

# Energoprojekt Holding Plc. Quarterly Report for Q3 2020

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Belgrade, November 2020

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 2020**

### C O N T E N T S

1. FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR Q3 2020

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

2. BUSINESS REPORT

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

3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q3 2020 QUARTERLY REPORT \* (Note)

1. FINANCIAL STATEMENTS OF ENERGOPROJEKT HOLDING PLC. FOR Q3 2020 (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

01.01.2020.

until

30.09.2020.

### Quarterly Financial Statement for Businesses KFI-PD

Business name: ENERGOPROJEKT HOLDING p.l.c.

Reg. No.: 07023014

Postal code, city: 11070

NOVI BEOGRAD

Street and number: BULEVAR MIHAILA PUPINA 12

E-mail: ep@energoprojekt.rs

Website: www.energoprojekt.rs

Consolidated/individual: INDIVIDUAL

Approved (yes/no): Yes

Audited (yes/no): No

Contact person: SINIŠA TEKIĆ

(name and surname of contact person)

Phone: (011) 310 10 17

Fax: (011) 213 14 12

E-mail: s.tekic@energoprojekt.rs

Name and surname: STOJAN ČOLAKOV

(authorized officer)

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

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



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(Signature of legal representative)

**BALANCE SHEET**

at day 30.09.2020.

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>	9.098.229	8.946.519
I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003	23.210	27.637
1. Investments in development	0004		
2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	23.210	27.637
3. Goodwill	0006		
4. Other intangible assets	0007		
5. Intangible assets in progress	0008		
6. Advances paid on intangible assets	0009		
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010	1.970.880	1.983.168
1. Land	0011		
2. Buildings	0012	1.284.894	1.293.711
3. Plant and equipment	0013	25.323	28.794
4. Investment property	0014	615.716	615.716
5. Other property, plant and equipment	0015	283	283
6. Property, plant and equipment in progress	0016		
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	7.104.139	6.935.714
1. Shares in subsidiaries	0025	5.654.864	5.616.040
2. Shares in affiliated companies and joint ventures	0026	13.550	13.550
3. Shares in other companies and other available for sale securities	0027	21.988	30.240
4. Long term investments in parent companies and subsidiaries	0028	1.412.805	1.274.891
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	932	993
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>	2.084.874	2.399.773
I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044	63.671	63.887
1. Material ,parts, tools and small inventories	0045		
2. Work and services in progress	0046		
3. Finished products	0047		
4. Goods	0048		
5. Fixed assets for sale	0049	57.867	58.379
6. Advances paid for inventories and services	0050	5.804	5.508
II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051	1.014.771	842.716
1. Local buyers - parent company and subsidiaries	0052	1.013.155	841.170
2. Foreign buyers - parent company and subsidiaries	0053		
3. Local buyers - other affiliated companies	0054		
4. Foreign buyers - other affiliated companies	0055		
5. Local buyers	0056	1.616	1.546
6. Foreign buyers	0057		
7. Other receivables from sales	0058		
III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	12.449	13.274
IV. OTHER RECEIVABLES	0060	87.887	85.981
V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061		
VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062	304.045	802.842
1. Short term loans and investments - parent company and subsidiaries	0063	227.472	726.257
2. Short term loans and investments - other affiliated companies	0064	76.513	76.521
3. Short term credits and loans, domestic	0065		
4. Short term credits and loans, foreign countries	0066		
5. Other short term financial investments	0067	60	64
VII. CASH AND CASH EQUIVALENTS	0068	194.821	184.016
VIII. VALUE ADDED TAX	0069		
IX. PREPAYMENTS AND ACCRUED INCOME	0070	407.230	407.057
<b>E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)</b>	<b>0071</b>	<b>11.183.103</b>	<b>11.346.292</b>
<b>F. OFF-BALANCE SHEET ASSETS</b>	<b>0072</b>	<b>17.512.935</b>	<b>21.520.459</b>

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	9.383.359	9.052.010
I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402	7.101.123	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
II. SUBSCRIBED CAPITAL UNPAID	0411		
III. TREASURY SHARES REPURCHASED	0412	49.827	49.827
IV. RESERVES	0413	80.000	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	25.568	17.316
VIII. RETAINED EARNINGS (0418+0419)	0417	1.492.997	1.019.599
1. Retained earnings from previous years	0418	1.153.396	1.019.599
2. Retained earnings from current year	0419	339.601	
IX. NON-CONTROLLING INTEREST	0420		
X. LOSSES (0422+0423)	0421		28.262
1. Losses from previous years	0422		
2. Losses from current year	0423		28.262
<b>B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)</b>	0424	758.857	1.235.435
I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425	2.935	3.262
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	2.935	3.262
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	755.922	1.232.173
1. Liabilities convertible into capital	0433		
2. Liabilities to parent company and subsidiaries	0434		
3. Liabilities to other affiliated companies	0435	726.176	1.196.624
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	29.746	35.549
<b>C. DEFERRED TAX LIABILITIES</b>	0441	156.053	156.053
<b>D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)</b>	0442	884.834	902.794
I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	666.711	744.878
1. Short term loans from parent company and subsidiaries	0444		
2. Short term loans from other affiliated companies	0445		
3. Short term credits and loans, domestic	0446	666.171	744.754
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	540	124

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	35.616	29.626
III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451	11.233	21.611
1. Suppliers - parent company and subsidiaries, local	0452	5.097	6.509
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	5.077	7.639
6. Suppliers, foreign countries	0457	758	7.007
7. Other operating liabilities	0458	301	456
IV. OTHER SHORT TERM LIABILITIES	0459	100.111	75.079
V. VALUE ADDED TAX	0460	4.327	4.528
VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	5.288	693
VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	61.548	26.379
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	11.183.103	11.346.292
F. OFF-BALANCE LIABILITIES	0465	17.512.935	21.520.459

**INCOME STATEMENT**

from 01.01.2020. until 30.09.2020.

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>	83.830	252.415	75.161	227.134
<b>I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)</b>	<b>1002</b>				
1. Income from sale of goods to parent company and subsidiaries on local market	1003				
2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004				
3. Income from sale of goods to other affiliated companies on local market	1005				
4. Income from sale of goods to other affiliated companies on foreign markets	1006				
5. Income from sale of goods on local market	1007				
6. Income from sale of goods on foreign markets	1008				
<b>II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)</b>	<b>1009</b>	75.576	226.310	69.718	210.409
1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010	75.572	226.305	69.701	210.337
2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011				
3. Income from sale of finished products and services to other affiliated companies on local market	1012				
4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013				
5. Income from sale of finished products and services on local market	1014	4	5	17	72
6. Income from sale of finished products and services on foreign markets	1015				
<b>III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.</b>	<b>1016</b>	2.627	9.175		
<b>IV. OTHER OPERATING INCOME</b>	<b>1017</b>	5.627	16.930	5.443	16.725
<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>	77.791	233.336	85.305	255.618
<b>I. COST PRICE OF GOODS SOLD</b>	<b>1019</b>				
<b>II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE</b>	<b>1020</b>				
<b>III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS</b>	<b>1021</b>				
<b>IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS</b>	<b>1022</b>				
<b>V. MATERIAL COSTS</b>	<b>1023</b>	1.061	3.243	1.238	4.053
<b>VI. FUEL AND ENERGY COSTS</b>	<b>1024</b>	5.528	13.351	6.511	16.511
<b>VII. EMPLOYEE EXPENSES AND BENEFITS</b>	<b>1025</b>	44.081	129.869	46.895	139.918
<b>VIII. PRODUCTION SERVICE COSTS</b>	<b>1026</b>	12.444	36.384	12.187	38.499
<b>IX. DEPRECIATION EXPENSES</b>	<b>1027</b>	5.875	17.974	4.835	14.671
<b>X. PROVISION EXPENSES</b>	<b>1028</b>				
<b>XI. INTANGIBLE EXPENSES</b>	<b>1029</b>	8.802	32.515	13.639	41.966
<b>C. OPERATING INCOME (1001-1018) ≥ 0</b>	<b>1030</b>	6.039	19.079		
<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>	13.490	395.060	24.767	82.080
<b>I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)</b>	<b>1033</b>	13.464	394.521	22.488	76.496
1. Financial income from parent company and subsidiaries	1034	12.322	390.921	16.800	49.328
2. Financial income from other affiliated companies	1035	1.142	3.600	5.598	9.818
3. Share of profits in associated companies and joint ventures	1036				
4. Other financial revenues	1037			90	17.350
<b>II. INTEREST INCOME (THIRD PARTY)</b>	<b>1038</b>	16	406	106	751
<b>III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)</b>	<b>1039</b>	10	133	2.173	4.833
<b>F. FINANCIAL EXPENSES (1041+1046+1047)</b>	<b>1040</b>	23.975	75.055	32.396	69.278
<b>I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)</b>	<b>1041</b>	19.490	61.305	21.452	43.738
1. Financial expenses from transactions with parent company and subsidiaries	1042		335	8.705	16.609
2. Financial expenses from transactions with other affiliated companies	1043	19.490	60.970	12.747	27.129
3. Share of losses in affiliated companies and joint ventures	1044				
4. Other financial expenditure	1045				
<b>II. INTEREST EXPENSES (THIRD PARTY)</b>	<b>1046</b>	4.457	13.572	9.495	22.789
<b>III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)</b>	<b>1047</b>	28	178	1.449	2.749
<b>G. FINANCIAL GAINS (1032-1040)</b>	<b>1048</b>		320.005		12.804
<b>H. FINANCIAL LOSSES (1040-1032)</b>	<b>1049</b>	10.485		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>	68	232	742	1.150
<b>L. OTHER EXPENSES</b>	<b>1053</b>			37.635	37.865
<b>M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)</b>	<b>1054</b>		339.316		
<b>N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)</b>	<b>1055</b>	4.378		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>		285		
<b>P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS</b>	<b>1057</b>	25		1	322
<b>Q. PROFIT BEFORE TAX (1054+1055+1056-1057)</b>	<b>1058</b>		339.601		
<b>R. LOSSES BEFORE TAX (1055-1054+1057-1056)</b>	<b>1059</b>	4.403		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				
II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061				
III. DEFERRED TAX INCOME FOR THE PERIOD	1062				
<b>T. MANAGEMENT EARNINGS</b>					
1063					
U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		339.601		
V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065	4.403		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				
<b>V. EARNINGS PER SHARE</b>					
1. Basic earnings per share	1070				
2. Reduced (diluted) earnings per share	1071				

## STATEMENT OF OTHER RESULTS

from 01.01.2020. until 30.09.2020.

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		339.601		
II. NET LOSSES (EDP 1065)	2002	4.403		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
b) losses	2018	1.364	8.252		14.576
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	
II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020	1.364	8.252		14.099
III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021				
IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022			3.052	
V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023	1.364	8.252		14.099
<b>C. TOTAL COMPERHENSIVE NET RESULTS FOR THE PERIOD</b>					
I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024		331.349		
II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025	5.767		51.615	66.816
<b>D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 &gt; 0</b>					
1. Payable to majority shareholders	2027				
2. Payable to non-controlling shareholders	2028				

## CASH FLOW STATEMENT

from 01.01.2020. until 30.09.2020.

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>	144.736	203.202
1. Sales and prepayments	3002	127.981	193.044
2. Interests from operating activities	3003		
3. Other inflow from normal operations	3004	16.755	10.158
<b>II. Cash outflow from operating activities ( 1 to 5 )</b>	<b>3005</b>	301.044	384.176
1. Payments to suppliers and prepayments	3006	112.370	139.546
2. Employee expenses and benefits	3007	110.396	137.460
3. Interests paid	3008	30.135	38.806
4. Income tax	3009		29.569
5. Payments based on other public revenues	3010	48.143	38.795
<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>	156.308	180.974
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>I. Cash inflow from investing activities (1 to 5)</b>	<b>3013</b>	374.781	952.182
1. Sale of shares and stocks (net inflow)	3014		
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	9.863	10.841
3. Other financial investments (net inflow)	3016		907.663
4. Interest received from investment activities	3017	12.162	33.589
5. Dividends received	3018	352.756	89
<b>II. Cash outflow from investing activities (1 to 3)</b>	<b>3019</b>	128.840	725.386
1. Purchase of shares and stocks (net outflow)	3020	40.544	712.565
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	5.735	12.821
3. Other financial investments (net outflow)	3022	82.561	
<b>III. Net cash inflow from investing activities (I-II)</b>	<b>3023</b>	245.941	226.796
<b>IV. Net cash outflow from investing activities (II-I)</b>	<b>3024</b>		
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<b>I. Cash inflow from financing activities ( 1 to 5 )</b>	<b>3025</b>		
1. Equity increase	3026		
2. Long term loans (net inflow)	3027		
3. Short term loans (net inflow)	3028		
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>	78.804	123.445
1. Repurchase of own shares and stocks	3032		
2. Long term loans (net outflow)	3033		
3. Short term loans (net outflow)	3034	78.521	90.383
4. Other liabilities	3035		32.370
5. Financial leasing	3036		
6. Dividends paid	3037	283	692
<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>	78.804	123.445
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<b>I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD</b>	<b>3044</b>	184.016	200.519
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**NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30/09/2020**

Belgrade, November, 2020

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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, 95/2018 and 91/2019) 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 and 23/07/2020, the Company has made changes in its Statute, 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.

