

# Energoprojekt Holding Plc. Quarterly Report for Q3 2019

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Belgrade, November 2019

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

## **QUARTERLY REPORT FOR Q3 2019**

### C O N T E N T S

1. FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR Q3 2019  
(Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Financial Statements)
2. BUSINESS REPORT
3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT
4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q3 2019 QUARTERLY REPORT \* (Note)

1. FINANCIAL STATEMENTS OF ENERGOPROJEKT HOLDING PLC. FOR Q3 2019 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement on Changes in Equity, Notes to Financial Statements)

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Reporting period:

from

01.01.2019.

until

30.09.2019.

### Quarterly Financial Statement for Businesses KFI-PD

Business name: ENERGOPROJEKT HOLDING p.l.c.

Reg. No.: 07023014

Postal code, city: 11070

NOVI BEOGRAD

Street and number: BULEVAR MIHAILA PUPINA 12

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Consolidated/individual: INDIVIDUAL

Approved (yes/no): Yes

Audited (yes/no): No

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Name and surname: STOJAN ČOLAKOV

(authorized officer)

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

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



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(Signature of legal representative)

**BALANCE SHEET**

at day 30.09.2019.

RSD thousand

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
<b>ASSETS</b>			
<b>A. SUBSCRIBED CAPITAL UNPAID</b>	<b>0001</b>		
<b>B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)</b>	<b>0002</b>	7.648.410	7.021.054
I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003	7.075	4.681
1. Investments in development	0004		
2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	2.354	4.681
3. Goodwill	0006		
4. Other intangible assets	0007		
5. Intangible assets in progress	0008	4.721	
6. Advances paid on intangible assets	0009		
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010	1.927.695	1.933.237
1. Land	0011		
2. Buildings	0012	1.297.427	1.305.656
3. Plant and equipment	0013	23.742	27.119
4. Investment property	0014	555.515	555.515
5. Other property, plant and equipment	0015	283	283
6. Property, plant and equipment in progress	0016	6.064	
7. Investments in property, plant and equipment, not owned	0017		
8. Advances paid on property, plant and equipment	0018	44.664	44.664
III. NATURAL ASSETS (0020+0021+0022+0023)	0019		
1. Forests and growing crops	0020		
2. Livestock	0021		
3. Natural assets in progress	0022		
4. Advances paid for natural assets	0023		
IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024	5.713.640	5.083.136
1. Shares in subsidiaries	0025	5.616.041	4.837.763
2. Shares in affiliated companies and joint ventures	0026	13.550	29.550
3. Shares in other companies and other available for sale securities	0027	29.248	43.347
4. Long term investments in parent companies and subsidiaries	0028	53.789	171.259
5. Long term investments in other affiliated companies	0029		
6. Long term investments, domestic	0030		
7. Long term investments, foreign countries	0031		
8. Securities held to maturity	0032		
9. Other long term financial investments	0033	1.012	1.217
V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		
1. Receivables from parent company and subsidiaries	0035		
2. Receivables from other affiliated companies	0036		
3. Receivables from credit sales	0037		
4. Receivables from financial leasing contracts	0038		
5. Receivables from pledged assets	0039		
6. Bad debts and uncollectible claims	0040		
7. Other long term receivables	0041		
<b>C. DEFERRED TAX ASSETS</b>	<b>0042</b>		

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
<b>D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)</b>	<b>0043</b>	3.729.338	3.311.790
I. INVENTORIES (0045+0046+0047+0048+0049+0050)	<b>0044</b>	83.428	6.425
1. Material ,parts, tools and small inventories	<b>0045</b>		
2. Work and services in progress	<b>0046</b>		
3. Finished products	<b>0047</b>		
4. Goods	<b>0048</b>		
5. Fixed assets for sale	<b>0049</b>	77.505	
6. Advances paid for inventories and services	<b>0050</b>	5.923	6.425
II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	<b>0051</b>	861.026	765.794
1. Local buyers - parent company and subsidiaries	<b>0052</b>	860.395	763.077
2. Foreign buyers - parent company and subsidiaries	<b>0053</b>		
3. Local buyers - other affiliated companies	<b>0054</b>		705
4. Foreign buyers - other affiliated companies	<b>0055</b>		
5. Local buyers	<b>0056</b>	631	2.012
6. Foreign buyers	<b>0057</b>		
7. Other receivables from sales	<b>0058</b>		
III. RECEIVABLES FROM SPECIAL TRANSACTIONS	<b>0059</b>	15.003	7.094
IV. OTHER RECEIVABLES	<b>0060</b>	127.747	125.071
V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	<b>0061</b>		
VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	<b>0062</b>	2.114.142	1.795.477
1. Short term loans and investments - parent company and subsidiaries	<b>0063</b>	1.315.691	906.583
2. Short term loans and investments - other affiliated companies	<b>0064</b>	76.479	157.836
3. Short term credits and loans, domestic	<b>0065</b>		
4. Short term credits and loans, foreign countries	<b>0066</b>		
5. Other short term financial investments	<b>0067</b>	721.972	731.058
VII. CASH AND CASH EQUIVALENTS	<b>0068</b>	122.409	200.519
VIII. VALUE ADDED TAX	<b>0069</b>		
IX. PREPAYMENTS AND ACCRUED INCOME	<b>0070</b>	405.583	411.410
<b>E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)</b>	<b>0071</b>	11.377.748	10.332.844
<b>F. OFF-BALANCE SHEET ASSETS</b>	<b>0072</b>	20.598.158	22.683.687

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
<b>LIABILITIES</b>			
A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401	9.026.564	9.094.008
I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402	7.128.301	7.128.301
1. Share capital	0403	5.574.959	5.574.959
2. Shares of limited liability companies	0404		
3. Investments	0405		
4. State owned capital	0406		
5. Socially owned capital	0407		
6. Shares of cooperatives	0408		
7. Issuing premium	0409	1.526.164	1.526.164
8. Other share capital	0410	27.178	27.178
II. SUBSCRIBED CAPITAL UNPAID	0411		
III. TREASURY SHARES REPURCHASED	0412	49.827	49.827
IV. RESERVES	0413	214.881	214.881
V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	784.634	784.634
VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415		
VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	18.307	4.208
VIII. RETAINED EARNINGS (0418+0419)	0417	1.019.599	1.020.227
1. Retained earnings from previous years	0418	1.019.599	256.754
2. Retained earnings from current year	0419		763.473
IX. NON-CONTROLLING INTEREST	0420		
X. LOSSES (0422+0423)	0421	52.717	
1. Losses from previous years	0422		
2. Losses from current year	0423	52.717	
<b>B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)</b>	0424	2.667	2.812
I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425	2.667	2.812
1. Provisions for warranty costs	0426		
2. Provisions for recovery of natural resources	0427		
3. Provisions for restructuring costs	0428		
4. Provisions for wages and other employee benefits	0429	2.667	2.812
5. Provisions for legal expenses	0430		
6. Other long term provisions	0431		
II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		
1. Liabilities convertible into capital	0433		
2. Liabilities to parent company and subsidiaries	0434		
3. Liabilities to other affiliated companies	0435		
4. Liabilities for issued securities for more than one year	0436		
5. Long term credits and loans, domestic	0437		
6. Long term credits and loans, foreign countries	0438		
7. Long term liabilities from financial leasing	0439		
8. Other long term liabilities	0440		
<b>C. DEFERRED TAX LIABILITIES</b>	0441	154.137	154.137
<b>D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)</b>	0442	2.194.380	1.081.887
I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	1.999.206	898.427
1. Short term loans from parent company and subsidiaries	0444		
2. Short term loans from other affiliated companies	0445	1.195.968	
3. Short term credits and loans, domestic	0446	803.110	898.279
4. Short term credits and loans, foreign countries	0447		
5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		
6. Other short term financial liabilities	0449	128	148

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	61.669	51.076
III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451	14.933	12.159
1. Suppliers - parent company and subsidiaries, local	0452	6.033	977
2. Suppliers - parent company and subsidiaries, foreign countries	0453		
3. Suppliers - other affiliated companies, local	0454		
4. Suppliers - other affiliated companies, foreign countries	0455		
5. Suppliers, local	0456	7.425	5.182
6. Suppliers, foreign countries	0457	1.475	3.117
7. Other operating liabilities	0458		2.883
IV. OTHER SHORT TERM LIABILITIES	0459	80.555	42.105
V. VALUE ADDED TAX	0460	4.192	4.700
VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	5.519	45.839
VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	28.306	27.581
D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)≥0 = (0441+0424+0442-0071) ≥0	0463		
E. TOTAL LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464	11.377.748	10.332.844
F. OFF-BALANCE LIABILITIES	0465	20.598.158	22.683.687

**INCOME STATEMENT**

from 01.01.2019. until 30.09.2019.

RSD thousand

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
<b>INCOME FROM NORMAL ACTIVITIES</b>					
<b>A. OPERATING INCOME (1002+1009+1016+1017)</b>	<b>1001</b>	75.161	227.134	100.952	302.639
I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	<b>1002</b>				
1. Income from sale of goods to parent company and subsidiaries on local market	<b>1003</b>				
2. Income from sale of goods to parent company and subsidiaries on foreign markets	<b>1004</b>				
3. Income from sale of goods to other affiliated companies on local market	<b>1005</b>				
4. Income from sale of goods to other affiliated companies on foreign markets	<b>1006</b>				
5. Income from sale of goods on local market	<b>1007</b>				
6. Income from sale of goods on foreign markets	<b>1008</b>				
II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	<b>1009</b>	69.718	210.409	94.376	283.169
1. Income from sale of finished products and services to parent company and subsidiaries on local market	<b>1010</b>	69.701	210.337	94.384	283.115
2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	<b>1011</b>				
3. Income from sale of finished products and services to other affiliated companies on local market	<b>1012</b>				
4. Income from sale of finished products and services to other affiliated companies on foreign markets	<b>1013</b>				
5. Income from sale of finished products and services on local market	<b>1014</b>	17	72	12	54
6. Income from sale of finished products and services on foreign markets	<b>1015</b>				
III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	<b>1016</b>				
IV. OTHER OPERATING INCOME	<b>1017</b>	5.443	16.725	6.576	19.470
<b>EXPENSES FROM NORMAL ACTIVITIES</b>					
<b>B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0</b>	<b>1018</b>	85.305	255.618	84.485	271.249
I. COST PRICE OF GOODS SOLD	<b>1019</b>				
II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	<b>1020</b>				
III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	<b>1021</b>				
IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	<b>1022</b>				
V. MATERIAL COSTS	<b>1023</b>	1.238	4.053	1.021	4.234
VI. FUEL AND ENERGY COSTS	<b>1024</b>	6.511	16.511	5.582	15.544
VII. EMPLOYEE EXPENSES AND BENEFITS	<b>1025</b>	46.895	139.918	49.614	154.281
VIII. PRODUCTION SERVICE COSTS	<b>1026</b>	12.187	38.499	13.341	41.582
IX. DEPRECIATION EXPENSES	<b>1027</b>	4.835	14.671	5.169	15.806
X. PROVISION EXPENSES	<b>1028</b>				
XI. INTANGIBLE EXPENSES	<b>1029</b>	13.639	41.966	9.758	39.802
<b>C. OPERATING INCOME (1001-1018) ≥ 0</b>	<b>1030</b>			16.467	31.390
<b>D. OPERATING LOSSES (1018-1001) ≥ 0</b>	<b>1031</b>	10.144	28.484		
<b>E. FINANCIAL REVENUES (1033+1038+1039)</b>	<b>1032</b>	24.767	82.080	27.915	609.324
I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	<b>1033</b>	22.488	76.496	26.114	599.035
1. Financial income from parent company and subsidiaries	<b>1034</b>	16.800	49.328	22.978	591.742
2. Financial income from other affiliated companies	<b>1035</b>	5.598	9.818	3.136	7.293
3. Share of profits in associated companies and joint ventures	<b>1036</b>				
4. Other financial revenues	<b>1037</b>	90	17.350		
II. INTEREST INCOME (THIRD PARTY)	<b>1038</b>	106	751	1.801	8.300
III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	<b>1039</b>	2.173	4.833		1.989
<b>F. FINANCIAL EXPENSES (1041+1046+1047)</b>	<b>1040</b>	32.396	69.276	10.322	25.853
I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	<b>1041</b>	21.452	43.738		1.118
1. Financial expenses from transactions with parent company and subsidiaries	<b>1042</b>	8.705	16.609		1.023
2. Financial expenses from transactions with other affiliated companies	<b>1043</b>	12.747	27.129		95
3. Share of losses in affiliated companies and joint ventures	<b>1044</b>				
4. Other financial expenditure	<b>1045</b>				
II. INTEREST EXPENSES (THIRD PARTY)	<b>1046</b>	9.495	22.789	8.257	23.951
III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	<b>1047</b>	1.449	2.749	2.065	784
<b>G. FINANCIAL GAINS (1032-1040)</b>	<b>1048</b>		12.804	17.593	583.471
<b>H. FINANCIAL LOSSES (1040-1032)</b>	<b>1049</b>	7.629			
<b>I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>1050</b>				
<b>J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>1051</b>				
<b>K. OTHER INCOME</b>	<b>1052</b>	742	1.150	34	449.182
<b>L. OTHER EXPENSES</b>	<b>1053</b>	37.635	37.865	40	7.013
<b>M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)</b>	<b>1054</b>			34.054	1.057.030
<b>N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)</b>	<b>1055</b>	54.666	52.395		
<b>O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS</b>	<b>1056</b>			1	2.232
<b>P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS</b>	<b>1057</b>	1	322		
<b>Q. PROFIT BEFORE TAX (1054-1055+1056-1057)</b>	<b>1058</b>			34.055	1.059.282
<b>R. LOSSES BEFORE TAX (1055-1054+1057-1056)</b>	<b>1059</b>	54.667	52.717		

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
<b>S. INCOME TAX</b>					
I. TAXABLE EXPENSES FOR THE PERIOD	1060			5,108	75,518
II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061				
III. DEFERRED TAX INCOME FOR THE PERIOD	1062				
<b>T. MANAGEMENT EARNINGS</b>	1063				
<b>U. NET PROFIT (1058-1059-1060-1061+1062-1063)</b>	1064			28,947	983,744
<b>V. NET LOSSES (1059-1058+1060+1061-1062+1063)</b>	1065	54,667	52,717		
I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066				
II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067				
III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068				
IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069				
V. EARNINGS PER SHARE					
1. Basic earnings per share	1070				
2. Reduced (diluted) earnings per share	1071				

## STATEMENT OF OTHER RESULTS

from 01.01.2019. until 30.09.2019.

RSD thousand

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
<b>A. NET OPERATING RESULTS</b>					
I. NET PROFIT (EDP 1064)	2001			28.947	983.744
II. NET LOSSES (EDP 1065)	2002	54.667	52.717		
<b>B. OTHER COMPERHENSIVE GAINS OR LOSSES</b>					
<b>a) Items not reclassifiable in the balance sheet in future periods</b>					
1. Change of revaluation of intangibles, property, plant and equipment					
a) increase in revaluation reserves	2003				
b) decrease in revaluation reserves	2004				
2. Actuarial gains or losses from defined income plans					
a) gains	2005				
b) losses	2006				
3. Gains and losses from equity instrument investments					
a) gains	2007				
b) losses	2008				
4. Gains and losses from share of other comprehensive profits and losses of affiliates					
a) gains	2009				
b) losses	2010				
<b>b) Items that may be reclassified in the balance sheet in future periods</b>					
1. Gains and losses from translation of financial statements for foreign operations					
a) gains	2011				
b) losses	2012				
2. Gains and losses from hedging of net investments in foreign operations					
a) gains	2013				
b) losses	2014				
3. Gains and losses from cash flow hedging					
a) gains	2015				
b) losses	2016				
4. Gains and losses from available for sale securities					
a) gains	2017	3.052	477		7.444
b) losses	2018		14.576	1.727	
I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019	3.052			7.444
II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020		14.099	1.727	
III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021				
IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022	3.052			7.444
V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023		14.099	1.727	
<b>C. TOTAL COMPERHENSIVE NET RESULTS FOR THE PERIOD</b>					
I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024			27.220	991.188
II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025	51.615	66.816		
<b>D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 &gt; 0</b>	2026				
1. Payable to majority shareholders	2027				
2. Payable to non-controlling shareholders	2028				

## CASH FLOW STATEMENT

from 01.01.2019. until 30.09.2019.

