



In accordance with Article 53 of the Law on Capital Market ("Official Gazette of the Republic of Serbia", No. 31/2011, 112/2015, 108/2016 and 9/2020), the Rulebook on the content, form and manner of publishing annual, semi-annual and quarterly reports of public companies (" Official Gazette of the Republic of Serbia ", No. 14/2012, 5/2015 and 24/2017), Joint Stock Company Belgrade Nikola Tesla Airport announces:

## **Quarterly report for the third quarter of 2020**



## **Contents of the report**

### **1. Financial statements as of 30<sup>th</sup> September 2020:**

- Income statement for the period I-IX 2020;
- Balance sheet as of 30<sup>th</sup> September 2020;
- Report on other results for the period I-IX 2020;
- Report on changes in equity for the period I-IX 2020;
- Report on cash flows for the period I-IX 2020;
- Notes to the financial statements as of 30<sup>th</sup> September 2020.

### **2. Business report for the period I-IX 2020**

### **3. Statement of the persons responsible for compiling the report**

### **4. Decision on the approval of the Financial Statements as of 30<sup>th</sup> September 2020**

### **5. Decision on the approval of the Business Report for the period I-IX 2020**

**AIRPORT NIKOLA TESLA, JSC BELGRADE**

**FINANCIAL REPORTS**

**30<sup>th</sup> September 2020**

- 1. INCOME STATEMENT for the period I-IX2020;**
- 2. BALANCE SHEET as of 30<sup>th</sup> September 2020;**
- 3. REPORT ON OTHER RESULTS for the period I-IX 2020;**
- 4. REPORT ON CHANGES IN EQUITY for the period I-IX 2020;**
- 5. REPORT ON CASH FLOWS for the period I-IX 2020;**
- 6. NOTES TO THE FINANCIAL STATEMENTS as of 30<sup>th</sup> September 2020**

**November, 2020**

**INCOME STATEMENT**  
**in the period from 1<sup>st</sup> January to 30<sup>th</sup> September 2020**

PROFIT AND LOSS ACCOUNT							
For the period from 1st January 2020 to 30th September 2020							
- in thousand of dinars-							
Group of accounts - account	POSITION	AOP	Note number	Amount			
				Current year		Last year	
				Quarter (01.07-30.09.2020)	Cumulative (01.01-30.09.2020)	Quarter (01.07-30.09.2019)	Cumulative (01.01-30.09.2019)
1	2	3	4	5	6	7	8
	<b>OPERATING Revenues</b>						
<b>60 to 65, except from 62 and 63</b>	<b>A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)</b>	<b>1001</b>		<b>92,958</b>	<b>256,293</b>	<b>130,944</b>	<b>393,901</b>
60	I REVENUES FROM SELLING GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002		0	0	0	0
600	1. Revenues from selling goods to parent companies and subsidiaries on the domestic market	1003					
601	2. Revenues from selling goods to parent companies and subsidiaries on the foreign market	1004					
602	3. Revenue from selling goods to other affiliated companies on the domestic market	1005					
603	4. Revenues from the sale of goods to other related legal entities on the foreign market	1006					
604	5. Revenue from selling goods on the domestic market	1007					
605	6. Revenue from selling goods on the foreign market	1008					
61	II REVENUE FROM SELLING PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009		0	0	1,340	4,191
610	1. Revenues from selling products and services to parent companies and subsidiaries on the domestic market	1010					
611	2. Revenues from selling products and services to parent companies and subsidiaries on the foreign market	1011					
612	3. Revenues from selling products and services to other affiliated companies on the domestic market	1012					
613	4. Revenue from selling products and services to other affiliated companies on the foreign market	1013					
614	5. Revenue from selling products and services on the domestic market	1014	4	0	0	1,340	4,191
615	6. Revenues from selling goods and services on the foreign market	1015					
64	III REVENUES FROM PREMIUMS, SUBSIDIES, DOTATIONS, DONATIONS AND SIMILAR	1016					
65	IV OTHER OPERATING REVENUES	1017	5	92,958	256,293	129,604	389,710

**INCOME STATEMENT (Continued)**  
**For the period from 1<sup>st</sup> January to 30<sup>th</sup> September 2020**

PROFIT AND LOSS ACCOUNT							
For the period from 1st January 2020 to 30th September 2020							
- in thousand of dinars-							
Group of accounts - account	POSITION	AOP	Note number	Amount			
				Current year		Last year	
				Quarter (01.07-30.09.2020)	Cumulative (01.01-30.09.2020)	Quarter (01.07-30.09.2019)	Cumulative (01.01-30.09.2019)
1	2	3	4	5	6	7	8
	<b>OPERATING Revenues</b>						

REGULAR OPERATING EXPENSES							
50 to 55, 62 and 63	<b>B. OPERATING EXPENSES</b> (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	<b>1018</b>		<b>264,417</b>	<b>793,896</b>	<b>94,347</b>	<b>276,631</b>
50	I. COST OF GOODS SOLD	1019					
62	II. REVENUES FROM ACTIVATION OF GOODS AND EFFECTS	1020					
630	III. INCREASE IN THE VALUE OF STOCKS OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1021					
631	IV. DECREASE IN THE VALUE OF STOCKS OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1022					
51 except from 513	V. COST OF MATERIALS	1023	6	190	787	453	962
513	VI. COST OF FUEL AND ENERGY	1024	7	246	716	242	627
52	VII. COST OF WAGE, SALARIES AND OTHER PERSONAL EXPENSES	1025	8	34,748	104,689	36,869	101,240
53	VIII. COST OF PRODUCTION SERVICES	1026	9	10,127	26,520	13,738	45,888
540	IX. AMORTIZATION COSTS	1027	10	172,700	510,311	-322	0
541 to 549	X. COST OF LONG-TERM PROVISIONS	1028	11	5,000	15,000	10,000	21,000
55	XI. NON-MATERIAL COSTS	1029	12	41,406	135,873	33,367	106,914
	<b>C. OPERATING PROFIT (1001 – 1018) ≥ 0</b>	<b>1030</b>				<b>36,597</b>	<b>117,270</b>
	<b>D. OPERATING LOSS (1018 – 1001) ≥ 0</b>	<b>1031</b>		<b>171,459</b>	<b>537,603</b>		
66	<b>E. FINANCIAL REVENUES (1033 + 1038 + 1039)</b>	<b>1032</b>	<b>13</b>	<b>2,239</b>	<b>9,971</b>	<b>4,995</b>	<b>68,603</b>
66, except from 662, 663 and 664	I. FINANCIAL REVENUES FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033					
660	1. Financial revenues from parent companies and subsidiaries	1034					
661	2. Financial revenues from other affiliated companies	1035					
665	3. Revenues from the stake in the profit of associated companies and joint ventures	1036					
669	4. Other financial revenues	1037					
662	II. INTEREST REVENUES (FROM THIRD PARTIES)	1038	13	1,863	4,757	2,746	18,037
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1039	13	376	5,214	2,249	50,566

**INCOME STATEMENT (Continued)**  
**For the period from 1<sup>st</sup> January to 30<sup>th</sup> September 2020**

PROFIT AND LOSS ACCOUNT							
For the period from 1st January 2020 to 30th September 2020							
- in thousand of dinars-							
Group of accounts - account	POSITION	AOP	Note number	Amount			
				Current year		Last year	
				Quarter (01.07-30.09.2020)	Cumulattive (01.01-30.09.2020)	Quarter (01.07-30.09.2019)	Cumulative (01.01-30.09.2019)
1	2	3	4	5	6	7	8
	<b>OPERATING Revenues</b>						
<b>56</b>	<b>F. FINANCIAL EXPENSES (1041 + 1046 + 1047)</b>	<b>1040</b>	<b>14</b>	<b>12,820</b>	<b>18,520</b>	<b>1,561</b>	<b>136,736</b>
56, except from 562, 563 and 564	I. FINANCIAL EXPENSES FROM THE RELATIONSHIP WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENSES (1042 + 1043 + 1044 + 1045)	1041					
560	1. Financial expenses from relationship with parent companies and subsidiaries	1042					
561	2. Financial expenses from relationship with other affiliated companies	1043					
565	3. Expenses from the stake in loss of associated companies and joint ventures	1044					
566 and 569	4. Other financial expenses	1045					
562	II. INTEREST EXPENSES (TOWARDS THIRD PARTIES)	1046	14	-	9	-15	9,717
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1047	14	12,820	18,511	1,576	127,019
	<b>G. PROFIT FROM FINANCING ACTIVITIES (1032 - 1040)</b>	<b>1048</b>				<b>3,434</b>	
	<b>H. LOSS FROM FINANCING ACTIVITIES (1040 - 1032)</b>	<b>1049</b>		<b>10,581</b>	<b>8,549</b>		<b>68,133</b>
683 and 685	I. REVENUES FROM VALUE ADJUSTMENT OF OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1050	15				
583 and 585	J. EXPENSES FROM VALUE ADJUSTMENT OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1051	16				
67 and 68, except from 683 and 685	K. OTHER REVENUE	1052	17	13,308	14,789	601,157	620,574
57 and 58, except from 583 and 585	L. OTHER EXPENSES	1053	18	17,680	17,824	553,460	554,753
	<b>M. REGULAR OPERATING PROFIT BEFORE TAXATION (1030 - 1031 + 1048 - 1049 + 1050 - 1051 + 1052 - 1053)</b>	<b>1054</b>				<b>87,728</b>	<b>114,958</b>
	<b>N. REGULAR OPERATING LOSS BEFORE TAXATION (1031 - 1030 + 1049 - 1048 + 1051 - 1050 + 1053 - 1052)</b>	<b>1055</b>		<b>186,412</b>	<b>549,187</b>		

## INCOME STATEMENT (Continued)

For the period from 1<sup>st</sup> January to 30<sup>th</sup> September 2020

PROFIT AND LOSS ACCOUNT							
For the period from 1st January 2020 to 30th September 2020							
- in thousand of dinars-							
Group of accounts - account	POSITION	AOP	Note number	Amount			
				Current year		Last year	
				Quarter (01.07-30.09.2020)	Cumulative (01.01-30.09.2020)	Quarter (01.07-30.09.2019)	Cumulative (01.01-30.09.2019)
1	2	3	4	5	6	7	8
	<b>OPERATING Revenues</b>						
69-59	O. NET OPERATING PROFIT THAT IS WITHELD, THE EFFECT OF THE CHANGE OF ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1056	19	-9,673	-		
59-69	P. NET OPERATING LOSS THAT IS WITHELD, EXPENSES FROM THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1057	19	1,243	1,243	24,267	27,239
	Q. PROFIT BEFORE TAXATION (1054 - 1055 + 1056 - 1057)	1058	20			<b>63,461</b>	<b>87,719</b>
	R. LOSS BEFORE TAXATION (1055 - 1054 + 1057 - 1056)	1059	20	<b>197,328</b>	<b>550,430</b>		
	S. PROFIT TAX						
721	I. TAX EXPENSE OF PERIOD	1060	21				
part of 722	II. DEFERRED TAX EXPENSES OF PERIOD	1061	21			11,048	11,048
part of 722	III. DEFERRED TAX REVENUES OF THE PERIOD	1062	21	191	1,494		
723	T. PAID SALARIES OF THE EMPLOYER	1063					
	<b>U. NET PROFIT</b>	<b>1064</b>	<b>21</b>			<b>52,413</b>	<b>76,671</b>
	<b>(1058 – 1059 – 1060 – 1061 + 1062)</b>						
	<b>V. NET LOSS</b>	<b>1065</b>	<b>21</b>	<b>197,137</b>	<b>548,936</b>		
	<b>(1059 – 1058 + 1060 + 1061 – 1062)</b>						
	I. NET PROFIT BELONGING TO THE MINOR STAKEHOLDERS	1066					
	II. NET PROFIT BELONGING TO THE MAJOR STAKEHOLDERS	1067					
	III EARNINGS PER SHARE						
	1. Basic earnings per share	1068	22		(15.67)		2.19
	2. Decreased (diluted) earnings per share	1069					
<b>6</b>	<b>TOTAL REVENUES</b>			<b>108,505</b>	<b>295,382</b>	<b>737,023</b>	<b>1,094,707</b>
<b>5</b>	<b>TOTAL EXPENSES</b>			<b>305,833</b>	<b>845,812</b>	<b>673,562</b>	<b>1,006,988</b>

## BALANCE SHEET

On 30<sup>th</sup> September 2020

BALANCE SHEET						
on 30th September, 2020						
- in thousand of dinars -						
Group of accounts - account	POSITION	AOP	Note no	Amount		
				Current year 30.09.2020	Last year	
1	2	3	4	5	6	7
	ASSETS					
0	A.SUBSCRIBED UNPAID CAPITAL	1				
	B.FIXED ASSETS (0003+0010+0019+0024+0034)	2		<b>28,545,926</b>	<b>28,989,692</b>	
1	I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	3	23	<b>37,761</b>	<b>18,551</b>	
010 and part of 019	1. Investments in development	4				
011, 012 and part of 019	2. Concessions, patents, licences, product and service brands software and other rights	5		37,761		
013 and part of 019	3. Goodwill	6				
014 and part of 019	4. Other intangible assets	7				
015 and part of 019	5. Intangible assets in progress	8		-	18,551	
016 and part of 019	6. Advance payments for intangible property	9				
2	II. PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	10	24	<b>28,382,555</b>	<b>28,845,688</b>	
020, 021 and part of 029	1. Land	11	24	14,180,349	14,180,349	
022 and part of 029	2. Constructions	12	24	10,514,579	10,811,830	
023 and part of 029	3. Plants and equipment	13	24	3,646,507	3,853,509	
024 and part of 029	4. Investment property	14				
025 and part of 029	5. Other property, plants and equipment	15				
026 and part of 029	6. Property, plants and equipment in progress	16	24	41,120		
027 and part of 029	7. Investments in others' property, plants and equipment	17				
028 and part of 029	8. Advance payments for property, plants and equipment	18				
3	III. BIOLOGICAL ASSETS (0020 + 0021 + 0022 + 0023)	19				
030, 031 and part of 039	1. Forests and perennial plantations	20				
032 and part of 039	2. Livestock unit	21				
037 and part of 039	3. Biological assets in progress	22				
038 and part of 039	4. Advance payments for biological assets	23				
04, except from 047	IV. LONG-TERM financial placements (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	24	25	<b>125,610</b>	<b>125,453</b>	
040 and part of 049	1. Stake in the capital of subsidiaries	25				
041 and part of 049	2. Stake in the capital of associated companies and joint ventures	26				
042 and part of 049	3. Stake in the capital of other companies and other securities available for sale	27	25a	1	1	
part of 043, part of 044 and part of 049	4. Long-term placements to parent companies and subsidiaries	28				
part of 043, part of 044 and part of 049	5. Long-term placements to other related legal entities	29				
part of 045 and part of 049	6. Long-term placements in the country	30				
part of 045 and part of 049	7. Long-term placements abroad	31				
046 and part of 049	8. Securities held to maturity	32				
048 and part of 049	9. Other long-term financial investments	33	256	125,609	125,452	

**BALANCE SHEET (continued)**  
**On 30<sup>th</sup> September 2020**

BALANCE SHEET						
on 30 <sup>th</sup> September, 2020						
- In thousand of dinars -						
Group of accounts - account	POSITION	AOP	Note no	Amount		
				Current year 30.09.2020	Last year	
1	2	3	4	5	6	7
					Closing balance 31.12.2019.	Opening balance 01.01.2019.
5	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	34				
050 and part of 059	1. Receivables from the parent companies and subsidiaries	35				
051 and part of 059	2. Receivables from other affiliated companies	36				
052 and part of 059	3. Receivables from the sales by means of commodity loans	37				
053 and part of 059	4. Receivables for sales by means of financial leasing agreements	38				
054 and part of 059	5. Receivables from warranties	39				
055 and part of 059	6. Controversial and doubtful receivables	40				
056 and part of 059	7. Other long-term receivables	41				
288	C. DEFERRED TAX ASSETS	42				
	D. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	43		<b>4,298,258</b>	<b>4,534,853</b>	
Class 1	I STOCK (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		<b>4,106</b>	<b>2,058</b>	
10	1. Material, spare parts, tools and small inventory	45				
11	2. Unfinished production and unfinished services	46				
12	3. Finished products	47				
13	4. Goods	48				
14	5. Fixed assets intended for sale	49				
15	6. Paid advances for stocks and services	50	26	4,106	2,058	
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51	27	<b>33,336</b>	<b>98,191</b>	
200 and part of 209	1. Customers in the country-parent companies and subsidiaries	52				
201 and part of 209	2. Customers abroad - parent companies and subsidiaries	53				
202 and part of 209	3. Customers in the country-other affiliated companies	54				
203 and part of 209	4. Customers abroad - other affiliated companies	55				
204 and part of 209	5. Customers in the country	56	27	15,223	75,403	
205 and part of 209	6. Customers abroad	57	27	18,113	22,788	
206 and part of 209	7. Other receivables from sale	58				
21	III. RECEIVABLES FROM SPECIFIC OPERATIONS	59				
22	IV. OTHER RECEIVABLES	60	28	<b>1,606,093</b>	<b>1,607,808</b>	
236	V. FINANCIAL ASSETS RECOGNIZED AT FAIR VALUE IN THE INCOME STATEMENT	61				
23 except from 236 and 237	VI SHORT-TERM FINANCIAL PLACEMENTS (0063 + 0064 + 0065 + 0066 + 0067)	62	29	<b>8,653</b>	<b>13,336</b>	
230 and part of 239	1. Short-term loans and placements-parent companies and subsidiaries	63				
231 and part of 239	2. Short-term loans and placements-other affiliated companies	64				
232 and part of 239	3. Short-term loans in the country	65	29	3,932	2,432	
233 and part of 239	4. Short-term loans abroad	66				
234, 235, 238 and part of 239	5. Other short-term financial placements	67	29	4,721	10,904	
24	VII CASH EQUIVALENTS AND CASH	68	30	845,009	910,118	
27	VIII VALUE ADDED TAX	69	31	71,930	40,792	
28 except from 288	IX ACTIVE ACCRUALS	70	32	1,729,131	1,862,550	
	D. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0042 + 0043)	71		<b>32,844,184</b>	<b>33,524,545</b>	
88	F. OFF-BALANCE SHEET ASSETS	72	42	5,781,600	5,907,222	

**BALANCE SHEET (continued)**  
**On 30<sup>th</sup> September 2020**

BALANCE SHEET on 30th September, 2020						
Group of accounts - account	POSITION	AOP	Note no	- In thousand of dinars - Amount		
				Current year 30.09.2020	Last year	
					Closing balance 31.12.2019.	Opening balance 01.01.2019.
1	2	3	4	5	6	7
	<b>LIABILITIES</b>					
	<b>A. CAPITAL (0402 + 0411 – 0412 + 0413 + 0414 + 0415 – 0416 + 0417 + 0420 – 0421) ≥ 0 = (0071 – 0424 – 0441 – 0442)</b>	401	33	<b>29,123,589</b>	<b>29,672,524</b>	
30	I BASIC CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	402		21,322,533	21,322,533	
300	1. Share capital	403	33a	21,015,677	21,015,677	
301	2. Equity interest in limited liability companies	404				
302	3. Equity interest	405				
303	4. State-owned capital	406				
304	5. Public capital	407				
305	6. Cooperative shares	408				
306	7. Share issuing premiums	409	33b	306,856	306,856	
309	8. Other basic capital	410				
31	II SUBSCRIBED AND UNPAID CAPITAL	411				
047 and 237	III REPURCHASED OWN ACTIONS	412	33c	33,192	33,192	
32	IV RESERVES	413	33d	6,164,196	6,356,456	
330	V. REVALORIZATION RESERVES BASED ON THE REVALORIZATION OF INTAGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	414	33e	2,218,988	2,218,988	
33 except from 330	VI. UNREALIZED GAINS FROM SECURITIES AND OTHER COMPONENTS OF THE REMAINING TOTAL RESULTS (credit balance of the accounts from the group 33 except 330)	415				
33 except from 330	VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF REMAINING TOTAL RESULTS (debit balances of the accounts from the Group 33 except 330)	416				
34	VIII UNDISTRIBUTED PROFIT (0418 + 0419)	417	33f	-	<b>261,596</b>	
340	1. Undistributed profit from previous years	418	33f	-	261,596	
341	2. Undistributed profit from the current year	419				
	IX. STAKE WITHOUT THE CONTROL RIGHT	420				
35	X. LOSS (0422 + 0423)	421	33r	<b>548,936</b>	<b>453,857</b>	
350	1. Loss from previous year	422	33r	-		
351	2. Loss from current year	423	33r	548,936	453,857	
	<b>B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)</b>	424		<b>97,493</b>	<b>86,093</b>	
40	I LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	425	34	<b>97,493</b>	<b>86,093</b>	
400	1. Provisions for costs in the guarantee period	426				
401	2. Provisions for the costs of renewing natural resources	427				
403	3. Provisions for restructuring costs	428				
404	4. Provision for allowances and other benefits for employees	429	34a	5,087	5,087	
405	5. Provisions for costs of litigation	430	346	92,406	81,006	
402 and 409	6. Other long-term provisions	431				
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	432		-	-	
410	1. Liabilities that can be converted to capital	433				
411	2. Liabilities towards parent companies and subsidiaries	434				
412	3. Liabilities to other affiliated companies	435				
413	4. Liabilities for issued securities in a period longer than a year	436				
414	5. Long-term loans and borrowings in the country	437				
415	6. Long-term loans and borrowings abroad	438				

**BALANCE SHEET (continued)**  
**On 30<sup>th</sup> September 2020**

BALANCE SHEET						
on 30th September, 2020						
Group of accounts - account	POSITION	AOP	Note no	- In thousand of dinars -		
				Amount		
				Current year 30.09.2020	Last year	
1	2	3	4	5	6	7
					Closing balance 31.12.2019.	Opening balance 01.01.2019.
416	7. Financial leasing liabilities	439				
419	8. Other long-term liabilities	440				
<b>498</b>	<b>C. DEFERRED TAX LIABILITIES</b>	<b>441</b>	<b>41</b>	<b>722,370</b>	<b>723,864</b>	
42 to 49 (except from 498)	<b>D. SHORT-TERM LIABILITIES</b>					
	(0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		<b>2,900,732</b>	<b>3,042,064</b>	
42	I SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443		-	-	
420	1. Short-term loans from parent companies and subsidiaries	444				
421	2. Short-term loans from other affiliated companies	445				
422	3. Short-term loans and borrowings in the country	446				
423	4. Short-term loans and borrowings abroad	447				
427	5. Liabilities arising from fixed assets and withheld operating assets intended for sale	448				
424, 425, 426 and 429	6. Other short-term financial liabilities	449				
430	II RECEIVED ADVANCES, DEPOSITS AND BAILS	450	35	<b>49,622</b>	<b>42,023</b>	
43 except from 430	III OPERATING LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451	36	<b>37,305</b>	<b>59,548</b>	
431	1. Suppliers-parent companies and subsidiaries in the country	452				
432	2. Suppliers - parent companies and subsidiaries abroad	453				
433	3. Suppliers-other affiliated companies in the country	454				
434	4. Suppliers-other affiliated companies abroad	455				
435	5. Suppliers in the country	456	36	28,639	44,724	
436	6. Suppliers abroad	457	36	253	5,577	
439	7. Other operating liabilities	458	36	8,413	9,247	
44, 45 and 46	IV OTHER SHORT-TERM LIABILITIES	459	37	23,541	17,305	
47	V LIABILITIES FOR VALUE ADDED TAX	460	38	95		
48	VI LIABILITIES FOR OTHER TAXES, BENEFITS AND OTHER DUTIES	461	39	1,457	2,482	
49 except from 498	VII PASSIVE TIME DISCLOSURES	462	40	2,788,712	2,920,706	
	E. LOSS BEYOND THE AMOUNT OF CAPITAL (0412 + 0416 + 0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	463				
	F. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0	464		<b>32,844,184</b>	<b>33,524,545</b>	
89	G. OFF-BALANCE SHEET LIABILITIES	465	42	5,781,600	5,907,222	