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

- Enjub Ltd.

The following Table contains data on the ownership share in mentioned subsidiaries as at 30/09/2020.

<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.	100.00
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 73 (as at December 31, 2019.: 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 until September, 30, 2020**, that were approved by the Executive Board of the Company on November 09,2020. at 342. 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 30/09/2020 are made in respect with the principle of permanence.

## **2. MANAGEMENT STRUCTURE**

**Key management of the Company** in reporting period of 2020, included 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 30/09/2020. 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 (RS Official Gazette, No. 73/2019 - 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 Conceptual Framework for financial reporting,
- International Accounting Standards – IAS,
- International Financial Reporting Standards - IFRS and related Interpretations, issued by the International Financial Reporting Interpretations 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, 113/2017, 95/2018 and 86/2019),
- 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, 72/2019 and 8/2020),
- 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, 8/2019 and 94/2019),
- 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, 8/2019 and 94/2019),
- 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, 8/2014 and 94/2019) 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, 108/2016 and 9/2020) 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 , the financial statements in the Republic of Serbia are to be presented in the format stipulated by the Rules on the Contents and Form of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs, 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>30/09/2020</i>	<i>31/12/2019</i>
	<i>Amount in RSD</i>	
EUR 1	117.5803	117.5928
USD 1	100.1706	104.9186

## **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, 2019 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:

<b>Structure of income from sale of products and services</b>	<i>In RSD thousand</i>	
	<i>01/01- 30/06/2020</i>	<i>01/01- 30/06/2019</i>
Income from sale of finished products and services to parent company and subsidiaries on local market	226.305	210.337
Income from sale of finished products and services on local market	5	72
Income from sale of finished products and services on foreign market		
<b>TOTAL</b>	<b>226.310</b>	<b>210.409</b>

**Income from the sale of finished products and services to parent companies and subsidiaries on local market** refer to:

- income 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 222,068 thousand and
- income on services for rights on solution uses - Electronic documentation system Bussines Connect (DMS) and for rights on uses of the appropriate equipment, in the amount of RSD 4,237 thousands.

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>01/01-30/09/2020</i>	<i>01/01-30/09/2019</i>
Energoprojekt Visokogradnja Plc.	58.941	33.809
Energoprojekt Niskogradnja Plc.	76.425	79.683
Energoprojekt Hidroinzenjering Plc.	10.517	10.637
Energoprojekt Entel Plc.	29.549	34.417
Energoprojekt Energodata Plc.	3.728	4.452
Energoprojekt Industrija Plc.	6.424	5.415
Energoprojekt Urbanizam i arhitektura Plc.	3.172	2.851
Energoprojekt Oprema Plc.	16.254	21.755
Energoprojekt Sunnyville Ltd.	2.788	3.230
Energoprojekt Park 11 Ltd.	18.507	14.088
<b>TOTAL</b>	<b>226.305</b>	<b>210.337</b>

**Income from the sale of finished products and services on local market** in the amount of RSD 5 thousand were generated from the sales of flight tickets.

## 7.2. Income Generated from Premiums, Subventions, Grants, Donations, etc.

<b>Structure of income from premiums, subventions, grants, donations, etc.</b>	<i>u 000 dinara</i>	
	<i>01/01-30/09/2020</i>	<i>01/01-30/09/2019</i>
Incomes from premiums, subventions, grants, reimbursements, compensations and tax returns		
Incomes from conditioned donations	9.175	
<b>TOTAL</b>	<b>9.175</b>	<b>0</b>

**Income from conditioned donations** in the amount of RSD 6,548 thousand refer to direct donations from the Government of the Republic of Serbia to commercial entities, pursuant to:

- Decree on Fiscal Benefits and Direct Benefits to Private Sector Companies and Financial Assistance to Citizens to Mitigate the Economic Consequences of COVID – 19,(„The Official Gazette“ of the Republic of Serbia no 54/2020 and 60/2020)( hereinafter: The Decree on Fiscal Benefits and Direct Aid of the Government of the Republic of Serbia) and relate to the donation of non-refundable cash aid for salaries and compensations for salaries to the employees, in the amount of minimum net earnings per employee (RSD 30,367.00 per month, per employee, for three months period) and
- Conclusion of the Government of the Republic of Serbia 05 nuber 401-6052/2020 („The Official Gazette of the RS“ number 104/2020) (hereinafter: the Conclusion of the Government

of the RS) in form of grants in August and September 2020, and in the amount of 60% of direct givings from the budget of the Republic of Serbia, paid in July 2020.

### 7.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>01/01-30/09/2020</i>	<i>01/01-30/09/2019</i>
Incomes from the rent collected from parent, subsidiary and other related companies	10.086	10.118
Income from rents collected from other legal entities on the local market	6.656	6.393
Other operating income (externally)	188	214
<b>TOTAL</b>	<b>16.930</b>	<b>16.725</b>

**Incomes from the rent collected from parent, subsidiary and other related companies** amounting to RSD 10,086 thousand were generated based on renting of:

- a portion of the “Samacki Hotel” complex in 24 Batajnicketi Drum, which has been rented since 2011 to Energoprojekt Visokogradnja in the amount of RSD 9,764 thousand and
- a portion of Energoprojekt Building, which has been rented since 2016 to the Energoprojekt Sunnyville, for RSD 322 thousand.

**Incomes from the rent collected from other legal entities on local market** amounting to RSD 6,656 thousand were generated from renting:

- a portion of the “Samacki Hotel” complex in 24 Batajnicketi Drum which has been rented from August, 2017, to Jerry Catering Service Ltd. in the amount of RSD 5,803 thousand,
- space on the roof-terrace and on groundfloor of the Energoprojekt building, which is rented to Telekom Srbija Plc, in the amount of RSD 783 thousand and
- a portion of Energoprojekt building leased to Sava Neživotno Osiguranje Plc. in the amount of RSD 70 thousand.

## 8. MATERIAL COSTS AND FUEL AND ENERGY COST

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01/01-30/09/2020</i>	<i>01/01-30/09/2019</i>
Material costs:		
a) Costs of other materials (overheads)	3.243	4.053
b) Costs of one-off write-off of tools and inventory		
<i>Total</i>	<i>3.243</i>	<i>4.053</i>
Fuels and energy costs:		
a) Costs of fuel	593	738
b) Costs of electrical energy and heating	12.758	15.773
<i>Total</i>	<i>13.351</i>	<i>16.511</i>
<b>TOTAL</b>	<b><i>16.594</i></b>	<b><i>20.564</i></b>

**Costs of other material (overheads)** amounting to RSD 3,243 refer to office stationery in the amount of RSD 1,444 thousand, professional and expert literature, magazines, etc. amounting to RSD 607 thousand and other material costs amounting to RSD 1,192 thousand.

## 9. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01/01-30/09/2020</i>	<i>01/01-30/09/2019</i>
Expenses of wages and fringe benefits (gross)	99.261	102.210
Taxes and contributions on wages and contributions on wages payable by employer	15.534	16.016
Service agreements contributions	2.275	3.372
Copyright agreements contributions	178	301
Costs of contributions for contract fees for temporary and periodical engagement	235	787
Considerations to General Manager and/or Management and Supervisory Board members	9.133	9.417
Other personnel expenses and fringe benefits	3.253	7.815
<b>TOTAL</b>	<b><i>129.869</i></b>	<b><i>139.918</i></b>
Average number of employees	73	75

**Other personnel expenses and fringe benefits** amounting to RSD 3,253 thousand refer to the business trips' expenses amounting to RSD 1,812 thousand, expenses for employee commuting reimbursements amounting to RSD 1,341 thousand and other dues to employees in the amount of RSD 100 thousand.

**10. PRODUCTION SERVICE COSTS**

Structure of production service cost	In RSD thousand	
	01/01-30/09/2020	01/01-30/09/2019
Transportation services cost	1.750	1.901
Repairs and maintenance services cost	25.394	25.422
Rental costs		108
Advertising costs	739	702
Other services cost	8.501	10.366
<b>TOTAL</b>	<b>36.384</b>	<b>38.499</b>

**Transportation services costs** in the amount of RSD 1,750 thousand refer to the landline costs and mobile phone costs, Internet services, taxi services, etc.

**Repairs and maintenance services costs** amounting to RSD 25,394 thousand, mainly refer to investment maintenance of the Energoprojekt Building amounting to RSD 23,855 thousand and to the ongoing maintenance of equipment amounting to RSD 1,519 thousand.

**Advertising costs** amounting to RSD 739 thousand mainly refer to sponsorship costs (Kopaonik Business Forum) amounting to RSD 588 thousand.

**Costs of other services** amounting to RSD 8,501 thousand refer to licenses costs: 3.541 thousand RSD, utility services costs: RSD 1.722 thousand, costs for BI solutions maintenance: RSD 1.516 thousand, costs for technical-operational support Energoprojekt Industrija: RSD 1.100 thousand and costs for other manufacturing services: RSD 622 thousand dinars (work protection costs, vehicle registration etc.)

**11. DEPRECIATION EXPENSES AND PROVISION EXPENSE**

Structure of depreciation expenses and provision expenses	In RSD thousand	
	01/01-30/09/2020	01.01. -30.09. 2019.
Depreciation expenses:		
a) Depreciation of intangible assets (Note 18)	4.427	2.327
b) Depreciation of property, plant and equipment (Note 19.1.)	13.547	12.344
<i>Total</i>	<i>17.974</i>	<i>14.671</i>
Provisions expenses:		
Provisions for contributions and other personnel benefits		
<i>Total</i>		
<b>TOTAL</b>	<b>17.974</b>	<b>14.671</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, 2019 for property and equipment with significant booking value, since there were no changes of relevance that would require additional appraisal as at the balance date as well.

## 12. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01/01-30/09/2020</i>	<i>01/01-30/09/2019</i>
Intangible expenses	12.350	20.231
Expense account	1.281	2.420
Insurance premiums expenses	1.083	1.071
Payment operations' expenses	2.084	1.062
Membership fee expenses	427	512
Tax duties	14.225	14.042
Other non-operating expenses	1.065	2.628
<b>TOTAL</b>	<b>32.515</b>	<b>41.966</b>

**Intangible expenses** amounting to RSD 12,350 thousand pertain to the costs of attorney fees, consulting and intellectual services, financial statements auditing, broker services, Belgrade Stock Exchange services, cleaning services and other costs.

**Expense accounts** amounting to RSD 1,281 thousand include primarily the catering services.

**Insurance premium expenses** amounting to RSD 1,083 thousand refer to the insurance of property and persons.

**Payment operations expenses** amounting to RSD 2,084 thousand pertain to the local payment operations costs, mainly to credit approving fees for framework line use.

**Membership fee expenses** amounting to RSD 427 thousand, refer to Serbian Chamber of Commerce memberships, in the amount of RSD 256 thousand, as well as memberships to other chambers, federations and associations.

**Tax duties** in the amount of RSD 14,225 thousand refer predominantly to the property tax amounting to RSD 13,983 thousand.

**Other non-operating expenses** amounting to RSD 1,065 thousand, refer to duties and lawsuit expenses amounting to RSD 426 thousand, expenses for Energoprojekt Magazine (printing, packaging etc.) in the amount of RSD 121 thousand and expenses involving financing of disabled persons earnings, in the amount of RSD 367 thousand.

### 13. FINANCIAL INCOME AND FINANCIAL EXPENSE

#### 13.1. Financial Income

Structure of financial income	In RSD thousand	
	01/01-30/09/2020	01/01-30/09/2019
Financial income from transactions with parent companies and subsidiaries	390.921	49.328
Financial income from other related companies	3.600	9.818
Income from dividends		17.350
<i>Total financial income from the related parties and other financial income</i>	<i>394.521</i>	<i>76.496</i>
Interest income (third party)	406	751
Exchange rate gains and positive currency clause effects (third party)	133	4.833
<b>TOTAL</b>	<b>395.060</b>	<b>82.080</b>

**Financial income from transactions with parent companies and subsidiaries** amounting to RSD 390,921 thousand refer to interest income from subsidiaries amounting to RSD 38,102 thousand, income from dividends in the amount of RSD 352,756 thousand (generated from Energoprojekt Entel Plc.) and income from the effects of foreign exchange clauses and foreign exchange gains from subsidiaries amounting to RSD 63 thousand.

