

Consolidated Annual Report of Energoprojekt Holding Plc. for the year 2020

Pursuant to Articles 50 and 51 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016, 9/2020 and 153/2020) and pursuant to Article 3 of the Rulebook on Contents, Form and Method of Publication of Annual, Half-Yearly and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012, 5/2015, 24/2017 and 14/2020), **Energoprojekt Holding Plc. based in Belgrade, registration No.: 07023014 hereby publishes the following:**

CONSOLIDATED ANNUAL REPORT
OF ENERGOPROJEKT HOLDING PLC. FOR THE YEAR OF 2020

C O N T E N T S

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR THE YEAR 2020

(Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Financial Statements)
2. INDEPENDENT AUDITOR'S REPORT (complete report)
3. ANNUAL BUSINESS REPORT
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1. CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR THE YEAR 2020 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement on Changes in Equity, Notes to Financial Statements)

CONSOLIDATED BALANCE SHEET
as at 31.12.2020.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001		-	-	-
	B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002		14.163.119	15.142.892	-
01	I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003		48.935	63.899	-
010 & part 019	1. Investments in development	0004		-	-	-
011, 012 & part 019	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	25.	48.531	63.429	-
013 & part 019	3. Goodwill	0006		-	-	-
014 & part 019	4. Other intangible assets	0007		-	-	-
015 & part 019	5. Intangible assets in progress	0008	25.	-	470	-
016 & part 019	6. Advances paid on intangible assets	0009	25.	404	-	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		11.832.540	12.741.255	-
020, 021 & part 029	1. Land	0011	26.	632.863	633.593	-
022 & part 029	2. Buildings	0012	26.	6.643.939	6.816.541	-
023 & part 029	3. Plant and equipment	0013	26.	2.018.321	2.329.260	-
024 & part 029	4. Investment property	0014	26.	2.402.012	2.837.068	-
025 & part 029	5. Other property, plant and equipment	0015	26.	70.117	68.304	-
026 & part 029	6. Property, plant and equipment in progress	0016	26.	1.658	2.641	-
027 & part 029	7. Investments in property, plant and equipment, not owned	0017	26.	18.795	4.184	-
028 & part 029	8. Advances paid on property, plant and equipment	0018	26.	44.835	49.664	-
03	III. NATURAL ASSETS (0020+0021+0022+0023)	0019		-	-	-
030, 031 & part 039	1. Forests and growing crops	0020		-	-	-
032 & part 039	2. Livestock	0021		-	-	-
037 & part 039	3. Natural assets in progress	0022		-	-	-
038 & part 039	4. Advances paid for natural assets	0023		-	-	-
04, excl 047	IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		898.307	999.869	-
040 & part 049	1. Shares in subsidiaries	0025		-	-	-
041 & part 049	2. Shares in affiliated companies and joint ventures	0026	27.	734.267	729.439	-
042 & part 049	3. Shares in other companies and other available for sale securities	0027	27.	32.040	31.116	-
part 043, part 044 & part 049	4. Long term investments in parent companies and subsidiaries	0028		-	-	-
part 043, part 044 & part 049	5. Long term investments in other affiliated companies	0029		-	-	-
part 045 & part 049	6. Long term investments, domestic	0030		-	-	-
part 045 & part 049	7. Long term investments, foreign countries	0031		-	-	-
046 & part 049	8. Securities held to maturity	0032		-	-	-
048 & part 049	9. Other long term financial investments	0033	27.	132.000	239.314	-
05	V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		1.383.337	1.337.869	-
050 & part 059	1. Receivables from parent company and subsidiaries	0035		-	-	-
051 & part 059	2. Receivables from other affiliated companies	0036		-	-	-
052 & part 059	3. Receivables from credit sales	0037		-	-	-
053 & part 059	4. Receivables from financial leasing contracts	0038		-	-	-
054 & part 059	5. Receivables from pledged assets	0039	28.	2.400	-	-
055 & part 059	6. Bad debts and uncollectible claims	0040		-	-	-
056 & part 059	7. Other long term receivables	0041	28.	1.380.937	1.337.869	-
288	C. DEFERRED TAX ASSETS	0042		-	-	-
	D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		21.020.942	21.567.051	-
Class 1	I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044		5.424.458	5.671.082	-
10	1. Material ,parts, tools and small inventories	0045	29.	1.249.446	927.165	-
11	2. Work and services in progress	0046	29.	941.628	2.555.541	-
12	3. Finished products	0047	29.	1.713.605	605.909	-
13	4. Goods	0048	29.	60.212	21.980	-
14	5. Non-current assets held for sale	0049	29.	220.170	109.157	-
15	6. Advances paid for inventories and services	0050	29.	1.239.397	1.451.330	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
20	II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051		5.881.992	6.748.205	-
200 & part 209	1. Local buyers - parent company and subsidiaries	0052		-	-	-
201 & part 209	2. Foreign buyers - parent company and subsidiaries	0053		-	-	-
202 & part 209	3. Local buyers - other affiliated companies	0054	30.	3.240	23.127	-
203 & part 209	4. Foreign buyers - other affiliated companies	0055	30.	-	470.798	-
204 & part 209	5. Local buyers	0056	30.	2.011.627	2.634.316	-
205 & part 209	6. Foreign buyers	0057	30.	3.867.125	3.619.964	-
206 & part 209	7. Other receivables from sales	0058		-	-	-
21	III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	31.	48.952	47.539	-
22	IV. OTHER RECEIVABLES	0060	32.	290.844	539.060	-
236	V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061		-	-	-
23 excl. 236 & 237	VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062		1.360.403	1.383.706	-
230 & part 239	1. Short term loans and investments - parent company and subsidiaries	0063		-	-	-
231 & part 239	2. Short term loans and investments - other affiliated companies	0064	33.	76.513	76.521	-
232 & part 239	3. Short term credits and loans, domestic	0065	33.	136	-	-
233 & part 239	4. Short term credits and loans, foreign countries	0066	33.	1.335	853	-
234, 235, 238 & part 239	5. Other short term financial investments	0067	33.	1.282.419	1.306.332	-
24	VII. CASH AND CASH EQUIVALENTS	0068	34.	2.911.977	2.454.112	-
27	VIII. VALUE ADDED TAX	0069	35.1.	100.493	74.967	-
28 excl. 288	IX. PREPAYMENTS AND ACCRUED INCOME	0070	35.2.	5.001.823	4.648.380	-
	E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		35.184.061	36.709.943	-
88	F. OFF-BALANCE SHEET ASSETS	0072	44.	15.596.959	19.702.786	-
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401		17.832.767	17.797.620	-
30	I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402		5.790.847	5.818.025	-
300	1. Share capital	0403	36.1.	5.574.959	5.574.959	-
301	2. Shares of limited liability companies	0404		-	-	-
302	3. Investments	0405		-	-	-
303	4. State owned capital	0406		-	-	-
304	5. Socially owned capital	0407		-	-	-
305	6. Shares of cooperatives	0408		-	-	-
306	7. Issuing premium	0409	36.1.	162.693	162.693	-
309	8. Other share capital	0410	36.1.	53.195	80.373	-
31	II. SUBSCRIBED CAPITAL UNPAID	0411		-	-	-
047 & 237	III. TREASURY SHARES REPURCHASED	0412	36.2.	49.827	49.827	-
32	IV. RESERVES	0413	36.3.	318.617	453.602	-
330	V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	36.4.	5.718.877	5.973.916	-
33 excl. 330	VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	36.5.	52.736	265.202	-
33 excl. 330	VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	36.6.	25.346	17.055	-
34	VIII. RETAINED EARNINGS (0418+0419)	0417		5.932.247	5.259.056	-
340	1. Retained earnings from previous years	0418	36.7.	4.907.513	4.614.170	-
341	2. Retained earnings from current year	0419	36.7.	1.024.734	644.886	-
	IX. NON-CONTROLLING INTEREST	0420	36.8.	94.616	94.701	-
35	X. LOSSES (0422+0423)	0421		-	-	-
350	1. Losses from previous years	0422		-	-	-
351	2. Losses from current year	0423		-	-	-
	B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		5.413.838	2.455.885	-
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		856.788	893.788	-
400	1. Provisions for warranty costs	0426	37.	579.499	606.134	-
401	2. Provisions for recovery of natural resources	0427		-	-	-
403	3. Provisions for restructuring costs	0428		-	-	-
404	4. Provisions for wages and other employee benefits	0429	37.	262.890	285.334	-
405	5. Provisions for legal expenses	0430	37.	14.399	2.320	-
402 & 409	6. Other long term provisions	0431		-	-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		4.557.050	1.562.097	-
410	1. Liabilities convertible into capital	0433		-	-	-
411	2. Liabilities to parent company and subsidiaries	0434		-	-	-
412	3. Liabilities to other affiliated companies	0435	38.1.	730.472	1.196.624	-
413	4. Liabilities for issued securities for more than one year	0436	38.2.	3.300.000	-	-
414	5. Long term credits and loans, domestic	0437		-	-	-
415	6. Long term credits and loans, foreign countries	0438	38.3.	-	203.021	-
416	7. Long term liabilities from financial leasing	0439	38.4.	74.125	5.405	-
419	8. Other long term liabilities	0440	38.5.	452.453	157.047	-
498	C. DEFERRED TAX LIABILITIES	0441	43.4	490.471	476.867	-
42 to 49 (excl. 498)	D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		11.446.985	15.979.571	-
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		1.010.957	4.250.885	-
420	1. Short term loans from parent company and subsidiaries	0444		-	-	-
421	2. Short term loans from other affiliated companies	0445		-	-	-
422	3. Short term credits and loans, domestic	0446	39.1.	782.626	3.681.150	-
423	4. Short term credits and loans, foreign countries	0447	39.2.	150.068	429.149	-
427	5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		-	-	-
424,425,426 & 429	6. Other short term financial liabilities	0449	39.3.	78.263	140.586	-
430	II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	40.	3.916.553	5.020.314	-
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		3.980.428	4.464.353	-
431	1. Suppliers - parent company and subsidiaries, local	0452		-	-	-
432	2. Suppliers - parent company and subsidiaries, foreign countries	0453		-	-	-
433	3. Suppliers - other affiliated companies, local	0454	41.	80.950	83.250	-
434	4. Suppliers - other affiliated companies, foreign countries	0455	41.	-	5.777	-
435	5. Suppliers, local	0456	41.	2.458.210	2.786.730	-
436	6. Suppliers, foreign countries	0457	41.	1.428.432	1.585.830	-
439	7. Other operating liabilities	0458	41.	12.836	2.766	-
44, 45 & 46	IV. OTHER SHORT TERM LIABILITIES	0459	42.	847.223	873.835	-
47	V. VALUE ADDED TAX	0460	43.1.	215.787	163.963	-
48	VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	43.2.	227.733	52.331	-
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	43.3.	1.248.304	1.153.890	-
	D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402) ≥ 0 = (0441+0424+0442-0071) ≥ 0	0463		-	-	-
	E. TOTAL CAPITAL AND LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464		35.184.061	36.709.943	-
89	F. OFF-BALANCE SHEET LIABILITIES	0465	44.	15.596.959	19.702.786	-

Belgrade,

Date: 14.05.2021.



CONSOLIDATED INCOME STATEMENT
from 01.01. until 31.12.2020.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. INCOME FROM NORMAL ACTIVITIES				
60 to 65, excl. 62 & 63	A. OPERATING INCOME (1002+1009+1016+1017)	1001		26.144.994	26.454.843
60	I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002		59.750	202.080
600	1. Income from sale of goods to parent company and subsidiaries on local market	1003		-	-
601	2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004		-	-
602	3. Income from sale of goods to other affiliated companies on local market	1005	11.1.	1.714	-
603	4. Income from sale of goods to other affiliated companies on foreign markets	1006		-	-
604	5. Income from sale of goods on local market	1007	11.1.	39.606	142.487
605	6. Income from sale of goods on foreign markets	1008	11.1.	18.430	59.593
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		25.888.228	26.085.289
610	1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010		-	-
611	2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011		-	-
612	3. Income from sale of finished products and services to other affiliated companies on local market	1012	11.2.	36.931	47.230
613	4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013	11.2.	-	155.158
614	5. Income from sale of finished products and services on local market	1014	11.2.	14.920.739	17.197.430
615	6. Income from sale of finished products and services on foreign markets	1015	11.2.	10.930.558	8.685.471
64	III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016	11.3.	58.067	-
65	IV. OTHER OPERATING INCOME	1017	11.3.	138.949	167.474
	EXPENSES FROM NORMAL ACTIVITIES				
55 to 55, 62 & 63	B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018		24.938.130	25.774.621
50	I. COST PRICE OF GOODS SOLD	1019	12.	65.008	204.552
62	II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	13.	79.556	20.197
630	III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021	13.	1.411.902	943.370
631	IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022	13.	1.913.595	756.117
51 excl. 513	V. MATERIAL COSTS	1023	14.	3.050.183	3.677.586
513	VI. FUEL AND ENERGY COSTS	1024	14.	624.281	733.997
52	VII. EMPLOYEE EXPENSES AND BENEFITS	1025	15.	6.166.841	7.361.902
53	VIII. PRODUCTION SERVICE COSTS	1026	16.	12.686.616	11.864.211
540	IX. DEPRECIATION EXPENSES	1027	17.	486.802	563.863
541 to 549	X. PROVISION EXPENSES	1028	17.	173.484	233.036
55	XI. INTANGIBLE EXPENSES	1029	18.	1.262.778	1.342.924
	C. OPERATING INCOME (1001-1018) ≥ 0	1030		1.206.864	680.222
	D. OPERATING LOSSES (1018-1001) ≥ 0	1031		-	-
66	E. FINANCIAL REVENUES (1033+1038+1039)	1032		707.719	665.269
66, excl. 662, 663 & 664	I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033		124.648	172.721
660	1. Financial income from parent company and subsidiaries	1034		-	-
661	2. Financial income from other affiliated companies	1035	19.1.	4.821	17.885
665	3. Share of profits in associated companies and joint ventures	1036	19.1.	55.120	73.743
669	4. Other financial revenues	1037	19.1.	64.707	81.093
662	II. INTEREST INCOME (THIRD PARTY)	1038	19.1.	100.756	128.492
663 & 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	19.1.	482.315	364.056
56	F. FINANCIAL EXPENSES (1041+1046+1047)	1040		1.266.237	558.111
56, excl. 562, 563 & 564	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		80.076	45.461
560	1. Financial expenses from transactions with parent company and subsidiaries	1042		-	-
561	2. Financial expenses from transactions with other affiliated companies	1043	19.2.	72.127	45.060
565	3. Share of losses in affiliated companies and joint ventures	1044	19.2.	6.976	-
566 & 569	4. Other financial expenditure	1045	19.2.	973	401
562	II. INTEREST EXPENSES (THIRD PARTY)	1046	19.2.	151.644	266.491
563 & 564	III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	19.2.	1.034.517	246.159
	G. FINANCIAL GAINS (1032-1040)	1048		-	107.158
	H. FINANCIAL LOSSES (1040-1032)	1049		558.518	-

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
683 & 685	I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050	20.1.	406.664	112.810
583 & 585	J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051	20.2.	253.187	121.393
67 & 68, excl. 683 & 685	K. OTHER INCOME	1052	21.1.	1.108.594	303.316
57 & 58, excl. 583 & 585	L. OTHER EXPENSES	1053	21.2.	514.636	297.044
	M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		1.395.781	785.069
	N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		-	-
69-59	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056	22.	-	18.205
59-69	P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057	22.	6.285	-
	Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	23.	1.389.496	803.274
	R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1060		331.420	169.741
part 722	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		36.062	-
part 722	III. DEFERRED TAX INCOME FOR THE PERIOD	1062		-	7.316
723	T. MANAGEMENT EARNINGS	1063		-	-
	U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		1.022.014	640.849
	V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065		-	-
	I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066		-	55.437
	II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067		1.110.515	585.412
	III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068		88.501	-
	IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069		-	-
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1070		-	-
	2. Reduced (diluted) earnings per share	1071		-	-

Belgrade,

Date: 14.05.2021.



Legal Representative of the Company

CONSOLIDATED STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2020.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. NET OPERATING RESULTS				
	I. NET PROFIT (EDP 1064)	2001		1.022.014	640.849
	II. NET LOSSES (EDP 1065)	2002			
	B. OTHER COMPREHENSIVE RESULTS OR LOSSES				
	a) Items not reclassifiable in the balance sheet in future periods				
330	1. Change of revaluation of intangibles, property, plant and equipment				
	a) increase in revaluation reserves	2003		97.170	62.774
	b) decrease in revaluation reserves	2004		17.947	
331	2. Actuarial gains or losses from defined income plans				
	a) gains	2005			
	b) losses	2006			
332	3. Gains and losses from equity instrument investments				
	a) gains	2007			
	b) losses	2008			
333	4. Gains and losses from share of other comprehensive profits and losses of affiliates				
	a) gains	2009			
	b) losses	2010			
	b) Items that may be reclassified in the balance sheet in future periods				
334	1. Gains and losses from translation of financial statements for foreign operations				
	a) gains	2011		3.042	30.029
	b) losses	2012		215.602	31.633
335	2. Gains and losses from hedging of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses from cash flow hedging				
	a) gains	2015			
	b) losses	2016			
337	4. Gains and losses from available for sale securities				
	a) gains	2017			1.091
	b) losses	2018		8.291	14.322
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) > 0	2019			47.939
	II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) > 0	2020		141.628	
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			
	IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) > 0	2022			47.939
	V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) > 0	2023		141.628	
	C. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD				
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) > 0	2024		880.386	688.788
	II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) > 0	2025			
	D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 > 0 or AOP 2025 > 0	2026		880.386	688.788
	1. Payable to majority shareholders	2027		880.386	628.389
	2. Payable to non-controlling shareholders	2028			60.399

Belgrade,

Date: 14.05.2021.



CONSOLIDATED CASH FLOW STATEMENT
from 01.01. until 31.12.2020.

RSD thousand

Description	EDP	Total	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)			
1. Sales and prepayments	3001	28.286.456	32.627.006
2. Interests from operating activities	3002	27.489.419	31.552.755
3. Other inflow from normal operations	3003	17.418	50.734
3. Other inflow from normal operations	3004	779.619	1.023.517
II. Cash outflow from operating activities (1 to 5)	3005	26.738.013	29.573.676
1. Payments to suppliers and prepayments	3006	19.460.983	19.983.398
2. Employee expenses and benefits	3007	5.931.413	7.349.374
3. Interests paid	3008	172.929	285.083
4. Income tax	3009	164.579	863.632
5. Payments based on other public revenues	3010	1.008.109	1.092.189
III. Net cash inflow from operating activities (I-II)	3011	1.548.443	3.053.330
IV. Net cash outflow from operating activities (II-I)	3012	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)			
1. Sale of shares and stocks (net inflow)	3013	109.029	1.109.626
1. Sale of shares and stocks (net inflow)	3014	-	-
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	49.801	54.172
3. Other financial investments (net inflow)	3016	-	1.018.868
4. Interest received from investment activities	3017	50.607	12.140
5. Dividends received	3018	8.621	24.446
II. Cash outflow from investing activities (1 to 3)	3019	260.407	832.517
1. Purchase of shares and stocks (net outflow)	3020	77.899	714.596
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	93.205	117.921
3. Other financial investments (net outflow)	3022	89.303	-
III. Net cash inflow from investing activities (I-II)	3023	-	277.109
IV. Net cash outflow from investing activities (II-I)	3024	151.378	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)			
1. Equity increase	3025	3.300.093	176.396
1. Equity increase	3026	-	-
2. Long term loans (net inflow)	3027	-	176.211
3. Short term loans (net inflow)	3028	-	-
4. Other long term liabilities	3029	3.300.093	139
5. Other short term liabilities	3030	-	46
II. Cash outflow from financing activities (1 to 6)	3031	4.009.823	3.216.727
1. Repurchase of own shares and stocks	3032	-	-
2. Long term loans (net outflow)	3033	362.771	-
3. Short term loans (net outflow)	3034	3.560.675	3.136.137
4. Other liabilities	3035	9.596	33.196
5. Financial leasing	3036	76.497	34.878
6. Dividends paid	3037	284	12.516
III. Net cash inflow from financing activities (I -II)	3038	-	-
D. Net cash outflow from financing activities (II-I)	3039	709.730	3.040.331
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	31.695.578	33.913.028
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	31.008.243	33.622.920
G. NET CASH INFLOW (3040-3041)	3042	687.335	290.108
H. NET CASH OUTFLOW (3041-3040)	3043	-	-
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	2.454.112	2.076.921
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	27.580	113.222
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	257.050	26.139
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	2.911.977	2.454.112

Belgrade,

Date: 14.05.2021.

Legal Representative of the Company



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 31.12.2020.

No.	DESCRIPTION	Equity component											330 Revaluation reserves	331 Actuarial gains or losses			
		EDP	30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 & 237 Treasury shares repurchased	EDP			34 Retained earnings		
1	2		3		4		5		6		7		8		9		10
1	Opening balance on 01.01.2018.																
	a) debit balance	4001	-	4019	-	4037	-	4055	-	4073	49.827	4091	-	4109	-	4127	-
	b) credit balance	4002	5.937.076	4020	-	4038	453.585	4056	-	4074	-	4092	7.150.182	4110	6.019.554	4128	-
2	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4003	-	4021	-	4039	-	4057	-	4075	-	4093	-	4111	-	4129	-
	b) adjustment of credit balance	4004	-	4022	-	4040	-	4058	-	4076	-	4094	-	4112	-	4130	-
3	Adjustment of opening balance on 01.01.2018.																
	a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005	-	4023	-	4041	-	4059	-	4077	49.827	4095	-	4113	-	4131	-
	b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	5.937.076	4024	-	4042	453.585	4060	-	4078	-	4096	7.150.182	4114	6.019.554	4132	-
4	Changes in previous 2018. year																
	a) debit balance activity	4007	24.350	4025	-	4043	-	4061	-	4079	-	4097	865.373	4115	120.267	4133	-
	b) credit balance activity	4008	-	4026	-	4044	17	4062	-	4080	-	4098	765.259	4116	74.629	4134	-
5	Closing balance previous year at 31.12.2018.																
	a) debit balance (3a+4a-4b) ≥ 0	4009	-	4027	-	4045	-	4063	-	4081	49.827	4099	-	4117	-	4135	-
	b) credit balance (3b-4a+4b) ≥ 0	4010	5.912.726	4028	-	4046	453.602	4064	-	4082	-	4100	7.050.068	4118	5.973.916	4136	-
6	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4011	-	4029	-	4047	-	4065	-	4083	-	4101	1.955.118	4119	-	4137	-
	b) adjustment of credit balance	4012	-	4030	-	4048	-	4066	-	4084	-	4102	164.106	4120	-	4138	-
7	Adjustment of opening balance current year at 01.01.2019.																
	a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013	-	4031	-	4049	-	4067	-	4085	49.827	4103	-	4121	-	4139	-
	b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	5.912.726	4032	-	4050	453.602	4068	-	4086	-	4104	5.259.056	4122	5.973.916	4140	-
8	Changes in current 2019. year																
	a) debit balance activity	4015	27.263	4033	-	4051	134.985	4069	-	4087	-	4105	462.224	4123	352.209	4141	-
	b) credit balance activity	4016	-	4034	-	4052	-	4070	-	4088	-	4106	1.135.415	4124	97.170	4142	-
9	Closing balance at 31.12.2019.																
	a) debit balance (7a+8a-8b) ≥ 0	4017	-	4035	-	4053	-	4071	-	4089	49.827	4107	-	4125	-	4143	-
	b) credit balance (7b-8a+8b) ≥ 0	4018	5.885.463	4036	-	4054	318.617	4072	-	4090	-	4108	5.932.247	4126	5.718.877	4144	-

Belgrade,

Date: 14.05.2021.

Name ENERGOPROJEKT HOLDING PLC, BELGRADE

RSD thousand

No.	DESCRIPTION	Other results component									Total capital [Σ (row 1b col.3 to col.15) - Σ (row 1a col.3 to col.15)] ≥ 0	Losses exceeding capital [Σ (row 1a col.3 to col.15) - Σ (row 1b col.3 to col.15)] ≥ 0			
		332 Gains and losses from equity instrument investments	333 Gains and losses from share of other profits and losses of affiliates	334 & 335 Gains and losses from foreign operations and translation of financial statements	336 Gains and losses from cash flow hedging	337 Gains and losses from available for sale securities									
1	2	11	12	13	14	15	16	17							
1	Opening balance on 01.01.2018. a) debit balance b) credit balance	4145 4146	- -	4163 4164	- -	4181 4182	- 266.806	4199 4200	- -	4217 4218	3.824 -	4235	19.773.552	4244	-
2	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4147 4148	- -	4165 4166	- -	4183 4184	- -	4201 4202	- -	4219 4220	- -	4236		4245	-
3	Adjustment of opening balance on 01.01.2018. a) adjustment of debit balance (1a+2a-2b) ≥ 0 b) adjustment of credit balance (1b-2a+2b) ≥ 0	4149 4150	- -	4167 4168	- -	4185 4186	- 266.806	4203 4204	- -	4221 4222	3.824 -	4237	19.773.552	4246	-
4	Changes in previous 2018. year a) debit balance activity b) credit balance activity	4151 4152	- -	4169 4170	- -	4187 4188	31.633 30.029	4205 4206	- -	4223 4224	14.322 1.091	4238		4247	184.920
5	Closing balance previous year at 31.12.2018. a) debit balance (3a+4a-4b) ≥ 0 b) credit balance (3b-4a+4b) ≥ 0	4153 4154	- -	4171 4172	- -	4189 4190	- 265.202	4207 4208	- -	4225 4226	17.055 -	4239	19.588.632	4248	-
6	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4155 4156	- -	4173 4174	- -	4191 4192	- -	4209 4210	- -	4227 4228	- -	4240		4249	1.791.012
7	Adjustment of opening balance current year at 01.01.2019. a) adjustment of debit balance (5a+6a-6b) ≥ 0 b) adjustment of credit balance (5b-6a+6b) ≥ 0	4157 4158	- -	4175 4176	- -	4193 4194	- 265.202	4211 4212	- -	4229 4230	17.055 -	4241	17.797.620	4250	-
8	Changes in current 2019. year a) debit balance activity b) credit balance activity	4159 4160	- -	4177 4178	- -	4195 4196	215.602 3.136	4213 4214	- -	4231 4232	8.291 -	4242		4251	
9	Closing balance at 31.12.2019. a) debit balance (7a+8a-8b) ≥ 0 b) credit balance (7b-8a+8b) ≥ 0	4161 4162	- -	4179 4180	- -	4197 4198	- 52.736	4215 4216	- -	4233 4234	25.346 -	4243	17.832.767	4252	-

Belgrade,

Date: 14.05.2021.





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT HOLDING PLC
FOR 2020**

Belgrade, May 2021

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1. COMPANY BACKGROUND

Consolidated financial statements of the Energoprojekt Holding Plc., Belgrade consists of a parent joint stock company Energoprojekt Holding Plc., Belgrade (hereinafter: Energoprojekt Holding or Company) and:

- 11 subsidiary companies in the country, 10 of which are direct subsidiaries (8 share-based and 2 limited liability companies) and 1 subsidiary company indirectly controlled by other subsidiaries (1 limited liability company),
- 1 joint venture company, hereinafter: joint venture (1 limited liability company) with 50% equity share, and
- 6 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 102) and own companies in the country and abroad (11 subsidiaries abroad and 1 affiliated company in the country), which jointly engage in building construction, design, fitting, study preparation, research, investment facilities' and systems' programming, sales of goods and services and other business activities.

During the reporting period and according to business activities, the companies within Energoprojekt were organized in the following manner:

Activity	No. of entities in the country	No. of business units for investment works and branch offices abroad	No. of entities abroad
Planning and research	4	46	5
Construction and fitting	6	56	10
Holding	1		
Other	3		2
Total	14	102	17

Parent and subsidiary companies' headquarters is in 12 Bulevar Mihajla Pupina Street, New Belgrade.

In 2020, the average number of employees within group for consolidation of Energoprojekt Holding Plc. (further in text: also system Energoprojekt), based on the actual number of employees at the end of each month, was 1,476 (compared to 1,841 in 2019), not including the local workforce in foreign entities.

The Energoprojekt Holding shares are Prime-Listed on the Belgrade Stock Exchange and these are traded in a regulated stock market.

Financial statements for 2020 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Holding Plc.** approved by the Supervisory Board of the Company, on 20 May 2021 in the 122nd meeting of Supervisory Board of the Company and are subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of audited data incorporated in consolidated financial statements for 2019. The statements were audited by independent external auditor and in addition provided that they are adjusted for the effects of the first-time adoption of IFRS 9 - Financial Instruments as of 01 January 2020 (Note 7.15).

The Company's management assesses that companies within consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in the business, and thus the consolidated financial statements for 2020 are prepared in accordance with the going concern.

2. CONSOLIDATION GROUP

The consolidation group of the Energoprojekt Holding Plc. (hereinafter: the System Energoprojekt) consists of parent company Energoprojekt Holding and its local subsidiaries, joint venture and related parties and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and related parties

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Visokogradnja Plc.	100.00
2.	Energoprojekt Niskogradnja Plc.	100.00
3.	Energoprojekt Oprema Plc.	67.87
4.	Energoprojekt Sunnyville Ltd.	100.00
5.	Energoprojekt Park 11 Ltd.	100.00
<i>Planning and Research</i>		
6.	Energoprojekt Urbanizam i arhitektura Plc.	100.00
7.	Energoprojekt Industrija Plc.	62.77
8.	Energoprojekt Entel Plc.	100.00
9.	Energoprojekt Hidroinženjering Plc.	100.00
<i>Other</i>		
10.	Energoprojekt Energodata Plc.	100.00
11.	Energoplast Ltd.	45.11
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	
<i>Joint ventures</i>		
<i>Building Construction and Fitting</i>		
12.	Enjub Ltd.	50.00

We note that the merge procedure of Energoprojekt Energodata Plc. (Transferor Company) to the Energoprojekt Holding Plc., Belgrade (Transferee Company) was initiated and the intention is to complete it by the end of June 2021, whereby the company Energoprojekt Energodata Plc., Belgrade will cease to exist.

Energoprojekt Promet Ltd. from 2010 is an inactive company (in dormant status) and since then had no business activities performed and any assets had not been owned.

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Holding Plc. are including the subsidiary company Energoplast Ltd., with prior elimination, by equity method, of its presence in financial statements of Energoprojekt Industrija Plc. (40.00%) and Energoprojekt Entel Plc. (20.00%), made through primary consolidation. Although Energoprojekt Holding (indirectly) has a share of 45.11%, Energoplast Ltd., the consolidated financial statements of Energoprojekt Holding a.d. included Energoplast Ltd. financial statements by fully consolidation, given the fact that Energoprojekt Holding, indirectly, has controlled Energoplast (although it does not have majority owner).

On the occasion of inclusion of the Energoprojekt Holding Plc. joint venture company Enjub Ltd. in compliance with IFRS 11 - Joint Arrangements, equity method was applied.

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Zambia Engineering and Contracting Company Limited, Zambia	100.00
2.	Energoprojekt Holding Guinee S.A, Guinea	100.00
3.	Energoprojekt (Private) Limited, Zimbabwe	100.00
4.	Energoprojekt Kaz Ltd, Kazakhstan	100.00
<i>Other</i>		
5.	I.N.E.C. Engineering Company Limited, Great Britain	100.00
6.	Dom 12 S.A.L, Libanon	100.00

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, Energoprojekt (Private) Limited, Zimbabwe and Energoprojekt Kaz Ltd., Kazakhstan) was registered as companies owned by the Energoprojekt Holding, but are in fact controlled and managed by certain subsidiary companies.