REPORT ON THE REMAINING RESULT



for period from 1st January 2020 to 30th September 2020

- in thousands of dinars -

Group of accounts - account	POSITION	ADP	Note number	Amount	
				Current year	Last year
1	2	3	4	Cumulative (01.01-30.09.2020)	Cumulative (01.01-30.09.2019)
				6	7
	<b>A. NET OPERATING RESULTS</b>				
	I. NET PROFIT (ADP 1064)	2001	28		<b>76,671</b>
	II. NET LOSS (ADP 1065)	2002		<b>548,936</b>	
	<b>B. OTHER COMPERHENSIVE PROFIT OR LOSS</b>				
	a) Items that will not be reclassified to the Profit and Loss Account in future periods				
	1. Revalorization changes of intangible assets, property, plants and equipment				
330	a) increase in revalorization reserves	2003			2,308,471
	b) reduction of revalorization reserves	2004			91,210
	2. Actuarial profit or losses from plans of defined income				
331	a) profits	2005			
	b) losses	2006			
	3. Profits or losses on investments in equity instruments				
332	a) profits	2007			
	b) losses	2008			
	4. Profits or losses from the stake in the remaining comprehensive profit or loss of associated companies				
333	a) profits	2009			
	b) losses	2010			
	b) Items that can be subsequently reclassified to the income statement in future periods				
	1. Profits or losses from thr conversatio of financial reports on foreign operations				
334	a) profits	2011			
	b) losses	2012			
	2. Profits or losses from hedging instruments used to protect net investments in foreign operations				
335	a) profits	2013			
	b) losses	2014			
	3. Profits or losses from cash flow risk hedging instruments				
336	a) profits	2015			
	b) losses	2016			
	4. Profits or losses from securities available for sale				
337	a) profits	2017			
	b) losses	2018			
	<b>I. OTHER GROSS COMPERHENSIVE PROFIT</b> (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) – (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		-	<b>2,217,261</b>
	<b>II. OTHER GROSS COMPERHENSIVE LOSS</b> (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) – (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		-	-
	<b>III. TAX ON OTHER COMPERHENSIVE PROFIT OR LOSS OF THE PERIOD</b>	2021			346,271
	<b>IV. NET OTHER COMPERHENSIVE PROFIT</b> (2019 – 2020 – 2021) ≥ 0	2022		-	<b>1,870,990</b>
	<b>V. NET OTHER COMPERHENSIVE LOSS</b> (2020 – 2019 + 2021) ≥ 0	2023		-	-
	<b>C. TOTAL NET COMPERHENSIVE RESULT OF THE PERIOD</b>				
	<b>I. TOTAL NET COMPERHENSIVE PROFIT</b> (2001 – 2002 + 2022 – 2023) ≥ 0	2024			<b>1,947,661</b>
	<b>II. TOTAL NET COMPERHENSIVE LOSS</b> (2002 – 2001 + 2023 – 2022) ≥ 0	2025		<b>548,936</b>	
	<b>D. TOTAL NET COMPERHENSIVE PROFIT OR LOSS(2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 &gt; 0</b>	2026		<b>0</b>	<b>1,947,661</b>
	1. Ascribed to major equity owners	2027			
	2. Ascribed to owners who have no control	2028			

# REPORT ON CHANGES IN CAPITAL

## In the period from 1<sup>st</sup> January to 30<sup>th</sup> September 2020

REPORT ON THE CHANGES IN CAPITAL in period from 1st January to 30th September 2020																	- in thousands of dinars -															
Serial number	DESCRIPTION	Capital components										Other results components																				
		AOP	30	AOP	31	AOP	32	AOP	35	AOP	047 and 237	AOP	34	AOP	330	AOP	331	AOP	332	AOP	333	AOP	334 and 335	AOP	336	AOP	337	AOP	Total equity [Σ (row 16 column 3 to column 15) - Σ (row 1a column 3 to column 15)] ≥ 0	Loss above equity [Σ (row 1a column 3 to column 15) - Σ (row 16 column 3 to column 17)]		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17																
	<b>Opening balance as of 1st January 2019</b>																															
1	a) debt balance	4001		4019		4037		4055		4073	265,416	4091		4109		4127		4145		4163		4181		4199		4217		4235		4244		
	b) credit balance	4002	21,264,302	4020	0	4038	6,356,456	4056	0	4074	0	4092	53,162,398	4110	570,177	4128	17,290	4146		4164		4182		4200		4218			81,105,207			
	Adjustment of materially significant mistakes and changes in accounting policies																															
2	a) adjustments on the debit side of the account	4003		4021		4039		4057		4075		4093		4111		4129		4147		4165		4183		4201		4219		4236		4245		
	b) adjustments on the credit side of the account	4004		4022		4040		4058		4076		4094		4112		4130		4148		4166		4184		4202		4220				0		
	<b>Adjusted opening balance as of 1st January 2019</b>																															
3	a) adjusted debit side of the account (1a + 2a - 2b) ≥ 0	4005	0	4023	0	4041	0	4059	0	4077	265,416	4095		4113	0	4131	0	4149		0	4167	0	4185	0	4203	0	4221	0	4237		4246	
	b) adjusted credit side of the account (1b - 2a + 2b) ≥ 0	4006	21,264,302	4024	0	4042	6,356,456	4060	0	4078	0	4096	53,162,398	4114	570,177	4132	17,290	4150		0	4168	0	4186	0	4204	0	4222	0		81,105,207		
	Changes in the year of 2019																															
4	a) turnover on the debit side of the account	4007		4025		4043		4061	453,857	4079		4097	53,162,398	4115	659,660	4133	17,290	4151		4169		4187		4205		4223		4238		51,432,683	4247	
	b) turnover on the credit side of the account	4008	58,231	4026		4044		4062		4080	232,224	4098	261,596	4116	2,308,471	4134		4152		4170		4188		4206		4224						
	<b>Last year closing balance as of 31st December 2019</b>																															
5	a) debt balance account (3a + 4a - 4b) ≥ 0	4009		4027	0	4045	0	4063	453,857	4081	33,192	4099	0	4117	0	4135	0	4153		0	4171	0	4189	0	4207	0	4225	0	4239		4248	
	b) credit balance account (3b - 4a + 4b) ≥ 0	4010	21,322,533	4028	0	4046	6,356,456	4064		4082		4100	261,596	4118	2,218,988	4136	0	4154		0	4172	0	4190	0	4208	0	4226	0		29,672,524		
	Adjustment of materially significant errors and changes in accounting policies																															
6	a) adjustments on the debit side of the account	4011	0	4029	0	4047	0	4065	0	4083	0	4101	0	4119	0	4137	0	4155		4173		4191		4209		4227		4240		0	4249	
	b) adjustments on the credit side of the account	4012	0	4030	0	4048	0	4066	0	4084	0	4102	0	4120	0	4138	0	4156		4174		4192		4210		4228					0	
	<b>Adjusted opening balance as of 1st January 2020</b>																															
7	a) adjusted debit side of the account (5a + 6a - 6b) ≥ 0	4013	0	4031	0	4049	0	4067	453,857	4085	33,192	4103	0	4121	0	4139	0	4157		0	4175	0	4193	0	4211	0	4229	0	4241		4250	
	b) adjusted credit side of the account (5b - 6a + 6b) ≥ 0	4014	21,322,533	4032	0	4050	6,356,456	4068	0	4086	0	4104	261,596	4122	2,218,988	4140	0	4158		0	4176	0	4194	0	4212	0	4230	0		29,672,524		
	<b>Adjustments in current year of 2020</b>																															
8	a) turnover on the debit side of the account	4015		4033	0	4051	192,260	4069	548,936	4087	0	4105	261,596	4123		4141		4159		4177		4195		4213		4231		4242		1,002,792	4251	
	b) turnover on the credit side of the account	4016		4034	0	4052	4070	453,857	4088		4106		4124		4142		4160				4178		4196		4211		4232		4242		453,857	
	<b>Closing balance of current year as of 30th September 2020</b>																															
9	a) debt balance account (7a + 8a - 8b) ≥ 0	4017		4035	0	4053	0	4071	548,936	4089	33,192	4107		4125		4143		4161		0	4179	0	4197	0	4215	0	4233	0	4243		4252	
	b) credit balance account (7b - 8a + 8b) ≥ 0	4018	21,322,533	4036	0	4054	6,164,196	4072		4090		4108	0	4126	2,218,988	4144	0	4162		0	4180	0	4198	0	4216	0	4234	0		29,123,589		

**CASH FLOW STATEMENT**  
for the period 1<sup>st</sup> January to 30<sup>th</sup> September 2020

CASH FLOW STATEMENT			
for the period from 1st January 2020 to 30th September 2020			
- in thousands of dinars -			
Position	AOP	Amount	
		Current year	Last year
1	2	4	5
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>I. Cash inflows from operating activities (1 to 3)</b>	<b>3001</b>	<b>343,439</b>	<b>1,237,626</b>
1. Sales and received advance payments	3002	334,574	1,214,910
2. Received interests from operating activities	3003		2,529
3. Other inflows from operating activities	3004	8,865	20,187
<b>II. Cash outflows from operating activities (1 to 5)</b>	<b>3005</b>	<b>324,666</b>	<b>12,515,786</b>
1. Payments to suppliers and given advance payments	3006	159,159	752,617
2. Wages, salaries and other personal expenses	3007	97,910	96,381
3. Paid interest	3008		12,606
4. Income tax	3009		10,499,955
5. Outflows for other public revenues	3010	67,597	1,154,227
<b>III. Net operating cash inflows (I-II)</b>	<b>3011</b>	<b>18,773</b>	
<b>IV. Net operating cash outflows (II-I)</b>	<b>3012</b>		<b>11,278,160</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>I. Cash inflows from investing activities (1 to 5)</b>	<b>3013</b>	<b>4,474</b>	<b>3,032,084</b>
1. Sale of stocks and shares (net inflow)	3014		290,455
2. Sale of intangible assets, property, plant, equipment and biological assets	3015		
3. Other financial placements (net inflow)	3016		2,716,029
4. Received interests from investing activities	3017	4,474	25,600
5. Received dividends	3018		
<b>II. Cash outflows from investing activities (1 to 3)</b>	<b>3019</b>	<b>75,220</b>	<b>72,652</b>
1. Purchase of stakes and shares (net outflow)	3020		
2. Purchase of intangible assets, property, plants, equipment and biological assets	3021	75,220	72,652
3. Other financial placements (net outflow)	3022		
<b>III. Net cash inflow from financing activities (I-II)</b>	<b>3023</b>		<b>2,959,432</b>
<b>IV. Net cash outflow from financing activities (II-I)</b>	<b>3024</b>	<b>70,746</b>	

**CASH FLOW STATEMENT (continued)**  
for the period 1<sup>st</sup> January to 30<sup>th</sup> September 2020

CASH FLOW STATEMENT			
for the period from 1st January 2020 to 30th September 2020			
- in thousands of dinars -			
Position	AOP	Amount	
		Current year	Last year
1	2	4	5
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>I. Cash inflows from financing activities (1 to 5)</b>	<b>3025</b>	-	-
1. Basic capital increase	3026		
2. Long-term loans (net inflows)	3027		
3. Short-term loans (net outflows)	3028		
4. Other long-term liabilities	3029		
5. Other short-term liabilities	3030		
<b>II. Cash outflows from financing activities (1 to 6)</b>	<b>3031</b>	<b>48</b>	<b>52,122,514</b>
1. Purchase of own shares and stakes	3032		
2. Long-term loans (outflows)	3033		49,163
3. Short-term loans (outflows)	3034		
4. Other liabilities (outflows)	3035	48	148,056
5. Financial leasing	3036		
6. Paid out dividends	3037		51,925,295
III. Net cash inflow from financing activities (I-II)	3038	-	-
IV. Net cash outflows from financing activities (II-I)	3039	<b>48</b>	<b>52,122,514</b>
<b>D.TOTAL CASH INFLOWS (3001+3013+3025)</b>	<b>3040</b>	<b>347,913</b>	<b>4,269,710</b>
<b>E.TOTAL CASH OUTFLOWS (3005+3019+3031)</b>	<b>3041</b>	<b>399,934</b>	<b>64,710,952</b>
<b>F.NET CASH INFLOWS (3040-3041)</b>	<b>3042</b>		
<b>G. NET CASH OUTFLOWS (3041-3040)</b>	<b>3043</b>	<b>52,021</b>	<b>60,441,242</b>
H. OPENING CASH BALANCE AT THE BEGINNING OF THE ACCOUNTING PERIOD	3044	<b>910,118</b>	<b>61,394,573</b>
I. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES BASED ON THE CASH CONVERSATION	3045	5,123	37,208
J. NEGATIVE FOREIGN EXCHANGE DIFFERENCES BASED ON THE CASH CONVERSATION	3046	18,211	112,963
<b>K. CLOSING CASH BALANCE AT THE END OF THE ACCOUNTING PERIOD</b> <b>(3042 – 3043 + 3044 + 3045 – 3046)</b>	<b>3047</b>	<b>845,009</b>	<b>877,576</b>

**JSC AIRPORT NIKOLA TESLA BELGRADE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**30<sup>th</sup> September 2020**

## 1. ESTABLISHMENT AND BUSINESS OPERATIONS OF THE COMPANY

### 1.1. Basic information about the company

The joint stock company Belgrade Nikola Tesla Airport (hereinafter: the "Company") was established with the aim of providing airport services (landing, takeoff, taxiing and parking of aircraft, reception and dispatch of aircraft, passengers and goods). In addition to the basic activity of providing airport services, the Company, within the ancillary activities, also performs other services at the airport complex that meet the needs of service users, domestic and foreign airlines.

The operations of the Airport date back to 25<sup>th</sup> March 1928 at the location of Bežanijska kosa, and the operations at today's location (Surčin) began in 1962.

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

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

After the change of legal form, the company continued to operate under the full name of the Joint Stock Company Belgrade Nikola Tesla Airport. By the decision of the Business Registers Agency number BD 7651/2011 from 24<sup>th</sup> January 2011. The registration of the open Joint Stock Company Belgrade Nikola Tesla Airport was made in the register of business entities.

On 5<sup>th</sup> January 2018 the Decision on the selection of the most favorable bid in the procedure of granting a concession for financing, development through construction and reconstruction, maintenance and management of the infrastructure of JSC Airport Nikola Tesla Belgrade and performing the activities of the airport operator was registered with the Ministry of Construction, Transport and Infrastructure under number: 023 -00-1 / 2018-12 dated 5<sup>th</sup> January 2018 and with ANT under number: GD 111/2018 dated 5<sup>th</sup> January 2018. The most favorable bidder selected is "Vinci Airports SAS France".

On 22<sup>nd</sup> March 2018 the Concession Agreement for financing, development through construction and reconstruction, maintenance and management of the infrastructure of AD Nikola Tesla Airport Belgrade and performing the activities of the Airport operator at Nikola Tesla Airport Belgrade was signed between the Government as the representative of the Republic of Serbia, JSC Nikola Tesla Airport Belgrade, "Vinci Airports Serbia "doo Belgrade (hereinafter: DPN) and" Vinci Airports SAS France "as the Best Selected Bidder (hereinafter: Concession Agreement).

The provisions of the Concession Agreement provide for a number of preconditions for both contracting parties in the Transition Period, the fulfillment of which, within the stipulated deadline, provides the conditions for the Concession Commencement Date to start.

501,000,000 to the account of JSC Airport Nikola Tesla Belgrade, made by Vinci Airports Serbia doo Belgrade on 21<sup>st</sup> December 2018, the conditions for the start of the Start Day concessions starting from 22<sup>nd</sup> December 2018 were met.

On 21<sup>st</sup> December 2018, by the decision of the Civil Aviation Directorate of the Republic of Serbia, the Airport certificate was transferred from JSC Nikola Nikola Tesla Airport to Vinci Airports Serbia doo Belgrade.

From the Concession Commencement Date on 22<sup>nd</sup> December 2018., Vinci Airports Serbia doo Belgrade took over the management of the Airport and the performance of service activities in air transport, and from that date JSC Airport Nikola Tesla changed the main activity from service activities in air transport (52.23) to renting and managing their own or leased real estate (68.20 ), with the primary task of being the owner of all movable and immovable property granted under the Concession Agreement for the use and management of VINCI Airports Serbia doo Belgrade, monitors the implementation of the concession agreement in accordance with the Law on Public-Private Partnership and Concessions with accompanying bylaws .

In addition to the predominant activity, the Company may perform all other activities that are not prohibited by law, including foreign trade activity, regardless of whether those activities are determined by the founding act, ie the statute. The company performs activities of general interest.

<i>Main office</i>	<i>11180 Belgrade, Surčin</i>
<i>Registration number</i>	<i>07036540</i>
<i>Tax identification number</i>	<i>100000539</i>
<i>Code and activity name until 21<sup>st</sup> December 2018</i>	<i>52.23 - Service activities in air transport</i>
<i>Code and activity name from 22<sup>nd</sup> December 2018</i>	<i>68.20 - Renting and managment of own or leased real estate</i>

In July 2019, VINCI Airports Serbia doo Belgrade changed its business name to Belgrade Airport doo Belgrade (hereinafter DPN) based on the prior consent of the Concession Grantor.

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

## **1.2 Management structure**

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

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

The Supervisory Board consists of five (5) members, at least one member of which is independent from the Company. The members of the Supervisory Board are appointed by the Assembly of the Company. The Supervisory Board is obliged to form an audit committee, and if necessary, it may form other committees that assist it in its work. The Supervisory Board committees have at least three members, and one of those members must always be an independent member of the Supervisory Board.

The Executive Board consists of two (2) Executive Directors including the Managing Director. The Executive Directors are appointed by the Supervisory Board of the Company.

## **1.3 Ownership structure**

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

The Government of the Republic of Serbia on 9<sup>th</sup> December 2010 passed Decision No. 023-9103 / 2010-1, according to which the right to transfer 16.85% of the ownership of the Company was acquired by citizens of the Republic of Serbia, employees and former employees of the Company. After the transfer of free shares to citizens, employees and former employees, the Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the decision on admission of shares to Listing A-Prime market 04/4 No. 478/11 of January 28, 2011, the Company's shares were admitted to Listing A of the Belgrade Stock Exchange. Trading in the Company's shares on the Belgrade Stock Exchange started on February 7, 2011. years.

As of 30<sup>th</sup> June 2020, 35,026,129 ordinary shares were registered in the Central Registry of Securities, with the right to vote with an individual nominal value of 600.00 dinars. The Republic of Serbia owns 29,616,702 ordinary shares, which represents 84.56% of the total share capital of the Company, and other shareholders own 5,409,427 ordinary shares, which represents 15.44% of the total share capital of the Company.

#### **1.4 Number of employees and engaged persons**

At the balance sheet date of 30<sup>th</sup> September 2020, the Company had 37 employees, 36 of which permanent employees and 1 employee engaged in temporary and occasional jobs (on 31<sup>st</sup> December 2019, the Company had 37 employees, 36 of which were full-time employees and 1 employee hired for temporary and occasional jobs of the Company).

During I-IX 2020, the average number of employees in the Company based on the situation at the end of each month was 36, of which the average number of employees in the Company is 35 employees and 1 average employee for temporary and occasional jobs. (During January-September 2019, the average number of employees in the Company based on the situation at the end of each month was 35, of which the average number of employees in the Company is 33 employees (32 full-time employees and 1 part-time employee) and the average number of 2 hired workers for temporary and occasional jobs).

## **2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD**

### **2.1 Bases of preparation and presentation of financial statements**

The financial statements for the period I-IX 2020 were prepared in the manner and in accordance with the legislation and determined at the meeting of the Supervisory Board of the Company on 10<sup>th</sup> November 2020.

Legal entities and entrepreneurs in the Republic of Serbia are obliged to keep business books, recognize and assess assets and liabilities, income and expenses, compile, present, submit and disclose financial statements in accordance with the Law on Accounting (hereinafter "the Law" published in the "Official Gazette of the Republic of Serbia", No. 62/13, 30/18 and 73/19), as well as in accordance with other applicable bylaws.

In accordance with the Law, for recognition, valuation, presentation and disclosure of positions in financial statements, large legal entities, legal entities that have the obligation to compile consolidated financial statements (parent legal entities), public companies, i.e. companies preparing to become public, independently of size, apply International Financial Reporting Standards (hereinafter IFRS). IFRS, in accordance with the Law, represent:

- Framework for preparation and presentation of financial statements,
- International Accounting Standards (IAS), and
- International Financial Reporting Standards (IFRS) and related interpretations, issued by the Accounting Standards Interpretations Committee (IFRIC), subsequent amendments to those standards, the translation of which has been established and published by the Ministry of Finance.

By the decision of the Ministry dated 25<sup>th</sup> December 2019, which was published in the Official Gazette of the Republic of Serbia“ no. 92 dated 25<sup>th</sup> December 2019 (hereinafter “Decision on Determining the Translation”), the translations of the basic texts of IAS and IFRS, the Conceptual Framework for Financial Reporting (the “Conceptual Framework”), adopted by the Board, as well as related IFRIC interpretations were determined and published. These translations published in the Decision on Determining the Translation do not include grounds for conclusions, illustrative examples, guidelines, comments, dissenting opinions, elaborated examples, as well as other additional explanatory material that may be adopted in relation to standards or interpretations, unless explicitly stated that the material is an integral part of the standard, i.e. interpretation. Based on the Decision on Determining the Translation, the Conceptual Framework, IAS, IFRS, IFRIC and related interpretations that have been translated are applied from the financial statements prepared as of 31<sup>st</sup> December 2020.

Amended or issued IFRS and interpretations of standards, after this date, were translated and published by the Decision of the Ministry dated 13<sup>th</sup> October 2020, which was published in the “Official Gazette of the Republic of Serbia” no. 123 dated 13<sup>th</sup> October 2020, which will be applied from the financial statements prepared as at 31<sup>st</sup> December 2021, and may be applied from the financial statements prepared as at 31<sup>st</sup> December 2020 and are therefore not applied in preparing the accompanying financial statements.

The financial statements of the Company are presented in the form and content specified by the Rulebook on the content and form of forms of financial statements for companies, cooperatives and entrepreneurs published in the "Official Gazette of the Republic of Serbia", no. 95/14 and 144/14 which, among other things, prescribe the form and content of positions in the forms of the Balance Sheet, Income Statement, Statement of Other Results, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements. In accordance with the above mentioned Rulebook, the financial statements of the Company are presented in thousands of dinars. The dinar is the official reporting currency in the Republic of Serbia.

Chart of accounts and content of accounts in the Chart of Accounts is prescribed by the Rulebook on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs published in the "Official Gazette of the Republic of Serbia", no. 95/14.

In preparing the Company's financial statements, inter alia, the following laws and regulations have been complied with:

- Law on Corporate Income Tax ("Official Gazette of the Republic of Serbia" No. 25/01, 80/02, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14, 142/14, 91/15, 112/15, 113/17, 95/18 and 86/19),
- Law on Value Added Tax ("Official Gazette of the Republic of Serbia" No. 84 / 04, 86 / 04, 61 / 05, 61 / 07, 93/12, 108/13, 68/14, 141/14, 5/15, 83/15, 108/16, 113/17, 30/18, 72/19 and 8/20),
- Rulebook on the content of the tax balance and other issues of importance for the manner of determining the corporate income tax ("Official Gazette of the Republic of Serbia" No. 20 / 14, 41 / 15, 101/16, 8/19 and 94/19),
- Rulebook on the content of the tax return for the calculation of corporate income tax ("Official Gazette of the Republic of Serbia" No. 30/15, 101/16, 44/18, 8/19 and 94/19),
- Rulebook on the manner of classification of fixed assets by groups and the manner of determining depreciation for tax purposes ("Official Gazette of the Republic of Serbia" No. 116/04, 99/10, 104/18 and 8/19).

The legal acts that represent the internal regulations of the Company, the Company when preparing these financial statements applied the accounting policies explained in the Note 3.

The Law on Capital Market ("Official Gazette of the Republic of Serbia" No. 31/11, 112/15, 108/16 and 9/20) prescribes which data should be contained in the annual, semi-annual and quarterly reports of public companies which securities are traded on the regulated market.

## 2.2. Accounting treatment of the Concession Agreement

Bearing in mind the non-existence of guidelines, i.e. specific IAS / IFRS for accounting coverage of the Concession Agreement from the aspect of the Company as one of the two Concessionaires, the Company uses its own assessment to determine and apply adequate accounting policy (IAS 8.10). In making its judgment, the Company considers the applicability of IFRS requirements dealing with similar and related matters, the definition in the Framework, as well as the statements of bodies dealing with the adoption of the Standard. Within the analysis of the accounting treatment of the Concession Agreement, the following options were considered:

- Application of IAS JS 32 - Service Concession Arrangements
- Application of IFRS 15 - Revenue from Contracts with Customers
- Application of IAS 40 - Investment Property
- Application of IFRS 16 - Leasing contracts

By analyzing the applicability of IFRS 16 Leasing Contracts, the Company considers IFRS 16 as the most appropriate standard for accounting coverage of the Concession Agreement.

IFRS 16 defines leasing as a contract, or part of a contract, that transfers the right to use a particular asset over a specified period of time in exchange for compensation. In the analysis of whether the definition of leasing is met or not, it is necessary to meet certain criteria. Mandatory elements of the leasing contract are:

- **Identified asset** - Airport infrastructure is a defined identified asset specified in the Agreement and the Law on Airport Management;

- **The lessee acquires almost all economic benefits** - the lessee (Special Purpose Company (SPC) established by the Selected Best Bidder solely for the implementation of the Concession Agreement) earns the entire income from the use of airport infrastructure during the period of use or concession period;
- **The lessee determines the use of the identified asset** - Since the decisions “How and for what purpose” on the use of the asset are determined in advance by the Concession Agreement in terms of the use of Airport infrastructure and other, DPN has the right to determine the use of assets. Namely, DPN exclusively as an airport operator makes operational decisions on the use of funds related to the operation of the airport (flight schedules, personnel issues, selection of suppliers, etc.) during the concession period without the Company's ability to influence them.

In accordance with the requirements of IFRS 16, the entire assets of the Company are divided into the following categories:

- Airport infrastructure;
- Closely related funds that the SPC will use until the end of the concession period;
- Closely related funds that SPC will not use until the end of the concession period;
- Other funds that SPC will use until the end of the concession period;
- Other funds that SPC will not use until the end of the concession period.