**Financial income from other related companies** in the amount of RSD 3,600 thousand relates to the interest income from loan made from joint venture Enjub Ltd, in the amount of RSD 3,503 thousand and to income based on FX clause effect loan , made from Napred Razvoj Plc. in the amount of RSD 97 thousand.

**Interest income (third party)** in the amount of RSD 406 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 133 thousand refer to gains in FX exchange: RSD 70 thousand (mainly on the basis of deposited funds) and income from the effects of foreign currency clause in the amount of RSD 63 thousand (mainly based on the effects of foreign currency clause based on loans received from banks).

**13.2. Financial Expense**

Structure of financial expense	In RSD thousand	
	01/01-30/09/2020	01/01-30/09/2019
Financial expenses from transactions with parent company and subsidiaries	335	16.609
Financial expenses from transactions with other related companies	60.970	27.129
<i>Total financial expense incurred from related parties and other financial expense</i>	<i>61.305</i>	<i>43.738</i>
Interest expenses (third party)	13.572	22.789
Exchange rate losses and negative currency clause effects (third party)	178	2.749
<b>TOTAL</b>	<b>75.055</b>	<b>69.276</b>

**Financial expenses from transactions with parent companies and subsidiaries** amounting to RSD 4334 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 314 thousand, the largest portion of which pertains to the loans granted in the amount of RSD 196 thousand and receivables based on holding service providing by the Company, in the amount of RSD 81 thousand.

**Financial expenses from transactions with other related companies** amounting to RSD 60,970 thousand, refer to Napred Razvoj Plc. in the amount of RSD 60,954 thousand (based on interest cost for the loan approved: RSD 47,797 thousand, fees for the loan servicing: RSD 13,157 thousand ) and joint society Enjub Ltd. in the amount of RSD 16 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 13,572 thousand, dominantly refer to the interest expense from domestic current liquidity bank loans (Erste bank and Komercijalna bank) in the amount of RSD 13,569 thousand.

**Exchange rate losses and negative currency clause effects (third effects)** in the amount of RSD 178 thousand refer to the negative foreign exchange rates in the amount of RSD 138 (mainly on the basis of funds on foreign currency accounts) thousand and expenses based on effects of foreign currency clauses, in the amount of RSD 40 thousand (dominantly for effects of foreign currency clauses based on receivables for non-invoiced income from the construction of Embassy building in Abuja).

## 14. OTHER INCOME AND OTHER EXPENSES

### 14.1. Other Income

Structure of other income	In RSD thousand	
	01/01-30/09/2020	01/01-30/09/2019
Income from selling intangible assets, real estate, plant and equipment	55	687
Income from selling shares and securities		
Income based on effect of contracted risk protection, which has no condition to be recorded as other comprehensive income		348
Other non-mentioned income	177	115
<b>TOTAL</b>	<b>232</b>	<b>1.150</b>

**Income from selling intangible assets, real estate, plant and equipment** in the amount of RSD 55 thousand, dominantly, refer to income based fixed assets for selling, in the amount of RSD 45 thousand (Note 21).

Other non-mentioned income in the amount of RSD 177 thousand, mainly refer to income based on sale of old paper in the amount of RSD 94 thousand and incomes based on damage reimburse in the amount of RSD 53 thousand (from Sava Neživotno Osiguranje a.d. for reparation of the roof on office building).

### 14.2. Other Expenses

In the reporting period the Company has not recorded any other expenses.

## 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	In RSD thousand	
	01/01-30/09/2020	01/01-30/09/2019
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	285	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		322
<b>TOTAL</b>	<b>285</b>	<b>322</b>

**Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year** in the amount of RSD 285 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	In RSD thousand	
	01/01-30/09/2020	01/01-30/09/2019
Operating income	252.415	227.134
Operating expenses	233.336	255.618
<b>Operating result</b>	<b>19.079</b>	<b>(28.484 )</b>
Financial income	395.060	82.080
Financial expenses	75.055	69.276
<b>Financial result</b>	<b>320.005</b>	<b>12.804</b>
Other income	232	1.150
Other expenses		37.865
<b>Result of other revenues and expenses</b>	<b>232</b>	<b>(36.715 )</b>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	285	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		322
<b>TOTAL INCOME</b>	<b>647.992</b>	<b>310.364</b>
<b>TOTAL EXPENSE</b>	<b>308.391</b>	<b>363.081</b>
<b>PROFIT/LOSS BEFORE TAX</b>	<b>339.601</b>	<b>(52.717 )</b>

Comparing to reported period of previous year the increase of gross result of the Company, in the amount of RSD 392,318 thousand, dominantly came as result of income generated as dividends from the subsidiary company Energoprojekt Entel, in the amount of RSD 352,756 thousand.

**17. PROFIT TAX AND NET PROFIT / LOSS**

<b>Structure of calculation of profit tax and net profit</b>	<i>In RSD thousand</i>	
	<i>01/01-30/09/2020</i>	<i>01/01-30/09/2019</i>
Profit before tax	339.601	(52.717)
Capital profit/(loss) recorded in Income Statement		
Adjustment and net correction of profit/(expenses) in Tax Balance	(352.756)	
<b>Profit subject to tax</b>		
Amount of loss from Tax Balance from previous years, up to profit subject to tax level		
<b>Profit subject to tax residual</b>		
Capital profit/(loss) calculated pursuant to legal regulations		
Transferred Capital losses from previous years up to Capital profit level, pursuant to legal regulations		
Capital profit residual		
<b>Tax basis</b>		
Calculated tax (15% of tax base)		
Total deductions from the calculated tax		
<b>Calculated tax after deductions</b>		
Profit/(loss) before tax	339.601	(52.717)
Tax loss of the period		
Odloženi poreski rashod perioda		
<b>Net profit / loss</b>	<b>339.601</b>	<b>(52.717)</b>

In reported period, the Company has no liabilities projected based on income tax.

## BALANCE SHEET

## 18. INTANGIBLE ASSETS

In RSD thousand

Structure of intangible assets	Software	Concessions, patents, licencis, trade marks	Intangible assets in preparation	Advance payments for intangible assets	Total
<b><u>Purchase Value</u></b>					
<b>Balance as at January 1, 2019</b>	16.169	1.843			<b>18.012</b>
Correction of opening balance					
Transfer from one form to another					
New purchases	25.879				<b>25.879</b>
Disposal and decommissioning					
<b>Balance as at December 31, 2019</b>	<b>42.048</b>	<b>1.843</b>			<b>43.891</b>
Correction of opening balance					
Transfer from one form to another					
New purchases					
Disposal and decommissioning					
<b>Balance as at September 30, 2020</b>	<b>42.048</b>	<b>1.843</b>			<b>43.891</b>
<b><u>Impairment</u></b>					
<b>Balance as at January 1, 2019</b>	12.978	353			<b>13.331</b>
Correction of opening balance					
Depreciation	2.738	185			<b>2.923</b>
Disposal and decommissioning					
Impairment					
<b>Balance as at December 31, 2019</b>	<b>15.716</b>	<b>538</b>			<b>16.254</b>
Correction of opening balance					
Depreciation	4.289	138			<b>4.427</b>
Disposal and decommissioning					
Impairment					
<b>Balance as at September 30, 2020</b>	<b>20.005</b>	<b>676</b>			<b>20.681</b>
<b><u>Net Book Value</u></b>					
<b>31.dec.19</b>	<b>26.332</b>	<b>1.305</b>			<b>27.637</b>
<b>30.sep.20</b>	<b>22.043</b>	<b>1.167</b>			<b>23.210</b>

## 19. PROPERTY, PLANT AND EQUIPMENT

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

In RSD thousand

Structure of property, plant and equipment	Buildings	Plant and equipment	Other property, plant and equipment	Property, plant and equipment in progress	Advance payments for property, plant and equipment	Total
<b><i>Purchase Value</i></b>						
<b>Balance as at January 1, 2019</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		7.918				<b>7.918</b>
Enlargement by transfer from investment prepared						
Other transfers from/(to)						
Disposal and decommissioning		(1.459)				<b>(1.459)</b>
Profit/(los) included in Report as "Other result" (330)						
Profit/(los) included in Report as "Other result" (330)						
FX gains and losses						
Other increases/(decreases)						
<b>Balance as at December 31, 2019</b>	<b>1.305.656</b>	<b>116.987</b>	<b>283</b>		<b>44.664</b>	<b>1.467.590</b>
Correction of opening balance						
New purchases during the year						
Other transfers from/(to)		1.381				<b>1.381</b>
Disposal and decommissioning		(267)				<b>(267)</b>
Profit/(los) included in Report as "Other result" (330)						
FX gains and losses						
Other increases/(decreases)						
<b>Balance as at September 30, 2020</b>	<b>1.305.656</b>	<b>118.101</b>	<b>283</b>		<b>44.664</b>	<b>1.468.704</b>
<b><i>Impairment</i></b>						
<b>Balance as at January 1, 2019</b>		<b>83.409</b>				<b>83.409</b>
Correction of opening balance						
Depreciation	11.945	6.079				<b>18.024</b>
Disposal and decommissioning		(1.295)				<b>(1.295)</b>
Other increases/(decreases)						
<b>Balance as at December 31, 2019</b>	<b>11.945</b>	<b>88.193</b>				<b>100.138</b>
Correction of opening balance						
Depreciation	8.817	4.730				<b>13.547</b>
Disposal and decommissioning		(145)				<b>(145)</b>
Other increases/(decreases)						
<b>Balance as at September 30, 2020</b>	<b>20.762</b>	<b>92.778</b>				<b>113.540</b>
<b><i>Net Book Value</i></b>						
<b>Balance as at December 31, 2019</b>	<b>1.293.711</b>	<b>28.794</b>	<b>283</b>		<b>44.664</b>	<b>1.367.452</b>
<b>Balance as at September 30, 2020</b>	<b>1.284.894</b>	<b>25.323</b>	<b>283</b>		<b>44.664</b>	<b>1.355.164</b>

On December 31, 2019 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 valuers based on market evidence.

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

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

The Energoprojekt building was booked at the revalorized value as at September 30, 2020 in the amount of RSD 1,284,894 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.

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, 2019, residual value as at December 31, 2019 and established remaining useful lifetime (100 years; remaining useful life as at September 30, 2020: 62 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 8,817 thousand.

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

*In RSD thousand*

R. br.	Building	Opening balance	Residual value as at December 31, 2019	Remaining useful life	Depreciation	Profit / (losses) included in report on "Other Income"	Closing balance
1	Poslovna zgrada Energoprojekt	1.293.711	554.393	62	8.817		1.284.894
	<b>TOTAL</b>	<b>1.293.711</b>	<b>554.393</b>	<b>62</b>	<b>8817</b>		<b>1.284.894</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 entirely refer to the advance paid to the Republic of Serbia for the purchase of properties in Uganda, Peru and Nigeria.

Based on banking arrangements with Erste bank, Unicredit bank and OTP bank, the executive extrajudicial mortgage was established on Energoprojekt Office Building, in favor of subject creditors (Note 38).

## 19.2. Investment Property

Investment property	<i>In RSD thousand</i>	
	30.9.2020	31.12.2019
<b>Balance as at January 1</b>	615.716	555.515
Additional investments		
Disposal and decommissioning		
Profit/(losses) included in Income Statement		60.201
<b>Closing balance</b>	<b>615.716</b>	<b>615.716</b>

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

Profit and loss related to investment property included in Profit and Loss	<i>In RSD thousand</i>	
	30.9.2020	30.09.2019.
Rental income (Note 7.3.)	15.567	15.598
Direct operating expenses incurred from investment property that generated rental income during the year („Samački hotel“ complex)	2.630	1.748
<b>TOTAL</b>	<b>18.197</b>	<b>17.346</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	615.716				615.716
	<b>TOTAL</b>	<b>615.716</b>				<b>615.716</b>

In its books, the Company posted the fair value of its investment property in the amount of RSD 615,716 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, 2019 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 15,567 thousand (Note 7.3).

Based upon banking arrangements with OTP bank the executive extrajudicial mortgage was established on subject property (Note 38).