RSD thousand

DESCRIPTION	EDP	Total	
		cumulative for current year quarter	cumulative for previous year quarter
1	2	3	4
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>I. Cash inflow from operating activities ( 1 to 3 )</b>	<b>3001</b>	203.202	232.346
1. Sales and prepayments	3002	193.044	197.991
2. Interests from operating activities	3003		
3. Other inflow from normal operations	3004	10.158	34.355
<b>II. Cash outflow from operating activities ( 1 to 5 )</b>	<b>3005</b>	384.176	398.891
1. Payments to suppliers and prepayments	3006	139.546	145.648
2. Employee expenses and benefits	3007	137.460	151.458
3. Interests paid	3008	38.806	24.084
4. Income tax	3009	29.569	5.774
5. Payments based on other public revenues	3010	38.795	71.927
<b>III. Net cash inflow from operating activities (I-II)</b>	<b>3011</b>		
<b>IV. Net cash outflow from operating activities (II-I)</b>	<b>3012</b>	180.974	166.545
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>I. Cash inflow from investing activities (1 to 5 )</b>	<b>3013</b>	952.182	1.047.054
1. Sale of shares and stocks (net inflow)	3014		1.035.940
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	10.841	
3. Other financial investments (net inflow)	3016	907.663	
4. Interest received from investment activities	3017	33.589	8.809
5. Dividends received	3018	89	2.305
<b>II. Cash outflow from investing activities (1 to 3)</b>	<b>3019</b>	725.386	924.731
1. Purchase of shares and stocks (net outflow)	3020	712.565	
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	12.821	23.364
3. Other financial investments (net outflow)	3022		901.367
<b>III. Net cash inflow from investing activities (I-II)</b>	<b>3023</b>	226.796	122.323
<b>IV. Net cash outflow from investing activities (II-I)</b>	<b>3024</b>		
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>I. Cash inflow from financing activities ( 1 to 5 )</b>	<b>3025</b>		4.667
1. Equity increase	3026		
2. Long term loans (net inflow)	3027		
3. Short term loans (net inflow)	3028		4.667
4. Other long term liabilities	3029		
5. Other short term liabilities	3030		
<b>II. Cash outflow from financing activities ( 1 to 6 )</b>	<b>3031</b>	123.445	16.750
1. Repurchase of own shares and stocks	3032		
2. Long term loans (net outflow)	3033		
3. Short term loans (net outflow)	3034	90.383	
4. Other liabilities	3035	32.370	16.569
5. Financial leasing	3036		
6. Dividends paid	3037	692	181
<b>III. Net cash inflow from financing activities ( I -II)</b>	<b>3038</b>		
<b>D. Net cash outflow from financing activities (II-I)</b>	<b>3039</b>	123.445	12.083
<b>E. TOTAL CASH INFLOW (3001+3013+3025)</b>	<b>3040</b>	1.155.384	1.284.067
<b>F. TOTAL CASH OUTFLOW (3005+3019+3031)</b>	<b>3041</b>	1.233.007	1.340.372
<b>G. NET CASH INFLOW ( 3040-3041 )</b>	<b>3042</b>		
<b>H. NET CASH OUTFLOW (3041-3040)</b>	<b>3043</b>	77.623	56.305
<b>I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD</b>	<b>3044</b>	200.519	251.917
<b>J. EXCHANGE RATE GAINS FROM CASH TRANSLATION</b>	<b>3045</b>		868
<b>K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION</b>	<b>3046</b>	487	
<b>L. CASH BALANCE AT END OF REPORTING PERIOD ( 3042-3043+3044+3045-3046)</b>	<b>3047</b>	122.409	196.480





**NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30/09/2019**

Belgrade, November 2019

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## 1. COMPANY BACKGROUND

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

The Company harmonized its operations with the Companies Law in vigour (RS Official Gazette No. 36/2011, 99/2011, 83/2014 – other law and 5/2015, 44/2018 and 95/2018) by passing the Decision on Harmonization of Company's Articles of Association with the Companies Law adopted on the General Assembly meeting on March 16, 2012 and by passing the Articles of Association on the General Assembly meeting on January 12, 2012. Those Decisions mentioned, including the change of company data in business registers, are duly registered.

Following decisions made on Shareholders' General Meetings, celebrated on 28/06/2013 and 17/06/2014, the Company has made changes in its Articles of Association, which was duly registered with the Serbian Business Registers Agency.

### **General Company Data**

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

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

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

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

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

As from 2010, Energoprojekt Promet Ltd. is inactive (in dormant status) having now business activities from then and with no property at all. Starting from 2019, has started the forced liquidation procedure for all companies which did not presented their financial statements, pursuant to the accounting

legislation, for last two years precedent to the year related to financial statement. Energoprojekt Promet Ltd. did not presented its financial statements to the Business Registers Agency since 2017 financial statements.

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

- Zambia Engineering and Contracting Company Limited, Zambia,
- Energoprojekt Holding Guinee S.A, Guinea,
- I.N.E.C. Engineering Company Limited, UK,
- Dom 12 S.A.L, Lebanon,
- Energo (Private) Limited, Zimbabwe and
- Energo Kaz d.o.o., Kazakhstan.

On 30/07/2019 the Company has sold the entire share capital to the subsidiary company Encom GmbH Consulting, Engineering & Trading, Germany (100.00%) (Note 14.2 and 20.1).

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

- Enjub Ltd.

In 2019, the affiliated company Closed Investment Fund Fima Southern Europe Activist Plc. Belgrade – in liquidation, was deleted from Business Registers records and Central Securities Depository (Note 20.1).

The following Table contains data on the ownership share in mentioned subsidiaries as at 30/09/2019.

<i>Equity investments in subsidiary legal entities</i>	
<i>Name of subsidiary</i>	<i>% ownership</i>
<i>Local:</i>	
Energoprojekt Visokogradnja Plc.	100.00
Energoprojekt Niskogradnja Plc.	100.00
Energoprojekt Oprema Plc.	67.87
Energoprojekt Hidroinzenjering Plc.	100.00
Energoprojekt Urbanizam i arhitektura Plc.	100.00
Energoprojekt Energodata Plc.	100.00
Energoprojekt Industrija Plc.	62.77
Energoprojekt Entel Plc. (Note 39)	99.95
Energoprojekt Promet Ltd.	100.00
Energoprojekt Sunnyville Ltd.	100.00
Energoprojekt Park 11 Ltd.	100.00
<i>Abroad:</i>	
Zambia Engineering and Contracting Company Limited, Zambia	100.00
Energoprojekt Holding Guinee S.A, Guinea	100.00
I.N.E.C. Engineering Company Limited, UK	100.00
Dom 12 S.A.L, Lebanon	100.00
Energo (private) Limited, Zimbabwe	100.00
Energo Kaz Ltd., Kazakhstan	100.00

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

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

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

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

**The average number of employees** with the Company in the reporting period, based on the actual number of employees at the end of each month, is 75 (as at December 31, 2018: 75).

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

The financial statements that are subject of these Notes are the **financial statements of the Company for the period from January 1 till September 30, 2019**, that were approved by the Executive Board of the Company on November 12, 2019, at 241st meeting of the Company and are not subject to an audit by an external auditor.

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

Company Management estimates that Company will continue with its business for the ilimited time-period, and does not expect any significant changes in activities, so that Company financial statements as at 30/09/2019 are made in respect with the principle of permanence.

## **2. MANAGEMENT STRUCTURE**

**Key management of the Company in period up to June 30, of the reporting year included the following persons:**

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

**Key management of the Company in period from July 1, of the reporting year includes the following persons:**

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

### **3. OWNERSHIP STRUCTURE**

**According to records of the Central Securities Depository, the registered ownership structure of the Company as at 30/09/2019 is presented in Note 28.1.**

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

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

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

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

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

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

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

- Law on Corporate Income Tax (RS Official Gazette, No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 – other law, 142/2014, 91/2015 – authentic interpretation, 112/2015 and 113/2017 and 95/2018),
- Law on Added Value Tax (RS Official Gazette, No. 84/2004, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - other law, 142/2014, 5/2015, 83/2015, 108/2016, 113/2017, 30/2018 and 72/2019),

- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax (RS Official Gazette, No. 20/2014, 41/2015, 101/2016 and 8/2019),
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax (RS Official Gazette, No. 30/2015 and 101/2016, 44/2018 – other law and 8/2019),
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes (RS Official Gazette, No. 116/2004 and 99/2010, 104/2018 and 8/2019),
- Rules on Transfer Prices and Methods Applied in compliance with the “at arm’s length” principle in determining the price of transactions among related parties (RS Official Gazette, No. 61/2013 and 8/2014) and other.

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

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

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

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

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

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

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

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

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

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

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

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

<i>Currency</i>	<i>30/09/2019</i>	<i>31/12/2018</i>	<i>30/09/2018</i>	<i>31/12/2017</i>
	<i>Amount in RSD</i>			
EUR 1	117.5283	118.1946	118.4179	118,4727
USD 1	107.4299	103.3893	101.6899	99.1155
GBP 1	132.1136	131.1816	133.0239	133.4302

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

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

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

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

## 6. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

The basic accounting policies applied in preparation of these financial statements, which were primarily based on the Rulebook on Accounting and Accounting Policies of the Company, are in line with the accounting policies applied in preparation of the financial statements for the year that ended on December 31, 2018 and were applied consistently to all the presented years, unless specified otherwise.

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

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

## INCOME STATEMENT

### 7. OPERATING INCOME

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

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

Structure of income from sale of products and services	In RSD thousand	
	01/01-30/09/2019	01/01-30/09/2018
Income from sale of finished products and services to parent company and subsidiaries on local market	210.337	283.115
Income from sale of finished products and services on local market	72	54
Income from sale of finished products and services on foreign markets		
<b>TOTAL</b>	<b>210.409</b>	<b>283.169</b>

**Income from the sale of finished products and services to parent companies and subsidiaries on local market** are based on services rendered by the Company to its subsidiaries, in accordance with agreements approved and adopted by the competent management bodies of the Company and of the subsidiaries, in compliance with the relevant legal acts and these amounted to RSD 210.337 thousand.

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

<b>Structure of income from the sale of finished products and services to subsidiaries on local market</b>	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Energoprojekt Visokogradnja Plc.	33.809	72.287
Energoprojekt Niskogradnja Plc.	79.683	96.412
Energoprojekt Hidroinzenjering Plc.	10.637	10.200
Energoprojekt Entel Plc.	34.417	36.454
Energoprojekt Energodata Plc.	4.452	4.523
Energoprojekt Industrija Plc.	5.415	4.612
Energoprojekt Urbanizam i arhitektura Plc.	2.851	2.838
Energoprojekt Oprema Plc.	21.755	38.405
Energoprojekt Sunnyville Ltd.	3.230	4.080
Energoprojekt Park 11 Ltd.	14.088	13.304
<b>TOTAL</b>	<b>210.337</b>	<b>283.115</b>

**Income from the sale of finished products and services on local market** in the amount of RSD 72 thousand were generated from the sales of flight tickets.

## 7.2. Other operating income

<b>Structure of other operating income</b>	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Incomes from the rent collected from parent, subsidiary and other related companies	10.118	11.010
Incomes from the rent collected from other legal entities on local market	6.393	8.319
Other operating income (externally)	214	141
<i>Total</i>	<i>16.725</i>	<i>19.470</i>
<b>TOTAL</b>	<b>16.725</b>	<b>19.470</b>

**Incomes from the rent collected from parent, subsidiary and other related companies** amounting to RSD 10,118 thousand were generated based on renting of:

- a portion of the “Samacki Hotel” complex in 24 Batajnicki Drum, which has been rented since 2011 to Energoprojekt Visokogradnja in the amount of RSD 9,795 thousand and
- a portion of Energoprojekt Building, which has been rented since 2016 to the Energoprojekt Sunnyville, for RSD 323 thousand.

**Incomes from the rent collected from other legal entities on local market** amounting to RSD 6,393 thousand were generated, mainly, from renting:

- a portion of the “Samacki Hotel” complex in 24 Batajnicki Drum which has been rented from August, 2017, to Jerry Catering Service Ltd. in the amount of RSD 5,803 thousand and
- a portion of Energoprojekt building to Sava Neživotno Osiguranje Plc. in the amount of RSD 484 thousand.

## 8. MATERIAL COSTS AND FUEL AND ENERGY COST

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Material costs:		
a) Costs of other materials (overheads)	4.053	4.234
b) Costs of one-off write-off of tools and inventory		
<i>Total</i>	<i>4.053</i>	<i>4.234</i>
Fuels and energy costs:		
a) Costs of fuel	738	687
b) Costs of electrical energy and heating	15.773	14.857
<i>Total</i>	<i>16.511</i>	<i>15.544</i>
<b>TOTAL</b>	<b><i>20.564</i></b>	<b><i>19.778</i></b>

**Costs of other material (overheads)** amounting to RSD 4,053 thousand refer to office stationery in the amount of RSD 1,582 thousand, professional and expert literature, magazines, etc. amounting to 721 thousand and other material costs amounting to RSD 1,750 thousand.

## 9. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Expenses of wages and fringe benefits (gross)	102.210	112.030
Taxes and contributions on wages and contributions on wages payable by employer	16.016	18.080
Service agreements contributions	3.372	2.873
Copyright agreements contributions	301	167
Costs of contributions for contract fees for temporary and periodical engagement	787	1.797
Considerations to General Manager and/or Management and Supervisory Board members	9.417	9.691
Other personnel expenses and fringe benefits	7.815	9.643
<b>TOTAL</b>	<b><i>139.918</i></b>	<b><i>154.281</i></b>
Average number of employees	75	78

**Other personnel expenses and fringe benefits** amounting to RSD 7,815 thousand refer to the business trips' expenses amounting to RSD 5,941 thousand, expenses for employee commuting

reimbursements amounting to RSD 1,814 thousand and other dues to employees in the amount of RSD 60 thousand.

## 10. PRODUCTION SERVICE COSTS

Structure of production service cost	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Transportation services cost	1.901	2.085
Repairs and maintenance services cost	25.422	26.597
Rental costs	108	54
Advertising costs	702	1.589
Other services cost	10.366	11.257
<b>TOTAL</b>	<b>38.499</b>	<b>41.582</b>

**Transportation services costs** in the amount of RSD 1,901 thousand refer to the landline costs and mobile phone costs, Internet services, taxi services, parking services, cars, road tolls, etc.

**Repairs and maintenance services costs** amounting to RSD 25,422 thousand refer to investment maintenance of the Energoprojekt Building amounting to RSD 20,241 thousand and to the ongoing maintenance of equipment amounting to RSD 5,181 thousand.

**Advertising costs** amounting to RSD 702 thousand dominantly relate to sponsorship (26th Kopaonik Business Forum) in the amount of RSD 592 thousand.

**Costs of other services** amounting to RSD 10,366 thousand refer to the photocopying costs and costs of technical and operational support: RSD 4,528 thousand (dominantly, Energoprojekt Energodata in multimedia presentations, updating and preparation of advertising and promo materials for info-board, graphic design services and other); licenses' costs: RSD 3,221 thousand; utility services: RSD 2,014 thousand, safety at work: RSD: 135 thousand, car registration expenses and other services: RSD: 468 thousand.

