipment		5- 50,00
PTT and TV traffic equipment		7.14 - 50,00
Air traffic equipment		4 - 50,00
Measurement and control equipment and specific devices		4,00 - 33.33
Laboratory, school and medical equipment and devices		20,00 - 25
Electronic, computing machines and computers		10- 50,00
Furniture and devices for general use		4- 50.00
Road traffic equipment taken on financial leasing		8,33 - 33,33
Plants and equipment		10,00 - 25,00
Tools and inventory		20,00 - 100,00
Intangible investments	%	%
Software and licenses		10,00 - 50,00

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7. Investment property

Investment property is a property that the Company holds as the owner in order to earn profits from the issuance of a real estate or to increase the value of the capital either for one and the other, and not for use for the provision of services or for the purposes of administrative operations or sales in the ordinary course of business. Initial appraisal of an investment property when it is acquired is carried at cost or cost price. After initial recognition, the valuation of an investment property is carried out at fair value at the end of each business year. Positive and negative effects on the change in the fair value of investment property are recorded through the income statement.

The company has engaged an authorized appraiser, to evaluate the value of investment property on December 31, 2018. The fair value of investment property is determined using the yield method - discounted cash flows. On December 31, 2018, the Company reclassified Borik's property investment property to construction property.

3.8. Value impairment

On each balance sheet date, the Company reviews the carrying amounts of its tangible assets in order to determine whether there are indications that there has been any loss due to the impairment of the value of the said asset. If there are such indications, the recoverable amount of the asset is estimated to determine any impairment loss. If it is not possible to estimate the recoverable amount of an asset, the Company assesses the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the net selling price or value in use, whichever is higher. For the purposes of estimating value in use, estimated future cash flows are discounted to the present value using the discount rate before taxation reflecting the current market estimate of the time value of money and the risks specific to that asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, then the carrying amount of that asset (or cash-generating unit) is reduced to recoverable amount. Impairment losses are recognized immediately as an expense, unless the asset is not a land or a building that is not used as an investment property that is stated at the revalued amount, in which case the impairment loss is recognized as a decrease in value resulting from the revaluation of the asset.

In the event of a subsequent reversal of the impairment loss, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated recoverable amount of that asset, where the higher carrying amount does not exceed the carrying amount that would have been established that in previous years there were no recognized losses on that asset (cash-generating unit) due to impairment. Reversal of impairment loss is recognized immediately as income, unless the asset is stated at the estimated value, in which case the reversal of impairment loss is recognized as an increase due to revaluation.

On December 31, 2018, based on the assessment of the Company's management, there are no indications that the value of the assets is impaired.

3.9. Stock

Stock is stated at cost, i.e. cost price or net sales value, whichever is lower.

Net sales value is the price at which the stock can be sold under normal operating conditions after deducting the cost of sales. Purchase value includes value per supplier's invoice, transport and dependent purchase costs.

Calculation of stock output is determined by the method of average weighted purchase price.

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

The stock of goods is recorded at selling prices. At the end of the accounting period, the value of the stock is reduced to the purchase value by allocating the difference in the price calculated on the average basis, between the purchase value of realized goods and inventories at the end of the year.

3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9. Stock (continued)

By calculating other expenses, a change in the value of stocks is carried out in cases where it is estimated that their value should be reduced to the net expected selling value (including stocks with slow-down turnover, redundant and obsolete stocks). Damaged stocks and the stocks that do not conform to standards are written off.

In compliance with the Concession Agreement, on December 22, 2018, the Company handed over its stocks to Vinci Airports Serbia d.o.o. Belgrade that has taken over the management of the Airport and performs services in the air traffic.

3.10. Taxes and contributions

Income tax

Income tax expense in the income statement is the sum of current income tax and deferred income tax, which is not recognized in other gains or losses or directly in equity.

Current income tax receivables and liabilities, or deferred tax assets and liabilities are offset only if the Company has the legal right to offset recognized amounts and if it intends to make the settlement on a net basis or to realize the asset and settle the obligation at the same time.

Current income tax

Assets or liabilities based on current income tax represent liabilities or receivables from fiscal authorities in relation to current or prior periods that have not been realized on the date of these financial statements.

Current income tax is the amount calculated by applying the prescribed tax rate of 15% to the tax base determined by the tax balance, which represents the amount of the pre-tax profit after deduction of the effects of the adjustment of income and expenses, in accordance with the tax regulations of the Republic of Serbia, with the deduction for the prescribed tax credit.

The Law on Profit Tax of the Republic of Serbia does not provide that tax losses from the current period can be used as a basis for tax refunds paid in previous periods. However, the losses reported in the tax balance sheet until 2009 can be used to reduce the tax base for future accounting periods in the next ten years from the day of exercising the rights, and the losses realized and reported in the

tax balance for 2010, and beyond shall be used to reduce the tax base for future accounting periods, but not longer than five years.

The Law on Profit Tax of the Republic of Serbia in the part of tax credit prescribes that taxpayers who have exercised the right to tax incentives referred to in Art. 48 of the earlier law, and disclosed data in the Tax Balance and tax return for 2013, may use that right until the expiry of the time limit and in the manner prescribed by the previous law. According to Article 48, paragraph 5 of the previous law, "the unused portion of the tax credit may be transferred to the tax on profits of future accounting periods up to the prescribed limit of 33% (for large and medium legal entities) but not longer than 10 (ten) years, which is applicable starting from the tax balance for 2003". When

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

determining income tax for 2017 the earliest previous tax period from which an unused tax credit can be used is the tax balance, or the tax credit form (*PK Form*) from 2007. The transferred tax credit is used in the order of investment.

3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10. Taxes and contributions (continued)

Deferred income tax

Deferred tax effects arise as a result of the difference between the bases for the calculation of depreciation according to accounting and tax regulations. Also, this difference also arises from the existence of equipment whose purchase value at the time of procurement was below the average gross salary in the Republic of Serbia, based on unused tax credit, and in other cases where there is a time difference between the creation of a tax liability and the obligation to pay it. Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available for the use of deductible temporary differences. The carrying amount of deferred tax assets is reviewed at the date of the financial statements and adjusted as necessary to comply with the current assessment of taxable profits of future periods.

Deferred tax assets and liabilities are accounted for at a tax rate of 15% whose application is expected in the period when the asset is realized or the obligation is settled.

Deferred tax is charged or credited to the income statement, except when it relates to positions that are credited directly to or in equity, and in this case deferred tax is also allocated within equity.

Taxes and contributions that do not depend on results

Taxes and contributions that do not depend on results include property tax and other taxes and contributions in accordance with the republic, tax and general regulations. These taxes and contributions are shown under other operating expenses.

Tax risks

The tax laws of the Republic of Serbia are often interpreted differently and subject to frequent changes. Interpretation of tax laws by tax authorities in relation to transactions and activities of the Company may differ from the interpretations of the management. As a result, transactions may be challenged by tax authorities and the Company may be assigned an additional amount of taxes, penalties and interest. The period of obsolete tax liability is five years. This practically means that the tax authorities

have the right to determine the payment of outstanding obligations within five years from when the obligation was incurred.

3.11. Benefits for employees

Taxes and contributions to social security funds for employees

In accordance with the regulations applicable in the Republic of Serbia, the Company is obliged to pay contributions to state funds that provide for the social security of employees. These obligations include contributions for employees at the expense of the employer in amounts calculated at rates prescribed by relevant legal regulations. The company is also obliged to suspend contributions from employees' gross salaries and to pay them on behalf of employees. Contributions made at the

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

expense of the employer and contributions made at the expense of employees shall be credited to the expense of the period to which they relate.

Liabilities for severance pay and jubilee awards

According to the Rulebook (number 75 as of 11/01/2019), the Company is obliged to pay the employees:

- Severance pay at retirement in the amount of two average monthly salaries excluding taxes and contributions paid by the Employer in the month prior to the payment of severance pay or two average salaries in the Republic of Serbia according to the law if this is more suitable for the employee.

3.11. Benefits for employees (continued)

- A jubilee award for the total amount of time spent with the Employer in the amount of the average monthly salary without taxes and contributions paid by the Employer for the month preceding the month in which the employee gained the right to the jubilee award for:
 - 10 years of service - in the amount of one monthly salary;
 - 20 years of service - in the amount of two monthly salaries;
 - 30 years of service - in the amount of three monthly salaries;
 - 35 years of service for women and men - in the amount of four monthly salaries;

At the end of each business year, the Company assesses provisions for severance payments and jubilee awards in accordance with the requirements of MRS-19- Employees' Salaries.

The Company has engaged a certified actuary to assess the provision for retirement severance pays and jubilee awards as of December 31 2018 on the basis of the Collective Agreement, adopted on 12/02/2015 which stipulates that the Company has an obligation to pay its employees:

- Retirement severance pay in the amount of four average monthly salaries excluding taxes and contributions paid by the Employer in the month prior to the payment of severance pay
- Jubilee award for the total amount of time spent with the Employer in the amount of the average monthly salary without taxes and contributions paid by the Employer for the month preceding the month in which the employee gained the right to the jubilee award for:
 - 10 years of service - in the amount of one monthly salary;

- 20 years of service - in the amount of two monthly salaries;
- 30 years of service - in the amount of three monthly salaries;
- 35 years of service for women and men - in the amount of four monthly salaries;

The assumptions used for actuarial calculation and changes in provisions in the current period are disclosed in Note 45.

3.12. Leasing

Leases are classified as finance leases whenever the leasing, the lessee, transferred to the maximum extent all the risks and benefits arising from ownership. Every other lease is classified as an operational lease.

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

The company as a leasing provider

Operating lease revenue (income from rent) is recognized using the linear method during the lease period. Indirect costs incurred in negotiations and contracting an operating lease are added to the carrying amount of the leased asset and are recognized on a pro rata basis during the lease period.

The company as a leasing user

Funds that are held under financial lease agreements are initially recognized as assets of the Company at the present value of minimum lease payments determined at the beginning of the lease period. The corresponding obligation to the lessor is included in the balance sheet as a financial lease obligation.

The payment of a lease payment is allocated between the financial costs and the reduction of lease obligations in order to achieve a constant participation rate in the outstanding amount of the obligation. Financial expenses are recognized immediately in the income statement, unless directly attributable to assets that are being prepared for use, in which case they are capitalized in accordance with the Company's general borrowing costs policy.

An operational lease instalment is recognized as a linear-basis cost over the lease term, unless there is another systematic basis that better reflects the time pattern of spending economic benefits from the leased asset.

In the case when leasing facilities are approved, they are included in the operating lease and are recognized as a liability. The total benefit from the relief is recognized as a reduction in the cost of renting on a linear basis, unless there is another systematic basis that better reflects the time structure of spending the economic benefits of the leased asset.

3.13. Information about business segments

The company performed its business activity as a single business segment, providing airport services until December 21, 2018. Accordingly, information relating to sales revenues by products and services, geographic information on sales revenues, is disclosed at Company level for the period 2018.

3.14. Financial instruments

Any contractual law from which a financial asset and a financial liability or equity instrument arises is recognized as a financial instrument on the settlement date.

In initial recognition, financial assets and financial liabilities are measured at cost, which represents the fair value of the consideration given (in the case of the asset) or received (in the case of liabilities).

Termination of recognition of financial assets is when the contractual rights to cash flows from the financial asset expire or when substantially all risks and rewards are transferred. Termination of recognition of financial liabilities is when the obligation is extinguished, settled, canceled or expired.

Long-term financial placements

Long-term financial investments after initial recognition are measured by:

- fair value, if held for trading,
- amortized value, if they have a fixed maturity,
- at cost, if they do not have a fixed maturity.

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

Long-term financial placements held for trading, for which, due to the lack of an active market, it is not possible to determine market value, are recognized at cost.

Long-term loans to employees are recognized at fair value through discounting using market interest rates.

Short-term receivables and placements

Short-term receivables and placements comprise receivables from sales, other receivables, and short-term placements to employees.

Receivables from sales of services and goods are measured according to values from the original invoice. Invoiced interest on the sale of goods and services is recognized as other receivables and is recorded in revenue in the period in which it arises.

Other receivables and placements arising from an enterprise are measured at amortized cost.

Any difference between the stated amount and the subsequent measurement is recognized as a gain or loss in the period in which it arises.

Impairment of financial assets

On the day of each balance, an assessment of objective evidence of the value of assets is made by analyzing the expected net cash inflows.

All receivables for which there is a reasonable doubt that they will not be charged in the nominal amount shall be subject to an adjustment of the receivables. Direct write-off is done only after the completion of a court dispute or by the decision of the managing authority.

Cash and cash equivalents

Cash and cash equivalents comprise cash in current accounts with banks and in cash, as well as highly liquid investments that reach up to three months after acquisition, which can be quickly converted into known amounts of cash and which are not affected by a significant risk of a change in value.

Financial liabilities

Financial liabilities include long-term liabilities (long-term loans and other long-term liabilities), short-term financial liabilities (short-term loans and other short-term financial liabilities), short-term operating liabilities and other liabilities.

Financial liabilities are initially recognized in the amount of funds received. After the initial recognition of a financial liability, the measurements in the amount by which the liability is initially recognized, minus repayments of the principal, increased by the amounts of capitalized interest and reduced by any write-off approved by the creditor. Liabilities based on interest on financial liabilities are recorded

at the expense of financial expenditure in the period in which they relate and are presented within other short-term liabilities and accrued costs and deferred revenues.

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

3.15. Capital, reserves and payment of profits (dividends)

The share capital consists of the nominal value of the issued shares.

Other capital components include:

- Revaluation reserves based on revaluation of property, plant and equipment
- Actuarial gains and losses on defined benefit plans
- Other reserves

All retained earnings and accumulated losses of this and prior periods are recognized within the retained earnings and losses.

Distributed profit (dividend) is recognized within the liabilities when the Company's Assembly adopts a decision on the distribution of profit.

3.16. Provisions, potential assets and contingent liabilities

Provisions for legal disputes, damages contracts or other claims against the Company are recognized when a legal or constructive obligation arises for the Company as a result of a past event, when there is an outflow of economic benefits from the Company and when the amounts of these outflows can be reliably estimated. The exact time or exact amount of that outflow can still be uncertain.

Restructuring costs are recognized only if there is a detailed formal restructuring plan and the management has communicated the main characteristics of the plan to all the plans on which the plan is affected or the execution of the plan has already commenced. Provisions are not recognized for future operating losses.

Provisions are measured at estimated costs to settle the present obligation, based on the most reliable evidence available at the date of the adoption of the report, including the risks and uncertainties associated with the present obligation. For a number of similar obligations, the probability of the outflow for settlement is determined at the level of the liability class. Provisions are discounted to the present value, in case the amount of discounting is material.

Any compensation in connection with the obligations that the Company is sure to implement from a third party shall be recognized as a separate asset. However, this asset can not be larger than the related provision.

No obligation or provision is recognized unless the outflow of economic benefits from the present liability is not known. Such situations are disclosed as potential liabilities, except in cases where the probability of outflow is low.

3.17. Overview of significant accounting estimates

The presentation of the financial statements requires the Company's management to use the best possible estimates and reasonable assumptions that affect the presented values of assets and liabilities, as well as disclosure of potential receivables and liabilities at the date of drawing up the financial statements, as well as income and expenses during the reporting period. These estimates and assumptions are based on the information available on the day of drawing up the financial statements. Actual amounts may differ from those estimated.