## 20. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Shares in subsidiaries	6.369.929	6.331.105
Shares in affiliated companies and joint ventures	14.613	14.613
Shares in other companies and other available for sale securities	126.098	126.098
Long-term investments in parent companies and subsidiaries	1.412.805	1.274.891
Other long-term financial investments	932	993
<i>Total</i>	<i>7.924.377</i>	<i>7.747.700</i>
<i>Impairment</i>	<i>(820.238)</i>	<i>(811.986)</i>
<b>TOTAL</b>	<b>7.104.139</b>	<b>6.935.714</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>	
		30.9.2020	31.12.2019
<b><i>Share in subsidiary companies capital</i></b>			
Energoprojekt Visokogradnja Plc.	100,00%	1.871.866	1.835.786
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.	100,00%	1.000.317	997.573
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
Dom 12 S.A.L., Lebanon	100,00%	924.749	924.749
Energoprojekt Kaz Ltd. Kazakhstan	100,00%	101	101
Zambia Engineering and Contracting Company Limited, Zambia	100,00%	587	587
Energoprojekt Holding Guinee S.A., Guinea	100,00%	1.628	1.628
Energoprojekt (Malaysia) Sdn. Bhd., Kuala Lumpur	100,00%	19.574	19.574
<i>Impairment</i>		<i>(715.065)</i>	<i>(715.065)</i>
<b>Total</b>		<b>5.654.864</b>	<b>5.616.040</b>
<b><i>Share in affiliate companies and joint ventures</i></b>			
Necco Nigerian Engenering and Construction CO LTD, Kano, Nigeria	40,00%	1.063	1.063
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>13.550</b>
<b><i>Share in other companies and other available for sale securities</i></b>			
Dunav osiguranje Plc.	0,01%	5.814	5.814
Alta banka a.d. Belgrade (former 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	0,00052%	1	1
Pinki Zemun Plc.	0,004%		
<i>Impairment</i>		<i>(104.110)</i>	<i>(95.858)</i>
<b>Total</b>		<b>21.988</b>	<b>30.240</b>
<b>TOTAL</b>		<b>5.690.402</b>	<b>5.659.830</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.	1.871.866	(641.633)	1.230.233
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>2.156.021</b>	<b>(715.065)</b>	<b>1.440.956</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	(4.206)	1.608
Alta banka Plc. Belgrade (former Jubmes banka)	120.176	(99.896)	20.280
Agrobanka Plc. Belgrade - in bankruptcy	7	(7)	-
Beogradska industrija piva,slada i bezalkoholnih pića Plc. Belgrade - in bankruptcy	1	(1)	-
<b>Total</b>	<b>125.998</b>	<b>(104.110)</b>	<b>21.888</b>
<b>TOTAL</b>	<b>2.283.082</b>	<b>(820.238)</b>	<b>1.462.844</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 of purchase value 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 in the amount of RSD 36,080 thousand came as payment of share price difference to minority shareholders of the Company, together with default interest and court proceedings expenses (pursuant to Decision of Commercial Appeal Court, out-of-court settlement, etc.).

The increase in share of equity of Energoprojekt Entel, compared to December 31, of the previous year, in the amount of RSD 2,744 thousand, occurred on June 4, 2020 when the Company, accepting an

offer made by Napred razvoj Plc. for selling of shares, based on pre-emption right, acquired 203 shares of Energoprojekt Entel, at price of RSD 13,461 per share, with transaction costs added.

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.

**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 Alta banka Plc. (former Jubmes banka 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, 2020:

- Dunav Insurance Plc: 527 shares, with the market value as at the balance sheet day of RSD 3,051.00 per share and
- Alta banka Plc. Belgrade (former Jubmes banka Plc.): 4.056 shares, with the market value as at balance sheet day of RSD 5,000.00 per share.

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

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

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

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

Financial assets available for sale are presented in RSD.

## 20.2. Long-Term Financial Investments

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Long-term investments in parent companies and subsidiaries	1.412.805	1.274.891
<i>Impairment</i>		
<i>Total</i>	<i>1.412.805</i>	<i>1.274.891</i>
Other long-term financial investments:		
Housing loans granted to employees	932	993
<i>Impairment</i>		
<i>Total</i>	<i>932</i>	<i>993</i>
<b>TOTAL</b>	<b><i>1.413.737</i></b>	<b><i>1.275.884</i></b>

**Long-term financial investments in parent companies and subsidiaries** in the amount of RSD 1,412,805 thousand entirely refer to longterm loan agreements in EUR with maturity date December 31, 2021 and interest calculated on „arm’s length“ principle for 2020, with 2.87% on annual level (quarterly interest amount, calculated by proportional method, with payment upon maturity of the debt as a whole) within subsidiaries, as follows:

- Energoprojekt Visokogradnja: RSD 546,639 thousand, pursuant to Rescheduling Loan Agreement No.18 (longterm loan: RSD 535,141 thousand (EUR 4,551 thousand) and loan interest: RSD 11,498 thousand ( EUR 98 thousand)),

- Energoprojekt Energodata: RSD 153,702 thousand to Rescheduling Loan Agreement No.21 (longterm loan: RSD 92,501 thousand (EUR 787 thousand) and loan interest: RSD 1,987 thousand (EUR 17 thousand)) and Assignment of claim and regulation agreement No.117, dated 19/06/2020 (long-term loan of RSD 58,790 thousand (EUR 500 thousand)) and loan interest RSD 424 thousand (EUR 4 thousand)

- Energoprojekt Oprema: RSD 712,464 thousand to Rescheduling Loan Agreement No. 20 (longterm loan: RSD 588,324 thousand (EUR 5,004 thousand) and loan interest: RSD 13,424 thousand (EUR 114 thousand)) and Loan contract No.125 dated on 30/06/2020 (longterm loan: RSD 109,938 thousand (EUR 935 thousand) and loan interest: RSD 778 thousand (EUR 7 thousand)).

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.

Increase of long-term financial investment in parent companies and subsidiaries, in the amount of RSD 137,914 thousand in comparison to December 31, 2019, came as result on one hand, of increase based on long-term loan granted to Energoprojekt Oprema, in the amount of RSD 109,937 thousand and long-term loan interests in the reported period, in the amount of RSD 28,111 thousand, and, on other hand of decrease based on expenses of FX clause effects, in the amount of RSD 134 thousand.

**The long-term housing loans granted to employees** in the amount of RSD 932 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 60 thousand (Note 25).

## 21. INVENTORIES

Structure of inventories	In RSD thousand	
	30.9.2020	31.12.2019
Fixed assets for sale	57.867	58.379
Advances paid for inventories and services:		
a) Advances paid for inventories and services to parent companies and subsidiaries		
b) Advances paid for material, spare parts and inventory	179	259
c) Advances paid for services	5.625	5.249
<i>Total</i>	<i>5.804</i>	<i>5.508</i>
<i>Impairment</i>		
<b>TOTAL</b>	<b>63.671</b>	<b>63.887</b>

**Fixed assets for sale** in the amount of RSD 57,867 thousand, refer to the rest of unsold properties within Object K1G in Rakovica, in Belgrade.

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 bill protest on properties of 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.

During the reporting period, the Company achieved income based on selling of properties listed for sale, in the amount of RSD 45 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	Calculated Absolute Wrights Transfer Tax accordig to the Decision for 2020	Selling Value	Income/Loss from selling in previous period accordig to the Decision for 2020	Income/Loss from selling in reported period	Present Value	
1	Apartment 2.0	Petra Konjovića 14	Lamella 1, II floor, No.15	51	6.072	157				6.229	
2	Apartment 2.5	Petra Konjovića 14	Lamella 1, III floor, No.16	78	9.234	241				9.475	
3	Apartment 2.0	Petra Konjovića 14	Lamella 1, III floor, No.17	46	5.417	142	6.179	620			
4	Apartment 2.0	Petra Konjovića 14	Lamella 1, III floor, No.20	50	5.856	154				6.010	
5	Apartment 2.0	Petra Konjovića 14	Lamella 1, IV floor, No.26	45	5.350	139	6.100	611			
6	Apartment 3.0	Petra Konjovića 14a	Lamella 2, I floor, No.4	80	9.384	247				9.631	
7	Apartment 2.0	Petra Konjovića 14a	Lamella 2, III floor, No.17	60	7.105	185				7.290	
8	Garsonjera	Petra Konjovića 14b	Lamella 3, Groundfloor, No.	29	3.421	89	3.901	391			
9	Office	Petra Konjovića 14b	Lamella 3, Groundfloor, No.	46	5.442	127				5.569	
10	Studio	Petra Konjovića 14b	Lamella 3, II floor, No.13	33	3.948	102	4.634	584			
11	Apartment 2.5	Petra Konjovića 14b	Lamella 3, II floor, No.14	77	9.083	238				9.321	
12	Apartment	Petra Konjovića 14b	Lamella 3, Attic, No.15	54	6.361	167	7.255	727			
13	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	12				543	
14	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	12				543	
15	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	12				543	
16	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	12				543	
17	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	12				543	
18	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	12				543	
19	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	12	588		45		
20	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	11				542	
21	Garage parking pl	Petra Konjovića 14a	Lamella 2, Basement 2, No.	12	531	11				542	
	<b>Total</b>			<b>757</b>	<b>81.453</b>	<b>2.094</b>	<b>28.657</b>	<b>2.933</b>	<b>45</b>	<b>57.867</b>	

The Company actively realizes the selling plans, which are expected to be realized in total within one year period.

**Advances paid for material, spare parts and inventory** amounting RSD 179 thousand, refer to advances paid to suppliers for material (the fuel ).

**Advance payments paid for services** in the amount of RSD 5,625 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 39), and Belgrade Stock Exchange Plc. in the amount of RSD 628 thousand (mainly as annual fee for organized share trading in 2020, in the amount of RSD 620 thousand).

## 22. RECEIVABLES FROM SALES

<b>Structure of receivables from sales</b>	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Local buyers - parent company and subsidiaries	1.013.155	841.170
Local buyers - other related companies		
Local buyers (externally)	1.616	1.546
<i>Impairment</i>		
<b>TOTAL</b>	<b><i>1.014.771</i></b>	<b><i>842.716</i></b>

**Local buyers – parent companies and subsidiaries** refer to the receivables based on service agreements and lease contracts. According to agreement on Energoprojekt Group services to other subsidiaries (Note 7.1), 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.

<b>Structure of local buyers - parent company and subsidiaries</b>	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
<i>Trade receivables domestic - subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	804.252	730.306
Energoprojekt Niskogradnja Plc.	101.128	41.966
Energoprojekt Entel Plc.	3.870	3.486
Energoprojekt Sunnyville Ltd.	415	695
Energoprojekt Hidroinženjering Plc.	8.477	8.561
Energoprojekt Industrija Plc.	786	
Energoprojekt Urbanizam i arhitektura Plc.	4.506	2.347
Energoprojekt Energodata Plc.	13.337	9.870
Energoprojekt Oprema Plc.	15.188	4.949
Energoprojekt Park 11 Ltd.	61.196	38.990
<b>Total</b>	<b>1.013.155</b>	<b>841.170</b>
<i>Trade receivables domestic (externally)</i>	1.616	1.546
<b>Total</b>	<b>1.616</b>	<b>1.546</b>
<b>TOTAL</b>	<b>1.014.771</b>	<b>842.716</b>

Increased **receivables from local buyers – parent company and subsidiaries** comparing to December, 31 of the previous year, in the amount of RSD 171,985 thousand, mainly, refer to increased receivables according to holding services agreement, in the amount of RSD 160,042 thousand (dominantly in Energoprojekt Niskogradnja, Energoprojekt Visokogradnja, Energoprojekt Park 11 and Energoprojekt Oprema) and increased receivables based on rents, in the amount of RSD 11,706 thousand (as the result of increases dominantly in Energoprojekt Visokogradnja).