**11. DEPRECIATION EXPENSES AND PROVISION EXPENSE**

Structure of depreciation expenses and provision expenses	In RSD thousand	
	01/01-30/09/2019	01/01-30/09/2018
Depreciation expenses:		
a) Depreciation of intangible assets (Note 18)	2.327	2.392
b) Depreciation of property, plant and equipment (Note 19.1.)	12.344	13.414
<i>Total</i>	<i>14.671</i>	<i>15.806</i>
Provisions expenses:		
Provisions for contributions and other personnel benefits		
<i>Total</i>		
<b>TOTAL</b>	<b>14.671</b>	<b>15.806</b>

Depreciation expenses for the reporting period were calculated based on the appraisal of residual values and the remaining useful life as at December 31, 2018 for property and equipment with significant booking value, since there were no changes of relevance that would require additional appraisal as at the balance date as well.

**12. INTANGIBLE EXPENSES**

Structure of intangible expenses	In RSD thousand	
	01/01-30/09/2019	01/01-30/09/2018
Intangible expenses	20.231	15.031
Expense account	2.420	3.252
Insurance premiums expenses	1.071	1.318
Payment operations' expenses	1.062	2.678
Membership fee expenses	512	588
Tax duties	14.042	14.664
Other non-operating expenses	2.628	2.271
<b>TOTAL</b>	<b>41.966</b>	<b>39.802</b>

**Intangible expenses** amounting to RSD 20,231 thousand pertain to the costs of attorney fees, consulting and intellectual services, professional training, financial statements' audit costs, education of employees, broker services, Belgrade Stock Exchange services, cleaning services and other costs.

**Expense accounts** amounting to RSD 2,420 thousand include primarily the catering services.

**Insurance premium expenses** amounting to RSD 1,071 thousand refer to the insurance of property and persons.

**Payment operations expenses** amounting to RSD 1,062 thousand pertain to the local payment operations costs, mainly to credit approving fees and loans period prolonged.

**Membership fee expenses** amounting to RSD 512 thousand, refer to Serbian Chamber of Commerce memberships, as well as memberships to other chambers, federations and associations.

**Tax duties** in the amount of RSD 14,042 thousand refer predominantly to the property tax amounting to RSD 13,751 thousand.

**Other non-operating expenses** amounting to RSD 2,628 thousand, refer to duties and lawsuit expenses amounting to RSD 1,455 thousand, printing expenses for Energoprojekt Magazine in the amount of RSD 470 thousand and expenses involving financing of disabled persons earnings, in the amount of RSD 333 thousand.

### 13. FINANCIAL INCOME AND FINANCIAL EXPENSE

#### 13.1. Financial Income

Structure of financial income	In RSD thousand	
	01/01-30/09/2019	01/01-30/09/2018
Financial income from transactions with parent companies and subsidiaries	49.328	591.742
Financial income from other related companies	9.818	7.293
Income from dividends	17.350	
<i>Total financial income from the related parties and other financial income</i>	<i>76.496</i>	<i>599.035</i>
Interest income (third party)	751	8.300
Exchange rate gains and positive currency clause effects (third party)	4.833	1.989
<b>TOTAL</b>	<b>82.080</b>	<b>609.324</b>

**Financial income from transactions with parent companies and subsidiaries** amounting to RSD 49,328 thousand refer to interest income from subsidiaries amounting to RSD 49,052 thousand and income from the effects of foreign exchange clauses and foreign exchange gains from subsidiaries amounting to RSD 276 thousand.

**Financial income from other related companies** in the amount of RSD 9,818 thousand relates to the interest income from loan made from joint venture Enjub Ltd, in the amount of RSD 5,406 thousand and to income based on FX clause effect loan made from Napred Plc. in the amount of RSD 4,412 thousand.

**Income from dividends** in the amount of RSD 17,350 thousand relate to income based on distribution of liquidation residual of Closed Investment Fund Fima Southern Europe Activist Plc. – in liquidation,

in the amount of RSD 17,261 thousand (Note 20.1) and income from dividend of Dunav osiguranje, in the amount of RSD 89 thousand.

**Interest income (third party)** in the amount of RSD 751 thousand relate to regular demand interest and interest on time deposits.

**Exchange rate gains and positive currency clause effects (third party)** in the amount of RSD 4,833 thousand refer to gains in FX exchange: RSD 43 thousand and income from the effects of foreign currency clause in the amount of RSD 4,790 thousand (the largest portion of which pertains to the effects of foreign currency clause based on loans received from banks, in the amount of RSD 9,198 thousand).

### 13.2. Financial Expense

Structure of financial expense	In RSD thousand	
	01/01-30/09/2019	01/01-30/09/2018
Financial expenses from transactions with parent company and subsidiaries	16.609	1.023
Financial expenses from transactions with other related companies	27.129	95
<i>Total financial expense incurred from related parties and other financial expense</i>	<i>43.738</i>	<i>1.118</i>
Interest expenses (third party)	22.789	23.951
Exchange rate losses and negative currency clause effects (third party)	2.749	784
<b>TOTAL</b>	<b>69.276</b>	<b>25.853</b>

**Financial expenses from transactions with parent companies and subsidiaries** amounting to RSD 16,609 thousand dominantly refer to the expenses incurred from the effects of foreign currency clauses and negative effects of foreign exchange rates from transactions with subsidiaries, in the amount of RSD 15,624 thousand, the largest portion of which pertains to the effects of foreign currency effects for: loans granted in the amount of RSD 10,717 thousand (Energoprojekt Sunnyville, Energoprojekt Oprema, Energoprojekt Urbanizam i Arhitektura, Energoprojekt Energodata and Energoprojekt Visokogradnja) and receivables based on service providing in the amount of RSD 4,013 thousand (mainly, within Energoprojekt Visokogradnja: RSD 3,342 thousand) and expenses based on interests for loans made from Energoprojekt Niskogradnja, in the amount of RSD 978 thousand.

**Financial expenses from transactions with other related companies** amounting to RSD 27,129 thousand, refer to Napred Razvoj Plc. in the amount of RSD 26,101 thousand (based on one-off expenses of loan approvals: RSD 7,202 thousand and interest for the loan approved: RSD 18,899 thousand) and Enjub Ltd. in the amount of RSD 1,028 thousand (expenses based on effects of foreign currency clauses on loans and interest related to loans).

**Interest expense (third party)** in the amount of RSD 22,789 thousand dominantly refer to the interest expense from domestic current liquidity bank loans granted by Jubmes bank, Erste bank, Societe Generale bank and i Komercijalna banka) in the amount of RSD 16,494 thousand and default interest in the amount of RSD 6,293 thousand from Komercijalna banka in the amount of RSD 2,946 thousand and absed on lost lawsuit with R.Ljubojević, in the amount of RSD 3,347 thousand (Note 14.2).

**Exchange rate losses and negative currency clause effects (third effects)** in the amount of RSD 2,749 thousand refer to the negative foreign exchange rates in the amount of RSD 551 thousand and and expenses based on effects of foreign currency clauses, in the amount of RSD 2,198 thousand, mainly for effects of foreign currency clauses based on receivables for non-invoiced income from the construction of Embassy building in Abuja, in the amount of RSD 2,114 thousand.

## 14. OTHER INCOME AND OTHER EXPENSES

### 14.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Income from selling intangible assets, real estate, plant and equipment	687	95.262
Income from selling shares and securities		353.729
Income based on effect of contracted risk protection, which has no condition to be recorded as other comprehensive income	348	
Other non-mentioned income	115	191
<b>TOTAL</b>	<b>1.150</b>	<b>449.182</b>

**Income from selling intangible assets, real estate, plant and equipment** in the amount of RSD 687 thousand, dominantly refer to income based fixed assets for selling, in the amount of RSD 686 thousand (Note 21).

**Income based on contracted risk protection effect, which has no condition to be recorded as other comprehensive income** in the amount of RSD 348 thousand, refer to income based on personal premature flat redemption, pursuant to the Agreement on Public Flats Redemption, from 1995.

**Other non-mentioned income** in the amount of RSD 115 thousand refer to the income from the sales of used paper.

## 14.2. Other Expenses

Structure of other expenses	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment		
Losses based on selling of share in capital and securities	3.493	
Expenses based on direct write-off of receivables		
Other non-mentioned expenses	34.372	7.013
<b>TOTAL</b>	<b>37.865</b>	<b>7.013</b>

**Losses based on selling of share in capital and securities** in the amount of RSD 3,493 thousand, refer to losses based on selling in share in capital of Encom Gmbh Consulting, Engineering & Trading, Germany (Note 20.1).

**Other non-mentioned expenses** in the amount of RSD 34,372 thousand dominantly refer to damage compensation to R.Ljubojević, based on lost lawsuit (for land expropriation) in the amount of RSD 32,370 thousand, to expenses made from bank penalties due to violation of financial commitment defined in agreement related to Net Debt/Ebitda level, in the amount of RSD 1,772 thousand and donation approved in the amount of RSD 200 thousand.

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

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		2.232
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	322	
<b>TOTAL</b>	<b>322</b>	<b>2.232</b>

**Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year** in the amount of RSD 322 thousand mainly came as a result of subsequently defined income and expenses from previous period, that are not of any material significance, but were recognized as liabilities or receivables in current period.

## 16. PROFIT / LOSS BEFORE TAX

Structure of gross result	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Operating income	227.134	302.639
Operating expenses	255.618	271.249
<b>Operating result</b>	<b>(28.484)</b>	<b>31.390</b>
Financial income	82.080	609.324
Financial expenses	69.276	25.853
<b>Financial result</b>	<b>12.804</b>	<b>583.471</b>
Other income	1.150	449.182
Other expenses	37.865	7.013
<b>Result of other revenues and expenses</b>	<b>(36.715)</b>	<b>442.169</b>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		2.232
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	322	
<b>TOTAL INCOME</b>	<b>310.364</b>	<b>1.363.377</b>
<b>TOTAL EXPENSE</b>	<b>363.081</b>	<b>304.115</b>
<b>PROFIT/LOSS BEFORE TAX</b>	<b>(52.717)</b>	<b>1.059.262</b>

Comparing to reported period of previous year, the decrease of gross result of the Company, in the amount of RSD 1,053,013 thousand, has been recorded due to reduction of income in the amount of RSD 1,111,979 thousand and increased expenses in the amount of RSD 58,966 thousand.

Comparing to reported period of previous year, the reduction of income in the amount of RSD 1,111,979 thousand, dominantly refer to:

- reduction of income from dividend in subsidiaries in the amount of RSD 555.807 thousand, since in reported period the decisions of distribution of retained earnings of subsidiary companies were not adopted (in 2018 the income from dividend of Energoprojekt Entel and Energoprojekt Niskogradnja was recorded),
- reduction of other income in the amount of RSD 448,032 thousand, dominantly based on income from selling of share in capital, in the amount of RSD 353,729 thousand (Beogradsko mešovito preduzeće Plc., Belgrade and Energoprojekt Garant Ltd.) and income from real estate selling in the amount of RSD 95,262 thousand, based on transfer of land as non-cash deposit at market value, which were recorded in previous reported period, and
- reduction of income based on services, in the amount of RSD 72,778 thousand, due to reduction of annual price for services made to subsidiaries in the country.

The increase of expenses, comparing to reported period of previous year, in the amount of RSD 58,966 thousand, dominantly refer to:

- expenses for lost lawsuit with R.Ljubojević, in the amount of RSD 35,717 thousand (expenses for damage compensation: RSD 32,370 thousand and default interest: RSD 3,347 thousand) and
- financial expenses based on loan made from related company Napred razvoj Plc. (expenses for interests and one-off expenses for loan approval) in the amount of RSD 26,101 thousand.

## 17. PROFIT TAX AND NET PROFIT/(LOSS)

<b>Structure of calculation of profit tax and net profit / loss</b>	<i>In RSD thousand</i>	
	<i>01/01-30/09/2019</i>	<i>01/01-30/09/2018</i>
Profit / loss before tax	(52.717)	1.059.262
Capital profit/(loss) recorded in Income Statement		(95.262)
Adjustment and net correction of profit/(expenses) in Tax Balance		(555.807)
<b>Profit subject to tax</b>		<b>408.193</b>
Amount of loss from Tax Balance from previous years, up to profit subject to tax level		
<b>Profit subject to tax residual</b>		<b>408.193</b>
Capital profit/(loss) calculated pursuant to legal regulations		95.262
Transferred Capital losses from previous years up to Capital profit level, pursuant to legal regulations		
Capital profit residual		95.262
<b>Tax basis</b>		<b>503.455</b>
Calculated tax (15% of tax base)		75.518
Total deductions from the calculated tax		
<b>Calculated tax after deductions</b>		<b>75.518</b>
Profit/(loss) before tax	(52.717)	1.059.262
Tax loss of the period		75.518
<b>Net profit / loss</b>	<b>(52.717)</b>	<b>983.744</b>

In reported period, the Company has no liabilities of tax on profit based.

## BALANCE SHEET

## 18. INTANGIBLE ASSETS

In RSD thousand

Structure of intangible assets	Software	Concessions, patents, licences, trade marks	Intangible assets in preparation	Advance payments for intangible assets	Total
<b><u>Purchase Value</u></b>					
<b>Balance as at January 1, 2018</b>	16.170	1.842			<b>18.012</b>
Correction of opening balance					
Transfer from one form to another					
New purchases					
Disposal and decommissioning					
<b>Balance as at December 31, 2018</b>	<b>16.170</b>	<b>1.842</b>			<b>18.012</b>
Correction of opening balance					
Transfer from one form to another					
New purchases			4.721		<b>4.721</b>
Disposal and decommissioning					
<b>Balance as at June 30, 2019</b>	<b>16.170</b>	<b>1.842</b>	<b>4.721</b>		<b>22.733</b>
<b><u>Impairment</u></b>					
<b>Balance as at January 1, 2018</b>	9.972	169			<b>10.141</b>
Correction of opening balance					
Depreciation	3.006	184			<b>3.190</b>
Disposal and decommissioning					
Impairment					
<b>Balance as at December 31, 2018</b>	<b>12.978</b>	<b>353</b>			<b>13.331</b>
Correction of opening balance					
Depreciation	2.189	138			<b>2.327</b>
Disposal and decommissioning					
Impairment					
<b>Balance as at June 30, 2019</b>	<b>15.167</b>	<b>491</b>			<b>15.658</b>
<b><u>Net Book Value</u></b>					
<b>31/12/2018</b>	<b>3.192</b>	<b>1.489</b>			<b>4.681</b>
<b>30/09/2019</b>	<b>1.003</b>	<b>1.351</b>	<b>4.721</b>		<b>7.075</b>

## 19. PROPERTY, PLANT AND EQUIPMENT

### 19.1. Property, Plant and Equipment Exclusive of Investment Property

In RSD thousand

Structure of property, plant and equipment	Buildings	Plant and equipment	Other property, plant and equipment	Property, plant and equipment in progress	Advance payments for property, plant and equipment	Total
<b><u>Purchase Value</u></b>						
<b>Balance as at January 1, 2018</b>	<b>1.325.585</b>	<b>116.672</b>	<b>283</b>	<b>276.390</b>	<b>44.664</b>	<b>1.763.594</b>
Correction of opening balance						
New purchases during the year				7.294	800	<b>8.094</b>
Enlargement by transfer from investment prepared		2.194		(4.086)		<b>(1.892)</b>
Other transfers from/(to)				800	(800)	
Disposal and decommissioning		(8.338)				<b>(8.338)</b>
Profit/(los) included in Report as "Other result" (330)	2.983					<b>2.983</b>
FX gains and losses						
Other increases/(decreases)	(22.912)			(280.398)		<b>(303.310)</b>
<b>Balance as at December 31, 2018</b>	<b>1.305.656</b>	<b>110.528</b>	<b>283</b>		<b>44.664</b>	<b>1.461.131</b>
Correction of opening balance						
New purchases during the year		826		6.064		<b>6.890</b>
Other transfers from/(to)						
Disposal and decommissioning		(126)				<b>(126)</b>
Profit/(los) included in Report as "Other result" (330)						
FX gains and losses						
Other increases/(decreases)						
<b>Balance as at September 30, 2019</b>	<b>1.305.656</b>	<b>111.228</b>	<b>283</b>	<b>6.064</b>	<b>44.664</b>	<b>1.467.895</b>
<b><u>Impairment</u></b>						
<b>Balance as at January 1, 2018</b>	<b>11.814</b>	<b>79.629</b>				<b>91.443</b>
Correction of opening balance						
Depreciation	11.098	6.529				<b>17.627</b>
Disposal and decommissioning		(2.749)				<b>(2.749)</b>
Other increases/(decreases)	(22.912)					<b>(22.912)</b>
<b>Balance as at December 31, 2018</b>		<b>83.409</b>				<b>83.409</b>
Correction of opening balance						
Depreciation	8.229	4.115				<b>12.344</b>
Disposal and decommissioning		(38)				<b>(38)</b>
Other increases/(decreases)						
<b>Balance as at September 30, 2019</b>	<b>8.229</b>	<b>87.486</b>				<b>95.715</b>
<b><u>Net Book Value</u></b>						
<b>Balance as at December 31, 2018</b>	<b>1.305.656</b>	<b>27.119</b>	<b>283</b>		<b>44.664</b>	<b>1.377.722</b>
<b>Balance as at September 30, 2019</b>	<b>1.297.427</b>	<b>23.742</b>	<b>283</b>	<b>6.064</b>	<b>44.664</b>	<b>1.372.180</b>

On December 31, 2018 the residual value and the remaining useful lifetime for the property and equipment with significant accounting value were evaluated, based on which depreciation costs were calculated for the reporting period.