Among the above listed local and foreign subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering and Zambia Engineering and Contracting Company Limited, Zambia are at the same time parent companies that prepare consolidated financial statements, so that their subsidiary and related parties listed in following table are thus included herein through primary consolidation.

No.	Company Name	Included through primary consolidation
Overseas		
<i>Subsidiary Companies Abroad - Overseas Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus Ltd., Moscow, Russia	EP Visokogradnja Plc.
4.	Energoprojekt Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
<i>Planning and Research</i>		
7.	Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman	EP Entel Plc.
8.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.
9.	Energoprojekt L.L.C., Abu Dhabi, UAE	EP Entel Plc.
10.	Energoprojekt Entel Company, Bahrain	EP Entel Plc.
11.	Enhisa S.A., Lima, Peru	EP Hidroinženjering Plc.
Domestic		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
12.	Energopet Ltd. (33.33 %)	EP Industrija Plc.

At the 51st Session of the Board of Directors of Energoprojekt Oprema Plc. held on 29 January 2021, a Decision on exemption the following companies from the consolidated financial statements of Energoprojekt Oprema Plc. for the year 2020, was made:

- associated company Energo Nigeria Ltd., Lagos, Nigeria (24.92%), pursuant to the provisions of Article 32, paragraph 6 of the Law on Accounting; and
- subsidiary Energoprojekt Oprema Crna Gora Ltd., Podgorica, Montenegro (100%), pursuant to the provisions of Article 32, paragraph 7 of the Law on Accounting.

At the 99th Session of the Board of Directors of Energoprojekt Energodata Plc. held on 01 February 2021 a Decision on exemption the subsidiary Energoprojekt Energodata Montenegro Ltd., Montenegro (100%) from the consolidated financial statements of Energoprojekt Energodata Plc. for the year 2020, was made, in accordance with the provisions of Article 32, paragraph 7 of the Law on Accounting.

Pursuant to the above, Energoprojekt Oprema Plc. and Energoprojekt Energodata Plc. are exempted from the obligation to prepare, submit and disclose consolidated financial statements for 2020.

As Energo Nigeria Ltd., Lagos, Nigeria is not a part of Consolidation Group of Energoprojekt Holding Plc., all mutual relations with the company in question have been referred from the item of relations with associates to external balance sheet and income statement items (Note 27).

The Company's management estimates that the companies that make up the consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in operations, so in accordance with such an assessment, the consolidated financial statements of Energoprojekt Holding Plc. for 2019 are prepared on a going concern principle.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of Energoprojekt Holding Plc. were prepared pursuant to the Law on Accounting ("RS Official Gazette", No. 73/2019– hereinafter: The Law).

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

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

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

Chart of Accounts and content of accounts in the Chart of Accounts were prescribed by the Rules on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 95/2014 - applicable to the preparation of financial statements as at 31.12.2021).

In preparation of consolidated financial statements of Energoprojekt Holding Plc., the following laws and by-laws were taken into account, among others:

- Law on Corporate Income Tax ("Official Gazette of RS", No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - other law, 142/2014, 91/2015 - authentic interpretation, 112/2015, 113/2017, 95/2018, 86/2019 and 153/2020);
- Law on Added Value Tax ("Official Gazette of RS", No. 84/2004, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - other law, 142/2014, 83/2015, 108/2016, 113/2017, 30/2018, 72/2019 and 153/2020);
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 20/2014, 41/2015, 101/2016, 8/2019, 94/2019 and 159/2020);
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 30/2015, 101/2016, 44/2018 – other laws, 8/2019, 94/2019 and 159/2020);
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes ("Official Gazette of RS", No. 116/2004, 99/2010, 104/2018 and 8/2019);
- Rules on Transfer Pricing and Methods Applied in compliance with the “arm’s length” principle in determining the price of transactions among related parties ("Official Gazette of RS", No. 61/2013, 8/2014 and 94/2019) and others.

Among the legal acts comprising the internal regulations of the Company, in preparation of the financial statements of the Company, the Rules on Accounting and Accounting Policies of the Company adopted on 30 November 2020 by the Executive Board and the Rulebook on accounting policies adopted on 23 December 2020 adopted by the Supervisory Board, was used. In addition to the above listed, other internal acts of the Company were used, such as, for example, the Collective Agreement of the Company regulating employment in the country.

Basic accounting policies applied in preparation of these financial statements were listed in the Note no. 7.

The Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016, 9/2020 and 153/2020) set down mandatory data to be included in the annual, six monthly and quarterly statements of public companies with securities listed in the regulated markets.

It should be noted here that in certain cases, not all the relevant provisions of the IFRS or of the Interpretations thereof were taken into account in preparation of the Energoprojekt Holding Plc. consolidated financial statements. Detail explanation is provided below:

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

- Pursuant to the Law on Accounting (RS Official Gazette, No. 73/2019) , the financial statements in the Republic of Serbia are to be presented in the format stipulated by the Rules on the Contents and Form of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs (RS Official Gazette, No. 95/2014 and 144/2014 - valid until the preparation of financial statements as of 31.12.2021), which deviates from the presentation and names of certain general

purpose financial statements, as well as from the presentation of certain balance positions stipulated by the Revised IAS 1 - "Presentation of Financial Statements"; and

- Off-balance assets and off-balance liabilities were presented in the Balance Sheet form. According to the IFRS definition, these items are neither assets, nor liabilities.

In addition to the above stated, some deviations were due to the different publishing dates of the Standards and the relevant Interpretations thereof, which are subject to continuous modifications, and the effective dates when these Standards and relevant Interpretations thereof come into force in the Republic of Serbia. Thus, for example, the deviations from the Standards came as the consequence of the fact that the published Standards and relevant Interpretations, which came into force, have not yet been officially translated or adopted in the Republic of Serbia; as the consequence of the fact that the published Standards and relevant Interpretations have not yet come into force; or as the consequence of some other reasons beyond effective control or influence of the Company, that has not significantly impacted the financial position of the Company and the results of its operations.

The most significant changes in standards and interpretations in force in the current period relate to the application of IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRIC 22 "Foreign Currency Transactions and Treatment of Advances", described in more detail in Note 7.

Published standards and interpretations that have not yet come into force

On the day of publication of consolidated financial statements, the following standards, their amendments and interpretations were published, but have not yet entered into force:

- Amendment to IFRS 16 "Covid 19" - effective from 1 June 2020;
- IFRS 17 "Insurance Contracts" - effective from 1 January 2023;
- Amendment to IAS 1 "Classification of Liabilities as Long-Term and Short-Term" – effective from 1 January 2023;
- Amendment to IAS 16 "Procedures before Intended Use" - effective from 1 January 2022;
- Amendment to IFRS 3 "Conceptual Framework Reference" – effective from 1 January 2022;
- Amendment to IAS 37 "Contract Performance Cost" - effective from 1 January 2022;
- Annual improvements of standards from 2018 to 2020 – effective from 1 January 2022;
- Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between an Investor and its Associated or Joint Venture" - deferred application until the International Accounting Standards Board (IASB) completed the equity method project; and
- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 "Interest Rate Benchmarking - Phase 2" - effective from 1 January 2021.

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of consolidated financial statements in compliance with IAS and IFRS requires that the management perform assessments, provide judgements and assumptions that are reflected on the reported amounts of assets, liabilities, income and expenses. The goal of this approach by management is to reach that achieved results do not differ significantly from the estimated ones (Note 7.1).

5. CONSOLIDATION

Consolidated financial statements are financial statements of the group, presented as financial statements of unique economic entity.

Consolidated financial statements are composed by applying unified accounting policies for similar transactions and events, in similar circumstances.

In case that a group member, consisting of a parent company together with its subsidiaries, for similar transactions and events in similar circumstances, applies accounting policies different from those adopted in consolidated financial statements, the appropriate corrections of those financial statements (according to provisions of rules on Accounting and Accounting Policies of the Company) are made at consolidated financial statements composing.

Profit distribution (dividends) received from the investee reduces the carrying amount of the investment.

5.1. Subsidiary Companies

The Subsidiary Company means a company controlled by the Company (parent company).

Parent company controls the company where it has made investments if it fulfils all following requirements only:

- the power over the company with his investments (meaning present capability to direct relevant activities, ie. activities reflecting significantly at yield of the company with its investments);
- exposure, meaning the right to yield variability based on its share in the company with its investments, and
- capability of using its own power over the company with its investment to influence the yield level for investor.

The consolidated method used for subsidiaries, according to IFRS 10 - Consolidated Financial Statements, is full consolidation. Intra group balances and intra group transactions are eliminated in full in the consolidation process. Equity investments without controlling rights are presented separately.

5.2. Affiliated Companies

Affiliated Company is a company over which the Group exerts significant influence, but not control, ie possesses directly or indirectly (eg through subsidiaries) 20% or more voting power of the investee company, unless such influence can be clearly demonstrated.

The applied method of consolidation for affiliated companies, according to IAS 28 - Investment in Associates and Joint Ventures, is equity method. Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the investors' share of the profits or losses of the investee after the date of acquisition. If investors' share of losses of the associate exceeds the carrying amount of the investment, the investment is reported at nil value; exceptionally, if there are certain irrevocable contractual obligations for covering the losses, the difference of the greater loss against capital is recognized as an expenditure of the parent company.

Shares in affiliated companies is recorded at cost in the separate standalone financial statements.

5.3. Joint Ventures

The Joint Venture arrangement is an arrangement where two or more parties have the joint control. The joint control exists only if the relevant activities decisions require unanimous decision of sides sharing the joint control.

Depending on rights and liabilities defined in arrangement, the joint arrangement could be:

- the joint business, or
- the joint venture.

The Joint Business means the joint arrangement where parties sharing the joint control over the arrangement (participating together in business activities), have the right to property and responsibility for obligations related to the arrangement. Participants in joint business recognize:

- their own property, including their share in jointly owned property;
- their own obligations, including their share in obligations accepted;
- their own income from selling of own share in results deriving from joint business activities;
- their own part of income from selling joint business activity results, and
- their own costs, including their share in joint business activity costs.

The joint business accounting in separated and consolidated financial statements is made according to IFRS applicable for related property, liability, profit or loss.

Joint Venture is a joint arrangement where parties sharing the joint control over the arrangement (participating together in joint venture), have the right to net-assets of the arrangement, meaning that the financial structure, and not the parties in joint venture, has the right to property and responsibility for obligations accepted through the arrangement.

The joint venture sharing in consolidated financial statements is treated by the equity method, according to IAS 28, meanwhile in separated financial statements is treated by cost value, according to IAS 27.

The joint venture parties sharing the arrangement, but not having any control over it, in their respected separated and consolidated financial statements treat their joint business activities and joint ventures according to relevant provisions of IFRS 11.

An overview of subsidiary, affiliated and joint venture companies, which, together with the parent Company, comprise the Group for consolidation of the System Energoprojekt, is presented in Note 2.

6. ACCOUNTING PRINCIPLES

The following principles were applied in the preparation of consolidated financial statements of the Energoprojekt Holding Plc.:

- The Going Concern Principle;
- The Consistency Principle;
- The Prudence Principle;
- The Substance over Form Principle;
- The Accrual Principle;
- The Item by Item Assessment Principle.

By complying with the **Going Concern Principle**, the financial statements are prepared under the assumption that the proprietary position, financial standing and business results of the Company, as well as the economic policy of the country and economic situation in its immediate environment, enable the Company to operate for an unlimited period („*Going Concern* “principle).

The Consistency Principle means that the valuation method for assets and changes in assets, liabilities, capital, income, expenses and business results, that is, for the Company’s balance items, remains the same over a longer period. If, for example changes are implemented due to required harmonization with the legislation, reasoning for the change must be provided and the effects are disclosed according to the professional regulations concerning the change in valuation methods.

The Prudence Principle means, applying a certain level of caution when preparing financial statements of the Company, so that the property and revenues are not overstated and obligations and expenses are not understated. The Prudence Principle, however, should not imply conscious, unrealistic decrease in revenues and capital of the Company or conscious, unrealistic increase of expenses and liabilities of the Company. Namely, The Framework for Preparation and Presentation of Financial Statements clearly states that the Prudence Principle should not result in the forming of substantial hidden reserves, deliberate reduction of property of revenues, or deliberate exaggeration of liabilities or expenses causing the financial statements to become impartial and therefore unreliable.

The **Substance over Form Principle** means that, when recording the company's transactions, and consequently in preparing the financial reports, the accounting treatment should be based on the substance of the transactions and their economic reality and not just their legal form.

By complying with the **Accrual Principle**, recognition of effects of transactions and other events in the Company is not related to the point in time when cash or cash equivalents are received or paid based on these transactions or event, yet to the point in time when they occurred. This approach provides that the users of financial reports are informed not only about past transactions of the Company that resulted in payments or reception of cash, but also about liabilities of the Company to pay cash in the future and resources that represent cash to be received by the Company in the future.

In other words, compliance with the Accrual Principle provides information on past transactions and other events in the manner most useful to users for reaching their economy-related decisions.

The **Item by Item Assessment Principle** means that possible group valuations of various balance items (for example, property or liabilities) for the purpose of rationalization derive from separate valuation of items.

7. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies that are applied in the preparation of these consolidated financial statements of Energoprojekt Holding Plc. are presented herein. These policies are consistently applied to all included years, unless otherwise stated.

Significant accounting policies applied to consolidated financial statements of the Energoprojekt Holding Plc. that are subject of these Notes and presented in the following text, are primarily based on the Rules on Accounting Policies of the Company. If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on the current legislation.

As for the general data, we are hereby noting that in compliance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the RSD is the **functional and presentation reporting currency** in consolidated financial statements of the Energoprojekt Holding Plc.

In preparation of consolidated financial statements of Energoprojekt Holding Plc., relevant provisions IAS 10 – Events after the Reporting period were considered. They refer to events that occur between the balance sheet date and the date when the financial statements were authorized for issue. More precisely, **for effects of the event that provide evidence on circumstances at the balance sheet date**, already recognized amounts in financial statements of the Company were corrected in order to mirror corrected events after the balance sheet date; and **for effects of the event that provide evidence on circumstances after the balance sheet date**, no adjustments of recognized amounts were applied, and if there were any, these Notes will disclose the nature of events and the valuation of their financial effects, or, if impossible to evaluate the financial effects thereof, it is disclosed that such estimate cannot be made.

7.1. Valuation

In preparation and presentation of financial statements in compliance with the requirements of the legal regulations in force in the Republic of Serbia, the Company management is required to use the best possible valuations and reasonable assumptions. Although, understandably, the actual future results may vary, valuations and assumptions are based on information available at the balance sheet date.

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

Within the context of valuation, the business policy of the Company is to disclose information on the **fair value** of assets and liabilities, if the fair value varies significantly from the accounting value.

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

7.2. Effects of Foreign Exchange Rates and Foreign Currency Translation

Transactions in foreign currency, upon initial recognition, are registered in dinar counter value by applying the official middle exchange rate on the transaction date, while upon differently agreed currency clause, translation of receivables (liabilities) is done at the exchange rate specified in the contract (selling FC rate of particular commercial bank, etc.).

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

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

Official middle exchange rates of the National Bank of Serbia, at the balance sheet date, for foreign currencies used for the recalculation of monetary items in dinar counter value, are presented in the following table.

Official Middle Exchange Rates of the National Bank of Serbia

<i>Currency</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Amount in RSD</i>	
1 EUR	117.5802	117.5928
1 USD	95.6637	104.9186
1 GBP	130.3984	137.5998

Middle applied exchange rates applied for the income statement items in 2020 and 2019 were as follows:

<i>Currency</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Amount in RSD</i>	
1 EUR	117.5777	117.8524
1 USD	103.0095	105.2762
1 GBP	132.1157	134.3444

Non-monetary items are those for which there is no right to receive, or obligation to deliver, money, such as prepaid amounts for goods and services (advances), goodwill, intangible assets, inventories, property, plant and equipment, etc. Subsequent to initial recognition applying exchange rate prevailing at transaction date, non-monetary items in foreign currency carried at historical cost are not retranslated.

Subsequent to initial recognition applying exchange rate prevailing at transaction date, non-monetary items in foreign currency carried at historical cost are not retranslated.

Non-monetary items measured at fair value carried at foreign currency are translated applying exchange rates at the date when the fair value was determined.

When a gain or loss from non-monetary item is recognized directly in total comprehensive income (within equity), any portion of that foreign exchange gain or loss is also recognized directly in comprehensive income.

The financial item and result of all companies whose functional currency is different from the presentation currency of the parent company are translated as follows:

- assets and liabilities (balance sheet items) are translated into dinars at the middle official exchange rate of the NBS on the reporting date; and
- income and expenses (income statement items) are translated into dinars at the average exchange rate of the NBS during the year, or in the period from the date of acquisition to the date of reporting if foreign operations were acquired by the Company during the year.

Exchange differences arising on translation of the financial statements of subsidiaries are recognized as a separate component of equity relating to those foreign operations.

7.3. Revenues

Revenues are increases in economic benefits during the accounting period in the form of inflows or increases in assets or decreases in liabilities, which result in increase in equity that does not represent increase in equity contributions.

Revenues include: operating revenues, financial revenues, other revenues (including also revenues from the property value adjustment), and income from the disposal of discontinuing operations, effects from change in accounting policy, correction of prior periods errors and transfer of revenues.

Among the **operating revenues**, the most important are the sales revenues from the sales of goods, products and services, and as other revenues the following may appear: income from the own use of products, services and merchandize, increase of finished goods, work in progress and services in progress (if there were any reductions in the finished goods, work in progress and services in progress, during the year, the total operating revenues shall be reduced by the amount of such reduction), income from premiums, subventions, donations, etc.; and other operating income.

For the purpose of financial reporting, within the operating revenues in Income Statement no income from the own use of products, services and merchandize and income from the change in value of inventories (increases, i.e., decreases in the value of inventories of unfinished and finished products and unfinished services), and are corrected by such amounts in the Income Statement.

Financial revenues include financial revenues from the related parties, gains arising from foreign currency clause, income from interest, profit sharing and other financial revenues.

Within **other income** (including income from the adjustments of value of assets, in addition to other income, gains on sale of property, plant and equipment and intangible assets, gains on sale of the basic herd, collected priory written-off receivables, surpluses, income from reduction of liabilities, income from value adjustments of assets, etc.

Within **income from the disposal of discontinuing operations, effects from change in accounting policy and correction of prior periods errors and transfer of income**, income according to the names of account of this groups are presented and the transfer of total income at the end of the period, which are, for the purposes of financial reporting, presented as net effect, after the decrease for the relevant expenses.

The most significant part of revenues originate from contracts with customers.

IFRS 15 - Revenue from Contracts with Customers establishes unique and comprehensive model for accounting revenue under contracts with customers. With the entry into force of IFRS 15, it replaces previously applicable instructions for revenue recognition: IAS 18 - Revenue, IAS 11 - Construction Contracts and their Interpretations.

The basic principle of the standard dealing with this business aspect (IFRS 15 - Revenue from Contracts with Customers) is the recognition of revenue from the transfer of goods (products) and services to customers in amount that reflects fee that Company (seller) expects to be entitled to those goods and services.

The basic principle of bookkeeping is individual observation of each separate contract. In addition to the basic principle, it is also possible to:

- narrowing the focus - one calculation for several contracts; and
- focus expansion - multiple calculation for one contract.

Diversity is the basis for treatment of separate performance obligations.

To be considered as a contract with the customer it is necessary to fulfill the following five conditions:

- the parties have approved the contract (in writing, orally or in accordance with other business practice) and are committed to perform their respective obligations (the contract causes enforceable rights and obligations);
- each party's rights regarding the goods or services to be transferred can be identified;
- payment terms can be identified;
- content of the contract is commercial; and

- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

When a contract with a customer does not meet the above criteria and the company receives consideration from the customer, it shall recognise the consideration received as revenue only when either of the following events has occurred:

- company has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable; or
- the contract has been terminated and the consideration received from the customer is non-refundable, otherwise, the Company records fee (advance paid) as a liability.

Contract costs include:

- Costs to obtain a contract; and
- Costs to fulfil a contract.

Costs to obtain a contract shall be recognised as an asset if the entity expects to recover them. They are incremental costs of obtaining a contract that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, brokerage commission). As a practical expedient, the Company may recognize the incremental costs of obtaining a contract as an expense when incurred, if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

In contrast, the costs to fulfil a contract that would be incurred regardless of whether the contract is signed should be recognized as an expense when incurred.

Costs incurred in fulfilling a contract with a customer are capitalized if they are not within the scope of another standard, relate directly to the contract, generate or enhance resources that will be used in satisfying performance obligations in the future, and if such costs are expected to be recovered.

The principle in IFRS 15 is applied using the following five steps (in more detail as specified in IFRS 15):

- A. Identify the contract(s) with a customer;
- B. Identify the performance obligations in the contract;
- C. Determine the transaction price;
- D. Allocate the transaction price to the performance obligations in the contract; and
- E. Recognise Revenue when the entity satisfies a performance obligation.

A) Identify the contract with customer

The first step is to determine what is considered a performance obligation of the Company towards the customer (and vice versa).

Performance obligations do not include (preparatory) activities (administrative, etc.) that the Company must undertake to fulfil a contract, and do not constitute an obligation to perform.

Both explicit obligations (contained in the contract) and implicit obligations (obligations arising from business practice) should be taken into account when determining liabilities.

B) Identify the performance obligations in the contract

Second step requires the identification of separate performance obligations conditioned by the focus of observation.

If the conditions for the contract to be considered hybrid in a way that contains different performance obligations are not met (partial benefit from certain goods / services can be realized and the promise to deliver those goods / services can be observed by the Company independently of other promises), all goods / services in the contract should be calculated as a single obligation to perform.

C) Determine the transaction price

In determining the transaction price (allocated to each performance obligations), the agreed conditions should be considered and usual business practice. The price, which may be considered as stand-alone and/or variable, reflects the amount of consideration that the company expects to be entitled to in exchange for the promised goods or services. The price is recorded without inflows collected in behalf of third parties (for example, without VAT).

The following are also taken into account when determining the transaction price: whether there are significant financing components, variable components, amounts paid to the buyer (eg refunds or rebates) and non-monetary fees. Variable components can include discounts, right-to-refund, incentives, bonuses, penalties and the like.

The amount of variable consideration is done by using either of the following methods:

- the expected value—the expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. An expected value may be an appropriate estimate of the amount of variable consideration if an entity has a large number of contracts with similar characteristics.
- the most likely amount—the most likely amount is the single most likely amount in a range of possible consideration amounts (ie the single most likely outcome of the contract).

When there is a financing component, revenue is recognized at the amount that reflects the price that the customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer (ie the cash selling price).

The Company is not required to adjust the consideration amount arise from financing component if it expects less than one year to elapse between sale and collection.

Non-monetary consideration received from the customer are measured at fair value.

Consideration payable to a customer includes cash amounts that the company pays, or expects to pay, to the customer as credit or other items (for example, a coupon or voucher). The company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service.

D) Allocate the transaction price

The objective when allocating the transaction price is for the company to allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer.

To allocate the transaction price on a stand-alone selling price basis, the company estimates the stand-alone selling price. This is the price at which company would sell a good or service on a stand-alone (or separate) basis at contract inception. When estimating a stand-alone selling price, if not directly observable, the company considers all information (including market conditions, entity-specific factors and information about the customer or class of customer).

Suitable methods for estimating the stand-alone selling price of a good or service include the following:

- a) Adjusted market assessment approach—evaluate the market in which it sells goods or services and estimate the price that a customer in that market would be willing to pay for those goods or services;
- b) Expected cost plus a margin approach—add an appropriate margin for that good or service; and
- c) Residual approach—the total transaction price less the sum of the observable stand-alone selling prices of other goods or services promised in the contract.

E) Recognise of revenues

The amount recognises as revenue is the amount allocated to each performance obligation **when (or as) each performance obligation is satisfied**. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. The benefits of an asset are the potential cash flows (inflows or savings in outflows) that can be obtained directly or indirectly in many ways, such as by: using the asset to produce goods or provide services (including public services); using the asset to enhance the value of other assets; using the asset to settle liabilities or reduce expenses; selling or exchanging the asset; pledging the asset to secure a loan; and holding the asset.

Performance obligation may be satisfied:

- over time or
- at appoint in time.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity (see paragraph 36) and the entity has an enforceable right to payment for performance completed to date (by diverting property for another purpose).

Methods that can be used to measure an entity's progress towards complete satisfaction of a performance obligation satisfied over time include the following:

- a) input methods (according to the value that the goods or services transferred up to a certain date have for the buyer; for example, the number of units produced or delivered in relation to the total contracted amount of units; as a practical asset, if the Company is entitled to compensation in an amount commensurate with the value for the customer of goods or services completed or delivered up to that time, revenue may be recognized in the amount that the Company is entitled to invoice);
- b) output methods (revenue is recognized on input that the Company invests to meet performance obligation).

If performance obligation is not fulfilled over time, then the Company does it at appoint in time, and revenue is recognized when the Company transfers control of certain goods or services to the customer.

In the first application of IFRS 15 - Revenue from Contracts with Customers, the Company uses a modified retrospective application.

Apart from extensive disclosures about revenue transactions, the application of IFRS 15 did not have a significant impact on the financial position and results of operations of Energoprojekt, therefore no adjustments to opening balances were recognized in connection with the initial application of IFRS 15 on 1 January 2020.

● **Energoprojekt Visokogradnja** performs several types of sales transactions, the most significant of which are:

- Construction of residential and non-residential buildings - where sales revenue is recognized over time;
- Ancillary sales of products and goods with delivery without delay - where revenue is recognized at the time of delivery (ie at a particular time), when control of the goods is transferred to the buyer.

Income from construction of residential and non-residential buildings

Energoprojekt Visokogradnja performs construction services for residential and non-residential buildings on the basis of contracts with customers. Such contracts are concluded before the construction services of residential and non-residential buildings begin and according to the terms of the contract, Energoprojekt Visokogradnja is limited by the contract to redirecting property to another buyer and has the executive right to pay for the work performed. Revenues from residential and non-residential construction services are therefore recognized over time using an exit method based on reports on services rendered up to a certain date, which are confirmed by the buyer and / or a supervisory or control body appointed by the contracting parties. Energoprojekt Visokogradnja considers that this exit method represents an appropriate measure of progress towards full compliance with the obligations under IFRS 15.

Energoprojekt Visokogradnja has the contractual right to invoice customers for the construction services of residential and non-residential buildings based on the achieved series of milestones related to performance (temporary situations). When a certain milestone is reached, a relevant report on the work

performed is sent to the buyer, signed by the buyer or another supervisory body appointed by the contracting parties. Energoprojekt Visokogradnja will previously recognize the assets from the contract (as active accruals) for any work performed. Any amount previously recognized as an asset, within active accruals, is reclassified as a contractual asset to receivables from customers when the conditions for invoicing to the customer are met.

If the inflows exceed the revenues recognized by the reporting date according to the exit method, Energoprojekt Visokogradnja recognizes the liabilities from the contract, recorded within accrued expenses, for the determined excess of the inflows from the recognized revenues.

Energoprojekt Visokogradnja believes that there is no significant component of financing under contracts with customers, given that the period between revenue recognition and collection at performance-related milestones is less than one year.

In addition, the management of Energoprojekt Visokogradnja believes that contracts with customers for residential and non-residential construction services do not have a significant financing component since the difference between the promised fee and the sale price of the service in cash arises from other reasons that do not include transferring funds to either the buyer or entity. the difference between these amounts is proportional to the reasons for that difference.

Sales of products and goods

Energoprojekt Visokogradnja sells products and goods directly to customers through its own points of sale. Warranties related to the sale of products and goods cannot be purchased separately and serve as a guarantee that the sold products are equipment in accordance with the agreed specifications. Accordingly, Energoprojekt Visokogradnja calculates guarantees in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

For the sale of products and goods, revenue is recognized when control of the goods is transferred to a destination agreed with the buyer.

The obligation to return and corresponding adjustments of revenue are recognized for those products and goods that are expected to be returned. At the same time, Energoprojekt Visokogradnja has the right to return the product when customers exercise their right of return, thus recognizing the right to the returned property of the goods and the appropriate adjustment of the cost of sales. Energoprojekt Visokogradnja uses its accumulated historical experience to estimate the amount of product and goods returns using the expected value method.

Energoprojekt Visokogradnja considers it very likely that there will be no significant reversal in the recognized amounts of cumulative income, taking into account the level of returns in previous years.

Revenue from the sale of products and goods is determined taking into account discounts and margins approved. This means that the final amount of income from the sale of goods, to which they apply, ie. relations discounts and margins, measured after the settlement is completed, ie the amount of income and receivables from customers should be increased or decreased (abolished) by the amount of approved discounts and margins.

- The most significant revenues of **Energoprojekt Niskogradnja** refer to revenues based on contracts with customers as explained below.

Revenues from construction of infrastructure facilities

Energoprojekt Niskogradnja performs infrastructure construction services on the basis of contracts with customers. Such contracts are concluded before the services of construction of infrastructure facilities begin and according to the terms of the contract, Energoprojekt Niskogradnja is limited by the contract to the transfer of property to another buyer and has the executive right to payment for the work performed. Revenues from infrastructure construction services are therefore recognized over time using an exit method based on reports on services performed up to a certain date, which are confirmed by the customer and / or a supervisory or control body appointed by the contracting parties. Energoprojekt Niskogradnja considers that this exit method represents an appropriate measure of progress towards full fulfillment of enforcement obligations under IFRS 15.

Energoprojekt Niskogradnja has the contractual right to invoice customers for the construction of infrastructure facilities based on a number of milestones related to performance (milestone). When a certain milestone is reached, a relevant report on the work performed is sent to the buyer, signed by the buyer or another supervisory body appointed by the contracting parties. Energoprojekt Niskogradnja will previously recognize the assets from the contract (as active accruals) for any work performed. Any amount previously recognized as an asset, within active accruals, is reclassified as a contractual asset to receivables from customers when the conditions for invoicing to the customer are met.

If the inflows exceed the revenues recognized by the reporting date according to the exit method, for the determined excess of the inflows from the recognized revenues, Energoprojekt Niskogradnja recognizes liabilities from the contract, recorded within accrued costs and deferred revenue.

Energoprojekt Niskogradnja believes that there is no significant component of financing under contracts with customers, given that the period between revenue recognition and collection at milestones related to performance is shorter than one year.

In addition, the management of Energoprojekt Niskogradnja believes that contracts with customers for infrastructure construction services do not have a significant financing component since the difference between the promised fee and the sale price of the service in cash arises from other reasons that do not include transferring funds to either the buyer or entity. of these amounts is proportional to the reasons for that difference.

- **Energoprojekt Entel's** main sales transaction is the design, consulting and engineering of thermal, nuclear, electricity and telecommunications facilities - where sales revenue is recognized over time.

Revenues from design, consulting and engineering

Energoprojekt Entel performs design, consulting and engineering services (together hereinafter: “design and consulting services”) on the basis of contracts with customers. Such contracts are concluded before the design and consulting services begin and according to the terms of the contract, Energoprojekt Entel

is limited by the contract to the transfer of assets to another customer and has an enforceable right to payment for the work performed. Revenues from design and consulting services are therefore recognized over time using an exit method based on reports on services performed up to a certain date, which are confirmed by the customer and / or a supervisory or control body appointed by the contracting parties. Energoprojekt Entel considers that this exit method represents an appropriate measure of progress towards full compliance with the obligations under IFRS 15.

Energoprojekt Entel is authorized to invoice customers for design and consulting services based on the achieved set of performance-related milestones (temporary situations). When a certain milestone is reached, a relevant report on the work performed is sent to the buyer, signed by the buyer or another supervisory body appointed by the contracting parties. Energoprojekt Entel will previously recognize the assets from the contract (as active accruals) for any work performed. Any amount previously recognized as an asset, within active accruals, is reclassified as a contractual asset to receivables from customers when the conditions for invoicing to the customer are met.