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), 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>30.9.2020</i>	<i>31.12.2019</i>
<i>Local buyers - parent companies and subsidiaries:</i>		
a) Current	31.040	27.321
b) Up to 30 days	24.631	20.892
c) 30 - 60 days	24.631	18.834
d) 60 - 90 days	24.554	18.132
e) 90 - 365 days	161.245	70.963
f) 365 days +	747.054	685.028
<b>Total</b>	<b>1.013.155</b>	<b>841.170</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 +		
<b>Total</b>	<b>-</b>	<b>-</b>
<i>Local buyers - external</i>		
a) Current	1.111	840
b) Up to 30 days		706
c) 30 - 60 days	505	
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>1.616</b>	<b>1.546</b>
<b>TOTAL</b>	<b>1.014.771</b>	<b>842.716</b>

### 23. RECEIVABLES FROM SPECIAL TRANSACTIONS

<b>Structure of recivables from special transactions</b>	<i>In RSD thousand</i>	
	<i>9/30/2020</i>	<i>12/31/2019</i>
Receivables from special transactions from parent companies and subsidiaries	6,075	7,989
Receivables from special transactions from other related companies	6,373	5,283
Receivables from special transactions from other companies	1	2
<i>Impairment</i>		
<b>TOTAL</b>	<b>12,449</b>	<b>13,274</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>30.9.2020</i>	<i>31.12.2019</i>
<i>Receivables from special transactions from parent companies and subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	3.475	5.130
Energoprojekt Niskogradnja Plc.		394
Energoprojekt Hidroinzenjering Plc.	15	48
Energoprojekt Entel Plc.		38
Energoprojekt Energodata Plc.	123	197
Energoprojekt Industrija Plc.	233	134
Energoprojekt Urbanizam i arhitektura Plc.	222	24
Energoprojekt Oprema Plc.	161	159
Energoprojekt Sunnyville Ltd.		
Energoprojekt Park 11 Ltd.		
I.N.E.C.Engineering Company Limited, UK	356	362
Zambia Engineering and Contracting Company Limited, Zambia	1.490	1.503
<i>Total</i>	<i>6.075</i>	<i>7.989</i>
<i>Receivables from special transactions from other related companies</i>		
Enjub Ltd.	6.373	5.283
<i>Total</i>	<i>6.373</i>	<i>5.283</i>
<i>Receivables from special transactions from other legal entities</i>		
United Union of Energoprojekt	1	2
<i>Total</i>	<i>1</i>	<i>2</i>
<b>TOTAL</b>	<b><i>12.449</i></b>	<b><i>13.274</i></b>

**Receivables from special transactions from parent companies and subsidiaries** in the amount of RSD 6,075 thousand, refer, mainly to recalculated expenses of air-tickets in the amount of RSD 4,190 thousand (mainly from Energoprojekt Visokogradnja: RSD 3,465 thousand and Zambia Engineering and Contracting Company Limited, Zambia: RSD 332 thousand and tax duties and fees recalculated for General manager of the Zambia Engineering and Contracting Company Limited, Zambia: RSD: 1,158 thousand.

Decrease of receivables from specific transactions from parent companies and subsidiaries comparing to December 31st of the previous year, in the amount of RSD 1,914 thousand, mainly came as result of decrease of receivables from air-tickets recalculated in the amount of RSD 1,257 thousand in Energoprojekt Visokogradnja and pre-invoiced electricity costs and membership fees RSD:397 thousand.

**Receivables from special transactions from other legal entities**, in the amount of RSD 6,373 thousand, refer to court and administrative fees recalculated taksi, recalculated expenses of net income and taxes, as well as tax duties for General Manages and recalculated expenses for legal services

from previous years, 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 in the amount of RSD 1.090 thousand, dominantly refer to recalculated expenses of net income and taxes, as well as tax duties for General Manages in reported period, in the amount of RSD 1.062 thousand.

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>30.9.2020</i>	<i>31.12.2019</i>
<i>Receivables from special transactions from parent companies and subsidiaries</i>		
a) Current	393	1.012
b) Up to 30 days	362	128
c) 30 - 60 days	9	657
d) 60 - 90 days		493
e) 90 - 365 days	1.208	4.135
f) 365 days +	4.103	1.564
<i>Svega</i>	<i>6.075</i>	<i>7.989</i>
<i>Receivables from special transactions from other companies</i>		
a) Current		10
b) Up to 30 days		
c) 30 - 60 days		241
d) 60 - 90 days		255
e) 90 - 365 days	1.597	2.023
f) 365 days +	4.776	2.754
<i>Total</i>	<i>6.373</i>	<i>5.283</i>
<i>Receivables from special transactions from other legal entities</i>		
a) Current	1	2
b) Up to 30 days		
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><i>12.449</i></b>	<b><i>13.274</i></b>

**24. OTHER RECEIVABLES**

Structure of other receivables	In RSD thousand	
	30.9.2020	31.12.2019
Interest and dividend receivables:		
a) Interest and dividend receivable from parent companies and subsidiaries	2.010	3.769
b) Interest and dividend receivable from related companies	84.098	80.602
c) Dividend receivables - other legal entities	144	144
<i>Total</i>	<i>86.252</i>	<i>84.515</i>
Receivables from employees	1	317
Receivables from state institutions and organizations		
Receivables for overpaid profit tax		
Receivables for overpaid taxes and contributions		
Receivables for fringe benefits' returns	1.307	991
Ostala kratkoročna potraživanja	327	158
<i>Impairment</i>		
<b>TOTAL</b>	<b>87.887</b>	<b>85.981</b>

**Structure of interest and dividend receivables** in the amount of RSD 86,252 thousand thousand is presented in the following Table:

<b>Structure of interest and dividend receivables</b>	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
<i>Interest receivables from parent companies and subsidiaries:</i>		
Energoprojekt Niskogradnja Plc.		
Energoprojekt Energodata Plc.	134	
Energoprojekt Urbanizam i Arhitektura Plc.	322	
Energoprojekt Oprema Plc.	100	
Energoprojekt Park 11 Ltd.		
Energoprojekt Sunnyville Ltd.	1.454	3.769
<i>Total</i>	<i>2.010</i>	<i>3.769</i>
<i>Dividend receivables from subsidiaries</i>		
Energoprojekt Entel a.d.		
<i>Total</i>		
<i>Interest receivables from other related companies:</i>		
Enjub Ltd.	84.098	80.602
<i>Total</i>	<i>84.098</i>	<i>80.602</i>
<i>Dividend receivables from other legal entities:</i>		
Komercijalna banka Plc.	144	144
<i>Total</i>	<i>144</i>	<i>144</i>
<b>TOTAL</b>	<b>86.252</b>	<b>84.515</b>

Reduced **interest receivables from parent companies and subsidiaries** compared to December 31, of the previous year, in the amount of RSD 1,759 thousand was recorded as the result of interest calculated for the reporting period based upon loans granted in the amount of RSD 9,998 thousand, on one hand, and decrease based on collected interest in the reported period in the amount of RSD 11,757 thousand (mainly, from Energoprojekt Sunnyvill in the amount of RSD 8,212 thousand and Energoprojekt Niskogradnja in the amount of RSD 2,209 thousand).

Increased **interest receivables from other related companies** (Enjub Ltd.) in the amount of RSD 3,496 thousand, came as result of calculated, but not collected interest for the reporting period: RSD 3,503 thousand on one hand, and decrease of expenses upon of FX clause effects, in the amount of RSD 7 thousand, on the other.

**Receivables for reimbursement of wage taxes** in the amount of RSD 1,307 thousand, refer to receivables for sick leave over 30 days and maternity leave.

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>30.9.2020</i>	<i>31.12.2019</i>
<i>Other receivables from parent companies and subsidiaries:</i>		
a) Current	2.010	3.769
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>2.010</b>	<b>3.769</b>
<i>Other receivables from other related companies:</i>		
a) Current	84.098	80.602
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>84.098</b>	<b>80.602</b>
<i>Other receivables - other:</i>		
a) Current	839	1.264
b) Up to 30 days	212	
c) 30 - 60 days	203	185
d) 60 - 90 days	1	
e) 90 - 365 days	363	155
f) 365 days +	161	6
<b>Total</b>	<b>1.779</b>	<b>1.610</b>
<b>TOTAL</b>	<b>87.887</b>	<b>85.981</b>

## 25. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	In RSD thousand	
	30/09/2020.	31/12/2019.
Short-term loans and investments - parent companies and subsidiaries	227.472	726.257
Short-term loans and investments - other related companies	76.513	76.521
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		
b) Portion of other long-term financial investments with maturity date up to one year	60	64
<i>Total</i>	<i>60</i>	<i>64</i>
<i>Impairment</i>		
<b>TOTAL</b>	<b>304.045</b>	<b>802.842</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 2020, and for other related legal entities with interest rate of 3M Euribor + 6,5 % annually), 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 Agreement No. 67	RSD	3.110	3.110	3.110	31.12.2020.	4,71% godišnje
<b>2 EP Urbanizam i arhitektura Plc.</b>							
	Loan Rescheduling Agreement No. 15	EUR	138	138	16.265	31.12.2020.	2,64% godišnje
<b>3 EP Oprema Plc.</b>							
	Loan Agreement No.75	RSD	4.000	4.000	4.000	31.12.2020.	4,71% godišnje
<b>5 EP Sunnyville Ltd.</b>							
	Annex No.2 of Loan Rescheduling Agreement No.375	EUR	4.868	1.736	204.097	31.12.2020.	2,64% godišnje
<b>Total for subsidiaries</b>		EUR	<b>5.006</b>	<b>1.874</b>	<b>227.472</b>		
		RSD	<b>7.110</b>	<b>7.110</b>			
<b>1 Enjub Ltd.</b>							
	Annex No.12 of Loan Agreement No.367	EUR	137	137	16.167	31.12.2020.	3M Euribor + 6,5% godišnje
	Annex No.8 of Loan Rescheduling Agreement No.115	EUR	1.198	513	60.346	31.12.2020.	3M Euribor + 6,5% godišnje
<b>Total for other related entities</b>		EUR	<b>1.335</b>	<b>650</b>	<b>76.513</b>		
<b>TOTAL</b>		EUR	<b>6.341</b>	<b>2.524</b>	<b>303.985</b>		
		RSD	<b>7.110</b>	<b>7.110</b>			

Decreased short-term loans and investments item - parent companies and subsidiaries, in the amount of RSD 498,785 thousand, came as result of neto effect of,

- decreased loan return of Energoprojekt Niskogradnja: RSD 204,442 thousand, Energoprojekt Park 11: RSD 54,171 thousand and of Energoprojekt Sunnyville: RSD 247,231 thousand and losses based on FX clause effects, in the amount of RSD 51 thousand, on one hand, and
- the increased short-term loans granted to Energoprojekt Oprema: RSD 4.000 thousand and Energoprojekt Energodata: RSD 3,110 thousand, on the other.

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.

The Company has blank „non protested“ promissory notes and mortgage over real estate property of Enjub Ltd. in Belgrade (Note 38).

**Portion of other long-term financial investments with maturity of up to one year** in the amount of RSD 60 thousand relate to the long-term housing loans granted to employees with maturity of up to one year (Note 20.2).

## 26. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Current (business) account	24.528	57.147
Petty Cash		
Foreign currency account	52.973	203
Foreign currency petty cash		
<i>Other cash:</i>		
a) Short-term deposits	117.000	126.666
b) Other cash	19	
<i>Total</i>	<i>117.019</i>	<i>126.666</i>
Cash with limited use or reduced value	301	
<b>TOTAL</b>	<b><i>194.821</i></b>	<b><i>184.016</i></b>

Within the Company's **the current (business) accounts and foreign currency accounts**, cash held with business banks locally and abroad (with OTP Bank, Banca Intesa, Unicredit Bank, Addiko Bank, Alta Bank (former 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).

Short-term deposited deposits in the amount of RSD 117.000 thousand refer to short-term deposited assets at business banks in the country (Addiko bank) for the period of up to 3 months, with 1,00%

interest rate per annum in RSD, with the possibility of withdrawal at any moment. Assets are deposited in RSD.

**Other cash** in the amount of RSD 19 thousand refer to cash on special purpose account for visa-cards, in the amount of RSD 19 thousand.

Cash with limited use or reduced value in the amount of RSD 301 thousand refer to the amount of non-used cash related to state grants related to assistance for business entities aimed at mitigating economic consequences occurred due to COVID-19 disease in accordance with the Decree on Fiscal Benefits and Direct Benefits Government of the Republic of Serbia and Conclusion of the Government of the Republic of Serbia (Note 33).

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

### 27.1. Accrued Expenses and Deffered Income

Structure of prepayments and accrued income	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
<i>Prepayments:</i>		
a) Prepaid expenses - parent companies and subsidiaries	2.636	1.649
b) Prepaid subscriptions for expert and professional publications	181	504
c) Prepaid insurance premiums	869	717
<b>Total</b>	<b>3.686</b>	<b>2.870</b>
<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	373.145	373.502
<b>Total</b>	<b>373.145</b>	<b>373.502</b>
<i>Other prepayments and accrued expenses:</i>		
a) Prepaid value added tax	378	6.421
b) Other prepayments and deferred income	30.021	24.264
<b>Total</b>	<b>30.399</b>	<b>30.685</b>
<b>TOTAL</b>	<b>407.230</b>	<b>407.057</b>

**Prepaid expenses - parent companies and subsidiaries** in the amount of RSD 2.636 thousand, entirely refer to Energoprojekt Energodata, based on advanced payment of licence fees.

**Prepaid insurance premiums** for property and persons insurance in the amount of RSD 869 thousand.

**Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 373.145 thousand dominantly 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, in the amount of RSD 372.994 thousand.

**Prepaid value added tax (VAT)** in the amount of RSD 378 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 2020.

**Other prepayments and deferred income** in the amount of RSD 30.021 thousand relate mainly to receivables from disputed services realized in 2017 by Ringier Axel Springer Ltd. in the amount of RSD 13,200 thousand (in April 2018 a lawsuit was filed - Note 39) and for developing of the location in Block 26, Block 45 object C and Block 70 object C, in the amount of RSD 11,240 thousand (the mentioned payment will be balanced in forthcoming period), and calculated property tax for Q4 of 2020 in the amount of RSD 4,695 thousand.