Closely related assets consist of assets (equipment) closely related to airport infrastructure and significant airport equipment.

The following is an overview of the accounting coverage of asset (asset) categories.

<b>Asset category</b>	<b>Accounting treatment</b>
Airport infrastructure	Operating leases Recognition of assets in accordance with IAS 16
Closely related funds that SPC will not use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Closely related funds that SPC will use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Other funds that SPC will not use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Other funds that SPC will use until the end of the concession period	Derecognition of property Treatment as sale on the 1st day of the beginning of the Concession Agreement (claim)

Accounting treatment in accordance with IFRS 16 - Leasing Contracts of the above categories of assets (assets) was performed on 1<sup>st</sup> January 2019 as the date of commencement of the Concession Agreement.

Accounting coverage of various leasing payments

In accordance with IFRS 16.81, a lessor recognizes a lease payment as revenue on a straight-line or other systematic basis over the term of the lease. He applies another systematic basis when that basis is more appropriate for presenting a form in which the benefit from the use of funds is reduced. Pursuant to the above, the Company recognizes as income the following:

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it is incurred,
- Variable fees that depend on the amount of SPC income in the period in which they are incurred,
- Income from non-monetary compensation (Mandatory works and Additional land) is treated as variable compensation and is recognized in the income statement in the same amount (straight line) during the remaining period of the concession starting from the moment when SPC is obliged to buy / build a new asset, and based on the receipt of funds / works performed by the Company.

*Other funds that SPC will use until the end of the concession period*

As shown in the table above Asset Categories, Other assets that SPC will use until the end of the concession period are derecognised. Although the Company retains ownership of these assets, it no longer controls its use until the end of its useful life. For this reason, assets classified in this category are considered sold. When determining the leasing rate (income) of this category from the income based on the Minimum Concession Fee, the fair value of assets sold on a pro rata basis is reduced.

In addition to the above payments, a portion of the fee for the sale of other assets that SPC will use until the end of their useful life in terms of revenue reduction during the Concession Period is also set aside.

### **3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Revenues and expenses**

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

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

Lease income from operating leases is recognized on a straight-line basis over the term of the lease.

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

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

With the date on which income is recognized, the corresponding expenses are also recognized (the principle of causation of revenue and expenses).

Operating expenses are recognized in the income statement when the service is acquired or incurred.

Expenses are calculated according to the principle of causation of revenues and expenses.

The costs of current maintenance and repairs of fixed assets are recorded to the income statement in the accounting period when they are incurred.

### 3.2. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are included in the cost of the asset until such time as substantially all the activities necessary to prepare the asset for its intended use or sale have been completed. Qualifying assets refer to assets that necessarily require a significant period of time to be ready for their intended use.

Investment income generated on the basis of temporary investment of borrowed funds is deducted from borrowing costs incurred to finance qualifying assets.

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

### 3.3. Recalculation of funds and liabilities in foreign means of payment

Business changes arising in foreign currencies are translated into dinars at the middle exchange rate determined on the interbank foreign exchange market, which was valid on the day of the business change.

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

Foreign exchange profits and losses resulting from foreign currency transactions and from the translation of monetary items in the balance sheet are stated in the income statement as profit or losses on foreign exchange differences.

Non-monetary items in the balance sheet are not translated at the balance sheet date, but are measured at historical cost at the exchange rate on the date of the transaction, except for non-monetary items at fair value, in which case they are translated at the fair value date. Income and expenses based on exchange rate differences and the effects of the currency clause are recorded in the income statement for the observed period.

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

The middle exchange rate	in RSD	
	30/06/2020	31/12/2019
EUR	117,5760	117,5928
USD	104,6329	104,9186
GBP	128,6671	137,5998

### 3.4. Intangible assets

Intangible assets relate to purchased software and licenses and are stated at cost less amortization and are depreciated on a straight-line basis.

### 3.5. Property, plant and equipment, biological assets

Property, plant and equipment, which meet the conditions for recognition of assets, are measured at purchase value or cost. The purchase value is the invoice value of the purchased assets increased by all costs incurred until their putting into use.

Subsequent to initial recognition, property, plant and equipment (other than tools and inventory to which the cost model applies) are stated at revalued amount, expressing their fair value at the date of revaluation, less the total amount of the allowance for depreciation and the total amount of the allowance. impairment losses.

The fair value of real estate is their market value which is determined by appraisal. Revaluation is performed only when the fair value of the revalued asset differs materially from its carrying amount.

Revaluation gains are recognized in other gains and losses in favor of the revaluation reserve in equity. Up to the amount of previously recognized revaluation losses or on the basis of impairment recognized in the income statement, revaluation gains are recognized in the income statement, and the rest of the gains are recognized in other gains and losses. Revaluation losses are recognized after impairment or impairment testing, and are recognized in other gains and losses up to the amount of the previously recognized revaluation reserve in equity, and the remaining losses are recognized in the income statement. Upon expenditure or disposal of an asset, the related revaluation reserve is transferred directly to retained earnings.

The assessment of the value of real estate, plant and equipment was performed on 1st January 2019. Gains or losses arising on disposal or disposal are recognized as income or expense in the income statement.

### 3.6. Depreciation

Depreciation of property, plant and equipment is calculated on a straight-line basis over their estimated useful lives. The depreciation rates used are shown in the table below:

	%	
	2020	2019
<b>Buildings:</b>		
<i>Electricity and water management facilities</i>	2.33 - 20	2.33 - 20
<i>Roads, airports and parking lots</i>	2.27 - 50	2.27 - 50
<i>Other buildings</i>	2.86 - 100	2.86 - 100
<i>Apartments</i>		1.54
<b>Equipment:</b>		
<i>New specific equipment</i>	2.50 - 50	2.50 - 50
<i>Road traffic equipment</i>	3.33 - 50	3.33 - 50
<i>Equipment for PTT traffic and TV</i>	33,33 - 50	33.33 - 50
<i>Air traffic equipment</i>	2.86 – 16.67	2.86 – 16.67
<i>Measuring and control apparatus and specific apparatus</i>	5 – 12.50	5 – 12.50
<i>Laboratory equipment, school supplies and medical equipment</i>	-	-
<i>Electronic, computing machines and computers</i>	5,26 – 33.33	5.26 – 33.33
<i>General purpose furniture and appliances</i>	2.84 – 7.69	2.84 – 7.69
<i>Road traffic equipment leased</i>	6,67 – 11,11	6,67 – 11,11
<i>Equipment and plants</i>	2,94 - 100	2,94 - 100
<i>Tools and inventory</i>	- 3,57	- 3,57
<b>Intangible assets:</b>		
<i>Software and licenses</i>	33,33	-

### 3.7. Investment property

Investment real estate is real estate that the Company, as the owner, holds for the purpose of earning money from renting real estate or for increasing the value of capital or for both, and not for use for providing services or for administrative purposes or sale within regular business. The initial measurement of investment property at the time of acquisition is performed at purchase value or cost price. After initial recognition, investment property is valued at fair value, at the end of each business year. Positive and negative effects based on changes in the fair value of investment property are recognized in the income statement.

### **3.8. Impairment**

On each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated so that any impairment loss can be determined. If it is not possible to estimate the recoverable amount of an individual asset, the Company assesses the recoverable amount of the cash-generating unit which the asset belongs to.

The recoverable amount is the net selling price or value in use, whichever is higher. For the purposes of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

In the event of a subsequent reversal of an impairment loss, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated recoverable amount of the asset, with the higher carrying amount not exceeding the carrying amount that would have been determined if no previous loss had been recognized. Asset (cash-generating unit) due to impairment. A reversal of an impairment loss is recognized immediately in profit or loss, unless the asset is stated at its estimated value, in which case the reversal of the impairment loss is recognized as an increase due to revaluation.

As of 30<sup>th</sup> September 2020, based on the assessment of the Company's management, there are no indications that the value of assets has been impaired.

### **3.9. Stock**

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

Net realizable value is the price at which stock can be sold in the ordinary course of business after deducting selling expenses. The purchase value includes the value according to the supplier's invoices, transport and dependent purchase costs.

The calculation of inventory output is determined by the method of an average weighted purchase price.

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

Offsetting other expenses is used to adjust the value of inventories in cases when it is estimated that it is necessary to reduce their value to the net expected sales value (including inventories with slow turnover, redundant and obsolete inventories). Damaged inventories and inventories that do not meet quality standards are written off.

### **3.10. Taxes and contributions**

#### **Income tax**

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

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

## **Current income tax**

Current income tax assets or liabilities represent liabilities or receivables from fiscal authorities in respect of current or prior periods that were not realized at the date of these financial statements.

Current income tax is the amount calculated by applying the prescribed tax rate of 15% on the basis determined by the tax balance, which is the amount of profit before tax after deducting the effects of adjusting income and expenses, in accordance with tax regulations of the Republic of Serbia, less tax credits. .

The Law on Profit Tax of the Republic of Serbia does not stipulate that tax losses from the current period can be used as a basis for refunds of taxes paid in previous periods. However, losses reported in the tax balances up to 2009 may be used to reduce the tax base of future accounting periods in the next ten years from the date of exercise of the right, and losses incurred and reported in the tax balance for 2010, and beyond, may be used to reduce the tax base of future accounting periods, but not longer than five years.

The Law on Profit Tax of the Republic of Serbia in the part of tax credits prescribes that taxpayers who have exercised the right to tax incentive from Art. 48 of the previous law, and expressed in the Tax Balance and the tax return for 2013, can use this right until the expiration of the deadline and in the manner prescribed by the previous law. According to Art. 48, paragraph 5 of the previous law, "the unused part of the tax credit may be transferred to the income tax account of future accounting periods up to the prescribed limit of 33% (for large and medium-sized legal entities), but not longer than 10 (ten) years, which is applied starting from the tax balance for 2003. " When determining the income tax for 2017, the earliest previous tax period from which the unused tax credit can be used is the tax balance, i.e. the PK form from 2007. The transferred tax credit is used in the order of investment.

## **Deferred income tax**

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

Deferred tax assets and liabilities are calculated at a tax rate of 15%, the application of which is expected in the period when the asset will be realized or the liability is settled.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also allocated to equity.

## **Taxes and contributions that do not depend on the results**

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

## **Tax risks**

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by the tax authorities in relation to the Company's transactions and activities may differ from management's interpretation. As a result, transactions may be challenged by the tax authorities and an additional amount of taxes, penalties and interest may be imposed on the Company. The period of obsolete tax liability is five years. This practically means that the tax authorities have the right to order the payment of outstanding liabilities within five years from the time the obligation incurred.

### **3.11. Benefits for employees**

#### ***Taxes and contributions to employee social security funds***

In accordance with the regulations applicable in the Republic of Serbia, the Company is obliged to pay contributions to state funds that provide for the social security for employees. These obligations include

employee contributions paid by the employer in amounts calculated at the rates prescribed by the relevant legal regulations. The company is also obliged to suspend contributions from the gross salaries of employees and to pay them to those funds on behalf of employees. Employer contributions and employee contributions are credited to the expenses of the period which they relate to.

### ***Liabilities based on severance pay and jubilee awards***

The Company has engaged a Certified Actuary to assess the provision for retirement benefits and jubilee awards as of 31st December 2019, based on the Rules of Procedure, adopted on 11th January 2019, which stipulates that the Company has an obligation to pay employees:

- Retirement severance pay in the amount of four average monthly salaries without taxes and contributions paid to the Employer in the month prior to the payment of severance pay
- Jubilee award for the total time spent in employment with the Employer in the amount of the average monthly salary without taxes and contributions paid to the Employer for the month preceding the month in which the employee acquired the right to the jubilee award for:
  - 10 years of work - in the amount of one monthly salary;
  - 20 years of work - in the amount of two monthly salaries;
  - 30 years of work - in the amount of three monthly salaries;
  - 35 years of work for women and men - in the amount of four monthly salaries;

At the end of each business year, the Company assesses the provision for severance pay and jubilee awards in accordance with the requirements of the standard IAS-19 - Employee Benefits.

The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 34a.

### **3.12. Leasing**

Leasing is classified as a finance lease in all cases where the lease transfers substantially all the risks and rewards of ownership to the lessee. Every other lease is classified as an operating lease.

#### **Company as a lessor**

Operating lease income is recognized using the straight-line method over the lease term.

#### **The Company as a lessee**

Assets held under finance leases are initially recognized as assets of the Company at the present value of the minimum lease payments determined at the beginning of the lease period. The corresponding liability to the lessor is included in the balance sheet as a liability under a finance lease.

Payment of the lease installment is allocated between the finance charge and the reduction of the lease liability so as to achieve a constant rate of participation in the outstanding liability. Financial expenses are recognized immediately in the income statement, unless they can be directly attributed to assets that are ready for use, in which case they are capitalized in accordance with the general policy of the Company on borrowing costs.

Operating lease installments are recognized as an expense on a straight-line basis over the term of the lease, unless there is another systematic basis that better reflects the timing of the expenditure of economic benefits from the leased asset.

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

### **3.13. Financial instruments**

Any contractual right that gives rise to a financial asset and a financial liability or equity instrument is recognized as a financial instrument on the settlement date.

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

Derecognition of financial assets is when the contractual rights to the cash flows from the financial asset expire or when substantially all risks and rewards have been transferred. Derecognition of financial liabilities is when the liability is extinguished, settled, canceled or expired.

### ***Long-term investments***

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

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

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

Long-term loans to employees are stated at fair value at a discount using the market interest rate.

### ***Short-term receivables and placements***

Short-term receivables and placements include receivables from sales, and other receivables, as well as short-term placements to employees.

Receivables from the sale of services and goods are measured at the values from the original invoice. Invoiced interest related to the sale of goods and services is recognized as other receivables and is recognized in income in the period in which it arises.

Other receivables and placements originating from the company are measured at amortized cost.

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

### ***Impairment of financial assets***

At each balance sheet date, objective evidence of the value of assets is assessed by analyzing the expected net cash inflows.

For all receivables for which there is a reasonable suspicion that they will not be collected in the nominal amount, the receivables are corrected. Direct write-off is done only after the end of the court dispute or after the decision of the governing body.

### ***Cash and cash equivalents***

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

### ***Financial liabilities***

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

Financial liabilities are initially recognized in the amount of funds received. After initial recognition, a financial liability is measured at the amount at which the liability was initially recognized, less principal repayments, increased by amounts of capitalized interest and less any write-off granted by the creditor. Liabilities based on interest on financial liabilities are recorded at the expense of financial expenses in the period to which they relate and presented within other short-term liabilities and accrued costs and deferred revenue.

### **3.14. Capital, reserves and payment of profits (dividends)**

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

Other capital components include:

- Revaluation reserves based on revaluation of property, plant and equipment
- Other reserves

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

Distributed profit (dividend) is recognized as part of liabilities when the Company's General Meeting adopts a decision on profit distribution.

### **3.15. Provisions, potential assets and contingent liabilities**

Provisions for legal disputes, harmful contracts or other claims on the Company are recognized when the Company incurs a legal or constructive obligation as a result of a past event, when there is a known outflow of economic benefits from the Company and when the amount of such outflows can be reliably estimated. The timing or exact amount of that outflow may still be uncertain.

Restructuring costs are recognized only if there is a detailed formal restructuring plan and management has communicated the main features of the plan to all those affected by the plan or the execution of the plan has already begun. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated costs necessary to settle the present obligation, based on the most reliable evidence available at the date of adoption of the report, including the risks and uncertainties associated with the present obligation. For a number of similar liabilities, the probability of a settlement outflow is determined at the class of liabilities. Provisions are discounted to present value if the amount of the discount is material.

Any compensation in respect of liabilities that the Company is certain to realize from a third party is recognized as a separate asset. However, this asset cannot be more than the related provision.

No liability or provision is recognized unless the outflow of economic benefits embodied in the present obligation is recognized. Such situations are disclosed as contingent liabilities, except when the probability of an outflow is low.

### **3.16. Overview of significant accounting estimates**

The presentation of financial statements requires management to use the best possible estimates and reasonable assumptions, which have an effect on the presented values of assets and liabilities as well as disclosure of contingent receivables and liabilities at the date of preparation of financial statements, income and expenses during the reporting period. These estimates and assumptions are based on information available at the date of preparation of the financial statements. Actual amounts may differ from those estimated.

The following are key assumptions regarding the future and other sources of estimating uncertainty at the balance sheet date that pose a significant risk, for material adjustments to the amount of balance sheet items in the next financial year.

#### **3.17.1. Depreciation and depreciation rate**

Depreciation calculation and depreciation rates are based on the projected economic life of property, plant and equipment. Once a year, the Company estimates the economic life based on current forecasts.

In addition, due to the importance of fixed assets in the total assets of the Company, any change in the above assumptions may lead to material effects on the financial position of the Company, as well as on the financial result. In accordance with the accounting policy of the Company for subsequent valuation of property, plant and equipment, they are stated according to the revaluation model that expresses their fair value at the date of

revaluation, less the total amount of impairment based on depreciation and the total amount of impairment based on impairment losses. The fair value of real estate is their market value which is determined by appraisal. The assessment of intangible assets, real estate, plant and equipment was performed on January 1, 2019. year by the authorized appraiser KPMG d.o.o. Belgrade. Depreciation costs for assets that have been assessed are calculated based on the estimated remaining life.

### **3.17.2. Impairment of uncollectible receivables**

We have calculated the allowance for receivables older than 60 days, based on the estimated losses due to the inability of the customer to meet the necessary obligations. Our assessment is based on the age analysis of trade receivables, historical write-offs, creditworthiness of our customers and changes in sales conditions, when determining the adequacy of the value adjustment of doubtful and disputed receivables. This includes assumptions about future customer behavior and the resulting future charges. Management believes that no additional value adjustment of receivables is required, other than the value adjustment already shown in the financial statements.

### **3.17.3. Court disputes (Litigation)**

In general, provisions are significantly subject to estimates. The Company assesses the probability that adverse events may occur as a result of past events and assesses the amount required to settle the obligation. Assessment of contingent liabilities based on litigation is performed by internal expert services or external advisors.

Although the Company respects the precautionary principle in its assessment, as there is a high degree of uncertainty, in some cases the actual results may deviate from these estimates.

### **3.17.4. Fair value**

Fair value for disclosure purposes in accordance with the requirements of IFRS 13 is defined as the price that would be acquired for the sale of an asset, or paid to transfer a liability in a regular transaction between market participants at the measurement date.

The Company's business policy is to disclose information about the fair value of assets and liabilities for which there is official market information and when the fair value differs significantly from the carrying amount. There is not enough market experience in the Republic of Serbia, as well as stability and liquidity in the purchase and sale of receivables and other financial assets and liabilities, as official market information is not available at all times. Therefore, fair value cannot be reliably determined in the absence of an active market. The Management Board of the Company performs a risk assessment and in cases when it is estimated that the value at which the assets are kept in the business books will not be realized, it performs value adjustment. In the opinion of the Company's management, the amounts in these financial statements reflect the value that, in the circumstances, is the most reliable and useful for reporting purposes.

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

The value estimation techniques, which are used to measure fair value, should make maximum use of relevant observable inputs and minimize the use of unobservable inputs.

In order to increase consistency and comparability in measuring fair value and related disclosures, a fair value hierarchy is established which classifies into three levels of inputs for valuation techniques, which are used in measuring fair value according to the structure that follows:

Level 1 inputs - are quoted prices (unadjusted) in an active market for identical assets and liabilities to which the entity has access at the measurement date. Level 1 input assumptions relate to the existence of a primary market for an asset or liability or, in the absence of a primary market, the most favorable market for an asset or liability; and whether the entity can realize a transaction for an asset or liability at market price on the measurement date.

Level 2 inputs - are inputs that are not quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include the following: quoted prices for similar assets or

liabilities in an active market, quoted prices for identical or similar assets or liabilities in inactive markets, non-quoted prices, if observable for assets or liabilities, and market-supported inputs.

Level 3 inputs - are unobtrusive inputs for assets or liabilities, which the entity develops using the best information available in the circumstances. Thus, all reasonably available information on the assumptions of market participants is considered. Unobtrusive inputs are considered market participants' assumptions and meet the fair value measurement objective.

#### 4. REVENUE FROM SALE OF PRODUCTS AND SERVICES

Structure of revenues from sales of products and services	In 000 RSD	
	I-IX2020	I-IX 2019
Revenues from sales of products and services on the domestic market		4,191
Revenues from sales of finished products and services on foreign markets		
<b>Total</b>	-	<b>4,191</b>

Revenues from the sale of services represent pre-invoiced costs.

#### 5. OTHER OPERATING INCOME

Structure of other operating income	In 000 RSD	
	I-VI 2020	I-VI 2019.
Stamp revenue	4,250	4,250
Revenues from periodic concession fee	132,357	255,856
Decrease in revenue based on OS transferred to Active accruals(assets sold on the 1st day of the beginning of the Concession Agreement)	(34,781)	
Income from non - monetary compensation (property) - Land	59,737	
Revenues from pre-invoiced costs	1,772	
<b>Total</b>	<b>163,335</b>	<b>260,106</b>

As explained in point 2.2. of the Note, the Company recognized as income the following:

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it is incurred. Revenue on this basis is RSD 208,784 thousand. Due to the declaration of a virus epidemic, i.e. the application of force majeure, in the period until 30th September 2020, the realized concession fee is at a level that implies a reduction in the number of passengers at Nikola Tesla Airport, which was reflected in DPN's business during the observed period. As stated in Note no. 48, the management's assessment implies that the financial condition of the Company is such that there is no uncertainty regarding the Company's ability to continue as a going concern.

- A part of the fee based on the sale of other assets that SPC will use until the end of their useful life in terms of revenue reduction during the concession period in the amount of RSD 52,460 thousand.
- Income on the basis of non-monetary compensation related to deferred income for Additional land on the basis of the transfer of ownership rights in the amount of RSD 89,606 thousand .

## 6. COST OF MATERIALS

Structure of cost of materials	In 000 RSD	
	I-IX 2020	I-IX 2019
Production costs (basic materials, tools and inventory, work and official clothing and footwear)		
Overhead costs (office and other materials)	787	962
Spare parts costs		
<b>Total</b>	<b>787</b>	<b>962</b>

## 7. FUEL AND ENERGY COSTS

Structure of fuel and energy costs	In 000 RSD	
	I-IX 2020	I-IX 2019
Gasoline and diesel fuel costs	669	627
Electricity costs	47	-
<b>Total</b>	<b>716</b>	<b>627</b>

## 8. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES

Structure of salary expenses, salary compensation and other personal income	In 000 RSD	
	I-IX 2020	I-IX 2019
Gross earnings and earnings allowances	78,795	73,771
Taxes and contributions borne by the employer	12,827	12,360
Costs of fees under the contract of work and copyright	369	846
Costs of fees under the contract on temporary and occasional jobs	3,848	4,891
Fee costs for members of the Supervisory Board, SA, Audit Committee	5,850	5,696
<b>Other personal income</b>		
<i>Transportation costs</i>	575	763
Official expenses	444	993
Severance pay and jubilee awards	54	
Voluntary pension insurance premiums	1,511	1,615
Solidarity assistance (newborns, treatments, natural disasters and other)	341	257
<i>Other personal expenses</i>	75	48
<b>Overall</b>	<b>3,000</b>	<b>3,676</b>
<b>Total</b>	<b>104,689</b>	<b>101,240</b>

## 9. COSTS OF PRODUCTION SERVICES

Structure of costs of production services	In 000 RSD	
	I-VI 2020.	I-VI 2019.
<b>Costs of transportation services:</b>		
<i>Costs of telephone and other PTT services</i>	1,993	1,579
<i>Costs of maintenance services</i>	2,493	12,528
<i>Rental costs</i>	21,849	16,913
<i>Advertising and propaganda costs (sponsorships)</i>	-	12,576
<b>Costs of other production services:</b>		
<i>Utility costs</i>	12	1,839
<i>Costs of other services</i>	173	453
<b>Subtotal</b>	<b>185</b>	<b>2,292</b>
<b>TOTAL</b>	<b>26,520</b>	<b>45,888</b>

## 10. DEPRECIATION COSTS

Structure of depreciation costs	In 000 RSD	
	I-VI 2020	I-VI 2019
Depreciation costs for intangible assets	6,057	
Depreciation costs for real estate	297,252	
Depreciation costs for equipment	207,002	
<b>Total</b>	<b>510,311</b>	

the calculation of depreciation costs in the same period of the previous year in relation to the period I-IX of the current year differs as a result of treating the depreciation costs occurred in the period of I-IX of the current year in accordance with IFRS 16 standard applied and related to the Concession Agreement.