If the inflows exceed the revenues recognized by the reporting date according to the exit method, Energoprojekt Entel recognizes the liabilities from the contract, recorded within accrued expenses, for the determined excess of the inflows from the recognized revenues.

Energoprojekt Entel believes that there is no significant component of financing under contracts with customers, given that the period between revenue recognition and collection at milestones related to performance is shorter than one year.

In addition, the management of Energoprojekt Entel believes that contracts with customers for design and consulting services do not have a significant financing component since the difference between the promised fee and the selling price of the service in cash arises from other reasons that do not include transferring funds to either the buyer or entity. between these amounts is proportional to the reasons for that difference.

Sales revenue is recognized in the amount less excise duties, value added tax (VAT) and other similar mandatory duties. The amount of customs duty is included in gross sales revenue recognized in the consolidated statement of comprehensive income.

7.4. Expenses

Expenses are reductions in economic benefits during the accounting period, manifested in the form of outflows or reductions in assets or liabilities, which result in a reduction in capital that does not represent a reduction based on distribution to owners.

The definition of expenditure includes:

- expenses incurred in the ordinary course of business; and
- losses

Expenses include operating expenses, financial expenses, other expenses (including impairment of other assets) operations and discontinued operations, effects of changes in accounting policies and corrections of prior period errors and the transfer of expenses.

Operating expenses include: purchase price, material used, gross salaries, salary compensation and other personal expenses, producing costs, non-material costs, depreciation and provisions.

For the purposes of financial reporting, operating expenses are corrected in the Income Statement for the amount of income from the own use of products and merchandize and income from the depreciation of inventories of products (increase, i.e., decrease in the value of inventories of unfinished and finished products and unfinished services).

Financial expenses include financial expenses arising from the related legal entities, gains arising on the translation of foreign currency, interest-related expenses and other financial expenses.

Other expenses (that additionally include expenses from depreciation of other assets measured at fair value through Income Statement), include losses that may or may not arise from usual activities of the Company. Losses (for example, shortages or losses that result from the sale of assets at a less value than the accounting value) represent a decrease of economic benefits and, as such, do not vary from other expenses.

Within operating **loss from discontinuing operations, effects of changes in accounting policy, corrections of prior period errors and transfer of expenses**, expenses according to the names of accounts comprising this groups are presented and the transfer of total expenses at the end of accounting period, which are for the purposes of financial reporting presented in net effect, after offsetting against relevant income.

7.5. Interest and Other Borrowing Costs

Borrowing costs include interest and other costs borne by the Company in relation to the borrowing of funds. Based on relevant provisions IAS 23 – Borrowing Costs, interest and other borrowing costs are recognized as expenses at the moment of occurrence, unless they are directly attributed to the acquisition, construction or production of a certain asset (asset that obligatory needs significant time to be brought to working condition for its intended use or sale), in which case the interest and other borrowing costs are capitalized as a part of the purchase price (cost) of that asset.

7.6. Income Tax

Income tax is recorded in Company books as the sum of:

- The current tax; and
- The deferred tax.

The current tax is the amount of obligation for the payable (recoverable) income tax that refers to the taxable income (tax loss) for the respective period. In other words, the current tax is payable income tax defined in the tax return pursuant to tax regulations.

The deferred tax which is accounted in accordance with the relevant provisions of IAS 12 includes:

- Deferred tax assets or
- Deferred tax liabilities.

Deferred tax assets include income tax, recoverable in future periods in respect of:

- Deductible temporary differences,
- Unused tax losses transferred to the following period and
- Unused tax credit transferred to the following period.

Deductible temporary difference arises in cases where an expense has already been recorded in Company books, on certain bases, which, from the taxation aspect, is to be recognized in the following periods. Some typical examples of cases where the deductible temporary differences arise include the following:

- tax value of assets that are subject to depreciation exceeds the accounting value thereof;
- from the taxation aspect, certain provisions are not recognized and which are recognized at the time of use (for example, individual provisions under IAS 19);
- from the tax aspect impairment of property is not recognized and it is recognized upon the alienation of property (goods, materials, investment property, etc.);
- from tax aspect, expenses are not recognized when they are paid, etc.

For assets that are subject to depreciation, deferred tax assets are recognized for all deductible temporary differences between the accounting value of assets that are subject to depreciation and their tax base (values allocated to these assets for tax purposes). Deductible temporary differences exist if the accounting value of assets is less than their tax base.

The amount of deferred tax assets is determined by applying the prescribed (or notified) income tax rate on Company income on the amount of deductible temporary difference that is determined as at the Balance Sheet date.

If at the end of previous year, the temporary difference was deductible, on the basis of which the deferred tax assets were recognized, and at the end of current year, on the basis of the same assets, the temporary difference is taxable, the previously established deferred tax assets are released in their entirety, and at the same time the deferred tax liabilities are recognized in the amount determined as at the Balance Sheet date.

A deferred tax asset based on **unused tax losses** is determined by applying the prescribed (or expected) corporate income tax rate to the amount of tax loss.

A deferred tax asset based on **unused tax credit** are recognized in the amount of the unused tax credit, without applying the prescribed (or expected) corporate income tax rate to that amount.

The Company recognizes deferred tax assets, on all the above grounds (deductible temporary differences, unused tax losses and unused tax credit), only when it is probable, and to the extent that it is expected, that taxable gains will be available in the future. resources to be able to use.

Deferred tax assets may be recognized on other grounds for which the Company assesses income tax will be recoverable in future (for example, for provisions for non-due retirement bonus, specified pursuant to provisions IAS 19 - Employee Benefits, for the effects of the first application of IFRS 9, etc.).

Deferred tax liabilities include income taxes payable in future periods against deductible temporary differences.

Taxable temporary difference are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods, when the carrying amount of the asset or liability is recovered or settled.

The taxable temporary difference arises in cases when a certain expense is recognized from the tax aspect, while from the accounting aspect it will be recognized in the business books of the Company only in the following periods.

With respect to assets that are subject to depreciation, deferred tax liabilities are recognized always if there is a deductible temporary difference between the accounting value of assets that are subject to depreciation and their tax base. Deductible temporary difference occurs if the accounting value is greater than its tax base.

A deductible temporary difference is stated at the balance sheet date by applying the prescribed tax rate of the income tax to the amount of the deductible temporary difference.

The amount of deferred tax liability is determined by applying the prescribed (or expected) tax rate on the Company profit on the amount of taxable temporary difference that is determined as at the Balance Sheet date.

On each Balance Sheet date, the deferred tax liabilities are reduced to the amount determined based on temporary difference as at that date. If at the end of the previous year the temporary difference was taxable, on the basis of which the deferred tax liabilities were recognized, and at the end of the current year, based on the same assets, the temporary difference is deductible, the previously established deferred tax liabilities are released in their entirety, and at the same time the deferred tax assets of the Company are recognized in the amount determined as at the Balance Sheet date.

Deferred tax liabilities may be recognized on other grounds for which the Company assesses income tax will be recoverable in future against taxable temporary differences.

7.7. Intangible Assets

Intangible assets is non-monetary asset without identifiable physical substance, such as: software, licenses, concession, licenses, patents, investment in development, etc.

The property fulfils criteria to be identified if: it is detachable or it can be detached from the Company and sold, transferred, licensed, rented or traded, separately or with a related contract, property or liability; or that derives from contractual and other legal rights, regardless if these rights are transferable or separable from the Company or other rights or obligations.

To recognize an intangible asset, it must comply with the provisions of IAS 38 – Intangible Assets:

- that it is likely that future economic benefits, attributable to assets, will flow to the Company, characteristic when the Company controls the assets and;

- that the purchase price (cost) can be reliably measured.

If one of the requirements is not fulfilled, expenses on the basis of intangible investments are recognized as debit to expenses in the period in which the expenses incurred.

Accounting recognition of internally generated intangibles assets is dependent upon an assessment of whether they are created:

- In the research phase, or
- In the development phase.

Intangible assets generated from *research or research phase of an internal project*, will not be recognized as intangible asset. Expenditures related to research or to a research phase of an internal project are recognized as expenses in the period of occurrence.

The cost of an internally generated intangibles assets generated from *development* activities (or the research phase of an internal project) includes all the directly attributable expenses necessary to generate, produce and prepare the asset for the use as intended by the Company management.

Initial measuring of an intangible asset is performed at its cost (purchase price).

Subsequent measuring of intangible asset, after initial recognition, is performed at their cost (purchase price) reduced by the accumulated depreciation and accumulated losses from impairment (in compliance with the provisions of IAS 36).

7.8. Property, Plant and Equipment

Property, plant and equipment are tangible assets that are: used in production, supply of goods and services, for rental to others or for administrative purpose; and which are expected to be used for more than one accounting period.

The above general principle for the recognition of property, plants and equipment is not applied exclusively in cases of recognition of assets of lesser value that are registered as inventory items (such as, for example, spare parts and servicing equipment). The total value of such assets is transferred to current expenses when the item is first put in service.

Property, plant and equipment are tangible assets: if and only if it is probable that future economic benefits associated with the item will flow to the entity; and if the purchase price (cost) of the item can be reliably measured.

Initial measuring of property, plant and equipment is performed at purchase cost (purchase price), which includes: invoice price, including import duties and other duties that cannot be refunded, less discounts and rebates received; all costs directly attributable to bringing the asset to the location and condition necessary for it to function, as expected by management; and an initial estimate of the cost of dismantling, removing the asset, and rebuilding the area where the asset is located.

With the aim to perform subsequent measuring of property, plant and equipment, these are grouped in the following categories:

- a) Land;
- b) Facilities;
- c) Plants and equipment, and
- d) Other.

Subsequent measuring of the category “Buildings” is performed under revaluation model, which means valuation at the revalued amount, which represents the fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Subsequent measuring of all other categories within the Property, Plant and Equipment position, other than the facilities, is to be performed in compliance with the cost (purchase price) decreased by the accumulated depreciation and accumulated losses due to impairment (pursuant to IAS 36).

Leasehold improvements are presented and recognized in a special account, if it is probable that the Company will make the future economic benefits related to such asset. Amortization of investment in other person's property, plant and equipment is performed on the basis of the estimated useful life of such assets, which may be equal or shorter than the validity period of the lease agreement.

7.9. Lease

Lease is an agreement according to which the lessor transfers the right to use the object of lease to the lessee for an agreed period of time in exchange for a single payment or for a series of payments.

In case of a **financial lease** (lease whereby all the risks and benefits related to ownership of the assets are essentially transferred, and upon expiry of the lease period, the property right may, but does not necessarily need to, be transferred), in compliance with the provisions of the IAS 17 - Leases, the lessee performs the **initial measurement** by recognizing the lease as an asset and liability in their Balance Sheet, according to the amounts of its fair value at the beginning of the lease, or according to the present value of the minimum payments for the lease, whichever is lower. The *fair value* is the amount for which the lease can be exchanged between knowledgeable, willing parties in an at arm's length transaction.

In calculation of the present value of minimum payments for the lease, the discount rate is generally defined based on the interest rate included in the lease. If the interest rate cannot be determined, the incremental interest rate on the debt amount is used as the discount rate or as the expected interest rate the Company would pay in case of borrowed assets under similar conditions and similar guarantees for the purchase of the asset identical to the lease.

All initial direct expenses borne by the lessee are added to the amount that was recognized as the asset.

In case of **subsequent measurement**, the minimum lease payments should be divided between financial expenses and the reduction of outstanding obligations. The financial expenditure is allocated to periods within the leasing term and a constant periodic interest rate is applied to the outstanding balance.

In case of **business (operational) lease** (the lease whereby all the risks and benefits related to the ownership of the assets are not essentially transferred), the lease payments are recognized as expense, and in general at the linear basis during the lease period.

From the preparation of financial statements for 2021, IFRS 16 - Leases will be applied - retrospective model with a cumulative effect.

7.10. Amortisation of Intangibles assets, Property, Plant and Equipment

Amortization is the amount of assets (intangible assets, property, plant and equipment) amortized over time allocated within its useful life. Depreciation is conditioned by: useful life, depreciation method, depreciation amount and depreciation period.

The lifetime of an asset is determined by applying the time method, so that the lifetime of the asset may be understood as a time period when the asset is at Company's disposal for use. The useful lives of assets are reviewed at the end of each financial year.

The amount to be depreciated, is the revalued value for facilities, ie the purchase value (for other groups within the item property, plant and equipment and Intangible assets) or another amount that replaces that value (in the Company's financial statements), less the residual value that is systematically allocates over the useful life of assets.

Residual value is the evaluated amount that the Company would have received today, if it had disposed of an asset, after the deduction of the estimated disposal costs and under the assumption that the asset is at the end of its lifetime and in a condition as expected at the end of a useful lifetime.

The residual value of intangible assets is always presumed to be zero, except in the following cases:

- When there is an obligation of a third party to purchase intangible asset at the end of its useful life, or
- When there is an active market for the intangible asset, with the presumption that such market will exist at the end of the useful lifetime of the asset as well, when the residual value may be determined by referring to such market.

The residual value is reviewed at the end of each financial year by the competent appraisers and its change from previous estimates is included in accordance with the relevant provisions of IAS 8.

The residual value may be increased as the result of a valuation for an individual asset to the amount that is equal to the book value of such asset or larger than such value. In that case, the depreciation cost will, during the remaining useful lifetime of such asset, be zero, unless, as the result of subsequent valuations, the residual value is reduced to the amount that is lower than the book value.

Amortization of assets is performed by the **linear write-off** (proportional method), and the **calculation of amortisation starts** from the beginning of the following month from the moment when the asset becomes available for use, i.e., employment, or when it is at the location and the condition necessary for its functioning, in the manner envisaged by the management.

Amortization of intangible assets is conditional on the assessment of whether the useful lifetime is unlimited or limited. Intangible assets are not subject to amortization if it is estimated that the useful lifetime is unlimited, that is, if, based on the analysis of all the relevant factors, the end of the period

when is it expected that the intangible asset will cease to generate incoming net cash flows for the Company cannot be foreseen.

Amortisation is not calculated for assets the value of which is not impaired over time (such as, for example, the works of art) nor for assets with unlimited lifetime (land, for example).

For an assets acquired by means of financial lease, amortization is calculated in the same manner as for other assets, except when it is not known whether the Company will acquire the ownership right on such asset, when the assets is amortized in its entirety in a shorter period than the lease period or the useful lifetime.

Calculation of amortization ceases when the asset is derecognized (ceases to be recognized as an asset) and when it is reclassified as a non-current asset held for sale or within discontinuing operations. Thus, amortization is calculated even when the asset is not used, that is, even when the asset is not being used actively, if such asset is not reclassified as a non-current asset held for sale or within the discontinuing operations.

Calculation of assets' amortisation is performed for tax balance purposes in compliance with the applicable legislation.

Assets that are, in accordance with the IFRS 5 - Non-Current Assets Held for Sale and Discontinuing Operations, classified as assets held for sale, as at the balance sheet date are presented as working capital and are assessed at the lower value of the accounting value and fair value reduced by the costs of sale.

7.11. Impairment of Intangibles Assets, Property, Plant and Equipment

At each balance sheet date, competent persons, from the Company or external, check if there are indications that the accounting value of an asset (intangible assets, property, plant and/or equipment) is impaired, that is, if the accounting value exceeds the recoverable amount for the asset in question.

If there are indications of impairment, appraisal of recoverable amount is performed in compliance with the relevant provisions of IAS 36.

Recoverable amount is the higher amount of:

- The fair value, reduced by the costs of sales, and
- The use value.

Fair value reduced by the costs of sales is the expected net selling price of the asset or the amount that can be achieved in the sale of an asset in an at arm's length transaction between knowledgeable, willing parties, reduced by the disposal costs.

Use value is the present value of estimated future cash flows expected to occur from the continuous use of the property during its lifetime and sale at the end of that period. The discount rate used in determining the asset's present value reflects current market estimates of the time value of money, as well as the risks characteristic for the asset in question.

Recoverable amount is estimated for each asset separately or, if that is not possible, for the unit that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows, mostly independent from the cash flow related to other assets of group of assets that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows independent to the greatest degree from the cash flow related to other assets or groups of assets.

If it has been established that the value is decreased, the accounting value is reduced to the recoverable amount. The loss due to the decrease is captured as follows:

- If the revaluation reserves were previously created for that asset, the loss is indicated by decreasing revaluation reserves, and
- If the revaluation reserves were not previously created for that asset, the loss is indicated as expenses for the respective period.

7.12. Investment Property

An investment property is a property (land or building or part of building or both) held by the owner or the lessee in the financial lease in order to receive income from rentals or increase in capital value, or both, and not:

- To use it in the production, or acquisition of goods and services or for administration purposes, or
- The sale within the scope of usual business activities.

The investment property is recognized, pursuant to IAS 40 – Investment Property, as an asset: if there is a chance that the Company may have economic benefit in the future from that investment property; and if its purchase price (cost) can be measured reliably.

An investment property should be measured initially at its cost. Related expenses are included in the price.

Subsequent expenditure related to an already recognized investment property is attributed to the expressed amount of the investment property if it can be recognized as an asset, if it is likely that future economic benefits related to that expenditure will flow to the Company and if the purchase price (cost) of that expenditure can be measured reliably. In the opposite case, the subsequent expenditure is presented as an operating expense in the period in which it was incurred.

After the initial recognition, the **subsequent measurement of the investment property** is performed according to the fair value, meaning its market value or most probable value that can be achieved on the market at the balance sheet date.

The change in the fair value of an investment property over a specific period is recognized in the income statement for the period in which increase / decrease occurs.

Investment properties are not subject to the calculation of depreciation or to the valuation of the decrease in value of the property.

Investment property ceases to be recognized upon disposal (sale or conclusion of a finance lease) or if it has ceased to be used (when it is derecognised) and no future benefits are expected from its disposal. Gains or losses on disposing of or disposed of investment property are recognized in the income statement in the year in which the asset is disposed of or disposed of, while the full amount of revaluation reserves that are part of equity relating to disposed or disposed investment property is transferred directly to retained earnings of the current year.

7.13. Inventories

Inventories are assets: kept for sale in the usual line of activities, assets in production, but intended for sale; or primary and secondary materials used in the production or provision of services.

Inventories include: primary and secondary materials (including spare parts, tools and stock) used in the production, unfinished products that are being produced, finished products manufactured by the Company and goods.

Inventories are (pursuant to IAS 2 - Inventories) **measured** at lower value:

- The purchase price (cost), and
- Net realizable value, net sale price, with stocks of materials and goods being measured at cost.

The purchase price (cost) includes all:

- Purchase expenses;
- Conversion expenses, and
- Other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of materials and goods as basis for the valuation of inventories of materials and goods, include the cost price, import duties and other fiscal expenditure (other than the recoverable tax amounts, such as the input value added tax), transportation costs, handling costs and other costs that are directly attributable to the purchase costs of inventories. Discounts, rebates and other similar items are deducted on the occasion of determining the purchase costs.

Valuation of material and goods inventories *spent* is performed by applying the **weighted average cost formulas**, calculated at the level of each individual warehouse.

In the recognition of assets of lower value (for example small inventory items, spare parts and servicing equipment), upon its use, the entire value (100% write-off) is transferred to expenses of the respective period.

Conversion costs and other costs incurred in bringing the inventories to their present location and condition are important in the valuation of inventories of unfinished products and finished products. These costs include: direct labour costs, direct material costs and indirect costs, or general production costs and non-production costs and borrowing costs.

Under certain conditions, specified in IAS 23, borrowing costs may also be included in the cost of inventories.

Net realizable value is the valuated price of sale within regular business activities (value excluding tax) reduced by estimated completion costs and valuated costs necessary for the realization of the sale. The valuation of the net realizable value is performed based on the most reliable evidence available at the time of valuation with regard amounts that may be achieved.

The amount of any write-off of inventories to the net realizable value and all losses of inventories are recognized as expenses for the period when the write-off or loss occurred.

7.14. Non-Current Assets Held for Sale

The Company recognizes and presents a non-current asset (or available group of assets) as an **asset held for sale** in compliance with IFRS 5 - Non-Current Assets Held for Sale and Discontinuing Operations if its accounting value can primarily be recovered by means of a sales transaction and not by means of its further use.

To fulfil this requirement:

- The asset (or group for disposal) must be available for immediate sale in the current condition, solely under the usual conditions for the sale of such property (or disposal group); and
- The sale of the asset must be very probable.

For a sale to be highly probable, the appropriate level of management must commit to a plan to sell the property (or disposal group), that there is an active program to find a buyer, and that the execution of that plan has already begun, (for example, an announced public sale, started negotiations or preparations for negotiations with potential buyers, etc.). In addition to the above, the probability of sale implies the existence of a market for that asset, that the offered price is reasonably determined, so that it enables the reality of the expectation that the sale will be made within one year from the date of recognition.

Extending the period required to complete the sale does not prevent the asset (or disposal group) from being classified as held for sale if the delay is due to events or circumstances beyond the Company's control and there is sufficient evidence that the Company is still committed to the plan to sell the property (or disposal group).

The Company measures non-current asset (or disposal group), classified as non-current asset held for sale at a lower value than:

- The accounting value, and
- The fair value reduced by the costs of sale.

The accounting value is the present (non-write off) value stated in business books of the Company.

The fair value is the amount at which the asset may be traded between knowledgeable and willing parties in an at arm's length transaction, or the market value on the date of sale.

Costs of sale are costs directly attributable to the sale of assets, or disposal groups, other than financing costs and income taxes, that are measured at present value rather than at the time of sale.

The Company does not depreciate non-current assets as long as it is classified as held for sale (or as part of a disposal group that is classified as held for sale).

Written-off assets, as well as assets with insignificant non-write off value will not be recognized as assets held for sale.

The sale of fixed assets held for sale in accordance with IFRS 5 is recorded on a net basis, ie the difference between the net sales value and the carrying amount is reported as a gain or loss on the sale of fixed assets held for sale, while the sale of fixed assets held for sale is recorded in accordance with IAS 2 is performed on a gross basis.

Assets that cease to be classified as held for sale (or cease to be included in a held for sale group) are valued at the lower of:

- the carrying amount before it is classified as held for sale (adjusted for depreciation and impairment that would be recognized if the asset was never classified for sale); and
- its recoverable amount at the date of the decision not to sell the fixed asset.

7.15. Financial Instruments

Financial assets

Pursuant to IFRS 9 - Financial Instruments, a financial asset is recognized when the Company becomes a party to the contractual provisions (rights) of the financial instrument. The purchase or sale of a financial asset is recorded using accounting on the settlement date (the date on which the asset is delivered to the entity or the date on which the entity delivers the asset).

The company derecognises a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the financial asset and the transfer qualifies for derecognition.

At initial recognition, the company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In relation to the above, the difference is that the initial recognition of trade receivables is measured at the transaction price (except in the case when the sale contains a significant component of financing).

In subsequent measurement of financial asset, the relevant group is the group in which the Company has classified the financial asset, which is conditioned by:

- business model of the Company's Financial Management and
- characteristics of contractual cash flows of the financial asset ("SPPI" test - Solely Payments of Principal and Interest)

After initial recognition, the company measures a financial asset at:

- amortised cost;
- fair value through other comprehensive income; or

- fair value through profit or loss.

Asset classified in the amortized cost category should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows;
- SPPI test: whether the agreed conditions give the right to cash flows that represent only the payment of principal and interest.

Asset classified at fair value through other comprehensive income should meet both criteria:

- Business model: the financial asset is held to collect contracted cash flows and sales;
- SPPI test: whether the agreed conditions give the right to cash flows that represent only the payment of principal and interest.

Financial asset measured at fair value through profit or loss includes assets that are not classified in the previous two groups. Valuation effects and realized gains and losses are recognized in the income statement in the period in which they arise.

All derivatives within the scope of IFRS 9 are measured at fair value. All changes are recognized in the income statement.

Dividends are recognised in income statement only when:

- the entity's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the entity; and
- the amount of the dividend can be measured reliably.

A financial asset is impaired when one or more events occur that have an adverse effect on the estimated future cash flows of that financial asset.

With respect to assets measured at amortized cost (loans and receivables) and at fair value through other comprehensive income, the Company should recognize an impairment loss, ie a provision for **expected credit losses**.

At each reporting date:

- the company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition the company should measure the provision for losses on a financial asset at an amount equal to the expected credit losses over the life of the asset;
- An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition, the Company should measure the provision for losses on a financial asset at an amount equal to twelve months of expected credit loss.

The company shall measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial liabilities

A financial liability is any liability that is:

- contract right:
 - delivery of cash or other financial means to another company; or
 - exchange of financial assets or financial liabilities with another company under conditions that are potentially unfavorable for the Company; or
- contract that will be or can be settled with the Company's equity instruments and which is:
 - non-derivative, for which the Company is or may be obliged to submit a variable number of equity instruments of the Company; or
 - derivatives, which will be or can be settled differently than by exchanging a fixed amount of cash or other financial assets for a fixed number of equity instruments of the Company.

Pursuant to IFRS 9 - Financial Instruments, a financial liability is recognized when the Company becomes a party to the contractual provisions of the financial instrument.

The company shall remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—ie when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

A financial liability is initially measured at fair value, increased or decreased, in case of financial liability not measured at fair value through profit or loss, for transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

From the aspect of subsequent valuation, with minor exceptions (derivatives, financial guarantees, etc.), financial liabilities are measured at amortized cost, using the effective interest rate method. Using this method, the Company identifies the fees that are an integral part of the effective interest rate of the financial liability (all of the above also applies to the financial asset). Fees that are an integral part of the effective interest rate include start-up fees (servicing costs, costs of processing loan applications, registration of collateral, attorney's fees, etc.), commissions, etc.

The Company may, on initial recognition (no reclassification of a financial liability over time) classify a financial liability as measured at fair value through profit or loss: if it prevents an accounting mismatch due to the measurement of assets, liabilities, income and / or expenses on various bases; and if the group

of financial assets and liabilities is managed and their performance is measured at fair value, in accordance with a documented risk management or investment strategy.

Impairment of financial assets

IFRS 9 introduces a revised model of impairment of financial assets, which is based on the expected credit loss and not on past losses.

The IAS 39 loss model recognized a loss on a financial instrument only when objective evidence of impairment of the financial instrument appeared, such as late payment of obligations, financial difficulties of the debtor, opening of pre-bankruptcy / bankruptcy proceedings, liquidation of the debtor, etc. This approach resulted in a rather late recognition of losses in the financial statements. In contrast, the model of expected credit losses requires an assessment of possible impairment losses on financial instruments before the deterioration of the financial and creditworthiness of the debtor, ie. that the value adjustment is recognized before the incurred losses occur.

According to the adopted *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9*, the impairment is performed in accordance with the model of expected losses when assessing the impairment of financial assets measured at amortized cost or fair value through other results (except equity), and to contractual assets (contractual financial assets in accordance with IFRS 15).

The Company assesses impairment at two levels: individual and group.

The Company applies individual assessment of allowances in cases where key credit risk drivers can be monitored on the basis of an individual instrument, where the Company then monitors them without the need for additional joint assessment.

The Company applies individual assessment of impairment to receivables from related legal entities; on receivables from the state, which do not relate to commercial relations in which the state is in the role of investor; on financial placements and given deposits; securities and cash and cash equivalents.

For the purposes of individual assessment, the Companies rely on the data on non-payment of liabilities (PD) from external sources, ie the data published by renowned rating agencies. The second parameter in the calculation, LGD (loss given default), which implies the amount of loss in case of default, is based on the Basel LGD of 45%. The exposure in the event of a default event (EAD) in this case is the amount of the claim at the reporting date. The discount factor will depend on the effective interest rate determined at initial recognition and the maturity of the instrument. If the collection of receivables is expected within 12 months, the discount factor is 1.

The Company applies the group assessment of impairment for measuring credit losses, ie receivables from third parties (including receivables from the state, state-owned companies and state bodies, where the state is predominantly in the role of investors) in the country and abroad, as well as accruals and deferrals that have the category of financial assets, and other receivables, including contractual financial assets in accordance with IFRS 15, or receivables from uninvoiced income with these persons, which are not subject to individual estimates, as well as lease receivables arising from transactions under IFRS 16.

The calculation of the parameters that will be applied in the Energoprojekt System was performed on the basis of data on historical collection by the largest companies operating within Energoprojekt: Energoprojekt Visokogradnja a.d., Energoprojekt Niskogradnja a.d., Energoprojekt Entel a.d. and Energoprojekt Oprema a.d.

Calculation approach PD is based on the creation of provision matrices from age intervals (14 intervals, based on late days as follows: "0" overdue receivables; "1" - 0-30 days late, "2" - 31-60 days late... "13" - 330-360 days late; "14" - over 360 days late) and rates of uncollected receivables ("roll-rate") between the observed intervals.

The loss rate in case of default, LGD, was calculated by observing collection of receivables in the "worst" observed interval during the period 2017-2019, 2017-2020, in a way that the amount claimed on 31.12.2019 was put in relation in the worst age interval increased by write-offs during the observed period and the total amount of registered receivables, ie. invoice in the worst age interval during the observed period. In certain cases, due to the existence of first-class (deposits, guarantees, etc.), or adequate collateral (pledges, mortgages), the Company may reduce the exposure by the amount of collateral before applying the LGD with the prior application of an appropriate impairment factor (haircut). In cases of receivables dating from before 2017, except in specific cases that need to be adequately documented, it is assumed that these are receivables that are impaired and for which the impairment calculation approach is applied to instruments where objective evidence of impairment has been identified (as is explained below).

When approaching the calculation of impairment for financial instruments for which objective evidence of impairment has been identified, no need to change the previous approach in accordance with IAS 39 has been identified, and the treatment and method of calculating impairment remains unchanged in accordance with IAS 39 and is based on the amount of loss measured as the difference between the exposure and the present value of future expected cash flows, discounted at the effective interest rate.

In case there is a need to determine the discount factor, ie the effective interest rate for the purposes of calculating the expected credit loss (for certain financial instruments that are not measured under the simplified approach and level 3 assets that are measured individually), the Company will apply the effective interest rate of the instrument. , ie in case of its non-existence, as the best approximation, publicly available data will be used depending on the currency, maturity, etc. (NBS statistics, eminent publicly available sources of information, legal default interest rate, etc.)

The Company applies the simplified approach for trade receivables (related and third parties), contractual assets arising from transactions under IFRS 15 and lease receivables arising from transactions under IAS 17 / IFRS 16. The simplified approach implies that for a given the receivable calculates the life expectancy loss regardless of whether there has been a significant increase in credit risk from customers, contractual assets and lease receivables and the provision for losses in an amount equal to life expectancy throughout the life.

For other categories of financial assets (cash and cash equivalents, financial investments, securities) the Company applies the general approach.

The Company has used the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9 to define indicators of significant increase in credit risk. In connection with the above, as indicators of a significant increase in credit risk, ie indicators that for a certain type of financial assets it is necessary to calculate the expected credit loss for the entire period of its life / duration, the following are taken into account:

- Decline in external credit rating used for the purpose of calculating the impairment;
- Delay in repayment of the obligation to the Companies in the amount of 30 days (if it is about third parties), or 90 days, if it is about related legal entities;
- Other qualitative criteria that may lead to the conclusion that there has been a significant increase in credit risk.

For the purposes of identifying impairment indicators, ie the criteria that it is necessary to calculate the expected credit losses for assets classified in level 3, in accordance with the requirements of IFRS 9, the Companies apply:

- Defined default threshold that applies to a given Company and a given category of financial assets;
- Other objective evidence of impairment in accordance with IFRS 9

The approach of impairment for financial guarantees is based on the historical losses that Energoprojekt had on this basis.

Based on all the above and adopted Methodology for calculating the impairment of financial instruments in accordance with IFRS 9 in the Energoprojekt system, the effects of the first application of IFRS 9 on 01.01.2020 were calculated, as well as the effects of IFRS 9 on 31.12.2020. In addition, according to the adopted Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, a part of materially insignificant effects of the application of IFRS 9 has been singled out, which are not recorded in the consolidated financial statements in question precisely because of immateriality.