## 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, 2019</b>	<b>5.574.959</b>	<b>27.178</b>	<b>1.526.164</b>	<b>(49.827)</b>	<b>214.881</b>	<b>784.634</b>	<b>(4.208)</b>	<b>1.020.227</b>		<b>9.094.008</b>
Net profit for the year									(28.262)	(28.262)
Other comprehensive result:										
a) Changes in fair value of financial assets available for sale							(13.108)			(13.108)
b) Revaluation										
c) Other - levelling of present value, IAS 12 et al.										
Total - other comprehensive result							(13.108)			(13.108)
Total comprehensive result for 2019							(13.108)		(28.262)	(41.370)
Corrections								(628)		(628)
Increase in share capital										
Profit distribution										
Other - own shares										
<b>Balance as at December 31, 2019</b>	<b>5.574.959</b>	<b>27.178</b>	<b>1.526.164</b>	<b>(49.827)</b>	<b>214.881</b>	<b>784.634</b>	<b>(17.316)</b>	<b>1.019.599</b>	<b>(28.262)</b>	<b>9.052.010</b>
Net profit / loss for year								339.601		339.601
Other comprehensive result:										
a) Changes in fair value of financial assets available for sale							(8.252)			(8.252)
b) Revaluation										
c) Other - levelling of present value, IAS 12 et al.										
Total - other comprehensive result							(8.252)			(8.252)
Total comprehensive result as at September 30, 2020							(8.252)	339.601		331.349
Corrections										
Increase in share capital										
Profit distribution								(28.262)		(28.262)
Other		(27.178)			(134.881)			162.059	28.262	28.262
<b>Balance as at June 30, 2020</b>	<b>5.574.959</b>		<b>1.526.164</b>	<b>(49.827)</b>	<b>80.000</b>	<b>784.634</b>	<b>(25.568)</b>	<b>1.492.997</b>		<b>9.383.359</b>

## 28.1. Equity

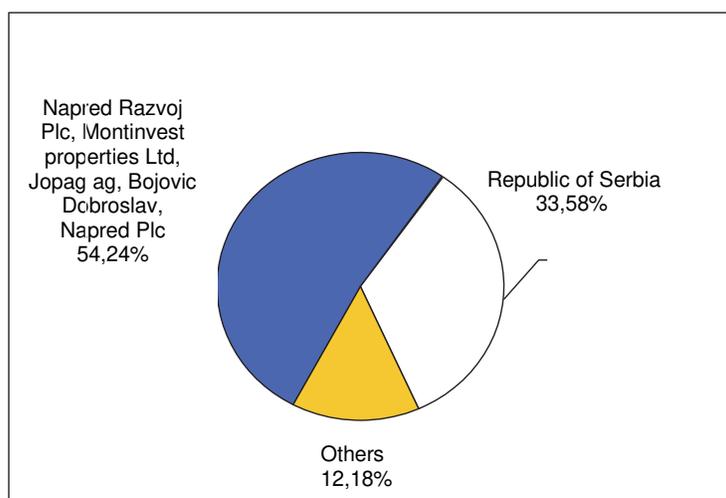
According to the Central Securities, Depository and Clearing House Register, the Company's present ownership structure as at September 30, 2020 is as follows:

	No. of shares	% of total issue
<b>Shares owned by physical persons</b>	<b>735,550</b>	<b>6.73%</b>
<b>Shares owned by legal persons</b>	<b>9,841,840</b>	<b>90,03%</b>
- Republic of Serbia	3,671,205	33.58%
- Other legal entities	6,170,635	56.45%
<b>Aggregate (custody) account</b>	<b>353,902</b>	<b>3.24%</b>
<b>Total no. of shares</b>	<b>10,931,292</b>	<b>100%</b>

No. of shareholders with equity investments	No. of persons			No. of shares			% of total issue		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
Up to 5%	3.585	162	3.747	1.336.902	50.947	1.387.849	12,23%	0,47%	12,70%
5% to 10%	1	1	2	564.699	560.731	1.125.430	5.17%	5.13%	10.30%
More than 10% to 25%	0	0	0	0	0	0	0.00%	0.00%	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	8.418.013	0	8.418.013	77,01%	0,00%	77,01%
More than 50% to 66%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 66% to 75%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 75%	0	0	0	0	0	0	0.00%	0.00%	0.00%
Total no.	3.588	163	3.751	10.319.614	611.678	10.931.292	94,40%	5,60%	100.00%

Order of top 10 shareholders as per the no. of shares/votes:

Name	No. of shares	% of total issue
Napred Razvoj Plc Novi Beograd	4.746.808	43,42%
Republic of Serbia	3.671.205	33.58%
Montinvest Properties l.l.c.	564.699	5,17%
Jopag AG	560.731	5,13%
Tezoro broker PLC – summery account	253.976	2.32%
Energoprojekt Holding PLC	97.700	0,89%
Tezoro broker PLC	81.150	0.74%
Bojović Dobroslav	47.004	0,43%
Vojvođanska banka PLC Novi Sad – zbirni račun	41.107	0,38%
Grujić Sava	31.301	0,29%



Structure of equity capital is presented in the following Table:

Structure of equity capital	In RSD thousand	
	30.9.2020	31.12.2019
<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
<b>Total</b>	<b>5.574.959</b>	<b>5.574.959</b>
Issuing premiums	1.526.164	1.526.164
Other share capital		27.178
<b>TOTAL</b>	<b>7.101.123</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 858,39.

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).

Based on the Decision on Allocating the non-allocated profit of the Company, passed within the Item 3 of the Agenda, during the 52<sup>nd</sup> regular session of the Company Assembly as of 23/07/2020, saldo from the position Other equity in the amount of 27.178 thousand RSD was entirely transferred to Non-allocated profit of previous years (Note 28.6).

## 28.2. Repurchase of Own Shares

Structure of repurchased own shares	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Repurchased own shares	49.827	49.827
<b>TOTAL</b>	<b>49.827</b>	<b>49.827</b>

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

## 28.3. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Legal reserves		23.185
Statutory reserves		111.696
Other reserves	80.000	80.000
<b>TOTAL</b>	<b>80.000</b>	<b>214.881</b>

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.

Based on the Decision on Allocating the non-allocated profit of the Company, passed within the Item 3 of the Agenda, during the 52<sup>nd</sup> regular session of the Company Assembly as of 23/07/2020, Legal reserves of the Company (from previous years) in the amount of 23.185 thousand RSD, Statutory Company reserves (from previous years) in the amount of 111.696 thousand RSD were entirely transferred to Non-allocated profit of previous years (Note 28.6).

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

<b>Structure of revaluation reserves from revaluation of intangibles, property, plant and equipment</b>	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Revaluation reserves based on revaluation of property - Energoprojekt Office 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>30.9.2020</i>	<i>31.12.2019</i>
Unrealized losses on securities available for sale	25.568	17.316
<b>TOTAL</b>	<b>25.568</b>	<b>17.316</b>

Changes in the position of **Unrealized losses on securities available for sale**, comparing last years' period, in the amount of RSD 8,252 thousand relate to adjustments of value of securities in Company portfolio (Dunav Plc. and Alta Bank Plc. Belgrade - former 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

At the 52nd regular Annual General Meeting of the Company held on July 23, 2020, related to retained earnings, by the Decision on allocation of retained earnings included in item 3 of the Agenda, it was decided as follows:

- The realized loss of the Company for the year of 2019 is RSD 28,262 thousand and it is fully covered from retained earnings of the company from previous years.
- Legal reserves of the Company (from previous years), amounting RSD 23,185 thousand, Statutory reserves of the Company (from previous years) amounting RSD 111,696 thousand and the balance from the position "Other share capital" amounting RSD 27,178 thousand, entirely has been transferred to retained earnings of previous years.

Retained earnings of the company from previous years is RSD 339.601 thousand refers to achieved net result of the Company for the reporting period (Note 16 and 17).

## 28.7. Loss

Structure of losses	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Losses - previous years		
Losses - current year		(28.262 )
<b>TOTAL</b>	<b>0</b>	<b>(28.262 )</b>

Based on the Decision of Allocating the retained earnings of the Company, passed within the Item 3 of the Agenda, during the 52<sup>nd</sup> regular session of the Company Assembly as of 23/07/2020, achieved Company loss for 2019 in the amount of 28.262 thousand RSD was entirely covered from retained profit from previous years (Note 28.6).

## 29. LONG-TERM PROVISIONS

Long-term provisions are recognized in the following cases:

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

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

*In RSD thousand*

Structure of long-term provisions	Provision for wages and other employee benefits	TOTAL
<b>Balance as at January 1, 2019</b>	2.812	2.812
Additional provisions	595	595
Used during the year	(145)	(145)
Cancelling of unused amounts		
<b>Balance as at December 31, 2019</b>	3.262	3.262
Additional provisions		
Used during the year	(327)	(327)
Cancelling of unused amounts		
<b>Balance as at September 30, 2020</b>	<b>2.935</b>	<b>2.935</b>

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

### 30. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	30.9.2020	31.12.2019
Liabilities to other related legal entities	726.176	1.196.624
Other longterm liabilities	29.746	35.549
<b>TOTAL</b>	<b>755.922</b>	<b>1.232.173</b>

Structure of longterm credits and loans from other local related entities	Interest rate	<i>In RSD thousand</i>	
		30.9.2020	31.12.2019
<i>Napred Razvoj Plc.</i>			
a) RSD loans			
b) Loans with foreign currency clause	<i>6% godišnje</i>	726.176	1.196.624
<b>TOTAL</b>		<b>726.176</b>	<b>1.196.624</b>

**Liabilities to other related legal entities** in the amount of RSD 726,176 thousand entirely relate to longterm loan from Napred Razvoj Plc (EUR 6,176 thousand) according to Annex No.4 of Loan Agreement No.91 dated on 29/03/2019 (with interest rate of 6% annually and maturity date till 30/03/2022). The Company has provided 4 solo blank promissory notes as collateral.

**Other longterm liabilities** in the amount of RSD 29,746 thousand (EUR 251 thousand) entirely relate to received long-term advance payment from Jerry Catering Service Ltd. Belgrade, pursuant to Annex No.1 of Long-term rental Agreement No.123 (for 15 years period) for part of office area, covering 935.56 sq.m. surface, located within „Samački hotel“ Complex, in Batajnički drum No24, in Zemun

(portion of those liabilities for the advanced payment received, up to one year, was recorded at item – Advanced Payments Received from Other Local Legal Entities – Note 32).

### 31. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	In RSD thousand	
	30.9.2020	31.12.2019
Short-term credits and loans in the country	666.171	744.754
<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	540	124
Total	540	124
<b>TOTAL</b>	<b>666.711</b>	<b>744.878</b>

#### 31.1. 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	
		30.09.2020.	31.12.2019.
<i>Short-term credit loans from local banks:</i>			
a) RSD loans			
b) Loan with foreign currency clause	3M Euribor + 3,00% annually	666,171	744,754
<b>TOTAL</b>		<b>666,171</b>	<b>744,754</b>

**Short-term loans from banks in the country with a currency clause (EUR)** in the amount of RSD 666,171 thousand (EUR 5,666 thousand) relate to loans granted by:

- Erste Bank Plc. in the amount of RSD 587,901 thousand (EUR 5,000 thousand), with the interest rate of 3M Euribor + 3,00% and maturity date till 14/07/2021 (National Bank of Serbia moratorium has prolonged the maturity. 6 blank promissory notes per each, including the Company, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinženjering, Energoprojekt Oprema, Energoprojekt Industrija and Energoprojekt Energodata, as well as executive extrajudicial mortgage over Energoprojekt Office Building (Note 38) were provided as collateral for loan repayment; and
- Komercijalna banka Plc. in the amount of RSD 78,270 thousand (EUR 666 thousand), with the interest rate of 3M Euribor + 3,00% and maturity date till 14/01/ 2021 (National Bank of Serbia moratorium has prolonged the maturity date. Provided as collateral for loan repayment 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 75,583 thousand, came as result of portion of credit returning to Komercijalna Bank, in the amount of RSD 78,521 thousand (EUR 668 thousand) and positive effects of currency clauses, in the amount of RSD 62 thousand.

### 31.2. Other Short-Term Financial Liabilities

Structure of long-term liabilities with maturity dates up to one year	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Portion of long-term loans domestic with maturity up to one year		
Other short-term financial liabilities	540	124
<b>TOTAL</b>	<b>540</b>	<b>124</b>

**Other short-term financial liabilities**, in the amount of RSD 540 thousand refer to liabilities based on expenses paid by business credit cards made in period from March to September of the reporting year, with post-poned maturity date pursuant to Decision of the National Bank of Serbia on Temporary Measures to Preserve Stability of the Financial System, with announced moratorium for credit liabilities payment.