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

Below are the key assumptions about the future and other sources of uncertainty assessment at the balance sheet date that represent a significant risk for material adjustments to the balance sheet items in the next financial year.

3.17.1. Amortization and amortization rates

Amortization and amortization rates are compulsory for the project economic life of real estate, plant and equipment. Once a year, the Company processes the economic life on the current forecasts. In addition, due to the importance of fixed assets in the total assets of the Company, any change in the above assumptions can lead to material effects on the financial position of the Company, as well as on the financial result. In accordance with the accounting policy of the Company for subsequent appraisal of real estate, plant and equipment, these are recognized according to the revaluation model that expresses their fair value on the day of revaluation, reduced by the total amount of the value adjustment based on amortization and the total amount of the value adjustment based on the loss due to impairment. The fair value of real estate reflects their market value determined by appraisal. The last appraisal of the real estate, plan and equipment was performed on 31/12/2016. In accordance with IAS 16.31 and legal regulations property appraisal is performed in a period of three to five years. The Company has contracted KPMG d.o.o. Belgrade to perform the appraisal of the JSC Airport Nikola Tesla Belgrade. The appraisal process is expected to finish and the effects on the value of fixed assets, revalued reserves, deferred tax liabilities and amortization costs are expected to be included in a semi-annual report of the JSC Airport Nikola Tesla Belgrade for the year to approach the process of completing the effects of valuation of fixed assets, revaluation reserves, deferred tax liabilities and costs of depreciation of training in the six-month report of AD for the period 2019.

3.17.2. Value adjustment of noncollectable receivables

We calculated the allowance for claims older than 60 days, based on estimated losses due to the inability of the buyer to fulfill the necessary obligations. Our assessment is based on the age analysis of customer receivables, historical write-offs, creditworthiness of our customers and changes in terms of sales, when determining the adequacy of the adjustment of the value of doubtful claims. This includes assumptions about future customer behavior and the resulting future billing. The management believes that no additional allowance for the value of the receivables is required, except for an adjustment of the value already shown in the financial statements.

3.17.3. Court disputes

In general, provisions are significantly subject to estimates. The Company assesses the likelihood of adverse events occurring as a result of past events and estimates the amount needed to settle the obligation. The assessment of potential obligations arising from court proceedings is carried out by internal expert services or external advisers.

Although the Company respects the precautionary principle in assessing, given that there is a large degree of uncertainty, in certain cases actual results may deviate from these estimates.

3.17.4. Fair value

Fair value for disclosure requirements in accordance with the requirements of IFRS 13 is defined as the price that would have been acquired for the sale of assets, or paid for the transfer of an obligation in a regular transaction between market participants on the date of measurement.

The Company's business policy is to disclose information on the fair value of assets and liabilities for which there is official market information and when the fair value varies significantly from the book

value. In the Republic of Serbia there is not enough market experience, nor stability and liquidity in the purchase and sale of receivables and other financial assets and liabilities, as official market information is not available at all times. Therefore, fair value cannot be reliably established in

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

the absence of an active market. The Company's Management also assesses risks in cases when it is estimated that the value at which the property is kept in the books of account will not be realized, it makes a value adjustment. In the opinion of the Company's management, the amounts in these financial statements reflect the value that, in the circumstances, is the most likely and most useful for reporting purposes.

The Company measures the fair value of assets and liabilities using assumptions that market participants would use when determining the price of assets or liabilities, assuming that market participants act in their best economic interest. Fair value is the price that would be charged or paid for the transfer of an obligation in a regular transaction on the primary or most favorable market on the date of measurement, under current market conditions, and regardless of whether this price is directly perceived or estimated using another valuation technique.

The value estimation techniques used to measure the fair value should maximize the use of relevant detectable inputs and minimize the use of non-detectable inputs.

In order to increase consistency and comparability in the measurement of fair value and related disclosures, a fair value hierarchy is identified that classifies in three levels of inputs for value appraisal techniques used in measuring the fair value according to the structure that follows:

Level 1 Inputs are quoted prices (uncorrected) in the active market for identical assets and liabilities the entity has access to on the date of measurement. Level 1 input assumptions relate to the existence of a primary market for assets or liabilities, or, in the absence of a primary market, the most favorable market for assets or liabilities; and whether the entity can realize a transaction for property or a market price obligation on the date of measurement.

Level 2 Inputs are inputs that are not quoted prices included in level 1 that are noticeable for assets or liabilities, either directly or indirectly. These inputs include the following: quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities on non-active markets, non-quoted inputs, if they are noticeable for assets or liabilities and inputs corroborated by the market.

Level 3 Inputs are unobtrusive inputs for assets or liabilities that the entity develops using the best information available in the given circumstances. Therefore, all reasonably available information on the assumptions of market participants is considered. Non-obvious inputs are considered as assumptions of market participants and fulfill the objective of measuring the fair value.

4. REVENUES FROM SELLING GOODS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Revenues from selling drinks in hospitality facilities		444
Revenues from selling fuel on the domestic market	0	0
Revenues from selling crude oil	0	0
Revenues from selling goods on the domestic market	0	444
Revenues from selling goods - kerosene (re-export)	0	0
Revenues from selling fuel on the foreign market	0	0

Revenues from selling goods on the foreign market	0	0
	<u>0</u>	<u>444</u>

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

5. REVENUES FROM SELLING SERVICES

5. REVENUES FROM SELLING SERVICES	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Revenues from selling goods and services on the domestic market	1.329	721.984
Revenues from selling finished goods and services on the foreign market	0	1.155.080
	1.329	1.877.064

Bearing in mind that on December 22, 2018 the concession was started due to which the Company ceased to be an airport operator and the main activity changed, the Company does not realize the revenues from providing airport services that it did in the same period of the previous year.

The Airport's **REVENUES FROM SELLING SERVICES** in the period **January - March 2019** were realized on the basis of re-invoicing of costs of the current period in the amount of RSD 1.330 thousand.

6. OTHER OPERATING REVENUES	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Revenues from lease to domestic legal entities	193.910	
Revenues from lease to foreign legal entities	2.561	
Revenues from periodical concession fee	129.769	
Revenues from trademark	2.125	
	131.894	196.471

7. COST OF GOODS SOLD	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Cost of goods sold - retail	-	278
	0	278

8. COST OF MATERIALS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Cost of raw materials (basic material, tools and inventory, work and official clothes and shoes)		56.384
Cost of overhead supplies (office supplies)	140	482
Cost of overhead supplies (office supplies)		18.661
	140	75.527

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

9. COST OF FUEL AND ENERGY	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Cost of petrol and diesel	195	18.872
Cost of crude oil for heating		15.727
Cost of electricity		46.842
	195	81.441

10. COSTS OF WAGES, SALARIES AND OTHER PERSONAL COSTS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Gross wages and salaries - employees	19.568	520.273
Gross wages and salaries - management		10.585
Taxes and benefit charged to the employer	3.278	95.024
Cost of compensations based on service and author agreement	329	200
Cost of compensation to youth cooperatives and other forms of engagement	1.864	154.202
Cost of compensation for members of the Supervisory Board, Shareholders Assembly, Audit Committee	2.038	2.461
Transportation of employees to work	212	30.991
Business trip costs	9	3.609
Severance pays and jubilee awards		839
Differences in salaries based on the Law on decreasing salaries in the public sector that is transferred to the Budget of RS		49.066
Premiums for voluntary pension insurance		28.783
New Year presents for employees' children - not subject to tax		-
Compensations based on contracts for professional development		263
Solidarity allowance (infants, medical treatment, natural disasters etc.)	185	509
Other personal expenses		-
	27.483	896.805

11. COSTS OF PRODUCTION SERVICES	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
IT services at the check-in of passengers and luggage		9.028
Cost of telephone and other PTT services	451	6.496
Cost of maintenance services	9.290	43.312
Leasing costs	2.827	10.336
Cost of advertising and promotion	1.069	23.367
Cost of hospitality services of lessees - re-billed to airline companies		53
Cost of utility services	140	7.610
Cost of other production services	54	1.455
	13.831	101.657

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

12. AMORTIZATION COST	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Cost of amortization for intangible investments		12.623
Cost of amortization for real estate	179	84.485
Cost of amortization for equipment		161.654
	179	258.762

In accordance with the accounting policy of the Company for subsequent appraisal of real estate, plant and equipment, these are recognized according to the revaluation model that expresses their fair value on the day of revaluation, reduced by the total amount of the value adjustment based on amortization and the total amount of the value adjustment based on the loss due to impairment. The fair value of real estate reflects their market value determined by appraisal. The last appraisal of the real estate, plan and equipment was performed on 31/12/2016. In accordance with IAS 16.31 and legal regulations property appraisal is performed in a period of three to five years. The Company has contracted KPMG d.o.o. Belgrade to perform the appraisal of the JSC Airport Nikola Tesla Belgrade. The appraisal process is expected to finish and the effects on the value of fixed assets, revalued reserves, deferred tax liabilities and amortization costs are expected to be included in a semi-annual report of the JSC Airport Nikola Tesla Belgrade for the year 2019. Accordingly, amortization has been calculated for the apartments given to the concessionaire.

13. COST OF LONG-TERM PROVISIONS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Cost of provisions for severance pay at retirement	-	-
Cost of provisions for jubilee awards	-	-
Cost of provisions for court proceedings	11.000	-
	11.000	-

14. NON-MATERIAL COSTS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Cost of health care services		4.053
Cost of cleaning services		9.093
Cost of other consulting services	1.828	4.950
Cost of various rating services		20.923
Cost of professional development services	101	6.807
Cost of services on the existing computer software	1.260	484
Cost of other non-productive services	5.451	8.286
Cost of representation	287	4.820
Cost of insurance		11.872
Cost of payment transactions	753	1.324
Membership fees	668	2.472
Property tax and other fees	19.405	21.796
Other non-material costs	1.686	11.443
	31.439	108.323



NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

15. INTEREST REVENUES	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Interest for dinar term deposits		7.523
Interest for dinar funds on current accounts	275	304
Interest for foreign currency term deposits	11.367	8.459
Interest for foreign currency funds on current accounts	466	715
Interest on housing loans		1.205
Interest from court resolutions		-
Interest on arrears from untimely payment from customers	1.553	8
	13.661	18.214

16. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Revenues from realized foreign exchange rate differences	11.209	2.124
Revenues from unrealized foreign exchange rate differences	5.589	2.494
Revenues from the effects of the agreed currency clause (realized)	642	25
Revenues from the effects of the agreed currency clause (unrealized)		-
	17.440 (392)	4.643

17. INTEREST EXPENSE	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Interest for long-term loan from EIB	778	7.282
Interest on arrears in the country	22	2.265
Interest for untimely paid public revenues		29
	800	9.576

18. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Negative foreign exchange rate differences - realized	33.997	13.659
Negative foreign exchange rate differences - unrealized	4.197	7.321
Expenses from the effects of the agreed currency clause - realized	685	5
Expenses from the effects of the agreed currency clause - unrealized	354	146
	39.233	21.131

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

19. REVENUES FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
- from individuals for housing loans (reversal of value adjustment due to the collection and the change of the repayment period)		74
Other unspecified revenues	-	-
	-	74

20. EXPENSES DUE TO VALUE ADJUSTMENT OF OTHER ASSETS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Value impairment of receivables from housing loans	-	-
Value adjustment of receivables from customers	-	-
	-	-

21. OTHER REVENUES	I-III 2019	I-III 2018
	y 000 дин.	y 000 дин.
Revenues from selling equipment and materials		107
Revenues from collected adjusted receivables from customers		6
Revenues from reversal of provisions for court litigations and employee benefits	284	2.513
Revenues from damage compensations from legal entities and individuals		2.568
Revenues from reimbursement of court costs	581	524
Positive effects of agreed revalorization		-
Other unspecified revenues		214
	865	5.932

22. OTHER EXPENSES	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Losses from the sale and disposal of equipment		537
Costs of court proceedings	743	376
Charity, health care and scientific expenses		11.780
Other unspecified expenses		133
Trade union expenses		1.239
	743	14.065

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

23. NET PROFIT - LOSS DUE TO THE CORRECTION OF MISTAKES FROM EARLIER PERIODS	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Subsequently identified revenues from earlier years	11.139	57
Total identified revenues from earlier years	11.139	57
Subsequently identified expenses from earlier years	19.815	9.888
Total identified expenses from earlier years	19.815	9.888
NET PROFIT - LOSS from corrections of mistakes from earlier years	(8.676)	(9.831)

24. PROFIT TAX		
<u>a) Components of the profit tax</u>	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Tax expense of the period	-	80.645
Adjustment of the tax expense of the period	-	-
Tax expense of the period after the adjustment	-	80.645
Deferred tax expense of the period		421
Deferred tax revenue of the period		
Adjustment of deferred tax revenues of the period	-	-
	-	81.066
Effective tax rate	0,00%	13,98%
<u>b) Reconciliation of the tax profit and the product of the operating result before taxation and prescribed tax rate</u>	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Profit before taxation	31.471	525.446
Profit tax calculated at the rate of 15%	4.721	78.817
Tax effects of the expenses that are not recognized in the tax balance		1.987
Adjustment of tax effects of amortization expenses that are not recognized in the tax balance	(4.721)	(159)
Tax loan for investment in fixed assets from previous years	-	-
Adjustment of using the tax loan from earlier years	-	-
Tax expense of the period	(0)	80.645

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

<i>c) Realized, unused and unrecognized tax loan</i>					in 000 dinars
	Term expiry	Amount of transferred tax loan	Tax loan adjustment	Used tax loan	Remaining tax loan to be transferred
The year of the beginning and the end of the tax loan		from 2017		to 2018	31/03/2019
	2012	2022	-	0	-
	2013	2023	-	0	-
Tax loan balance			- 0		-

25. INCOME TAX AND DEFERRED TAX REVENUES AND EXPENSES FOR THE PERIOD

Changes in deferred tax liabilities and deferred tax assets account as of March 31, 2019 and as of 31 December 2018 are shown in the table below:

25. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

in 000 dinars

<i>a) Deferred tax assets (deferred tax liabilities) 2018</i>	1/1/2018	Recognized in other gains and losses I-XII 2018	Recognized in the profit and loss account I-XII 2018	31/12/2018
Long-term assets				
Intangible assets, property, plants, equipment and investment property	(492.305)	-	(10.393)	(502.698)
Long-term liabilities				
Provisions for allowances and other employee benefits	19.707	-	(19.514)	193
Provisions for litigation	14.487	-	7.164	21.651
Short-term liabilities				
Liabilities for taxes, benefits and other duties	240	-	(32)	208
Calculated but unpaid remunerations to employees, Article 9, paragraph 2 of the Law	1.618	-	505	2.123
Unused tax loans		-		-
	(456.253)	-	(22.270)	(478.523)

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

<u>b) Deferred tax assets (deferred tax liabilities) 2019</u>	1/1/2019	Recognized in other gains and losses I-III 2019	Recognized in the profit and loss account I-III 2019	31/03/2019
Long-term assets				
Intangible assets, property, plants, equipment and investment property	(502.698)	-		(502.698)
Long-term liabilities				
Provisions for allowances and other employee benefits	193	-		193
Provisions for litigation	21.651	-		21.651
Short-term liabilities				
Liabilities for taxes, benefits and other duties	208	-		208
Calculated but unpaid remunerations to employees, Article 9, paragraph 2 of the Law	2.123	-		2.123
Other				
	(478.523)	-	-	(478.523)