## 11. PROVISION COSTS

Provision cost structure	In 000 RSD	
	I-IX 2020	I-IX 2019
Provisions for retirement benefits		
Provisions for jubilee awards		
Provisions for litigation	15,000	21,000
<b>Total</b>	<b>15,000</b>	<b>21,000</b>

## 12. INTANGIBLE COSTS

Structure of intangible costs	In 000 RSD	
	I-IX 2020	I-IX 2019
<b>Costs of non-productive services:</b>		
Costs of cleaning services	931	
Costs of consulting services	1,853	4,559
Cost of professional training services	356	465
Costs for services on existing PIS software	1,800	4,603
Costs of other non-productive services	49,228	32,833
<b>Subtotal</b>	<b>54,168</b>	<b>42,460</b>
Representation costs	1,793	1,302
Insurance costs	432	296
Payment transaction costs	448	2,170
Membership fees costs	355	975
Tax fees costs	67,560	55,831
Other intangible costs	11,117	3,880
<b>Total</b>	<b>135,873</b>	<b>106,914</b>

## 13. FINANCIAL INCOME

Structure of financial income	In 000 RSD	
	I-IX 2020	I-IX 2019
Interest income	4,757	18,037
<b>Positive exchange rate differences and positive effects of the currency clause:</b>		
Positive exchange rate differences	5,213	49,867
Revenues from the effect of the currency clause	1	699
<b>Subtotal</b>	<b>5,214</b>	<b>50,566</b>
Other financial income		
<b>Total</b>	<b>9,971</b>	<b>68,603</b>

## 14. FINANCIAL EXPENSES

Structure of financial expenses	In 000 RSD	
	I-IX 2020	I-IX 2019
Interest expenses	9	9,717
<b>Negative exchange rate differences and negative effects of the currency clause:</b>		
Negative exchange rate differences	18,510	125,221
Negative effects of the currency clause	1	1,798
<b>Subtotal</b>	<b>18,511</b>	<b>127,019</b>
Other financial expenses		
<b>Total</b>	<b>18,520</b>	<b>136,736</b>

#### 15. INCOME FROM ADJUSTMENT OF VALUE OF OTHER ASSETS

Structure of income from valuation adjustments of other assets stated at fair value through Income statement	In 000 RSD	
	I-IX 2020	I-IX 2019
Income from adjustment of receivables from individuals for housing loans based on collection and assessment of fair value		
Revenue from adjusting the value of trade receivables for services		
<b>Total</b>	-	-

#### 16. EXPENSES FROM ADJUSTING THE VALUE OF OTHER ASSETS

Structure of expenses from adjusting the value of other assets that are stated at fair value through the income statement	In 000 RSD	
	I-IX 2020	I-IX 2019
Impairment of receivables for housing loans	-	
Expenses from adjusting the value of trade receivables	-	
Expenses from adjusting the value of interest receivables		
Expenses from adjusting the value of receivables from employees		
<b>Total</b>	-	-

#### 17. OTHER INCOME

Structure of other income	In 000 RSD	
	I-IX 2020	I-IX 2019
Profits from sale of equipment and materials	-	1,592
Collected written-off receivables	2,763	12,123
Income from reversal of long-term provisions for litigation	3,317	19,692
Revenues from contracted revaluation	607	641
Income from reduction of liabilities	-	522,873
<b>Other not stated revenues:</b>		
<i>Revenues from reimbursement of court costs</i>	1,303	1,144
<i>Revenues from damages from legal entities and individuals</i>	5,885	
<i>Other</i>	32	21
<b>Subtotal</b>	<b>7,220</b>	<b>1,165</b>
Income from adjusting the value of intangible assets		
Income from adjusting the value of real estate, plant and equipment	-	62,488
Income from adjusting the value of other assets	882	
<b>Total</b>	<b>14,789</b>	<b>620,574</b>

18. OTHER EXPENSES

Structure of other expenses	In 000 RSD	
	I-IX 2020	I-IX 2019
Losses due to land transfer free of charge		9,528
Losses from sale / disposal of equipment and materials		
Deficits		
Expenses based on direct write-offs of receivables		
<b>Other not stated expenses:</b>		
<i>Court costs</i>	11,406	877
<i>Other</i>	6,418	
<b>Subtotal</b>	<b>17,824</b>	<b>877</b>
Impairment of property, plant and equipment		528,162
Impairment of intangible assets		16,168
Impairment of other assets		18
<b>Total</b>	<b>17,824</b>	<b>554,753</b>

19. NET PROFIT / LOSS DUE TO PREVIOUS ERROR CORRECTION

Structure of net profit/loss on previous error correction	In 000 RSD	
	I-IX 2020	I-IX 2019
Subsequent revenue from previous years	14,329	11,629
Subsequent expenses from previous years	(15,572)	(38,868)
<b>Net profit/loss on previous error correction</b>	<b>(1,243)</b>	<b>(27,239)</b>

20. PROFIT/LOSS BEFORE TAXATION

Structure of gross results	In 000 RSD	
	I-IX 2020	I-IX 2019
Operating income	256,293	393,901
Operating expenses	793,896	276,631
<b>Operating results</b>	<b>(537,603)</b>	<b>117,270</b>
Financial income	9,971	68,603
Financial expenses	18,520	136,736
<b>Financial result</b>	<b>(8,549)</b>	<b>-68,133</b>
Income from adjusting the value of other assets at fair value through Income statement	-	-
Other income	14,789	620,574
Expenses from adjusting the value of other assets at fair value through Income statement	-	-
Other expenses	17,824	554,753
<b>Result of other income and expense</b>	<b>(3,035)</b>	<b>65,821</b>
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period	(1,243)	
Net loss from discontinued operations, changes in accounting policies and corrections of errors from the previous period		27,239
<b>TOTAL OF INCOME</b>	<b>295,382</b>	<b>1,094,707</b>
<b>TOTAL OF EXPENDITURE</b>	<b>845,812</b>	<b>1,006,988</b>
<b>PROFIT/LOSS BEFORE TAXATION</b>	<b>(550,430)</b>	<b>87,719</b>

## 21. INCOME TAX AND NET INCOME / (LOSS)

Tax calculation structure of income and net income /(loss)	In 000 RSD	
	I-IX 2020	I-IX 2019
Income (loss) before taxation	(550,430)	87,719
Capital income (loss) reported in Income statement		
Adjustment and correction of income / (expenditure) in the tax balance	(147,937)	(361,959)
<b>Taxable income / (loss)</b>	<b>(698,367)</b>	<b>(274,240)</b>
The amount of loss from the tax balance from previous years up to the amount of taxable income		
<b>The rest of the taxable profit</b>	-	-
Capital gains / (losses) calculated in accordance with the Law		
<b>Transferred capital losses from previous years up to the amount of capital gain in accordance with the Law</b>		
<b>The rest of capital income</b>	-	-
<b>Tax base</b>	-	-
<b>Calculated tax (15% of the tax base)</b>	-	-
<b>Total deductions of calculated tax</b>		
<b>Calculated tax after the deduction</b>	-	-
<b>Income/(loss) before taxation</b>	<b>(550,430)</b>	<b>87,719</b>
<b>Tax (expenditure) of the period</b>	-	-
<b>Deferred tax income / (expense) for the period</b>	1,494	(11,048)
<b>Net income /(loss)</b>	<b>(548,936)</b>	<b>76,671</b>
<b>Effective tax rate</b>	<b>0.27%</b>	<b>12.59%</b>

## 22. PROFIT PER SHARE

Indicator	In 000 RSD	
	I-IX 2020	I-IX 2019
Net acquisition belonging to owners	(550,430)	76,671
Average weighted number of shares	35,026,129	35,026,129
<b>Profit per share (in RSD)</b>	<b>(15.71)</b>	<b>219</b>

**23. INTANGIBLE ASSETS**

In 000 RSD

<b>Intangible assets structure</b>	Concessions, patents, licenses, software and other rights	Intangible assets in preparation	Advances for intangible assets	<b>Total</b>
<b><u>Procurement value</u></b>				
Opening balance on 1st January 2019	433,593		1,595	435,188
Correction of the opening balance				0
Balance on 1st January 2018 after correction	433,593	-	1,595	435,188
Procurement during the year		18,551		18,551
Transfer from intangible assets in progress				-
Transfer to active accruals sold on the first day of the concession	(290,086)			(290,086)
			(1,595)	(1,595)
<b><u>Assessment of the fair value</u></b>				
Revaluation reserves	31,648			31,648
Reduction at the expense of previous rev. reserves				
Revaluation revenues				
Revaluation expenses	(16,168)			(16,168)
Impairment of present value for accumulated depreciation	(158,987)			(158,987)
<b>Balance on 31<sup>st</sup> December 2019</b>	-	18,551	-	18,551
Correction of the opening balance				-
<b>Balance as of 1st January 2020 after correction</b>	-	18,551	-	18,551
Procurement during the year		25,571		25,571
Transfer from intangible assets in preparation	43,818	(43,818)		-
Disposals, expenditures and sales				-
Transfer to active accruals				-
Other		(304)		(304)
<b>Balance on 30<sup>th</sup> September 2020</b>	43,818	-	-	43,818
<b><u>Value adjustment</u></b>				
<b>Opening balance as of 1<sup>st</sup> January 2019</b>	158,987			158,987
Correction of the opening balance				-
<b>Balance on 1<sup>st</sup> January 2019 after the correction</b>	158,987	-	-	158,987
Depreciation in the current year				0
Reversal of impairment after the assessment of fair value of assets	(158,987)			(158,987)
Other				-
<b>Balance on 31<sup>st</sup> December 2019</b>	-	-	-	-
Correction of the opening balance				-
<b>Balance as of 1<sup>st</sup> January 2020 after the correction</b>	-	-	-	-
Depreciation in the current year	6,057			6,057
Disposals, expenditures and sales				-
Other				-
Repeal of correction of value after the estimation of the fair value of the assets				-
Adjustment of the value of the advance				-
<b>Balance as of 30<sup>th</sup> September 2020</b>	6,057	-	-	6,057
<b><u>Net current value</u></b>				
<b>31<sup>st</sup> December 2019</b>	-	18,551	-	18,551
<b>30<sup>th</sup> September 2020</b>	37,761	-	-	37,761

During 2020, investments were made in intangible assets - licenses and software in the amount of RSD 25,571 thousand

## 24. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL FUNDS - 2019

<b>Property, Plant and Equipment and Biological Assets Structure</b>	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	<b>Total – property, plants and equipment</b>	<b>Biological funds- basic herd</b>
<b>Procurement value</b>									
<b>Opening balance, 1<sup>st</sup> January 2019</b>	<b>9,968,707</b>	<b>11,701,881</b>	<b>6,562,986</b>	-	<b>3,619</b>	<b>3,519</b>	<b>15,812</b>	<b>28,256,524</b>	<b>124</b>
Procurement during the year						3,044,561		3,044,561	
Transfer from the investments in progress	2,986,857	13,339	47,884			(3,048,080)		-	
Disposal, expenditure and sale	(9,789)	(22,469)	(46,829)					(79,087)	
Other advances							(15,812)		
Transfer to active accruals - basic assets sold on the first day of the concession			(1,466,573)		(3,619)			(1,470,192)	(96)
<b>Assessment of the fair value of the property</b>								-	
Revaluation reserves	1,234,574	607,378	434,871					2,276,823	
Reduction at the expense of earlier revaluation reserves		(28,033)	(75,486)					(103,519)	
Revaluation revenues		55,578	6,910					62,488	
Revaluation expenses		(389,264)	(138,898)					(528,162)	(28)
. Reduction of the current value for accumulated depreciation		(716,972)	(1,199,887)					(1,916,859)	
<b>Balance on 31<sup>st</sup> December 2019</b>	<b>14,180,349</b>	<b>11,221,438</b>	<b>4,124,978</b>	-	-	-	-	<b>29,542,577</b>	-
<b>Adjustment of value</b>									
<b>Opening balance as of 1<sup>st</sup> January 2019</b>	-	<b>716,972</b>	<b>1,221,482</b>	-	-	-	<b>15,812</b>	<b>1,954,266</b>	-
Depreciation in the current year	-	409,800	271,469	-	-	-	-	681,269	-
Oher - Advances							(15,812)		
Disposal, expenditure and sale	-	(192)	(21,595)	-	-	-	-	(21,787)	-
Repeal of correction of value after estimation of fair value of the assets	-	(716,972)	(1,199,887)	-	-	-	-	(1,916,859)	-
<b>Balance on 31<sup>st</sup> December 2019</b>	-	<b>409,608</b>	<b>271,469</b>	-	-	-	-	<b>696,889</b>	-
<b>Net current value</b>									
<b>31<sup>st</sup> December 2018</b>	<b>9,968,707</b>	<b>10,984,909</b>	<b>5,341,504</b>	-	<b>3,619</b>	<b>3,519</b>	-	<b>26,302,258</b>	<b>124</b>
<b>31<sup>st</sup> December 2019</b>	<b>14,180,349</b>	<b>10,811,830</b>	<b>3,853,509</b>	-	-	-	-	<b>28,845,688</b>	-

**24 a. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL FUNDS - 2020**

<b>Property, Plant and Equipment and Biological Assets Structure for 2020</b>	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	<b>Total – property, plants and equipment</b>	Biological funds- basic herd
<b><u>Procurement value</u></b>									
<b>Opening balance as of 1<sup>st</sup> January 2020</b>	<b>14,180,349</b>	<b>11,221,438</b>	<b>4,124,978</b>	-	-	-	-	<b>29,526,765</b>	
Correction of the opening balance	-					-	-	-	
<b>Balance as of 1<sup>st</sup> January 2020 after the correction</b>	<b>14,180,349</b>	<b>11,221,438</b>	<b>4,124,978</b>	-	-	-	-	<b>29,526,765</b>	-
Procurement during the year						41,120		41,120	
Transfer from the investments in progress								-	
Disposal, expenditure and sale								-	
Other		1						1	
<b>Assessment of the fair value</b>								-	
Revaluation revenues								-	
Revaluation expenditure								-	
<b>Final balance as of 30<sup>th</sup> September 2020</b>	<b>14,180,349</b>	<b>11,221,439</b>	<b>4,124,978</b>	-	-	<b>41,120</b>	-	<b>29,567,886</b>	-
<b><u>Value adjustment</u></b>									
<b>Opening balance as of 1<sup>st</sup> January 2020</b>	-	<b>409,608</b>	<b>271,469</b>	-	-	-	-	<b>681,077</b>	-
Correction of the opening balance based on the assessment	-	-	-			-	-	-	
<b>Balance as of 1<sup>st</sup> January 2020</b>	-	<b>409,608</b>	<b>271,469</b>	-	-	-	-	<b>681,077</b>	-
Depreciation in the current year	-	297,252	207,002	-	-	-	-	504,254	-
Disposal, expenditure and sale	-			-	-	-	-	-	-
<b>Final balance as of 30<sup>th</sup> September 2020</b>	-	<b>706,860</b>	<b>478,471</b>	-	-	-	-	<b>1,185,331</b>	-
<b><u>Net current value</u></b>									
<b>1<sup>st</sup> January 2020</b>	<b>14,180,349</b>	<b>10,811,830</b>	<b>3,853,509</b>	-	-	-	-	<b>28,845,688</b>	-
<b>30<sup>th</sup> September 2020</b>	<b>14,180,349</b>	<b>10,514,579</b>	<b>3,646,507</b>	-	-	<b>41,120</b>	-	<b>28,382,555</b>	-

In accordance with the accounting policy of the Company for subsequent valuation of real estate, plant and equipment, they are stated according to the revaluation model which expresses their fair value on the day of revaluation, reduced by the total amount of impairment and depreciation and impairment losses. The fair value of real estate is their market value which is determined by appraisal. In accordance with IAS 16.31 and legal regulations, property valuation is performed in a period of three to five years.

The assessment of intangible assets and real estate, plant and equipment was performed on 1<sup>st</sup> January 2019. year by the authorized appraiser KPMG d.o.o. Belgrade. During the valuation, the valuer was guided by the international financial reporting standard IFRS 13 - Fair Value Measurement, which requires that the valuation of fixed assets be based on information that is observable, i.e. verified in the market. Having in mind the specificity of the Company's assets, as well as the fact that transactions of these types of assets are rare on the market, as well as the fact that assets are subject to concession assets, the appraiser in most cases decided to apply the amortized replacement cost method. In choosing the method, the appraiser used the method of amortized replacement costs - the cost approach in the assessment of equipment and buildings, the method of direct comparison of sales prices - the market approach in the assessment of land and apartments. Discounted cash flow method - the yield approach could not be applied in estimating each individual asset, as it was not possible to identify cash flows generated by individual assets, but was used to determine the economic write-off of the asset.

The effects of the assessment in terms of including the fair value of assets, revaluation reserves, income and expenses in the Income Statement are shown in the table above for changes in property, plant and equipment for 2019.

Total investments in real estate, plant and equipment in the period I - IX 2020 amount to RSD 41,120 thousand and relate to expert supervision related to the implementation of mandatory works by DPN.

Real estate, plant and equipment total RSD 28,382,555 thousand on 30.09.2020. and relate to concession funds given for use in the amount of RSD 28,304,005 thousand, while the funds used by the Company amount to RSD 37,429 thousand and investments in progress of RSD 41,120 thousand.

25. LONG- TERM INVESTMENTS

Structure of the long- term investments	In 000RSD	
	30/09/2020	31/12/2019
Shares in subsidiaries		
Shares in associated companies and joint ventures		
Equity share of other legal entities and other securities available for sale	378,684	378,684
Long-term investments to parent companies and subsidiaries		
Long-term investments to other related legal entities		
Long-term investments in the country		
Long-term investments abroad		
Securities held to maturity		
Other long term investments	212,791	212,634
Sub total	<b>591,475</b>	<b>591,318</b>
Correction of value	<b>(465,865)</b>	<b>(465,865)</b>
Total	<b>125,610</b>	<b>125,453</b>

25a. SHARES IN THE CAPITAL OF OTHER LEGAL ENTITIES AND SECURITIES

Capital share structure	In 000 RSD	
	30/06/2020	31/12/2019
<i>Privredna banka a.d. Beograd</i>	392	392
Minus: Value adjustment	(392)	(392)
<b>Total</b>	-	-
Shares in banks in liquidation:		
<i>Union banka a.d. Beograd in liquidation</i>	667	667
<i>Beogradska banka a.d. Beograd in liquidation</i>	18,988	18,988
<i>Beobanka a.d. Beograd in liquidation</i>	38	38
Minus: Value adjustment	(19,693)	(19,693)
<b>Total</b>	-	-
<b>Shares in foreign entities:</b>		
Mondijal-Bodrum -Turkey	358,598	358,598
<i>Societe International de Telecomunic. Aeronautiques Swisse (SITA)</i>	1	1
Minus: Value adjustment		

	(358,598)	(358,598)
<b>Subtotal</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>1</b>	<b>1</b>

## 256. OTHER LONG-TERM INVESTMENTS

Other long-term investments structure	In 000 RSD	
	30/09/2020	31/12/2019
Funds for membership in Societe Internationale de Telecommunications Aeronautiques Swisse (SITA)	4,027	4.219
<b>Long-term investments given to employees</b>		
<i>Long term loans given to employees</i>	207,245	206,923
Receivables for sold social housing	252	249
Receivables for the purchase of solidarity apartments	1,267	1,243
Minus: Value adjustment	(87,182)	(87,182)
<b>Subtotal</b>	<b>121,582</b>	<b>121,233</b>
<b>Total</b>	<b>125,609</b>	<b>125,452</b>

Receivables from employees for long-term loans for the purchase and repurchase of apartments on 30<sup>th</sup> September 2020 amount to RSD 208,764 thousand. The above refers to loans granted to employees to address housing needs given for a period of 20 - 40 years. During the year, revaluation of housing loans was performed, which are revalued, the effects of which are stated within Other income.

Estimation of fair value of housing loans as of 31<sup>st</sup> December 2019 was performed by a certified appraiser by projecting future cash flows based on the collection of receivables for housing loans, using discount rates: from 4.5% to 8.3%, depending on whether and in what time intervals housing loans are revalued or contracted with currency clause, whether they have an agreed interest rate or are contracted without an interest rate.

## 26. PAID ADVANCES FOR INVENTORIES AND SERVICES

Paid advances for inventories and services structure	In 000 RSD	
	30/09/2020	31/12/2019
Advances for domestic services	7,662	6,496
Advances for foreign services	240	240
Minus: Value adjustment	(3,796)	(4,678)
<b>Total</b>	<b>4,106</b>	<b>2,058</b>

## 27. RECEIVABLES FROM SALE

Structure of receivables from sale	in 000 RSD	
	30/09/2020	31/12/2019
<b>Customers in the country:</b>		
Customers in the country:	250,286	312,659
Minus: Value adjustment	(235,063)	(237,256)
<b>Subtotal</b>	<b>15,223</b>	<b>75,403</b>
<b>Customers abroad:</b>		
<i>Customers abroad</i>	47,946	52,621
Minus: Value adjustment	(29,833)	(29,833)
<b>Subtotal</b>	<b>18,113</b>	<b>22,788</b>
<b>Total</b>	<b>33,336</b>	<b>98,191</b>

The changes in the value adjustment account are shown in the following table.

Change in impairment of sales receivables	In 000 RSD	
	30/09/2020	31/12/2019
Balance as of 1 <sup>st</sup> January	267,089	266,895
Exchange rate differences		12
Additional value adjustment		20,903
Corrected receivables collected	(2,193)	(19,520)
Direct write-off of previously corrected receivables		(1,201)
<b>Total</b>	<b>264,896</b>	<b>267,089</b>

The total value adjustment of trade receivables in the country amounts to RSD 235,063 thousand, which mainly relates to the impairment of receivables from defendant domestic customers in the amount of RSD 233,799 thousand and other domestic customers RSD 1,264 thousand.

The total value adjustment of receivables from foreign customers in the amount of RSD 29,833 thousand refers to the value adjustment of receivables from defendant foreign customers in the amount of RSD 27,116 thousand and other foreign customers RSD 2,717 thousand.

## 28. OTHER RECEIVABLES

Structure of other receivables	In 000 RSD	
	30/06/2020	31/12/2019
<b>Interest and dividend receivables:</b>		
Receivables from customers in the country for default interest	5,481	6,538
Interest receivables on time deposits and via vista interests		503
Interest receivables from housing loans	684	186
<b>Subtotal</b>	<b>6,165</b>	<b>7,227</b>
Receivables from employees		
<i>Receivables from employees</i>	592	607
Minus: Value adjustment	(592)	(592)
<b>Subtotal</b>	<b>-</b>	<b>15</b>
Receivables for overpaid income tax	1,572,245	1,572,245
Receivables from prepaid taxes and other contributions	398	398
Reimbursable compensation claims	15,694	16,267
Claims for damages		
<b>Other receivables</b>		
Other receivables	32,884	33,519
Minus: Value adjustment	(21,293)	(21,863)
<b>Subtotal</b>	<b>11,591</b>	<b>11,656</b>
<b>Total</b>	<b>1,606,093</b>	<b>1,607,808</b>

## 29. SHORT - TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	In 000 RSD	
	30/09/2020	31/12/2019
Short-term loans and borrowings in the country - Short-term loan to employees (winter stores, fuel - 6 months)	3,932	2,432
<b>Other short-term financial investments:</b>		
<i>Short-term time deposits</i>		
<i>Current maturity of long-term housing loans granted to employees</i>	4,343	10,495
<i>Current maturity of long-term investments in Societe Internatonal de Telecommunications Aeronautiques Swisse (SITA)</i>	644	675
<i>Minus: Value adjustment</i>	(266)	(266)
<b>Subtotal</b>	<b>4,721</b>	<b>10,904</b>
<b>Total</b>	<b>8,653</b>	<b>13,336</b>

### 30. CASH EQUIVALENTS AND CASH

Structure of cash equivalents and cash	In 000 RSD	
	30/09/2020	31/12/2019
Current account - RSD	172,781	194,991
Current account - foreign currency	672,217	715,116
Cashier - foreign currency	11	11
<b>Total</b>	<b>845,009</b>	<b>910,118</b>

### 31. VALUE ADDED TAX

Structure of VAT	In 000 RSD	
	30/09/2020	31/12/2019
VAT in received invoices	8,020	
Receivables for overpaid VAT	63,910	40,792
<b>Total</b>	<b>71,930</b>	<b>40,792</b>

### 32. ACTIVE ACCRUALS

Structure of active accruals	In 000 RSD	
	30/09/2020	31/12/2019
Prepaid expenses related to the future period	530	
Receivables for uninvoiced income related to the current period	94,507	175,996
<b>Other active accruals:</b>		
Deferred VAT	3,225	3,225
Other active accruals- Fixed assets sold on the Concession Start Date	1,630,869	1,683,329
<b>Subtotal</b>	<b>1,634,094</b>	<b>1,686,554</b>
<b>Total</b>	<b>1,729,131</b>	<b>1,862,550</b>

#### **Receivable from sale of fixed assets on the Concession Start Date**

- Pursuant to item 2.2 of the Note, Other assets that will be used by SPC until the end of the concession period that are not recognized as assets in accordance with IAS 16 on the start date but are treated as sold on the first day of the concession are other assets not closely related to infrastructure and airport equipment. Initial receivables from these assets reported on the AVR total RSD 1,760,374 thousand (Intangible assets (RSD 290,086 thousand), Equipment (RSD 1,466,573 thousand), Other equipment (RSD 3,619 thousand) and Basic herd (RSD 96 thousand)). These receivables are reduced by the amount of compensation for the sale of these assets during the concession period, which affects the reduction of income. For the period I-IX 2020, the reduction of receivables / revenues amounts to a total of RSD 52,460 thousand.