The Company has determined that the application of IFRS 9 affected the additional amount of impairment on 01.01.2020 for RSD 2,066,627 thousand, recognized within the capital, ie the item of previous years retained earnings on 01.01.2020 (restated of opening balance - Note 36.7), in the manner shown in the following table.

In RSD thousand

Financial assets	Exposed financial assets of IFRS 9 as of 01.01.2020	Allowance for impairment account	Effect of application of IFRS 9 on 01.01.2020 over acc. 340
1	2	3	4
Long-term financial investments	112,362	49	(101,953)
Trade receivables	6,290,808	209	(1,341,329)
Receivables from specific operations	49,552	219	(7,519)
Other receivables	66,241	229	(6,578)
Receivables for non-invoiced income	3,605,822	2819	(545,258)
Other accruals	525,173	289	(63,990)
TOTAL	10,649,958		(2,066,627)

The following table shows effects of the application IFRS 9 on 31.12.2020, which were recorded through the results of the current year (increase in gross results in the amount of RSD 272,487 thousand).

In RSD thousand

Financial assets	Exposed financial assets IFRS 9 as of 31.12.2020	Allowance for impairment	Effect of application of IFRS 9 on 01.01.2020 over acc. 340	Expenses (acc. 58)	Income (acc. 68)	Exchange difference	Effect of application of IFRS 9 on the current result on 31.12.2020	Impairment of financial assets affected by IFRS 9 in 2020
1	2	3	4	5	6	7	8=5+6+7	9=4+8
Long-term financial investments	111.128	kto 049	(101.953)				0	(101.953)
Trade receivables	5.835.493	kto 209	(1.341.329)	(175.825)	279.720	67.472	171.367	(1.169.962)
Receivables from specific operations	48.114	kto 219	(7.519)		1.853	72	1.925	(5.594)
Other receivables	56.471	kto 229	(6.578)	(2.080)		324	(1.756)	(8.334)
Receivables for non-invoiced income	2.864.300	kto 2819	(545.258)	(33.878)	97.750	17.748	81.620	(463.638)
Other accruals	478.847	kto 289	(63.990)		15.011	4.320	19.331	(44.659)
TOTAL	9.394.353		(2.066.627)	(211.783)	394.334	89.936	272.487	(1.794.140)

By applying the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, the financial assets exposure is reduced by:

- part of non-invoiced receivables which, after issuing the invoice, partially justifies the advance collection/obligation for received advances (acc. 281 Receivables for non-invoiced income);

- part of non-invoiced receivables for which on 31.12.2020, the accrual of income for the future period (acc. 281 Receivables for non-invoiced income) was done in same amount; and
- part of trade receivables for which on 31.12.2020, and in accordance with IFRS 15 and on the basis of determined variable contractual fee, the impairment of receivables was performed.

According to the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, the effects, due to material insignificance, are not recorded in the following financial assets, presented by companies from the Energoprojekt system:

- Energoprojekt Holding: buyers in the country - parent and subsidiaries (except receivables from Energoprojekt Visokogradnja), receivables from specific operations, other receivables, cash and cash equivalents and short-term loans and placements granted to Energoprojekt Energodata (short-term financial placements granted to Enjub Ltd. are covered by a pledge over the real estate of the company in question - Note 45);
- Energoprojekt Visokogradnja: cash and cash equivalents, short-term loans and placements - related parties (except Energo Kaz Ltd., Kazakhstan), receivables from related parties (except Enjub Ltd. 100% of impairment was made);
- Energoprojekt Niskogradnja: cash and cash equivalents, other long-term financial placements, other long-term receivables (collateral), short-term loans and placements - other related parties, other short-term financial placements, buyer in the country - related parties;
- Energoprojekt Oprema: cash and cash equivalents, short-term loans and placements, buyers in the country - parent and subsidiaries and accruals – buyers in the country;
- Energoprojekt Hidroinženjering: cash and cash equivalents;
- Energoprojekt Industrija: cash and cash equivalents;
- Energo (Private) Limited, Zimbabwe: cash and cash equivalents; and
- Other companies from the Energoprojekt system: total exposed financial assets.

During the first application of IFRS 9, the system Energoprojekt applied a cumulative modified (retrospective) approach, where IFRS 9 is applied retrospectively with a cumulative effect that is recognized as an adjustment on 01.01.2020 with data correction on 31.12.2019.

The effects of reconciling the carrying amounts of financial assets and liabilities at the date of initial application of the standard are recognized in equity as adjustment of opening balance of retained earnings in 2020.

7.16. Provisions, Contingent Liabilities and Contingent Assets

A provision, according to IAS 37 - Provisions, Contingent Liability and Contingent Assets, means a liability of uncertain due date or amount present at the balance sheet date.

The Company recognizes provisions only if the following conditions are met:

- The Company has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

The essence of provisions is to form provisions only for liabilities from past events that exist independently from future events. Therefore, provisions are not recognized for future operating losses.

For purposes of recognition of provisions, it is considered as probable that the requested settlement of Company's liabilities will cause an outflow of resources representing an economic benefit when it is more probable than not that an outflow of resources will occur, or when the probability that settlement of these liabilities by the Company will cause an outflow of resources, is greater than the probability that it will not.

Provisions may be made on various bases, and specifically, these may include: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits, provisions for lawsuits and for other purposes.

In the measurement of provisions, the amount recognized as provision is the best valuation of Company's expenditure requested to settle a present liability at the balance sheet date. In other words, it is the amount the Company has to pay at the balance sheet date to settle liabilities or to transfer liabilities to third parties.

Long term provision for expenses and risks are tracked by sorts, they are examined at each balance sheet date and corrected to reflect the best present valuation. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is cancelled. Cancellation of provisions is credited as income.

When the effect of the time value of money is significant, the provision amount represents the present value of expenditure of the Company expected to settle the obligation. Discount rates are used in the calculation of the present value or pre-tax rates that reflect current market valuations of the time value and liability-related risks.

Contingent liability is:

- possible liability that arises from past events and may be confirmed only if one or several uncertain future events, that are not entirely in the scope of influence of the Company, occur or not; or
- present liability that arises from past events, yet not recognized, because it is not probable that an outflow of resources that represents economic benefit of the Company will be required to settle the obligation or because the amount of liability cannot be reliably valued.

A contingent liability is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible and this possibility is not very small.

A contingent liability is permanently revalued (at least at the balance sheet date). If the outflow of economic benefits based on contingent liabilities becomes possible, provisions and expenses are recognized in financial statements of the Company for the period when the change occurred (unless in rare cases when a reliable valuation is not possible).

A contingent asset is an asset that may arise from past events and its existence will be confirmed only if one or several future events, which are not entirely in the scope of influence of the Company, occur.

A contingent asset is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible.

Contingent assets are permanently revalued (at least at the balance sheet date) to ensure that financial statements reflect the development of the event. If it is certain that the outflow of economic benefit based on contingent assets, related asset and revenue are recognized in financial statements of the Company for the period when they occurred.

7.17. Employee Benefits

In terms of **taxes and compulsory social security contributions**, the Company shall, according to regulations applied in the Republic of Serbia, pay for contributions to various public funds for social security. These liabilities include contributions paid by employees and contributions paid by the employer in amounts calculated according to prescribed rates. The Company has legal obligation to suspend calculated contributions from gross earnings of employees and to transfer the amount on their behalf to public funds.

Contributions paid by employees and contributions paid by the employer are recorded as expenses of the Company for the respective period. The company, upon retirement of employees, keeps no obligation to pay them any benefits.

For the valuation of provisions based on contributions and other employee benefits, relevant provisions of the IAS 19 – Employee benefits are applied. Provisions for contributions and other employee benefits include, for example: provisions for non-due retirement benefits upon regular retirement and provisions for retirement bonus paid by the Company upon termination of employment prior to the retirement date or paid upon decision of the employee to take voluntary redundancy in exchange for those benefits.

In the valuation of liabilities upon employment termination and pursuant to respective IAS 19 provisions, the discount rate is determined according to the market yield at the balance sheet date for high yield corporate bonds. Alternatively, also specified in IAS 19, until a developed market for corporate bonds in the Republic of Serbia is established, market yields for government bonds will be used for the (for discount rate of) valuation of liabilities of the Company upon employment termination (at the balance sheet date). The value date and deadline for corporate or government bonds should be in accordance with the value date and deadline for obligations related to the income after employment termination. If the Company, for the valuation of obligations upon employment termination and due to undeveloped market for government bonds, uses the government bond yield as reference with maturity date shorter than the estimated maturity of payments based on respective income, the discount rate is defined by valuating the reference securities yield for longer periods.

Retirement bonus is paid by the Company to employees in compliance with the newly amended provisions of the Collective Agreement, adjusted with legislation (at the level of two average gross earnings in Republic of Serbia, pursuant to the ultimate data published by national institution in charge for statistics).

7.18. Information on Business Segments

A business segment is a part of assets and business operations that provide products or services that are

subject to risks and benefits different from those present in some other business segments. The geographical segment provides products or services within a specific economic environment that are subject to risks and benefits different from the segments operating in some other economic environments.

8. ERRORS FROM PREVIOUS PERIOD, MATERIAL ERRORS AND CORRECTION OF OPENING BALANCE

Potential (im)material errors of the current period, discovered in that period, are corrected before the financial statements are approved for publication.

Errors from previous period represent omitted or false data presented in financial statements of the Company for one or several periods as a result of misuse or lack of use of reliable information, which were available when the financial statements for respective periods were approved for issue and which were expected to be obtained and taken into consideration upon preparation and presentation of the respective financial statements.

A materially significant error, discovered in the current period that refers to a previous period is an error that has significant influence on financial statements for one or several prior periods and due to which these financial statements cannot be considered anymore as reliable.

Materially significant errors are corrected retroactively in the first series of financial statements approved for publishing after these errors have been discovered, by correcting comparative data for presented prior period(s) when errors occurred or if the error occurred prior to the earliest presented prior period, opening balances for assets, liabilities and capital for the earliest presented prior period will be corrected.

If it is practically impossible to establish the effect of an error from a certain period by comparing information for one or several presented prior periods, the Company will correct opening balances for assets, liabilities and capital for the earliest period that can be corrected retroactively (may be also the current period).

When, at the beginning of the current period, it is impracticable to determine the cumulative effect of an error on all prior periods, the Company recalculates the comparative information to correct the error in advance from the earliest date for which it is practicable.

Subsequently *identified errors that are not of material significance* are corrected against expenses or in favour of revenues for the period in which they were identified.

The materiality of an error is valued pursuant to provisions of the Framework for the preparation and presentation of financial reports that state that materiality may imply that omission or false accounting entries may affect economic decisions of users adopted based on financial statements.

Materially significant errors are valued pursuant to relevant provisions from the Framework for the preparation and presentation of financial statements.

Materiality is defined in the Company with respect to the significance of the error considering total revenues. A materially significant error is an error that for itself or together with other errors **exceeds 1.5% of the total income in the previous year.**

In these financial statements, data for the comparative year 2019 have been adjusted in accordance with the requirements of the first-time adoption of IFRS 9.

9. FINANCIAL RISKS

Uncertainty in future events is among the basic specificities of business operations under market conditions in an economic environment that is characterized by several possible or potential outcomes. Unpredictability of future events is one of basic particularities of operating in an open market environment characterized by several possible or potential outcomes.

From the Company's point of view, there are a large number of potential risks that may more or less have adverse effects on the Company's business. Certain (specific) risks are determined by internal factors, such as: *concentration risk*, which, in the Company's case, may be manifested as exposure to any one or a small group of buyers or suppliers; *operational risk*, that means the possibility of adverse effect due to unintentional or deliberate omissions by employees, inappropriate internal procedures and processes, inadequate information system management in the Company, etc.; *reputational risk*, that means a possibility that the Company's market position deteriorates due to the loss of trust or bad reputation (public institutions, suppliers, buyers, etc.) of the Company; *legal risk*, that means a possibility of adverse effects due to penalties and sanctions that derive from lawsuits due to the failure to fulfil contractual or legal obligations; etc.

Since the majority of these and some other risks not mentioned herein is set forth in detail in other chapters of the Notes or in other internal regulations of the Company (for example, the Rules on Accounting Practices of the Company regulates the minimization of operational risks by introducing procedures and work instructions), focus is placed here on the **financial risks** that primarily include the following:

- Credit risk;
- Market risk, and
- Liquidity risk.

Financial risks are significantly affected by external factors that are not directly controlled by the Company. In that sense, financial risk is considerably affected by the Company's environment which, apart from economic development, is likewise committed to legal, financial and other relevant aspects that define system risk level.

Generally, comparing markets of developed economies, companies that operate on markets with insufficient economic development, macroeconomic stability and high insolvency, such as the Republic of Serbia, are significantly exposed to financial risks. Insufficient development of the financial market makes it impossible to use a wide spectrum of *hedging* instruments, characteristic for developed markets. Companies that operate in the Republic of Serbia do not have the possibility to use many derivative instruments in financial risk management due to the fact that these instruments are not widely used nor there is an organized continuous market for financial instruments.

Financial risk management is a comprehensive and reliable management system that aims to minimize potential adverse effects to the financial condition and operations of the Company under unpredictable financial market conditions.

Considering limitations in the financial risk management that are characteristic of business on the Serbian market, it is clear that it is necessary to approach this issue in a proper manner as recognized by the Company's management. Essentially, financial risk management in the Company should ensure that the *Company's risk profile* is always in compliance with *Company's tendency towards risks* or in compliance with an acceptable structure and risk level that the Company will take in order to implement its business strategies and achieve business goals.

9.1. Credit Risk

A credit risk is a risk of adverse effects to the financial result and capital of the Company due to debtor's failure to fulfil obligations towards the Company within the specified deadline.

Credit risks mean not only debtor-creditor relations that derive from sales of Company's products, but also credit risks that derive from other financial instruments such as receivables based on long-term and short-term financial investments.

The Company has substantial concentrations of credit risk in collection from certain buyers with long lending periods due to poor liquidity. However, since that, as a rule, the company has been operating with these customers for many years, the fear of bad debt is small.

9.2. Market Risk

Market risk is a risk of adverse effects to the financial result and capital of the Company due to losses under specific balance sheet items as a result of negative price shifts on the market and other relevant financial parameters.

The market risk includes three risk types:

- The currency risk;
- The interest risk, and
- The price risk.

The currency risk, also called foreign exchange risk or exchange rate risk, is a risk of fair value fluctuation or the fluctuation of future financial instruments cash flows due to the change in exchange rates. The currency risk arises from financial instruments in foreign currency or the currency other than the currency (functional) in which the financial instruments are measured in financial statements. The Company operates within international frames and is exposed to exchange rate risks arising from business operations in different currencies, primarily in Euro and US Dollar.

Interest risk is a risk of adverse effects to the result and capital of the Company due to unfavourable interest rates' fluctuations. The Company is exposed to this type of risk due to financial liabilities related to loans with potentially fluctuating interest rates (Euribor and Belibor).

The price risk is a risk of fair value fluctuation or a risk that the future financial instruments cash flows will fluctuate due to the change in market prices (not prices that result from interest or currency risk) regardless if these changes are caused by specific factors related to a specific financial instrument or its issuer or regardless if factors affect all similar financial instruments traded on the market.

9.3.Liquidity Risk

Liquidity risk is a risk of having difficulties to fulfil due obligations, maintaining the necessary scope and structure of the working capital and good creditworthiness.

Prudent liquidity risk management aims to maintain sufficient cash and securities held for sale, as well as securing adequate sources of financing to cover for the dynamic nature of the Company's business.

Adverse impacts on the Company's liquidity have significant amounts of immobilized assets in some subsidiaries, as well as a slowdown in payment in certain segments (regions) due to economic and geopolitical reasons.

Company seeks to maintain flexibility of its financing through collection from buyers and investments of its available monetary assets. In addition to that, in compliance with the Company's policy, back to back agreements are signed with subcontractors according to which a portion of risk related to any defaulting in collection is transferred/shared with them.

10. INFORMATION OF BUSINESS SEGMENTS

System Energoprojekt, locally as well as abroad, was on 31 December 2020, organized in main business segments as follows:

- Planning and Research;
- Construction and Fitting, and
- Other.

Business and geographical segments of system Energoprojekt are presented in tables below, at the balance sheet date.

Energoprojekt Holding Plc. Belgrade

Business segments

	Design and research		Construction and fitting		Other		Total		Eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from sales	5.683.038	7.148.684	21.731.405	19.999.508	617.198	756.711	28.031.641	27.904.903	(2.083.663)	(1.617.534)	25.947.978	26.287.369
SEGMENT RESULT												
Operating profit/loss	388.205	509.849	860.585	315.693	(46.185)	(46.892)	1.202.605	778.650	4.259	(98.428)	1.206.864	680.222
Interest income (third party)	45.683	12.833	54.408	114.229	665	1.430	100.756	128.492			100.756	128.492
Interest expenses (third party)	3.374	4.236	129.843	232.488	18.427	29.767	151.644	266.491			151.644	266.491
Profit/loss from regular operations before tax	532.747	591.312	962.432	510.894	247.192	(38.604)	1.742.371	1.063.602	(346.590)	(278.533)	1.395.781	785.069
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	587	(11.493)	(2.914)	26.537	(4.065)	3.101	(6.392)	18.145	107	60	(6.285)	18.205
Income tax	34.223	39.222	319.801	120.802	13.458	2.401	367.482	162.425			367.482	162.425
Net profit/loss	499.111	540.597	639.717	416.629	229.669	(37.904)	1.368.497	919.322	(346.483)	(278.473)	1.022.014	640.849
Total assets	8.467.611	9.260.274	23.559.886	24.143.938	15.686.498	13.506.599	47.713.995	46.910.811	(12.529.934)	(10.200.868)	35.184.061	36.709.943
Total liabilities	8.467.611	9.260.274	23.559.886	24.143.938	15.686.498	13.506.599	47.713.995	46.910.811	(12.529.934)	(10.200.868)	35.184.061	36.709.943
Depreciation	85.032	91.861	357.306	427.928	48.733	47.158	491.071	566.947	(4.269)	(3.084)	486.802	563.863

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from sales	15.016.803	17.400.450	4.838.180	876.584	172.863	197.185	1.817.510	2.327.048	3.666.683	4.580.315	435.939	905.787	25.947.978	26.287.369
Income from the sales of goods to parent company and subsidiaries and other affiliated companies in the domestic market	1.714												1.714	
Income from the sales of goods to other affiliated companies in the international market (Energoprojekt Ltd., Lagos, Nigeria)														
Income from the sales of goods - external	39.606	142.487				1.051	16.485	39.326			1.945	19.216	58.036	202.080
Income from the sales of goods	41.320	142.487				1.051	16.485	39.326			1.945	19.216	59.750	202.080
Income from the sales of products and services to other affiliated companies (Energoprojekt Ltd., Enjub Ltd., Napred plc., Napred Razvoj plc. i Energo Nigeria Ltd., Lagos, Nigeria)	36.931	47.230						155.158					36.931	202.388
Income from the sales of products and services - external	14.938.552	17.210.733	4.838.180	876.584	172.863	196.134	1.801.025	2.132.564	3.666.683	4.580.315	433.994	886.571	25.851.297	25.882.901
Income from the sales of products and services	14.975.483	17.257.963	4.838.180	876.584	172.863	196.134	1.801.025	2.287.722	3.666.683	4.580.315	433.994	886.571	25.888.228	26.085.289

INCOME STATEMENT

11. OPERATING INCOME

11.1. Income from Sales of Goods

Structure of income from the sales of good	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Income from sale of goods to other related parties on local market	1,714	
Income from sale of goods on local market	39,606	142,487
Income from sale of goods on foreign market	18,430	59,593
TOTAL	59,750	202,080

- **Income from sale of goods to other related parties on local market** in the amount of RSD 1,714 thousand relate entirely to the sale of goods to CC Napred Plc. from Energoprojekt Visokogradnja: RSD 1,702 thousand and Energoprojekt Industrija: RSD 12 thousand.

- **Income from sale of goods on local market** in the amount of RSD 39,606 thousand, predominantly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 32,637 thousand from sales to subcontractors, primarily on the projects Railway Jajinci - Mala Krsna: RSD 25,120 thousand, Modernization of TPS Zemun: RSD 6,989 thousand. The supply of subcontractors with stocks (sales) necessary for the smooth flow of works, was done in order to avoid the consequences of delays in the works (contractual deadlines) that are borne by the company as the main contractor (Note 12); and

- Energoplast in the amount of RSD 3,001 thousand from sale of purchased ready-made closures intended for further sale.

- **Income from sale of goods on foreign market** in the amount of RSD 18,430 thousand entirely related to Energoprojekt Niskogradnja for stock sales, under contract with subcontractors on projects in Uganda: RSD 16,485 thousand (dominant on the project Z-042 Mpigi Town Roads, Uganda: RSD 14,850 thousand) and Peru: RSD 1,945 thousand (dominant on project Z-039 Canal Via Cieneguillo, Peru: RSD 1,459 thousand) in order to ensure the smooth flow of works and avoid the consequences of downtime (deadlines defined by the contract) which are borne by the company as the main contractor.

11.2. Income from Sale of Products and Services

Structure of income from sale of products and services	In RSD thousand	
	01.01.- 31.12. 2020	01.01.- 31.12. 2019
Income from sale of finished products and services to other related parties on local market	36,931	47,230
Income from sale of finished products and services to other related parties on foreign market		155,158
Income from sale of finished products and services on local market	14,920,739	17,197,430
Income from sale of finished products and services on foreign markets	10,930,558	8,685,471
TOTAL	25,888,228	26,085,289

- **Income from sale of products and services to other related parties on local market** in the amount of RSD 36,931 thousand dominantly pertain services provided to CC Napred Plc. in the amount of RSD 29,497 thousand by Energoprojekt Urbanizam i arhitektura: RSD 20,948 thousand, Energoprojekt Visokogradnja: RSD 7,372 thousand and Energoprojekt Industrija: RSD 1,177 thousand.
- **Income from sale of products and services on local market** in the amount of RSD 14,920,739 thousand, are related, mostly, to the following companies within system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 6,433,978 thousand, primarily on the projects of Reconstruction of Vinca landfill: RSD 1,834,734 thousand and Modernization of TPS Zemun: RSD 1,645,846 thousand, as well as on the projects Zeleni Bulevar: RSD 516,301 thousand, Railway Jajinci - Mala Krsna: RSD 975,359 thousand, Patrijarh Pavle: RSD 420,939 thousand;
 - Energoprojekt Visokogradnja in the amount of RSD 3,955,823 thousand, primarily on projects Chinese Cultural Center: RSD 1,402,107 thousand, Delta Headquater: RSD 1,320,115 thousand, Navigator 2 Bussines Center: RSD 699,723 thousand and Smatsa Air Traffic Control: RSD 438,626 thousand and sale of finished products on its own investment in Cara Nikolaja Street in Belgrade: RSD 28,118 thousand;
 - Energoprojekt Park 11 in the amount of RSD 2,410,467 thousand - sold shops, apartments and garages in the residential - business complex "Park 11" in Block 11a in New Belgrade;
 - Energoprojekt Entel in the amount of RSD 783,603 thousand, primarily from providing services to investors PE Elektroprivreda Srbije (on several projects): RSD 427,556 thousand, Shanghai Electric Group Europa Ltd. Belgrade: RSD 120,736 thousand, Beo Čista Energija Ltd.: RSD 59,571 thousand and Construction Industrielles de la mediterrabee - CNIM S.A. - SRB Belgrade branch (on Vinča project - preparation of project documentation and obtaining conditions, permits and approvals): RSD 130,539 thousand;
 - Energoprojekt Sunnyville in the amount of RSD 317,553 thousand - sold apartments and garage spaces in the residential - business complex "Sannyville" in Belgrade; and

- Energoprojekt Industrija in the amount of RSD 313,901 thousand, primarily from providing services to investors in the projects Water treatment plant of the factory in Zajecar (Heineken Serbia Ltd., Zajecar): RSD 146,961 thousand, Nikola Tesla Airport (Vinci terna Construction jv Ltd.): RSD 57,368 thousand, Technical Renovation Project of the factory (HBIS Group Serbia Iron & Steel Ltd.): RSD 33,252 thousand and the Hospital in Kruševac and the Institute for Mother and Child Health care of Serbia (UNDP Serbia): RSD 23,997 thousand.

• **Income from sale of products and services on foreign market** in the amount of RSD 10,930,558 thousand, related, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 5,202,202 thousand dinars – works performed for investors, primarily on projects Z-114 Stadium Syktyvkar, Russia: RSD 2,948,578 thousand, Z-112 Hotel Hyatt Rostov 2, Russia: RSD 1,702. 892 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 148,433 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 364,022 thousand (primarily on projects of Residence DR Kwame: RSD 120,206 thousand, Ernest Chemist Limited RSD 84,233 thousand and Cantonments C: RSD 50,668 thousand);

- Energoprojekt Entel in the amount of RSD 3,656,087 thousand, predominantly realized in the companies abroad: Energoprojekt Entel LTD, Doha, Qatar: RSD 1,793,712 thousand (primarily on projects being developed for Qatar General Electricity & Water Corporation "Kahramaa": RSD 1,159,806 thousand), Energoconsult LLC, Abu Dhabi, UAE: RSD 1,300,303 thousand (primarily on projects for the Dubai Electricity and Water Authority (DEWA): RSD 406,265 thousand, Federal Electricity and Water Authority (FEWA): RSD 87,713 thousand, Abu Dhabi Transmission and Despatch Company (TRANSCO): RSD 272,900 thousand and MERRAS: RSD 90,282 thousand) and Energoprojekt Entel LLC Muscat, Sultanate of Oman: RSD 562,072 thousand (primarily on projects Oman Electricity Transmission Company (OETC): RSD 302,969 thousand and Public Authority for Electricity and Water (PEWA): RSD 232,290 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 1,610,679 thousand, on projects in Uganda: RSD 1,176,685 thousand (primarily Z-042 Mpigi Roads: RSD 1,152,669 thousand and Z-041 Kampala Mukono: RSD 24,016 thousand) and in Peru: RSD 433,994 thousand (dominant Z-040 Irrigation System San Antonio: RSD 219,319 thousand).

Observing the total revenues from sale of products and services with Energoprojekt system, we emphasize the following (Note 7.3):

Energoprojekt Visokogradnja, the most significant income is incurred from contracts with customers.

Revenues from construction of residential and non-residential buildings recognized during the period ending 31 December 2020, amount to RSD 9,165,395 thousand.

As at 31 December 2020, the total transaction price of unfulfilled (or partially unfulfilled) performance obligations for construction of residential and non-residential buildings is RSD 7,125,108 thousand (translated at the exchange rate on the balance sheet date) and will be realized during the remaining period of concluded contracts. The management of Energoprojekt Visokogradnja expects that 80.6% of transaction price assigned to unfulfilled (or partially unfulfilled) execution obligations at the end of 2020 or RSD 5,742,837 thousand will be recognized as income during the next reporting period. The remaining 19.4% or RSD 1,382,271 thousand will be recognized after the financial year 2021.

The total revenues incurred with four largest customers who individually participate with more than 10% of the incomes of Energoprojekt Visokogradnja and for 2020 amount to RSD 7,373,692 thousand (2019: 2 customers with revenues of RSD 4,417,124 thousand).

Of the total revenues the sale of products and services in Energoprojekt Niskogradnja in the amount of RSD 8,044,657 thousand, income from construction of infrastructure facilities recognized during the year ending 31 December 2020 amount to RSD 8,044,013 thousand, while revenues which are recognized at the time for the year ending 31 December 2020 amount to RSD 644 thousand - delivery of concrete and concrete emulsion.

As at 31 December 2020, the total transaction price of unfulfilled (or partially unfulfilled) performance obligations for infrastructure construction projects amounts to RSD 7,885,263 thousand and will be realized during the remaining period of concluded service contracts. Management expects that RSD 4,948,043 thousand of the total transaction price allocated to unfulfilled (or partially unfulfilled) execution obligations at the end of 2020, one thousand dinars will be recognized as income during the next reporting period. The remaining RSD 2,937,220 thousand will be recognized after the financial year 2021.

Energoprojekt Entel, entire sales revenues incurred from contracts with customers.

Revenues from design, consulting and engineering services recognized during the period ending 31 December 2020 amount to RSD 4,439,690 thousand.

As at 31 December 2020, the total transaction price of unfulfilled (or partially unfulfilled) obligations in the performance of design, consulting and engineering services amounts to RSD 8,583,849 thousand and will be realized during the remaining period of concluded service contracts.

Management expects that 55% of transaction price allocated to unfulfilled (or partially unfulfilled) performance obligations at the end of 2020 or RSD 4,675,090 thousand will be recognized as revenue during the next reporting period. The remaining 45% or RSD 3,908,759 thousand will be recognized in the financial year 2021.

The total revenues of the 12 largest customers who individually participate with more than 10% of Energoprojekt Entel's revenues for 2020 amount to RSD 2,969,818 thousand (2019: 12 customers with revenues of RSD 3,198,654 thousand).

As permitted by the transitional provisions in IFRS 15, the transaction price of outstanding (or partially outstanding) performance obligations as at 31 December 2019 has not been disclosed. The transaction price of unfulfilled performance obligations and the time of revenue recognition are not disclosed for performance obligations recognized in the amount in which the companies from the Energoprojekt system are entitled to an invoice.

11.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Income from premiums, subsidies, grants, donations and the like.	58.067	
Other operating income:		
Incomes from the rent collected from parent, subsidiary and other related parties	142	60
Incomes from the rent collected from other legal entities on local market	22.439	20.848
Incomes from the rent collected from other legal entities on foreign market	56.267	91.546
Other operating income from parent, subsidiary and other related parties	85	
Other operating income	60.016	55.020
TOTAL	197.016	167.474

- **Income from premiums, subsidies, grants, donations and the like** in the amount of RSD 58,067 thousand relate to:

- direct grants of the Government of the Republic of Serbia to legal entities, in accordance with the Decree on Fiscal Benefits and Direct Benefits to Private Sector Companies and Financial Assistance to Citizens to Mitigate the Economic Consequences of COVID-19, in the form of grants and compensation of salaries to employees in the amount of minimum net salary per employee (RSD 30,367.00 per month, for three months) and the Conclusion of the Government of the Republic of Serbia in the form of grants in August and September 2020, in the amount of 60% of direct payments from budget of the Republic of Serbia paid in July 2020 in the total amount of RSD 55,640 thousand; and

- direct grants from the Government of the United Kingdom (HM Revenue & Customs) in accordance with the state Furlough program in the form of financing 80% of salaries to employees due to the COVID - 19 pandemic in the amount of RSD 2,427 thousand.

- **Incomes from the rents collected from parent, subsidiaries and other related parties** in the amount of RSD 142 thousand entirely relate to EP Niskogradnja from lease of machinery to the company Napred Plc.

- **Incomes from the rents collected from other legal entities on local market** in the amount of RSD 22,439 thousand was primarily generated in the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 8,851 thousand, primarily based on the rental of: a part of the building complex "Samački hotel" on Batajnicki road no. 24, Zemun to the company Jerry Catering Service Ltd. in RSD 7,737 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 7,011 thousand, primarily based on the rental of facility in Ub in RSD 4,285 thousand and facility in Preradoviceva Street in Belgrade in RSD 2,433 thousand; and

- Energoprojekt Sunnyville in the amount of RSD 3,656 thousand from leasing garages and shops in the residential - business complex Sunnyville in Belgrade.