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

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

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

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

The Energoprojekt building was booked at the revalorized value as at 30/09/2019 in the amount of RSD 1,297,427 thousand, i.e, it was performed by reducing the last assessment of the fair value for depreciation accumulated. The ultimate valuation was performed on December 31, 2018 by an external independent qualified valuer by using the comparative method (so that the impairment in the amount of RSD 22,912 thousand was totally eliminated, and purchasing value was reduced to revalorized amount, by the revalorization inventory account, in the amount of RSD 2,983 thousand).

According to relevant provisions of IAS 16, having in mind that fluctuations of fair value for the mentioned building were insignificant, it was not necessary to appraise its fair value as at Balance Sheet day.

Starting from revalorized value of the building in question as at December 31, 2018, residual value as at December 31, 2018 and established remaining useful lifetime (100 years; remaining useful life as at 30/09/2019: 63 years), the depreciation cost for this building in the reporting period, due to the residual value that is lower than its fair value, amounts to RSD 8,229 thousand.

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

*In RSD thousand*

No.	Building	Opening balance	Residual value as at December 31, 2018	Remaining useful life	Depreciation	Profit / (losses) included in report on "Other Income"	Closing balance
1	Energoprojekt Building	1.305.656	602.370	63	8.229		1.297.427
	<b>TOTAL</b>	<b>1.305.656</b>	<b>602.370</b>	<b>63</b>	<b>8.229</b>		<b>1.297.427</b>

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

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

As at 30/09/2019 the Company has no property or equipment mortgaged or taken as lien to be used as collateral for financial liabilities.

## 19.2. Investment Property

Investment property	In RSD thousand	
	30/09/2019	31/12/2018
<b>Balance as at January 1</b>	555.515	556.822
Additional investments		1.892
Disposal and decommissioning		
Profit/(losses) included in Income Statement		(3.199)
<b>Closing balance</b>	<b>555.515</b>	<b>555.515</b>

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

Profit and loss related to investment property included in Profit and Loss	In RSD thousand	
	30/09/2019	30/09/2018
Rental income (Note 7.2.)	15.598	15.624
Direct operating expenses incurred from investment property that generated rental income during the year („Samački hotel“ complex)	1.748	2.040
<b>TOTAL</b>	<b>17.346</b>	<b>17.664</b>

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

<i>In RSD thousand</i>						
No.	Investment property	Opening balance	Increasing (purchasing, additional investment, etc.)	Decreasing (selling, destruction, etc.)	Profit (losses) included in Income Statement	Closing balance
1	"Samački hotel" complex	555,515				555,515
	<b>TOTAL</b>	<b>555,515</b>				<b>555,515</b>

In its books, the Company posted the fair value of its investment property in the amount of RSD 555,515 thousand, according to its value determined by means of its fair value measurement, related to

„Samacki hotel“ complex, with total area of 8,034,00 m<sup>2</sup>, and the right on use of construction land with total surface of 18,598,00 m<sup>2</sup>, at Batajnički drum No.24, in Zemun.

Valuation of the fair value of investment property as at December 31, 2018 was performed by independent valuer holding recognized and relevant professional qualifications and recent relevant work experience with relevant locations and categories of investment property appraised. Valuers used the Cost method for buildings (having in mind specific characteristics of the valuation object and the fact that on market there is no similar premisses for selling/renting, with the similar location) and also the Comparative method for land.

Based on renting the mentioned investment property to Energoprojekt Visokogradnja and Jerry Catering Service Ltd. the income in the amount of RSD 15,598 thousand (Note 7.2).

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

## 20. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Shares in subsidiaries	6.331.105	5.552.828
Shares in affiliated companies and joint ventures	14.613	30.613
Shares in other companies and other available for sale securities	126.099	126.098
Long-term investments in parent companies and subsidiaries	53.789	171.259
Other long-term financial investments	1.012	1.217
<i>Total</i>	<i>6.526.618</i>	<i>5.882.015</i>
<i>Impairment</i>	<i>(812.978)</i>	<i>(798.879)</i>
<b>TOTAL</b>	<b>5.713.640</b>	<b>5.083.136</b>

## 20.1. Share Investments

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

Structure of share investment	Share %	<i>In RSD thousand</i>	
		<i>30/09/2019</i>	<i>31/12/2018</i>
<b><i>Učešća u kapitalu zavisnih pravnih lica</i></b>			
Energoprojekt Visokogradnja Plc.	100,00%	1.835.787	1.835.167
Energoprojekt Niskogradnja Plc.	100,00%	1.104.981	1.104.981
Energoprojekt Oprema Plc.	67,87%	121.316	121.316
Energoprojekt Hidroinzenjering Plc.	100,00%	427.626	427.626
Energoprojekt Urbanizam i arhitektura Plc.	100,00%	192.642	192.642
Energoprojekt Energodata Plc.	100,00%	194.862	194.862
Energoprojekt Industrija Plc.	62,77%	61.209	61.209
Energoprojekt Entel Plc. (Note 39)	99,95%	997.573	216.422
Energoprojekt Sunnyville Ltd.	100,00%	2.500	2.500
Energoprojekt Park 11 Ltd.	100,00%	375.660	375.660
I.N.E.C. Engineering Company Limited, UK	100,00%	70.311	70.311
Encom GmbH Consulting, Engineering & Trading, Germany			3.493
Dom 12 S.A.L., Lebanon	100,00%	924.749	924.749
Energo Kaz d.o.o., Kazakhstan	100,00%	101	101
Zambia Engineering and Contracting Company Limited, Zambia	100,00%	587	587
Energoprojekt Holding Guinee S.A., Guinea	100,00%	1.628	1.628
Energoprojekt (Malezija) Sdn. Bhd., Kuala Lumpur	100,00%	19.574	19.574
<i>Impairment</i>		<i>(715.065)</i>	<i>(715.065)</i>
<b>Total</b>		<b>5.616.041</b>	<b>4.837.763</b>
<b><i>Share in affiliate companies and joint ventures</i></b>			
Necco Nigerian Engeneering and Construction CO LTD, Kano, Nigeria	40,00%	1.063	1.063
Closed Investment Fund Fima Southern Europe Activist Plc. Belgrade - in liquidation			16.000
Enjub Ltd.	50,00%	13.550	13.550
<i>Impairment</i>		<i>(1.063)</i>	<i>(1.063)</i>
<b>Total</b>		<b>13.550</b>	<b>29.550</b>
<b><i>Share in other companies and other available for sale securities</i></b>			
Dunav osiguranje Plc.	0,01%	5.814	5.814
Jubmes banka Plc.	1,41%	120.176	120.176
Beogradska berza Plc.	0,12%	100	100
Poljoprivredna banka Agrobanka Plc. Belgrade - in bankruptcy	0,36%	7	7
Beogradska industrija piva,slada i bezalkoholnih pića Plc. Belgrade - in bankruptcy	0,0005%	1	1
Pinki Zemun Plc.	0,004%		
<i>Impairment</i>		<i>(96.850)</i>	<i>(82.751)</i>
<b>Total</b>		<b>29.248</b>	<b>43.347</b>
<b>TOTAL</b>		<b>5.658.839</b>	<b>4.910.660</b>

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

Share investments - adjustment value	<i>In RSD thousand</i>		
	<i>Gross investment amount</i>	<i>Impairment</i>	<i>Net investment amount</i>
<b><i>Share in subsidiaries:</i></b>			
Energoprojekt Visokogradnja Plc.	1.835.787	(641.633)	1.194.154
Energoprojekt Urbanizam i arhitektura Plc.	192.642	(44.277)	148.365
I.N.E.C. Engineering Company Limited, UK	70.311	(7.953)	62.358
Energoprojekt Holding Guinee S.A., Guinea	1.628	(1.628)	-
Energoprojekt (Malaysia) Sdn. Bhd., Kuala Lumpur	19.574	(19.574)	-
<b>Total</b>	<b>2.119.942</b>	<b>(715.065)</b>	<b>1.404.877</b>
<b><i>Share in affiliated companies and joint ventures:</i></b>			
Necco Nigerian Engenering and Construction CO LTD, Kano, Nigeria	1.063	(1.063)	-
<b>Total</b>	<b>1.063</b>	<b>(1.063)</b>	<b>0</b>
<b><i>Share in other companies and other available for sale securities:</i></b>			
Banks and financial organizations and other legal entities:			
Dunav osiguranje Plc.	5.814	(4.246)	1.568
Jubmes banka Plc.	120.176	(92.595)	27.581
Agrobanka Plc. Belgrade - in bankruptcy	8	(8)	-
Beogradska industrija piva,slada i bezalkoholnih pića Plc. Belgrade - in bankruptcy	1	(1)	-
<b>Total</b>	<b>125.999</b>	<b>(96.850)</b>	<b>29.149</b>
<b>TOTAL</b>	<b>2.247.004</b>	<b>(812.978)</b>	<b>1.434.026</b>

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

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

Increase in share investments in Energoprojekt Visokogradnja capital, compared to December 31, of the previous year, came as result of Resolution of the Commercial Court of Appeal, according to which the company paid the amount of RSD 620 thousand to shareholders with minority rights, for the difference occurred in share price, including related default interest and court proceedings expenses.

Increase in share investments in Energoprojekt Entel, comparing to December 31 of the previous year, in the amount of RSD 781,151 thousand, came as result of offer placed form overtaking and forced acquiring of shares of mentioned company. Namely, on July 17, 2019 the Company acquired 42,355 shares of Energoprojekt Entel by the offer for overtaking, at RSD 13,461 per share, and on August 15,

2019, by forced acquiring procedure, got another 15,484 shares of Energoprojekt Entel, at the same price placed in offer for shares overtaking of the related company (pursuant to art.523 of the Company Law).

On July 30, 2019 the total of share in investment of the subsidiary company Encom GmbH Consulting, Engineering & Trading, Germany (Note 14.2).

Impairment of share investment in Energoprojekt Visokogradnja in the amount of RSD 641,633 thousand was performed on December 31, 2014 in compliance with IAS 36 – Impairment of Assets, based on the Report prepared by the Scientific and Research Centre of the Faculty of Economics of the University of Belgrade on equity valuation of Energoprojekt Visokogradnja for implementation of IAS/IFRS as at December 31, 2014.

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

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

The issue **Share in affiliated companies and joint ventures** presents decrease of RSD 16,000 thousand, recorded due to liquidation of Closed Investment Fund Fima Southern Europe Activist Plc. Belgrade – in liquidation, where the Company has generated profit from dividend, in the amount of RSD 17,261 thousand - Note 13.1 (considering that in cash and receivables has recorded the surplus of the same amount, generated from own share in equity of the related company). Pursuant to Decision made on XI regular Shareholders' Meeting of the company Fima Southern Europe Activist Plc. Belgrade – in liquidation, celebrated on April 30, 2019, related company has paid the amount of RSD 33,117 thousand as allocation of liquidation residual pertaining to the Company, meanwhile the rest of liquidation residual was recorded as receivables from Komercijalna bank, in the amount of RSD 144 thousand.

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

The change in the position share in other companies and other available for sale securities was recorded due to the adjustment of the value of shares in Company's portfolio of shares (Dunav osiguranje Plc. and Jubmes bank Plc.), with their fair value in the secondary securities' market as at the financial statements date (which are presented in the account for impairment of equity investments and profit and loss from securities available for sale).

The Company has made equity investments in the following banks with listed shares in the Belgrade Stock Exchange and their fair value was determined based on their current market value as at September 30, 2019:

- Dunav Insurance Plc: 527 shares, with the market value as at the balance sheet day of RSD 2,974.00 per share, and
- Jubmes Banka Plc.: 4.056 shares, with the market value of RSD 6,800.00 per share.

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

- Beogradska berza Plc.: 5 shares with market value of RSD 20,000.00 each, in total RSD 100,000.00;
- Poljoprivredna banka Agrobanka Plc. Belgrade – in bankruptcy: 15 shares with market value of RSD 500.00 each, in total RSD 7,500.00, which was made worthless by inventory as at December 31, 2016;
- Beogradska industrija piva, slada i bezalkoholnih pića Plc. Belgrade – in bankruptcy: 47 shares with market value of RSD 29.78 each, in total RSD 1,400.00, which was made worthless by inventory as at December 31, 2016; and
- Pinki - Zemun Plc.: 3 shares with market value of RSD 52.00 each, in total RSD 156.00.

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

Financial assets available for sale are presented in RSD.

## 20.2. Long-Term Financial Investments

<b>Structure of long-term financial investments</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Long-term investments in parent companies and subsidiaries	53.789	171.259
<i>Impairment</i>		
<i>Total</i>	<i>53.789</i>	<i>171.259</i>
Other long-term financial investments:	1.012	
Housing loans granted to employees		1.217
<i>Impairment</i>		
<i>Total</i>	<i>-</i>	<i>1.217</i>
<b>TOTAL</b>	<b>53.789</b>	<b>172.476</b>

**Long-term financial investments in parent companies and subsidiaries** in the amount of RSD 53,610 thousand entirely refer to Energoprojekt Park 11 based on:

- longterm loan agreements in the amount of RSD 48,304 thousand (EUR 411 thousand) pursuant to Annex 1 of Loan Agreement No. 208, dated on July 20, 2018, with maturity date December 31, 2020 (EUR 111 thousand) pursuant to Loan Agreement No. 163, dated on June 18, 2018, with maturity date December 31, 2020 (EUR 300 thousand), and

- interest on the above mentioned loans in the amount of RSD 5,485 thousand (EUR 47 thousand) calculated on „arm’s length“ principle for 2019, with 2.90% on annual level.

The above Company provided 2 (two) signed solo promissory notes to the Company, to be filled out by beneficiary and for the entire amount of their loans.