<u>26. EARNINGS PER SHARE</u>	I-III 2019	I-III 2018
	in 000 dinars	in 000 dinars
Shareholders' net profit	31.471	444.380
Adjustment of net profit	-	-
Net profit after the adjustment	31.471	444.380
Average weighted number of shares	35.026.129	34.289.350
Basic earnings per share in dinars	0,90	12,96

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

27 a. INTANGIBLE ASSETS

in 000 dinars

DESCRIPTION	31/03/2019	31/12/2018
Purchase value		
Opening balance	433.593	260.952
Purchases during the year		172.641
Advance payments for intangible investments without VAT	-	1.595
Alienation, disposal and sale	-	
Other		
Closing balance	433.593	435.188
Value adjustment		
Opening balance	158.987	95.047
Current year amortization		63.940
Alienation, disposal and sale	-	
Value adjustment of advance payments	-	-
Closing balance	158.987	158.987
Net present value	274.606	276.201

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

27.b. PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL ASSETS 2018

in 000
dinars

DESCRIPTION	Land	Constructio ns	Equipment	Investment property	Other property, plants and equipment	Investment in progress	Advance payments	Total - property, plants and equipment	Biological assets - Livestock unit
Purchase value									
Opening balance, 01/01/2018	9.437.117	10.511.358	5.579.334	29.516	3.619	349.493	27.811	25.938.248	123
Adjustment of the opening balance based on appraisal	-					-	-	-	
Balance on 01/01/2018 after the adjustment	9.437.117	10.511.358	5.579.334	29.516	3.619	349.493	27.811	25.938.248	123
Purchases during the year	-	-				2.630.039		2.630.039	
Transfer from the investments in progress	710.329	1.180.464	1.054.999			(2.945.792)		-	
Alienation, disposal and sale	-24.658 (178.739)	(20.787)	(71.199)			(30.221)		(300.946)	
Other		30.846	(148)	(30.698)			(11.999)	(11.999)	
Assessment of the fair value of assets				1.182				1.182	
Revaluation revenues									1
Revaluation expenses									
Closing balance, 31/12/2018	9.968.707	11.701.881	6.562.986	-	3.619	3.519	15.812	28.256.524	124
Value adjustment									
Opening balance, 01/01/2018	-	333.904	459.555	-	-	-	15.812	809.271	-
Adjustment of the opening balance based on appraisal	-	-	-						
Balance on 01/01/2018 after the adjustment	-	333.904	459.555	-	-	-	15.812	809.271	-
Current year amortization	-	386.328	778.844	-	-	-	-	1.165.172	-
Alienation, disposal and sale	-	(3.260)	(16.917)	-	-	-	-	(20.177)	-
Closing balance, 31/12/2018	-	716.972	1.221.482	-	-	-	15.812	1.954.266	-
Net present value, 31/12/2018	9.968.707	10.984.909	5.341.504	-	3.619	3.519	-	26.302.258	124
Net present value, 01/01/2019	9.437.117	10.177.454	5.119.779	29.516	3.619	349.493	11.999	25.128.977	123

NOTES TO THE FINANCIAL STATEMENTS, 31 March 2019

Total investments in real estate, plant and equipment for the period I-XII 2018 amount to **2,630,039** thousand **dinars** . In the observed period , **2,945,792** thousand of property, plant and equipment were **activated: land** in the amount of **710,239** thousand dinars, **buildings** in the amount of **1,180,464** thousand dinars and **equipment** in the amount of **1,054,999** thousand dinars. The cancellation of investments in the course of previous years in the amount of 30,221 thousand dinars has been carried out . As at December 31, 2018, the fair value of investment property Borik was made, and after that, reclassification into construction objects . **The status of inactive investments** as of December 31, **2018** amounts to **3,519** thousand dinars. The latest estimate of the fair value of property, plant and equipment by an authorized appraiser was made on December 31, 2016. The valuation effects are presented in the table of changes in real estate of plants and equipment for 2016.

27.c. PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL ASSETS 2019 (continued)										in 000 dinars
DESCRIPTION		Land	Constructio ns	Equipment	Investment property	Other property, plants and equipment	Investment in progress	Advance payments	Total - property, plants and equipment	Biological assets - Livestock unit
Purchase value										
Opening balance, 01/01/2019		9.968.707	11.701.881	6.562.986	-	3.619	3.519	15.812	25.938.248	123
Adjustment of the opening balance based on appraisal		-					-	-	-	
Balance on 01/01/2019 after the adjustment		9.968.707	11.701.881	6.562.986	-	3.619	3.519	15.812	28.256.524	124
Purchases during the year		-	-			-	18.195		18.195	
Transfer from the investments in progress				2.956			(2.956)		-	
Alienation, disposal and sale	-24.658								-	
Other									-	
Assessment of the fair value of assets									-	
Closing balance, 31/03/2019		9.968.707	11.701.881	6.565.942	-	3.619	18.758	15.812	28.274.719	124
Value adjustment										
Opening balance, 01/01/2019		-	716.972	1.221.482		-	-	15.812	1.954.266	-
Adjustment of the opening balance based on appraisal		-	-	-			-	-	-	
Balance on 01/01/2019 after the adjustment		-	716.972	1.221.482		-	-	15.812	1.954.266	-
Current year amortization		-	179			-	-	-	179	-
Alienation, disposal and sale		-				-	-	-	-	-
Closing balance, 31/03/2019		-	717.151	1.221.482		-	-	15.812	1.954.445	-
Net present value, 31/03/2019		9.968.707	10.984.730	5.344.460		3.619	18.758	-	26.320.274	124
Net present value, 01/01/2019		9.968.707	10.984.909	5.341.504		3.619	3.519	-	26.302.258	124

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

In accordance with the accounting policy of the Company for subsequent appraisal of real estate, plant and equipment, these are recognized according to the revaluation model that expresses their fair value on the day of revaluation, reduced by the total amount of the value adjustment based on amortization and the total amount of the value adjustment based on the loss due to impairment. The fair value of real estate reflects their market value determined by appraisal. The last appraisal of the real estate, plan and equipment was performed on 31/12/2016. In accordance with IAS 16.31 and legal regulations property appraisal is performed in a period of three to five years. The Company has contracted KPMG d.o.o. Belgrade to perform the appraisal of the JSC Airport Nikola Tesla Belgrade. The appraisal process is expected to finish and the effects on the value of fixed assets, revalued reserves, deferred tax liabilities and amortization costs are expected to be included in a semi-annual report of the JSC Airport Nikola Tesla Belgrade for the year 2019.

Total investments in property, plant and equipment for the period I-III 2019, amounted to **18.195** thousand dinars.

28. EQUITY STAKE IN OTHER LEGAL ENTITIES AND OTHER SECURITIES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Privredna banka a.d. Belgrade	392	392
<i>Minus: value adjustment of the equity stake in banks in bankruptcy</i>	<u>(392)</u>	<u>(392)</u>
	-	-
<u>Equity stake in banks in liquidation</u>		
Union banka a.d. Belgrade - in liquidation	667	667
Beogradska banka a.d. Belgrade - in liquidation	18.988	18.988
Beobanka a.d. Belgrade - in liquidation	38	38
	19.693	19.693
Minus: value adjustment of equity stake in banks in liquidation	(19.693)	(19.693)
	<u>-</u>	<u>-</u>
<u>Equity stake in foreign legal entities</u>		
Mondijal-Bodrum - Turkey	358.598	358.598
Societe International de Telecommun. Aeronautiques Swisse (SITA)	1	1
Minus: value adjustment of equity stake in Mondijal-Bodrum -Turkey	<u>(358.598)</u>	<u>(358.598)</u>
	1	1
	<u>1</u>	<u>1</u>
28 a. OTHER LONG-TERM FINANCIAL PLACEMENTS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Assets for membership in Societe International de Telecommunications Aeronautiques Swisse (SITA)	4.898	4.823
Long-term loans to employees	225.117	227.275
Receivables from sold publicly owned flats	275	301
Receivables from repurchase of solidarity flats	1.776	1.989
Total gross	232.066	234.388
Current portion of long-term placements in (SITA)	(676)	(665)
Current portion of long-term loans to employees	(7.607)	(9.651)
Reduction to fair value of long-term loans to employees	<u>(93.008)</u>	<u>(93.008)</u>

130.775

131.064

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

Receivables from employees for long-term loans for the purchase and the repurchase of apartments as of 31/03/2019 amount to 227.168 thousand dinars (including current maturities in the amount of 7,607 thousand dinars). The aforementioned refers to approved loans to employees for solving housing needs given for a period of 20-40 years. Estimation of the fair value of housing loans as of December 31, 2018, was made by the appraiser by projecting future cash flows from collection of receivables for housing loans, using a discount rate: from 4,5% to 16%, depending on whether and at which time intervals, housing loans are revalued or contracted with a currency clause, whether they have an agreed interest rate or are contracted without an interest rate.

28.b. OTHER LONG-TERM RECEIVABLES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Receivables from customers arising from the Loan Reprogramme Agreement	13.068	13.068
	13.068	13.068

29. MATERIALS, SPARE PARTS, TOOLS AND FIXTURES AND FITTINGS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Basic material		
Spare parts		
Tools and fixtures and fittings		
Value adjustment of the stock of materials and spare parts		
	-	-

30. GOODS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Goods in the warehouse - kerosene		
Goods in retail business		
	-	-

31. ADVANCE PAYMENTS FOR STOCKS AND SERVICES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Advance payments for services in the country	50.317	50.178
Advance payments for foreign services	952	903
Value adjustment of advance payments	(18.133)	(18.133)
	33.136	32.948

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

32. RECEIVABLES IN THE COUNTRY	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Total balance of receivables from customers in the country - gross	382.171	582.792
-Value adjustment from the previous period	(257.974)	(231.241)
-Value adjustment from the current period	-	(26.733)
Total balance of the value adjustment	(257.974)	(257.974)
	124.197	324.818

Total of the balance of value adjustments of receivables in the country in the amount of 257.974 thousand dinars, mainly related to the value adjustment of receivables from the sued domestic customers in the amount of 247.066 and other domestic customers 10.908 thousand dinars.

33. RECEIVABLES ABROAD	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Total balance of receivables from foreign customers	84.500	747.916
-Value adjustment from the previous period	(8.921)	(8.515)
-Value adjustment from the current period	-	(406)
Total balance of the value adjustment	(8.921)	(8.921)
	75.579	738.995

Total value adjustment of receivables from customers abroad in the amount of 8.921 thousand dinars refers to the value adjustment of receivables from sued customers in the amount of 6.191 and other foreign customers 2.730 thousand dinars.

34. OTHER RECEIVABLES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Receivables from customers in the country for interest on arrears	6.829	6.468
Receivables for interest on term and sight deposits	13.581	25.379
Receivables from employees	809	642
Other receivables	57.310	105.836
Receivables for overpaid profit tax	91.956	-
Total receivables - gross	170.485	138.325
- Value adjustment of receivables from customers for interest on arrears from previous years		
- Value adjustment of receivables from customers for interest on arrears from the current year	(20)	(20)
- Value adjustment of receivables from employees from the previous period	(910)	(568)
- Value adjustment of receivables from employees from the current period		(342)
- Value adjustment of other receivables	(22.212)	(22.212)
- Value adjustment of other receivables from the current period	(23.142)	(23.142)
Total balance of the value adjustment	147.343	115.183

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

35. SHORT-TERM LOANS IN THE COUNTRY	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Short-term loans to employees (pickled vegetables, heating fuel - 6 months)	1.177	289
	1.177	289

36. OTHER SHORT-TERM FINANCIAL PLACEMENTS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Short-term deposits	1.274.602	2.710.949
Current portion of long-term housing loans granted to employees	7.607	9.651
Current portion of long-term placements in Societe Internatonal de Telecommunications Aeronautiques Swisse (SITA)	676	665
	1.282.885	2.721.265
Determining the fair value of the current portion of housing loans granted to employees	(246)	(246)
	1.282.639	2.721.019

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

37. CHANGES IN VALUE ADJUSTMENTS until 31/03/2019

in 000 din.

Description of changes to the value adjustments	Long-term financial placements (Note 31)	Stock of material and spare parts (Note 32)	Advance payments for material and services (Note 34)	Receivables from customers for goods, services and interest on arrears (Notes 35,36, and 37)	Short-term financial placements (Note 39)	Total
Opening balance 01/01/2018	113.582	1.006	-	245.999	344	360.931
Adjustment debited to the costs of the current period	-		17.739	47.254		64.993
Value impairment of long-term financial placements and securities	(11.811)				206	(11.605)
Collected adjusted receivables	(807)			(302)		(1.109)
Value reconciliation					(251)	(251)
Write-off		(1.006)	(221)	(3.014)		(4.241)
Exchange rate differences				100	(53)	47
Other	(7.956)	-	615			(7.341)
Closing balance 31/12/2018	93.008	-	18.133	290.037	246	401.424
Adjustment debited to the costs of the current and previous periods	-	-	-	-	-	-
Value impairment of long-term financial placements and securities	-	-	-	-	-	-
Collected adjusted receivables	-	-	-	-	-	-
Value reconciliation	-	-	-	-	-	-
Write-off (Reversal of the value adjustment for housing loans due to the transition to the currency clause)	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-
Other	-	-	-	-	-	-
Closing balance 31/03/2019	93.008	-	18.133	290.037	246	401.424

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

38.CASH EQUIVALENTS AND CASH	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Current accounts - dinar	100.596	170.067
Current account - foreign currency	53.638.302	61.223.474
Cash	11	11
Other monetary funds	4.936	1.021
Total cash - balance	53.743.845	61.394.573

39. VAT receivables	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
VAT Receivables	12.083	-
	12.083	-

40. PREPAYMENTS AND DEFERRED EXPENSES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Deferred VAT	3.451	9.895
Prepaid insurance costs related to the future period		
Prepaid costs of consulting services related to the future period		
Prepaid other costs related to the future period		
Accrued and uninvoiced revenues related to the future period	131.484	26.891
Other time apportionment	21.269	
	156.204	36.786

41. EQUITY	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Share capital	21.015.677	21.015.677
Issue premium - issue of shares	718.664	718.664
Issue premium - repurchase of own shares	(470.039)	(470.039)
Repurchased own shares	(265.416)	(265.416)
Reserves	6.356.456	6.356.456
Revaluation reserves	570.177	570.177
Actuarial gain	17.290	17.290
Undistributed profit from previous years		6.948
Undistributed profit from the current year	31.471	53.155.450
	27.974.280	81.105.207

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

During 2018, the Company repurchased 442,361 of its own shares from non-voting shareholders.

42. SHARE CAPITAL

Pursuant to the Law on Amendments to the Law on the Right to Free Shares and the Monetary Compensation Citizens Acquire in the Privatization Process, the Company was obliged to make a change in the legal form by June 30, 2010 and show its share capital in shares of a certain nominal value based on the adjusted book value of capital. During 2010, on the basis of the Conclusion of the Government of the Republic of Serbia No. 023-448 / 2010-1, recommendations were given to the Company to make the selection of the most favorable consultant to perform the appraisal of the market value of the capital and provide professional assistance in the preparation and implementation of the procedure for changing the legal form from a public company into a joint stock company.

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

The aforementioned change was registered with the Business Registers Agency by Resolution number BD 68460/2010 on June 22, 2010, which included capital in the total amount of EUR 214,556,965, which on the day of registration amounted to RSD 20,573,610 thousand.