### 33. EQUITY

Equity structure	in 000 RSD	
	30/09/2020	31/12/2019
Basic capital:		
Share capital	21,015,677	21,015,677
Share premium	306,856	306,856
<b>Subtotal</b>	<b>21,322,533</b>	<b>21,322,533</b>
Repurchased own shares	(33,192)	33,192)
Statutory reserves	6,164,196	6,356,456
Revaluation reserves	2,218,988	2,218,988
Retained earnings / (Loss):		
Retained earnings from previous years	-	261,596
(Loss) from previous years	-	-
<i>(Loss) from the current year</i>	548,936)	(453,857)
<b>Subtotal</b>	<b>(548,936)</b>	<b>(192,261)</b>
<b>Total</b>	<b>29,123,589</b>	<b>29,672,524</b>

#### 33a. SHARE CAPITAL

Pursuant to the Law on Amendments to the Law on the Right to Free Shares and Cash Compensation that Citizens Receive in the Privatization Procedure, the Company was obliged to change its legal form by June 30, 2010 and express its share capital in shares of a certain nominal value. basis of adjusted carrying amount of equity. During 2010, based on the Conclusion of the Government of the Republic of Serbia No. 023-448 / 2010-1, recommendations were given to the Company to select the most favorable consultant who will assess the market value of capital and provide expert assistance in preparing and implementing the procedure for changing the legal forms from a public company to a joint stock company.

On 17<sup>th</sup> June 2010, the Government of the Republic of Serbia passed Decision No. 023-4432 / 2010 on changing the legal form of the Company from a public company to a closed joint stock company.

This change was registered with the Business Registers Agency by Decision No. BD 68460/2010 on 22<sup>nd</sup> June 2010, which registered the capital in the total amount of EUR 214,556,965, which amounts to RSD 20,573,610 thousand on the day of registration.

On 7<sup>th</sup> July 2010, 34,289,350 shares were registered in the Central Registry of Securities, with a nominal value of RSD 600 per share, which as of 31<sup>st</sup> December 2010 were owned by the Republic of Serbia.

In accordance with the Law on the Right to Free Shares and Cash Compensation that Citizens Receive in the Privatization Procedure ("Official Gazette of the Republic of Serbia" No. 123/07 and 30/10) on 9<sup>th</sup> December 2010 based on the Decision of the Government of the Republic of Serbia No. 023- 9103 / 2010-1, the right to transfer 16.85% of the Company's ownership was acquired by citizens of the Republic of Serbia, employees and former employees of the Company.

On 21<sup>st</sup> January 2011, the Assembly of the Company passed Decision No. 21-2 / 1 on the transformation of the Company from a closed to an open joint stock company. The mentioned change was registered with the Business Registers Agency by Decision No. BD 765/2011 on 24<sup>th</sup> January 2011.

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

<b>Share capital on 25<sup>th</sup> January 2011- (transition to open joint-stock company)</b>	<b>Value in thousands of dinars</b>	<b>Number of shares</b>	<b>%of share</b>
Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and former employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
<b>Total</b>	<b>20,573,610</b>	<b>34,289,350</b>	<b>100%</b>

During 2018, the share capital was increased by 736,779 shares with a nominal value of RSD 600.00 per share, based on the recapitalization by the majority owner of the Republic of Serbia, based on the subscription of the second emission (120,521 shares), the third emission (470,904 shares), and the fourth issue (145,354 shares), which increased the total share capital by 442,067 thousand dinars.

Share capital structure as of 30<sup>th</sup> June 2020 is as follows:

<b>Shareholders structure</b>	<b>30/06/2020</b>		
	<b>Value in thousands of dinars</b>	<b>Number of shares</b>	<b>% of share</b>
Republic of Serbia	17,770,021	29,616,702	84.56%
Domestic and foreign individuals	1,949,612	3,249,354	9.28%
Domestic and foreign entities	115,924	193,207	0.55%
Custody persons	1,180,120	1,966,866	5.62%
<b>Total</b>	<b>21,015,677</b>	<b>35,026,129</b>	<b>100%</b>

Overview of the ten largest shareholders on 30<sup>th</sup> September 2020 is given below.

<b>Shareholder</b>	<b>Number of shares</b>	<b>Share</b>
REPUBLIC OF SERBIA	29,616,702	84.56%
OTP BANKA SRBIJA - Custody	807,498	2.31%
VOJVODJANSKA BANKA AD NOVI SAD	645,100	1.84%
OTP BANKA SRBIJA -Custody	366,177	1.05%
RAIFFEISEN BANKA AD -Custody	57,988	0.165%
AIRPORT NIKOLA TESLA JOINT-STOCK COMPANY	55,320	0.16%
BOŽIĆ SVETISLAV	45,003	0.13%
UNICREDIT BANK	36,065	0.10%
KERAMIKA JOVANOVIĆ DOO	32,379	0.09%
DUNAV RE AD	28,231	0.08%

**33b. ISSUE PREMIUM**

Structure of the issue premium	In 000 RSD	
	30/09/2020	31/12/2019
Issue premium – the issue of shares	718,665	718,665
Issues premium - repurchase of own shares	(411,809)	(411,809)
<b>Total</b>	<b>306,856</b>	<b>306,856</b>

**33c. REPURCHASED OWN SHARES**

Structure of the repurchased own shares	In 000 RSD	
	30/09/2020	31/12/2019
Repurchased own shares	33,192	33,192
<b>Total</b>	<b>33,192</b>	<b>33,192</b>

On 30<sup>th</sup> September 2020 the company possess 55.320 own shares.

**33d. RESERVES**

RESERVE STRUCTURE	In 000 RSD	
	30/09/2020	31/12/2019
Statutory reserves	6,164,196	6,356,456
<b>Total</b>	<b>6,164,196</b>	<b>6,356,456</b>

Reserves were created in accordance with the Company's Articles of Association. Statutory reserves were reduced by RSD 192,261 thousand to cover the loss by the decision of the Assembly of the Company adopted at the 27<sup>th</sup> regular session on 28<sup>th</sup> July 2020.

**33e. REVALUATION RESERVES**

Structure of revaluation reserves based on assessment	In 000 RSD	
	30/09/2020	31/12/2019
Revaluation reserves- intangible investments	-	-
Revaluation reserves -land	1,349,369	1,349,369
Revaluation reserves - buildings	567,708	567,708
Revaluation reserves - equipment	301,911	301,911
<b>Total</b>	<b>2,218,988</b>	<b>2,218,988</b>

Revaluation reserves include related deferred tax liabilities.

### 33f. RETAINED PROFIT / LOSSES

Retained profit structure involving changes	In 000 RSD	
	30/09/2020	31/12/2019
<b>Balance as of 1<sup>st</sup> January</b>	<b>261,596</b>	<b>53,162,398</b>
Allocation of retained profit - dividend		(52,928,382)
Allocation of retained profit - employee participation in profit distribution		(234,016)
<b>Subtotal</b>	<b>261,596</b>	<b>-</b>
Profit from previous years, the result of transfer of revaluation reserves to profit on disposal of fixed assets in the current year	-	261,596
Net profit for the current period		
<b>Total</b>	<b>-</b>	<b>261,596</b>

Loss structure involving changes	In 000 RSD	
	30/09/2020	31/12/2019
<b>Balance on 1<sup>st</sup> January</b>	<b>453,857</b>	
Coverage of loss from retained earnings	(261,596)	
Coverage of loss from statutory reserves	(192,261)	
Subtotal	-	-
Loss from the current period	548,936	453,857
<b>Total</b>	<b>548,936</b>	<b>453,857</b>

The Assembly of the Company made a decision on the distribution of profits, i.e. coverage of losses for 2019, at the 27<sup>th</sup> regular session held on 28<sup>th</sup> July 2020. The said decision covered the loss in the amount of RSD 453,857 thousand from the distribution of retained earnings of RSD 261,596 thousand and from the available statutory reserves in the amount of RSD 192,261 thousand.

### 34. LONG-TERM PROVISIONS

Structure of the long-term provisions	In 000 RSD	
	30/09/2020	31/12/2019
Provisions for fees and other employee benefits	5,087	5,087
Provisions for litigation costs	92,406	81,006
<b>Total</b>	<b>97,493</b>	<b>86,093</b>

Changes in long-term provisions based on severance pay, jubilee awards and litigation in the period I-IX 2020, as well as in the period 2019 are shown in the following table.

Description of the change	Severance	Jubilee awards	Total	litigation
<b>Balance as of 1<sup>st</sup> January 2019</b>	251	1,034	<b>1,285</b>	<b>144,339</b>
Subsequent provisions	987	2,815	<b>3,802</b>	29,500
Actuarial gains			-	
Used during the year			-	(73,142)
Reversal of unused amounts			-	(19,691)
<b>Balance as of 31<sup>st</sup> December 2019</b>	1,238	3,849	<b>5,087</b>	<b>81,006</b>
Subsequent provisions			-	15.000
Actuarial gains			-	
Used during the year			-	(283)
Reversal of unused amounts			-	(3,317)
<b>Balance as of 30<sup>th</sup> June 2020</b>	1,238	3,849	<b>5,087</b>	<b>92,406</b>

#### 34a. Provisions for fees and other employee benefits

Provisions for fees and other employee benefits (provisions for unpaid severance pay upon retirement and jubilee awards) are stated on the basis of an actuarial calculation made on 31<sup>st</sup> December 2019.

The assumptions used in the calculation of provisions for severance pay upon retirement and for jubilee awards are given below.

Assumptions used in calculation	2019
Limits for retirement	Articles 19 and 69 of Law on pension and disability insurance
Mortality tables	Serbia, 2012
Discount rate	3,50%
Earnings growth rate	5,00%
Percentage of fluctuation	0,00%
The amount of severance pay in case of retirement at the time of provisioning	Double the average salary of employees in Serbia for September 2019 (RSD 74,160) or double the average salary of the Employer without taxes and contributions, whichever is more favorable
Basis for jubilee awards	The average salary without taxes and contributions with the Employer
Total number of the employees as of 31 <sup>st</sup> December	36

The calculation of provisions for retirement benefits and jubilee awards based on assumptions is as follows:

Calculation of provisions	In 000 RSD	
	Retirement benefits	Jubilee awards
<b>Provisions as of 31<sup>st</sup> December 2018</b>	<b>251</b>	<b>1.034</b>
Interest expense	7	31
The expense of current labor service	77	1,102
The expense of past labor service	443	
Actuarial (profit) / loss	460	1,682
Reversal of provisions during the year in the Company's business books	-	-
Total net change in the provision amount in 2019	<b>987</b>	<b>2.815</b>
<b>Provision balance as of 31<sup>st</sup> December 2019</b>	<b>1,238</b>	<b>3,849</b>

#### 34b. Litigation provisions

The Company has lawsuits against the Company. The amounts of final losses on the basis of litigation may be increased on the basis of accrued default interest until the date of termination of disputes, or until the date of final payments on disputes. As at 30 September 2020, the Company has a provision for potential losses based on these litigations in the amount of RSD 92,406 thousand (31 December 2019: RSD 81,006 thousand) (Note 47). According to the assessment of the Company's management on this basis, no additional material losses are expected in the coming period.

#### 35. RECEIVED ADVANCES DEPOSITS AND BAILS

Structure of the received advances deposits and bails	In 000 RSD	
	30/09/2020	31/12/2019
Advances received from domestic customers	710	873
Advances received from foreign customers	2	2
Deposits received from domestic customers	2,426	3,990
Deposits received from foreign customers	4,166	5,342
Subscriptions from domestic customers	11,444	8,781
Subscriptions from foreign customers	30,874	23,035
<b>Total</b>	<b>49,622</b>	<b>42,023</b>

### 36. OPERATING LIABILITIES

Structure of operating liabilities	In 000 RSD	
	30/09/2020	31/12/2019
Suppliers in the country	28,639	44,724
Suppliers abroad	253	5,577
<b>Other operating liabilities</b>		
<i>For the charged turnover on behalf of the company</i>	7,877	7,877
<i>Other operating liabilities</i>	536	1,370
<b>Subtotal</b>	<b>8,413</b>	<b>9,247</b>
<b>Total</b>	<b>37,305</b>	<b>59,548</b>

### 37. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	In 000 RSD	
	30/06/2020	31/12/2019
Liabilities for wages and salaries	5,694	269
<b>Other liabilities:</b>		
Dividend liabilities	16,598	16,598
Liabilities for profit sharing	275	323
Liabilities to employees	21	
Liabilities to members of NO	425	
Liabilities to individuals for contractual fees	255	
<i>Other liabilities</i>	473	115
<b>Subtotal</b>	<b>18,047</b>	<b>17,036</b>
<b>Total</b>	<b>23,541</b>	<b>17,305</b>

### 38. VAT LIABILITIES

Structure of VAT liabilities	In 000 RSD	
	30/09/2020	31/12/2019
VAT liabilities	95	
<b>Total</b>	<b>95</b>	<b>-</b>

### 39. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES

Structure of liabilities for other taxes, contributions and other duties	in 000 RSD	
	30/09/2020	31/12/2019
Liabilities for tax from results		
Liabilities for taxes, duties and other charges	502	1,943
Other liabilities for other taxes, contributions and other duties	955	539
<b>Total</b>	<b>1,457</b>	<b>2,482</b>

### 40. PASSIVE ACCRUALS

Structure of passive accruals	In 000 RSD	
	30/09/2020	31/12/2019
Accrued expenses:		
Liabilities for calculated expenses for the reporting period		1,683
Calculated costs of procurement of investments in progress	8,567	8,567
<b>Subtotal</b>	<b>8,567</b>	<b>10,250</b>
Prepaid / accrued income	2,368	
Other passive accruals - calculated agreed discounts to customers		43,073
Other passive accruals - Deferred income of non-monetary compensation (assets) for land	2,777,777	2,867,383
<b>Total</b>	<b>2,788,712</b>	<b>53,323</b>

As explained in Notes 2.2 and 26a, during 2019, the ownership rights were transferred to the Company of two cadastral parcels 5251 and 5252 with a total area of 107,650 m<sup>2</sup>. The entry of Additional Land in the Company's business books was made on the basis of an estimate by a certified appraiser in the amount of RSD 2,986,857 thousand. As the transfer of the Additional Land represents a non-monetary leasing fee, it is accrued and recognized as income during the concession period in the amount of RSD 119,474 thousand per year, or RSD 89.606 thousand for the period 1<sup>st</sup> January to 30<sup>th</sup> September 2020.

#### 41. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities	In 000 RSD	
	30/09/2020	31/12/2019
Deferred tax assets	14,777	13,283
Deferred tax liabilities	(737,147)	(737,147)
<b>Net effect of deferred tax assets/(liabilities)</b>	<b>(722,370)</b>	<b>(723,864)</b>

Deferred tax assets are amounts of income taxes that will be recoverable in future periods on the basis of: deductible temporary differences and unused tax credits carried forward. Deductible temporary difference arises in cases when the Company's balance sheets, on certain grounds, already show expenses, which will be recognized from the tax aspect in the following periods. Deferred tax assets are reviewed at 31 December and are recognized only if the Company estimates that it is probable that future taxable profits will be available against which the deferred tax assets can be utilized.

Pursuant to the current Law on Profit Tax, taking into account the assumption of unlimited duration, as a rule, deferred tax assets are recognized on the basis of deductible temporary differences. On the other hand, for the recognition of deferred tax assets on the basis of unused tax losses and tax credits, it is necessary to make a projection of the tax balance for the period when on these bases it is possible to reduce the income tax liability, in accordance with legal solutions.

The amount of deferred tax assets was calculated by multiplying the amount of the ordinary temporary difference by the income tax rate (15%) at the end of the year.

Deferred tax liabilities that relate to prudent temporary differences between the carrying amount of depreciable assets and their tax bases. Namely, due to various provisions on the basis of which the Company determines accounting depreciation and provisions which determine tax depreciation (Law on Corporate Income Tax), the Company will pay higher income tax in future periods than it would pay if tax legislation recognized the actual reported depreciation. For this reason, the Company recognizes a deferred tax liability, which is income tax that will be payable when the Company "recovers" the carrying amount of the asset.

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

Changes in the balance of deferred tax (liabilities) / assets during the period are shown in the table.

					<b>In 000 RSD</b>
Changes in the balance of deferred tax liabilities	Intangible assets, property, plant, equipment and investment property	Provisions for fees and other employee benefits	Litigation provisions	Short-term liabilities (Liabilities for taxes, contributions, etc. Duties and Accrued unpaid income (Article 9))	<b>Total</b>
<b>Balance on 1<sup>st</sup> January 2019</b>	<b>(502.698)</b>	<b>193</b>	<b>21,651</b>	<b>2,331</b>	<b>(478,523)</b>
In favor of the Income Statement	56.907	570	(9,500)	(1,963)	46,014
In favour of Equity	(291,356)				(291,356)
<b>Balance on 31<sup>st</sup> December 2019</b>	<b>(737.147)</b>	<b>763</b>	<b>12.151</b>	<b>368</b>	<b>(723,865)</b>
In favor of the Income Statement			1,710	(215)	1.495
In favour of Equity					
<b>Balance on 30<sup>th</sup> September 2020</b>	<b>(737,147)</b>	<b>763</b>	<b>13,861</b>	<b>153</b>	<b>(722,370)</b>

#### 42. OFF-BALANCE SHEET RECORDS

Pursuant to the legal provisions (Rulebook on the content and form of financial report forms for companies, cooperatives, other legal entities and entrepreneurs), the Company has stated off-balance sheet assets and off-balance sheet liabilities in its financial statements. Items stated within off-balance sheet assets and off-balance sheet liabilities, which are shown in the following table, do not represent the Company's assets or liabilities, but primarily serve in the context of the informative role of users of financial statements.

<b>Off-balance sheet records</b>	<b>In 000 RSD</b>	
	<b>31/09/2020</b>	<b>31/12/2019/</b>
Blank received bills of exchange-pcs	18	17
Domestic blank bills of exchange-pcs	14	14
Dinar guarantees received	119,448	244,469
Foreign currency guarantees received	5,657,317	5,657,918
Given dinar guarantees	4,214	4,214
Given foreign currency guarantees		
Solidarity funds from employees' salaries	621	621
<b>Total</b>	<b>5,781,600</b>	<b>5,907,222</b>

#### 43. FAIR VALUE

FUNDS	Book value in 000 RSD on th 30 June 2020	Fair value in 000 RSD on th 30 June 2020	Book value in 000 RSD on st 31 December 2019	Fair value in 000 RSD st on 31 December 2019	Hierarchy of fair values - levels	Evaluation techniques and inputs
<b>Fixed assets and NU</b>	28,420,316	28,420,316	28,845,688	28,845,688	Level 3	The assessment was done by a certified appraiser as of January 1, 2019. (KPMG-Belgrade). The following methodologies were used in the valuation of intangible assets and property, plant and equipment: the method of amortized replacement costs - cost approach in the valuation of equipment and buildings, then the method of direct comparison of sales prices - market approach in the valuation of land and apartments and the discounted cash flow method - yield approach in determining the existence of an economic write-off.
<b>Equity share</b>	1	1	1	1	Level 2	Management's assessment that they are not recoverable - banks in bankruptcy
Long-term and short-term financial investments-housing loans	125,659	12,659	131,462	131,462	Level 3	Assessment of a certified actuary as of 31.12.2019 - Discounting cash flows, as follows: 8.3% for housing loans that are not revalued; 6.3% for housing loans that are revalued annually and have an interest rate of 0.5%, 4.5% for housing loans with a currency clause and an interest rate of 0.5%; 6.6% for housing loans that are revalued semi-annually and 6.8% for housing loans that are revalued annually
<b>Buyer receivables</b>	33,336	33,336	98,191	98,191	Level 3	Management's assessment of collectability in accordance with IAS 39
Other receivables	1,606,093	1,606,093	1,607,808	1,607,808	Level 3	Management's assessment of collectability in accordance with IAS 39

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

#### 44. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT

in 000 RSD

	30/09/2020			31/12/2019		
	Gross sum	Value adjustment	Net sum	Gross sum	Value adjustment	Net sum
<b>Financial funds</b>	<b>3,371,613</b>	<b>(752,912)</b>	<b>2,618,701</b>	<b>3,510,581</b>	<b>(755,675)</b>	<b>2,754,906</b>
<i>Long-term financial provisions</i>	<i>591,475</i>	<i>(465,865)</i>	<i>125,610</i>	<i>591,318</i>	<i>(465,865)</i>	<i>125,453</i>
- Long - term deposits	4,027	-	4,027	4,219	-	4,219
- Shares in banks	20,085	(20,085)	-	20,085	(20,085)	-
- Shares in foreign entities	358,599	(358,598)	1	358,599	(358,598)	1
- long-term housing loans to employees	208,764	(87,182)	121,582	208,415	(87,182)	121,233
<i>Receivables expressed by nominal value</i>	<i>1,935,129</i>	<i>(287,047)</i>	<i>1,648,082</i>	<i>2,009,145</i>	<i>(289,810)</i>	<i>1,719,335</i>
- Buyer receivables	298,232	(264,896)	33,336	365,280	(267,089)	98,191
- Short-term financial provisions	8,919	(266)	8,653	13,602	(266)	13,336
- Interest receivables	6,165	-	6,165	7,227	-	7,227
- Other receivables	1,621,813	(21,885)	1,599,928	1,623,036	(22,455)	1,600,581
<i>Cash and cash equivalents</i>	<i>845,009</i>	<i>-</i>	<i>845,009</i>	<i>910,118</i>	<i>-</i>	<i>910,118</i>
<b>Financial liabilities</b>	<b>37,305</b>	<b>-</b>	<b>37,305</b>	<b>59,548</b>	<b>-</b>	<b>59,548</b>
- Long-term loans	-	-	-	-	-	-
- Current maturity of debt loans	-	-	-	-	-	-
- Current maturity of long-term. leasing finance	-	-	-	-	-	-
- Short-term liabilities (operating liabilities)	37,305	-	37,305	59,548	-	59,548

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

**45. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT (continued)**  
**Objectives of financial risk management**

Financial risks are considered on a time basis and are primarily avoided by reducing the Company's exposure to these risks. The Company's non-financial risks include market risk (foreign exchange, interest rate and price risk), credit risk and liquidity risk. The Company uses any financial instruments to avoid the impact of financial risks on operations due to the fact that such instruments are not widely used, nor is there an organized market for such instruments in the Republic of Serbia.

**I - MARKET RISK**

In its operations, the Company is exposed to financial risks from changes in foreign exchange rates and changes in interest rates. Exposure to market risk is viewed through sensitivity analysis. There were no significant changes in the Company's exposure to market risk, either in the way the Company manages or measures that risk.

**a) Currency risk (foreign exchange risk)**

The Company is exposed to foreign exchange risk primarily through cash and cash equivalents, short-term financial investments, trade receivables, liabilities based on long-term loans and liabilities to foreign suppliers.

The Company does not use special financial instruments as hedging against risks, given that such instruments are not common in the Republic of Serbia.

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

The accounting amounts of financial assets and liabilities in 000 dinars, denominated in foreign currencies at the reporting date in the Company are as follows:

Currency description	Total funds				Total liabilities		in 000 RSD
	30/09/2020		31/12/2019		30/09/2020	31/12/2019	
	gross	net	gross	net			
EUR	625,224	522,856	670,891	568,523	253		253
USD	282,525	282,525	290,274	290,274			
GBP	90	90	95	95			
<b>Total dinar equivalent of assets and liabilities denominated in foreign currencies</b>	<b>907,839</b>	<b>805,471</b>	<b>961,260</b>	<b>858,892</b>	<b>253</b>		<b>253</b>
<b>Value of assets and liabilities in RSD</b>	<b>2,463,774</b>	<b>1,813,230</b>	<b>2,549,321</b>	<b>1,896,014</b>	<b>42,389</b>		<b>59,295</b>
<b>Total</b>	<b>3,371,613</b>	<b>2,618,701</b>	<b>3,510,581</b>	<b>2,754,906</b>	<b>42,642</b>		<b>59,548</b>

Analysis of the currency structure of financial assets and liabilities on 30<sup>th</sup> September 2020 , compared to the situation on 31<sup>st</sup> December 2019 , it can be stated that the financial assets in foreign currency are higher than the agreed financial liabilities in foreign currency.

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

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

30/09/2020	In 000 RSD					
	EUR impact		USD impact		GBP impact	
	10,00%	-10.00%	10,00%	-10.00%	10,00%	-10.00%
Changes	52,260	-52,260	28,253	-28,253	9	-9
Profit/loss						

31/12/2019	in 000 RSD					
	EUR impact		USD impact		GBP impact	
	10,00%	-10.00%	10,00%	-10.00%	10,00%	-10.00%
Changes	56,827	-56,827	29,027	-29,027	10	-10
Profit /Loss						

## b) The risk of changes in interest rates

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

The Company has classified cash and cash equivalents in the group of interest-bearing financial assets with variable interest rates, because "a vista" variable interest rates have been agreed with banks, depending on the amount of current account balances and the reference interest rate.

The risk of changes in interest rates for the Company does not represent a significant risk, because the categories of financial instruments that have an agreed interest rate are generally defined by a fixed interest rate.