### 32. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Advance payments from parent companies and subsidiaries	16.564	18.335
Advance payments from other local legal entities	19.052	11.258
Deposits received from other local legal entities		33
<b>TOTAL</b>	<b>35.616</b>	<b>29.626</b>

**Advance payments from parent companies and subsidiaries** in the amount of RSD 16,564 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 19,052 thousand, mainly to advance received from the sale of real estate in the Object K1G in Rakovica in the amount of RSD 10,392 thousand and to advance received from Jerry Catering Service Ltd. Belgrade, in the amount of RSD 7,721 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 (portion of advance payment received for more than a year was recorded on item – Other long-term liabilities – Note 30).

### 33. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Suppliers:		
Suppliers - parent company and subsidiaries, local	5.097	6.509
Suppliers - other related local legal entities		
Suppliers, local	5.077	7.639
Suppliers, abroad	758	7.007
<i>Total</i>	10.932	21.155
Other operating liabilities	301	456
<b>TOTAL</b>	<b>11.233</b>	<b>21.611</b>

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

Structure of liabilities to suppliers per currencies	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
RSD	9.881	13.753
EUR	1.051	7.402
<b>TOTAL</b>	<b>10.932</b>	<b>21.155</b>

Geographic distribution of suppliers is as follows:

Geographic distribution of suppliers	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Local suppliers (subsidiaries, other related legal entities and other legal entities)	10.174	14.148
Suppliers abroad (Europe):	758	7.007
<i>Impairment</i>		
<b>TOTAL</b>	<b>10.932</b>	<b>21.155</b>

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

Structure of suppliers	In RSD thousand	
	30.09.2020	31.12.2019
<i>Domestic suppliers - related legal entities:</i>		
Energoprojekt Visokogradnja Plc.	1.686	406
Energoprojekt Oprema Plc.	1.409	
Energoprojekt Energodata Plc.	757	4.143
Energoprojekt Niskogradnja Plc.	480	
Energoprojekt Urbanizam i arhitektura Plc.	450	390
Energoprojekt Industrija Plc.	297	1.570
Energoprojekt Entel Plc.	18	
<b>Total</b>	<b>5.097</b>	<b>6.509</b>
<i>Local suppliers - other legal entities:</i>		
Sava neživotno osiguranje a.d.o.	1.682	1.175
JP "Beogradske elektrane", Beograd	904	773
Dedinje d.o.o.	492	421
Algotech d.o.o.	335	503
Tabulir Komerc d.o.o.	191	180
Advokat Ljiljana Gnatović	175	174
Gradska čistoća, Beograd	148	148
Compacc d.o.o.	141	138
Advokat Đorđe Novović	138	122
Other	871	4.005
<b>Total</b>	<b>5.077</b>	<b>7.639</b>
<i>Suppliers abroad - other legal entities:</i>		
Marg Inzinjering Ltd.		3.810
International Air Transport Association (IATA)	758	2.121
Lohn Igyvedi Iroda		1.076
<b>Total</b>	<b>758</b>	<b>7.007</b>
<b>TOTAL</b>	<b>10.932</b>	<b>21.155</b>

Pursuant to the provisos of agreement, the Company has provided eight blank single „non protested“ bills of exchange to the supplier PUC Elektroprivreda Srbije as payment collaterals (for period 2020-2021). From supplier Pan Computers Ltd. the Company obtained 3 solo blank bills of exchange as payment collaterals.

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>30.9.2020</i>	<i>31.12.2019</i>
<i>Related legal entities:</i>		
a) Current	3.911	2.196
b) Up to 30 days	675	942
c) 30 - 60 days	123	471
d) 60 - 90 days	265	493
e) 90 - 365 days	123	2.407
f) 365 days +		
<b>Total</b>	<b>5.097</b>	<b>6.509</b>
<i>Local suppliers:</i>		
a) Current	4.269	6.269
b) Up to 30 days	630	1.086
c) 30 - 60 days	157	282
d) 60 - 90 days	15	
e) 90 - 365 days	6	2
f) 365 days +		
<b>Total</b>	<b>5.077</b>	<b>7.639</b>
<i>Foreign suppliers:</i>		
a) Current	758	7.007
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>758</b>	<b>7.007</b>
<b>TOTAL</b>	<b>10.932</b>	<b>21.155</b>

**Other operating liabilities** in the amount of RSD 301 thousand refer to liabilities to the state, due to non-used amount of direct grants of the government of the Republic of Serbia related to assistance for business entities aimed at mitigation of economic consequences occurred due to COVID-19 disease and in accordance with the Decree on Fiscal Benefits and Direct Aid of the Government of the Republic of Serbia and Conclusion of the Government of the Republic of Serbia (Note 26).

**34. OTHER SHORT-TERM LIABILITIES**

Structure of other short-term liabilities	In RSD thousand	
	30.09.2020.	31.12.2019
Liabilities for wages, fringe benefits and compensations	31.852	12.611
<i>Other liabilities:</i>		
a) Liabilities for interest and financing costs	14.498	6.183
b) Liabilities for dividends	20.367	20.650
c) Liabilities to employees	164	177
d) Liabilities to General Manager, or to management and Supervisory Board members	705	737
e) Liabilities to physical persons on contractual obligations	217	271
f) Other various liabilities	32.308	34.450
<i>Total</i>	<i>68.259</i>	<i>62.468</i>
<b>TOTAL</b>	<b>100.111</b>	<b>75.079</b>

**Liabilities for wages, fringe benefits and compensations** in the amount of RSD 31.852 thousand refer to liabilities for net wages September in the amount of 13.177 thousand RSD (paid to the company in October 2020) and taxes and contribution for earnings for March-May and August of the reporting year in the amount of 18.675 thousand RSD, whose due date was delayed for January 2021 in accordance with the Decree on Fiscal Benefits and Direct Aid of the Government of the Republic of Serbia (liabilities for taxes and contributions for March, April and May) and Conclusion of the Government of the Republic of Serbia (liabilities for taxes and contributions for August).

**Liabilities based on interests and financing costs** in the amount of 14.498 thousand RSD refer to the following:

- Napred Razvoj a.d: 4.199 thousand RSD, based on the interest liability for September based on long-term loan (settled in the beginning of October),
- Erste Bank: 9.178 thousand RSD passed on the interest liability for March-September based on short-term loan and
- Komercijalna Banka: 1.121 thousand RSD based on the interest liability for March-May and July-September based on short-term loan.

Due date for liabilities based on short-term loans with Erste Bank a.d. (for the period between March and September), and Komercijalna banka a.d. (for the period between March and May and July and August) was moved in accordance with Decision of the National Bank of Serbia on Temporary measures to preserve stability of the financial system, with announced moratorium for credit liabilities payment.

**Liabilities for dividends** in the amount of RSD 20.367 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 4,463 thousand and for dividends' payment from previous years in the amount of RSD 15,904 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 32.308 thousand dominantly refer to liabilities to shareholders, based on forced acquisition of Energoprojekt Entels' shares, in the amount of RSD 31.987 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.

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

#### **35.1. Liabilities for Value Added Tax**

<b>Liabilities for value added tax</b>	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Liabilities for value added tax	4.327	4.528
<b>TOTAL</b>	<b>4.327</b>	<b>4.528</b>

**VAT Liabilities** refer to the difference of calculated tax and previous tax. This liability was settled within the legal deadline, in October 2020.

#### **35.2. Liabilities for Other Taxes, Contributions and Fees Payable**

<b>Liabilities for other taxes, contributions and fees payable</b>	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Liabilities for the tax based on result		
Liabilities for other taxes, contributions and fees payable:		
a) Liabilities for property tax	4.695	
b) Other liabilities for taxes, contributions and fees payable	593	693
<i>Total</i>	<i>5.288</i>	<i>693</i>
<b>TOTAL</b>	<b>5.288</b>	<b>693</b>

**Liabilities for the property tax** in the amount of RSD 4.695 thousand refer to liabilities for Q4 2020 which will be paid in total in due time, till 15/11/2020.

**Other liabilities for taxes, contributions and fees payable** in the amount of RSD 539 thousand, refer dominantly to tax and contribution liabilities for Supervisory Board member fees and contributions for authorship agreements on temporary and periodical engagements: RSD 440 thousand

Out of total amount for other taxes, contributions and fees payable, in the amount of RSD 5.288 thousand, in October 2020 was paid RSD 482 thousand (remaining unpaid, first of all, liabilities for property tax, in the amount of RSD 4.695 thousand - which will be collected in due time.)

### 35.3. Accrued Expenses and Deferred Income

Accrued expenses and deferred income	In RSD thousand	
	30.9.2020	31.12.2019
<i>Precalculated expenses:</i>		
a) Precalculated expenses - parent company, subsidiaries and other related companies	60.437	24.308
b) Precalculated expenses - other legal entities	1.026	35
<i>Total</i>	<i>61.463</i>	<i>24.343</i>
Other accruals	85	2.036
<b>TOTAL</b>	<b>61.548</b>	<b>26.379</b>

**Precalculated expenses – parent company, subsidiaries and other related companies** in the amount of RSD 60.437 thousand mainly refer to calculated liabilities towards:

- Energoprojekt Oprema in the amount of RSD 24,305 thousand, for calculated expenses for the period till June 30, 2015, based on the Agreement on Construction of the Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, in the cadastre lot No. 313, registered in the Real Estate Cadastre of the Cadastre Zone A00 and

- Napred razvoj Plc. in the amount of RSD 36.072 thousand, for calculated expenses of interest rates for long-term loan, for period March – June and September of the reported period: RSD 22,915 thousand and accrual reimbursement for loan servicing: RSD 13.157 thousand.

**Precalculated expenses – other legal entities** in the amount of RSD 1.026 thousand, refer to liabilities based on precalculated expenses, mainly for cost of electricity for the month of September 2020, in the amount of RSD 918 thousand.

**36. DEFERRED TAX ASSETS AND LIABILITIES**

Deferred tax assets and liabilities	In RSD thousand	
	30.9.2020	31.12.2019
Deferred tax assets	2.660	2.660
Deferred tax liabilities	158.713	158.713
<b>Net effect of deferred tax assets (liabilities)</b>	<b>(156.053)</b>	<b>(156.053)</b>

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

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

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

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

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

**37. OFF-BALANCE SHEET ASSETS AND LIABILITIES**

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

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

<b>Structure of off-balance sheet assets and liabilities</b>	<i>In RSD thousand</i>	
	<i>30.9.2020</i>	<i>31.12.2019</i>
Provided sureties, guarantees and other rights	13.976.840	17.909.297
Provided mortgages and other rights		
Received securities and guarantees	672.283	747.341
Received mortgages and other rights	76.513	76.522
Other off-balance sheet asset/liabilities	2.787.299	2.787.299
<b>TOTAL</b>	<b><i>17.512.935</i></b>	<b><i>21.520.459</i></b>

**Provided sureties, guarantees and other rights** amounting to RSD 13.976.840 thousand refer to the following:

- Guarantees issued for credits and guarantees for subsidiaries amounting to RSD 7.332.218 thousand,
- Corporate guarantees in the amount of RSD 6.641.682 thousand, namely to:
  - Energoprojekt Niskogradnja for projects: Vinča Landfill – Serbia, in the amount of RSD 5,558,416 thousand, Banco Pichincha - Peru in the amount of RSD 1,000.706 thousand and Ub-Lajkovac in the amount of RSD 81.560 thousand and
- Guarantee issued by Erste Bank in favor of IATA (International Air Transport Association) for liabilities referring to air-tickets, in the amount of RSD 2,940 thousand, which ends at October 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 securities and guarantees** in the amount of RSD 672.283 thousand refer to:

- Received securities from Energoprojekt Niskogradnja, Energoprojekt Visokogradnja, Energoprojekt Oprema, Energoprojekt Hidroinženjering, Energoprojekt Energodata and Energoprojekt Industrija, in the amount of RSD 587.901 thousand, based on Short-term Loan Agreement with Erste Bank and based on guarantee issued by Erste bank in favor of IATA (International Air Transport Association) for regular settlement of liabilities to air-tickets, in the amount of RSD 2,940 thousand.
- Received securities from Energoprojekt Niskogradnja and Energoprojekt Oprema in the amount of RSD 78.855 thousand, based Short-term Time Limited Revolving Credit Agreement with Komercijalna Bank and
- Received guarantees for good working practice from Marg Inženiring Ltd. in the amount of RSD 2.587 thousand, based on Business Connect Electronic Document System installing which ends at December 31, 2020.