In the Central Securities Depository, on July 7, 2010, 34,289,350 shares were registered, with a nominal value of 600 dinars per share, which as of December 31, 2010, were owned by the Republic of Serbia.

In accordance with the Law on the right to free shares and monetary compensation that citizens receive during the privatization process ("Official Gazette of the Republic of Serbia" No. 123/07 and 30/10) on December 9, 2010, based on the Decision of the Government of the Republic of Serbia No. 023- 9103 / 2010-1, the right to transfer 16,85% of the ownership of the Company was acquired by citizens of the Republic of Serbia, employees and former employees of the Company.

On January 21, 2011, the Company's Assembly adopted Decision No. 21-2 / 1 on transforming the Company from a closed company into an open joint-stock company. The aforementioned change was registered with the Business Registers Agency by Resolution number BD 765/2011 on January 24, 2011.

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

42. SHARE CAPITAL

<u>Share capital 25/01/2011 (transition into open joint stock company)</u>	in 000 dinars	Number of shares	% stake
Republic of Serbia	17.107.193	28.511.988	83,15%
Employees and former employees of the Company	574.004	956.673	2,79%
Citizens of the Republic of Serbia	2.892.413	4.820.689	14,06%
	20.573.610	34.289.350	100,00%

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

In 2018, the share capital was increased by 736,779 shares with a nominal value of 600,00 RSD per share, based on the capitalization by the majority owner of the Republic of Serbia, based on the second issue (120,521 shares), the third issue (470,904 shares) and fourth issue (145,354 shares), which in total increased the share capital by 442,067 thousand dinars (Note 41).

The structure of the share capital on 31/03/2019 and 31/12/2018 is as follows:

**42. SHARE CAPITAL
(continued)**

Shareholder	31/03/2019			31/12/2018		
	Value in 000 dinars	Number of shares	% stake	Value in 000 dinars	Number of shares	% stake
Republic of Serbia	17.548.391	29.247.317	83,50%	17.548.391	29.247.317	83,50%
Domestic and foreign individuals	1.955.110	3.258.516	9,30%	1.999.176	3.331.961	9,51%
Domestic and foreign legal entities	398.561	664.269	1,90%	567.800	946.333	2,70%
Custodians	1.113.615	1.856.027	5,30%	900.310	1.500.518	4,28%
	21.015.677	35.026.129	100,00%	21.015.677	35.026.129	100,00%

43. OTHER EQUITY COMPONENTS	Reserves	Revalorization reserves based on the revalorization of property, plan and equipment	Actuarial gains
Balance 01/01/2018	5.254.126	596.114	17.482
Statutory reserves	1.102.330	-	-
Revalorization reserves for land	-	-	-
Revalorization reserves for constructions	-	-	-
Revalorization reserves for equipment	-	-	-
Decrease of revalorization reserves based on appraisal	-	-	-
Decrease of revalorization reserve based on alienation of fixed assets	-	(25.937)	-
Actuarial gain based on provisions for severance pay at retirement	-	-	(192)
Recognition of deferred tax liabilities -debited to revalorization reserves	-	-	-
Balance 31/12/2018	6.356.456	570.177	17.290

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

Legal reserves	-	-	-
Statutory reserves	-	-	-
Revalorization reserves for land	-	-	-
Revalorization reserves for constructions		-	-
Revalorization reserves for equipment	-	-	-
Decrease of revalorization reserves based on appraisal	-	-	-
Decrease of revalorization reserve based on alienation of fixed assets			-
Actuarial gain based on provisions for severance pay at retirement	-	-	-
Recognition of deferred tax liabilities -debited to revalorization reserves	-	-	-
Balance 31/03/2019	6.356.456	570.177	17.290

The reserves have been put in place according to the Statute of the Company.

44. RETAINED EARNINGS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Opening balance 01/01	53.162.398	3.267.110
Opening balance adjustment	-	-
Adjusted opening balance 01/01	53.162.398	3.267.110
Distributed of retained earnings for the dividend	(52.928.382)	(1.964.780)
Transfer to statutory reserves	-	(1.102.330)
Stake of employees in the distribution of earnings	(234.016)	(200.000)
Net earnings from the current period	31.471	53.155.450
Net earnings adjustment	-	-
Total net earnings from the current period	31.471	53.155.450
Decision on the distribution of the interim dividend	0	0
Retained earnings from the current period	31.471	53.155.450
Earnings from previous years, the result of transferring revalorization reserves to the earnings based on the alienation of fixed assets in the current year		6.948
Adjustment of retained earnings from the previous period	0	0
Total retained earnings from previous years	0	6.948
Retained earnings	31.471	53.162.398

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

Total of undistributed profit as of 31/12/2018 in the amount of 53,162.398 thousand dinars is the result of: realized net profit from current operations in the period I-XII 2018 in the amount of 53,155,450 thousand dinars, and profits arising from the transfer of revaluation reserves into profit for the disposal of fixed assets in the observed period in the amount of 6.948 thousand dinars.

Undistributed profit from the previous year of 2018 in the amount of 53,162,398 thousand dinars was distributed in full by the Decision of the Company's Assembly of March 18, 2019 (52,928,382 thousand dinars for the RS and other shareholders and 234,016 thousand for the participation of employees in profit).

45. LONG-TERM PROVISIONS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Provisions for severance pay to employees	251	251
Jubilee awards provisions	1.034	1.034
Provisions for litigation	155.056	144.339
	156.341	145.624

46. CHANGES IN LONG-TERM PROVISIONS

Changes in long-term provisions based on severance pay, jubilee awards and court disputes in the period I - III 2019, compared to 31/12/2019 are shown in the following table:

46 CHANGES TO PROVISIONS	in 000 dinars			
	Severance payments	Jubilee awards	Total	Court disputes
Balance on 01/01/2018	48.021	83.358	131.379	96.576
Provision during the current year			0	53.334
Actuarial gains	192	-	192	-
Reversal during the current year	(43.676)	(76.941)	(120.617)	(4.131)
Payout during the year	(4.286)	(5.383)	(9.669)	(1.440)
Balance on 31/12/2018	251	1.034	1.285	144.339
Balance on 01/01/2019	251	1.034	1.285	144.339
Provision during the current year	0	00		11.000
Actuarial gains/losses	-	-	-	-
Reversal during the current year				(283)
Payout during the year				-
Balance on 31/03/2019	251	1.034	1.285	155.056

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

47. ASSUMPTIONS USED FOR CALCULATING PROVISIONS FOR SEVERANCE PAYMENTS AT RETIREMENT AND FOR JUBILEE AWARDS AND THE PRESENTATION OF THE PROVISION CALCULATION

47

<u>a) Assumptions made when calculating provisions for severance pay at retirement and jubilee awards</u>	2018	2017
Discount rate	3,00%	4,50%
Estimated rate of growth of average salary	10,00%	1,00%
Fluctuation percentage	0,00%	1,50%
Amount of average net salary in XI /.....	154.346	73.724
Total number of employees - balance on 31/12	3	1323
Number of retired workers who got a severance payment at retirement	19	5

in 000
dinars

<u>b) Calculation of provisions for employee benefits on 31/12/2018</u>	Severance payments at retirement	Jubilee awards
	in 000 dinars	in 000 dinars
1. Provision on 31/12/2017	48.021	83.358
2. Interest cost	1.441	2.501
3. Cost of current work	148	226
4. Cost of past work	(45.251)	(80.229)
5. Actuarial gain/loss	191	561
6. Reversal of provision during the year in the business books of the Company	(4.299)	(5.383)
7. Total net change of reserved amount in 2017 (1+2+3+4+5+6)	(47.770)	(82.324)
8. Provision balance on 31/12/2018 (1+7)	251	1.034

48. LONG-TERM LOANS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Abroad	560.830	573.386
Current portion of long-term loans	(86.557)	(98.520)
	474.273	474.866

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

49. LONG-TERM LOANS	Annual interest rate	Maturity date	Outstanding amount 31/03/2019 (EUR)	31/03/2019 in 000 dinars	31/12/2018 in 000 dinars
<u>Long-term loans abroad</u>					
European Investment Bank	4,07-5,16%	2025.r.	4.736.693,60	560.830	573.386
Total long-term loans (a+b)			4.736.693,60	560.830	573.386
Current portion of long-term loans:			-731.048,38	-86.557	-98.520
			4.005.645,22	474.273	474.866

Long-term loans abroad are recognized on 31/03/2019 in the amount of 560,830 thousand dinars (4.736,693.60 EUR), out of which the amount of 731.048,38 EUR or 86,557 thousand dinars that is due in 2019 relate to the outstanding liabilities under the Contract on Financing of the Project for Emergency Traffic Restoration concluded on December 13, 2001 between the EIB and the Republic of Serbia. By the said Agreement, the Company was granted a loan in the amount of EUR 13,000,000 for the investment and reconstruction of the airport infrastructure. The loan was approved with a repayment term by 2025, with an interest rate of 5.16% for the first tranche of 3,000,000,00 EUR, 4,85% for the second tranche of 3,000,000.00 EUR, and 4,07% for the third tranche of EUR 7,000,000.00. The repayment of the first loan tranche is made in 31 equal semi-annual installments starting from 05/12/2007. The second tranche is repaid in 30 equal semi-annual installments starting from February 20, 2009, while the third tranche started to be repaid from June 20, 2010 in 32 equal semi-annual installments.

50. OTHER SHORT-TERM FINANCIAL LIABILITIES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Current portion of long-term loan from EIB	86.557	98.520
	86.557	98.520

51. RECEIVED ADVANCE PAYMENTS, DEPOSITS AND PREPAYMENTS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Received advance payments from domestic customers	1.207	1.538
Received advance payments from foreign customers	1.267	1.267
Received deposits from domestic customers	9.049	62.513
Received deposits from foreign customers	11.887	13.067

Prepayments from domestic customers	7.842	7.946
Prepayments from foreign customers	12.834	15.215
	44.086	101.546

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

52. PAYABLES IN THE COUNTRY	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Payables in the country - for services	45.853	158.417
Payables in the country - for investment in progress	1.206	1.608
Payables in the country - for equipment	339	20.812
	47.398	180.837

53. PAYABLES ABROAD	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Payables abroad - for services	125	414.093
Payables abroad - for equipment		1.051
	125	415.144

54. OTHER OPERATING LIABILITIES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Other operating liabilities - for collected takings in the company's name	20.111	21.103
Other operating liabilities	57	1.270
Other operating liabilities - factoring		
	20.168	22.373

55. OTHER SHORT-TERM LIABILITIES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Liabilities for salaries	5.384	207
Liabilities for participation in profit - gross	21.269	-
Liabilities for dividends RS - gross	480	480
Gross liabilities for dividends to other shareholders for 2017	52.929.251	869
Other short-term liabilities	11.348	10.534
	52.967.732	12.090

Liabilities for the dividend of RSD 52,929 251 thousand represent the gross amount of the dividend.

56. LIABILITIES FOR VAT	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Liabilities for VAT	-	30.505
	-	30.505

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

57. LIABILITIES FOR OTHER TAXES, BENEFITS AND OTHER DUTIES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Profit tax liabilities	0	8.927.710
Liabilities for taxes, custom and other duties	494	494
Taxes, benefits and other duties	1.046	1.422
	1.540	8.929.626

58. LIABILITIES FOR PROFIT TAX - structure	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Balance on 01/01 of the current year	8.927.710	2.728
Adjustment of profit tax	0	0
Adjusted opening balance	<u>8.927.710</u>	<u>0</u>
Determined profit tax liability for the current year		9.433.469
Adjustment of the profit tax liability	-	-
Determined profit tax liability for the current year - total	-	<u>9.433.469</u>
Paid profit tax liability	(8.881.732)	(2.728)
Prepayment of profit tax	91.956	
Advance payment of profit tax until 31/12 of the current year	(45.978)	(505.759)
Profit tax liability to be paid	-	8.927.710

59. ACCRUED COSTS AND DEFERRED REVENUES	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Liabilities for accrued costs for the observed period	13.477	27.320
Accrued purchase costs for investments in progress		8.567
Accrued revenues of the future period	7.478	13.341
Other accrued costs and deferred revenue		35
Other passive time apportionment (accrued discounts to customers)	43.073	43.073
Taxes, benefits and other duties		130
	64.028	92.466

60. OFF-BALANCE SHEET RECORDS	31/03/2019	31/12/2018
	in 000 dinars	in 000 dinars
Received blank bills of exchange - pieces	621	1.084

Given blank bills of exchange - domestic - pieces	21	21
Received dinar guarantees	293.073	526.175
Received foreign currency guarantees	79.247	117.774
Given dinar guarantees		- 4.500
Given foreign currency guarantees		- -
Solidarity funds from employees' salaries	622	622
Total off-balance sheet assets and liabilities	372.942	649.073

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

The received dinar guarantees in the amount of 293,073 thousand dinars mainly refer to the received guarantees from suppliers for the good performance or the guarantee for the elimination of failures in the warranty period. The received foreign currency guarantees in the amount of 79,247 thousand dinars mainly refer to received guarantees from foreign suppliers for good performance, for removing defects in the warranty period or for repayment of the advance.

61. FAIR VALUE OF ASSETS

ASSETS	Book value in 000 dinars 31/03/2019	Fair value in 000 dinars 31/03/2019	Book value in 000 dinars 31/12/2018	Fair value in 000 dinars 31/12/2018	Hierarchy of fair value - levels	Appraisal methodologies and inputs
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>

Fixed assets	26.301.516	26.301.516	26.298.739	26.298.739	Level 3	The appraisal was made by an authorized appraiser with the balance as of 31/12/2016 (Institute for Economic Research-Belgrade). When estimating real estate, the following methodologies are crossed: for apartments - methodology of direct price comparison; for real estate for specific purposes and which are functionally connected and serve to perform activities - costing method, or replacement method, for real estate built in the last few years - construction prices; for older buildings - sustainable method depending on the type of construction and the degree of equipment. The equipment was assessed using the market method and the depreciated replacement method. For equipment for which it was possible to reliably determine the market value indication by direct comparison with the achieved sales prices on the market, the assessment was made by the market method, or by the method of direct price comparison;
Investment property	0	0	0	0	Level 3	Appraisal by the authorized appraiser 31/12/2018 (Institute for Economic Research-Belgrade)and reclassification to constructions

NOTES TO THE FINANCIAL STATEMENTS 31 March 2019

Stake in the equity of other legal entities	1	1	1	1	Level 2	Management's appraisal that they were not unrecoverable - banks in liquidation
Long-term and short-term financial placements -housing loans	133.914	133.914	136.311	136.311	Level 3	Appraisal of the certified actuary as of December 31, 2018 - Discount of cash flows: 16% for non-reevaluated housing loans; 5.5% for housing loans that are re- valuated annually with an interest rate of 0.5%, 4.5% for housing loans with a currency clause and an interest rate of 0.5%; 5.75% for housing loans that are semi-annualized and 6.0% for housing loans that are re-valuated annually
Other long-term receivables	13.068	13.068	13.068	13.068	Level 3	Management's appraisal on the collectibility according to the IAS 39
Receivables from customers	199.776	199.776	1.063.813	1.063.813	Level 3	Management's appraisal on the collectibility according to the IAS 39
Other receivables	147.343	147.343	115.183	115.183	Level 3	Management's appraisal on the collectibility according to the IAS 39

The above table includes only financial assets, as the Company has no financial liabilities that are recognized after initial recognition at fair value.