• **Income from the rents collected from other legal entities on foreign market** in the amount of RSD 56,267 thousand was predominantly generated by the following companies of the system Energoprojekt:

- Dom 12 S.A.L., Lebanon in the amount of RSD 18,843 thousand, based based on the rental of office building in Moscow;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 15,561 thousand, based on the rents of several properties in Lusaka, Zambia;

- Energoprojekt Niskogradnja in the amount of RSD 9,223 thousand, based on the rental of a part of the office building Cruz del Sur in Lima, Peru in RSD 9,223 thousand; and

- Energo (Private) Limited, Zimbabwe in the amount of RSD 6,675 thousand, based on the rents of several properties in Harare, Zimbabwe.

• **Other operating income** in the amount of RSD 60,016 thousand was mostly generated in the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 44,415 thousand, primarily on the basis of insurance damage caused by the bursting of the water pipe on the Zeleni bulevar construction site: RSD 19,260 thousand, compensation for the leading partner for contract on the project of Patrijarh Pavle: RSD 16,557 thousand, damage caused by subcontractors on the Jajinci - Mala Krsna Railway project: RSD 4,177 thousand and re-charged costs to members of consortium for insurance and commissions on guarantees for projects in the country: RSD 2,738 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 14,651 thousand, predominantly from income generated under contractual agreements with subcontractors on Delta Headquarters projects: RSD 7,992 thousand and the Chinese Cultural Center in the amount of RSD 3,899 thousand.

12. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Cost price value of goods sold:		
a) Cost of goods sold to parent, subsidiary and other related parties	1,934	
b) Cost price of goods sold on local market	44,785	146,114
c) Cost price of goods sold on foreign market	18,289	58,438
TOTAL	65,008	204,552

• **Cost of goods sold to parent, subsidiary and other related parties on local market** in the amount of RSD 1,934 thousand, predominantly, refers to Energoprojekt Visokogradnja: RSD 1,926 thousand, for procurement of materials for the company GP Napred Plc.

• **Cost price of goods sold on local market** in the amount of RSD 44,785 thousand primarily is related to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 32,727 thousand, for purchase of inventory of material, with the aim to provide the subcontractor with the inventories necessary to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor;
 - Energoplast in the amount of RSD 7,365 thousand, for purchasing of finished lock-patent delivered for further sales; and
 - Energoprojekt Visokogradnja in the amount of RSD 4.189 thousand, primarily from purchase value of sold material from the warehouse: RSD 4,031 thousand.
- **Cost price of goods sold on foreign market** in the amount of RSD 18,289 thousand dominantly related to Energoprojekt Niskogradnja, in the amount of RSD 18,285 thousand (for inventory costs sold as per agreements to subcontractors for projects in Uganda: RSD 16,485 thousand and in Peru RSD 1,800 thousand, in performance of works).

13. REVENUE FROM UNDERTAKING FOR OWN PURPOSES

Structure of revenue from undertaking for own purposes	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Revenue from undertaking for own purposes	79,556	20,197
Increase in inventories of unfinished and finished goods and services in progress	1,411,902	943,370
Decrease in inventories of unfinished and finished goods and services in progress	1,913,595	756,117

- **Revenue from undertaking for own purposes** in the amount of RSD 79,556 thousand predominantly relate to Energoprojekt Niskogradnja in RSD 79,490 thousand on the basis of mechanization overhaul in RSD 61,071 thousand: (in Uganda: RSD 57,218 thousand and in the country: RSD 3,853 thousand) and refurbishing laboratory for own activity in the country: RSD 18,419 thousand.
- In the reporting period, the **increase in inventories of unfinished and finished goods and services in progress** amounting to RSD 1,411,902 thousand predominantly relate to increase in inventories of intermediate in Energoprojekt Park 11 in the amount of RSD 1,230,949 thousand (construction of business and residential unit Park 11 - Block 11a in New Belgrade) and to Energoprojekt Niskogradnja in the amount of RSD 163,480 thousand, predominantly in Uganda for production of crushed stone for the asphalt and concrete, as well as prefabricated concrete curbs and pipes.
- **Decrease in inventories of the unfinished and finished goods and services in progress** in the amount of RSD 1,913,595 thousand primarily related to the following companies of the system Energoprojekt:
 - Energoprojekt Park 11 in the amount of RSD 1,570,108 thousand (sale of finished products (real estate) within the residential - business unit Park 11 in Block 11a in New Belgrade); and

- Energoprojekt Sunnyville in the amount of RSD 306,902 thousand (sale of finished goods (real estate) - residential and business complex Sunnyville in Belgrade).

14. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Cost of materials:		
a) Costs of materials in production	2,577,570	3,280,561
b) Costs of other materials (overhead)	193,852	154,259
c) Spare parts costs	177,820	131,545
d) Costs of one-off write-off of tools and inventory	100,941	111,221
<i>Total</i>	<i>3,050,183</i>	<i>3,677,586</i>
Fuel and energy costs:		
a) Fuel costs	455,939	543,443
b) Costs of electrical energy and heating	168,342	190,554
<i>Total</i>	<i>624,281</i>	<i>733,997</i>
TOTAL	3,674,464	4,411,583

- **Cost of materials used in production** in the amount of RSD 2,577,570 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja, in the amount of RSD 1,811,852 thousand, of which RSD 788,763 thousand relate to costs on projects in the country (primarily, Delta Headquarters projects: RSD 290,581 thousand, Navigator 2 Bussines Center: RSD 112,011 thousand, Smatsa air traffic control: RSD 119,095 thousand and Chinese Cultural Center: RSD 134,830 thousand), while RSD 1,023,089 thousand to project abroad (primarily Z-114 Stadion Siktivkar, Russia: RSD 723,437 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 188,236 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 92,887 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 501,459 thousand, of which RSD 164,646 thousand relates to costs on projects abroad (Peru and Uganda), while RSD 336,813 thousand to the country's project; and

- Energoplast in the amount of RSD 172,662 thousand for costs of raw materials and packaging for the production of finished products - fasteners.

- The largest shares in **costs of other materials (overhead)** (cost of office supplies, safety equipment and other material) amounting to RSD 193,852 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 118,469 thousand (abroad: RSD 108,822 thousand, in the country: RSD 9,647 thousand), Energoprojekt Entel, in the amount of RSD 38,995 thousand, Energoprojekt Visokogradnja in the amount of RSD 18,782 thousand and Energoprojekt Hidroinženjering in RSD 6,602 thousand.

- **Costs of spare parts** in the amount of RSD 177,820 thousand relate, dominantly, to Energoprojekt Niskogradnja in the amount of RSD 162,076 thousand (abroad: RSD 141,676 thousand, in the country: RSD 20,400 thousand) and to Energoprojekt Visokogradnja in the amount of RSD 14,796 thousand.
- **Costs of one-off write-off of tools and inventory** in the amount of RSD 100,941 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 79,359 thousand and Energoprojekt Visokogradnja in the amount of RSD 19,128 thousand.
- The largest share in **fuel and energy costs** amounting to RSD 624,281 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 403,229 thousand, which were predominantly incurred abroad, of Energoprojekt Visokogradnja in the amount of RSD 85,226 thousand and Energoprojekt Entel in the amount of RSD 71,583 thousand.

15. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	In RSD thousand	
	01.01.- 31.12. 2020	01.01.- 31.12. 2019
Expenses of wages and fringe benefits (gross)	5,186,166	6,099,006
Taxes and contributions on wages and contributions on wages payable by employer	509,744	558,486
Service agreements contributions	9,580	10,980
Copyright agreements contributions	27,133	57,765
Costs of contributions for contract fees for temporary and periodical engagement	109,637	143,389
Considerations to physical persons based on other agreements	21,364	15,665
Considerations to General Manager and/or Management and Supervisory Board members	34,851	42,150
Other personnel expenses and fringe benefits	268,366	434,461
TOTAL	6,166,841	7,361,902

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** amounting to RSD 5,695,910 thousand relate primarily to Energoprojekt Entel in the amount of RSD 2,651,104 thousand, Energoprojekt Visokogradnja in the amount of RSD 1,037,017 thousand, Energoprojekt Niskogradnja in the amount of RSD 938,576 thousand, Energoprojekt Hidroinženjering in the amount of RSD 301,007 thousand and to Energoprojekt Oprema in the amount of RSD 204,988 thousand.
- **Copyright agreements contributions** in the amount of RSD 27,133 thousand relate, mainly, to the following companies of the system Energoprojekt:
 - Energoprojekt Industrija in the amount of RSD 12,135 thousand, entirely in the country, due to the lack of professionally qualified workers;

- Energoprojekt Hidroinženjering in the amount of RSD 9,804 thousand, in the country in the amount of RSD 6,436 thousand and abroad in RSD 3,368 thousand due to increased work and lack of manpower with appropriate qualification structures in certain fields; and

- Energoprojekt Entel in the amount of RSD 4,705 thousand, due to lack of professionally qualified workers in all fields.

• **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 109,637 thousand were predominantly incurred in following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 59,341 thousand (dominantly abroad: RSD 59,273 thousand, mostly in Uganda) and are the result of Company's periodical needs for workforce with adequate qualifications for realization of projects (in construction sites) in compliance with the agreed schedules and types of works;

- Energoprojekt Visokogradnja in the amount of RSD 28,658 thousand, in the country, primarily in the Samacki hotel: RSD 8,301 thousand, on the project Chinese Cultural Center: RSD 5,329 thousand and in restaurant within the business building Energoprojekt: RSD 4,070 thousand;

- Energoprojekt Oprema of RSD 7,890 thousand for projects in the country (primary SMATSA Flight Control: RSD 1,912 thousand and Kolubara Landliff: RSD 1,845 thousand).

• **Other personnel expenses and fringe benefits** amounting to RSD 268,366 thousand (costs of accommodation, meals on field works, transport and other costs of workers, severance pay for solving the problem of redundancy, business trips cost, solidarity aid, scholarships and other benefits) relate to the following companies within system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 96,914 thousand, in the country RSD 17,129 thousand (of which RSD 2,845 thousand for severance pay due to solving the problem of technological redundancies) and abroad: RSD 79,785 thousand (projects abroad: RSD 64,949 thousand - mostly accommodation and food costs in the field and in Energoprojekt Ghana, Accra, Ghana: RSD 14,836 thousand - primarily airfare and food costs);

- Energoprojekt Niskogradnja amounting to RSD 61,275 thousand, in the country: RSD 26,547 thousand of which RSD 10,757 thousand refer to severance pay due to solving the problem of technological redundancies) and abroad: RSD 34,728 thousand (primarily food and accommodation costs in the field and transportation costs);

- Energoprojekt Entel in the amount of RSD 58,503 thousand (dominantly abroad);

- Energoprojekt Hidroinženjering in the amount of RSD 20,303 thousand; and

- Energoprojekt Oprema in the amount of RSD 10,053 thousand, of which RSD 5,766 thousand refer to the severance pay due to solving the problem of technological redundancy.

16. PRODUCTION SERVICE COSTS

Structure of costs of production services	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Production service costs	11,757,494	10,683,216
Transportation service costs	205,371	373,588
Repairs and maintenance services' costs	74,998	103,952
Rental costs	438,440	529,656
Fair costs	0	24,835
Advertising costs	12,945	16,756
Research costs	3,895	4,407
Costs of other services	193,473	127,801
TOTAL	12,686,616	11,864,211

• **Production service costs** in the amount of RSD 11,757,494 thousand are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 6,024,643 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 3,574,387 thousand (mainly on projects: Navigator 2 Bussines Center: RSD 635,091 thousand, Chinese Cultural Center: RSD 920,633 thousand, Park 11: RSD 938,061 thousand and Delta Headquarters: RSD 850,381 thousand) and abroad in the amount of RSD 2,450,256 thousand (primarily on the projects Z-114 Stadium Syktyvkar, Russia: RSD 1,380,603 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 1,001,733 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 16,078 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 4,855,416 thousand for the costs manly based on subcontracting agreements incurred within projects in the country amounting to RSD 4,749,928 thousand (mostly on the projects Modernization of TPS Zemun: RSD 1,378,491 thousand, Railway Jajinci - Mala Krsna: RSD 851,148 thousand, Zeleni Bulevar: RSD 466,188 thousand, Patrijarh Pavle: RSD 419,508 thousand, Reconstruction of Karadjordjeva Street: RSD 356,378 thousand and Reconstruction of Vinca landfill: RSD 288,674 thousand) and abroad: RSD 106,488 thousand (primarily on the projects Z-042 Mpigi Town Roads, Uganda: RSD 68,427 thousand and Z-044 River Ika, Peru: RSD 15,928 thousand). Significant engagement of subcontractors on projects is conditioned by a specific type of necessary works, ie mechanization for their execution;

- Energoprojekt Oprema in the amount of RSD 213,577 thousand relate to costs of subcontractors and partners on projects in the country (primarily, Vinca landfill: RSD 125,340 thousand and TPS Zemun: RSD 33,582 thousand);

- Energoprojekt Entel, in the amount of RSD 310,346 thousand, consists of the subcontractors costs engaged on works for which the company does not have personnel or for specialized works performed only by certain companies. The costs in this country amount to RSD 99,521 thousand, while abroad: RSD 210,825 thousand (mainly in UAE: RSD 138,022 thousand); and

- Energoprojekt Industrija in the amount of RSD 235,356 thousand related to subcontractor services hired for jobs for which the company does not have staff or for specialized jobs that are performed only by certain companies. In the country, the subject costs amount to RSD 176,403 thousand, and abroad: RSD 58,953 thousand.

• **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, etc. These costs amount to RSD 205,371 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 137,043 thousand (abroad: mainly, cost of air tickets for employees and rent-a-cars costs, predominantly in Qatar and UAE), Energoprojekt Niskogradnja in the amount of RSD 27,838 thousand and Energoprojekt Visokogradnja in the amount of RSD 22,111 thousand.

• **Repair and maintenance services' costs** amounting to RSD 74,998 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 32,217 thousand, in Energoprojekt Entel in the amount of RSD 18,899 thousand, in Energoprojekt Visokogradnja in the amount of RSD 7,123 thousand and in Energoplast in RSD 4,255 thousand. These costs were predominantly incurred for regular equipment maintenance.

• **Rental costs** amount to RSD 438,440 thousand and are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 216,799 thousand mainly relate to costs of renting apartments in the company's companies abroad (predominantly in Qatar);

- Energoprojekt Niskogradnja in the amount of RSD 77,699 thousand , comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 57,375 thousand (mostly in Peru and Uganda) and in the country in the amount of RSD 20,324 thousand where the rent of large machinery for the Projects in the country and abroad, representing the result of inability to meet needs of available equipment (defined by dynamics of works) at the several projects simultaneously; and

- Energoprojekt Visokogradnja in the amount of RSD 135,562 thousand are predominantly related to the rental costs of machinery and apartments abroad, amounting to RSD 74,573 thousand (of which the largest part refers to lease of machines, cranes and other in the amount of RSD 65,430 thousand, while to company Energoprojekt Ghana Ltd., Accra, Ghana refers RSD 8,465 thousand, primarily on for lease of houses), while in the country relates RSD 60,989 thousand (lease of machinery and equipment on projects in the country).

• **Advertising costs** amounting to RSD 12,945 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 6,909 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.), to Energoprojekt Niskogradnja in the amount of RSD 2,511 thousand (primarily, recording of propaganda material for needs of the Zeleni Bulevar project) and Energoprojekt Park 11 in the amount of RSD 1,813 thousand (costs of advertising the sale of apartments via Internet).

• **Costs of other services** in the amount of RSD 193,473 thousand were primarily incurred in the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 79,801 thousand, primarily costs of research,

preparation of geotechnical studies, utility services cost, obtaining licenses, costs of legalization, safety at work, vehicle registration, vehicle tracking system, etc.;

- Energoprojekt Visokogradnja in the amount of RSD 43,817 thousand primarily based on cost of personal protection at work, registration of vehicles and photocopying costs;
- Energoprojekt Energodata in the amount of RSD 33,498 thousand, primarily from license costs; and
- Energoprojekt Entel in the amount of RSD 14,617 thousand, primarily from costs of procurement of tender documents, costs of licenses and photocopying.

17. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 25)	17,928	19,714
b) Depreciation of property, plant and equipment (Note 26)	468,874	544,149
<i>Total</i>	<i>486,802</i>	<i>563,863</i>
Provisions expenses:		
a) Warranty period provisions' expenses	105,822	187,384
b) Provisions for contributions and other personnel benefits	53,287	43,332
c) Other provisions expenses (Note 37)	14,375	2,320
<i>Total</i>	<i>173,484</i>	<i>233,036</i>
Total	660,286	796,899

- Depreciation expenses for the reporting period were calculated based on the assessments of residual value and remaining useful life of property and equipment with significant booking value as at 31 December 2020.

Effects of the change in the accounting valuation impact the change in **amortisation expenses** for 2020, and thus, consequently, the change in the booking value of assets as at 31 December 2020.

- **Warranty period provisions' expenses** amount to RSD 105,822 thousand, and entirely refer to Energoprojekt Visokogradnja for the projects Z-107 Radiology Hospital Syktyvkar, Russia: RSD 88,185 thousand and the Chinese Cultural Center: RSD 17,637 thousand.

The management of companies within Energoprojekt appraises provision expenses for future guarantees based on information of applications from previous periods, as well as based on recent trends which could announce that information on previous expenses could differ from those from future demands. Final amount of liability to be paid could differ from the one defined before, depending on future circumstances.

- **Provisions for contributions and other personnel benefits** in the amount of RSD 53,048 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 41,131 thousand which are carried out with the company Energoprojekt Entel LTD, Qatar: RSD 18,692 thousand and Energoprojekt Entel L.L.C Muscat, Sultanate of Oman: RSD 21,599 thousand, while the provisions costs in the country amount to RSD 840 thousand.

In 2020, the companies within Energoprojekt recorded provisions for contribution and other personnel benefits according to actuarial calculation (Note 37).

18. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Intangible expenses	558,874	623,725
Expense account	31,132	42,930
Insurance premiums expenses	150,860	177,186
Payment operations' expenses	294,113	277,793
Membership fee expenses	22,856	17,187
Tax duties	102,105	93,976
Contributions paid	1,232	1,515
Other non-operating expenses	101,606	108,612
TOTAL	1,262,778	1,342,924

- **Intangible expenses** in the amount of RSD 558,874 thousand (which include the attorney fees, consulting and intellectual services, audit costs, professional training and education of employees, broker services, Belgrade Stock Exchange services, cleaning services, health services, security services of construction site and other costs) are predominantly related to the following companies of the system Energoprojekt:

- Energoprojekt Entel amounting to RSD 282,071 thousand primarily abroad: RSD 273,069 thousand (mostly incurred in the company Energoprojekt Entel LTD, Doha, Qatar: RSD 243,390 thousand, for sponsor's and agents expenses paid for conclusion of the largest contracts with the state investor "Kahramaa." Namely, in the area of Middle East is not possible to run the company without making a contract with a local sponsor, which fee does not amount less than 2.5% of invoiced income, while in Oman these percentages are higher, depending on the contract value) and in the country: RSD 9,002 thousand;

- Energoprojekt Niskogradnju in the amount of RSD 122,335 thousand, abroad: RSD 67,607 thousand

(primarily in Peru: RSD 43,114 thousand, Uganda: RSD 24,493 thousand) and in the country: RSD 54,728 thousand (primarily securing construction sites for projects in the country);

- Energoprojekt Visokogradnja in the amount of RSD 63,550 thousand, in the country: RSD 34,781 thousand and abroad: RSD 28,769 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 4,269 thousand and on projects Z-112 Hotel Hayatt Rostov 2, Russia and Z-114 Reconstruction Stadium Syktyvkar, Russia);

- Energoprojekt Sunnyville in the amount of RSD 11,057 thousand, predominantly calculated variable costs for land according to the Contract on purchase and sale of real estate OPU: 854-2015 from 01.04.2015 which are included in the cost of built real estate in the residential - business complex Sannyville in Belgrade in the amount of RSD 9,461 thousand (Note 43.3);

- Energoprojekt Holding in the amount of RSD 19,758 thousand, mostly legal advisory service, audit of the financial statements and cleaning services; and

- Energoprojekt Oprema in the amount of RSD 24,734 thousand, in the country: RSD 9,645 thousand and abroad: RSD 15,089 thousand.

• **Insurance premium expenses** amounting to RSD 150,860 thousand were incurred based on the insurance of works, property and persons, primarily in the Energoprojekt Niskogradnja in the amount of RSD 69,792 thousand, in Energoprojekt Entel in the amount of RSD 55,026 thousand, in Energoprojekt Visokogradnja in the amount of RSD 13,638 thousand, Energoprojekt Urbanizam I arhitektura in the amount of RSD 3,550 thousand and in Energoprojekt Oprema in the amount of RSD 2,692 thousand.

• **Payment operation expenses** in the amount of RSD 294,113 thousand predominantly relate to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja amounting to RSD 194,753 thousand, abroad: RSD 104,084 thousand (predominantly in Uganda: RSD 24,259 thousand and in Peru: RSD 79,750 thousand) and in the country: RSD 90,669 thousand (primarily on the projects Modernization of TPS Zemun, Reconstruction of the Vinca Landfill and Railway Jajinci - Mala Krsna), mostly bank fees for issued guarantees in Peru: RSD 68,199 thousand (of which RSD 15,076 thousand refers to, in the previous period deferred costs of bank fees for guarantees on the project Z-030 Chancay attributed to the cost of period as a result of the completed arbitration process in 2020);

- Energoprojekt Visokogradnja amounting to RSD 33,463 thousand, abroad: RSD 9,998 thousand (primarily on the Project Z-114 Reconstruction Syktyvkar Stadium, Russia: RSD 5,580 thousand and in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 2,987 thousand) and in the country: RSD 23,465 thousand (primarily, based on the costs of issuing bank guarantees on the projects Belgrade Waterfront, Chinese Cultural Center, Smatsa Flight Control and Navigator 2 Bussines Center);

- Energoprojekt Entel amounting RSD 31,096 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 24,784 thousand and cost of payment transactions: RSD 6,312 thousand (dominantly within Energoprojekt Entel LTD, Qatar: RSD 13,721 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 13,475 thousand); and

- Energoprojekt Hidroinženjering amounting RSD 19,063 thousand, primarily costs of issuing bank guarantees: RSD 16,179 thousand (primarily on supervision and designs works performed in Algeria) and cost of payment transactions: RSD 2,884 thousand.

• **Tax duties** in the amount of RSD 102,105 thousand consist of the property tax, utility duties, income

tax in foreign countries according to the local regulations, etc. Tax duties are mainly related to the following companies of Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 18,508 thousand, in the country: RSD 13,611 thousand (mostly, based on property tax: RSD 10,657 thousand) and abroad: RSD 4,897 thousand (dominately, based on tax on construction land with the company Energoprojekt Montenegro: RSD 3,648 thousand);
 - Energoprojekt Entel in the amount of RSD 18,515 thousand, abroad: RSD 15,096 thousand (mainly paid taxes for local workers in Oman), in the country: RSD 3,419 thousand (mostly, based on property tax: RSD 2,282 thousand);
 - Energoprojekt Holding in the amount of RSD 19,129 thousand, in the country, dominantly based on property tax: RSD 18,678 thousand;
 - Energoprojekt Niskogradnja in the amount of RSD 15,209 thousand, abroad: RSD 5,246 thousand (in Peru: RSD 4,121 thousand and in Uganda: RSD 1,125 thousand) and in the country: RSD 9,963 thousand; and
 - Energoprojekt Sunnyville in the amount of RSD 5,471 thousand, predominantly construction land tax: RSD 4,099 thousand and property tax: RSD 1,319 thousand.
- Within the **other non-operating expenses** item (administrative, court and other fees, expert professional magazines, publication of announcements and tenders, visa costs for employees working abroad, hiring of local workforce in foreign countries for international projects' realization, quality control costs, protection equipment purchasing, etc.) amounting to the total of RSD 101,606 thousand consist primarily to the costs incurred by Energoprojekt Entel in the amount of RSD 37,575 thousand (abroad: RSD 33,074 thousand, in the country: RSD 4,501 thousand), Energoprojekt Visokogradnja in the amount of RSD 24,786 thousand (abroad: RSD 20,038 thousand, in the country: RSD 4,748 thousand), Energoprojekt Park 11 in the amount of RSD 19,189 thousand (primarily connections and permits in the business-residential building Park 11 in Block 11a in New Belgrade) and Energoprojekt Oprema in the amount of RSD 6,493 thousand (primarily charges and court fees): RSD 2,957 thousand).

19. FINANCIAL INCOME AND FINANCIAL EXPENSE

19.1. Financial Income

Structure of financial income	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Financial income from other related parties	4,821	17,885
Income from profit share of affiliated companies and joint ventures	55,120	73,743
Other financial income:		
a) Dividend income	8,478	17,350
b) Other financial income	56,229	63,743
<i>ITotal</i>	<i>64,707</i>	<i>81,093</i>
<i>Total financial income from related parties and other financial income</i>	<i>124,648</i>	<i>172,721</i>
Interest income (from third parties)	100,756	128,492
Foreign exchange gains and positive currency clause effect	482,315	364,056
TOTAL	707,719	665,269

Financial income from other related parties in the amount of RSD 4,821 thousand dominant, refer to Energoprojekt Holding in the amount of RSD 4,755 thousand from interest income computed on loan granted by joint venture Enjub Ltd., RSD 4,657 thousand and positive outcomes of the currency clause under the loan granted by Napred Razvoj Plc.: RSD 98 thousand.

- **Income from profit share of affiliated companies and joint ventures** in the amount of RSD 55,120 thousand relate to realized net result in the reporting period of associated companies Energopet Ltd. (33.33%).

Affiliated company Energopet Ltd. is included by the equity method in the first-instance consolidation of the subsidiary Energoprojekt Industrija, and thus in the consolidated financial statements of Energoprojekt Holding (Note 27).

- **Dividend income** in the amount of RSD 8,478 thousand relates entirely to Energoprojekt Hidroinženjering based on made payments of Izvozna banka plc. in liquidation to shareholders under the decision of the Commercial Court in Belgrade.

- **Interest income (third party)** in the amount of RSD 100,756 thousand are mainly related to the following companies of Energoprojekt:

- Energoprojekt Entel in the amount of RSD 44,498 thousand, mostly from short-termed deposits with commercial banks in Qatar;

- Energoprojekt Niskogradnja in the amount of RSD 41,502 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment: RSD 21,662 thousand (projects: Z-041 Unra Seeta Repair of the road Kampala - Mukono- RSD 11,162 thousand, Z-042 Mpigi Town Roads: RSD 7,122 thousand and Z-036 Streets in Kampala Kawempe-Lubaga, Uganda Lot 1.2: RSD 3,378 thousand) and interest collected from the Tax Administration in Peru/Sunat/ on the request for repayment of overpaid income tax credit in Peru (refund of tax credit was made in November 2020 with interest): RSD 10,905 thousand and interest collected on previously claims from the buyer in the country by court decision: RSD 5,640 thousand;

- Energoprojekt Visokogradnja, in the amount of RSD 12,870 thousand, mainly based on term time deposits with commercial banks, mostly incurred abroad: RSD 10,987 thousand (Z-114 Syktyvkar Stadium project, Russia).

• **Exchange rate gains and positive currency clauses effects (third party)** amounted to RSD 482,315 thousand dinars, while exchange rate losses and negative currency clause effects amounted to RSD 1,034,517 thousand, so that in the reporting period recorded net exchange rate loss and negative currency clauses effects in the amount of RSD 552,202 thousand.

From the beginning of the year until 31 December 2020, RSD was appreciated to EUR by 0.01% (in 2019: was appreciated by 0.51%) and to USD was appreciated by 8.82% (in 2019: depreciated by 1.48%), and RSD was appreciated to RUB by 24.63% (in 2019 was depreciated by 14.00%).

19.2. Financial Expense

Structure of financial expenses	In RSD thousand	
	01.01-31.12.2020	01.01-31.12.2019
Financial expenses from transactions with other related parties	72,127	45,060
Financial expense from the losses of affiliated companies and joint ventures	6,976	
Other financial expenses	973	401
<i>Total financial expenses from transactions with other related parties and other financial expenses</i>	<i>80,076</i>	<i>45,461</i>
Interest expenses (by third parties)	151,644	266,491
Foreign exchange losses and negative currency clause (towards third parties)	1,034,517	246,159
TOTAL	1,266,237	558,111

• **Financial expense from transactions with other related parties** in the amount of RSD 72,127 thousand were mostly recorded within Energoprojekt Holding in the amount of RSD 72,109 thousand and relate to the company Napred Razvoj plc. in the amount of RSD 72,093 thousand (interest costs from loan: RSD 58,933 thousand and loan servicing fees: RSD 13,160 thousand) and to joint venture Enjub ltd. in the amount of RSD 16 thousand (negative effects of the currency clause from loans and interest on loans).

- **Expenses from the loss of affiliated companies and joint ventures** in the amount of RSD 6,976 thousand relate to realized net result of the joint venture Enjub ltd. (50.00%) incurred in reporting period which at equity method, is included in the consolidated financial statements of Energoprojekt Holding.

- **Interest expense (by third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions and interest costs for public charges in the country. Interest expenses in the amount of RSD 151,644 thousand relate predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 51,961 thousand primarily incurred from interest on loans granted by commercial banks and interest on leasing contracts in RSD 51,001 thousand (in the country: RSD 19,148 thousand and abroad (Peru): RSD 31,853 thousand);

- Energoprojekt Visokogradnja in the amount of RSD 38,691 thousand, dominant in the country: RSD 38,654 thousand (primarily interest on borrowings: RSD 34,594 thousand);

- Energoprojekt Oprema in the amount of RSD 39,190 thousand, mostly from interest on loans from commercial banks in the country for the project Energoentar Minsk, Belarus in the amount of RSD 35,949 thousand; and

- Energoprojekt Holding in the amount of RSD 18,253 thousand, dominant related to interest expenses on loans from commercial banks in the country: RSD 18,250 thousand (Erste Banka and Komercijalna banka).

20. INCOME AND EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT

20.1. Income from Value Adjustment of other Assets Disclosed at Fair Value through Income Statement

Structure of income from value adjustment of other assets disclosed at fair value through income statement	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Income from value adjustment of long-term financial investments and securities available for sale		44
Income from value adjustment of receivables and short-term financial investments	406,664	112,766
TOTAL	406,664	112,810

• **Income from value adjustment of receivables and short-term financial investments** in the amount of RSD 406,664 thousand predominantly relate to reversal of impairment of financial assets at the balance sheet date in accordance with established Methodology for calculating impairment of financial instruments under IFRS 9 in the amount of RSD 394,334 thousand (Note 7.15), predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 198,205 thousand from reversal of impairment of receivables based on sales and receivables for non-invoiced income as shown in the following table:

Financial instrument/Region	Income from adjustment of financial instruments previously impaired by application of IFRS 9 <i>In RSD thousand</i>			
	Uganda	Peru	Serbia	Total
Trade receivables	149,110	22,424	3,227	174,761
Receivables from non-invoiced income	16,409	4,241	2794	23,444
Total	165,519	26,665	6,021	198,205

- Energoprojekt Oprema: RSD 97,722 thousand, mostly from reversal of impairment of receivables from Gazprom Transgas, Belarus on the project Energocentar Minsk, Belarus: RSD 69,027 thousand (on items of accruals and deferrals, receivables for non-invoiced income: RSD 54,016 thousand and other accruals - receivables for protested performance guarantee: RSD 15,011 thousand) and receivables from Energo Nigeria Ltd., Lagos, Nigeria: RSD 12,448 thousand (item buyers abroad: RSD 10,595 thousand and receivables from specific transactions from other legal entities: RSD 1,853 thousand);

- Energoprojekt Hidroinženjering: RSD 74,837 thousand reversal of impairment of receivables from sales and receivables for non-invoiced income; and

-Energoprojekt Visokogradnja: RSD 13,352 thousand reversal of impairment of receivables from sales and receivables for non-invoiced income.