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

	30/09/2020			31/12/2019			in 000 RSD
Funds	gross	adjustment	Net sum	gross	adjustment	net sum	
<b>Non-interest:</b>	-	-					
Equity participation I other entities	378,684	(378,683)	1	378,684	(378,683)	1	
Other long-term receivables	0	-	0	0	-	-	
Trade receivables	298,232	(264,896)	33,336	365,280	(267,089)	98,191	
Interest and other receivables	1,627,978	(21,885)	1,606,093	1,630,263	(22,455)	1,607,808	
Short-term financial provisions	3,932	-	3,932	2,432	-	2,432	
<b>Subtotal</b>	<b>2,308,826</b>	<b>(665,464)</b>	<b>1,643,362</b>	<b>2,376,659</b>	<b>(668,227)</b>	<b>1,708,432</b>	
<b>Fixed interest rate:</b>		-					
Long term financial placements	212,791	(87,182)	125,609	212,634	(87,182)	125,452	
Short term financial placements	4,987	(266)	4,721	11,170	(266)	10,904	
<b>Subtotal</b>	<b>217,778</b>	<b>(87,448)</b>	<b>130,330</b>	<b>223,804</b>	<b>(87,448)</b>	<b>136,356</b>	
<b>Variable interest rate:</b>		-					
Cash and cash equivalents	845,009	-	845,009	910,118	-	910,118	
<b>Subtotal</b>	<b>845,009</b>	<b>0</b>	<b>845,009</b>	<b>910,118</b>	<b>0</b>	<b>910,118</b>	
<b>Total</b>	<b>3,371,613</b>	<b>(752,912)</b>	<b>2,618,701</b>	<b>3,510,581</b>	<b>(755,675)</b>	<b>2,754,906</b>	

Financial liabilities	30/09/2020			31/12/2019		
	Gross	Adjustment	Net sum	Gross	Adjustment	Net sum
<b>Non-interest:</b>						
Operating liabilities	37,305		37,305	59,548		59,548
<b>Subtotal</b>	<b>37,305</b>	-	<b>37,305</b>	<b>59,548</b>	-	<b>59,548</b>
<b>Fixed interest rate</b>		-				
Long term loans						
Current maturities of long term liabilities						
<b>Subtotal</b>	-	-	-	-	-	-
<b>Variable interest rate</b>		-				
Current maturities of long term liabilities						
<b>subtotal</b>	-	-	-	-	-	-
<b>Total</b>	37,305		37,305	59,548	-	59,548

### c) Risk of price changes

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

The Company does not operate in securities that are subject to changes in market prices. Also, the Company has no turnover of goods that are subject to price changes.

## II - CREDIT RISK

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

The structure of trade receivables is given below.

The structure of trade receivables	30/09/2020			31/12/2019	
	In 000 RSD	share	adjustment	In 000 RSD	share
Air Serbia	-	0.00%	-	29,315	8.03%
Jat Tehnika	104,482	35.03%	(96,231)	139,533	38.20%
Belgrade Airport d.o.o.	11	0.00%		454	0.12%
International CG	30,115	10.10%	(30,115)	30,115	8.24%
Air Serbia-Catering d.o.o	42,347	14.20%	(41,695)	42,347	11.59%
Aviogenex d.o.o.	50,820	17.04%	(50,820)	50,820	13.91%
Avaco d.o.o.	5,389	1.81%			
AERODROM KETERING D.O.O.	-	0.00%		1,475	0.40%
Other domestic customers	17,122	574%	(16,202)	18,599	5.09%
<b>Total domestic customers</b>	<b>250,286</b>	<b>83.92%</b>	<b>(235,063)</b>	<b>312,658</b>	<b>85.59%</b>
Wizz Air	-	0.00%		2,473	0.68%
ARKIA	1,600	0.54%		1,600	0.44%
Air Cairo Company	5,355	1.80%		5,355	1.47%
Atlasglobal Airlines	270	0.09%		1,446	0.40%
Allitalia	20,903	7.01%	(20,903)	20,903	5.72%
FLYDUBAI	2,653	0.89%		2,653	0.73%
Pegasus	5,227	1.75%	(1,311)	5,700	1.56%
Other foreign customers	11,938	4.00%	(7,619)	12,492	3.42%
<b>Total foreign customers</b>	<b>47,946</b>	<b>16.08%</b>	<b>(29,833)</b>	<b>52,622</b>	<b>14.41%</b>
<b>Total gross receivables from domestic and foreign customers</b>	<b>298,232</b>	<b>100.00%</b>		<b>365,280</b>	<b>100.00%</b>
<b>Total of value adjustment</b>	<b>(264,896)</b>		<b>(264,896)</b>	<b>(267,089)</b>	
<b>Total of net receivables</b>	<b>33,336</b>			<b>98,191</b>	

### III - LIQUIDITY AND CASH FLOW RISK

Liquidity is the ability of the Company to meet its obligations as they fall due. Therefore, liquidity risk is the risk that the Company will have difficulty settling due liabilities, while maintaining the required volume and structure of working capital and maintaining good creditworthiness.

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

The following table shows the most significant liquidity indicators of the Company:

- **General liquidity ratio** (ratio of working capital and short-term liabilities) which shows how many dinars of working capital are covered by each dinar of short-term liabilities;
- **Rigorous liquidity ratio** (ratio of liquid assets which means working capital less inventories, and short-term liabilities) which shows how many dinars of liquid assets are covered by each dinar of short-term liabilities;
- **Cash liquidity ratio** (ratio of cash and short-term liabilities) which shows how many dinars of cash are covered by each dinar of short-term liabilities;
- **Net current assets** as the difference between current assets and current liabilities.

Liquidity indicators	Satisfactory and general standards	30/09/2020	31/12/2019
General liquidity ratio	2 : 1	1.48 : 1	1.49 : 1
Rigorous liquidity ratio	1 : 1	1.48 : 1	1.49 : 1
Cash liquidity ratio		0.29 : 1	0.30 : 1
Net current assets		1,397,526	1,492,789

#### Capital risk management

The goal of capital risk management is for the Company to maintain the ability to continue operating for an indefinite period of time in order to provide the owners of the Company with a satisfactory return (profit), while maintaining an adequate structure of sources of funds, i.e. good creditworthiness.

Although there are several criteria on the basis of which conclusions can be drawn about the viability of the assumption of long-term existence of the Company, it is certain that profitable operations, as well as a satisfactory financial structure are one of the basic criteria.

The best representative of profitability is the rate of return on average equity, which shows how much the Company achieves a return on one dinar of average engaged own funds. When calculating this profitability indicator, the average equity is determined as the arithmetic mean of the capital value at the beginning and end of the year.

<i>Profitability indicators</i>	<i>In 000 RSD</i>	
	30/09/2020	31/12/2019
Net profit/loss	(548,936)	76,671
<b>Average capita</b>		
Capital at the beginning of the year	29,672,524	29,708,442
Capital at the end of the year	29,123,589	29,672,524
<b>Total - average capital</b>	<b>29,398,057</b>	<b>29,690,483</b>
<b>Return on equity</b>	<b>-1.87%</b>	<b>0.26%</b>

The adequacy of the financial structure is reflected in the amount and character of indebtedness.

The following tables show the most significant indicators of the Company:

- The share of borrowed funds in total sources of funds, which shows how much one dinar of the Company's funds is financed from borrowed funds,
- Share of long-term in total sources of funds which shows how much one dinar of the Company is financed from long-term sources.

<i>Financial structure indicators</i>	<i>In 000 RSD</i>	
	30/09/2020	31/12/2019
Obligations	3,720,595	3,852,021
Total funds	32,844,184	33,524,545
<b>Share of borrowings in total sources of funds</b>	<b>0.11 : 1</b>	<b>0.11 : 1</b>
Long term funds		
Capital	29,123,589	29,67,524
Long term provisions and obligations	819,863	809,957
<b>Subtotal of long term funds</b>	<b>29,943,452</b>	<b>30,482,481</b>
Total funds	32,844,184	33,524,545
<b>Share of long term in total sources of funds</b>	<b>0.91 : 1</b>	<b>0.91 : 1</b>

The net indebtedness ratio shows how much each dinar of net indebtedness is covered by the Company's capital. Net indebtedness means the difference between:

- Total (long-term and short-term) financial liabilities of the Company (Total liabilities less capital, long-term provisions and deferred tax liabilities) and
- Cash and cash equivalents.

Parameters for calculating the net indebtedness ratio to total capital	In 000 RSD	
	30/09/2020	31/12/2019
<b>Net indebtedness</b>		
Financial obligations	2,900,732	3,042,064
Cash and cash equivalents	845,009	910,118
<b>Total – net indebtedness</b>	<b>2,055,723</b>	<b>2,131,946</b>
Capital	29,123,589	29,672,524
<b>Ratio of net indebtedness to total capital</b>	<b>14.17</b>	<b>13.92</b>

#### 46. TAX RISKS

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

#### 47. LITIGATION

The Company has lawsuits against the Company. The amounts of final losses on the basis of litigation may be increased on the basis of accrued default interest until the date of termination of disputes, i.e. until the date of final payments on disputes. As at 31 December 2019, the Company has a provision for potential losses based on these litigations in the amount of RSD 90,656 thousand (31 December 2019 - RSD 81,006 thousand) (Note 34). According to the assessment of the Company's management on this basis, no additional material losses are expected in the coming period.

#### **48. EVENTS AFTER THE REPORTING PERIOD**

In March 2020, the World Health Organization (WHO) declared a pandemic caused by the COVID 19 virus and issued instructions to combat the spread, which, in addition to personal hygiene and protection, included restricting movement and even closing state borders. In this regard, considering the risks to the population of the Republic of Serbia, on 15<sup>th</sup> March 2020, the Government of the Republic of Serbia passed the Decision on declaring a state of emergency, which was published in the Official Gazette of the RS no. 29, which was repealed by the Decision published in the Official Gazette no. 65 dated 6<sup>th</sup> May 2020.

This, among other things, meant the closure of the Nikola Tesla Belgrade airport for international public passenger traffic, which will have a certain impact on the Company's operations in the future.

As the situation with the pandemic calms down globally, and thus locally, international organizations ICAO, IATA, ACI, but also advisors of the Concession Grantor are preparing possible scenarios for the dynamics of recovery of passenger air traffic and normalization of planned public works by DPN, and thus the implementation of the Agreement. on the concession, which is the basis for the Company's business plans in the coming period. Given the above, the management does not expect that there are significant risks related to the continuation of operations and the realization of the Concession Agreement.

Management's assessment implies that the financial condition of the Company is such that there is no uncertainty regarding the Company's ability to continue as a going concern and that there is no material impact on its operations in the period ahead. Also, the management believes that there are no significant risks related to compliance with legal norms, the Company's liquidity and market position in the future that may violate the principle of business continuity.

In accordance with IAS 10 "Events after the Reporting Period", we have not determined the existence of events other than those listed above in the Notes that may affect or affect the truthfulness and objectivity of the financial statements for the period ended September 30, 2020, nor would require corrections to the financial statements.

In Belgrade, November 2020

Managing Director

Saša Vlajsavljević

graduated traffic engineer

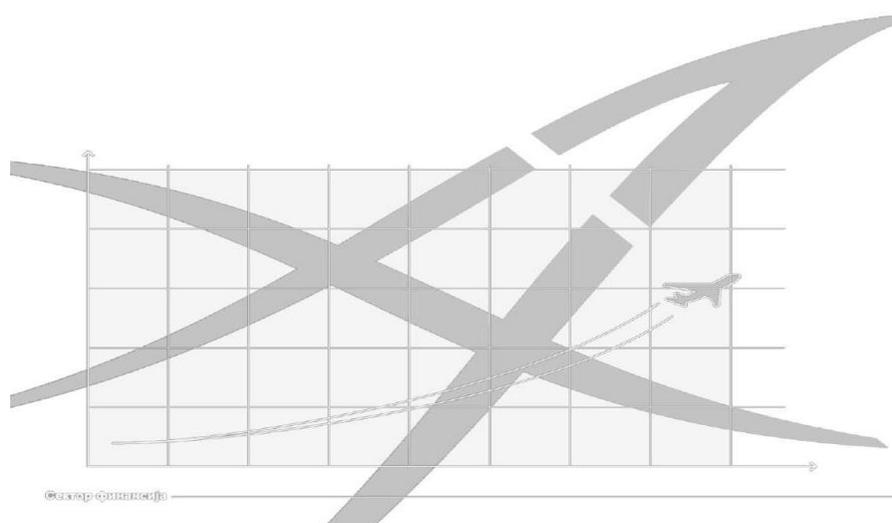
**JOINT STOCK COMPANY  
AIRPORT NIKOLA TESLA BELGRADE**

**BUSINESS REPORT FOR THE THIRD QUARTER OF 2020  
AND FOR THE PERIOD I – IX 2020**

**Belgrade, November 2020**

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Business report for the third quarter of 2020 and for the period I-IX 2020

## 1. GENERAL DATA ON THE COMPANY

On 22<sup>nd</sup> March 2018, the Concession Agreement for financing, development through construction and reconstruction, maintenance and management of the infrastructure of JSC Nikola Tesla Airport Belgrade and performing the activities of the airport operator at Nikola Tesla Airport in Belgrade was concluded between the Republic of Serbia, represented by the Government of the Republic of Serbia and JSC Belgrade Nikola Tesla Airport (hereinafter: the Company), on the one hand as the Concession Grantor and VINCI Airports Serbia d.o.o. Belgrade, a legal entity established in accordance with the laws of the Republic of Serbia, with its registered office in Belgrade, 11180 Belgrade 59, ID no. 21364568, TIN (tax identification number) 110572920 and VINCI Airports S.A.S., a simplified joint stock company (SAS) with its registered address at 12/14 Louis Blériot Street, Rueil-Malmaison (92500), France, registered in the Trade Register and The company in Nanterre under number 410 002 075, as the selected most favorable individual bidder and founder of a special purpose company (DPN), on the other hand, with the Supplementary Agreement dated 14<sup>th</sup> December 2018 and the Protocol on updating the annexes to the Concession Agreement dated 21<sup>st</sup> December 2018 (hereinafter: Concession Agreement).

Bearing in mind that the contracting parties have fulfilled all preconditions stipulated by the contract during the Transition Period, including the payment of a one-time concession fee of 501 million EUR by SPC on 21.12.2018, based on the consent of the Civil Aviation Directorate of the Republic of Serbia with JSC Airport Nikola Tesla Belgrade at Vinci airports Serbia d.o.o. Belgrade, all in accordance with the Law on Air Traffic and the Rulebook on the conditions and procedure for issuing airport certificates, and the concession began on 22<sup>nd</sup> December 2018 (Concession commencement date).

On 23<sup>rd</sup> July 2019, the business name of SPC was changed, so that the same was deleted instead of " Vinci airports Serbia d.o.o. Belgrade " - " Belgrade Aiport d.o.o. Belgrade".

Pursuant to the adopted consolidated text of the Company's Articles of Association, which entered into force on the Concession Commencement Date, the Company ceased to be an airport operator on the Concession Commencement Date, i.e. instead of the predominant activity 52.23 with changed predominant activity 68.20 Renting and operating of own or leased real estate.

With the change of the predominant activity, the composition of the governing body was changed, as well as the internal organization of the Company in order to adjust the basic activity of the Concession Grantor, which is to monitor the implementation of the Concession Agreement as a public contract in accordance with the Law on Public-Private Partnerships and Concessions( " Official Gazette of RS ", no. 88/2011, 15/2016 and 104/2016) and the Decree on supervision over the implementation of public contracts on public-private partnership (" Official Gazette of RS ", no. 47/2013), and thus the number of employees, their Rights and obligations.

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<b>Business name</b>	<b>JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRAE</b>
<b>Head office and address</b>	Belgrade , 11180 Belgrade 59
<b>Register number</b>	07036540
<b>TIN</b>	100000539
<b>web site and e-mail address</b>	www.antb.rs; kabinet@antb.rs
<b>Number and date of registration in the Register of Companies</b>	<b>Registration number: BD 4874/2005</b> <b>Date of registration: 15<sup>th</sup> June 2005</b> <b>Registration number: BD 91540/2012</b> <b>Date of registration: 9<sup>th</sup> July 2012</b> <b>Registration number: BD 100187/2012</b> <b>Date of registration: 20<sup>th</sup> July 2012</b>
<b>Activity (code and description)</b>	68.20 - Renting of own or leased real estate and management
<b>Number of employees</b>	34 employed as of 30 <sup>th</sup> June 2020
<b>Value of share capital</b>	<b>21.015.677.400 RSD</b> (as of 30 <sup>th</sup> September 2020)
<b>Name, the head office of the auditing company that audited the last financial report for 2019</b>	"FinExpertiza" doo, Nušićeva 15 / III, Belgrade
<b>Number of issued shares, ISIN number and CFI COD</b>	Number of ordinary shares 35,026,129 (as of June 30, 2020) CFI code ESVUFR ISIN number RSANTBE 11090
<b>Name of the organized market in which the shares are included</b>	Belgrade Stock Exchange ad Belgrade, Omladinskih brigada 1, 11070 New Belgrade

**Ten largest shareholders by number of shares as of 30<sup>th</sup> June 2020**

<b>No.</b>	<b>Name of Shareholder</b>	<b>Number of shares</b>	<b>%of share</b>
1	REPUBLIC OF SERBIA	29,616,702	84.56
2	OTP BANK SERBIA - CUSTODY RN - FO	795,248	2.27
3	VOJVODANSKA BANKA AD NOVI SAD CUMULATIVE ACCOUNT	645,100	1.84
4	OTP BANK SERBIA - CUSTODY RN - FO	366,177	1.05
5	RAIFFEISEN BANK AD - CUSTODY RN - KS	57,988	0.17
6	JSC AIRPORT NIKOLA TESLA BELGRADE	55,320	0.16
7	BOŽIĆ SVETISLAV	45,003	0.13
8	UNICREDIT BANK SERBIA AD - SUMMARY ACCOUNT	36,065	0.10
9	KERAMIKA JOVANOVIĆ DOO	32,379	0.09
10	DUNAV RE JSC	28,231	0.08

## 2. MANAGEMENT INFORMATION

Members of the Management Board for the period I-IX 2020:

<b>Company assembly:</b>		
<b>No.</b>	<b>Name, surname, residence</b>	<b>Education, current employment, (business name of the company and position)</b>
1	Vladimir Dimitrijevic, Belgrade	PhD in Legal Sciences, the Executive Director of the Public Enterprise "Post of Serbia"

<b>Supervisory board:</b>		
<b>No.</b>	<b>Name, surname, residence</b>	<b>Education, current employment, (business name of the company and position)</b>
1	Vesna Stanković Jevđević, Belgrade	Bachelor in Economics, Assistant Director General of the Procurement Directorate of the National Bank of Serbia
2	Srđan Minić, Belgrade	Bachelor in Economics, Technical Support and Documentation Engineer, Telekom Srbija
3	Goran Mirković, Belgrade	Master of Economics, Independent Expert Associate for Capacity Use Control and Analysis - Banknote and Coin Institute of the National Bank of Serbia
4	Petar Jarić, Belgrade	Bachelor in Economics, Deputy Director - National Employment Service
5	Dragoslav Stanković, Doljevac	Professional manager, customer care officer in Elektro distribucija Niš-branch Doljevac

<b>Executive Board:</b>		
<b>No.</b>	<b>Name, surname, residence</b>	<b>Education, current employment, (business name of the company and position)</b>
1	Saša Vlaisavljević, Belgrade	Graduated traffic engineer, President of the Executive Board, General Manager of JSC Airport Nikola Tesla Belgrade
2	Ana Kaluđerović, Belgrade	Mechanical engineer, Executive Director for monitoring and managing the concession project of JSC Airport Nikola Tesla Belgrade

The Company Secretary and the Internal Auditor are organizationally separated and directly responsible for their work to the Supervisory Board.

## 2.1. OVERVIEW OF CORPORATE GOVERNANCE RULES

The Company, as a member of the Serbian Chamber of Commerce, has accepted the Code of Corporate Governance, which was published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the Company's website [www.antb.rs](http://www.antb.rs)

The rules of this Code are a supplement to the current legislation, so that no provision of the Code repeals a legal rule that regulates the same issue differently. Also, the Code does not in any way change the meaning or correct interpretation of legal provisions. The Code is within the limits of the law, because it covers matters that are not regulated by law (so-called legal gaps) or are regulated by dispositive legal norms.

The Code contains two types of rules:

- 1) recommendations - rules that the capital company should accept and act upon, and which can be recognized in the Code by the use of the word "should";
- 2) proposals - rules that are considered a desirable practice in the field of corporate governance, and which can be recognized in the Code by the use of the words "can", "should", etc.

### 3. REVENUES AND EXPENSES

Revenues and expenses are presented in accordance with the accounting treatment IFRS 16 - Leasing.

In accordance with the requirements of IFRS 16, the entire assets of the Company are analyzed in terms of the type of assets and the period of their use. Concession funds are treated as follows:

- Infrastructure assets and closely related assets (equipment) - subject to depreciation in accordance with IAS 16 (property, plant and equipment).
- Other assets that are not closely related to infrastructure assets - are considered sold on "Day 1", which marks the beginning of the concession and are accordingly recorded on active accruals (AVR). These assets are not subject to depreciation, but the total value of these assets is deferred over the entire concession period and proportionally reduces the income of the current year.

In accordance with the requirements of IFRS 16, revenue treatment is determined as follows:

- Minimum annual Concession Fee - the total amount of the agreed Minimum Concession Fee is earned per year, in accordance with the determined amounts of the minimum annual concession fee, as defined by the Concession Agreement.
- Variable benefits that depend on the amount of income - are recognized as income in the period to which it relates.
- Revenues from planned capital investments realized by DPN in the name and for the account of the Company (CAPEX) - are accrued by years for the entire period of the Concession from the moment of putting into operation and handing over newly built real Concession funds, as well as upgrades and reconstructions of existing Concession funds. years for the remaining period of the concession

#### 3.1. REVENUES

In the period I-X 2020, the Company generated total income in the amount of 295,381,881 dinars. The total revenue generated in this way is lower by 73% compared to the revenues generated in the same period last year, and compared to the Business Plan for the period I-IX 2020, it is lower by 5%.

It is important to note that the proclamation of the Corona virus pandemic (Covid 19) had an impact on the Company's operations, and thus a decrease in revenues compared to the same period last year, bearing in mind that the same is related to the business of DPN, which as an operator The airport suffered a significant drop in revenue due to the cessation of public passenger commercial traffic.

**Operating revenues** in the period I-IX 2020 were realized in the amount of 256,292,992 dinars and make up 87% of the total realized revenues. The realized business revenues by 35% are lower in relation to the realized revenues in the same period of the previous year, and in relation to the Rebalance of Business Plan for the period I-IX 2020, they are lower by 8%.

Within the realized business revenues for the period I-IX 2020, the largest income refers to the income from the annual Concession fee in the amount of 208,784,238 dinars, as well as the income

from the acquisition without compensation of cadastral parcels 5251 and 5252 KO Surčn, which were transferred to the Company by DPN in accordance with the provisions of the Concession Agreement. The total area of these plots is 107,650 m<sup>2</sup>.

Applying IFRS 16, the total estimated value (EUR 25.4 million) is proportionally differentiated over the duration of the concession (25 years), so that for the period I-VI 2020, the corresponding income of 89,605,714 dinars was implemented (i.e. 762 thousand euros). - at the middle exchange rate of the NBS on 30<sup>th</sup> September 2020, which amounted to 117.5803dinars).

**Financial revenues** in the period I-IX 2020 were realized in the amount of 9,971,480 dinars and are lower in relation to the realized revenues in the same period of the previous year by 85%, and in relation to the Rebalance of the Business Plan for the period I-IX 2020. they are two times higher. Such a significant decrease in financial income is a reflection of the fluctuation of the dollar exchange rate, which on 30<sup>th</sup> September 2020 amounted to 100.1706 dinars, while at the beginning of the year it amounted to 104.9186 dinars.

In the first quarter of the previous year, the company had significant funds on foreign currency accounts from the payment of a one-time concession fee, hence the significant difference in financial income in relation to the period I-IX 2020.

The structure of financial revenues for the period I-IX 2020 consists of:

- income from exchange rate differences - unrealized in the amount of 5,214,062 dinars and participate with 61% in total financial income;
- interest income in the amount of 4,756,746 dinars and participate with 48% in total financial income;
- income from exchange rate differences - realized in the amount of 672 dinars.

**Other revenues** in the period I-IX 2020 were realized in the amount of 29,117,409 dinars and are lower by 95% in relation to the realized revenues in the same period of the previous year, and in relation to the Rebalance of the Business Plan for the period I-IX 2020.

The realized other revenues mostly refer to the subsequently determined revenues of previous years.

The structure of realized revenues for the period I-IX 2020 is shown in the table of revenue structures.