NOTES TO THE FINANCIAL STATEMENTS 31 March 2019

62.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

in 000 dinars

Categories of financial instruments		31/03/2019			31/12/2018		
Financial assets		total	value adjustment	net amount	total	value adjustment	net amount
1	Long-term financial placements	615.535	(471.691)	143.844	615.824	(471.691)	144.133
	- Long-term time deposits	4.222	-	4.222	4.158	-	4.158
	Stake in equity of banks	20.085	(20.085)	0	20.085	(20.085)	0
	- Stake in equity of foreign legal entities	358.599	(358.598)	1	358.599	(358.598)	1
	- Long-term housing loans to employees	219.561	(93.008)	126.553	219.914	(93.008)	126.906
	- Other long-term receivables	13.068	-	13.068	13.068	-	13.068
2	Receivables recognized at nominal value	1.921.218	(290.283)	1.630.935	4.190.587	(290.283)	3.900.304
	- Receivables from customers	466.671	(266.895)	199.776	1.330.708	(266.895)	1.063.813
	- Short-term financial placements	1.284.062	(246)	1.283.816	2.721.554	(246)	2.721.308
	- Interest receivables	20.410	(20)	20.390	31.847	(20)	31.827
	- Other receivables	150.075	(23.122)	126.953	106.478	(23.122)	83.356
3	Cash and cash equivalents	53.743.845	-	53.743.845	61.394.573	-	61.394.573
		56.280.598	(761.974)	55.518.624	66.200.984	(761.974)	65.439.010

Financial liabilities

1	- Long-term loans	474.273	-	474.273	474.866	-	474.866
2	- Current portion off long-term loans	86.557	-	86.557	98.520	-	98.520
3	- Current portion of long-term financial leasing	-	-	-	-	-	-
4	- Short-term liabilities	67.691	-	67.691	618.354	-	618.354
		628.521	-	628.521	01.191.740	-	01.191.740

The Company's main financial instruments are cash and cash equivalents, receivables, financial placements that generated directly from the Company's operations, as well as long-term loans, liabilities to suppliers or other liabilities whose main purpose is to finance the company's current operations.

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019



63. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

Financial risk management objectives

Financial risks include market risk (foreign exchange, interest rate and price risk), credit risk and liquidity risk. Financial risks are reviewed on a timely basis and are primarily avoided by reducing the Company's exposure to these risks. The Company does not use any financial instruments in order to avoid the impact of financial risks on the business, because such instruments are not widely used or there is an organized market for such instruments in the Republic of Serbia.

I - MARKET RISK

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

a) Currency risk (foreign exchange risk)

The Company is exposed to foreign currency risk primarily through cash and cash equivalents, short-term financial placements, trade receivables, long-term loans and liabilities to foreign suppliers. The company does not use specific financial instruments as a risk protection, since such instruments are not common in the Republic of Serbia.

The stability of the economic environment in which the Company operates is largely dependent on government measures in the economy, including the establishment of an appropriate legal and legislative framework.

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

Foreign currency risk - gross

in 000 dinars

Currency	<u>Total assets</u>				<u>Total liabilities</u>			
	31/03/2019		31/12/2018		31/03/2019	31/12/2018		
	gross	net	gross	net				
EUR	54.740.857	54.615.776	64.399.425	64.274.108	580.542		988.375	
USD	530.839	530.839	509.626	509.626	454		155	
CHF	332	332	331	331	0		0	
GBP	95	95	91	91	0			
Total dinar equivalent of assets and liabilities	55.272.122	55.147.041	0,00	64.909.473	64.784.156	580.995	0,00	988.530

recognized in the foreign currency									
Value of assets and liabilities recognized in dinars	1.008.476	371.583		1.291.511	654.854		47.526		203.210
Total	56.280.598	55.518.624	0,00	66.200.984	65.439.010	0,00	628.521	0,00	1.191.740

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

63. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

a) Currency risk (foreign exchange risk) (continued)

By analyzing the currency structure of the balance of financial assets and liabilities on 31/03/2019 compared with the balance on December 31, 2018, it can be concluded that the financial assets contracted with the currency clause are higher than the contracted financial liabilities in the currency. The financial obligations contracted in the currency are mostly long-term.

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

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

in 000 dinars

31/03/2019

Changes	EUR effect		USD effect		CHF effect		GBP effect	
	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%
Gain/loss	5.403.523	-5.403.523	53.038	-53.038	33	-33	10	-10

in 000 dinars

31/12/2018

Changes	EUR effect		USD effect		CHF effect		GBP effect	
	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%
Gain/loss								

Changes	6.328.573	-6.328.573	50.947	-50.947	33	-33	9	-9
---------	-----------	------------	--------	---------	----	-----	---	----

b) Risk of interest rate changes

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

The Company has classified cash and cash equivalents in a group of interest bearing financial assets with variable interest rate, because the banks have contracted "a vista" interest rate of variable character, depending on the amount of funds in current accounts and the reference interest rate.

The risk of interest rate fluctuations for the Company is not a significant risk, as the categories of financial instruments that have agreed interest rates are mostly defined by a fixed interest rate.

Financial instruments classified as interest-bearing and non-interest bearing assets are presented in the following overview:

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

63. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

b) Interest rate risk (continued)

Assets and liabilities - non-interesting bearing/interest bearing

Financial assets - net	31/03/2019			31/12/2018		
	total	value adjustmen t	net amount	total	value adjustmen t	net amount
<u>Non-interest bearing</u>						
Stake in equity of other legal entities	378.684	(378.683)	1	378.684	(378.683)	1
Other long-term receivables	13.068	-	13.068	13.068	-	13.068
Receivables from customers	466.671	(266.895)	199.776	1.330.708	(266.895)	1.063.813
Interest receivables and other receivables	170.485	(23.142)	147.343	138.325	(23.142)	115.183
Short-term financial placements	1.177	-	1.177	289	-	289
Non-interest bearing - total	1.030.085	(668.720)	361.365	1.861.074	(668.720)	1.192.354
<u>Fixed interest rate</u>						

Long-term financial placements	223.783	(93.008)	130.775	224.072	(93.008)	131.064
Short-term financial placements	1.282.885	(246)	1.282.639	2.721.265	(246)	2.721.019
Fixed - total	1.506.668	(93.254)	1.413.414	2.945.337	(93.254)	2.852.083
<u>Variable interest rate</u>						
Cash and cash equivalents	53.743.845	-	53.743.845	61.394.573	-	61.394.573
Variable - total	53.743.845	0	53.743.845	61.394.573	0	61.394.573
	56.280.598	(761.974)	55.518.624	66.200.984	(761.974)	65.439.010
Financial liabilities						
<u>Non-interest bearing</u>						
Operating liabilities	67.691	0	67.691	618.354	0	618.354
Non-interest bearing	67.691	0	67.691	618.354	0	618.354
<u>Fixed interest rate</u>						
Long-term loans	474.273	0	474.273	474.866	0	474.866
Current portion of long-term liabilities	86.557	0	86.557	98.520	0	98.520
Fixed - total	560.830	0	560.830	573.386	0	573.386
<u>Variable interest rate</u>						
Current portion of long-term liabilities	0	0	0	0	0	0
Variable - total	0	0	0	0	0	0
	628.521	0	628.521	1.191.740	0	1.191.740

c) Risk of price changes

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

The Company does not operate securities that are subject to market price changes. Also, the Company has no turnover of goods subject to price changes. The biggest item in the trade of goods is the turnover of kerosene, which is treated as goods in transit.

II - CREDIT RISK

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

Structure of receivables from customers	31/03/2019	share	31/12/2018	share
	in 000 dinars		in 000 dinars	
Air Serbia	40.145	8,60%	158.442	11,91%
Јат Техника	145.049	31,08%	156.834	11,79%
Dufry doo	26	0,01%	49.839	3,75%
International CG	41.492	8,89%	41.492	3,12%
Air Serbia-Кетеринг д.о.о.	42.766	9,16%	43.655	3,28%
Aviogenex d.o.o.	50.820	10,89%	50.820	3,82%
Остали домаћи купци	61.873	13,26%	81.710	6,14%
Укупно домаћи купци	382.171	81,89%	582.792	43,80%
Montenegro Airlines	9.352	2,00%	138.981	10,44%
Wizz Air	2.069	0,44%	110.316	8,29%
Deutsche Lufthansa	2.869	0,61%	65.337	4,91%
Etihad Airlines	12.030	2,58%	60.639	4,56%
Aeroflot	279	0,06%	45.808	3,44%
Allitalia	18.447	3,95%	37.848	2,84%
Qatar Airways	2.612	0,56%	10.176	0,76%
Pegasus	5.191	1,11%	13.368	1,00%
Other foreign customers	31.651	6,78%	265.443	19,95%
Total foreign customers	84.500	18,11%	747.916	56,20%
Total gross receivables from domestic and foreign customers	466.671	100,00%	1.330.708	100,00%
Total value adjustment	266.895		266.895	
Total net receivables	199.776		1.063.813	

III - LIQUIDITY AND CASH FLOW RISK

Liquidity is the ability of the Company to settle its obligations on the their maturity date.

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

Capital Risk Management

The objective of capital risk management is to provide such a capital structure that will provide the Company with security and permanence in business, liquidity and solvency, while maximizing the increase in the profits of the owners, through the optimization of debt and capital. In addition to its own capital, which consists of basic capital, reserves and undistributed profits, the Company also uses other assets in the form of long-term loans. The Company makes available cash from current accounts in the form of short-term deposits.

Indicators of indebtedness of the Company with the balance at the end of the observed current period in 2019 and at the end of 2018 are the following:

Capital risk
management

		31/03/2019	31/12/2018
		in 000 dinars	in 000 dinars
1	Leverage (AOP 432 + AOP 443)	560.830	573.386
2	Cash and cash equivalents (AOP 068)	53.743.845	61.394.573
I	GROSS LEVERAGE (1-2)	(53.183.015)	(60.821.187)
3	Debt/equity ratio (I/5)	-1,9011	-0,7499
4	Short-term financial placements (AOP 062)	1.283.816	2.721.308
II	NET LEVERAGE (I - 4)	(54.466.831)	(63.542.495)
5	Equity (AOP 401)	27.974.280	81.105.207
6	Debt/equity ratio (II/5)	-1,9470	-0,7835

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

64. TAX RISKS

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

65. JUDICIAL DISPUTES

The Company is faced with ongoing court proceedings against the Company. The amount of final losses arising from court proceedings may be increased on the basis of accrued interest rates up to the date of termination of the dispute, or until the date of the final disbursement of disputes. On 31 March 2019 the Company has a provision for potential losses arising from these court disputes in the amount of RSD 155,056 thousand (December 31, 2018 RSD 144,339 thousand) (Notes 45 and 46). According to the Company's management assessment, no additional material significant losses are expected in the following period.

66. EVENTS AFTER THE REPORTING PERIOD

In accordance with IAS 10 "Events after the reporting period", we did not establish the existence of any other events other than those mentioned in the Notes, which may affect or affect the truthfulness and objectivity of the financial statements for the period ending on March 31, 2019, nor would require corrections of financial statements.