20.2. Expenses from Value Adjustment of other Assets Disclosed at Fair Value through Income Statement

Structure of expenses from value adjustment of other assets disclosed at fair value through Income Statement	<i>In RSD thousand</i>	
	01.01.- 31.12. 2020	01.01.- 31.12. 2019
Expenses from value adjustment of long-term financial investments and securities available for sale		
Expenses from value adjustment of receivables and short-term financial investments	253,187	121,393
TOTAL	253,187	121,393

• **Expenses from value adjustment of receivables and short-term financial investments** in the amount of RSD RSD 253,187 thousand predominantly relate to the effects of application of IFRS 9 and

formation of impairment of financial assets at the balance sheet date in accordance with established Methodology for calculating impairment of financial instruments in accordance with IFRS 9 in the amount of RSD 211,783 thousand (Note 7.15), predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 111,071 thousand from impairment of trade receivables: RSD 93,488 thousand and receivables for non-invoiced income: RSD 17,583 thousand;

Financial instrument/Region	Income from adjustment of financial instruments by application of IFRS 9 <i>In RSD thousand</i>			
	Uganda	Peru	Serbia	Total
Trade receivables	30,997	58,289	4,202	93,488
Receivables from non-invoiced income	9,864	736	6,983	17,583
Total	40,861	59,025	11,185	111,071

- Energoprojekt Hidroinženjering: RSD 82,063 thousand from impairment of trade receivables: RSD 68,936 thousand, receivables for non-invoiced income: RSD 11,098 thousand and other receivables: RSD 2,029 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 16,880 thousand, from impairment of trade receivables: RSD 12,065 thousand and receivables for non-invoiced income: RSD 4,815 thousand.

21. OTHER INCOME AND OTHER EXPENSE

21.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Gains on sale of intangible assets, property, plant and equipment	630,153	27,040
Gains on sale of shares and securities		
Gains on sale of material	2,910	2,600
Surpluses	2,420	2,337
Collected previously written-off receivables	11,438	4,040
Income from effects of agreed risk protection, which cannot be disclosed under other comprehensive result	17	359
Income from reduction in liabilities	251,645	32,374
Income from reversal of long and short-term provisions	51,984	89,672
Other income not posted elsewhere	108,168	107,542
Income from value adjustment of property, plant and equipment	49,859	37,352
TOTAL	1,108,594	303,316

• **Gains on sale of intangibles assets, property, plant and equipment** in the amount of RSD 630,153 thousand relate mostly to the following companies of Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 613,604 thousand from the sale of non-current assets held for sale (Santa Clara grounds in Peru): RSD 603,741 thousand (Note 29) and equipment: RSD 10,163 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 11,419 thousand, primarily based on the sale of equipment in Aktau, Kazakhstan and the sale of vehicles in the country of RSD 10,473 thousand; and

- Energoprojekt Holding in the amount of RSD 2,443 thousand, predominantly from sale of non-current assets held for sale (property Facility K1G in Rakovica, Belgrade) in the amount of RSD 2,433 thousand (Note 29).

• **Gains on sale of material** in the amount of RSD 2,910 thousand mostly refer to Energoprojekt Visokogradnja in the amount of RSD 2,016 thousand, mostly from sale of material from warehouse in Kazakhstan.

• **Surpluses** in the amount of RSD 2,420 thousand refer to several companies in the Energoprojekt system, most of which to Energoprojekt Niskogradnja: RSD 706 thousand, Energoprojekt Visokogradnja: RSD 640 thousand and Energoprojekt Oprema: RSD 662 thousand.

- **Collected written-off receivables** in the amount of RSD 11,438 thousand predominantly relate to:
 - Energoprojekt Entel in the amount of RSD 7,490 thousand - collection of written-off receivables in the company Energoprojekt Entel LTD, Doha, Qatar; and
 - Energoprojekt Visokogradnja in the amount of RSD 3,431 thousand - collection of written-off receivables mostly relate to the collection after the final sharing of property of Astra Bank: RSD 3,388 thousand.

- **Income from reduction of liabilities** in the amount of RSD 251,645 thousand predominantly were recorded in the following companies in the system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 246,921 thousand predominantly from collected obligation credited to revenue originated from liabilities to subcontractors from the former Republic of SFRY engaged in the project Z-0150 HPP Banieya II in Guinea in the amount of RSD 234,398 thousand dinars (USD 2,450 thousand) (namely, principal: USD 1,935 thousand) 38.3) and added interest: USD 515 thousand (Note 43.3)) pursuant to the decision of the Board of Directors of Energoprojekt Niskogradnja dated 31.12.2020 (which also made a decision on direct write-off of previously impaired receivables from the investor (in the same amount of liabilities to the investor) - Note 28); and
 - Energoprojekt Visokogradnja in the amount of RSD 4,452 thousand, predominantly incurred within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 3,958 thousand from reduction of VAT liability.

- **Income from reversal of long-term and short-term provisions** in the amount of RSD 51,984 thousand dominantly refer to Energoprojekt Entel in the amount of RSD 49,660 thousand from reversal of provisions for costs incurred in the warranty period: in the country: RSD 35,542 thousand (project Contract TE-TO Pancevo) and abroad: RSD 14,118 thousand (project Phase 11 in Qatar).

- **Other income not posted elsewhere** in the amount of RSD 108,168 thousand relate mostly to the following companies of system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 79,749 thousand, primarily related to agreed compensation from subcontractors on the project Railway Jajinci - Mala Krsna: RSD 74,996 thousand for insurance damage collected for destroyed equipment on projects in Serbia: RSD 1,876 thousand, as well as income from the sale of secondary raw materials in the country: RSD 516 thousand;
 - Energoprojekt Visokogradnja in the amount of RSD 20,485 thousand, predominantly in the country in the amount of RSD 19,791 thousand, primarily from collection of agreed penalty and damage incurred on the projects Navigator 2 Bissines Center: RSD 9,506 thousand and Belgrade Waterfront: RSD 3,045 thousand; and
 - Energoprojekt Entel in the amount of RSD 3,827 thousand from collection from the tax administration in the country according to dispute solved in the favour of the company.

- **Income from value adjustment of property, plant and equipment** in the amount of RSD 49,859 thousand relate to settlement of investment property value on its fair value at the balance sheet date in accordance with IAS 40, Investment Property in the following companies in the Energoprojekt system:
 - Dom 12 S.A.L., Lebanon in the amount of RSD 35,855 thousand (business buildings in Moscow);
 - Energoprojekt Visokogradnja in the amount of RSD 13,887 thousand (property in Uba); and
 - Energoprojekt Industrija in the amount of RSD 117 thousand (property in Toše Jovanovića Street).

21.2. Other Expense

Structure of other expenses	<i>In RSD thousand</i>	
	<i>01.01.-31.12. 2020</i>	<i>01.01.-31.12. 2019</i>
Losses from sales of intangible assets, property, plant and equipment	30,228	16,123
Loss from sales of equity shares and securities		3,493
Losses from sales of material	18,281	374
Shortages	11,099	8,503
Expense from direct write-off of receivables	54,966	81,579
Expense from disposal of inventory of material and goods	5,337	2,180
Other not mentioned expense	322,835	182,691
Impairment of property, plant and equipment	71,890	787
Impairment of inventory of material and merchandise		1,314
TOTAL	514,636	297,044

• **Losses from sales of intangible assets, property, plant and equipment** in the amount of RSD 30,228 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 22,752 thousand, predominantly from loss incurred due to demolition of the warehouse on the land of Santa Clara in WU abraod Peru: RSD 22,273 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 5,936 thousand, in the country RSD 1,366 thousand (primarily from disposal of equipment) and abroad: RSD 4,570 thousand (primarily from sales of equipment in Aktau and Astana: RSD 1,823 thousand).

• **Losses from sale of material** in the amount of RSD 18,281 thousand relate entirely to Energoprojekt Visokogradnja - sales of materials from warehouses in Kazakhstan.

• **Shortages** in the amount of RSD 11,099 thousand, mostly related to shortages of stocks of tools, inventory and material determined by the regular annual inventory count conducted in Energoprojekt Oprema in the amount of RSD 9,834 thousand.

• **Expenses from direct write-off of receivables** in the amount of RSD 54,966 thousand relate, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 33,714 thousand, entirely abroad, mostly in the company Energoprojekt Entel LTD, Doha, Qatar in the amount of RSD 33,138 thousand from written off receivables older than 3 years; and

- Energoprojekt Holding in the amount of RSD 18,000 thousand, entirely related to write-off of receivables from the company Ringier Axcel Springer Plc. namely - paid advance in the amount of RSD 4,800 thousand and disputed performed services recorded within the item Other accrued costs and deferred revenue in the amount of RSD 13,200 thousand in accordance with judgment of the Commercial Court in Belgrade rejecting Energoprojekt Holding's claims.

• **Other not mentioned expenses** in the amount of RSD 322,835 thousand predominantly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 271,388 thousand, primarily refers to paid contractual penalties in accordance with final Arbitration Award in Peru on the project Z-030 Chancay y Rucuy, Peru: RSD 263,814 thousand (Energoprojekt Niskogradnja initiated proceedings in court review of the arbitration process and request was accepted and the procedure is ongoing, where it is not possible to assess when the Court will issue a final outcome in respect of the request) and donations: RSD 6,103 thousand (in the country: RSD 4,951 thousand - donation of art paint to the City of Belgrade and abroad: RSD 1,152 thousand - donations to the city of Kampala in the form of assistance due to COVID-19 pandemic);

- Energoprojekt Visokogradnja in the amount of RSD 25,211 thousand, primarily for projects: Belgrade Waterfront: RSD 12,091 thousand (on behalf of permanently retained funds), Navigator 2 Bussines Center: RSD 5,847 thousand and Delta Headquarters: RSD 2,500 thousand (on behalf of damages);

- Energoprojekt Hidroinženjering in the amount of RSD 11,051 thousand, primarily from penalties for delays in the preparation of project documentation for project Terzout in Algeria: RSD 7,954 thousand; and

- Energoprojekt Entel in the amount of RSD 14,038 thousand, primarily from tuition fees.

• **Impairment of property, plant and equipment** in the amount of RSD 71,890 thousand recorded as a result of investment property value adjustment to fair value at the balance sheet date in accordance with IAS 40 - Investment property within following companies of the system Energoprojekt:

- I.N.E.C. Engineering Company Limited, Great Britain in the amount of RSD 49,543 thousand (office buildings in London);

- Energoprojekt Niskogradnja in the amount of RSD 21,239 thousand (impairment of part of the business building "Cruz del Sur" in Peru, which is intended for rent: RSD 19,304 thousand and impairment of passenger vehicles due to total damage, on the project Jajinci - Mala Krsna Railway, and in accordance with appraised liquidation balance done by authorized appraiser: RSD 1,935 thousand); and

- Energoprojekt Holding in the amount of RSD 1,108 thousand (part of the buildings complex " Samački hotel" in Zemun).

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

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		18,205
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	6,285	
TOTAL	(6,285)	18,205

- **Net loss from discontinued operations, effects of changes in accounting policies and adjustments of errors from previous years** in the amount of RSD 6,285 thousand is the result of subsequently determined income, ie expenses from the previous period in amounts that are not material and on the basis of which recognition is charged, in favor of the current period, primarily on the one hand, due to reported net loss from correction of material insignificant errors from previous years in Energoprojekt Visokogradnja in the amount of RSD 3,757 thousand and in Enregoplast of RSD 3,565 thousand, and on the other hand, net profit on the same basis incurred in Energoprojekt Niskogradnja in the amount of RSD 2,158 thousand.

23. PROFIT BEFORE TAX AND NET PROFIT

Structure of gross result	<i>in RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Operating income	26,144,994	26,454,843
Operating expenses	24,938,130	25,774,621
<i>Operating result</i>	<i>1,206,864</i>	<i>680,222</i>
Financial income	707,719	665,269
Financial expenses	1,266,237	558,111
<i>Financial result</i>	<i>(558,518)</i>	<i>107,158</i>
Income from value adjustment of other assets at fair value through profit or loss	406,664	112,810
Other income	1,108,594	303,316
Expenses from value adjustment of other assets at fair value through profit or loss	253,187	121,393
Other expenses	514,636	297,044
<i>Result of other income and expenses</i>	<i>747,435</i>	<i>(2,311)</i>
<i>Result from ordinary activities before taxes</i>	<i>1,395,781</i>	<i>785,069</i>
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period		18,205
Net loss of discontinued operations, changes in accounting policies and corrections of errors from the previous period	6,285	
<i>PROFIT BEFORE TAX</i>	<i>1,389,496</i>	<i>803,274</i>
Tax expense period	331,420	169,741
Deferred tax expense of period	36,062	
Deferred tax income of period		7,316
<i>NET PROFIT</i>	<i>1,022,014</i>	<i>640,849</i>
<i>TOTAL INCOME</i>	<i>28,367,971</i>	<i>27,554,443</i>
<i>TOTAL EXPENSES</i>	<i>26,978,475</i>	<i>26,751,169</i>

Energoprojekt system's incurred profit before tax (gross profit) in the reporting year amounted to RSD 1,389,469 thousand and is, first of all the result of:

- Incurred operating profit in the amount of RSD 1,206,864 thousand, primarily within Energoprojekt Park 11, Energoprojekt Entel and Energoprojekt Visokogradnja;
- Incurred profit from other activities in the amount of RSD 747,435 thousand, primarily from sale of property, plant and equipment of Energoprojekt Niskogradnja (predominantly, non-current assets held for sale - Santa Clara in Peru); and

- Incurred financial loss in the amount of 558,518 thousand dinars (predominantly from net exchange losses and negative outcome of currency clause).

Compared to last year on given date, increase in **gross results** of the Energoprojekt system in 2020 by RSD 586,222 thousand is primarily the result of increase in operating profit in the amount of RSD 526,642 thousand and other revenues and expenses in the amount of RSD 749,746 thousand (predominantly increase in income from sale of property, plant and equipment and income from decrease in liabilities) and on the other hand, decrease in financial result in the amount of RSD 665,676 thousand (dominant significant net exchange losses and negative outcomes of currency clauses in the amount of RSD 552,202 thousand).

24. EARNINGS PER SHARE

Indicator	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Net-profit pertaining to parent company shareholders	1,110,515	585,412
The weighted average number of shares during the year	10,833,592	10,833,592
Earnings / (loss) per share (In RSD)	<i>102.51</i>	<i>54.04</i>

Earnings per share is calculated by dividing the profit for ordinary shareholders by the average weighted number of ordinary shares in circulation for the period and does not include ordinary shares that the Company (companies within System) purchased and held as treasury shares.

BALANCE SHEET

25. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Investment in development	Software and other right	Intangible assets in preparation	Advance for intangible assets	Total
<i>Cost or valuation</i>					
Opening balance as of 1 January 2020		256,206	470		256,676
Additions		2,631		404	3,035
Transfers from		470	(470)		
Other transfers from / to					
Disposals		(11)			(11)
Exchange differences		(3,729)			(3,729)
Other increases / (decreases)					
As of 31 December 2020		255,567		404	255,971
<i>Accumulated depreciation</i>					
Opening balance as of 1 January 2020		192,777			192,777
Charges in the year		17,928			17,928
Disposals		(11)			(11)
Other transfers from / to					
Exchange differences		(3,658)			(3,658)
Other increases / (decreases)					
As of 31 December 2020		207,036			207,036
<i>Net book value</i>					
As of 31 December 2019		63,429	470		63,899
As of 31 December 2020		48,531		404	48,935

Software and other rights as at 31 December 2020 relate to various software used by the system Energoprojekt for own purposes, which are depreciated in compliance with the relevant accounting policy.

Investments in software and other rights in the amount of RSD 3,035 thousand, primarily refer to Energoprojekt Hidroinženjering in the amount of RSD 2,713 thousand.

26. PROPERTY, PLANT AND EQUIPMENT

In RSD thousand

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and IP under construction	Other PPE	PPE under construction	Investment in third parties PPE	Advances for PPE	Total
<i>Cost or valuation</i>									
Opening balance as of 01.01.2020	633,593	6,978,887	9,711,012	2,837,068	182,268	2,641	4,351	49,664	20,399,484
Additions			300,557		9,209	122	19,901		329,789
Transfer from investment in preparation			1,105		4,126	(1,105)		(4,126)	
Transfer of inventories - non-current assets held for sale and work in progress			(871,720)						(871,720)
Other transfers from / to - from the advance, etc.			874		4,352		(4,352)	(874)	
Disposals			(257,310)		(22,646)				(279,956)
Gains / (losses) included in "Other result" (acc. 330)		(4,009)							(4,009)
Gains / (losses) included in the Income Statement				(20,097)					(20,097)
Impairments			(2,488)						(2,488)
FX differences	(730)	(95,451)	(131,755)	(414,959)					(642,895)
Other increases / (decreases)		(17,968)	2,060					171	(15,737)
As of 31.12.2020	632,863	6,861,459	8,752,335	2,402,012	177,309	1,658	19,900	44,835	18,892,371
<i>Accumulated depreciation</i>									
Opening balance as of 01.01.2020		162,346	7,381,752		113,964		167		7,658,229
Charges in the year		78,190	379,074		10,337		1,273		468,874
Disposals			(236,209)		(17,444)				(253,653)
Transfer to inventories - non-current assets held for sale			(701,363)						(701,363)
Other transfers from / to					335		(335)		
Impairments			(553)						(553)
FX differences		(10,170)	(91,059)						(101,229)
Other increases / (decreases)		(12,846)	2,372						(10,474)
As of 31.12.2020		217,520	6,734,014		107,192		1,105		7,059,831
<i>Net book value</i>									
As of 31.12.2019	633,593	6,816,541	2,329,260	2,837,068	68,304	2,641	4,184	49,664	12,741,255
As of 31.12.2020	632,863	6,643,939	2,018,321	2,402,012	70,117	1,658	18,795	44,835	11,832,540

- **Land**

Value of land of the system Energoprojekt amounting to RSD 632,863 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517,291 (land owned by Energoprojekt Montenegro Ltd. in Montenegro, land owned by Energoprojekt Ghana Ltd. in Ghana and in the country – land in Ub and in Stara Pazova) and Energoprojekt Niskogradnja in the amount of RSD 97,292 (land in Peru and in the country – in Stara Pazova).

- **Buildings**

Measuring of buildings after their initial recognition, transition was made from Cost model to the Revalorization model (Note 7.8).

The fair value of buildings usually is their market value defined by valuation made by independent qualified appraisers, based on market evidence.

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

As of 31 December 2020, the residual value and remaining useful life of buildings was appraised, which resulted in change of depreciation costs for the year 2020.

In accordance with the relevant provisions of IAS 16, it was not necessary to estimate the fair value of Energoprojekt system building at the balance sheet date for which fair value movements were insignificant (already every three or five years). A significant change in fair value primary has facility part of the buildings complex "Samački hotel" in Zemun, for which the fair value was appraised on 31 December 2020 by a professionally qualified appraiser. In this regard, the revalued value of buildings as of 31 December 2020, in the amount of RSD 6,643,939 thousand represents their fair value.

The most important buildings on the level of system Energoprojekt are as follows:

- Office building in Bulevar Mihaila Pupina, in New Belgrade;
- A part of Samacki Hotel Complex of the Energoprojekt Holding in Zemun;
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru; and
- Office building of the Energoprojekt Entel in Oman.

- **Plant and Equipment**

As at 31 December 2020, appraisal of the residual value and the remaining useful lifetime of the equipment with significant accounting value were performed. Changes in accounting estimates impacted depreciation costs for 2020, and, consequently, the carrying value of assets as of 31 December 2020.

Of the total items in the reporting period, the amount of RSD 147,952 thousand relates to equipment regulated by the Financial Lease Agreement, related to Energoprojekt Niskogradnja in the amount of RSD 143,966 thousand and Energoprojekt Visokogradnja in the amount of RSD 3,986 thousand.

Liabilities of the system Energoprojekt based on the financial lease are explained in the Note 38.4.

The largest purchases of plant and equipment in the reporting period in the amount of RSD 329,789 thousand are recorded in the following companies:

- Energoprojekt Niskogradnja in the amount of RSD 273,406 thousand (in the country: RSD 213,742 thousand, primarily for Vinca Landfill Reconstruction project and abroad: RSD 59,664 thousand, primarily in Uganda);
- Energoprojekt Visokogradnja in the amount of RSD 27,181 thousand (in the country: RSD 13,765 thousand and abroad: RSD 13,416 thousand, primarily for the project Z-112 Hotel Hyatt Rostov 2, Russia and Z-114 Reconstruction of Syktyvkar Stadium, Russia); and
- Energoprojekt Entel in the amount of RSD 18,973 thousand (primarily in the country: RSD 14,268 thousand and in the companies in Qatar, Oman and the Emirates in the amount of RSD 4,705 thousand).

• **Investment property**

According to adopted accounting policies, after initial recognition, an item of investment property is measured at fair value (Note 7.12.).

Investment property is stated at fair value as at 31 December 2020 in the amount of RSD 2,402,012 thousand. Valuation of the fair value of investment property as at 31 December 2018 was performed by independent valuers with recognized and relevant professional qualifications and recent relevant work experience with relevant locations and categories of investment property appraised.

The most significant investment properties on the level of system Energoprojekt are as follows:

- Office building in Moscow, Dom 12;
- Office and residential premises of the Zambia Engineering and Contracting Company Limited, Zambia;
- Office and residential premises of the Energoprojekt Zambia Limited, Zambia,
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Production hall Energoprojekt Visokogradnja in Ub;
- I.N.E.C. Engineering Company Limited in London;
- Business and residential premises of Energo (Private) Limited, Zimbabwe; and
- Part of the building "Samački hotel" complex of the Energoprojekt Holding in Zemun.

In the reporting period, the system Energoprojekt generated income from the rent of investment property in the amount of RSD 59,028 thousand primarily from renting office building in Moscow, Dom 12 (in the company Dom 12 SAL, Lebanon): RSD 18,843 thousand, several properties in Lusaka, Zambia (in the company Zambia Engineering and Contracting Company Limited, Zambia): RSD 15,561 thousand, part of the business building "Cruz del Sur" in Peru (Energoprojekt Niskogradnja): RSD 9,223 thousand, part of the buildings "Samački hotel" complex (Energoprojekt Holding): RSD 7,737 thousand, property in Ub and Višnjička Banja: RSD 6,666 thousand (Energoprojekt Visokogradnja) and several properties in Harare, Zimbabwe (Energo (Private) Limited, Zimbabwe): RSD 6,822 thousand.

Information on mortgages on the system Energoprojekt properties is presented in detail in Note 45.

- **Advances paid for property, plant and equipment** in the amount of RSD 44,835 thousand predominately relate to advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria in RSD 44,664 thousand.

27. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Shares in affiliated companies and joint ventures	734,267	729,439
Shares in other legal entities and other available for sale securities	136,117	128,322
Other long-term financial investments	234,727	342,014
<i>Subtotal</i>	<i>1,105,111</i>	<i>1,199,775</i>
<i>Allowance for impairment</i>	<i>(206,804)</i>	<i>(199,906)</i>
TOTAL	898,307	999,869

- **Shares in affiliated companies and joint ventures** in the amount of RSD 734,267 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Energo Nigeria Ltd., Lagos, Nigeria		131,386
Energopet Ltd. Belgrade	707,211	563,491
Enjub Ltd., Belgrade	27,056	34,562
TOTAL	734,267	729,439

Pursuant to the decision of the Board of Directors of Energoprojekt Oprema dated 29 January 2021, the FS of Energo Nigeria Ltd., Lagos, Nigeria, starting from the FS for the year 2020 is not included in the consolidated financial statements of Energoprojekt Oprema through equity method, and thus in the consolidated financial statements of Energoprojekt Holding (in accordance with provisions of Article 32, paragraph 6 of the Accounting Law). In respect of this matter the entity in question is considered as other

legal entity and all transactions are restated to external items of the balance sheet and income statement (Note 2).

Financial data pertaining to Energopet Ltd. Belgrade on the 33.33% equity share of Energoprojekt Industrija in the affiliate is presented in the following table.

Energopet Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Non-current assets	528,162	437,477
Operating assets	552,076	474,143
Assets	1,080,238	911,620
Liabilities	373,027	348,129
Capital	707,211	563,491
Income	944,821	1,291,446
Net profit/(loss) of the current period	55,120	56,619

Financial data pertaining to Enjub Ltd. Belgrade on the 50.00% equity share of Energoprojekt Holding in the joint venture is presented in the following table.

Enjub Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Non-current assets	128,926	128,927
Operating assets	107,316	107,709
Assets	236,242	236,636
Liabilities	209,186	202,074
Capital	27,056	34,562
Income	3,778	65,242
Net profit / (loss) of the current period	(6,976)	17,124

• **Shares in other legal entities and available for sale securities** in the amount of RSD 32,040 thousand are presented in the following table.

Shares in other legal entities and available for sale securities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
a) Banks, financial organisations and other legal entities	136,097	128,302
b) Other securities available for sale	20	20
Subtotal	136,117	128,322
<i>Allowance for impairment</i>	<i>(104,077)</i>	<i>(97,206)</i>
TOTAL	32,040	31,116

Share in banks, financial organizations and other legal entities in the amount of RSD 136,097 thousand primarily related to Energoprojekt Holding (Alta banka Plc., Dunav osiguranje Plc., Belgrade Stock Exchange Plc., etc.), Energoprojekt Oprema in the amount of RSD 9,213 thousand (primarily Energo Nigeria Ltd., Lagos, Nigeria: RSD 9,212 thousand) and Energoprojekt Niskogradnja (Belgrade Stock Exchange Plc.): RSD 604 thousand.

Shares in banks, financial organisation and other legal entities and other securities available for sale are measured at their market (fair) value, if it is possible to determine it.

Net increase in share in banks, financial organizations and other legal entities compared to last year on given date (on 31.12.) by RSD 924 thousand was primarily caused, on the one hand by the increase in Energoprojekt Oprema - recorded equity shares with Energo Nigeria Ltd., Lagos, Nigeria within external items as stated above: RSD 9,212 thousand and on the other hand, by negative outcome of value adjustments of securities from portfolio and their fair value on the secondary securities market as of the preparation the financial statements date dominantly in Energoprojekt Holding: RSD 8,218 thousand (Alta Bank Plc. and Dunav osiguranje Plc.).

- **Other long-term financial investments** in the amount of RSD 132,000 thousand are presented in the following table.

Other long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Housing loans granted to employees	29,354	31,684
Long-term time deposits		78,135
Deposits for bank guarantees	93,189	117,511
Other	112,184	114,684
<i>Subtotal</i>	<i>234,727</i>	<i>342,014</i>
<i>Allowance for impairment</i>	<i>(102,727)</i>	<i>(102,700)</i>
TOTAL	132,000	239,314

- **Long-term housing loans granted to employees** are interest-free and in compliance with the Housing Loan Agreement provisions and pursuant to the Law on Amendments and Addenda to the Law on Housing, the Company performs legally prescribed revalorization of loan instalments based on the trends in consumer prices in the Republic of Serbia for the accounting period in question. Of the total of RSD 29,354 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 19,631 thousand, Energoprojekt Oprema in the amount of RSD 5,413 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,312 thousand and Energoprojekt Holding in the amount of RSD 908 thousand.

- **Deposits for bank guarantees** in the amount of RSD 93,189 thousand entirely relate to Energoprojekt Entel (within Energoprojekt Entel LTD, Doha, Qatar: RSD 72,034 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 21,155 thousand).

Decrease in deposits for bank guarantees compared to last year on given date (on 31.12.) by RSD 24,322 thousand refers to Energoprojekt Entel (net effect of decrease in Energoconsult L.L.C., Abu Dhabi, UAE: RSD 73,154 thousand and increase in Energoprojekt Entel LTD, Doha, Qatar: RSD 48,832 thousand).

• **Other long-term financial investments** in the amount of RSD 112,184 thousand mainly relate to the following Companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 91,497 thousand, the largest share of which or RSD 82,407 thousand relate to a building within the tourist complex of Crni Vrh (which has not yet been completed), in which the Company holds ownership rights up to 5%, based on its co-financing (adjusted in accordance with the requirements of IFRS 9 in the amount of RSD 82,406 thousand); and

- Energoprojekt Entel in the amount of RSD 17,832 thousand, relate to deposits for working visas in the amount of RSD 12,662 thousand (within Energoconsult L.L.C., Abu Dhabi, UAE) and the deposits for apartments abroad in the amount of RSD 5,170 thousand (mainly within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 2,197 thousand and Energoprojekt Entel LTD, Doha, Qatar: RSD 2,184 thousand).

The structure of impairment of other long-term financial investments is shown in the table below.

Allowance for impairment of other long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Housing loans given to employees	(11,230)	(11,203)
Long-term time deposits		
Bank guarantee deposits		
Other	(91,497)	(91,497)
TOTAL IMPAIRMENT	(102,727)	(102,700)

Impairment of other long-term financial investments in the amount of RSD 102,727 thousand refers to housing loans given to employees: RSD 11,230 thousand (predominantly in Energoprojekt Visokogradnja: RSD 10,200 thousand) and other financial investments: RSD 91,497 thousand (in Energoprojekt Visokogradnja, predominantly investments in the tourist complex Crni Vrh: RSD 82,406 thousand). The impairment was made in accordance with the requirements of IFRS 9, and in accordance with the adopted *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9*.

28. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Receivables from guarantees	2,400	
Other long-term receivables	1,380,937	1,594,944
<i>Allowance for impairment</i>		<i>(257,075)</i>
TOTAL	<i>1,383,337</i>	<i>1,337,869</i>

• **Other long-term receivables** in the amount of RSD 1,380,937 thousand refer to the following companies in the Energoprojekt system:

- Energoprojekt Entel in RSD 1,251,964 thousand based on its long-term receivables for guarantee deposit, which is in most of the cases a deposit amounting to 10% of the invoice amount and which can be collected only upon expiry of the guarantee term within Energoprojekt Entel Ltd. Doha, Qatar: RSD 926,611 thousand (for projects re. Qatar General Electricity & Water Corporation "Kahramaa"), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 253,451 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 71,902 thousand; and

- Energoprojekt Niskogradnja in the amount of RSD 128,973 thousand for cash collateral given to AIK banka Plc., Belgrade for advance guarantee - project Reconstruction of the Vinca Landfill. The release of the monetary collateral was agreed in proportion to the dynamics of the justification of the advance with the final maturity in 2023.

Net increase in other long-term receivables compared to last year on given date (on 31.12.) by RSD 43,068 thousand refers, on the one hand, to increase in Energoprojekt Niskogradnja: RSD 128,973 thousand (based on the above collateral given to the bank for advance guarantee - project Reconstruction of the Vinca Landfill) and, on the other hand, to reduction in Energoprojekt Entel in the amount of RSD 66,331 thousand (primarily in Energoprojekt Entel LTD, Doha, Qatar).

Compared to last year on given date (on 31.12.) the amount of RSD 257,075 thousand, ie on 31.12.2020 of RSD 234,398 thousand (USD 2,450 thousand) refers to uncollected receivables from the Government of the Republic of Guinea - Investors on the project Z-0150 HPP Banieya II Guinea, crediting 70% of the value of contracted works by Energoprojekt Niskogradnja as a contractor. The receivable in question was previously, after balancing the working unit abroad, impaired in 2004, by direct write-off, to the subject level of receivables corresponding to the amount of total liabilities to subcontractors (USD 1,935 thousand - Note 38.3) with accrued interest (USD 515 thousand - Note 43.3). In the previous period, in accordance with IAS 39, the value of receivable in question (USD 2,450 thousand) was impaired in entire amount. On 31 December 2020, given the overall political and security situation in Guinea, inefficiency of administration, which would make initiating arbitration proceedings difficult, the company's efforts and resources so far, as well as the company's management's assessment that there are interests to maintain good business relations in that market, the Board of Directors of Energoprojekt

Niskogradnja made a decision on the direct write-off of the aforementioned, previously impaired, receivables (as well as liabilities to subcontractors - Note 21.1).