Decrease of long-term realization to parent and subsidiary companies, in the amount of EUR 1,300 thousand came as result of collection of a portion of loan principal from Energoprojekt Park 11, according to Loan Agreement No. 208.

**The long-term housing loans granted to employees** in the amount of RSD 1,012 thousand that are presented among other long-term financial investments refer to three interest-free housing credits granted to employees, two of which were granted on June 10, 1992 for the repayment period of 38.5 years, and the remaining third granted on November 28, 1995 for the repayment period of 40 years. In compliance with the terms and provisions of the loan agreements and in compliance with the provisions of the Law on Amendments and Addenda to the Law on Housing, the Company performs revalorisation of loan instalments twice a year based on the trends in consumer prices in the Republic of Serbia for the given accounting period. A portion of the long-term financial investments made on this basis with maturity dates up to one year that is being regularly repaid/collected amounts to RSD 64 thousand (Note 25).

## 21. INVENTORIES

Structure of inventories	In RSD thousand	
	30/09/2019	31/12/2018
Fixed assets for sale	77.505	
Advances paid for inventories and services:		
a) Advances paid for inventories and services to parent companies and subsidiaries		301
b) Advances paid for material, spare parts and inventory	438	338
c) Advances paid for services	5.485	5.786
<i>Total</i>	5.923	6.425
<i>Impairment</i>		
<b>TOTAL</b>	<b>83.428</b>	<b>6.425</b>

Pursuant to Decision made on 146th meeting of Executive Board of the Company, Conclusion on part of debt recognition and proceedings expenses No. I.Iv 122/19 dated on May 17, 2019 and Agreement on selling of real estate by direct deal, pursuant to the agreement of parties No. I.Iv 122/19 dated on May 17, 2019, the Company has recorded **fixed assets for selling** in its books in the amount of RSD 81,453 thousand, as part of receivables paid from Enjub Ltd. Belgrade, based on Agreement Approved Loan on Debt Restructure, No.115 dated on April 18, 2012, having a bill of exchange as collateral covering real estate properties of Enjub Ltd. Belgrade, located in Object K1G in Rakovica, in Belgrade.

Pursuant to Decision made on 200th meeting of Executive Board of the Company, the price list of the above mentioned real estate properties, located in Object K1G in Rakovica, Belgrade, was approved. The Company realises activities of the selling plan, so it is expected that selling will be finished within one year period.

During the reporting period, the Company achieved income based on selling of properties listed for selling, in the amount of RSD 686 thousand (Note 14.1).

The following table contains the list of **properties for sell**.

In RSD thousand

No	Name	Address	Number	Space (sq.m.)	Cost	Selling Value	Income/ Loss from selling	Present Value
1	Apartment 2.0	Petra Konjovića 14, Belgrade	Lamella 1, II floor, No.15	51	6.072			6.072
2	Apartment 2.5	Petra Konjovića 14, Belgrade	Lamella 1, III floor, No.16	78	9.234			9.234
3	Apartment 2.0	Petra Konjovića 14, Belgrade	Lamella 1, III floor, No.17	46	5.417			5.417
4	Apartment 2.0	Petra Konjovića 14, Belgrade	Lamella 1, III floor, No.20	50	5.856			5.856
5	Apartment 2.0	Petra Konjovića 14, Belgrade	Lamella 1, IV floor, No.26	45	5.350			5.350
6	Apartment 3.0	Petra Konjovića 14a, Belgrade	Lamella 2, I floor, No.4	80	9.384			9.384
7	Apartment 2.0	Petra Konjovića 14a, Belgrade	Lamella 2, III floor, No.17	60	7.105			7.105
8	Garsonjera	Petra Konjovića 14b, Belgrade	Lamella 3, Groundfloor, No.2	29	3.421			3.421
9	Office	Petra Konjovića 14b, Belgrade	Lamella 3, Groundfloor, No.L5	46	5.442			5.442
10	Garsonjera	Petra Konjovića 14b, Belgrade	Lamella 3, II floor, No.13	33	3.948	4.634	686	
11	Apartment 2.5	Petra Konjovića 14b, Belgrade	Lamella 3, II floor, No.14	77	9.083			9.083
12	Apartment	Petra Konjovića 14b, Belgrade	Lamella 3, Attic, No.15	54	6.361			6.361
13	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.7	12	531			531
14	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.8	12	531			531
15	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.9	12	531			531
16	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.10	12	531			531
17	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.11	12	531			531
18	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.12	12	531			531
19	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.13	12	531			531
20	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.16	12	531			531
21	Garage parking plac	Petra Konjovića 14a, Belgrade	Lamella 2, Basement 2, No.17	12	531			531
	<b>Ukupno</b>			<b>757</b>	<b>81.453</b>	<b>4.634</b>	<b>686</b>	<b>77.505</b>

**Advances paid for material, spare parts and inventory** amounting RSD 438 thousand, refer to advances paid to suppliers for material (the fuel, above all).

**Advance payments paid for services** in the amount of RSD 5,485 thousand primarily pertain to advance payments to Ringier Axel Springer Ltd. in the amount of RSD 4,800 thousand (contract on commercial adds canceled and apply for advanced payment return placed in March 2018, meanwhile in

April, 2018, a lawsuit was filled - Note 38) and Belgrade Stock Exchange Plc. in the amount of RSD 627 thousand (mainly as annual fee for organized share trading in 2019, in the amount of RSD 620 thousand).

## 22. RECEIVABLES FROM SALES

Structure of receivables from sales	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Local buyers - parent company and subsidiaries	860.395	763.077
Local buyers - other related companies		705
Local buyers (externally)	631	2.012
<i>Impairment</i>		
<b>TOTAL</b>	<b>861.026</b>	<b>765.794</b>

**Local buyers – parent companies and subsidiaries** refer to the receivables based on service agreements and lease contracts. According to agreement on services to other subsidiaries, the Company has been presented signed blank solo promissory notes to be filled out by beneficiary as collateral, except from Energoprojekt Entel.

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

Structure of local buyers - parent company and subsidiaries	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Trade receivables domestic - subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	716.275	678.761
Energoprojekt Niskogradnja Plc.	70.332	
Energoprojekt Hidroinzenjering Plc.	9.890	18.571
Energoprojekt Entel Plc.	4.538	647
Energoprojekt Energodata Plc.	11.634	10.111
Energoprojekt Industrija Plc.	720	615
Energoprojekt Urbanizam i Arhitektura Plc.	1.869	
Energoprojekt Oprema Plc.	7.337	
Energoprojekt Sunnyville Ltd.	472	33.775
Energoprojekt Park 11 Ltd.	37.328	20.597
<b>Total</b>	<b>860.395</b>	<b>763.077</b>
<i>Trade receivables domestic - other related parties:</i>		
Enjub Ltd.		705
<b>Total</b>	<b>-</b>	<b>705</b>
<i>Trade receivables domestic (externally)</i>	631	2012
<b>Total</b>	<b>631</b>	<b>2.012</b>
<b>TOTAL</b>	<b>861.026</b>	<b>765.794</b>

Increased **receivables from local buyers – parent company and subsidiaries** comparing to December, 31 of the previous year, in the amount of RSD 97,318 thousand refer to increased receivables according to services agreement, in the amount of RSD 88,832 thousand (dominantly in Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Park and Energoprojekt Oprema and decreased in Energoprojekt Sunnyville and Energoprojekt Hidroinženjering) and increased receivables based on rents, in the amount of RSD 8,486 thousand (as the result of increases in Energoprojekt Visokogradnja and decreases in Energoprojekt Sunnyville).

Reduction of **receivables from local trade – other subsidiaries**, comparing to December, 31 of the previous year, refer to accounting changes in receivables of pre-invoiced costs of legal services made to Enjub, which are, since January 1, 2019, recorded as an issue within Receivables from special transactions (Note 23).

As for receivables from local buyers – other subsidiaries, the Company has no collaterals.

As for **receivables from local trade (externally)**, the Company has been presented payment instruments from Jerry Catering Service Ltd. (3 signed blank solo promissory notes to be filled out by beneficiary as collateral) and Sava Neživotno osiguranje Plc. (2 signed blank solo promissory notes to be filled out by beneficiary as collateral), meanwhile has no collaterals from other local buyers (externally).

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

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

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

<b>Aging receivables structure based on sales</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Local buyers - parent companies and subsidiaries:</i>		
a) Current	29.151	16.055
b) Up to 30 days	22.010	13.302
c) 30 - 60 days	20.678	13.301
d) 60 - 90 days	19.119	13.301
e) 90 - 365 days	117.722	110.535
f) 365 days +	651.715	596.583
<b>Total</b>	<b>860.395</b>	<b>763.077</b>
<i>Local buyers - other related legal entities:</i>		
a) Current		
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		705
<b>Total</b>	<b>-</b>	<b>705</b>
<i>Local buyers - external</i>		
a) Current	631	1.339
b) Up to 30 days		673
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>631</b>	<b>2.012</b>
<b>TOTAL</b>	<b>861.026</b>	<b>765.794</b>

### 23. RECEIVABLES FROM SPECIAL TRANSACTIONS

<b>Structure of recivables from special transactions</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Receivables from special transactions from parent companies and subsidiaries	10.460	5.021
Receivables from special transactions from other related companies	4.542	2.071
Receivables from special transactions from other companies	1	2
<i>Impairment</i>		
<b>TOTAL</b>	<b>15.003</b>	<b>7.094</b>

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

<b>Structure of receivables from special transactions</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Receivables from special transactions from parent companies and subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	5.724	2.321
Energoprojekt Niskogradnja Plc.	1.510	771
Energoprojekt Hidroinzenjering Plc.	818	615
Energoprojekt Entel Plc.	19	39
Energoprojekt Energodata Plc.	195	
Energoprojekt Industrija Plc.	277	22
Energoprojekt Urbanizam i arhitektura Plc.	76	33
Energoprojekt Oprema Plc.	159	25
Energoprojekt Sunnyville Ltd.		
Energoprojekt Park 11 Ltd.		
I.N.E.C.Engineering Company Limited, UK	358	359
Zambia Engineering and Contracting Company Limited, Zambia	1.324	836
<b>Total</b>	<b>10.460</b>	<b>5.021</b>
<i>Receivables from special transactions from other related companies</i>		
Enjub Ltd.	4.542	2.071
<b>Total</b>	<b>4.542</b>	<b>2.071</b>
<i>Receivables from special transactions from other legal entities</i>		
United Union of Energoprojekt	1	2
<b>Total</b>	<b>1</b>	<b>2</b>
<b>TOTAL</b>	<b>15.003</b>	<b>7.094</b>

**Receivables from special transactions from parent companies and subsidiaries** in the amount of RSD 10,460 thousand, refer, mainly, to receivables from air-tickets recalculated in the amount of RSD 6,124 thousand (dominantly from Energoprojekt Visokogradnja: RSD 3,983 thousand and Energoprojekt Niskogradnja: RSD 1,127 thousand), tax duties and fees recalculated for General manager of the Zambia Engineering and Contracting Company Limited, Zambia: RSD 968 thousand and water and electric supply expenses recalculated and membership fees of Energoprojekt Visokogradnja in the amount of RSD 1,741.

Increased receivables from specific transactions, comparing to December 31st of the previous year, refer, mainly, to increased receivables from air-tickets recalculated for Energoprojekt Visokogradnja and Zambia Engineering and Contracting Company Limited, Zambia .

**Receivables from special transactions from other legal entities**, in the amount of RSD 4,542 thousand, refer to court and administrative fees recalculated to the company Enjub. The Company has no collateral instruments regarding mentioned receivables.

Increase of receivables from special transaction comparing to December, 31 of the previous year from company Enjub dominantly refer to changes in accounting policy of receivables based on legal services to Enjub recalculated, which were, till December 31, 2018, recorded as an issue within Trade receivables (Note 22).

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

<b>Aging structure of receivables from special transactions</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Receivables from special transactions from parent companies and subsidiaries</i>		
a) Current	1.341	1.700
b) Up to 30 days	2.208	422
c) 30 - 60 days	1.281	855
d) 60 - 90 days	1.479	414
e) 90 - 365 days	3.445	1.630
f) 365 days +	706	
<i>Svega</i>	<i>10.460</i>	<i>5.021</i>
<i>Receivables from special transactions from other companies</i>		
a) Current		
b) Up to 30 days	250	
c) 30 - 60 days	257	
d) 60 - 90 days	224	
e) 90 - 365 days	1.035	24
f) 365 days +	2.776	2.047
<i>Total</i>	<i>4.542</i>	<i>2.071</i>
<i>Receivables from special transactions from other legal entities</i>		
a) Current	1	1
b) Up to 30 days		1
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<i>Total</i>	<i>1</i>	<i>2</i>
<b>TOTAL</b>	<b>15.003</b>	<b>7.094</b>

## 24. OTHER RECEIVABLES

Structure of other receivables	In RSD thousand	
	30/09/2019	31/12/2018
Interest and dividend receivables:		
a) Interest and dividend receivable from parent companies and subsidiaries	47.996	32.650
b) Interest and dividend receivable from related companies	79.384	74.413
d) Potraživanja za dividende-druga pravna lica	144	
<i>Total</i>	<i>127.524</i>	<i>107.063</i>
Receivables from employees	57	514
Receivables for overpaid profit tax		16.173
Receivables for overpaid taxes and contributions		
Receivables for fringe benefits' returns	113	780
Ostala kratkoročna potraživanja	53	541
<i>Impairment</i>		
<b>TOTAL</b>	<b>127.747</b>	<b>125.071</b>

Structure of interest and dividend receivables in the amount of RSD 127,524 thousand is presented in the following Table.

Structure of interest and dividend receivables	In RSD thousand	
	30/09/2019	31/12/2018
<i>Interest receivables from parent companies and subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	21.894	11.447
Energoprojekt Niskogradnja Plc.	4.769	
Energoprojekt Energodata Plc.	2.351	4
Energoprojekt Urbanizam i Arhitektura Plc.	321	
Energoprojekt Oprema Plc.	13.877	
Energoprojekt Sunnyville Ltd.	4.784	21.199
<i>Total</i>	<i>47.996</i>	<i>32.650</i>
<i>Interest receivables from other related companies:</i>		
Enjub Ltd.	79.384	74.413
<i>Total</i>	<i>79.384</i>	<i>74.413</i>
<i>Dividend receivables from other legal entities:</i>		
Komercijalna banka Plc. (Note 20.1)	144	
<i>Total</i>	<i>144</i>	<i>0</i>
<b>TOTAL</b>	<b>127.524</b>	<b>107.063</b>

Increased **interest receivables** compared to December 31, of the previous year, in the amount of RSD 20.461 thousand dominantly refers to interest calculated for the first 9 months of reported year, based on loans granted to related entities in the amount of RSD 127,380 thousand.

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

<b>Aging structure of other receivables</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Other receivables from parent companies and subsidiaries:</i>		
a) Current	47.996	32.650
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>47.996</b>	<b>32.650</b>
<i>Other receivables from other related companies:</i>		
a) Current	79.384	74.413
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>79.384</b>	<b>74.413</b>
<i>Other receivables - other:</i>		
a) Current	206	17.370
b) Up to 30 days		89
c) 30 - 60 days		88
d) 60 - 90 days		88
e) 90 - 365 days	156	373
f) 365 days +	5	
<b>Total</b>	<b>367</b>	<b>18.008</b>
<b>TOTAL</b>	<b>127.747</b>	<b>125.071</b>

## 25. SHORT-TERM FINANCIAL INVESTMENTS

<b>Structure of short-term financial investments</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Short-term loans and investments - parent companies and subsidiaries	1.315.691	906.583
Short-term loans and investments - other related companies	76.479	157.836
Portion of other long-term financial investments with maturity date up to one year		
a) Portion of long-term financial investments in parent companies and subsidiaries with maturity date up to one year	721.908	730.981
b) Portion of other long-term financial investments with maturity date up to one year	64	77
<b>Total</b>	<b>721.972</b>	<b>731.058</b>
<i>Impairment</i>		
<b>TOTAL</b>	<b>2.114.142</b>	<b>1.795.477</b>

**Short-term loans and investments – subsidiaries and other affiliated companies** pertain to the loans approved with maturity dates up to 12 months (with interest rate calculated according to „arms' length“ principle for subsidiaries, for the 2019), as presented in the following Table.