In Belgrade, 09 May 2019

Legal representative

=

Saša Vlasisavljević

JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE

BUSINESS REPORT I - III 2019

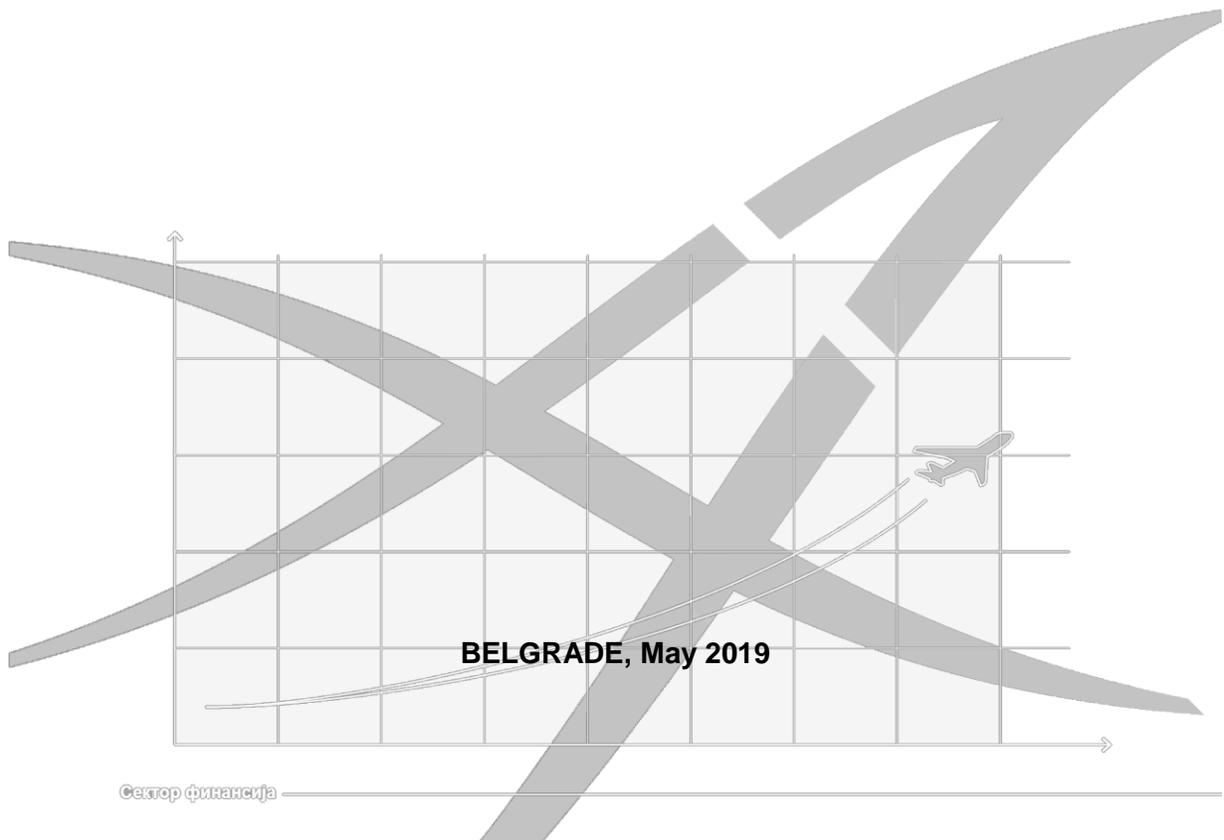


Table of Contents

1. COMPANY OVERVIEW 3

2. MANAGEMENT DATA..... 6

3 . REVENUES AND EXPENDITURES 7

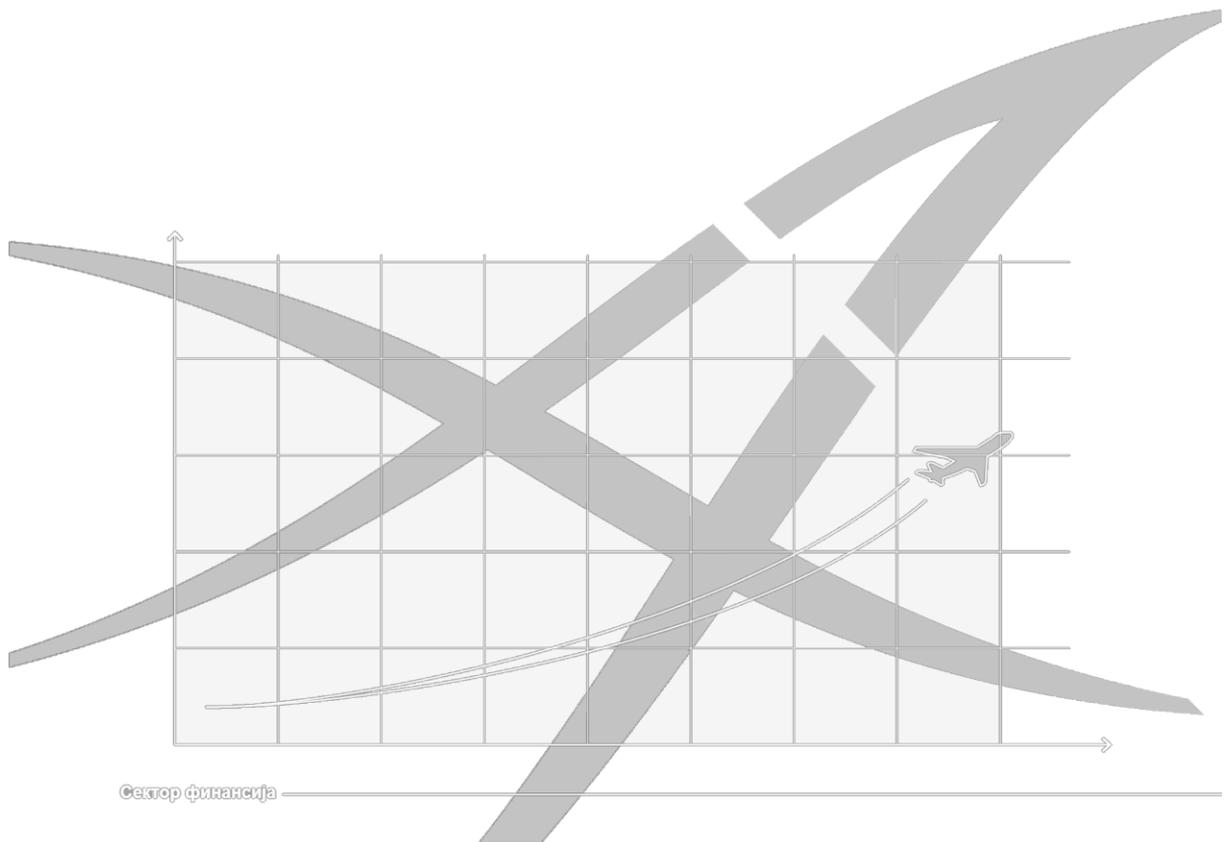
 3.1. REVENUE..... 7

 3.2. EXPENDITURES 11

 3.3. FINANCIAL RESULT I- III 2019..... 13

IN THE PERIOD I-III 2019 15

6.1. BRANCHES 15



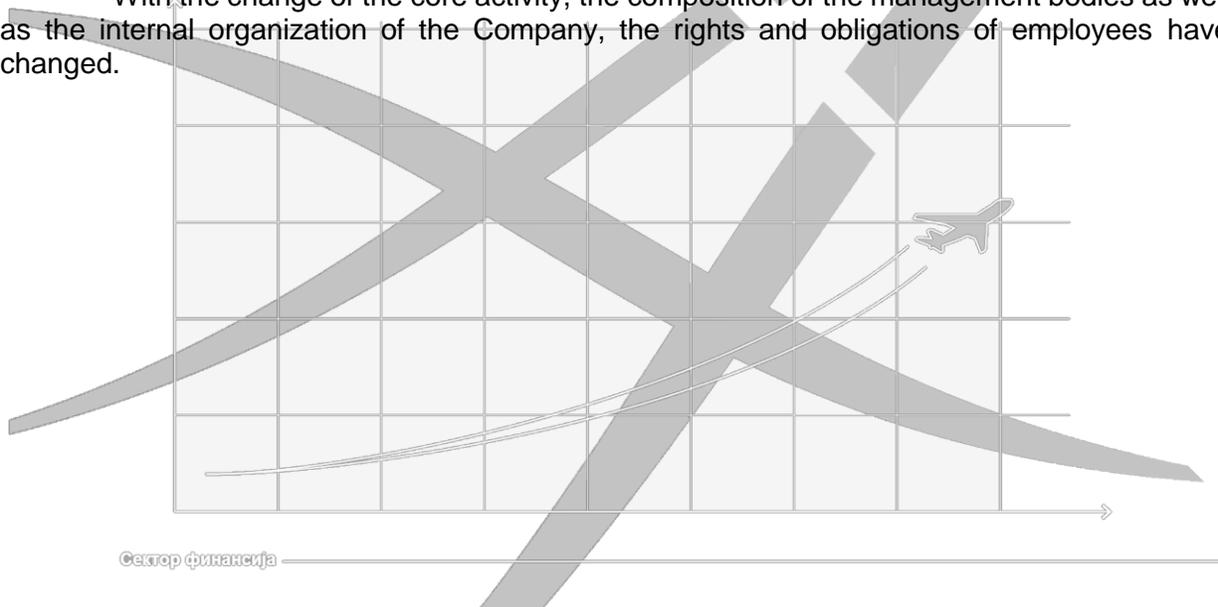
1. COMPANY OVERVIEW

On 22 March 2018 the Concession Agreement for financing, development through the construction and reconstruction, maintenance and management of the infrastructure of the JSC Airport Nikola Tesla Belgrade was concluded and the activity of an airport operator at the Nikola Tesla Airport in Belgrade, between the Republic of Serbia, represented by the Government of the Republic of Serbia and the JSC Airport Nikola Tesla Belgrade (hereinafter: the Company), on the one hand as the Grantor and VINCI Airports Serbia d.o.o. Belgrade, a legal entity established in accordance with the laws of the Republic of Serbia, with registered headquarters in Belgrade, 11180 Belgrade 59, reg. No. 21364568, PIB (Tax Identification Number) 110572920 and VINCI Airports S.A.S., Simplified Joint Stock Company (SAS) with registered address at Louis Blériot 12/14, Rueil-Malmaison (92500), France, registered in the Trade Register and the Company in Nanterre under the number 410 002 075, as the most favorable individual bidder and founder of Special Purpose Company (SPC), on the other hand.

Bearing in mind that the contracting parties have fulfilled all the agreements foreseen in the previous conditions during the transitional period, including the payment of the one-off concession fee of 501 million Euros by SPC on December 21, 2018, on the basis of the approval of the Directorate of Civil Aviation of the Republic of Serbia, with the Airport Certificate was transferred from the JSC Airport Nikola Tesla Belgrade to Vinci Airports Serbia d.o.o. Belgrade, all in accordance with the Law on Air Traffic and the Rulebook on the conditions and procedure for issuing airport certificates, and the concession started on December 22, 2018. (Concession Commencement Date).

Pursuant to the adopted purified text of the Statute of the Company that entered into force on the Concession Commencement Date, the JSC Airport Nikola Tesla, with the Concession Commencement Date, ceased to provide other services in the air traffic as the main activity, and as the Grantor continued to function as a legal entity with changed its core activity in compliance with the legal obligation to monitor the implementation of the Concession Agreement, i.e. 68.20 Renting and Managing Own or Leased Real Estate.

With the change of the core activity, the composition of the management bodies as well as the internal organization of the Company, the rights and obligations of employees have changed.



Business Name		JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE
1	Headquarters and address	Belgrade, 11180 Belgrade 59
	Registration number	07036540
	TAX ID	100000539
2	website and e-mail address	www.antb.rs; kabinet@antb.rs
3	Number and date of the decision on entry in the Business Register	<p>Registration number: BD 4874/2005 Registration date: 15/06/2005</p> <p>Registration number: BD 91540/2012 Registration date: 09/07/2012</p> <p>Registration number: BD 100187/2012 Registration date: 20/07/2012</p>
4	Activity (code and description)	68.20 - Renting and managing own or leased real estate
5	Number of employees	on 31/03/2019 JSC ANT BGD has 32 employees
6	Value of equity	21.264.302.590 dinars (on 31/03/2019)
7	Name, headquarters of the auditing company that audited the last financial report for 2018	" PKF " d.o.o. Palmira Toljatija 5 / III, Belgrade
8	Number of issued shares, ISIN number and CFI COD	<p>Number of ordinary shares 35.026.129 (on 31/03/2019)</p> <p>CFI code ESVUFR</p> <p>ISIN number RSANTBE 11090</p>
9	The name of the organized market to which the shares are placed	Beogradska berza ad Beograd, Omladinskih brigada 1, 11070 Novi Beograd

Ten largest shareholders by number of shares on 31/ 03/.2019

No.	Name / Name Shareholder	Number of shares	% Participation
1	REPUBLIC OF SERBIA	2, 9 , 247 , 317	83. 50
2	VOJVODANSKA BANKA AD NOVI SAD COLLECTIVE ACCOUNT	637 , 055	1, 82
3	SOCIETE GENERALE BANK SERBIA - CUSTODY ACCOUNT - FO	617 , 873	1, 76
4	AD AERODROM NIKOLA TESLA BGD	442,361	1, 26
5	SOCIETE GENERALE BANK SERBIA - CUSTODY ACCOUNT - FO	293 , 327	0, 84
6	CONVEST AD NOVI SAD - COLLECTIVE ACCOUNT	1 02 , 0 62	0, 29
7	KERAMIKA JOVANOVIĆ DOO	92,379	0.2 6
8	RAIFFEISEN BANKA AD - CUSTODY ACCOUNT - KS	62,988	0.18
9	BOŽIĆ SVETISLAV	44 , 442	0, 13
10	DUNAV RE AD	28 , 231	0.08

2. MANAGEMENT DATA

Members of the Management for the period I- III 2019:

Assembly of the company:

No.	Name, surname, residence	Education, current employment (business name and position)
1	Vladimir Dimitrijević, Belgrade	Doctor of Law, Executive Director of Public Enterprise "Post of Serbia"

Supervisory Board:

No.	Name, surname, residence	Education, current employment (business name and position)
1	Vesna Stanković Jevđević, Belgrade	Graduated economist, Assistant Director General of the Procurement Directorate of the National Bank of Serbia
2	Srdjan Minić, Belgrade	Graduated economist, Technical Support and Documentation Engineer, Telekom Srbija
3	Goran Mirković, Belgrade	Master of Economics, Independent expert associate for the control and analysis of capacity utilization - Bureau for making banknotes and coins of the National Bank of Serbia
4	Petar Jarić, Belgrade	Bachelor of Economics, Deputy Director - National Employment Service
5	Dragoslav Stanković, Doljevac	Professional manager, customer care officer in Elektrodistribucija Niš - branch office Doljevac

Executive Board:

No.	Name, surname, residence	Education, current employment (business name and position)
1	Sasa Vlajsavljević, Belgrade	Graduated Traffic Engineer, President of the Executive Board , General Manager of the JSC Airport Nikola Tesla Belgrade
2	Ana Kaludjerović, Belgrade	Graduate Mechanical Engineer, Executive Director for Monitoring and Managing the Concession Project JSC Airport Nikola Tesla Belgrade
3	Nada Zečević*, Belgrade	Graduated International Manager, Executive Director for Corporate Affairs, JSC Airport Nikola Tesla Belgrade

* *Nada Zečević has served as Executive Director until 07/02/2019.*

2.1. OVERVIEW OF THE CORPORATE GOVERNANCE RULES

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

Сектор финансија

The rules of this Code are complementary to the current legislation, so that no provision of the Code abolishes the legal rule that regulates the same issue differently. Also, the Code does not alter the meaning or proper interpretation of legal provisions in any way. The Code moves within the bounds of the law, because it covers matter not regulated by law (the so-called legal vacuum) or regulated by positive legal norms.

The Code contains two types of rules:

- 1) recommendations - the rules that the capital company should accept and act upon, which can be recognized in the Code by using the word "should";
- 2) suggestions - rules that are considered to be preferred practice in the field of corporate governance, which can be recognized in the Code by using the word "can," "should," and the like.

The recommendations contained in this Code represent the minimum standards that public companies (members of the Serbian Chamber of Commerce) should accept and act upon, and if they do not do so or do not do so in the manner envisaged by this Code, it is necessary to provide an explanation for the made deviation within the framework statements on the implementation of the Corporate Governance Code in accordance with the Law on Companies.

3 . REVENUES AND EXPENDITURES

Bearing in mind that the concession started on December 22, 2018 and as a result the Company ceased to be an airport operator and the Company's core activity was changed, revenues and expenditures were presented in accordance with the legal obligation of quarterly reporting on the basis of the Law on Capital Market (*"Official Gazette of the Republic of Serbia" No. 31/2011, 112/2015 and 108/2016*), according to which we are obliged to report the realization of the current year in relation to the same period of the previous year. Due to the change in the core activity of the Company, the percentage of realized revenues and expenditures of the current and the previous year it is not comparable. In addition, given that this is a material change, regardless of the legal continuity of the existence of the Company that has not been terminated (the same Tax ID, the same registration number), in reality, as a consequence the Company has the status of a newly established entity (start up), which additionally explains the fact that business cannot be compared. However, by presenting 2018 the legal obligation regarding the content of the reporting is fulfilled.

3.1. REVENUE

In the period I-III 2019 in the JSC Airport Nikola Tesla Belgrade **total revenues** amounted to **176 328 970 RSD**, which represents an increase of 8% in relation to the planned total revenues for the period I-III 2019.

Operating revenue for the period I-III 2019 amounted to **133 223 514 dinars**, and at the same level compared to the planned operating revenue for the period I-III 2019. Within the realized operating revenue for the period I-III 2019, the highest revenue refers to the revenue from the concession fee in the amount of **129,769,200 dinars**.