The change in the impairment of receivables from the Investor on the project Z-0150 HPP Banieya II in Guinea is shown below:

Changes in impairment of long-term receivables	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Opening balance as of 1 January	257,075	253,328
Outcomes of exchange differences	(22,677)	3,747
Assets written off during the year as uncollectible	(234,398)	
Discount change		
TOTAL	0	257,075

In accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9*, the effects of expected loss of long-term receivables at the balance sheet date were calculated, however, taking into account the materiality of obtained results, the outcomes were not recorded.

29. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Material, spare parts, tools and small inventory	1.249.780	927.494
Work and service in progress	941.628	2.555.541
Finished Products	1.713.605	605.909
Goods	60.212	21.980
Non-current assets held for sale	220.170	109.157
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related legal entities		121.904
b) Advances paid for materials, spare parts and inventory	353.442	306.318
c) Advances paid for goods	600	
d) Advances paid for services	890.141	1.028.376
<i>Total</i>	<i>1.244.183</i>	<i>1.456.598</i>
<i>Allowance for impairment</i>	<i>(5.120)</i>	<i>(5.597)</i>
TOTAL	5.424.458	5.671.082

The structure of allowance for impairment is shown in the table below:

Structure of allowance for impairment	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Material, spare parts, tools and small inventory	(334)	(329)
Advances paid for inventories and services:		
a) Advances paid to other related parties		
b) Advances paid for materials, spare parts and small inventory	(225)	(307)
c) Advances paid for goods		
d) Advances paid for services	(4,561)	(4,961)
<i>Subtotal</i>	<i>(4,786)</i>	<i>(5,268)</i>
TOTAL ALLOWANCE FOR IMPAIRMENT	(5,120)	(5,597)

• **Material, parts, tools and small inventories** in the amount of RSD 1,249,780 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 859,372 thousand, out of which inventories abroad amount to RSD 427,868 thousand (Uganda: RSD 310,207 thousand, Peru: RSD 117,662 thousand), and inventories in the country amount to RSD 431,503 thousand. Stock levels, primarily those of the materials and parts, are determined by the work schedule and timely supply in the relevant regions;

- Energoprojekt Visokogradnja in the amount of RSD 161,235 thousand, out of which inventories in the country amount to RSD 59,271 thousand (primarily projects Chinese Cultural Center: RSD 5,558 thousand and SMATSA Air Traffic Control: RSD 12,177 thousand), while abroad amounted to RSD 95,412 thousand (primarily projects: Z-112 Hyatt Hotel Rostov: RSD 60 491 thousand, Z-114 Stadium Syktyvkar: RSD 24,757 thousand, Energoprojekt Ghana Ltd., Accra, Ghana in RSD 6,551 thousand);

- Energoplast in the amount of RSD 136,340 thousand, out of which material inventories amount to RSD 110,648 thousand, parts inventories amount to RSD 24,928 thousand and tools inventories amount to RSD 764 thousand; and

- Energoprojekt Oprema in the amount of RSD 84.894 thousand, of which RSD 79,797 thousand refer to inventories of material (Central warehouse: RSD 42,677 thousand, warehouse for TPS Zemun Modernization project: RSD 4,373 thousand and warehouse for Smatsa Air Traffic Control project: RSD 32,747 thousand), while tools and small inventory amount to RSD 5,097 thousand (Central Warehouse).

Increase in gross amount of inventories of materials, spare parts, tools and small inventory compared to last year on given date (on 31.12.) by RSD 322,286 thousand is the result, on the one hand, of increases in Energoprojekt Niskogradnja: RSD 393,824 thousand (intensity and type of works as well as the possibility of timely procurement in the regions of work and mostly recorded in the country: RSD 311,124 thousand) and on the other hand, reductions in Energoprojekt Visokogradnja: RSD 71,033 thousand basis of consumption, ie installation through works in the reporting period).

- **Work and services in progress** in the amount of RSD 941,628 thousand primarily relate to following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 757,304 thousand, of which RSD 240,355 thousand refers to unfinished production in the country (own investments in Belgrade, in Knez Danilova Street: RSD 81,337 thousand, in Bežanijska Kosa: RSD 48,374 thousand, in Voždovac: RSD 25,938 thousand and in Bor Shopping Center Bor: RSD 84,706 thousand), while RSD 516,949 thousand refer to abroad (works on the residential complex Šištet Bare, Herceg Novi in Montenegro); and
- Energoprojekt Niskogradnja in the amount of RSD 184,324 thousand refer to produced material (crushed stone, prefabricated concrete curbs and pipes) on projects abroad, predominantly in Uganda: RSD 163,183 thousand.

Decrease in inventories of work in progress and service compared to last year on given date (on 31.12.) in the amount of RSD 1,613,913 thousand predominantly refers, on the one hand, to decrease in Energoprojekt Park 11 in the amount of RSD 1,766,218 thousand from completed construction of business - residential complex Park 11 in Block 11a in New Belgrade and transfer to finished product items and, on the other hand, to increase in Energoprojekt Niskogradnja in the amount of RSD 155,870 thousand from inventories of produced materials for projects abroad, predominantly in Uganda, (reconstruction of the road Mityana - Mubenda and upgrades of the city roads Mityani) whose signing of the contract was postponed to 2021 due to political reasons and the consequences of the pandemic COVID 19.

The increase / (decrease) in the value of inventories of work and service in progress is recognized within the item operating expenses in the income statement.

- **Finished products** in the amount of RSD 1,713,605 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Park 11 in the amount of RSD 1,427,058 thousand from completed construction of the business - residential complex Park 11 in Block 11a in New Belgrade;
- Energoprojekt Sunnyville in the amount of RSD 221,955 thousand, from constructed and unsold real estate in the residential - business complex Sunnyville in Belgrade;
- Energoplast in the amount of RSD 47,082 thousand relate to inventories of finished plastic stoppers; and
- Energoprojekt Visokogradnja in the amount of RSD 17,510 thousand from built and unsold office space on Bežanijska Kosa in Belgrade.

The increase / (decrease) in inventories of finished products is recognized within the item operating expenses in the income statement.

Increase in inventories of finished products compared to last year on given date (on 31.12.) in the amount of RSD 1,107,696 thousand is the result, first of all, of increase in Energoprojekt Park 11 in the amount of RSD 1,427,058 thousand from completed construction and sale of business - residential complex Park 11 in Block 11a in New Belgrade and on the other hand, of decrease in Energoprojekt Sunnyville in the

amount of RSD 294,299 thousand from the sale of properties in the residential - business complex Sunnyville in Belgrade.

- **The total value of inventories of goods** in the amount of RSD 60,212 thousand mostly refers to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 51,348 thousand (stocks of materials in warehouses of other entries: RSD 32,386 thousand for the project Railway Jajinci - Mala Krsna, which will be installed in accordance with the dynamics of works in 2021 and based on invoiced procurement of inventories of materials and spare parts: RSD 7,986 thousand, predominantly on projects in Peru: RSD 7,885 thousand, which were not received as of 31 December 2020 - Goods in transit); and

- Energoplast in the amount of RSD 6,209 thousand (purchased ready-made closures intended for further sale).

- **Non-current assets held for sale** amount to RSD 220,170 thousand primarily relate to Energoprojekt Holding in the amount of RSD 40,597 thousand and Energoprojekt Niskogradnja in the amount of RSD 179,483 thousand.

- Non-current assets held for sale in Energoprojekt Holding in the amount of RSD 40,597 thousand relate to property in the K1G Building in Rakovica, Belgrade.

Pursuant to the Decision made by the Executive Board of the Energoprojekt Holding and to Conclusion on partial settlement and costs of the procedure I.IV 122/19 dated 17.05.2019 and the Contract on sale of real estate by direct agreement under the agreement of the parties I.Iv 122/19 dated 17.05.2019. The Energoprojekt Holding on behalf of partial collection of receivables from Enjub Ltd. Belgrade and under the Agreement on Reprogramming of the Debt no. 115 dated 18.04.2012, as of promissory note, on real estate of Enjub Ltd. Belgrade, which are located in the K1G Building in Rakovica, was recorded in its business books the figure under the item non-current assets held for sale the amount of RSD 81,453 thousand. During 2019 and 2020 part of properties is sold, and in 2020 from sale of property a net profit was incurred in the amount of RSD 2,163 thousand.

Summary of non-current assets held for sale is presented below:

In RSD thousand

No	Item	Address	No.	Area in m2	Cost	Tax on the transfer of absolute rights under the 2020 Decision	Sales price	Profit / Loss from sales in the previous period with correction based on the Decision for tax on transfer of absolute rights from 2020	Profit / loss from sales in the reporting period	Net book value
1	Two bedroom apartment	Petra Konjovića 14	Lamella 1, II floor, no.15	51	6,072	157				6,229
2	Two and half bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.16	78	9,234	241				9,475
3	Two bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.17	46	5,417	142	6,179	620		
4	Two bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.20	50	5,856	154	6,768		758	
5	Two bedroom apartment	Petra Konjovića 14	Lamella 1, IV floor, no.26	45	5,350	139	6,100	611		
6	Three bedroom apartment	Petra Konjovića 14a	Lamella 2, I floor, no.4	80	9,384	247	11,170		1,540	
7	Two bedroom apartment	Petra Konjovića 14a	Lamella 2, III floor, no.17	60	7,105	185				7,290
8	Studio	Petra Konjovića 14b	Lamella 3, ground floor, no.2	29	3,421	89	3,901	391		
9	Office space	Petra Konjovića 14b	Lamella 3, ground floor, no.L	46	5,442	126				5,568
10	Studio	Petra Konjovića 14b	Lamella 3, II floor, no.13	33	3,948	102	4,634	584		
11	Two and half bedroom apartment	Petra Konjovića 14b	Lamella 3, II floor, no.14	77	9,083	238				9,321
12	Apartment	Petra Konjovića 14b	Lamella 3, attic, no.15	54	6,361	167	7,255	727		
13	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.7	12	531	12	273		(270)	
14	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.8	12	531	12				543
15	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.9	12	531	12				543
16	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.10	12	531	12				543
17	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.11	12	531	12				543
18	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.12	12	531	12	588		45	
19	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.13	12	531	12	588		45	
20	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.16	12	531	11				542
21	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.17	12	531	11	588		45	
	Total			757	81,453	2,093	48,044	2,933	2,163	40,597

The Company is actively implementing planned sales plans, which are expected to be fully realised within a year.

- Non-current assets held for sale in Energoprojekt Niskogradnja amount to RSD 179,483 thousand are shown in the following table.

Description	Location	Area in m ²	Net book value in RSD thousand
Property and land held for sale			
Land - Mombasa Road, Kenia	Nairobi, Kenia	12,140.55	4,066
Office space - Buenos Aires, Argentina	Buenos Aires, Argentina	86.30	5,748
Subtotal			9,814
Machinery held for sale	Serbia		169,669
TOTAL			179,483

Reclassification of land for sale was performed based on the Decision passed by the Board of Directors of the Energoprojekt Niskogradnja from 2012, on the sale of land in Kenya and land in RSD 4,066 thousand in compliance with IFRS 5.

Based on the Decision of competent body of the Company from 2011, on the sale of office and residential facilities in Argentina, reclassification of these facilities was performed into the facilities held for sale amounting to RSD 5,748 thousand, in compliance with IFRS 5.

Pursuant to the decision of the competent body made on 30 September 2020 on the sale of machinery in the country (which was not engaged in active projects in the country and not planned for the projects in the coming period), the items in question were reclassified to assets held for sale (in accordance with IFRS 5), at net (book) value (which is lower than estimated market value) on the day of reclassification, whereby by the end of reporting year part of the assets was sold, and the remaining amount was RSD 169,669 thousand.

The Company continues to undertake activities in order to realize the sale of remaining part of reclassified assets held for sale.

Increase in non-current assets held for sale compared to the same date of previous year by RSD 111,013 thousand is the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 128,795 thousand (reclassified unsold machinery in 2020: RSD 169,669 thousand and of decrease from sales of land and warehouse space in Santa Clara in Peru: RSD 40,874 thousand) and, on the other hand, of decrease in Energoprojekt Holding in the amount of RSD 17,782 thousand from sale of properties in the K1G Building in Rakovica, Belgrade.

Pursuant to the decision of the Board of Directors of Energoprojekt Niskogradnja dated 20 November 2020, approval was given and Decision made on the sale of Santa Clara land (23,009.70 m²) together with warehouse in the working unit abroad in Peru, in Lima (reclassified item for sale in 2012, namely Santa Clara land: RSD 18,601 thousand and warehouse space Santa Clara: RSD 22,273 thousand).

Sales and Purchase Agreement for Santa Clara land was concluded on 30 December 2020. The agreed purchase value is RSD 622,342 thousand (ie USD 6,500 thousand including VAT), and the sale is recorded on a net basis (Note 21.1). In accordance with the customer's request, on 28 December 2020, a decision on removal, ie demolish the warehouse space of Santa Clara (792.3 m²) on the mentioned land, was made. The effects of demolition are recorded through the current result on a net basis (Note 21.2).

A mortgage in favor of Banco Pichincha in the amount of USD 8,284 thousand was registered on the Santa Clara land. On the other hand, in accordance with the Sales and purchase agreement the Santa Clara land was realised of mortgage in favor of Banco Pichinch after the collection of the contract price from which the obligations towards the Bank will be paid. A mortgage of the second order in favor of Energoprojekt Niskogradnja S.A. Suc. Peru was constituted over the real estate to the amount of USD 6,370 thousand, as collateral for collection of the total contract price (Note 45).

- Decrease in advances paid for inventories and services to other related legal entities in the amount of RSD 121,904 thousand relates entirely to receivables from advances paid to Energo Nigeria Ltd., Lagos, Nigeria recorded in Energoprojekt Oprema and reclassified to external item – Advances paid for services (Note 2).

- **Advances paid for material, spare parts and inventory** in the amount of RSD 353,442 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 249,047 thousand, of which advances paid in the country amount to RSD 229,122 thousand (primarily on the project Chinese Cultural Center: RSD 45,552 thousand, Navigator 2 Bussines Center: RSD 81,260 thousand and Park 11: RSD 98,818 thousand), and abroad RSD 54,425 thousand (primarily, in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 33,967 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 86,839 thousand, primarily on the projects Modernization of TPS Zemun and Z-042 Repair of the road Mpigi, Butambala and Gomba, Uganda.

Increase in gross amount of advances paid for materials, spare parts and inventory compared to last year on given date (on 31.12.) in the amount of RSD 47,124 thousand, mostly is the result of, on the one hand, increase in Energoprojekt Niskogradnja: RSD 69,011 thousand (predominantly due to increased work on project Modernization TPS Zemun) and in Energoprojekt Oprema: RSD 11,149 thousand (project SMATSA: RSD 9,488 thousand and TPS Zemun: RSD 1,661 thousand) and, on the other hand, decrease in Energoprojekt Visokogradnja: RSD 34,500 thousand (projects in the country).

- **Advances paid for services** in the amount of RSD 890,141 thousand, relate, primarily, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 396,995 thousand for advances paid to suppliers on projects in the country in the amount of RSD 368,952 thousand (primarily projects: Modernization of TPS Zemun, Railway Jajinci - Mala Krsna and Reconstruction of the Landfill Vinca) and projects abroad

in the amount of RSD 28,043 thousand (primarily projects: Z-042 Road Repair Mpigi, Butambala and Gomba, Uganda and Z-040 San Antonio, Peru);

- Energoprojekt Visokogradnja in the amount of RSD 237,130 thousand, primarily projects: Z-112 Hotel Hayatt Rostov 2, Russia: RSD 109,900 thousand, Z-114 Siktivkar Stadium, Russia: RSD 76,981 thousand and in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 43,966 thousand;

- Energoprojekt Oprema in the amount of RSD 228,730 thousand, which refer to advances paid in the country in the amount of RSD 74,827 thousand (mostly related to the Mihailo Pupin Institute, Belgrade: RSD 27,889 thousand, Sauter Ltd.: RSD 21,773 thousand and Kodar Energomontaža Ltd.: RSD 15,483 thousand) and abroad in the amount of RSD 153,903 thousand (primarily, Energo Nigeria Ltd., Lagos, Nigeria: RSD 121,004 thousand, Stockholm Arbitration Court: RSD 19,980 thousand and the International Chamber of Commerce: RSD 12,019 thousand); and

- Energoprojekt Industrija in the amount of RSD 13,372 thousand, primarily from advance paid to the company Sipatec Industrial: RSD 7,134 thousand and Montmontaža Banja Luka: RSD 4,504 thousand.

Decrease in the gross amount of advances paid for services compared to the given date of the last year in the amount of RSD 138,235 thousand, mostly is the result, on the one hand, of decrease in Energoprojekt Niskogradnja: RSD 467,141 thousand (primarily, based on justification of advances on the projects Railway Jajinci - Mala Krsna, Zeleni Bulevar and Patrijarh Pavle) and, on the other hand, of increases in Energoprojekt Oprema: RSD 209,341 thousand (primarily Energo Nigeria Ltd., Lagos, Nigeria: RSD 121,004 thousand) (Note 2): RSD 121,004 thousand, on SMATSA project: RSD 37,442 thousand and TPS Zemun project: RSD 30,015 thousand and Energoprojekt Visokogradnja: RSD 161,041 thousand (primarily projects: Z-112 Hotel Hayatt Rostov 2, Russia: RSD 91,799 thousand and Z-114 Stadion Syktyvkar, Russia: RSD 76,816 thousand).

30. RECEIVABLES FROM SALES

Structure of receivables from sale	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Local buyers - other related parties	5,363	25,938
Foreign buyers - other related parties		584,679
Local buyers	2,171,454	2,772,231
Foreign buyers	5,208,567	5,121,330
<i>Allowance for Impairment</i>	(1,503,392)	(1,755,973)
TOTAL	5,881,992	6,748,205

Local buyers - other related parties in the amount of RSD 5,363 thousand refer, primarily, to receivables from the related party Napred Plc. in RSD 1,698 thousand (primarily in Energoprojekt Oprema: RSD 912 thousand and Energoprojekt Visokogradnja: RSD 774 thousand) and receivables from the joint venture Enjub Ltd.: RSD 2,825 thousand (primarily in Energoprojekt Visokogradnja: RSD 2,121 thousand. The amount was entirely impaired due to application of IFRS 9 - Financial Instruments).

• **Foreign buyers– other related parties** in the amount of RSD 584,679 thousand refers entirely to the company Energo Nigeria Ltd., Lagos, Nigeria, which is not in status associate and it is not consolidated within equity method of consolidation of Energoprojekt Oprema and thus the amount was restated to the item – receivables from foreign buyers (Note 2).

• **Local buyers** amounting to RSD 2,171,454 thousand primarily relate to receivables from Energoprojekt Visokogradnja: RSD 1,089,408 thousand, Energoprojekt Niskogradnja: RSD 573,301 thousand, Energoprojekt Entel: RSD 180,516 thousand and Energoplast: RSD 102,175 thousand.

Structure of local buyers is presented in the following table as at the financial statements date in system Energoprojekt companies, with the highest amount of such receivables.

Structure of receivables from local buyers	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Energoprojekt Visokogradnja:</i>		
Delta House/NBGP Properties (project Delta Headquarters)	480,602	25,278
Empiret Ltd. (project Chinese Cultural Center)	319,030	608,039
GP Seven Ltd. (project Navigator 2 Business Centar)	184,747	568,004
Beograd na vodi Ltd. (project Belgrade Waterfront)	70,092	212,871
Other	34,937	15,872
<i>Allowance for impairment</i>	<i>(13,064)</i>	<i>(8,345)</i>
Total	1,076,344	1,421,719
<i>Energoprojekt Niskogradnja:</i>		
Colas Rail s.a.s. (several projects)	216,501	89,593
Srbija voz Plc. (TPS Zemun, modernisation)	186,707	6,017
Beo Cista Energija Ltd. (Vinča Landfill)	88,859	
Hidro-Tan Ltd. (Regulation of the river Peštan and construction of the road Baroševac)	17,523	86,477
SE Putevi Srbije (Zrenjanin loop)	12,638	19,505
Bauwesen Ltd. (several projects)	12,392	101
Other	38,681	256,288
<i>Allowance for impairment</i>	<i>(46,949)</i>	<i>(12,464)</i>
Total	526,352	445,517
<i>Energoprojekt Entel:</i>		
SE Elektroprivreda Srbije (several projects)	134,158	235,768
Construction Industrielles de la mediterrabee - CNIM S.A. - Branch SRB Beograd (Vinca - preparation of project documentation and obtaining conditions, permits and approvals)	18,590	
Beo Čista Energija Ltd. (several projects)	13,025	8,897
Other	14,743	10,036
<i>Allowance for impairment</i>		
Total	180,516	254,701

Gross decrease in receivables from local buyers compared to last year on given date (on 31.12.) by RSD 600,777 thousand mainly originated, on one hand, from decrease in Energoprojekt Visokogradnja: RSD 340,656 thousand (primarily from GP Seven for Navigator 2 Business Center project and from Empiret Ltd. for the Chinese Cultural Center project), Energoprojekt Oprema: RSD 281,750 thousand (primarily from Gradina Ltd. for Ada Mol project and from Legas Group Ltd. for Kolubara Landfill project) and in Energoprojekt Entel: RSD 74,185 thousand (primarily from SE Elektroprivreda Srbije for several projects in the country) and, on the other hand, increases in Energoprojekt Niskogradnja: RSD 115,320 thousand from Srbija Voz Plc. for the Modernization of TPS Zemun project and Colas Rail sas for several projects in the country).

- **Foreign buyers** in the amount of RSD 5,208,567 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 2,798,369 thousand, Energoprojekt Entel in the amount of RSD 996,382 thousand, Energoprojekt Visokogradnja in the amount of RSD 402,372 thousand and to Energoprojekt Hidroinženjering in the amount of RSD 315,706 thousand.

Foreign buyers as at the financial statements of companies within system Energoprojekt, which generated the highest amounts of trade receivables, are broken down in the following table.

Structure of receivables from foreign buyers	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority	1,910,310	2,113,402
Kampala Capital City Authority	46,994	145,561
<i>Total Uganda</i>	<i>1,957,304</i>	<i>2,258,963</i>
<i>Peru:</i>		
<i>Centro Comercial Eco Plaza S.A.C</i>	621,814	
Consorcio Energoprojekt - CCEQO	93,789	88,897
Consorcio Pericos San Ignacio, Peru	48,157	57,621
Consorcio Chira	27,075	33,715
Consorcio Primavera	9,866	48,870
Proyecto Especial Tambo Ccaracocha	7,372	
Other	31,807	134,172
<i>Total Peru</i>	<i>839,880</i>	<i>363,275</i>
<i>Other foreign buyers</i>	<i>1,185</i>	<i>97,126</i>
<i>Allowance for impairment</i>	<i>(851,207)</i>	<i>(1,100,438)</i>
TOTAL	<i>1,947,162</i>	<i>1,618,926</i>
<i>Energoprojekt Entel:</i>		
Company Energoprojekt Entel L.L.C., Doha, Qatar	392,068	541,079
Company Energoconsult L.L.C., Abu Dhabi, UAE	422,666	725,889
Company Energoprojekt Entel L.L.C., Muskat, Sultanat Oman	181,648	210,484
<i>Allowance for impairment</i>		
TOTAL	<i>996,382</i>	<i>1,477,452</i>
<i>Energoprojekt Oprema:</i>		
Energo Nigeria Ltd., Lagos, Nigeria	561,100	
Other	1,358	
<i>Allowance for impairment</i>	<i>(79,759)</i>	
TOTAL	<i>482,699</i>	<i>-</i>
<i>Energoprojekt Visokogradnja:</i>		
MKC- RosEvroDevelpoment (Z-112 Hotel Hyatt Rostov 2, Russia)	121,776	44,667
Wonda World - Petronia City, Ghana	91,414	100,258
Ecobank Ghana	62,939	69,028
Ernest Chemist Ghana	61,665	95,364
Paulina Residence Ghana	17,130	8,307
Other	47,448	90,447
<i>Allowance for impairment</i>	<i>(157,776)</i>	<i>(157,744)</i>
TOTAL	<i>244,596</i>	<i>250,327</i>

Gross increase in receivables from foreign buyers respecting the last year comparative period, by RSD 87,237 thousand mainly came as result, on the one hand, from increase in Energoprojekt Oprema: RSD 562,458 thousand (predominantly, from transfer of receivables from Energo Nigeria Ltd., Lagos, Nigeria from the item receivables from foreign buyers - other related parties that no longer have the status of an associate - Note 2) and, on the other hand, decrease in Energoprojekt Entel: RSD 481,070 thousand (primarily in companies: Energoconsult LLC, Abu Dhabi, UAE and Energoprojekt Entel LLC, Doha, Qatar).

The structure of the allowance for impairment for receivables from sale is shown in the table below.

Structure of allowances for impairment for receivables from sale	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Local buyers – other related parties	(2,123)	(2,811)
Foreign buyers – other related parties		(113,881)
Local buyers	(159,827)	(137,915)
Foreign buyers	(1,341,442)	(1,501,366)
Other receivables from sale		
TOTAL ALLOWANCE FOR IMPAIRMENT	(1,503,392)	(1,755,973)

Allowance for impairment of receivables from sale in the amount of RSD 1,503,392 thousand mainly relates to the effects of application of IFRS 9 calculated in accordance with the established *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9* in the amount of RSD 1,174,499 thousand (Note 7.15), mostly in Energoprojekt Niskogradnja: RSD 849,753 thousand and Energoprojekt Visokogradnja: RSD 167,729 thousand

31. RECEIVABLES FROM SPECIAL TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Receivables from special transactions from other related parties	6,432	54,835
Receivables from special transactions from other legal entities	132,166	84,274
<i>Allowance for impairment</i>	<i>(89,646)</i>	<i>(91,570)</i>
TOTAL	48,952	47,539

- **Receivables from special transactions from other related parties** in the amount of RSD 6,432 thousand mostly relate to Energoprojekt Holding in the amount of RSD 6,430 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

Decrease in receivables from special transactions from other related legal entities compared to given date of previous year in the amount of RSD 48,403 thousand, predominantly, refers to Energoprojekt Oprema in the amount of RSD 48,114 thousand, based on the transfer of receivables from Energo Nigeria Ltd., Lagos, Nigeria to the position of receivables from special transactions from other legal entities (Note 2).

- **Receivables from special transactions from other legal entities** in the amount of RSD 132,166 thousand predominantly related to the following companies within Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 84,051 thousand for receivables from the company Intermost Plc., Belgrade in bankruptcy (impaired in entire amount in the previous period); and

- Energoprojekt Oprema in the amount of RSD 48,114 thousand for receivables from Energo Nigeria Ltd., Lagos, Nigeria (transfer from items receivables from special transactions from other related parties - Note 2). According to IFRS 9 requirements, receivable of Energo Nigeria Ltd., Lagos, Nigeria was impaired in the amount of RSD 5,594 thousand.

The structure of allowances for impairment of receivables from special transactions is shown in the table below.

Structure of allowances for impairment of receivables from special transactions	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Receivables from special transactions from other related parties	(1)	(7,519)
Receivables from special transactions from other legal entities	(89,645)	(84,051)
TOTAL ALLOWANCE FOR IMPAIRMENT	(89,646)	(91,570)

Allowance for impairment of receivables from special transactions from other legal entities in the amount of RSD 89,645 thousand relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja: RSD 84,051 thousand, related to impaired in entire amount receivables (in the previous period) from the company Intermost Plc., Belgrade in bankruptcy; and
- Energoprojekt Oprema: RSD 5,594 thousand related to effect of application of IFRS 9 calculated in accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9* (Note 7.15).

32. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Interest and dividend receivables:		
a) Interest and dividends receivables from other related companies	85.252	80.602
b) Interest agreed and default interest receivables from other companies	12.920	12.803
c) Receivables for dividends - other legal companies (Note 27)		144
<i>Total</i>	<i>98.172</i>	<i>93.549</i>
Receivables from employees	88.876	113.730
Receivables from state institutions		
Receivables for overpaid income tax	21.236	46.111
Receivables from overpaid other taxes and contributions	5.615	8.718
Receivables for fringe benefits returns	10.296	10.856
Receivables for damage compensation	2.219	1.611
Other short-term receivables	87.142	287.246
<i>Allowance for impairment</i>	<i>(22.712)</i>	<i>(22.761)</i>
TOTAL	290.844	539.060

- **Interest and dividend receivables from other related parties** in the amount of RSD 85.252 thousand comprise exclusively of the receivables of Energoprojekt Holding, based on the interest receivables for loans granted to the joint venture Enjub Ltd.
- **Interest agreed and default interest receivables from other companies** in the amount of RSD 12,920 thousand predominantly relate to Energoprojekt Industrija in the amount of RSD 12,627 thousand, whereby receivables from the company Jugoremedija Fabrika lekova Ltd., Zrenjanin - in bankruptcy refers to RSD 12,577 thousand (impaired in entire amount in the previous period).
- **Receivables from employees** in the amount of RSD 88,876 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 82,813 thousand (from pre-paid severance payments in Energoprojekt Entel LTD, Doha, Qatar RSD 59,485 and Energoprojekt Entel LLC Oman, Oman: RSD 23,328 thousand in accordance with local legal regulations), as well as to unjustifiably paid advance payments to employees leaving to work in foreign countries, etc., primarily in Energoprojekt Niskogradnja in the amount of RSD 1,870 thousand, Energoprojekt Visokogradnja in the amount of RSD 1,560 thousand (in the country: RSD 825 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 735 thousand) and Energoprojekt Hidroinženjering in the amount of 944 thousand.

Decrease in receivables from employees compared to last year on given date (on 31.12.) by RSD 24,854 thousand mostly refers to Energoprojekt Entel in the amount of RSD 14,131 thousand (primarily as a net effect of changes in prepaid severance pay, namely reductions in the company in Qatar and increases in the company in Oman).

- **Receivables for overpaid income tax** in the amount of RSD 21,236 thousand, mainly relate to Energoprojekt Entel: RSD 6,469 thousand, Energoplast: RSD 5,191 thousand, Energoprojekt Sunnyville: RSD 3,319 thousand and Energoprojekt Oprema: RSD 2,871 thousand.

Decrease in receivables for overpaid paid income tax compared to last year on given date (on 31.12.) by RSD 24,875 thousand is mostly the result, on the one hand, of decrease in Energoprojekt Visokogradnja in the amount of RSD 13,484 thousand (on the project Z-103 Talan Towers, Astana, Kazakhstan), in Energoprojekt Niskogradnja in the amount of RSD 16,527 thousand (in the country) and on the other hand, of increases in Energoprojekt Entel in the amount of RSD 6,469 thousand and Energoprojekt Oprema in the amount of RSD 1,091 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 5,615 thousand and predominantly refer to Zambia Engineering and Contracting Company Limited, in the amount of RSD 4,578 thousand, Energoprojekt Hidroinženjering in the amount of RSD 464 thousand and Energoprojekt Industrija in RSD 468 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 10.296 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 3,935 thousand, Energoprojekt Entel in the amount of RSD 2,393 thousand, and to Energoprojekt Niskogradnja in the amount of RSD 2,154 thousand.

- **Receivables for damage compensation** in the amount of RSD 2,219 thousand predominantly relate to Energoprojekt Visokogradnja in RSD 1,611 thousand, based on damage compensation from Eurologistic - project Z-089 Hospital Aktau, Kazakhstan.