## REVENUE STRUCTURE I-IX 2020

No	Account name	Realization I-IX 2019	Plan I-IX 2020	Realization I-IX 2020	Index	
					6 (5/3)	7 (5/4)
1	2	3	4	5		
61	REVENUE FROM SALE OF PRODUCTS AND SERVICES	4,190,965	0	0	0	0
614	REVENUE FROM SALE OF PRODUCTS AND SERVICES	4,190,965	0	0	0	0
65	OTHER OPERATING REVENUE	389,710,121	279,313,784	256,292,992	66	92
652	REVENUE FROM ROYALTIES AND LICENSE FEES	6,375,000	6,375,000	6,375,000	100	100
659	OTHER OPERATING REVENUE	383,335,121	272,938,784	249,917,992	65	92
<b>I</b>	<b>OPERATING REVENUE</b>	<b>393,901,086</b>	<b>279,313,784</b>	<b>256,292,992</b>	<b>65</b>	<b>92</b>
66	FINANCIAL REVENUE	68,602,735	4,207,981	9,971,480	15	237
662	INTEREST REVENUE	18,036,826	4,207,981	4,756,746	26	113
663;664	EXCHANGE RATE DIFFERENCES - REALIZED	49,124,478	0	5,214,062	11	0
	EXCHANGE RATE DIFFERENCES - UNREALIZED	1,441,431	0	672	0	0
<b>II</b>	<b>FINANCIAL REVENUE</b>	<b>68,602,735</b>	<b>4,207,981</b>	<b>9,971,480</b>	<b>15</b>	<b>237</b>
67	OTHER REVENUE	558,085,898	11,372,212	13,906,745	2	122
673	PROFITS FROM SALE OF MATERIALS	1,591,965	0	0	0	0
675	CHARGED WRITE-OFF RECEIVABLES	12,123,554	2,015,116	2,763,103	23	137
676	REVENUE FROM EFFECTIVE PROTECTION FROM RISK	640,734	779,962	606,637	95	0
677	REVENUE FROM REDUCTION OF LIABILITIES	522,873,136	0	0	0	
678	INCOMREVENUEE FROM REVERSAL OF LONG-TERM AND SHORT-TERM PROVISIONS	19,691,558	2,487,750	3,317,000	17	0
679	OTHER UNMENTIONED REVENUE	1,164,951	6,089,384	7,220,005	620	119
68	REVENUE FROM ADJUSTMENT OF VALUE OF ASSETS	62,487,731.16	0.00	881,850.00	1	
682	REVENUE FROM ADJUSTMENT OF VALUE OF PROPERTY, PLANTS AND EQUIPMENT	62,487,731.16	0.00	0.00	0	
689	REVENUE FROM ADJUSTMENT OF VALUE OF OTHER ASSET	0.00	0.00	881,850.00	0	
69	PROFIT FROM DISCONTINUED OPERATIONS AND TRANSFER OF INCOME	11,629,470	17,634,122	14,328,814	123	81
692	MONITORING THE EFFECTS OF CHANGE IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	11,629,470	17,634,122	14,328,814	123	81
<b>III</b>	<b>OTHER REVENUE</b>	<b>632,203,099</b>	<b>29,006,334</b>	<b>29,117,409</b>	<b>5</b>	<b>100</b>
	<b>TOTAL INCOME</b>	<b>1,094,706,920</b>	<b>312,528,099</b>	<b>295,381,881</b>	<b>27</b>	<b>95</b>

### III quarter (VII-IX)

In the third quarter of 2020, the Company generated a total income of 108,504,463 dinars. The total revenue generated in this way is significantly lower in relation to the realized revenues in the same period of the previous year, as well as in relation to the Rebalance of the Business Plan for the third quarter of 2020 1% lower.

**Operating revenues** in the third quarter of 2020 were realized in the amount of 92,957,498 dinars. The realized business revenues are 29% lower in relation to the realized revenues in the same period of the previous year, as well as in relation to the Rebalance of the Business Plan for the third quarter of 2020.

It should be noted that the proclamation of the pandemic by the Decision of the World Health Organization was caused by the Corona virus (Covid 19) and reduced the frequency of commercial passenger flights around the world and thus to Belgrade Nikola Tesla Airport, which reduced the revenue of DPN. and the revenues of the Company, ie the amount for the payment of the Concession Fee in the second quarter of 2020 in relation to the same period of the previous year, all in accordance with the Concession Agreement, ie the occurrence of Force Majeure, which is undeniably a pandemic.

Within the realized business revenues for the second quarter of 2020, the largest income refers to the income from the acquisition without compensation of cadastral parcels 5251 and 5252 KO Surcin, which were transferred to the Company by DPN in accordance with the provisions of the Concession Agreement. The total area of these plots is 107,650 m<sup>2</sup>.

Applying IFRS 16, the total estimated value (EUR 25.4 million) is proportionally deferred over the duration of the concession (25 years), so that for the second quarter of 2020 the corresponding income of RSD 29,868,571 was implemented, ie EUR 254 thousand - per middle exchange rate of the NBS on 30<sup>th</sup> September 2020, which amounted to 117.5803 dinars).

**Financial revenues** in the third quarter of 2020 amounted to 2,239,663 dinars and were lower by 55% compared to revenues in the same period last year, while 62% higher compared to the Rebalance of the Business Plan for the third quarter of 2020 . Such a significant decrease in financial income is a reflection of the fluctuation of the dollar exchange rate, which on 30<sup>th</sup> September 2020 amounted to 100.1706 dinars, while on 30<sup>th</sup> June 2020 it amounted to 104.6329 dinars.

In the first quarter of the previous year, the company had significant funds on foreign currency accounts from the payment of the one-time concession fee, hence the significant difference in financial income in relation to the third quarter of 2020.

The structure of financial revenues for the third quarter of 2020 consists of:

- interest income in the amount of 1,862,752 dinars and participate with 83% in total financial income;
- income from exchange rate differences - realized in the amount of 376,239 dinars and participate with 17% in total financial income;
- income from exchange rate differences - unrealized in the amount of 672 dinars.

**Other revenues** in the third quarter of 2020 were realized in the amount of 13,307,303 dinars and are lower by 98% compared to the revenues generated in the same period last year, and compared to the Rebalance of the business plan for the third quarter of 2020 are lower by 18%.

Realized other revenues mostly refer to revenues from damages from legal entities.

The structure of generated revenues for the third quarter of 2020 is shown in the table of revenue structures.

### REVENUE STRUCTURE FOR THIRD QUARTER

No	Account name	Realization VII-IX 2019	Plan VII-IX 2020	Realization VII-IX 2020	Index	
					6 (5/3)	7 (5/4)
1	2	3	4	5	6	7
61	REVENUE FROM SALE OF PRODUCTS AND SERVICES	1,340,336	0	0	0	0
614	REVENUE FROM SALE OF PRODUCTS AND SERVICES	1,340,336	0	0	0	0
65	OTHER OPERATING REVENUE	129,604,186	91,636,224	92,957,498	72	101
652	REVENUE FROM ROYALTIES AND LICENSE FEES	2,125,000	2,125,000	2,125,000	100	100
659	OTHER OPERATING REVENUE	127,479,186	89,511,224	90,832,498	71	101
<b>I</b>	<b>OPERATING REVENUE</b>	<b>130,944,522</b>	<b>91,636,224</b>	<b>92,957,498</b>	<b>71</b>	<b>101</b>
66	FINANCIAL REVENUE	4,994,392	1,378,906	2,239,663	45	162
662	INTEREST REVENUE	2,746,215	1,378,906	1,862,752	68	135
663;66	EXCHANGE RATE DIFFERENCES - REALIZED	2,077,393	0	376,239	18	0
4	EXCHANGE RATE DIFFERENCES - UNREALIZED	170,784	0	672	0	0
<b>II</b>	<b>FINANCIAL REVENUE</b>	<b>4,994,392</b>	<b>1,378,906</b>	<b>2,239,663</b>	<b>45</b>	<b>162</b>
67	OTHER REVENUE	538,668,270	10,304,285	12,425,453	2	121
673	PROFITS FROM SALE OF MATERIALS	1,591,965	0	0	0	0
675	CHARGED WRITE-OFF RECEIVABLES	25,489	1,535,487	2,268,931	8,902	148
676	REVENUE FROM EFFECTIVE PROTECTION FROM RISK	10,780	779,962	76,112	706	10
677	REVENUE FROM REDUCTION OF LIABILITIES	522,873,136	0	0	0	0
678	INCOMREVENUEE FROM REVERSAL OF LONG-TERM AND SHORT-TERM PROVISIONS	13,808,534	2,487,750	3,250,000	24	131
679	OTHER UNMENTIONED REVENUE	358,365	5,501,086	6,830,410	1,906	124
68	REVENUE FROM ADJUSTMENT OF VALUE OF ASSETS	62,487,731.1 6	0.00	881,850.00	1	0
682	REVENUE FROM ADJUSTMENT OF VALUE OF PROPERTY, PLANTS AND EQUIPMENT	62,487,731.1 6	0.00	0.00	0	0
689	REVENUE FROM ADJUSTMENT OF VALUE OF OTHER ASSET	0.00	0.00	881,850.00	0	0
69	PROFIT FROM DISCONTINUED OPERATIONS AND TRANSFER OF INCOME	-72,052	5,888,357	0	0	0
692	MONITORING THE EFFECTS OF CHANGE IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	-72,052	5,888,357	0	0	0
<b>III</b>	<b>OTHER REVENUE</b>	<b>601,083,949</b>	<b>16,192,642</b>	<b>13,307,303</b>	<b>2</b>	<b>82</b>
	<b>TOTAL INCOME</b>	<b>737,022,863</b>	<b>109,207,77 2</b>	<b>108,504,46 3</b>	<b>15</b>	<b>99</b>

## 3.2. EXPENSES

In the period I-IX 2020, the Company realized a total expenditure in the amount of 845,812,572 dinars and is lower by 16% in relation to the realized expenses in the same period of the previous year, and in relation to the Rebalance of the Business Plan for the period I-IX 2020 is higher by 6%. The deviation of expenses in relation to the same period of the previous year is the result of the treatment of depreciation costs that were incurred in the period I-IX of the current year in accordance with the application of the accounting standard IFRS 16.

**Costs of materials and energy (group 51)** in the period I-IX 2020 were realized in the amount of 1,503,243 dinars and are 5% lower compared to the same period in 2019, and in relation to the Rebalance of the Business Plan for the period I- IX 2020 are lower by 71%.

Material and energy costs are mostly related to:

- fuel costs in the amount of 669.691 dinars .
- consumed office supplies in the amount of 602.676 dinars

**Expenses of salaries, allowances and other personal expenses (group 52)** in the period I-IX 2020 were realized in the amount of 104.689.491 dinars and make 12% of the total realized expenses. The costs of salaries, allowances and other personal expenses realized in this way are higher by 3% in relation to the same period in 2019, and in relation to the Rebalance of the Business Plan for the period I-IX 2020, they are lower by 1%.

It should be noted that with the beginning of the Concession and the change of predominant activity, the number of employees in January of the previous year until 21<sup>st</sup> January 2019 was 5 employees, which resulted in significantly lower employee costs in January 2019 compared to January 2020, and thus the deviation in the realization of the costs of salaries, allowances and other personal expenses for the period I-IX 2020 in relation to the same period of the previous year

The conclusion is that the salary costs of employees for the period I-IX 2020 did not increase compared to the previous year for the same period, but cumulatively, the percentage of realization depending on the number of employees increased compared to the previous year for the same period.

**Costs of production services (group 53)** in the period I-IX 2020 were realized in the amount of 26,519,855 dinars and are 42% lower compared to the same period in 2019 and are 35% higher when compared to the Rebalance of the Business Plan for the period I-IX 2020. The costs of production services make up 3% of the total realized expenditures, and mostly relate to:

- rent costs in the amount of 21,848,946 dinars - which are 29% higher compared to the same period last year, as well as
- costs of transport services in the amount of 1,992,390 dinars (PTT services - telephones) - are 26% higher when compared to the same period last year.

Within the realized expenses, the largest cost is **the cost of depreciation and provisions** (group 54), which in the period I-IX 2020 was realized in the amount of 525,311,043 dinars and makes 62% of the total realized expenses. They are significantly higher compared to the same period in 2019, and compared to the Rebalance of the Business Plan for the period I-IX 2020, it is higher by 1%.

The calculation of depreciation costs in the same period of the previous year in relation to the period I-IX of the current year , differs as a result of treatment of depreciation costs incurred in the

period I-IX of the current year in accordance with the application of the accounting standard IFRS 16 related to the Concession Agreement.

In accordance with the requirements of IFRS 16, the entire assets of the Company are analyzed in terms of the type of assets and the period of their use. In the case of Concession Funds, we distinguish between infrastructure assets and closely related assets (equipment) that are subject to depreciation and other assets that are not closely related to infrastructure assets that are considered sold on "Day 1", which indicates the Concession Start Date and accordingly recorded are on active accruals (AVR) and are not subject to depreciation

**Intangible costs (group 55)** in the period I-IX 2020 were realized in the amount of 135,872,900 dinars and make up 16% of the total realized expenses. Intangible costs realized in this way are higher by 27% compared to the same period in 2019, and compared to the Rebalance of the Business Plan for the period I-IX 2020, they are higher by 9%.

Intangible costs mostly relate to:

- costs of property tax of ANT in the amount of 67,559,585 dinars - are higher by 21% compared to the same period in 2019 due to the transfer of land at the estimated value that the Concessionaire transferred to the ownership of ANT, in accordance with the Concession Agreement, as well as
- costs of non-production services in the amount of 54,168,368 dinars - are higher by 28% compared to the same period last year, within which the highest cost is microfilming - (legal obligation to keep documentation from previous years), due to eviction from the archive space at the airport complex.

**Financial expenses (group 56)** in the period I-IX 2020 were realized in the amount of 18,519,956 dinars and are significantly lower in relation to the same period in 2019, and in relation to the Rebalance of the Business Plan for the period I-IX 2020 are significantly higher. Such a significant reduction in financial expenses is a reflection of the fluctuations of the dollar exchange rate, which on 30<sup>th</sup> September 2020 amounted to 100.1706 dinars, while at the beginning of the year it amounted to 104.9186 dinars.

In the first quarter of the previous year, the company had significant funds on foreign currency accounts from the payment of a one-time concession fee, hence such a significant difference in financial expenses in relation to the period I-IX 2020.

The structure of financial expenditures for the period I-IX 2020 consists of:

- negative exchange rate differences in the amount of 18,509,417 dinars and participate with 99.94% in total financial expenses;
- interest expenses in the amount of 9,220 dinars and participate with 0.06% in total financial expenses.

**Other expenses (groups 57, 58 and 59)** in the period I-IX 2020 were realized in the amount of 33,396,083 dinars and are lower by 94% compared to the same period in 2019, and are 52% higher in relation to the Rebalance of the Business Plan for the period I-IX 2020.

Realized other expenses mostly refer to subsequently determined expenses in previous years.

The structure of realized expenditures for the period I-IX 2020 is shown in the table of expenditure structure.

**EXPENDITURE STRUCTURE I-IX 2020**

Account t	Account name	Realization I-IX 2019	Plan I-IX 2020	Realization I-IX 2020	Indices	
					6 (5/3)	7 (5/4)
1	2	3	4	5	6 (5/3)	7 (5/4)
<b>51</b>	<b>SUPPLIES AND ENERGY COSTS</b>	<b>1,588,903</b>	<b>5,237,386</b>	<b>1,503,143</b>	<b>95</b>	<b>29</b>
511	COSTS OF WORKING MATERIALS	210,322	583,593	0	0	0
512	COSTS OF OVERHEAD SUPPLIES	751,809	3,653,793	786,771	105	22
513	FUEL AND ENERGY COSTS	626,772	1,000,000	716,472	114	72
<b>52</b>	<b>WAGES, SALARIES AND OTHER PERSONAL COSTS</b>	<b>101,240,905</b>	<b>105,287,975</b>	<b>104,689,491</b>	<b>103</b>	<b>99</b>
520	SALARY COSTS AND SALARY BENEFITS (GROSS)	73,771,383	78,795,025	78,795,025	107	100
521	COSTS OF TAX AND BENEFITS ON WAGES AND SALARIES - EMPLOYER	12,360,388	12,826,640	12,826,640	104	100
522	COSTS OF BENEFITS UNDER THE WORK CONTRACT - GROSS	846,187	369,143	369,143	44	100
524	COSTS OF FEES BY TEMPORARY AND OCCASIONAL OPERATIONS - GROSS	4,891,035	3,847,855	3,847,855	79	100
526	REMUNERATION TO THE DIRECTOR, OR TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES - GROSS	5,695,470	5,842,627	5,850,335	103	100
529	OTHER PERSONAL COSTS AND FEES	3,676,444	3,606,684	3,000,492	82	83
<b>53</b>	<b>COSTS OF PRODUCTION SERVICES</b>	<b>45,888,479</b>	<b>19,670,851</b>	<b>26,519,855</b>	<b>58</b>	<b>135</b>
531	TRANSPORTATION COSTS	1,578,708	2,075,000	1,992,390	126	96
532	MAINTENANCE SERVICES COSTS	12,527,910	4,576,321	2,493,358	20	54
533	RENTAL COSTS	16,913,250	12,284,531	21,848,946	129	178
535	ADVERTISING AND PROPAGANDA COSTS	12,576,782	675,000	0	0	0
539	COSTS OF OTHER SERVICES	2,291,851	60,000	185,160	8	309
<b>54</b>	<b>COSTS OF AMORTIZATION AND RESERVATION</b>	<b>21,000,000</b>	<b>518,000,000</b>	<b>525,311,043</b>	<b>2501</b>	<b>101</b>
540	AMORTIZATION COSTS	0	500,000,000	510,311,043	0	102
549	OTHER LONG - TERM PROVISIONS	21,000,000	18,000,000	15,000,000	71	83
<b>55</b>	<b>INTANGIBLE COSTS</b>	<b>106,913,773</b>	<b>124,125,507</b>	<b>135,872,900</b>	<b>127</b>	<b>109</b>
550	COSTS OF NON - PRODUCTION SERVICES	42,459,405	55,300,473	54,168,368	128	98
551	REPRESENTATION COSTS	1,302,374	1,599,000	1,793,074	138	112
552	INSURANCE PREMIUM COSTS	295,928	404,959	432,398	146	107
553	PAYMENT TRANSACTION COSTS	2,170,161	481,118	448,218	21	93
554	MEMBERSHIP FEES	974,688	410,786	354,500	36	86
555	TAX COSTS	55,830,924	64,772,899	67,559,585	121	104
559	OTHER INTANGIBLE COSTS	3,880,293	1,156,273	11,116,757	286	961
<b>I</b>	<b>BU SINESS EXPENSES</b>	<b>276,632,061</b>	<b>772,321,718</b>	<b>793,896,532</b>	<b>287</b>	<b>103</b>
<b>56</b>	<b>FINANCIAL EXPENSES</b>	<b>136,735,686</b>	<b>102,217</b>	<b>18,519,956</b>	<b>14</b>	<b>18,118</b>
562	INTEREST EXPENSES	9,716,930	11,854	9,220	0	78
563	NEGATIVE COURSE DIFFERENCES	125,221,235	89,278	18,509,417	15	20,732
564	EXPENSE BASED ON THE EFFECTS OF THE CURRENCY CLAUSE	1,797,522	1,085	1,319	0	122
<b>II</b>	<b>FINANCIAL EXPENSES</b>	<b>136,735,686</b>	<b>102,217</b>	<b>18,519,956</b>	<b>14</b>	<b>18,118</b>
<b>57</b>	<b>OTHER EXPENSES</b>	<b>10,404,887</b>	<b>6,555,498</b>	<b>17,823,613</b>	<b>171</b>	<b>272</b>
570	LOSSES ON EXPENSES AND SALES OF INTANGIBLE ASSETS, REAL ESTATE AND EQUIPMENT	9,527,677	0	0	0	0
579	OTHER UNMENTIO D EXPENSES	877,211	6,555,498	17,823,613	2032	272
<b>58</b>	<b>EXPENSES BASED ON IMPAIRMENT OF PROPERTY</b>	<b>544,347,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
585	IMPARI MENT OF RECEIVABLES FROM SHORT-TERM FINANCIAL PLACEMENTS	544,347,966	0	0	0	0
<b>59</b>	<b>EXPENSES OF PREVIOUS YEARS</b>	<b>38,867,529</b>	<b>15,383,005</b>	<b>15,572,470</b>	<b>40</b>	<b>101</b>
592	EXPENSES BASED ON ADJUSTMENTS OF MISTAKES FROM PREVIOUS YEARS WHICH ARE NOT MATERIAL	38,867,529	15,383,005	15,572,470	40	101
<b>III</b>	<b>OTHER EXPENSES</b>	<b>593,620,383</b>	<b>21,938,503</b>	<b>33,396,083</b>	<b>6</b>	<b>152</b>
	<b>TOTAL EXPENSES</b>	<b>1,006,988,129</b>	<b>794,362,438</b>	<b>845,812,572</b>	<b>84</b>	<b>106</b>

### III quarter (VII-IX)

In the third quarter of 2020, the Company realized a total expense in the amount of 305,833,320 dinars and is higher by 55% compared to the expenses incurred in the same period last year, and compared to the Rebalance of the Business Plan for the third quarter of 2020 is higher by 12%. Deviation of expenses in relation to the same period of the previous year is a result of the treatment of depreciation costs that were performed in the third quarter of the current year in accordance with the application of the accounting standard IFRS 16.

**Costs of materials and energy (group 51)** in the third quarter of 2020 were realized in the amount of 436,704 dinars and are 37% lower compared to the same period of the previous year, and compared to the Rebalance of the Business Plan for the third quarter of 2020 are lower by 76%.

Material and energy costs are mostly related to:

- fuel costs in the amount of 247,118 dinars - which are higher by 2% compared to the same period last year.

**Expenses of salaries, allowances and other personal expenses (group 52)** in the third quarter of 2020 were realized in the amount of 34,748,088 and make a total of 11% of realized expenditures. Thus realized costs of salaries, fees and other personal expenses are lower by 6% compared to the same period in 2019, and compared to the Rebalance of the Business Plan for the third quarter of 2020 are lower by 3%.

**Costs of production services (group 53)** in the third quarter of 2020 were realized in the amount of 10,126,333 dinars and are 26% lower compared to the same period in 2019, and compared to the Business Plan for the second quarter of 2020 they are 15% higher.

Costs of production services make up 3% of total expenses, and mostly relate to:

- rent costs in the amount of 9,150,724 dinars - which are 7% higher compared to the same period last year, as well as
- costs of transport services in the amount of 710,836 dinars (PTT services - telephones) - are 2% lower compared to the same period last year.

Within the realized expenses, the biggest expense is **the cost of depreciation and provisions (group 54)**, which in the third quarter of 2020 was realized in the amount of 177,700,071 dinars and makes 58% of the total realized expenses. They are significantly higher compared to the same period in 2019, and compared to the Rebalance of the Business Plan for the third quarter of 2020, it is higher by 1%.

The calculation of depreciation costs in the same period of the previous year in relation to the third quarter of the current year differs due to the fact that in the previous period non-Concession assets were included, which are now stated in accordance with IFRS 16.

In accordance with the requirements of IFRS 16, the entire assets of the Company are analyzed in terms of the type of assets and the period of their use. In the case of Concession Funds, we distinguish between infrastructure assets and closely related assets (equipment) that are subject to depreciation and other assets that are not closely related to infrastructure assets that are considered sold on "Day 1", which indicates the Concession Start Date and accordingly recorded are on active accruals (AVR) and are not subject to depreciation

**Intangible costs (group 55)** in the third quarter of 2020 were realized in the amount of 41,405,567 dinars and make up 14% of the total realized expenses. Intangible costs realized in this way are higher by 24% compared to the same period in 2019, and compared to the Rebalance of the Business Plan for the third quarter of 2020, they are higher by 26%.

Intangible costs mostly relate to:

- costs of property tax of ANT in the amount of 22,642,100 dinars - are higher by 22% compared to the same period in 2019 due to the transfer of land at the estimated value that the Concessionaire transferred to the ownership of ANT, in accordance with the Concession Agreement, as well as
- costs of non-production services in the amount of 9,421,140 dinars - are lower by 20% compared to the same period last year, within which the highest cost is microfilming - (legal obligation to keep documentation from previous years), due to eviction from the archive space at the airport complex.

**Financial expenses (group 56)** in the third quarter of 2020 were realized in the amount of 12,820,132 dinars and are significantly higher when compared to the same period in 2019, as well as compared to the Rebalance of the Business Plan for the third quarter of 2020. This increase in financial expenses is a reflection of the fluctuation of the dollar exchange rate, which on 30.09.2020 amounted to 100.1706 dinars, while on 30.06.2020 it amounted to 104.6329 dinars. In the first quarter of the previous year, the company had significant funds on foreign currency accounts from the payment of the one-time concession fee, hence the significant difference in financial expenses in relation to the third quarter of 2020.

The structure of financial expenditures for the third quarter of 2020 consists of:

- negative exchange rate differences in the amount of 12,819,535 dinars and participate with 99.99% in total financial expenses.

**Other expenses (groups 57, 58 and 59)** in the third quarter of 2020 were realized in the amount of 28,596,424 dinars and are lower by 95% compared to the same period in 2019, while they are 60% higher compared to the Rebalance of the Business Plan for the third quarter of 2020.

Realized other expenses mostly refer to subsequently determined expenses in previous years.

The structure of realized expenditures for the third quarter of 2020 is shown in the table of expenditure structures.