No.	Borrower and Agreement No.	Loan Currency	Loan amount in EUR thousand	Loan Amount in Currency (EUR)	Remaining Receivables from Loan in EUR	Maturity date	Loan Terms and Conditions
<b>1 EP Energodata Plc.</b>							
	Loan Rescheduling Agreement No.13	EUR	945	425	49.978	31.12.2019.	2.71% annually
	Annex No.7 of Loan Agreement No.349	EUR	60	60	7.052	31.12.2019.	2.71% annually
	Annex No.4 of Loan Agreement No.353	RSD	2.000	2.000	2.000	31.12.2019.	4.98% annually
	Loan Agreement No.233	RSD	12.180	12.180	12.180	31.12.2019.	4.98% annually
<b>2 EP Urbanizam i arhitektura Plc.</b>							
	Loan Rescheduling Agreement No.20	EUR	135	135	15.828	31.12.2019.	2.71% annually
<b>3 EP Oprema Plc.</b>							
	Annex No.4 of Loan Agreement No.302	EUR	1.800	1.337	157.154	31.12.2019.	2.71% annually
	Annex No.4 of Loan Agreement No.311	EUR	800	800	94.023	31.12.2019.	2.71% annually
	Annex No.2 of Loan Agreement No.35	EUR	1.796	1.796	211.169	31.10.2019.	2.71% annually
	Loan Agreement No.133	EUR	500	500	58.764	31.12.2019.	2.71% annually
	Annex No.3 of Loan Agreement No.21	RSD	107.000	107.000	107.000	31.10.2019.	4.98% annually
<b>4 EP Visokogradnja Plc.</b>							
	Annex No.3 of Loan Agreement No.141	EUR	2.000	2.000	235.056	31.12.2019.	2.71% annually
	Annex No.3 of Loan Agreement No.186	EUR	200	200	23.506	20.12.2019.	2.71% annually
	Annex No.2 of Loan Agreement No.205	EUR	590	590	69.342	31.12.2019.	2.71% annually
	Annex No.1 of Loan Agreement No.300	RSD	5.160	5.160	5.160	23.11.2019.	4.98% annually
	Loan Agreement No.200	EUR	150	150	17.629	31.12.2019.	2.71% annually
	Loan Agreement No.200	RSD	4.000	4.000	4.000	31.12.2019.	4.98% annually
<b>5 EP Niskogradnja Plc.</b>							
	Loan Agreement No.125	RSD	47.187	47.187	47.187	31.12.2019.	4.98% annually
	Annex No.2 of Loan Agreement No.92	RSD	150.000	150.000	150.000	31.12.2019.	4.98% annually
<b>6 EP Sunnyville Ltd.</b>							
	Annex No.4 of Loan Agreement No.197	EUR	1.403	414	48.663	31.12.2019.	2.71% annually
<b>Total for subsidiaries</b>		EUR	<b>10.379</b>	<b>8.407</b>	<b>1.315.691</b>		
		RSD	<b>327.527</b>	<b>327.527</b>			
<b>1 Enjub d.o.o.</b>							
	Annex No.11 of Loan Agreement No.367	EUR	137	137	16.160	31.12.2019.	3M Euribor + 6.5% annually
	Annex No.7 of Loan Rescheduling Agreement No.115	EUR	1.198	513	60.319	31.12.2019.	3M Euribor + 6.5% annually
<b>Total for other related entities</b>		EUR	<b>1.335</b>	<b>650</b>	<b>76.479</b>		
<b>TOTAL</b>		EUR	<b>11.714</b>	<b>9.057</b>	<b>1.392.170</b>		
		RSD	<b>327.527</b>	<b>327.527</b>			

The increased position of short-term loans and investments – parent companies and subsidiaries, in the amount of RSD 409,108 thousand, came as result of neto effect of

- the increased short-term loans granted, mainly, to Energoprojekt Oprema in the amount of RSD 358,962 thousand and Energoprojekt Niskogradnja in the amount of RSD 197,187 thousand, and
- reduction based on return of portion of loan, mainly, to Energoprojekt Sunnyville in the amount of RSD 117,117 thousand.

The Company has 2 (two) signed blank solo promissory notes to be filled out by beneficiary to be used as collateral for the collection of payments pursuant to loan agreements concluded with subsidiaries, except for loan granted to Energoprojekt Oprema pursuant to Loan Agreement No.302 and appropriate Annex, where Company has 4 (four) signed blank solo promissory notes.

The Company has blank „non protested“ promissory notes and mortgage over real estate property of Enjub Ltd. to be used as collateral for the collection of payments to loan agreements concluded with subsidiaries (Note 37).

**Portion of long-term financial investments in parent companies and subsidiaries with maturity date up to one year** refer to approved long-term loans with maturity date up to one year (with interest rate calculated according to „arms' length“ principle for 2019), as presented in the following Table.

No.	Borrower and Agreement No.	Loan amount in EUR thousand	Remaining receivables from loan in EUR thousand	Remaining receivables from loan in RSD thousand	Maturity Date	Interest rate
<b>1 EP Visokogradnja Plc.</b>						
	Annex No.2 of Loan Agreement No.210	1.316	1.316	154.716	31.12.2019.	2.90% annually
<b>2 EP Sunnyville Plc.</b>						
	Annex No.1 of Rescheduling Loan Agreement No.375	4.868	4.826	567.192	31.12.2019.	2.90% annually
<b>TOTAL</b>		<b>6.184</b>	<b>6.142</b>	<b>721.908</b>		

**Portion of other long-term financial investments with maturity of up to one year** in the amount of RSD 64 thousand relate to the long-term housing loans granted to employees with maturity of up to one year (Note 20.2).

## 26. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	In RSD thousand	
	30/09/2019	31/12/2018
Current (business) account	48.971	41.049
Foreign currency account	73.394	4.734
Foreign currency petty cash		
<i>Other cash:</i>		
a) Short-term deposits		154.661
b) Other cash	44	75
<i>Total</i>	44	154.736
Cash with limited use or reduced value		
<b>TOTAL</b>	<b>122.409</b>	<b>200.519</b>

Within the Company's **the current (business) accounts and foreign currency accounts**, cash held with business banks locally and abroad (with Banca Intesa, Unicredit Bank, Addiko Bank, Jubmes Bank, Vojvodjanska Bank - OTP Group, Credit Agricole banka, Erste bank, Komercijalna bank, Eurobank Srbija, Sberbank, NLB Bank, AIK Bank, Poštanska Štedionica Bank, API Bank, Direktna Bank and Trade Bank of Iraq).

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

### 27.1. Accrued Expenses and Deferred Income

Structure of prepayments and accrued income	In RSD thousand	
	30/09/2019	31/12/2018
<i>Prepayments:</i>		
a) Prepaid expenses - parent companies and subsidiaries	2.646	872
b) Prepaid subscriptions for expert and professional publications	188	576
c) Prepaid insurance premiums	841	716
<i>Total</i>	3.675	2.164
<i>Receivables for accrued non-invoiced income:</i>		
a) Receivables for accrued non-invoiced income - parent company and subsidiaries		
b) Receivables for accrued non-invoiced income - other legal entities	372.829	374.943
<i>Total</i>	372.829	374.943
<i>Other prepayments and accrued expenses:</i>		
a) Prepaid value added tax	183	11.429
b) Other prepayments and deferred income	28.896	22.874
<i>Total</i>	29.079	34.303
<b>TOTAL</b>	<b>405.583</b>	<b>411.410</b>

**Prepaid expenses - parent companies and subsidiaries** in the amount of RSD 2,646 thousand entirely relates to Energoprojekt Energodata, based on advanced payment of licence fees.

**Prepaid insurance premiums** for property and personal insurance in the amount of RSD 841 thousand refer to Sava Neživotno Osiguranje in the amount of RSD 795 hiljada RSD thousand and Wiener Stadtische Osiguranje in the amount of RSD 46 thousand.

**Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 372,829 thousand refer to the realization of the Agreement on Construction of the Republic of Serbia Embassy Building in Abuja, Federal Republic of Nigeria, a turnkey project, on the cadastral lot No. 313, registered in the Real Estate Registry, Cadastral Zone A00.

**Prepaid value added tax (VAT)** in the amount of RSD 183 thousand includes added value tax from prepared invoices for the reporting period; the right to deduction of the previous tax can be exercised in the following calculation period, since the invoices arrived after the tax return for September 2019.

**Other prepayments and deferred income** in the amount of RSD 28,896 thousand relate mainly to the pre-calculated property tax for Q4 of 2019 in the amount of RSD 4,634 thousand, receivables from disputed services realized in 2017 by Ringier Axel Springer Ltd. in the amount of RSD 13,200 thousand (in April 2018 a lawsuit was filled - Note 38) and for developing of the location in Block 26, Block 45 object C and Block 70 object C, in the amount of RSD 9,332 thousand (the mentioned payment will be balanced in forthcoming period).

## 28. CAPITAL

*In RSD thousand*

DESCRIPTION	Share capital	Other share capital	Issuing premium	Purchased own shares	Reserves	Revaluation reserves	Unrealized gains/losses on securities	Retained earnings	Loss	total
<b>Balance as at January 1, 2018</b>	5.574.959	27.178	1.526.164	(49.827)	214.881	782.098	(18.881)	473.425		8.529.997
Net profit for the year								763.473		763.473
Other comprehensive result:										
a) Changes in fair value of financial assets available for sale							14.673			14.673
b) Revaluation						2.983				2.983
c) Other - levelling of present value, IAS 12 et al.						(447)				(447)
Total - other comprehensive result						2.536	14.673			17.209
Total comprehensive result for 2018						2.536	14.673	763.473		780.682
Corrections										
Increase in share capital										
Profit distribution								(216.671)		(216.671)
Other - own shares										
<b>Balance as at December 31, 2018</b>	5.574.959	27.178	1.526.164	(49.827)	214.881	784.634	(4.208)	1.020.227		9.094.008
Net profit / loss for year									(52.717)	(52.717)
Other comprehensive result:										
a) Changes in fair value of financial assets available for sale							(14.099)			(14.099)
b) Revaluation										
c) Other - levelling of present value, IAS 12 et al.										
Total - other comprehensive result							(14.099)			(14.099)
Total comprehensive result as at September 30, 2019							(14.099)		(52.717)	(66.816)
Corrections								(628)		(628)
Increase in share capital										
Profit distribution										
Other - own shares										
<b>Balance as at September 30, 2019</b>	5.574.959	27.178	1.526.164	(49.827)	214.881	784.634	(18.307)	1.019.599	(52.717)	9.026.564

## 28.1. Equity Capital

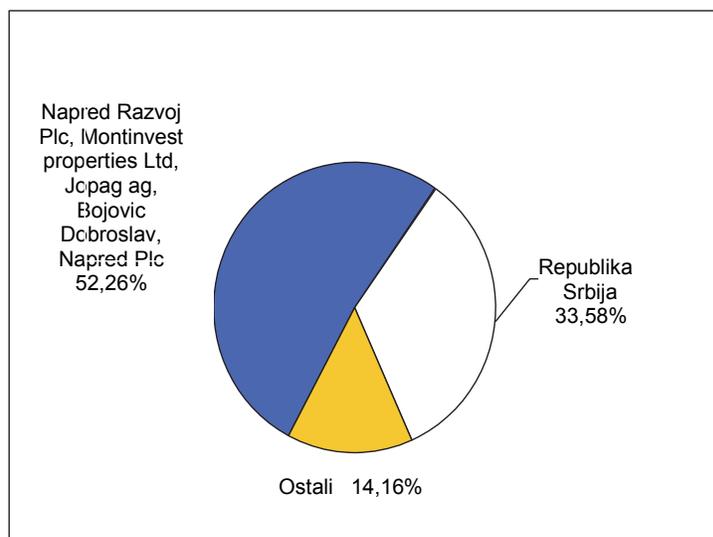
According to the Central Securities, Depository and Clearing House Register, the Company's present ownership structure as at September 30, 2019 is as follows:

	No of shares	% in total issue
Shares held by private shareholders	740.313	6,77%
Shares held by legal entities	9.707.603	88,81%
- Republic of Serbia	3.671.205	33,58%
- Other legal entities	6.036.398	55,22%
<b>Aggregate (custody) account</b>	<b>483.376</b>	<b>4,42%</b>
<b>Total number of shares</b>	<b>10.931.292</b>	<b>100%</b>

No. of shareholders with equity shares	Number of entities			Number of shares			% in total issues		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
Up to 5%	3.596	165	3.761	1.469.660	134.963	1.604.623	13,44%	1,23%	14,68%
5% to 10%	1	1	2	564.699	560.731	1.125.430	5,17%	5,13%	10,30%
More than 10% to 25%	0	0	0	0	0	0	0,00%	0,00%	0,00%
More than 25% to 33%	0	0	0	0	0	0	0,00%	0,00%	0,00%
More than 33% to 50%	2	0	2	8.201.239	0	8.201.239	75,03%	0,00%	75,03%
More than 50% to 66%	0	0	0	0	0	0	0,00%	0,00%	0,00%
More than 66% to 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
More than 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
Total no.	3.599	166	3.765	10.235.598	695.694	10.931.292	93,64%	6,36%	100,00%

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

Shareholder	No. of shares	% in total issues
Napred Razvoj Plc. Novi Beograd	4.530.034	41,44%
Republic of Serbia	3.671.205	33,58%
Montinvest Properties Ltd.	564.699	5,17%
Jopag ag	560.731	5,13%
Tezoro broker Plc - collective	251.976	2,31%
Societe Generale Banka Srbija- kastodir	123.426	1,13%
Energoprojekt Holding Plc	97.700	0,89%
Tezoro broker Plc	81.150	0,74%
Global Marco Capital Opportuni	74.772	0,68%
Bojović Dobroslav	47.004	0,43%



Structure of equity capital is presented in the following Table.

<b>Structure of equity capital</b>	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
<i>Share capital:</i>		
a) Share capital in parent companies, subsidiaries and other related companies		
b) Share capital (externally)	5.574.959	5.574.959
<i>Total</i>	<i>5.574.959</i>	<i>5.574.959</i>
Issuing premiums	1.526.164	1.526.164
Other share capital	27.178	27.178
<b>TOTAL</b>	<b>7.128.301</b>	<b>7.128.301</b>

**Share capital** consists of 10,931,292 ordinary shares with nominal value of RSD 510.00 (RSD 5,574,959 thousand) and nominal book value of RSD 825.75.

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

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

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

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

## 28.2. Repurchase of own shares

<b>Structure of repurchased own shares</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Repurchased own shares	49.827	49.827
<b>TOTAL</b>	<b>49.827</b>	<b>49.827</b>

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

### 28.3. Reserves

Structure of reserves	RSD thousand	
	30/09/2019	31/12/2018
Legal reserves	23.185	23.185
Statutory and other reserves	111.696	111.696
Other reserves	80.000	80.000
<b>TOTAL</b>	<b>214.881</b>	<b>214.881</b>

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

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

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

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

Structure of revaluation reserves from revaluation of intangibles, property, plant and equipment	In RSD thousand	
	30/09/2019	31/12/2018
Revaluation reserves based on revaluation of property - Energoprojekt building	784.634	784.634
<b>TOTAL</b>	<b>784.634</b>	<b>784.634</b>

The following was disclosed in the Revaluation reserves from revaluation of property - Energoprojekt building position, in the amount of RSD 784.634 thousand:

- Effects of posting of the fair value of the Energoprojekt building as at December 31, 2018 in the amount of RSD 824,556 thousand;
- Levelling of the present value per m<sup>2</sup> of the Energoprojekt building in the amount of RSD 98,543 thousand; and
- Posting of 15% profit tax (negative aspect of revaluation reserves) for the amount of deferred tax on the basis of revaluation reserves, in compliance with IAS 12 - Income Taxes, in the amount of RSD 138,465 thousand.