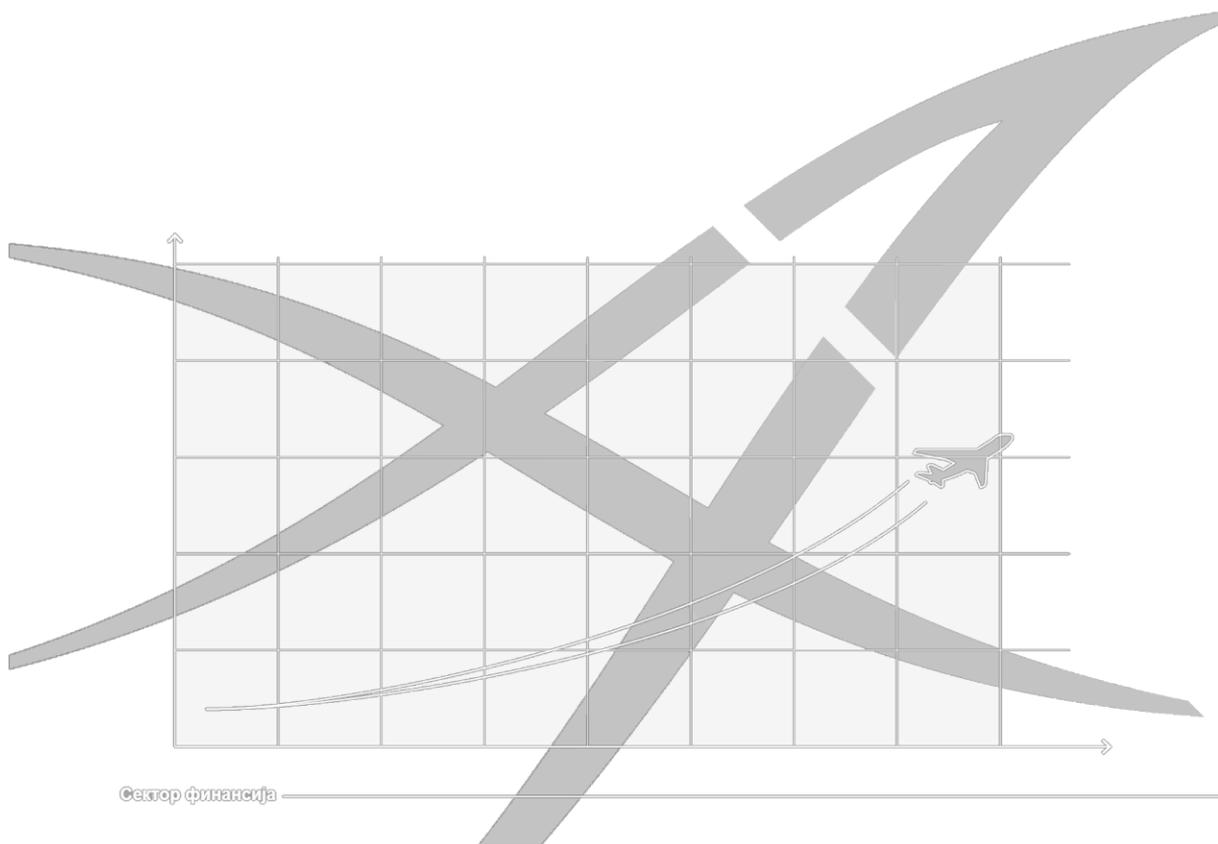
Сектор финансија

Financial revenue for the period I-III 2019 amounted to **RSD 31,101,421** and was 5% higher than the planned financial revenue for the period I-III 2019. The structure of financial revenue includes:

- Interest revenue accounting for 44% of total financial revenues for the period I-III 2019;
- Realized foreign exchange difference gains - account for 33% of the total financial revenues generated for the period I-III 2019;
- Unrealized foreign exchange difference gains - account for 23% of total financial revenues for the period I-III 2019.

Other revenues in the period I- III 2019 were realized in the amount of **12.004.034 dinars**. Within the realization of other revenues in the period I-III 2019, the highest revenues are subsequently identified revenues from previous years in the amount of **11,139,463 dinars** and account for 6,32% of the total revenues for the period I-III 2019.

The structure of realized revenues for the period I-III 2019 is presented in the table of **revenue structure with a note of incomparability with the revenue for the same period of the previous year due to a fundamental change in business.**



REVENUE STRUCTURE						
No.	Type of service	Description of service	Realization I-III 2018	Plan I-III 2019	Realization I-III 2019	Index
1	2	3	4	5	6	7 (6/5)
	Air services - domestic air carriers					
	614000+614004+614300+614302+614303+614304	Landing	35.310.572	0	0	0
	614010+614014+614310+614312+614313+614314	Lighting	12.131.393	0	0	0
	614030+614034+614330+614332+614333+614334	P/O	106.963.331	0	0	0
	614040+614042+614043+614044	Infrastructure	59.084.051	0	0	0
	614050+614052	Airbridges	14.523.795	0	0	0
	614020+614024+614320+614322+614323+614324	Revenue from aircraft stay	1.128.510	0	0	0
I	Total air services (domestic air carriers):		229.141.650	0	0	0
	Air services - foreign air carriers					
	615010+615011+615012+615013+615014	Landing	168.473.219	0	0	0
	615020+615021+615022+615023+615024	Lighting	161.071.510	0	0	0
	615030+615031+615032+615033+615034	P/O	21.917.133	0	0	0
	615040+615042+615043+615044	Infrastructure	111.675.488	0	0	0
	615060+615062	Airbridges	45.975.483	0	0	0
	615000+615001+615002+615003+615004	Revenue from aircraft stay	4.573.510	0	0	0
II	Total air services (foreign air carriers):		513.686.343	0	0	0
I+II	Total air services		742.827.993	0	0	0
	Passenger service					
	614400+614404 - domestic companies - domestic traffic	Passenger service - domestic companies /domestic traffic	0	0	0	0
	614181+614182+614183+614190+614192(BRS i PRM)+614410+614412+614413+614414	companies/international traffic	154.600.655	0	0	0
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger service foreign companies	476.394.906	0	0	0
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fee	219.306.700	0	0	0
III	Total passenger service		850.302.260	0	0	0
I+II+III	Total air services and passenger service		1.593.130.253	0	0	0
	Customs warehouse services					
	614500+614510	Customs warehouse	37.985.528	0	0	0
	615300 +615310 (foreign)	Customs warehouse services foreign market	4.036.523	0	0	0
IV	Total customs warehouse services:		42.022.052	0	0	0
V	Total services related to air traffic (I to IV):		1.635.152.305	0	0	0
	Other services					
1	614360+614362+615100+615102	DCS Services	3.009.726	0	0	0
2	614110+614112+614114+614115+614116+614170+614172+614173+614180+614184+614391+615872+615873+615874+615875+615876+615877+615891+615892+615895	Workorder	22.184.234	0	0	0
3	614130+614131+615071+615072	VIP Salon	1.397.929	0	0	0
4	614140+614142+615090+615092	CUTE (domesti + foreign)	32.034.848	0	0	0
5	614380+615080	Lost and Found	3.484.762	0	0	0
6	6146+615120+615400+615401	Communal services	43.331.904	0	0	0
7	614820+615170	Hospitality services business class	0	0	0	0
8	614870+615810	Advertizing space	11.469.102	0	0	0
9	614883	Commercial use of the apron	11.467.115	0	0	0
10	614160+614163+614164+615110+615112+615113+615114	Aircraft de-icing services	93.217.433	0	0	0
11	614860+614861+614865+614866+614867+614868+615880+615885+615887+615888	Revenues from parking space	17.022.208	0	0	0
12	Other unspecified services - domestic + foreign		3.291.869	0	1.329.314	0
VI	Other services (1 to 12):		241.911.130	0	1.329.314	0
VII	Total 61 - Revenues from selling services (V+VI)		1.877.063.435	0	1.329.314	0
	Revenues from selling goods:					
VIII	60 - Revenues from selling kerosene + goods		443.981	0	0	0
IX	Total (60+61) REVENUE GENERATED FROM SALES (VII+VIII)		1.877.507.416	0	1.329.314	0
X	64 и 65 - Other operating revenue		196.471.219	133.357.510	131.894.200	99
XI	OPERATING REVENUE (IX+X)		2.073.978.635	133.357.510	133.223.514	100
XII	66 - FINANCIAL REVENUES		22.856.808	29.582.556	31.101.421	105
1	interests		18.213.598	16.124.835	13.661.483	85
2	foreign exchange differences - realized		2.148.879	8.192.167	10.397.789	127
3	foreign exchange differences - unrealized		2.494.331	5.265.554	7.042.149	134
XIII	67, 68 AND 69 OTHER REVENUES		6.063.562	0	12.004.034	0
XIV	Total revenues (XI+XII+XIII)		2.102.899.006	162.940.066	176.328.970	108

3.2. EXPENDITURES

In the period I-III 2019 the JSC Airport Nikola Tesla Belgrade generated **total expenditure** in the amount of **144.857.934 RSD**, which represented an increase of 20% compared to the total expense for the planned period I-III 2019.

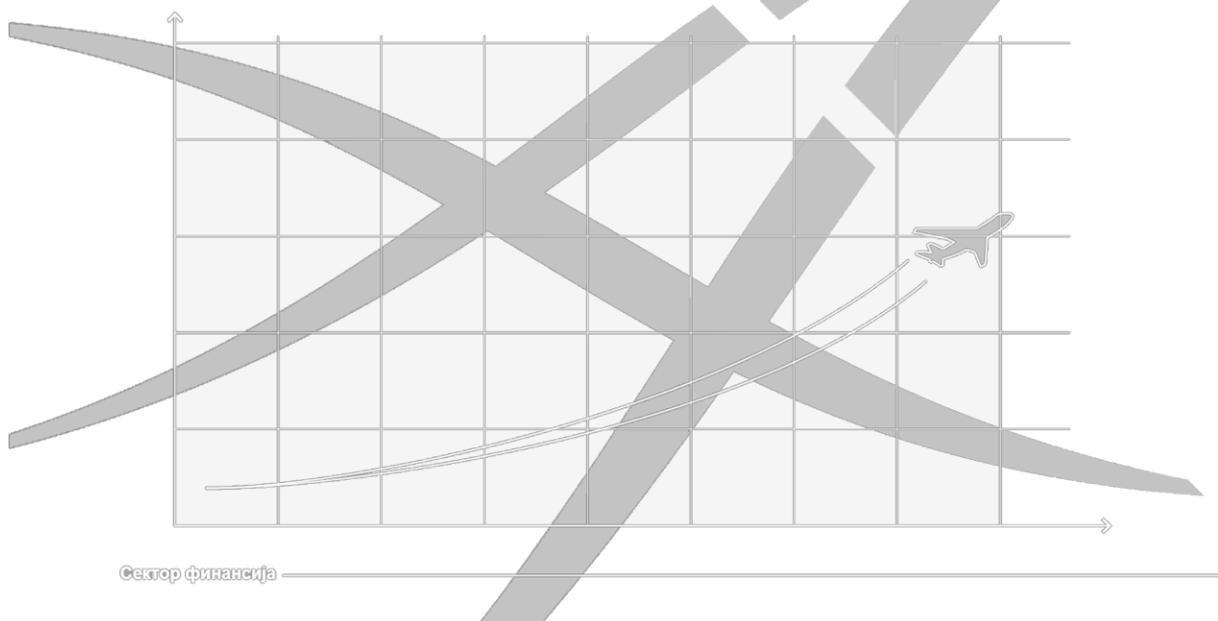
Operating expenses for the period I-III 2019, amounted to **84.266.962 RSD** and were smaller by 2% in comparison with the planned operating expenses for the period I-III 2019. The structure of realized operating expenses for the period I-III 2019 consists of:

- non-material expenses (account group 55) in the amount of **31.439.020 dinars**;
- costs of salaries, allowances and other personal expenses (account group 52) in the amount of **27.483.390 dinars**;
- costs of production services (account group 53) in the amount of **RSD 13,830,437**;
- material and energy costs (account group 51) in the amount of **RSD 335,254**;
- costs of amortization and provisions (account group 54) in the amount of **RSD 11,178,862**.

Financial expenses in the period I-III 2019 amounted to **40.033.240 RSD** and were 15% higher than the planned financial expenses for the period I-III 2019, mainly due to the negative foreign exchange differences, which account for 95% of the total realized financial expenditures.

Other expenses in the period I- III 2019 were realized in the amount of **20.557.731 dinars**. Within the realized other expenditures in the period I - III 2019, the largest expenditure consists of subsequently established expenditures from previous years in the amount of **19,814,751 dinars** and account for 13,68% of the total realized expenditures for the period I - III 2019.

Structure of realized expenditures for I- III 2019 is presented in the table of **expenditure structure with a note of incomparability with the expenditure for the same period of the previous year due to a fundamental change in business**.



STRUCTURE OF EXPENSES

Account	Account name	Realization I-III 2018	Plan I-III 2019	Realization I-III 2019	Index
1	2	3	4	5	6 (5/4)
50	COST OF GOODS SOLD	278.202	10.496	0	0
501	COST OF GOODS SOLD	278.202	10.496	0	0
51	COST OF SUPPLIES AND ENERGY	156.967.477	345.780	335.254	97
511	COST OF MATERIALS	56.384.033	15.780	15.780	100
512	COST OF OVERHEAD SUPPLIES	482.100	330.000	124.629	38
513	COST OF FUEL AND ENERGY	81.440.621	0	194.845	0
514	COST OF SPARE PARTS	18.660.723	0	0	0
52	COST OF WAGES, SALARIES AND OTHER PERSONAL COST	896.805.063	28.483.390	27.483.390	96
520	COST OF WAGES AND SALARIES (GROSS)	530.858.369	20.568.212	19.568.212	95
521	COST OF TAX AND BENEFITS ON WAGES AND SALARIES - EMPLOYER	95.023.942	3.278.285	3.278.285	100
522	COST OF COMPENSATION BASED ON SERVICE CONTRACT - GROSS	200.392	328.595	328.595	100
524	COST OF WAGES AND SALARIES BASED ON TEMPORARY AND SEASONAL JOBS - GROSS	154.201.420	1.864.312	1.864.312	100
526	COMPENSATION TO DIRECTOR, I.E. MEMEBERS OF MANAGEMENT AND SUPERVISORY BODIES	2.460.670	2.038.220	2.038.220	100
529	OTHER PERSONAL EXPENSES AND COMPENSATIONS	114.060.269	405.766	405.766	100
53	COST OF PRODUCTION SERVICES	101.656.685	13.948.416	13.830.437	99
531	COST OF TRANSPORTATION SERVICES	15.524.394	440.000	451.276	103
532	COST OF MAINTENANCE SERVICES	43.312.134	3.763.059	9.289.390	247
533	RENTAL COSTS	10.336.151	7.425.362	2.826.975	38
535	ADVERTISING AND PROMOTION COST	23.367.162	49.253	1.068.698	2170
539	COST OF OTHER SERVICES	9.116.844	2.270.742	194.099	9
54	COST OF AMORTIZATION AND PROVISIONING	258.761.764	11.000.000	11.178.862	102
540	COST OF AMORTIZATION	258.761.764	0	178.862	0
549	OTHER LONG-TERM PROVISIONS	0	11.000.000	11.000.000	100
55	NON-MATERIAL COSTS	108.323.180	31.768.572	31.439.020	99
550	COST OF SERVICES OTHER THAN PRODUCTION	54.596.300	10.821.726	8.640.215	80
551	REPRESENTATION COST	4.819.613	300.000	287.085	96
552	COST OF INSURANCE PREMIUMS	11.872.154	75.500	0	0
553	COST OF PAYMENT OPERATIONS	1.324.022	569.913	753.041	132
554	MEMBERSHIP COST	2.472.047	150.000	668.188	445
555	TAX COST	21.796.034	18.476.434	19.404.919	105
559	OTHER NON-MATERIAL COST	11.443.010	1.375.000	1.685.571	123
I	OPERATING EXPENSES	1.522.792.372	85.556.655	84.266.962	98
56	FINANCIAL EXPENSES	30.707.328	34.957.325	40.033.240	115
562	INTEREST EXPENSES	9.575.876	1.089.829	799.837	73
563	NEGATIVE FOREIGN EXCHANGE DIFFERENCES	20.980.131	33.282.281	38.193.832	115
564	EXPENSE BASED ON THE EFFECT OF THE CURRENCY CLAUSE	151.321	585.214	1.039.571	178
II	FINANCIAL EXPENSE	30.707.328	34.957.325	40.033.240	115
57	OTHER EXPENSE	14.064.890	287.500	742.980	258
570	LOSSES FROM DISPOSAL AND SALES OF INTANGIBLE INVESTMENT IN PROPERTY AND EQUIPM	537.109	0	0	0
579	OTHER UNSPECIFIED EXPENSES	13.527.781	287.500	742.980	258
59	EXPENSES IN THE PREVIOUS YEARS	9.888.368	0	19.814.751	0
592	EXPENSES FROM ADJUSTMENTS OF MISTAKES FROM PREVIOUS YEARS THAT ARE NOT MATE	9.888.368	0	19.814.751	0
III	OTHER EXPENSES	23.953.258	287.500	20.557.731	0

Сектор финансија

3.3. FINANCIAL RESULT I- III 2019

In period I- III 2019, the positive result of the Company's operations was recognized in the amount of **31,471,036 dinars**.