**EXPENDITURE STRUCTURE FOR THIRD QUARTER**

Account	Account name	Realization VII-IX 2019	Plan VII-IX 2020	Realization VII-IX 2020	Indices	
					6 (5/3)	7 (5/4)
1	2	3	4	5	6 (5/3)	7 (5/4)
<b>51</b>	<b>SUPPLIES AND ENERGY COSTS</b>	<b>694,783</b>	<b>1,802,337</b>	<b>436,704</b>	<b>63</b>	<b>24</b>
511	COSTS OF WORKING MATERIALS	10,687	194,531	0	0	0
512	COSTS OF OVERHEAD SUPPLIES	442,465	1,357,806	189,586	43	14
513	FUEL AND ENERGY COSTS	241,630	250,000	247,118	102	99
<b>52</b>	<b>WAGES, SALARIES AND OTHER PERSONAL COSTS</b>	<b>36,869,389</b>	<b>35,759,606</b>	<b>34,748,088</b>	<b>94</b>	<b>97</b>
520	SALARY COSTS AND SALARY BENEFITS (GROSS)	26,952,844	26,103,164	26,103,164	97	100
521	COSTS OF TAX AND BENEFITS ON WAGES AND SALARIES - EMPLOYER	4,475,986	4,245,639	4,245,639	95	100
522	COSTS OF BENEFITS UNDER THE WORK CONTRACT - GROSS	259,581	93,931	93,931	36	100
524	COSTS OF FEES BY TEMPORARY AND OCCASIONAL OPERATIONS - GROSS	1,262,320	1,282,824	1,282,824	102	100
526	REMUNERATION TO THE DIRECTOR, OR TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES - GROSS	1,850,560	2,007,921	1,977,424	107	98
529	OTHER PERSONAL COSTS AND FEES	2,068,098	2,026,128	1,045,106	51	52
<b>53</b>	<b>COSTS OF PRODUCTION SERVICES</b>	<b>13,738,853</b>	<b>8,838,560</b>	<b>10,126,333</b>	<b>74</b>	<b>115</b>
531	TRANSPORTATION COSTS	724,134	1,525,000	710,836	98	47
532	MAINTENANCE SERVICES COSTS	1,130,000	1,525,440	94,925	8	6
533	RENTAL COSTS	9,859,733	4,998,120	9,150,724	93	183
535	ADVERTISING AND PROPAGANDA COSTS	500,000	750,000	0	0	0
539	COSTS OF OTHER SERVICES	1,524,986	40,000	169,849	11	425
<b>54</b>	<b>COSTS OF AMORTIZATION AND RESERVATION</b>	<b>9,677,758</b>	<b>176,000,000</b>	<b>177,700,071</b>	<b>1836</b>	<b>101</b>
540	AMORTIZATION COSTS	-322,242	170,000,000	172,700,071	-53593	102
549	OTHER LONG - TERM PROVISIONS	10,000,000	6,000,000	5,000,000	50	83
<b>55</b>	<b>INTANGIBLE COSTS</b>	<b>33,367,151</b>	<b>32,770,877</b>	<b>41,405,567</b>	<b>124</b>	<b>126</b>
550	COSTS OF NON - PRODUCTION SERVICES	11,847,255	9,231,066	9,421,140	80	102
551	REPRESENTATION COSTS	755,547	374,750	491,080	65	131
552	INSURANCE PREMIUM COSTS	295,928	152,486	198,720	67	130
553	PAYMENT TRANSACTION COSTS	189,976	481,118	98,487	52	20
554	MEMBERSHIP FEES	121,500	410,786	105,000	86	26
555	TAX COSTS	18,496,777	21,590,966	22,642,100	122	105
559	OTHER INTANGIBLE COSTS	1,660,168	529,705	8,449,040	509	1,595
<b>I</b>	<b>BUSINESS EXPENSES</b>	<b>94,347,933</b>	<b>255,171,380</b>	<b>264,416,764</b>	<b>280</b>	<b>104</b>
<b>56</b>	<b>FINANCIAL EXPENSES</b>	<b>1,560,266</b>	<b>91,454</b>	<b>12,820,132</b>	<b>822</b>	<b>14,018</b>
562	INTEREST EXPENSES	-14,911	11,854	0	0	0
563	NEGATIVE COURSE DIFFERENCES	962,956	78,347	12,819,535	1331	16,362
564	EXPENSE BASED ON THE EFFECTS OF THE CURRENCY CLAUSE	612,222	1,253	597	0	48
<b>II</b>	<b>FINANCIAL EXPENSES</b>	<b>1,560,266</b>	<b>91,454</b>	<b>12,820,132</b>	<b>822</b>	<b>14,018</b>
<b>57</b>	<b>OTHER EXPENSES</b>	<b>9,112,178</b>	<b>6,368,731</b>	<b>17,679,561</b>	<b>194</b>	<b>278</b>
<b>570</b>	<b>LOSSES ON EXPENSES AND SALES OF INTANGIBLE ASSETS, REAL ESTATE AND EQUIPMENT</b>	<b>9,527,677</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
579	OTHER UNMENTIOD EXPENSES	-415,498	6,368,731	17,679,561	-4255	278
<b>58</b>	<b>EXPENSES BASED ON IMPAIRMENT OF PROPERTY</b>	<b>544,347,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
585	IMPARIMENT OF RECEIVABLES FROM SHORT-TERM FINANCIAL PLACEMENTS	544,347,966	0	0	0	0
<b>59</b>	<b>EXPENSES OF PREVIOUS YEARS</b>	<b>24,193,991</b>	<b>11,537,254</b>	<b>10,916,864</b>	<b>45</b>	<b>95</b>
592	EXPENSES BASED ON ADJUSMENTS OF MISTAKES FROM PREVIOUS YEARS WHICH ARE NOT MATERIAL	24,193,991	11,537,254	10,916,864	45	95
<b>III</b>	<b>OTHER EXPENSES</b>	<b>577,654,136</b>	<b>17,905,985</b>	<b>28,596,424</b>	<b>5</b>	<b>160</b>
	<b>TOTAL EXPENSES</b>	<b>673,562,335</b>	<b>273,168,819</b>	<b>305,833,320</b>	<b>45</b>	<b>112</b>

### 3.3. FINANCIAL RESULT FOR THE PERIOD I-IX AND FOR THE THIRD QUARTER OF 2020

In the period I-IX 2020, a negative financial result was achieved in the gross amount of (550,430,691) dinars and the net amount of (548,936,271) dinars.

The negative financial result for the period I-IX 2020 is mostly the result of the application of IFRS 16, on the basis of which we differentiate revenues based on the Concession Agreement (CAPEX, minimum annual Concession Fee) by years for the entire Concession Period.

FINANCIAL RESULT I-IX 2020						
No.	Position	Realization I-IX 2019	Plan I-IX 2020	Realization I-IX 2020	Indices	
1	2	3	4	5	6 (5/3)	7 (5/4)
1	Operating Income	393,901,086	27,313,784	256,292,992	65	92
2	Operating expenses	276,632,061	772,321,718	793,896,532	287	103
<b>3</b>	<b>Operating profit (1-2)</b>	<b>117,269,025</b>				
<b>3a</b>	<b>Operating loss (2-1)</b>		<b>493,007,934</b>	<b>537,603,540</b>		<b>109</b>
4	Financial income	68,602,735	420,798	9,971,480	15	237
5	Financial expenses	136,735,686	102,217	18,519,480	14	18,118
<b>6</b>	<b>Financial profit (4-5)</b>		<b>4,105,764</b>			
<b>6a</b>	<b>Financial loss (5-4)</b>	<b>68,132,952</b>		<b>8,548,476</b>		
7	Other income	632,203,099	29,006,334	29,117,409	5	100
8	Other expenses	593,620,383	21,938,503	33,396,083	6	152
<b>9</b>	<b>Other profit (7-8)</b>	<b>38,582,717</b>	<b>7,067,831</b>			
<b>9a</b>	<b>Other loss (8-7)</b>			<b>4,278,675</b>		
<b>10</b>	<b>Total income (1+4+7)</b>	<b>1,094,706,920</b>	<b>312,528,099</b>	<b>295,381,881</b>	<b>27</b>	<b>95</b>
<b>11</b>	<b>Total expenses (2+5+8)</b>	<b>1,006,988,129</b>	<b>794,362,438</b>	<b>845,812,572</b>	<b>84</b>	<b>106</b>
<b>12</b>	<b>Total gross profit (10-11)</b>					
<b>12a</b>	<b>Total gross loss (11-10)</b>	<b>87,718,791</b>	<b>481,834,339</b>	<b>550,430,691</b>		<b>114</b>
13	Tax expense for period					
14	Deferred tax expense for period	11,048,256				
15	Deferred tax income for period			1,494,419		
16	Personal income paid to the employer					
<b>17</b>	<b>Net profit</b>	<b>76,670,535</b>				
<b>17a</b>	<b>Net loss</b>		<b>481,834,339</b>	<b>548,936,271</b>		<b>114</b>

### III quarter (VII-IX)

In the third quarter of 2020, a negative financial result was achieved in the gross amount of (197,328,857) dinars and the net amount of (197,137,386) dinars.

This negative financial result for the third quarter of 2020 is largely the result of the application of IFRS 16, based on which we differentiate revenues under the Concession Agreement (CAPEX, minimum annual Concession Fee) by year for the entire Concession Period.

It is also important to note that the Corona virus pandemic (Covid 19) had an impact on the Company's revenue, and thus on the achievement of a negative financial result.

FINANCIAL RESULT FOR THIRD QUARTER						
No.	Position	Realization VII-IX 2019	Plan VII-IX 2020	Realization VII-IX 2020	Indices	
1	2	3	4	5	6 (5/3)	7 (5/4)
1	Operating Income	130,944,522	91,636,224	92,957,498	71	101
2	Operating expenses	94,347,933	255,171,380	264,416,764	280	104
<b>3</b>	<b>Operating profit (1-2)</b>	<b>36,596,589</b>				
<b>3a</b>	<b>Operating loss (2-1)</b>		<b>163,535,156</b>	<b>171,459,266</b>		<b>105</b>
4	Financial income	4,994,392	1,378,906	2,239,663	45	162
5	Financial expenses	1,560,266	91,454	12,820,132	822	14,018
<b>6</b>	<b>Financial profit (4-5)</b>	<b>3,434,126</b>	<b>1,287,452</b>			
<b>6a</b>	<b>Financial loss (5-4)</b>			<b>10,580,470</b>		
7	Other income	601,083,949	16,192,642	13,307,303	2	82
8	Other expenses	577,654,136	17,905,985	28,596,424	5	160
<b>9</b>	<b>Other profit (7-8)</b>	<b>23,429,813</b>				
<b>9a</b>	<b>Other loss (8-7)</b>		<b>1,713,343</b>	<b>15,289,122</b>		<b>892</b>
<b>10</b>	<b>Total income (1+4+7)</b>	<b>737,022,863</b>	<b>109,207,772</b>	<b>108,504,463</b>	<b>15</b>	<b>99</b>
<b>11</b>	<b>Total expenses (2+5+8)</b>	<b>673,562,336</b>	<b>273,168,819</b>	<b>305,833,320</b>	<b>45</b>	<b>112</b>
<b>12</b>	<b>Total gross profit (10-11)</b>	<b>63,460,526</b>				
<b>12a</b>	<b>Total gross loss (11-10)</b>		<b>163,961,047</b>	<b>197,328,857</b>		<b>120</b>
13	Tax expense for period					
14	Deferred tax expense for period	11,048,256				
15	Deferred tax income for period			191,471		
16	Personal income paid to the employer					
<b>17</b>	<b>Net profit</b>	<b>52,412,270</b>				
<b>17a</b>	<b>Net loss</b>		<b>163,961,047</b>	<b>197,137,386</b>		<b>120</b>

It is important to note that despite the negative financial result for the period I-IX 2020 and for the third quarter of 2020, which is the result of the application of IFRS 16 (revenue is deferred over the entire concession period), the achieved result does not pose a risk of success. performing the activities of the Company.

### 3.4. NUMBER OF EMPLOYEES

#### NUMBER OF WORKERS ACCORDING TO PERSONNEL RECORDS FOR THE PERIOD I-IX 2020 (last day of the month)

Month	Full time	Part time	Total	occasional jobs	SUM
1	2	3	4 (2+3)	5	6 (4+5)
January	36	0	36	1	37
February	36	0	36	1	37
March	35	0	35	1	36
April	35	0	35	1	36
May	35	0	35	1	36
June	34	0	34	1	35
July	35	0	35	1	36
August	35	0	35	1	36
September	36	0	36	1	37

### 4. INFORMATION ON INVESTMENTS FOR ENVIRONMENTAL PROTECTION

In accordance with its new registered activity, the Company actively participates in solving the problem of environmental pollution and raising environmental awareness of all employees and other persons with whom it has direct and indirect contact, but also within the obligations under the Concession Agreement cooperates with DPN in this area. DPN in its work applies positive regulations and the highest standards when it comes to environmental protection.

### 5. DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT HAPPENED IN THE PERIOD I-IX 2020

In the period I-IX 2020, it is necessary to mention the following important business events:

#### **Corona Virus Pandemic (Covid 19)**

On March 11, 2020, the World Health Organization declared a pandemic of the Corona virus (Covid 19) and issued instructions for suppressing the spread, which, in addition to personal hygiene and protection, also included restrictions on movement, ie even the closure of state borders.

In this regard, considering the risks to the population of the Republic of Serbia, the Decision of the President of the Republic of Serbia, the President of the National Assembly of the Republic of Serbia and the Prime Minister of the Republic of Serbia of 15.03.2020. year ("Official Gazette of

RS" number 29/2020), a state of emergency was declared in the territory of the Republic of Serbia due to the epidemic of the Corona virus (Covid 19).

In order to prevent the spread of the Corona virus epidemic, the RS Government passed a number of acts, including the Decree on the organization of work of employers during the state of emergency on 16<sup>th</sup> March 2020 ("Official Gazette of RS", No. 31/2020), which regulates a special manner and organization of work of employers on the territory of the Republic of Serbia during the state of emergency.

In accordance with the above decree, the General Manager of JSC Airport Nikola Tesla Belgrade on 19<sup>th</sup> March 2020, issued a Decision on performing work outside the employer's premises number GD - 273/2020 which applies to all employees for the duration of the state of emergency in the Republic Serbia. Based on the Decision on performing work outside the premises of the employer, AD Airport Nikola Tesla Belgrade adopted the Work Plan in the conditions of the Corona virus epidemic (Covid 19).

The decision published in the Official Gazette of the Republic of Serbia No. 65 dated 6<sup>th</sup> May, 2020, abolished the state of emergency on the territory of the Republic of Serbia, declared due to the Corona virus epidemic (Covid 19).

After the abolition of the state of emergency, AD Airport Nikola Tesla Belgrade organized operations in accordance with the emergency measures that are still applied, and which are determined by the acts of the Government of RS, i.e. the conclusions of the Crisis Staff for the control of infectious diseases Covid 19.

### **Detailed regulation plan**

The detailed regulation plan, which is the basis for defining the purpose, capacity and content of the airport complex in accordance with the technological needs and development program of the airport, defining public interest, creating planning opportunities and providing technical infrastructure capacity for planned construction, as well as determining airport protection zones on 30<sup>th</sup> March 2020 by the Decision of the Assembly of the City of Belgrade number 350-269 / 20-GV.

Starting from the adopted Detailed Regulation Plan for the Nikola Tesla Airport complex, the procedure of obtaining conditions and appropriate permits from the competent state bodies for infrastructure projects in accordance with the regulations of the Republic of Serbia was initiated, as well as performing works in accordance with the adopted Plan.

The works on the expansion of the terminal building began at the Airport complex, which will enable additional expansion of the airport capacities in the first quarter of 2020.

In the mentioned period, preparatory works on the construction of the inserted runway began. Execution of preparatory works on the construction of the inserted runway is performed in accordance with the regulations governing the construction and reconstruction of line infrastructure facilities of special importance for the Republic of Serbia.

In order to provide additional capacities for parking and servicing aircraft, works have begun on the construction of the platform and the associated maneuvering space necessary for the reception and dispatch of aircraft, as well as for the movement of airport assets and equipment.

Also, in the mentioned period, works on the construction of a remote parking lot and roads for access to a remote parking lot began. Remote parking is provided for long-term parking of vehicles and is located southwest of the threshold 30 of the existing runway. In addition, in the

same period, works were carried out on the construction of electricity infrastructure capacity to supply future consumers with electricity.

At the request of the Ministry of Construction, Transport and Infrastructure, through the system of the Unified Procedure, AD Airport Nikola Tesla Belgrade in the period from 1<sup>st</sup> January 2020 until 30<sup>th</sup> September 2020, processed 8 requests for the issuance of conditions for the design and connection of facilities to the communal infrastructure that is in our ownership for the implementation of projects at the airport complex.

### **Executive procedure**

In May 2020, in order to collect receivables from Aerodrom Katering d.o.o. Surcin, an executive procedure was initiated within which the claim of JSC Belgrade Nikola Tesla Airport was collected in the amount of 1,000,511.17 dinars with the corresponding interest.

## **5.1. DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT OCCURRED AFTER THE EXPIRY OF THE PERIOD I-IX 2020**

In the period I-IX 2020, it is necessary to mention the following important business events that occurred after the expiration of the period I-IX 2020:

The implementation of infrastructure projects in the DPN continued, in compliance with all recommendations due to the emergency measures that remained in force even after the lifting of the state of emergency due to the Covid 19 pandemic, which is still ongoing.

## **6. DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD I-VI 2020**

With the introduction of the state of emergency on the territory of the Republic of Serbia due to the pandemic caused by the Corona virus (COVID 19), as well as the Decision of the Government of the Republic of Serbia to suspend commercial flights from Nikola Tesla Airport Belgrade, there were significant disruptions in operations at the airport. More detailed information on disturbances will be known after appropriate analyzes and implementation of appropriate measures for the safe operation of air traffic with minimal impact on passenger safety.

Based on the business analysis, the management does not expect that there are significant risks related to the continuation of business and the realization of the Concession Agreement. Management's assessment implies that the financial condition of ANT is such that there is no uncertainty as to the ability of ANT to continue as a going concern and that there is no material impact on the business.

Due to the existence of market risks that affect financial instruments, the Company's management meticulously monitors the trends that lead to risk and takes the necessary measures to manage risks. Also, the management believes that there are no significant risks related to the fulfillment of legal norms, the company's liquidity and market position in the future, which may violate the principle of business continuity.

The Company settles its current obligations within the agreed deadlines.

## **7. SIGNIFICANT AFFAIRS OF THE COMPANY WITH RELATED PERSONS**

The Company has no related parties pursuant to the Law on Companies (" Official Gazette of RS " No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018, 95/2018 and 91/2019 Article 62 ) accordingly, there are no business activities with related parties.

### **7.1. EXISTENCE OF BRANCHES**

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

Belgrade, November 2020

Managing director

Saša Vlaisavljević, graduated traffic engineer

**Managing Director -  
Chairman of the Executive Board**



Number: GD -835/2020

E: [kabinet@antb.rs](mailto:kabinet@antb.rs)

[www.antb.rs](http://www.antb.rs)

11180 Belgade 59, Republic of Serbia

Date: 5<sup>th</sup> November

SITA: BEGOWXX

Register number: 07036540

TIN: 100000539

Pursuant to Article 52, paragraph 3, item 7), and in connection with Article 53, paragraph 2 of the Law on Capital Market ("Official Gazette" No. 31/2011, 112/2015, 108/2016 and 9/2020) we make the following:

**STATEMENT**

We declare that, to the best of our knowledge, the Quarterly Report for the third quarter of 2020 has been prepared using appropriate international financial reporting standards and provides true and objective information about assets, liabilities, financial position and operations, profits and losses, cash flows and changes in capital of JSC Airport Nikola Tesla Belgrade.

This statement was made for the purpose of publishing the Quarterly Report of JSC Belgrade Nikola Tesla Airport for the third quarter of 2020 and cannot be used otherwise.

Head of the Finance, Accounting and Planning  
Sector  
Jelena Arsenijević, Bachelor of Economics

Managing director  
Saša Vlaisavljević, graduated traffic  
engineer

**AD AIRPORT NIKOLA TESLA BELGRADE  
SUPERVISORY BOARD  
Number: DNO - 130/2020  
Date: 10<sup>th</sup> November 2020**

Pursuant to Article 53 of the Law on Capital Market ("Official Gazette of RS" No. 31/2011, 112/2015, 108/2016 and 9/2020) and Article 32, paragraph 1, item 5) of the Statute of the Joint Stock Company Airport Nikola Tesla Belgrade (number: 361 dated 5<sup>th</sup> February, 2019 - consolidated text), the Supervisory Board of the Joint Stock Company Belgrade Nikola Tesla Airport, at the 312<sup>th</sup> session held on 10<sup>th</sup> November, 2020, made the following:

**DECISION**

1. The Financial Report as of 30<sup>th</sup> September 2020 of the Joint Stock Company Belgrade Nikola Tesla Airport is approved.
2. This Decision shall enter into force on the day of its adoption.

**Rationale**

In addition to the regular annual financial statements in accordance with the Law on Accounting (Official Gazette 62/13, 30/2018 and 73/2019 - other law), the Law on Capital Market ("Official Gazette of RS", No. 31 / 2011, 112/2015, 108/2016 and 9/2020) and the Rulebook on the conditions and manner of public disclosure of financial statements and keeping the register of financial statements (Official Gazette 127/14, 101/2016 and 111/2017), shall be submitted to the Agency for Business registers after adoption by the competent authority (Company Assembly) no later than 45 days after the end of the quarter, Public companies have additional reporting obligations prescribed by the Law on Capital Market, the Rulebook on the content, form and manner of publishing annual, semi-annual and quarterly reports of public companies. on the manner in which Public Companies submit information to the Securities Commission.

Pursuant to Article 53, paragraph 1 of the Law on Capital Market, a public company whose securities are traded on a regulated market shall compile, publish and submit to the Commission and the market organizer a quarterly report, no later than 45 days after the end of each of the first three quarters of the current business year, as well as to ensure that this report is available to the public for at least five years from the date of publication.

JSC Airport Nikola Tesla Belgrade has prepared the Financial Report as of 30<sup>th</sup> September 2020, which includes: Balance Sheet as of 30<sup>th</sup> September 2020. Income statement for the period I-IX 2020, Report on the remaining result for the period I-IX 2020, Report on changes in equity until 30<sup>th</sup> September 2020, Report on cash flows for the period I-IX 2020 and Notes to the financial statements of 30<sup>th</sup> September 2020.

The Financial Report as of 30<sup>th</sup> September 2020 was sent to the Audit Committee, which at its 70<sup>th</sup> session held on 9<sup>th</sup> November 2020 adopted a Conclusion confirming the correctness of the Financial Report as of 30<sup>th</sup> September 2020 and submitted it to the Supervisory Board. for consideration and approval.

Based on all the aforesaid, the Supervisory Board decided as in the enacting clause.

Chairman of the Supervisory Board

**Vesna Stanković Jevđević, Bachelor of Economics**

**AD AIRPORT NIKOLA TESLA BELGRADE  
SUPERVISORY BOARD**

**Number: DNO - 131/2020**

**Date: 10<sup>th</sup> November, 2020**

Pursuant to Article 53 of the Law on Capital Market ("Official Gazette of RS" No. 31/2011, 112/2015, 108/2016 and 9/2020) and Article 32, paragraph 1, item 5) of the Statute of the Joint Stock Company Airport Nikola Tesla Belgrade (number: 361 dated 5<sup>th</sup> February 2019 - consolidated text), the Supervisory Board of the Joint Stock Company Belgrade Nikola Tesla Airport, at the 312<sup>th</sup> session held on 10<sup>th</sup> November 2020, made the following:

**DECISION**

1. The Business Report for the third quarter and for the period I-IX 2020 of the Joint Stock Company Belgrade Nikola Tesla Airport is approved.
2. This Decision shall enter into force on the day of its adoption.

**Rationale**

In addition to the regular Annual Financial Statements in accordance with the Law on Accounting (Official Gazette 62/13, 30/2018 and 73/2019 - other law), the Law on Capital Market ("Official Gazette of RS", No. 31 / 2011, 112/2015, 108/2016 and 9/2020) and the Rulebook on the conditions and manner of public disclosure of financial statements and keeping the register of financial statements (Official Gazette 127/14, 101/2016 and 111/2017), shall be submitted to the Agency for Business registers after adoption by the competent authority (Company Assembly) no later than 45 days after the end of the quarter, Public companies have additional reporting obligations prescribed by the Law on Capital Market, the Rulebook on the content, form and manner of publishing annual, semi-annual and quarterly reports of public companies. on the manner in which Public Companies submit information to the Securities Commission.

In accordance with Article 53, paragraph 1 of the Law on Capital Market, a public company whose securities are traded on a regulated market is obliged to compile, publish and submit to the Commission and the market organizer a quarterly report, no later than 45 days after the end of each of the first three quarters of the current business year, as well as to ensure that this report is available to the public for at least five years from the date of publication.

Given the above, acting in accordance with applicable regulations and the Articles of Association, the Business Report for the second quarter of 2020 was prepared and in accordance with the Articles of Association and the Rules of Procedure of the Supervisory Board submitted to the Audit Committee to confirm the correctness of the Business Report. referrals to the Supervisory Board for consideration and adoption of the Decision on approval of the Business Report for the third quarter and for the period I-IX 2020.

The Supervisory Board reviewed the submitted Business Report for the third quarter and for the period I-IX 2020, as well as the Conclusion of the Audit Committee, and based on the above, decided as in the enacting clause.

Chairman of the Supervisory Board

**Vesna Stanković Jevđević, Bachelor of Economics**