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

<b>Structure of unrealized losses from securities and other components of other comprehensive results (debit balances under account class 33, excl. 330)</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Unrealized losses on securities available for sale	18.307	4.208
<b>TOTAL</b>	<b>18.307</b>	<b>4.208</b>

Changes in the position of **Unrealized losses on securities available for sale**, comparing last years' period, in the amount of RSD 14,099 thousand relate to adjustments of value of securities in Company portfolio (Dunav Plc. and Jubmes bank Plc.), with their fair value in the secondary securities market as at the financial statements date (Note 20.1).

**28.6. Retained Earnings**

<b>Structure of retained earnings</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Retained earnings from previous years</i>		
a) Balance as at January 1 of reported period	1.020.227	473.425
b) Correction of profit based on income tax	(628)	
c) Profit distribution		(216.671)
<i>Total</i>	<i>1.019.599</i>	<i>256.754</i>
Retained earnings from current year		763.473
<b>TOTAL</b>	<b>1.019.599</b>	<b>1.020.227</b>

At 50th regular Annual General Meeting of the Company, celebrated on June 28, 2019, it was decided, by the resolution included in point 3 of the Agenda, that retained earnings of the Company for 2018, in the amount of RSD 763,473 thousand, remains retained, so that total retained earnings of the Company at the beginning of the year amounts RSD 1,020,227 thousand.

**28.7. Loss**

<b>Structure of losses</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Losses - previous years		
Losses - current year	52.717	
<b>TOTAL</b>	<b>52.717</b>	<b>0</b>

The loss for current year, in the amount of RSD 52,717 thousand was recorded in the reporting period (Note 16 and 17).

## 29. LONG-TERM PROVISIONS

Long-term provisions are recognized in the following cases:

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

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

*In RSD thousand*

Structure of long-term provisions	Provisions for wages and other employee benefits	TOTAL
<b>Balance as at January 1, 2018</b>	2.735	2.735
Additional provisions	216	216
Used during the year	(139)	(139)
Cancelling of unused amounts		
<b>Balance as at December 31, 2018</b>	2.812	2.812
Additional provisions		
Used during the year	(145)	(145)
Cancelling of unused amounts		
<b>Balance as at September 30, 2019</b>	2.667	2.667

**Provisions for wages and other employee benefits** (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation.

## 30. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Short-term loans:</i>		
a) Short-term credits and loans from parents companies and subsidiaries, domestic		
b) Short-term credit and loans from other local related entities	1.195.968	
c) Short-term loans, domestic	803.110	898.279
<b>Total</b>	1.999.078	898.279
<i>Other short-term financial liabilities:</i>		
a) Portion of long-term liabilities with maturity date up to one year		
b) Other short-term financial liabilities	128	148
<b>Total</b>	128	148
<b>TOTAL</b>	<b>1.999.206</b>	<b>898.427</b>

### 30.1. Short-term credit and loans from other local related entities

Structure of short-term credits and loans from other local related entities	Interest rate	In RSD thousand	
		30/09/2019	31/12/2018
<i>Napred Razvoj</i>			
a) RSD loans			
b) Loan with foreign currency clause	4% annually	1.195.968	
<b>TOTAL</b>		<b>1.195.968</b>	<b>0</b>

**Short-term credit and loans from other local related entities** in the amount of RSD 1,195,968 thousand (EUR 10,176 thousand) relate to the loan from Napred Razvoj Plc., pursuant to Annex No.3 of the Loan Agreement No.91 (with interest rate of 4% annually and maturity date 29/03/2020), for the purpose of loan repayment, cash deposit dedicated for acquisition of Energoprojekt Entel Plc. shares and the new loans granted to subsidiaries. The Company has provided 4 solo blank promissory notes as collateral.

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

Structure of short-term credits and loans domestic	Interest rate	In RSD thousand	
		30/09/2019	31/12/2018
<i>Short-term loans from banks domestically:</i>			
a) RSD loans			
b) Loans with foreign currency clause	3M Euribor + 2.90% annually, 3M Euribor + 3.00% annually	803.110	898.279
<b>TOTAL</b>		<b>803.110</b>	<b>898.279</b>

**Short-term loans from banks in the country with a currency clause** (EUR) in the amount of RSD 803.110 thousand (EUR 6,833) thousand) relate to loans granted by:

- Erste Bank Plc. in the amount of RSD 587,642 thousand (EUR 5,000 thousand), with the interest rate of 3M Euribor + 2.90% per annum. 6 blank promissory notes of the Company and 6 blank primssory notes of Energoprojekt Niskogradnja were provided as collateral for loan repayment,
- Komercijalna banka Plc. in the amount of RSD 215,468 thousand (EUR 1,833), with the interest rate of 3M Euribor + 3.00% per annum. 10 blank promissory notes of the Company together with 2 blank promissory notes of Energoprojekt Niskogradnja and Energoprojekt Oprema each.

Reduction of liabilities based on short-term loans from local banks, comparing to December 31, of the previous year, in the amount of RSD 95,169 thousand, came as result of loan returning to Societe Generale Bank, in the amount of RSD 70,781 thousand (EUR 600 thousand) and portion of credit returned to Komercijalna Bank, in the amount of RSD 19,602 thousand (EUR 167 thousand), as well as positive effects of currency clauses, in the amount of RSD 4,786 thousand.

### 30.3. Other Short-Term Financial Liabilities

Structure of long-term liabilities with maturity dates up to one year	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Portion of long-term loans domestic with maturity up to one year		
Other short-term financial liabilities	128	148
<b>TOTAL</b>	<b>128</b>	<b>148</b>

**Other short-term financial liabilities** in the amount of RSD 128 thousand refer to liabilities based on expenses paid by business credit cards, leveled in October 2019.

### 31. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Advance payments from parent companies and subsidiaries	10.296	
Advance payments from other local legal entities	51.340	51.043
Deposits received from other local legal entities	33	33
<b>TOTAL</b>	<b>61.669</b>	<b>51.076</b>

**Advance payments from parent companies and subsidiaries** in the amount of RSD 10,296 thousand relate to advances received from subsidiaries pursuant to Agreement on Introducing of Electronic Document System - Business Connect.

**Advance payments from other local legal entities** in the amount of RSD 51,340 thousand, mainly refer to advance received from Jerry Catering Service Ltd. Belgrade, in the amount of RSD 45,204 thousand, related to Annex No.1 of the Agreement No.123/1583 (dated on April 4th, 2017) for the longterm lease (15 years) of the part of business premisses covering 935.56 m<sup>2</sup> situated in "Samacki Hotel" building complex, in Batajnicki drum no.24, Zemun.

### 32. OPERATING LIABILITIES

Structure of operating liabilities	In RSD thousand	
	30/09/2019	31/12/2018
Suppliers:		
Suppliers - parent company and subsidiaries, local	6.033	977
Suppliers - parent company and subsidiaries, abroad		
Suppliers, local	7.425	5.182
Suppliers, abroad	1.475	3.117
<i>Total</i>	14.933	9.276
Other operating liabilities		2.883
<b>TOTAL</b>	<b>14.933</b>	<b>12.159</b>

Total amount of liabilities to suppliers per currencies are presented in the following Table.

Structure of liabilities to suppliers per currencies	In RSD thousand	
	30/09/2019	31/12/2018
RSD	14.933	6.099
EUR		3.177
<b>TOTAL</b>	<b>14.933</b>	<b>9.276</b>

Geographic distribution of suppliers is as follows:

Geographic distribution of suppliers	In RSD thousand	
	30/09/2019	31/12/2018
Local suppliers (subsidiaries and other legal entities)	13.458	6.159
Foreign suppliers (subsidiaries):		
Europe		
<i>Total</i>	-	-
Foreign suppliers (other legal entities):		
Europe	1.475	3.117
<i>Total</i>	1.475	3.117
<i>Impairment</i>		
<b>TOTAL</b>	<b>14.933</b>	<b>9.276</b>

*Energoprojekt Holding Plc.*

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

Structure of suppliers	In RSD thousand	
	30/09/2019	31/12/2018
<i>Domestic suppliers - related legal entities:</i>		
Energoprojekt Energodata Plc.	2.291	
Energoprojekt Oprema Plc.	1.409	
Energoprojekt Visokogradnja Plc.	1.259	683
Energoprojekt Niskogradnja Plc.	530	
Energoprojekt Urbanizam i arhitektura Plc.	390	294
Energoprojekt Industrija Plc.	154	
<b>Total</b>	<b>6.033</b>	<b>977</b>
<i>Domestic suppliers - other legal entities:</i>		
Sava neživotno osiguranje Plc.	1.671	
JKP „Beogradske elektrane“, Beograd	898	899
Algotech Ltd.	840	506
ICP International Communications Partners Ltd.	706	
Dedinje Ltd.	423	421
Tabulir Komerc Ltd.	401	197
Bel Computers Ltd.	297	55
Compacc Ltd.	246	73
FIN & CONS	180	
Advokat Ljiljana Gnjatović	175	172
Ostali	1.588	2.859
<b>Total</b>	<b>7.425</b>	<b>5.182</b>
<i>Foreign suppliers - other legal entities:</i>		
International Air Transport Association (IATA)	1.475	3.117
<b>Total</b>	<b>1.475</b>	<b>3.117</b>
<b>TOTAL</b>	<b>14.933</b>	<b>9.276</b>

Pursuant to the provisions of agreement, the Company has provided twelve blank single bills of exchange to the supplier PUC Elektroprivreda Srbije four blank single „non protested“ bills of exchange as payment collaterals (for period 2019-2021).

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

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

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

<b>Agging suppliers' liabilities structure</b>	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
<i>Related legal entities:</i>		
a) Current	4.210	977
b) Up to 30 days	715	
c) 30 - 60 days	503	
d) 60 - 90 days	596	
e) 90 - 365 days	9	
f) 365 days +		
<b>Total</b>	<b>6.033</b>	<b>977</b>
<i>Local suppliers:</i>		
a) Current	4.496	4.171
b) Up to 30 days	1.400	502
c) 30 - 60 days	566	509
d) 60 - 90 days	724	
e) 90 - 365 days	239	
f) 365 days +		
<b>Total</b>	<b>7.425</b>	<b>5.182</b>
<i>Foreig suppliers:</i>		
a) Current	1.475	3.117
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>1.475</b>	<b>3.117</b>
<b>TOTAL</b>	<b>14.933</b>	<b>9.276</b>

### 33. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	In RSD thousand	
	30/09/2019	31/12/2018
Liabilities for wages, fringe benefits and compensations	12.121	13.033
<i>Other liabilities:</i>		
a) Liabilities for interest and financing costs	3.987	
b) Liabilities for dividends	26.747	27.439
c) Liabilities to employees	171	218
d) Liabilities to General Manager, or to management and Supervisory Board members	731	652
e) Liabilities to physical persons on contractual obligations	342	356
f) Other various liabilities	36.456	407
<i>Total</i>	<i>68.434</i>	<i>29.072</i>
<b>TOTAL</b>	<b>80.555</b>	<b>42.105</b>

**Liabilities for wages, fringe benefits and compensations** in the amount of RSD 12,121 **Liabilities for wages, fringe benefits and compensations** in the amount of RSD October 2019.

**Liabilities for interest and financing costs** in the amount of RSD 3,987 thousand entirely refer to liabilities for interests based on short-term loan from Napred Ravoj Plc. for September of reported year, which was leveled at the beginning of October.

**Liabilities for dividends** in the amount of RSD 26,747 thousand, refer, mainly, to the liabilities based on Resolution of the shareholders' annual meeting in 2018 on undistributed profit distribution for dividends in the amount of RSD 4,601 thousand and for dividends' payment from previous years in the amount of RSD 22,146 thousand, which have not yet been paid to date due to unsolved property ownership relations (probate proceedings etc.) and unopened shareholders' accounts.

**Other various liabilities** in the amount of RSD 36,456 thousand dominantly refer to liabilities to shareholders, based on forced acquisition of Energoprojekt Entels' shares, in the amount of RSD 36,088 thousand. Corporative agent M&V Investments has made, on 15/09/2019, the reclamation of funds of the Company which were deposited for realization of forced acquisition process of Energoprojekt Entels' shares, for those shareholders who did not have the relevant data, so that the payment could not be realized. The Company clears those liabilities pursuant to the shareholders' request.

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

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

**34.1. Liabilities for Value Added Tax**

Liabilities for value added tax	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Liabilities for value added tax	4.192	4.700
<b>TOTAL</b>	<b>4.192</b>	<b>4.700</b>

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

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Liabilities for the tax based on result		45.113
Liabilities for other taxes, contributions and fees payable:		
a) Liabilities for property tax	4.634	
b) Other liabilities for taxes, contributions and fees payable	885	726
<i>Total</i>	<i>5.519</i>	<i>726</i>
<b>TOTAL</b>	<b>5.519</b>	<b>45.839</b>

**Liabilities for the property tax** in the amount of RSD 4,634 a RSD thousand refer to liabilities for Q4 2019, which will be paid in total in due time, till 15/11/2019.

**Other liabilities for taxes, contributions and fees payable** in the amount of RSD 885 thousand, refer mainly to tax and contribution liabilities for Supervisory Board member fees and contributions for authorship agreements on temporary and periodical engagements: RSD 616 thousand and liabilities for withholding taxes on dividends in the amount of RSD 97 thousand.

Out of total amount for other taxes, contributions and fees payable, in the amount of RSD 5,519 thousand, in October 2019 was paid RSD 655 thousand (remaining unpaid, first of all, liabilities for property tax, in the amount of RSD 4,634 thousand - which will be collected in due time and liabilities for withholding tax on dividends, in the amount of RSD 97 thousand, relating to unpaid dividends - Note 33).

### 34.3. Accrued Expenses and Deferred Income

Accrued expenses and deferred income	In RSD thousand	
	30/09/2019	31/12/2018
<i>Precalculated expenses:</i>		
a) Precalculated expenses - parent company, subsidiaries and other related companies	24.548	25.715
b) Precalculated expenses - other legal entities	2.025	6
<i>Total</i>	<i>26.573</i>	<i>25.721</i>
Other accruals	1.733	1.860
<b>TOTAL</b>	<b>28.306</b>	<b>27.581</b>

**Precalculated expenses – parent company, subsidiaries and other related companies** in the amount of RSD 24,548 thousand refer, mainly, the liability owed to Energoprojekt Oprema company for calculated expenses for the period till June 30, 2015, based on the Agreement on Construction of the Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, in the cadastre lot No. 313, registered in the Real Estate Cadastre of the Cadastre Zone A00 in the amount of RSD 24,295 thousand.

**Precalculated expenses – other legal entities** in the amount of RSD 2,026 thousand, refer to liabilities based on precalculated expenses for September 2019 (mainly, for electricity: RSD 1,221 thousand, consulting services: RSD 589 thousand, fixed phone-lines expenses: RSD 99 thousand and fuel: RSD 71 thousand).

**Other accruals** in the amount of RSD 1,733 thousand, entirely refer to the calculated interest on term deposits with domestic banks for September 2019.