**Received mortgages and other rights** amounting to RSD 76,513 thousand pertain to the mortgage on real estate properties of Enjub Ltd., arising from the loan agreements approved to Enjub Ltd. (Note 38).

**Other off-balance sheet assets/liabilities** amounting to RSD 2,787,299 thousand include the following:

- The right to use the municipal construction land - Block 26, in New Belgrade, amounting to RSD 2,756,857 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.

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

**Mortgages registered against the Company are as follows:**

- Mortgage against the property – Energoprojekt Office Building

Pursuant to the Decision made by Shareholders Assembly dated 15 January 2020, and according to the bank arrangements made with:

- Erste Bank Plc. Novi Sad in the amount of EUR 32,200,000.00 under the Multi-Purpose Framework Limit Agreement No. OLC003/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Energoprojekt Energodata);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 5,100,000.00 under the Revolving Line Agreement for issuing bank guarantees no. RL 0028/20 (mortgage borrower Energoprojekt Holding and debtors: debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 8,688,287.47 under the Short-term Loan Agreement No. RL 0029/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema);
- OTP Bank Serbia in the amount of EUR 14,159,060.12 under the General Agreement on Short-Term Multipurpose Revolving Line no. 01/13, as amended, including in particular Annex 25 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering); and
- OTP Bank Serbia in the amount of EUR 3,218,846.31 under the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2125/16, as amended including in particular Annex 14 (debtor Energoprojekt Hidroinženjering, mortgage borrower Energoprojekt Holding and joint debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema).

on 31 January 2020, on Energoprojekt office building, executive out-of-court mortgage was established. The property is registered in the List of Properties No. 2652, CM Novi Beograd. The mortgage was established in favour of creditors in question and in accordance with Line Statement of the Company certified by competent authority comply with the Serbian Mortgage Law

- Mortgage against the investment property – Samacki Hotel Complex

Pursuant to the Decision made by Company Supervisory Board dated 20 March 2020, and according to the bank arrangement made with:

- OTP Bank Serbia Plc. - Annex 2 of the General Agreement on short-term multi-purpose revolving line no. MRL 11/20 in EUR 21,123,000 and all possible future annexes (Mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on 13 March 2020, on Samački hotel and accompanying facilities an executive out-of-court mortgage was established. The property is registered in the List of Properties no. 2734 CP Zemun Polje as private property of the company Energoprojekt Holding Plc. Belgrade share volume 1/1. The mortgage was established in favour of OTP Banka Srbija Plc., in accordance with the Line Statement of Energoprojekt Holding Plc. certified before the competent authority comply with the Serbian Mortgage Law.

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

- As collateral to secure the repayment of loan pursuant to the Annex No.12 of the Loan Agreement No. 367, in the amount of RSD 16,167 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 Juriša 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. 8 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,346 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 Juriša Gagarina Street (the mortgage is inscript for the amount of EUR 1,198 thousand, since the one referred to the portion of returned loan in 2019, in the amount of EUR 685 thousand, has not been written off).

### **39. 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.

Additional details on lawsuits in which the Company is involved as the defendant are presented in the following Table:

<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
Pavle, Radmila i Milan Kovačević	Compensation for land expropriated (Block 26)	Undefined	Ungrounded
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
Alco Investments Holding Ltd. Cyprus	Fullfilment of the Joint construction agreement	1.830.915	Uncertain
Proinvestments Plc.	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	3,234	Uncertain
Radmila Urosevic, Dragan Mandic, Marko Djurovic	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	1.000	Uncertain
Zoran Lekic	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	1748	Ended
Ljubisa Andjelkovic and others	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	10,174	Ended
Jelena Dmitrovic and others	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	983	Uncertain
Svetlana Stevovic	Payment of share price difference of Energoprojekt Visokogradnja Plc. Shares	655	Uncertain
Dimitraki Zipovski	Debt	10.000	Uncertain

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

Plaintiff	Basis for legal action	Contingent liability in RSD thousand	Final prediction
Jovan Nikcevic	Debt	8,706	Uncertain
Vesna Prodanovic	Debt	9,000	Uncertain
Ranko Ljubojevic	Expropriation	32,370	

In case of a dispute with Proinvestment a.d., the main debt was paid with interest, as well as court fees, while there possibly remains to pay for representing costs of the lawyer in the scope from 30 thousand RSD to 92 thousand RSD.

In case of disputes with Radmila Urosevic, Dragana Mandic and Marko Durovic, the main debt was paid with interest, while there possibly remains to pay for representing costs of the litigation procedure in the scope from 173 thousand RSD to 256 thousand RSD.

In case of dispute with Ranko Ljubojevic the main debt was paid with interest and court procedure expenses, and the Audit was filed as an extraordinary legal remedy.

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 Sewcond instance proceeding interrupted because of bankruptcy of Epsturs Ltd.
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	83.306.000	Uncertain

In addition to the presented legal actions in which the Company is involved as the plaintiff, there is a legal proceeding against the City of Belgrade 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 a smaller extent 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.

#### **40. POST BALANCE SHEET EVENTS**

After the balance sheet date, except the above mentioned non-corrective events occurred after the reporting period, there were no events that could have any significant effect on the credibility of the financial statements.

In Belgrade,  
November 11, 2020

## 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 2020 include contracting of new business deals for the Energoprojekt Group in the country and abroad in the total amount of EUR 242.7 million, namely: EUR 107.5 million (44%) in the country and EUR 135.2 million (56%) abroad. During the I - IX of 2020, contracts for new business deals worth the total of EUR 68.0 million were agreed: EUR 9.8 million (14%) in the country and EUR 58.2 million (86%) abroad.*

As at the last day of the reporting period, business deals worth approximately EUR 281,1 million remained on the level of the Energoprojekt Group to be completed over the following periods (in Serbia: EUR 138,8 million; and EUR 142,3 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 2020:

Priority tasks:

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

Other business-related tasks:

- Realization of all business activities, followed by suitable completing of contracts and relevant contract issues, 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 global economic crisis provoked by COVID-19 pandemic; 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 2020.

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

### **Real Estate Mortgage – “Energoprojekt” Office Building**

According to the Decision of General Meeting of Shareholders, dated on January 15, 2020, based on banking arrangements with:

- Erste bank Plc. Novi Sad, in the amount of EUR 32,200,000.00 upon the Agreement on multipurpose frameworked limit, No.OVLC003/20 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Energoprojekt Energodata),
- Unicredit bank Serbia Plc. Belgrade, in the amount of EUR 5,100,000.00 upon the Agreement on revolving credit line for bank warranties, No. RL 0028/20 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema),
- Unicredit bank Serbia Plc. Belgrade, in the amount of EUR 8,688,287.47 upon the Agreement on short-term loan, No. RL 0029/20 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema),
- OTP bank Serbia, in the amount of EUR 14,159,060.12 upon General Agreement on short-term multipurpose revolving line, No. 01/13, with all changes, including specifically Annex 25 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), and
- OTP bank Serbia, in the amount of EUR 3,218,846.31 upon Framework Agreement on bank warranties, credit letters and obligatory letters of intention issuing, No. OUG 2125/16, with all changes, including specifically Annex 14 (debtor Energoprojekt Hidroinženjering, mortgage debtor Energoprojekt Holding and solidary debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema)

have constitute on January 31, 2020, the executive extrajudicial mortgage for office building Energoprojekt, Real Estate Folio No. 2652, Cadastral municipality of New Belgrade, in favor of subject creditors, and based upon Lien Statement of the Company, verified with the authorized institution, according to the Mortgage Law.

### **Real Estate Mortgage – “Stara Pazova” Complex**

According to the Decision of General Meeting of Energoprojekt Visokogradnja Shareholders, dated on February 12, 2020, based on banking arrangements with:

- OTP Bank Serbia Plc. based upon the Annex 1 of the General Agreement on short-term multipurpose revolving line, No. MRL 11/20 in the amount of EUR 21,123,000, as well as all other eventual annexes (mortgage debtor Energoprojekt Visokogradnja and debtors: Energoprojekt Holding, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on February 19, 2020, it was constituted the executive extrajudicial mortgage for the land plot and premisses of „Stara Pazova“ Complex, which was recorded in Real Estate Folio No.10503, Cadastral municipality of Stara Pazova, as private property of Energoprojekt Visokogradnja, ownership share 1/1, in favor of OTP Bank Serbia Plc, based upon Lien Statement of Energoprojekt Visokogradnja, verified with authorized institution, according to the Mortgage Law.

### **Real Estate Mortgage – “Samački hotel” Complex**

According to the Decision of Energoprojekt Holding Supervisory Board, dated on March 20, 2020, based on banking arrangements with:

- OTP Bank Serbia Plc. based upon Annex 2 of the General Agreement on short-term multipurpose revolving line, No. MRL 11/20 in the amount of EUR 21,123,000, as well as all other eventual annexes (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on March 13, 2020 it was constituted the executive extrajudicial mortgage for the object „Samački hotel“ and surrounding premisses, which was recorded in Real Estate Folio No.2734, Cadastral municipality Zemun Polje, as private property of Energoprojekt Holding, ownership share 1/1, in favor of OTP Bank Serbia Plc, based upon Lien Statement of Energoprojekt Holding, verified with authorized institution, according to the Mortgage Law.

### **Lien Statement for receivables on Energocentar Minsk Project, Belarus**

According to Decision of 38th Extraordinary General Meeting of Energoprojekt Oprema, dated on January 30, 2020, it has been approved constitution of lien on receivables for the equipment delivered, pursuant to arbitral awards for Energocentar Minsk Project, Belarus, in the amount of USD 18,928,532.76 in favor of banks, for the credit under-limit based upon banking arrangements/warranties for credit lines, namely:

- OTP bank Serbia Plc, Belgrade, up to the credit under-limit in the amount of EUR 11,073,180.63, increased for the interest expenses, default interest, fees, damage compensations, regular costs or any other costs and fees based upon the agreement,

- Erste bank Plc. Novi Sad, up to the credit under-limit in the amount of EUR 8,000,000.00 increased for the interest expenses, default interest, fees, damage compensations, regular costs or any other costs and fees based upon the agreement, and

- Unicredit bank Serbia Plc. Belgrade, up to the credit under-limit in the amount of EUR 8,688,287.47 increased for the interest expenses, default interest, fees, damage compensations, regular costs or any other costs and fees based upon the agreement.

The Agreement on Lien Statement for receivables was recorded in Lien Register for Real Estate and Rights, pursuant to Decision No.821-1/2020 dated on February 14, 2020.

### **State of emergency measures as a consequence of global pandemic of COVID 19**

During reporting period, the global pandemic of COVID 19 was proclaimed, and the appropriate state of emergency measures were introduced in Serbia.

In this moment, having in mind constant increase in protective measures ruled by the Government of the Republic of Serbia, the management is not capable to assess total effects and influence of these conditions on business activities of Energoprojekt Group, as well as on financial results in 2020.

The management is taking all measures focused to provide conditions for smooth business of the company, so that ongoing activities would not be jeopardized.

Aside of the above mentioned incorrective events occurred after the reported period, there were no significant business events from the balance date to the date of publication of the said statements, which would 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.

### **Significant business transactions with the related parties**

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

Liabilities from the related parties arise primarily from purchasing transactions and are mature and collectible within 5 to 30 days from purchasing date. Liabilities do not include interest rates.

Payment securities for liabilities to related legal entities were not provided by the Company.

Detailed information may be found in "Notes to the financial statements".

### **Company's research and development activities**

Activities on further development and implementation of an adequate business and information system are underway, adjusted to actual volume and growth plans, as well as activities related to implementation of integrated Document Management System (DMS).

Energoprojekt Holding Plc. in June 2020 has finished re-certification of three incorporated management systems, according to on ISO 9001 quality management standard, ISO 14001 for environmental protection and OHSAS 18001 for security and health management.

External auditor's control of „Lloyd's Register“ was successfully implemented on June 24th, 2020.

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

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To the best of our knowledge, the Quarterly Financial Statements for the third quarter of 2020 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, Accounting and Planning

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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 2020 QUARTERLY REPORT \*

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Note \*:

- Q3 2020 Quarterly Report of the Energoprojekt Holding Plc. was approved and adopted on November 9, 2020, at 342th meeting of Executive Board of the Issuer.

In Belgrade, November 2020

Official responsible for preparation of Report:

Energoprojekt Holding Plc.

Executive Director for Finance, Accounting and Planning

*A.*

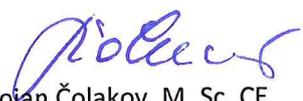
  
Siniša Tekić, B. Sc. Ecc



Legal Representative:

Energoprojekt Holding Plc.

Chief Executive Officer

  
Stojan Čolakov, M. Sc. CE