FINANCIAL RESULT					
No.	Position	Realization I-III 2018	Plan I-III 2019	Realization I-III 2019	Index
1	2	3	4	5	6 (5/4)
1	Operating revenues	2.073.978.635	133.357.510	133.223.514	100
2	Operating expenses	1.522.792.372	85.556.655	84.266.962	98
3	Operating gain (1-2)	551.186.264	47.800.855	48.956.552	102
3a					
	Financial revenue				
4	Financial expenses	22.856.808	29.582.556	31.101.421	105
5	Financial gain (4-5)	30.707.328	34.957.325	40.033.240	115
6	Financial loss (5-4)				
6a		7.850.520	5.374.769	8.931.819	166
	Other revenues				
7	Other expenses	6.063.562	0	12.004.034	0
8	Other gain (7-8)	23.953.258	287.500	20.557.731	0
9	Other loss (8-7)				
9a		17.889.695	287.500	8.553.697	0
	Total revenues (1+4+7)				
10	Total expenses (2+5+8)	2.102.899.006	162.940.066	176.328.970	108
11		1.577.452.958	120.801.480	144.857.934	120
	Total gross profit (10-11)				
12	Total gross loss (11-10)	525.446.048	42.138.586	31.471.036	75
14	Tax expense of the period	80.644.938			
15	Deferred tax expense of the period	420.424			
16	Deferred tax revenue of the period				
17	Paid out personal compensation to the employer				
18	Net profit	444.380.686	42.138.586	31.471.036	75

Сектор финансија

3.4. NUMBER OF EMPLOYEES

NUMBER OF EMPLOYEES ACCORDING TO THE HR RECORDS IN 2019					
(the last day of the month)					
Month	Permanent employment	Fixed term employment	Total	Seasonal and casual employment	TOTAL
1	2	3	4 (2+3)	5	6 (4+5)
January	24	6	30	2	32
February	32	0	32	2	34
March	32	0	32	2	34
Average I-III	29	2	31	2	33

4. DESCRIPTION OF MAJOR BUSINESS EVENTS IN THE PERIOD I-III 2019

In the period of I-III 2019, the following important business events should be noted:

- The calculation and preparation for the payment of dividends to shareholders was made based on the achieved business results for 2018;
- The payment of the realized profit to employees on March 21, 2019 was made based on the achieved business results for 2018;
- The collection of receivables based on the concluded Protocol on the regulation of mutual rights and obligations from Montenegro Airlines in the amount of 380,598.93 euros;
- The Agreement on repayment of debt with JAT Tehnika was concluded in the amount of 48.724.735,56 dinars, which refers to:
 - ✓ fee for spent fuel,
 - ✓ fee for the delivered heating energy and
 - ✓ interest fee.
- The Annex of the debt repayment agreement with JAT Tehnika was concluded in the amount of 10.520.721,74 RSD referring to:
 - ✓ fees for access and use of service and auxiliary roads;
 - ✓ fees for Customs Warehouse services;
 - ✓ fees for telephone use and telephone conversations;
 - ✓ fee for services performed on a special request and on other grounds.

In accordance with the Company's accounting policy for subsequent appraisal of property, plant and equipment, they are stated on a revaluation model that expresses their fair value on the date of revaluation, minus the total amount of allowance for amortization and the total amount of value adjustments based on impairment losses. The fair value of the real estate makes up their market value, which is determined by estimation. The last time the appraisal of the property, plant and equipment was carried out on December 31, 2016. In accordance with IAS 16.31 and legal regulations, the assets are assessed for a period of three to five years. The Company has agreed to conduct an estimate of the value of the assets of the JSC Airport Nikola Tesla Belgrade by KPMG d.o.o. Belgrade. The expectation is that the appraisal process will end and the effects on the value of fixed assets, revaluation reserves, deferred tax liabilities and amortization costs will be included in the six-month report of the JSC Airport Nikola Tesla Belgrade for 2019.

4.1. DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT OCCURRED AFTER THE EXPIRATION OF THE PERIOD I-III 2019

In the period of I-III 2019, it is necessary to mention the following important business events that occurred after the expiration of the period I-III of 2019:

- The payment of dividends to shareholders on April 16, 2019, based on the achieved business results for 2018;
- The collection of the last installment of the receivables was made on April 5, 2019 on the basis of the signed Protocol on the regulation of mutual rights and obligations with Montenegro Airlines in the amount of 380,598.93 euros.

5 . DESCRIPTION OF MAJOR RISKS AND UNCERTAINTY IN THE PERIOD I-III 2019

Analyzing the balance of assets and sources of funds of the Company on 31/03/2019, particularly cash and cash equivalents, customer receivables, liabilities based on long-term loans, and the like, it can be said that the Company is not exposed to foreign currency risk.

The Company has receivables from domestic and foreign customers, so credit risk exists. In order to reduce this risk, the Company regularly monitors the realization of the collection, analyzes the value of collection within the agreed time, payment delays, as well as unpaid receivables.

Due to the existence of market risks affecting financial instruments, the management of the Company studiously monitors the movements that lead to risk and undertakes the necessary risk management measures.

We emphasize that the Company settles its current obligations within the agreed deadlines.

6 . MAJOR TRANSACTIONS WITH RELATED PARTIES

The JSC Airport Nikola Tesla Belgrade does not have any related parties under the Law on Companies (Official Gazette of RS No. 36/2011, 99/2011, 83/2014 and 5/2015, Article 62) and accordingly, there are no transactions with related parties.

6.1. BRANCHES

The JSC Airport Nikola Tesla Belgrade has no branches within the Company.

Belgrade, May 2019

Managing Director

Saša Vlaisavljević,
graduate traffic engineer

Сектор финансија

11180 Belgrade 59, Serbia E: kabinet@antb.rs



Number: 1077

SITA: BEGOWXH www.antb.rs

Date: 08/05/2019

Reg. No. 07036540

Tax No. 100000539

STATEMENT

I declare that, according to my own best knowledge, the Quarterly Report for the first quarter of 2019 is compiled with the application of appropriate IFRSs and provides accurate and objective information about the assets, liabilities, financial standing and business, the profits and losses, cash flow and changes in capital of the Company.

Managing Director

Saša Vlasisavljević,
B. Sc. in traffic engineering

Head of Finance, Accounting and Planning

Jelena Arsenijević, B. Sc. in economics

**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE
SUPERVISORY BOARD
Number: 1105
Date: May 15, 2019**

In accordance with Article 53 of the Law on the Capital Market ("Official Gazette of the Republic of Serbia" No. 31/2011, 112/2015 and 108/2016) and Article 32, paragraph 1, item 5) of the Statute of the Joint Stock Company Airport Nikola Tesla Belgrade (No. 361 dated 05/02/2019 - purified text), at the 272nd regular session on 15 May 2019 the Supervisory Board of the Joint Stock Company Airport Nikola Tesla Belgrade adopted the following:

DECISION

1. The Financial Report dated 31 March 2019 of the Joint Stock Airport Nikola Tesla Belgrade has been approved.
2. This decision becomes effective on the date it is adopted.

Exposition

Article 53 of the Law on the Capital Market ("Official Gazette of the Republic of Serbia" No. 31/2011, 112/2015 and 108/2016) stipulates that the public joint stock company is obliged to draw up, publish for the general public, the Commission and the market organizer a quarterly report, no later than 45 days after the end of each of the first three quarters of the current business year, and to ensure that this report is available to the public at least five years from the date of publication.

Article 32, paragraph 1, item 5) of the Statute of the JSC Airport Nikola Tesla Belgrade (number: 361 dated 05/02/2019 - purified text) stipulates that the Supervisory Board approves the financial statements and other reports of the Company, which are drafted in accordance with the law and the adoption of which is not within the competence of the Assembly of the Company.

In addition to the regular Annual Financial Statements that are in accordance with the Law on Accounting (Official Gazette 62/13) and the Rulebook on conditions and the manner of publishing the financial statements and maintaining the register of financial statements (Official Gazette 127/14), they shall be submitted to the Business Registers Agency after adoption by the Assembly of the Company no later than 45 days after the end of the quarter. Public companies also have additional reporting obligations prescribed by the Law on the Capital Market ("Official Gazette of the Republic of Serbia", No. 31/2011, 112/2015 and 108/2016), the Rulebook on the content, form and manner of publishing annual, semi-annual and quarterly reports of public companies ("Official Gazette of the Republic of Serbia", No. 14/2012, 5/2015 and 24/2017) and the Instructions on the manner in which public companies submit information to the Securities Commission.

Bearing in mind that the JSC Airport Nikola Tesla Belgrade is a public company whose securities are included in trading, it is obliged to compile the Quarterly Report for the first quarter of 2019, which contains the Financial Statements as of 31 March 2019, the Business Report for

the period I-III in 2019 and the Statement of the persons responsible for drawing up the report containing the data prescribed in Article 52, paragraph 3, item 7 and Article 53, paragraph 2 of the Law on the Capital Market.

In view of the above, in accordance with the applicable regulations and the Statute, the financial statements were drawn up on 31 March 2019 and in accordance with the Statute and Rules of Procedure of the Supervisory Board, they were delivered to the Audit Committee to assess the content and to approve the specified financial statements, as well as to refer them to the Supervisory Board for consideration and decision on the approval of the financial reports as of 31 March 2019.

In the period January - March 2019 the JSC Airport Nikola Tesla Belgrade recorded a positive business result in the amount of 31,471,036 dinars, which is reflected in the following:

Revenues

In the period I-III 2019, the JSC Airport Nikola Tesla Belgrade generated the total revenues in the amount of RSD 176,328,970. The revenues are 8% higher than the total planned revenues for the period I-III 2019.

Operating revenues in the period I-III 2019 were generated in the amount of 133.223.514 dinars. Within the realized operating revenues for the period I- III 2019, the highest revenue is generated from the concession fee in the amount of 129.769.200 dinars.

Financial revenues in the period I- III 2019 were realized in the amount of 31.101.421 dinars.

Other revenues in the period I- III 2019 were realized in the amount of 1 2.004.034 dinars.

Expenses

In the period I-III 2019, the JSC Airport Nikola Tesla Belgrade generated the total expenditure in the amount of 144.857.934 dinars. This is 20% higher than the total planned expenditure for the period I- III 2019.

Operating expenses in period I-III 2019 were realized in the amount of RSD 84.266.962.

Financial expenses for the period I- III 2019 were realized in the amount of 40.033.240 dinars.

Other expenses in the period I- III 2019 were realized in the amount of 20.557.731 dinars.

Based on the above, the Supervisory Board decided as in the wording of the Decision.

President of the Supervisory Board

Vesna Stanković Jevđević, B.Sc. in economics

Delivered to:

- Managing Director;
- Company's Secretary;
- Department of Finance, Accounting and Planning;
- Department of Legal Affairs;
- Archive.

**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE
SUPERVISORY BOARD
Number: 1106
Date: May 15, 2019**

In accordance with Article 53 of the Law on the Capital Market ("Official Gazette of the Republic of Serbia" No. 31/2011, 112/2015 and 108/2016) and Article 32, paragraph 1, item 5) of the Statute of the Joint Stock Company Airport Nikola Tesla Belgrade (No. 361 dated 05/02/2019 - purified text), at the 272nd regular session on 15 May 2019 the Supervisory Board of the Joint Stock Company Airport Nikola Tesla Belgrade adopted the following:

DECISION

1. The Business Report of the Joint Stock Airport Nikola Tesla Belgrade for the period I-III 2019 has been approved.
2. This decision becomes effective on the date it is adopted.

Exposition

Article 53 of the Law on the Capital Market ("Official Gazette of the Republic of Serbia" No. 31/2011, 112/2015 and 108/2016) stipulates that the public joint stock company is obliged to draw up, publish for the general public, the Commission and the market organizer a quarterly report, no later than 45 days after the end of each of the first three quarters of the current business year, and to ensure that this report is available to the public at least five years from the date of publication.

Article 32, paragraph 1, item 5) of the Statute of the JSC Airport Nikola Tesla Belgrade (number: 361 dated 05/02/2019 - purified text) stipulates that the Supervisory Board approves the financial statements and other reports of the Company, which are drafted in accordance with the law and the adoption of which is not within the competence of the Assembly of the Company.

In addition to the regular Annual Financial Statements that are in accordance with the Law on Accounting (Official Gazette 62/13) and the Rulebook on conditions and the manner of publishing the financial statements and maintaining the register of financial statements (Official Gazette 127/14), they shall be submitted to the Business Registers Agency after adoption by the Assembly of the Company no later than 45 days after the end of the quarter. Public companies also have additional reporting obligations prescribed by the Law on the Capital Market ("Official Gazette of the Republic of Serbia", No. 31/2011, 112/2015 and 108/2016), the Rulebook on the content, form and manner of publishing annual, semi-annual and quarterly reports of public companies ("Official Gazette of the Republic of Serbia", No. 14/2012, 5/2015 and 24/2017) and the Instructions on the manner in which public companies submit information to the Securities Commission.

Bearing in mind that the JSC Airport Nikola Tesla Belgrade is a public company whose securities are included in trading, it is obliged to compile the Quarterly Report for the first quarter of 2019, which contains the Financial Statements as of 31 March 2019, the Business Report for

the period I-III in 2019 and the Statement of the persons responsible for drawing up the report containing the data prescribed in Article 52, paragraph 3, item 7 and Article 53, paragraph 2 of the Law on the Capital Market.

In view of the above, in accordance with the applicable regulations and the Statute, the Business Report was drawn up for the period I-III 2019 and in accordance with the Statute and Rules of Procedure of the Supervisory Board, it was delivered to the Audit Committee to assess the content and to approve the specified Business Report, as well as to refer it to the Supervisory Board for consideration and decision on the approval of the Business Report for the period I-III 2019.

In the period January - March 2019 the JSC Airport Nikola Tesla Belgrade recorded a positive business result in the amount of 31,471,036 dinars, which is reflected in the following:

Revenues

In the period I-III 2019, the JSC Airport Nikola Tesla Belgrade generated the total revenues in the amount of RSD 176,328,970. The revenues are 8% higher than the total planned revenues for the period I-III 2019.

Operating revenues in the period I-III 2019 were generated in the amount of 133.223.514 dinars. Within the realized operating revenues for the period I- III 2019, the highest revenue is generated from the concession fee in the amount of 129.769.200 dinars.

Financial revenues in the period I- III 2019 were realized in the amount of 31.101.421 dinars.

Other revenues in the period I- III 2019 were realized in the amount of 1 2.004.034 dinars.

Expenses

In the period I-III 2019, the JSC Airport Nikola Tesla Belgrade generated the total expenditure in the amount of 144.857.934 dinars. This is 20% higher than the total planned expenditure for the period I- III 2019.

Operating expenses in period I-III 2019 were realized in the amount of RSD 84.266.962.

Financial expenses for the period I- III 2019 were realized in the amount of 40.033.240 dinars.

Other expenses in the period I- III 2019 were realized in the amount of 20.557.731 dinars.

Based on the above, the Supervisory Board decided as in the wording of the Decision.

President of the Supervisory Board

Vesna Stanković Jevđević, B.Sc. in economics

Delivered to:

- Managing Director;
- Company's Secretary;
- Department of Finance, Accounting and Planning;
- Department of Legal Affairs;
- Archive.