### 35. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities	In RSD thousand	
	30/09/2019	31/12/2018
Deferred tax assets	2.273	2.273
Deferred tax liabilities	156.410	156.410
<b>Net effect of deferred tax assets (liabilities)</b>	<b>(154.137)</b>	<b>(154.137)</b>

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

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

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

**Deferred tax liabilities** disclosed as at December 31 refer to *taxable temporary differences* between the book value of assets subject to depreciation and their tax base. Due to different provisions used in the Company to define accounting depreciation (in compliance with the IAS/IFRS and other provisions) and provisions that define tax depreciation (in compliance with the Law on Corporate Income Tax), the Company shall pay higher amount of income tax in the future period than it would pay if the actually disclosed accounting depreciation would be acknowledged by tax legislation. For this reason, the Company recognizes the deferred tax liability, which represents income tax payable once that the Company "recovers" the accounting value of the assets.

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

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

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

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

Structure of off-balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>30/09/2019</i>	<i>31/12/2018</i>
Provided sureties, guarantees and other rights	17.756.104	19.898.629
Provided mortgages and other rights		2.500
Received mortgages and other rights	76.479	16.252
Other off-balance sheet asset/liabilities	2.765.575	2.766.306
<b>TOTAL</b>	<b>20.598.158</b>	<b>22.683.687</b>

**Provided sureties, guarantees and other rights** amounting to RSD 17,756,104 thousand refer to the following:

- Guarantees issued for credits and guarantees for subsidiaries amounting to RSD 11,524,446 thousand,
- Corporate guarantees issued to Energoprojekt Niskogradnja amounting to RSD 6,228,720 thousand, for projects: Banco Pichincha - Peru in the amount of RSD 1,074,299 thousand, Vinča Landfill - Serbia in the amount of RSD 5,066,950 thousand and Ub-Lajkovac in the amount of RSD 87,471 thousand, and
- Guarantee issued by Unicredit bank in favor of IATA (International Air Transport Association) for liabilities referring to air-tickets, in the amount of RSD 2,938 thousand, the one which ends at January 23, 2020 and is renewed annually.

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

**Received mortgages and other rights** amounting to RSD 76,479 thousand pertain to the mortgage on real estate properties of Enjub Ltd., arising from the loan agreements approved to Enjub Ltd. (Note 37).

**Other off-balance sheet assets/liabilities** amounting to RSD 2,765,575 thousand include the following:

- The right to use the municipal construction land - Block 26, in New Belgrade, amounting to RSD 2,735,133 thousand,
- Dividends receivables from Enjub Ltd., which were directly written-off in the previous accounting period in the amount of RSD 30,442 thousand, and
- Unused construction facilities in Budva that were directly written-off in the inventory count as at December 31, 2014 and presented in the off-balance records without any value.

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

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

- As collateral to secure the repayment of loan pursuant to the Annex No.11 of the Loan Agreement No. 367, in the amount of RSD 16,160 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, extrajudicial mortgage with lien statement, for the entire loan amount including related interest was registered, for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company, and
- As collateral to secure the repayment of the loan pursuant to the Annex No.7 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,319 thousand (EUR 513 thousand), pursuant to Decision No.952-02-1973/2012 extrajudicial mortgage of the I class with lien statement, for the entire loan amount including related interest was registered, for real estate properties (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street.

### **38. COMMITMENT AND CONTINGENCIES**

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

*Energoprojekt Holding Plc.*

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

<b>Plaintiff</b>	<b>Basis for legal action</b>	<b>Contingent liability in RSD thousand</b>	<b>Final prediction</b>
Sreta Ivanišević	Compensation for expropriated property (Bezanija)	Uncertain	Uncertain
Vladan and Tomislav Krdžić	Damage compensation (for the value of free shares that they did not acquire)	444	Ungrounded, claim refused by the first instance, awaiting new claim decision
Pavle, Radmila and Milan Kovačević	Compensation for land expropriated (Block 26)	Undefined	Uncertain
Aleksandar and Nenad Radovanac	Moving out from barracks	Undefined	Ungrounded
Alco Investments Holding Ltd. Cyprus	Inanity of Annex No. 1a of Common Construction Agreement (Block 26)	No value	Ungrounded related to Energoprojekt Holding Plc.
Marko Martinoli, Activist Ltd. Activeast Ltd.	Compulsory acquisition of shares of Energoprojekt Entel Plc.	176.745	Ungrounded related to Energoprojekt Holding Plc.
Nikola Malbaša, Marko Martinoli and other small shareholders of Energoprojekt Industrija Plc.	Compulsory acquisition of shares of Energoprojekt Industrija Plc.	280.427	Ungrounded related to Energoprojekt Holding Plc.
Dekada Export-Import KFT Budapest	Establishment of nullity of contract on assignment of claims of Company from Vivand BT and optional selling agreement for real estate	Undefined	Uncertain
Edmond Gašpar, Gojko Babić, Petar Rajačić	Compulsory acquisition of shares of Energoprojekt Industrija Plc.	9.193	Ungrounded related to Energoprojekt Holding Plc.
Zoran Petrović	Cancellation of termination of Contract of Employment	Undefined	Uncertain
Zoran Petrović	Damage compensation	900	Uncertain
Žito Mlin Ltd.	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	326	Uncertain
Milan Branković, Slobodan Vučković and Zoran Čupin	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	433	Uncertain
Matjaž Rupar	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	53	Uncertain
Henigman France	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	237	Uncertain
Alco Investments Holding Ltd. Cyprus	Fulfillment of Common Construction Agreement (Block 26)	No value	Uncertain
Darovi Rokus Ltd.	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	79	Uncertain
Andrej Mavrič	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	26	Uncertain
Regvat Milan	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	79	Uncertain

Details on lawsuits in which the Company is involved as the defendant – Table, continued:

<b>Plaintiff</b>	<b>Basis for legal action</b>	<b>Contingent liability in RSD thousand</b>	<b>Final prediction</b>
Srdan Cekić, Vladimir Šešljija	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	405	Uncertain
Janez Dežman	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	52	Uncertain
Ilin Aleksandar	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	11	Uncertain
Proinvestments Plc.	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	3.234	Uncertain
Ariana Ltd.	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	48	Uncertain
Jenić Goran	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	74	Uncertain
Igor Mitrović	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	331	Uncertain
Damjan Pate	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	767	Uncertain
Treven Tomaž	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	1.051	Uncertain
Jopo Int Ltd.	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	21	Uncertain
Goran Grbić	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	685	Uncertain
Matija Rojec	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	26	Uncertain
Dušica Milić	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	53	Uncertain
Kolar Mihael	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	26	Uncertain
Robert Žvab	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	102	Uncertain
Blaž Kolar	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	53	Uncertain
Edvard Kolar	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	105	Uncertain
Aleksa Marijanović	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	306	Uncertain
Milan Orlić	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	445	Uncertain
Over Atlantic Holding Plc.	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	749	Uncertain
Boris Ožegović	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	18	Uncertain
Dragan Opanković	Payment of share price difference of Energoprojekt Industrija Plc. shares	1.809	Uncertain
Željko Deretić	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	144	Uncertain
Tesla Kapital a.d.	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	2.891	Uncertain
Zečević Srbislav	Payment of share price difference of Energoprojekt Visokogradnja Plc. shares	202	Uncertain

Details on lawsuits in which the Company is involved as the defendant – Table, continued:

<b>Plaintiff</b>	<b>Basis for legal action</b>	<b>Contingent liability in RSD thousand</b>	<b>Final prediction</b>
Repić Stana	Payment of share price difference of Energoprojekt Visokogradnja Plc.	478	Uncertain
Nešić Dragoslav	Payment of share price difference of Energoprojekt Visokogradnja Plc.	474	Uncertain
Đurović Radojko	Payment of share price difference of Energoprojekt Visokogradnja Plc.	108	Uncertain
Todorović Mile	Payment of share price difference of Energoprojekt Visokogradnja Plc.	135	Uncertain
Milošević Staniša	Payment of share price difference of Energoprojekt Visokogradnja Plc.	74	Uncertain
Dobrota Branko	Payment of share price difference of Energoprojekt Visokogradnja Plc.	96	Uncertain
Đurović Marko	Payment of share price difference of Energoprojekt Visokogradnja Plc.	421	Uncertain
Tarlać Lazo	Payment of share price difference of Energoprojekt Visokogradnja Plc.	176	Uncertain
Stojanović Predrag	Payment of share price difference of Energoprojekt Visokogradnja Plc.	61	Uncertain
Stegnjava Luka	Payment of share price difference of Energoprojekt Visokogradnja Plc.	153	Uncertain
Bihorac Nuro	Payment of share price difference of Energoprojekt Visokogradnja Plc.	145	Uncertain
Minčić Igor	Payment of share price difference of Energoprojekt Visokogradnja Plc.	63	Uncertain
Kardelis Paljo	Payment of share price difference of Energoprojekt Visokogradnja Plc.	132	Uncertain
Mandić Dragan	Payment of share price difference of Energoprojekt Visokogradnja Plc.	125	Uncertain
Lazić Mirko	Payment of share price difference of Energoprojekt Visokogradnja Plc.	135	Uncertain
Krstić Dragomir	Payment of share price difference of Energoprojekt Visokogradnja Plc.	710	Uncertain
Jelisavac Zlatomir	Payment of share price difference of Energoprojekt Visokogradnja Plc.	100	Uncertain
Šalipur Tijosav i Aščerić Radomir	Payment of share price difference of Energoprojekt Visokogradnja Plc.	3.647	Uncertain
Rakić Dragan	Payment of share price difference of Energoprojekt Visokogradnja Plc.	108	Uncertain
Popović Dragiša	Payment of share price difference of Energoprojekt Visokogradnja Plc.	106	Uncertain
Trivunović Luka	Payment of share price difference of Energoprojekt Visokogradnja Plc.	1.024	Uncertain
Radoš Nenad	Forced acquisition of shares of Energoprojekt Industrija Plc.	32	Uncertain
Polić Vlastimir	Payment of share price difference of Energoprojekt Visokogradnja Plc.	145	Uncertain
Pejčić Jugoslav	Payment of share price difference of Energoprojekt Visokogradnja Plc.	47	Uncertain
Urošević Radmila	Payment of share price difference of Energoprojekt Visokogradnja Plc.	455	Uncertain
Rupnik Olivera	Ownership definition for apartment in Maršala Birjuzova St. No.35	No value	Grounded

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

**Assets potentially generated**, which could arise from inflow of economic benefit of the Company, could mainly emerge as a result of lawsuits where the Company is plaintiff.

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

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

Defendant	Grounds for legal action	Contingency amount in RSD thousand	Final prediction
Republic of Serbia, EPS Serbia, Epsturs Ltd. And Republic of Montenegro	Determining of the ideal ownership share in „Park Hotel“ in Budva	Value not defined	Grounded
Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Oprema Plc.	No value	Uncertain
Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	No value	Uncertain
Securities Commission	Annulment of the Commission's final decision whereby to the company is denied right to vote in Energoprojekt Oprema Plc.	No value	Uncertain
Securities Commission	Annulment of the Commission's final decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	No value	Uncertain
Securities Commission	Annulment of the Commission's final decision, whereby it was interrupted proceedings to decide on the request for publication of the takeover bid Energoprojekt Entel Plc.	No value	Uncertain
Ringier Axel Springer Ltd.	Determination of nullity of the contract and return of paid advance	18.000	Uncertain
Energoprojekt Oprema Plc., Jadran Ltd. and Viacom VS Ltd.	Nullity of the contract establishing	82.270	Uncertain

In addition to the presented legal actions in which the Company is involved as the plaintiff, there is a legal proceeding against the City of Belgrade and BG Hall Ltd. for debt from work carried out by Energoprojekt Visokogradnja on the facility "Arena", which was contracted by the Energoprojekt Holding Corporations. According to the above litigation a final judgment has obtained to BG Hall Ltd., while the claim against the City of Belgrade. The Company has declared against this decision Audit. After the revision accepted, the procedure is legally valid in a small portion of claim, regarding BG Hall Ltd. and in respect the rest of the claim, there is a first instance lawsuit against BG Hall Ltd. and City of Belgrade.

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

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

In Belgrade,  
November 8, 2019

## 2. BUSINESS REPORT

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

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

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

*Plans for 2019 include contracting of new business deals for the Energoprojekt Group in the country and abroad in the total amount of EUR 273.1 million, namely: EUR 143.1 million (52%) in the country and EUR 130 million (48%) abroad. During the January-September period in 2019, contracts for new business deals worth the total of EUR 151.9 million were concluded: EUR 98.6 million (65%) in the country and EUR 53.3 million (35%) abroad.*

As at the last day of the reporting period, business deals worth approximately EUR 379 million remained on the level of the Energoprojekt Group to be completed over the following periods (in Serbia: EUR 227 million; and EUR 152 million abroad).

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

Starting from the strategic determination to achieve lasting and sustainable development of the Energoprojekt Group oriented towards continuous profitability growth, conducting business in its traditional markets (in the country and abroad), economically viable employment of resources and global macroeconomic trends, the following business tasks were planned to be achieved in 2019:

Priority tasks:

- New business contracting and providing of continuous activities of companies within Energoprojekt Group;
- Liquidity providing – activities aimed to collect debts and optimize credit liabilities of the companies within Energoprojekt Group;
- Providing conditions for the execution of business projects of the companies within Energoprojekt Group;
- Monitoring of procedures started for finalization of ownership transformation process.

Other business-related tasks:

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

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

It is necessary to establish a system for timely risks' identification and management for the business operations of the Energoprojekt in the country and in the foreign markets as one of the principal functions of the Company's internal audit. In the following period, efforts on risk management development strategy will be intensive and according to the plans, in compliance with the established annual plan of the Energoprojekt Holding Plc. internal audit for 2019.

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

In Q3 2019, the the overtaking shares process from subsidiary Energoprojekt Entel Plc. was finished, sot tha Energoprojekt Group increased its share in capital of the mentioned subsidiary from 86.26% to 99.95%.

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

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

## **Major transactions with related entities**

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

Liabilities to related parties arise mainly from commercial transactions and are mature within 5 to 30 days from the purchasing date. Those liabilities does not containt interest.

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

Detailed explanations are provided in the "Notes to the Financial Statements".

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

Activities on further development and implementation of an adequate business and information system are underway, and the system will be adequate to the current scope and planned growth of the Company's business, as well as activities related to implementation of integrated Document Management System (DMS) in Energoprojekt Group.

In June 2019, Energoprojekt Holding Plc. has finished re-certification of three incorporated managemenet systems, according to on ISO 9001:2015 quality management standard, ISO 14001:2015 for environmental protection and OHSAS 18001:2007 for security and health managementu.

External auditor's control of „Lloyd's Register“ was successfully implemented on June 20th, 2019, and the certificate was prolonged for a three year period.

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

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To the best of our knowledge, the Energoprojekt Holding Plc. Quarterly Financial Statements for the third quarter of 2019, were prepared in compliance with the relevant International Financial Reporting Standards and they present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

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

Official responsible for preparation of Report:

Energoprojekt Holding Plc.

Executive Director for Finance



9. Siniša Tekić, B. Sc. Ecc

Legal Representative:

Energoprojekt Holding Plc.

Chief Executive Officer



Stojan Čolakov, M. Sc. CE

#### 4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q3 2019 QUARTERLY REPORT \*

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Note \*:

- Q3 2019 Quarterly Report of the Energoprojekt Holding Plc. was approved and adopted on November 12, 2019, at 241st meeting of Executive Board of the Issuer.

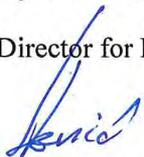
In Belgrade, November 2019

Official responsible for preparation of Report:

Energoprojekt Holding Plc.

Executive Director for Finance



  
Siniša Tekić, B. Sc. Ecc

Legal Representative:

Energoprojekt Holding Plc.

Chief Executive Officer



  
Stojan Čolakov, M. Sc. CE