• **Other short-term receivables** amounting to RSD 87,142 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Hidroinženjering, in the amount of RSD 55,302 thousand, mostly based on receivables from client Special Project for Strengthening and Expansion of TACNA Water Resources - PET, for the amount of unwarranted protested guarantees, on the Yaraskay project, Peru in the amount of RSD 40,943 thousand (at the beginning of 2018, a positive decision was made at the Arbitration Council, which was confirmed by the decision of the higher court. The decision is final, and the collection of claims depends on the timeliness of local courts and administration); and

- Energoprojekt Niskogradnja in the amount of RSD 20,707 thousand primarily based on receivables for funds transferred to partners in the consortium on projects in Peru for settlement of joint obligations of project partners (insurance costs, bank guarantees, legal services, etc.): RSD 13,716 thousand and receivables from the tax administration for overpaid VAT in Uganda: RSD 5,124 thousand.

Decrease in other short-term receivables (gross amount) by RSD 200,104 thousand mostly related to decrease in Energoprojekt Niskogradnja in the amount of RSD 178,117 thousand, primarily based on the collection of receivables from the tax administration for overpaid income tax in Peru: RSD 116,411 thousand.

The structure of allowance for impairment of short-term other receivables is shown in the table below.

Structure of allowance for impairment of other receivables	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Interest and dividend receivables:		
a) Interest and dividends receivables from other related companies		
b) Interest agreed and default interest receivables from other companies	(12,577)	(12,577)
<i>Total</i>	<i>(12,577)</i>	<i>(12,577)</i>
Receivables for fringe benefits returns	(1,928)	(1,928)
Receivables for damage compensation	(1,611)	(1,611)
Other short-term receivables	(6,596)	(6,645)
TOTAL ALLOWANCE FOR IMPAIRMENT	(22,712)	(22,761)

Allowance for impairment of other receivables in the amount of RSD 22,712 thousand mainly relates to:

- impairment of interest receivables (from previous years) from the company Jugoremedija Fabrika lekova Plc., Zrenjanin - in bankruptcy in the amount of RSD 12,577 thousand in Energoprojekt Industrija; and

- effects of application of IFRS 9 calculated in accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9* in the amount of RSD 8,334 thousand (Note 7.15), mostly incurred in Energoprojekt Hidroinženjering: RSD 4,151 thousand, Energoprojekt Visokogradnja: RSD 3,539 thousand and Energoprojekt Visokogradnja: RSD 644 thousand, while the remaining amount of impairment refers established and recorded impairment in the earlier period.

33. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Short-term loans and investments - other related companies	76.513	76.521
Short-term loans and borrowings in the country	136	
Short-term loans and borrowings abroad	1.335	853
Portion of other long-term financial investments with maturity date up to one year		158
Other short-term financial investments		
a) Short-term time deposits	1.213.935	1.247.526
b) Other short-term financial investments	68.345	58.689
<i>Total</i>	<i>1.282.280</i>	<i>1.306.215</i>
<i>Allowance for impairment</i>	<i>(41)</i>	<i>(41)</i>
TOTAL	<i>1.360.403</i>	<i>1.383.706</i>

Short-term loans and investments - other related parties in the amount of RSD 76,513 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

Energoprojekt Holding has, as collateral for the collection of payments pursuant to loan agreements concluded with the Enjub Ltd. joint venture, blank bills of exchange with "no protest" clause and a mortgage on property (for apartments and business premises) in Jurija Gagarina Street in New Belgrade (Note 45).

• **Short term time deposits** in the amount of RSD 1,213,935 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 1,109,632 thousand - deposits with banks, within the companies: Energoprojekt Entel Qatar: RSD 914,347 thousand at interest rate from 1.1.% p.a. (in QAR-Qatar Riyal), and Energo Consult LLC Abu Dhabi, UAE: RSD 165,285 thousand at interest rate from 0.80% to 1.15% p.a (AED - Dirham), which are related to the Doha Bank Guarantee Framework, whereby the separation is only possible after the completion of work on the projects for which the guarantees were issued, as well as funds deposited with commercial banks in Serbia: RSD 30,000 thousand, at an interest rate of 0.90% p.a. (in RSD); and
- Energoprojekt Visokogradnja in the amount of RSD 104,303 thousand from short-term time funds on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia, at interest rate of 3.25% - 4% p.a. (in RUB).

Decrease in short-term time deposits compared to last year on given date (on 31.12.) by RSD 33,591 thousand, primarily refers, on the one hand, to decrease in Energoprojekt Visokogradnja in the amount of RSD 73,346 thousand (reductions on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia) and on the other hand, to increase in Energoprojekt Entel in the amount of RSD 49,399 thousand (primarily from increase in Energoprojekt Entel Qatar and decrease in the country).

• **Other short term financial investments** in the amount of RSD 68,345 thousand, relate, mainly, to the following companies within Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 61,456 thousand, mostly related to deposits held with banks for issuance of guarantees in favor of investors on projects in Peru (Z-039 Canal Via Cienguillo and Z-034 Road Puerto Bermudez): RSD 24,795 thousand, placed deposit in insurance company in favor of investor for issuing a bid guarantee in WU abroad Peru: RSD 23,856 thousand and placed deposit in insurance company in favor of the guarantor on the project Z-044 Ica River, Peru: RSD 10,443 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 6,886 thousand, mostly related to deposit issued to Astana Property Management for troubleshooting in the warranty period on the project Z-103 Talan Tower: RSD 6,409 thousand.

The structure of allowance for impairment of short-term financial investments is shown in the table below.

Structure of allowance for impairment of short-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
a) Short-term time deposits		
b) Other short-term financial investments	(41)	(41)
TOTAL	(41)	(41)

Allowance for impairment of short-term financial investment in the amount of RSD 41 thousand refers entirely to Energoprojekt Niskogradnja - impairment of financial investments placed to the company Intermost Plc. Belgrade - in bankruptcy, recorded in previous years.

34. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	In RSD thousand	
	31.12.2020	31.12.2019
Current (business) account	238,974	556,086
Earmarked cash and letters of credit	1	
Petty cash	653	541
Foreign currency account	1,418,719	1,399,764
Foreign currency petty cash	23,088	19,405
Other cash:		
a) Short term time deposits	1,224,322	466,419
b) Other cash	871	843
<i>Total</i>	<i>1,225,193</i>	<i>467,262</i>
Value-impaired or restricted cash	5,349	11,054
TOTAL	2,911,977	2,454,112

- **Current (business) account** of the system Energoprojekt in the amount of RSD 238,974 thousand mostly refers to the current accounts of the following companies in Energoprojekt system: Energoprojekt Park 11 in the amount of RSD 76,577 thousand, Energoprojekt Niskogradnja in the amount of RSD 64,689 thousand, Energoplast in the amount of RSD 26,727 thousand, Energoprojekt Holding in the amount of RSD 19,796 thousand, Energoprojekt Hidroinženjering in the amount of RSD 13,059 thousand, Energoprojekt Oprema in the amount of RSD 8,015 thousand, Energoprojekt Industrija in the amount of RSD 7,338 thousand.

The joint venture Enjub Ltd. has been blocked for a long period of time.

- **Foreign currency account** in the amount of RSD 1,418,719 thousand predominantly refer to the foreign currency accounts of the following companies in the system Energoprojekt: Energoprojekt Niskogradnja in the amount of RSD 475,718 thousand, Energoprojekt Entel in the amount of RSD 330,723 thousand, Energoprojekt Park 11 in the amount of RSD 224,552 thousand, Energoprojekt Hidroinženjering in the amount of RSD 206,928 thousand and Energoprojekt Visokogradnja in the amount of RSD 93,103 thousand.

- **Foreign currency petty cash** in the amount of RSD 23,088 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 15,999 thousand, Energoprojekt Niskogradnja in the amount of RSD 3,572 thousand, Dom 12 in the amount of RSD 1,380 thousand and Energoprojekt Entel in the amount of RSD 1,213 thousand.

- **Short term time deposits** in the amount of RSD 1,224,322 thousand recorded in Energoprojekt Visokogradnja in the amount of RSD 732,640 thousand (abroad, on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 529,039 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 62,571 thousand and in the country: RSD 141,030 thousand), Energoprojekt Holding in the amount of

RSD 420,000 thousand (in the country, Erste bank Plc. Novi Sad) and in Energoprojekt Industrija in the amount of RSD 66,964 thousand (in the country, Addiko banka) and Dom 12 SAL, Lebanon : RSD 4,718 thousand.

- **Value-impaired or restricted cash** in the amount of RSD 5,349 thousand mostly relate to the Energoprojekt Hidroinženjering in the amount of RSD 3,762 thousand, based on bank deposits serving as collateral for issuing guarantees for the project Ourkiss, Algeria. Funds will be available upon expiration of the overdraft agreement and upon release of bank guarantees.

Decrease in Value-impaired or restricted cash by RSD 5,705 thousand compared to last year on given date, predominantly originated from Energoprojekt Oprema for collateral return from Aik Banka for the project Procurement and installation of OPWG on 3 transmission lines.

Increase in cash and cash equivalents compared to last year on given date (on 31.12.) by RSD 457,865 thousand is mostly the result, on the one hand, of increase in Energoprojekt Visokogradnja: RSD 428,715 thousand (predominantly short-term time deposits), Energoprojekt Holding: RSD 303,582 thousand (mostly short-term time deposits) and in Energoprojekt Park 11: RSD 103,014 thousand (funds placed at current and foreign currency account from sales of properties in business and residential complex Park 11 in Block 11a in New Belgrade) and, on the other hand, of decrease in Energoprojekt Niskogradnja: RSD 243,742 thousand and Energoprojekt Industrija: RSD 110,072 thousand.

35. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

35.1. Value Added Tax

Structure of VAT	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Value added tax	100,493	74,967
TOTAL	100,493	74,967

- **Value added tax** in the amount of RSD 100,493 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Niskogradnja in the amount of RSD 53,994 thousand, Energoprojekt Visokogradnja in the amount of RSD 29,281 thousand and in Energoprojekt Oprema in the amount of RSD 9,192 thousand.

Increase in VAT compared to last year on given date (on 31.12.) by RSD 25,526 thousand is mainly the result, on the one hand, of increases in Energoprojekt Niskogradnja in the amount of RSD 33,872 thousand, Energoplast in the amount of RSD 5,380 thousand and in Energoprojekt Oprema in the amount of RSD 3,700 thousand, and on the other hand, of decrease in Energoprojekt Park 11 in the amount of RSD 19,545 thousand.

35.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income and deferred expenses	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Prepayments:		
a) Prepaid subscriptions for expert and professional publications	894	1,420
b) Prepaid rental costs	50,953	65,953
c) Prepaid insurance premiums	51,934	69,665
d) Prepaid advertising and propaganda costs	142	14
e) Other prepaid expenses	179,686	247,980
Total	283,609	385,032
Receivables for accrued non-invoiced income:		
a) Receivables for non-invoiced income - other related companies	23,938	15,837
b) Receivables for non-invoiced income - other legal entities	4,735,509	4,193,430
Total	4,759,447	4,209,267
Deferred costs based on liabilities		
Other accruals:		
a) Deferred value added tax	64,749	112,866
b) Other accruals	484,514	550,463
Total	549,263	663,329
<i>Allowance for impairment</i>	<i>(590,496)</i>	<i>(609,248)</i>
Total	5,001,823	4,648,380

• **Prepaid rental costs** in the amount of RSD 50,953 thousand predominately refer to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 37,979 thousand based on leasing of business premises and apartments for workers in companies abroad in Qatar: RSD 20,776 thousand, in UAE: RSD 13,541 thousand and in Oman: RSD 3,662 thousand (only leasing of apartments). Contractual agreements are multi-year lease agreements with payment of a full year rent in advance, payable on three-months base; and

- Energoprojekt Niskogradnja in the amount of RSD 10,633 thousand entirely relate to Uganda, based on leasing quarries: RSD 3,574 thousand, lease of land: RSD 4,311 thousand and leasing of apartments for accommodation of workers: RSD 2,748 thousand (a year lease agreements for apartments, while lease of quarry is on 3 years).

• **Other prepaid expenses** in the amount of RSD 179,686 thousand refer primarily to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 144,745 thousand for consultancy service costs incurred on the arbitration procedure filed against Gazprom Transgas, Belarus for the EnergoCenter Minsk project, Belarus (Note 46); and

- Energoprojekt Niskogradnja in the amount of RSD 19,714 thousand, mostly for bank guarantee costs: RSD 9,019 thousand (projects abroad: RSD 7,850 thousand (in Peru: RSD 5,246 thousand and Uganda:

RSD 2,604 thousand), and in the country: RSD 1,169 thousand), prepaid lawyers fees for project in Peru: RSD 4,906 thousand, costs of computer licenses acquired in the country: RSD 2,716 thousand and costs of commissions based on the maintenance of a credit facility in Uganda: RSD 1,833 thousand.

Decrease in other prepaid expenses compared to last year on given date (on 31.12.) by RSD 68,294 thousand, predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 68,189 thousand, primarily from reduction of prepaid costs for repair of damage on the Zeleni Bulevar project recorded in 2019 (collected from the insurance company in 2020): RSD 19,219 thousand, reduction of prepaid material costs on the Jajinci - Mala Krsna Railway project: RSD 24,994 thousand and bank guarantee costs in Peru: RSD 17,251 thousand.

• **Receivables for accrued non-invoiced income – other related parties** in the amount of RSD 23,938 thousand relate to calculated costs based on the performed works (which are not certified) with GP Napred Plc. in Energoprojekt Urbanizam i arhitektura in the amount of 22,581 thousand and Energopet Ltd. in Energoprojekt Industrija in the amount of RSD 1,357 thousand.

• **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 4,735,509 thousand refer to income of the current period that could not be invoiced, and for which costs were incurred in the current period, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 2,015,325 thousand, mostly in the country: RSD 1,536,386 thousand and abroad in the amount of RSD 478,939 thousand (Uganda: RSD 330,595 thousand and Peru: RSD 148,344 thousand), primarily for authorised interim (payment) certificate for work performed in 2020 on the following projects:

- Vinča Landfill: RSD 988,802 thousand;
- TPS Zemun: RSD 427,854 thousand;
- Z-042 Mpigi Roads, Uganda: RSD 177,556 thousand;
- Z-041 Kampala Mukono, Uganda: RSD 110,316 thousand (receivables for participation in collection of insurance claims were recorded and calculated within the project: RSD 5,456 thousand);
- Zeleni Bulevar: RSD 55,784 thousand;
- Reconstruction of Karadjordjeva Street: RSD 42,758 thousand;
- Z-039 Canal Via Cienguillo: RSD 19,783 thousand;
- Railway Jajinci - Mala Krsna: RSD 17,116 thousand;
- Z-034 Road Puerto Bermudez, Peru: RSD 10,353 thousand; and
- Zrenjanin loop: RSD 3,969 thousand.

- Energoprojekt Oprema in the amount of RSD 1,296,346 thousand, entirely related to the project Energocentar Minsk, Belarus: for equipment procurement costs (suppliers' invoices) and direct dependent procurement costs that were included in the customs declaration during import (transport) and customs and forwarding costs (Note 46);

- Energoprojekt Visokogradnja in the amount of RSD 575,559 thousand, payment certificate submitted to the investor for verification, but were not verified until the day of submitting the balance sheet, as follows:

- abroad: RSD 341,055 thousand, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 180,059 thousand (mostly on projects: Law house Ghana: RSD 86,895 thousand, Wonda World: RSD 36,948 thousand and Cassava Starsh: RSD 30,037 thousand) and on Z-112 Hotel projects Hayatt Rostov 2, Russia: RSD 143,077 thousand and Z-109 Design Rostov, Russia: RSD 17,919 thousand; and

- in the country: RSD 234,504 thousand, primarily on projects: Prokop Railway Station: RSD 147,977 thousand (fully impaired, in 2017: RSD 74,922 thousand and on 01.01.2020 following the first application of IFRS 9 impaired: RSD 73,055 thousand), Smatsa Air Traffic Control: RSD 34,485 thousand and Navigator 2 Bussines Center: RSD 44,680 thousand;

- Energoprojekt Holding in the amount of RSD 373,171 thousand, predominantly from implementation of the Agreement on construction of Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, on a turnkey basis, on the first floor. parcel number 313, entered in the real estate register of Cadastral Zone A00 in the amount of RSD 372,994 thousand;

- Energoprojekt Entel in the amount of RSD 227,587 thousand for works performed in 2020 invoiced in 2021, abroad: RSD 214,783 thousand (in the company Energoprojekt Entel LTD, Doha, Qatar) and in the country: RSD 12,804 thousand; and

- Energoprojekt Hidroinženjering in the amount of RSD 144,684 thousand, mostly for invoices for performed work, which have not been verified by the day of submission of the balance, on the following projects:

- Seklafa, Algeria: RSD 13,517 thousand;
- Beni Slimane, Algeria: RSD 48,814 thousand;
- Soubella, Algeria: RSD 24,074 thousand;
- Hydroelectric power plant Komarnica: RSD 25,167 thousand; and
- Gornja Drina, Bosnia and Herzegovina: RSD 17,637 thousand.

- Of the other legal entities in the Energoprojekt system, receivables for non-invoiced income were recorded by Energoprojekt Urbanizam i arhitektura: RSD 55,471 thousand, Energoprojekt Industrija: RSD 47,272 thousand and Energoprojekt Sunnyville: RSD 94 thousand.

Gross increase in receivables for non-invoiced income from other legal entities compared to last year on given date (on 31.12.) by RSD 542,079 thousand is mostly the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 507,333 thousand (as a result of increase in the country, primarily on the projects: Reconstruction of the Vinca Landfill and Modernization of TPS Zemun and reductions in Uganda, primarily on the project Z-042 Mpigi Roads and in Peru, primarily on the project Z-040 Irrigation System San Antonio) and in Energoprojekt Visokogradnja in the amount of RSD 169,288 thousand (primarily on the project Z-112 Hotel Hayatt Rostov 2, Russia and in the company Energoprojekt Ghana Ltd., Accra, Ghana) and, on the other hand, reductions in Energoprojekt Oprema in the amount of RSD 161,076 thousand (on the projects: Energocehtar Minsk, Belarus (exchange rate differences), Ada Mol and Kolubara Landfill).

- **Accrued Value Added Tax (VAT) in** the amount of RSD 64,749 thousand include VAT presented in received invoices for reported year, and the right to tax return from previous period occurs in the next one, due to the fact that invoices came after the financial statement for December of the reported year. The most important amount of accrued VAT was recorded within: Energoprojekt Visokogradnja in the amount of RSD 47,413 thousand (predominantly in the country), Energoplast in the amount of RSD 4,294 thousand, Energoprojekt Niskogradnja in the amount of RSD 8,050 thousand (primarily in the country) and in Energoprojekt Holding in the amount of RSD 4,564 thousand.
- **Other accruals** in the amount of RSD 484,513 thousand predominantly refer to the Energoprojekt Oprema in the amount of RSD 478,874 thousand. The investor Gazprom Transgas, Belarus of the project Energoentar Minsk, Belarus (Note 38) demanded for payment under guarantee the amount of USD 5.06 million at 10 November 2017 (Note 46).

The structure of allowance for impairment of prepayments and accrued income and deferred expenses is shown in the table below.

Structure of allowance for impairment of prepayments and accrued income and deferred expenses	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Receivables for accrued non-invoiced income:		
a) Receivables for accrued non-invoiced income - other related parties	(4)	(1)
b) Receivables for accrued non-invoiced income - other LE	(545,833)	(545,257)
<i>Total</i>	<i>(545,837)</i>	<i>(545,258)</i>
Other accruals:		
a) Deferred VAT		
b) Other accruals	(44,659)	(63,990)
<i>Total</i>	<i>(44,659)</i>	<i>(63,990)</i>
TOTAL ALLOWANCE FOR IMPAIRMENT	(590,496)	(609,248)

Impairment of prepayments and accrued income and deferred expenses in the amount of RSD 590,496 thousand mainly relates to the effects of application of IFRS 9 calculated in accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9* in the amount of RSD 508,295 thousand (Note 7.15):

- receivables for non-invoiced income: RSD 463,638 thousand, mostly in Energoprojekt Visokogradnja: RSD 206,081 thousand (primarily in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 127,184 thousand, and project in the country Prokop (remaining amount of non-impaired receivable for non-invoiced income): RSD 73,055 thousand), Energoprojekt Oprema: RSD 164,172 thousand (entirely in Gazprom Transgas, Belarus on the project Energoentar Minsk - expected collection within four years on as on 01.01.2020, ie three years on 31.12.2020); Energoprojekt Holding: RSD 41,465 thousand (entire amount from the Ministry of Foreign Affairs of the Republic of Serbia for the construction of the embassy in Abuja, Nigeria - expected collection within five years as of 01.01.2020, ie four years as of 31.12.2020), Energoprojekt Hidroinženjering: RSD 28,623 thousand and Energoprojekt Niskogradnja: RSD 22,913 thousand; and

- other accruals: RSD 44,659 thousand entire amount relates to Energoprojekt Oprema, based on the protested guarantee for good performance issued by the investor Gazprom Transgas, Belarus for project Energocentar Minsk, and expected collection within four years as of 01.01.2020, ie three years as of 31.12.2020.

Remaining amount of allowance for impairment made relates to recorded impairment in prior periods.

36. CAPITAL

Structure of capital	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Equity capital – reduced for non-controlling interest in equity capital	5,790,847	5,818,025
Repurchased own shares - <i>negative item of equity</i>	49,827	49,827
Reserves	318,617	453,602
Revaluation reserves revaluation of intangible assets, property, plant and equipment	5,718,877	5,973,916
Unrealized gains on securities and other components of other comprehensive income (credit balances under accounts class 33 except 330) – <i>positive item of equity</i>	52,736	265,202
Unrealized losses on securities and other components of other comprehensive income (debit balances under accounts class 33 except 330) – <i>negative item of equity</i>	25,346	17,055
Retained earnings	5,932,247	5,259,056
Non-controlling interest - in equity capital	94,616	94,701
TOTAL	17,832,767	17,797,620

36.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Share capital - total	5,651,380	5,651,463
Non-controlling interest - in share capital	(76,421)	(76,504)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5,574,959</i>	<i>5,574,959</i>
Stakes in limited liability companies - total	12,747	12,749
Non-controlling interest - in limited liability companies	(12,747)	(12,749)
<i>Total stakes in limited liability companies</i>		
Issuing premium	162,693	162,693
Other share capital - total	58,643	85,821
Other non-controlling interest	(5,448)	(5,448)
<i>Total other share capital</i>	<i>53,195</i>	<i>80,373</i>
TOTAL	5,790,847	5,818,025

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

Share capital of the parent company Energoprojekt Holding as at the balance sheet date consists of 10,931,292 ordinary shares with nominal value of RSD 510.00 or RSD 5,574,959 thousand worth share capital of the majority shareholder.

- **Issuing premium** in the amount of RSD 162,693 thousand is recorded based on purchase and sale of own shares in the period from 2006 to 2011 in the amount of RSD 237,014 thousand and based on purchase of own shares at the value which is above their nominal value achieved in 2017, in the amount of RSD 74,321 thousand, for which the prior balance of issuing premium from 2011 reduced (Note 36.2).

36.2 Purchased own shares

Structure of purchased own shares	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Purchased own shares	49,827	49,827
TOTAL	49,827	49,827

- Pursuant to the Decision by the Supervisory Board of Energoprojekt Holding to acquire own shares on a regulated market, made on 13 February 2017, the Company acquired 97,700 of own shares on the Belgrade Stock Exchange (which amounts to 0.89376% of the total number of shares with voting rights) with nominal value of RSD 49,827 thousand.

36.3. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Legal reserves	194,758	217,943
Statutory and other reserves	123,859	235,659
TOTAL	318,617	453,602

- **Legal reserves** were formed in compliance with the Law on Enterprises that was in force until 30 November 2004, when the Law on Companies came into force. Each year a minimum of 5% was appropriated from the profits until the reserves' level prescribed in the Articles of Association or at least 10% of the equity capital was reached.

- **Statutory and other reserves** are reserves formed from profit in compliance with the Articles of Association and other internal acts of the Company. Pursuant to the Decision made by Shareholders Assembly of Energoprojekt Holding on 2017, earmarked reserves were formed for acquiring own shares for distribution to employees of Energoprojekt Holding or related party, or for rewarding members of the Executive and Supervisory Board, pursuant to Article 282, paragraph 4, item 2. Of the Law on Business Companies in the amount of RSD 80,000 thousand.

The decrease in reserves compared to the previous year in the amount of RSD 134,985 thousand predominantly refers to Energoprojekt Holding in the amount of RSD 134,881 thousand, based on the transfer of legal reserves (from previous years) in the amount of RSD 23,185 thousand and statutory reserves (from previous years) in the amount of RSD 111,696 thousand on the retained earnings in previous years (Note 36.7) made in accordance with Decision on distribution of retained earnings of Energoprojekt Holding, issued on 23 July 2020 at the 52nd Regular Session of the Energoprojekt Holding Assembly.

36.4. Revaluation Reserves from Revaluation of Intangibles, Property, Plant and Equipment

Structure of revaluation reserves from intangibles, property, plant and equipment	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3,052,146	3,052,146
b) Revaluation reserves from revaluation of other property	959,806	1,008,535
<i>Total</i>	<i>4,011,952</i>	<i>4,060,681</i>
Revaluation reserves from revaluation of investment property	1,488,656	1,767,519
Revaluation reserves from revaluation of plant and equipment	218,269	145,716
TOTAL	5,718,877	5,973,916

- **Revaluation reserves from revaluation of property** in the amount of RSD 4,011,952 thousand relate to valuation of fair value of buildings (positive revaluation reserves) and application of IAS 12 – Income Taxes, 15% of revaluation reserves (negative aspect of revaluation reserves).

The revaluation reserves based on revaluation of property - Energoprojekt office building in the amount of RSD 3,052,146 thousand, relate to:

- the fair value booking effects of Energoprojekt office building as at 31 December 2018, in the amount of RSD 2,918,532 thousand;
- present value adjustment according to sq.m. of Energoprojekt office building, in the amount of RSD 672,228 thousand and
- 15% of income tax booking (the negative aspect of revaluation reserves) for the amount of deferred tax liabilities based on revaluation reserves, pursuant to IAS 12 – Income Taxes, in the amount of RSD 538,614 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 959,806 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja: RSD 345,045 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business premises, Lima, Peru, residential building in Kampala, Uganda and other facilities in Serbia and Peru);
- Energoprojekt Visokogradnja: RSD 323,804 thousand (hotel Spintex in Akra, Ghana and buildings in Belgrade - in Vozdovac and in Stara Pazova);
- Energoprojekt Industrija: RSD 104,720 thousand (real estate of the affiliated company Energopet Ltd. (33.33%): RSD 92,509 thousand and solidarity apartments in Belgrade: RSD 12,211 thousand),
- Energo (Private) Limited, Zimbabwe: RSD 69,644 thousand (business and residential buildings in Harare, Zimbabwe); and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 38,485 thousand (business and residential buildings in Lusaka, Zambia).

- **Revaluation reserves from revaluation of investment property** in the amount of RSD 1,488,656 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the system Energoprojekt:

- Zambia Engineering and Contracting Company Limited, Zambia: RSD 409,607 thousand (business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540,422 thousand (office building in Moscow);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 158,899 thousand (office building in London);
- Energoprojekt Niskogradnja: RSD 144,624 (a part of the “Cruz del Sur“ office building in Peru); and
- Energoprojekt Visokogradnja: RSD 96,695 thousand (property in the country: in Belgrade and in Ub).

36.5. Unrealized Gains from Securities and Other Components of Other Comprehensive Result (credit balances under account class 33, except 330)

Structure of unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Unrealized gains on transaction of financial statements for international operations	52,736	265,202
TOTAL	52,736	265,202

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 52,736 thousand relate primarily to: Dom 12 S.A.L., Lebanon, I.N.E.C. Engineering Company Limited, Great Britain, Energoprojekt Entel and Energoprojekt Visokogradnja.

36.6. Unrealized Losses from Securities and Other Components of Other Comprehensive Result (debit balances under account class 33, except 330)

Structure of unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Unrealized losses on securities available for sale	25,346	17,055
TOTAL	25,346	17,055

• **Unrealized losses on securities available for sale** in the amount of RSD 25,346 thousand, which predominantly relate to Energoprojekt Holding, were recorded based on the adjustment of value of securities in Company portfolio with their fair value in the secondary securities market as at the financial statements date (the negative effect of which could not be covered with the positive effects of the change in the fair value of the security in question).

36.7. Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Retained earnings from previous years:		
a) Balance as at 01 January	5,259,056	7,150,182
b) Changes	(351,543)	(2,536,012)
<i>Total</i>	4,907,513	4,614,170
Retained earnings from the current year	1,024,734	644,886
TOTAL	5,932,247	5,259,056

- Change in **retained earnings** from previous years in the amount of RSD 351,543 thousand is primarily the result of decrease caused by appeared exchange rate differences applied on opening balance of retained earnings in foreign companies: RSD 294,479 thousand (primarily Energoprojekt Entel: RSD 238,008 thousand, namely: Energoprojekt Entel LTD, Doha, Qatar: RSD 143,064 thousand, Energoconsult LLC, Abu Dhabi, UAE: RSD 95,263 thousand, Energoprojekt Entel LLC, Muscat, Sultanate of Oman: RSD 44,602 thousand and Energoprojekt Entel Company, Bahrain: RSD 79 thousand), distribution of undistributed result of Energoplast Ltd. to the shareholder Chartered Oil Inc (40%): RSD 17,637 thousand and taxation of incurred profit: RSD 8,391 thousand (primarily in Uganda and Oman).

Retained earnings from previous years in the amount of RSD 5,259,056 thousand represent retained earnings from previous years according to the officially submitted consolidated annual financial statements of Energoprojekt Holding as of 31 December 2019 in the amount of RSD 7,050,068 thousand, adjusted (reduced) for the effects of the first application of IFRS 9 in the amount of RSD 1,791,012 thousand (recorded in the table above, item b) Changes) which are the result of:

- on the one hand, the effect of the first application of IFRS 9 on the financial assets of the Energoprojekt system on 01.01.2020 in the amount of RSD 2,066,627 thousand, which represents the impairment of financial assets at the consolidated level (Note 7.15); and

-on the other hand, increase in deferred tax assets (recorded through individual financial statements of companies from the Energoprojekt system in the country) in the amount of RSD 275,615 thousand, in accordance with the provisions of Article 25a of the Law on Corporate Income Tax and the provisions of IAS 12 (recorded in consolidated financial statements through the reduction of deferred tax liabilities) (Note 43.4).

36.8. Non-Controlling Interest

Non-controlling interest	In RSD thousand	
	31.12.2020	31.12.2019
Non-controlling interest - in equity capital	94,616	94,701
TOTAL	94,616	94,701

In order to properly fill out the Statement of Changes in Equity in compliance with the logical and accounting controls of the Business Registers Agency, **non-controlling interest** was determined only for the basic capital of the Companies with the shares of minority shareholders.

Within the Statement of Other Comprehensive Income (EDP 2026), the total net comprehensive income amounts to RSD 880,386 thousand whereby share of majority owners of capital in the net comprehensive income amounting to RSD 941,204 thousand, while owners without control have share in the net comprehensive loss of RSD 60,818 thousand.

In order to fill Statement of Other Comprehensive Income in the prescribed manner and in accordance with the logical and accounting controls of the Business Registers Agency, the total net comprehensive income in the amount of RSD 880,386 thousand (EDP 2026) had to be shown as that figure within items attributed to the majority capital owners (EDP 2027).

Non-controlling interest are broken down in the following table for the total equity of the Companies with the shares of minority shareholders.

Structure of non-controlling interest for total capital of the Companies with shares of minority shareholders	<i>In RSd thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Equity capital	5,885,463	5,912,726
Non-controlling interest - in equity capital	(94,616)	(94,701)
<i>Total equity capital</i>	<i>5,790,847</i>	<i>5,818,025</i>
Purchased own shares	49,827	49,827
Non-controlling interest - purchased own shares		
<i>Total purchased own shares</i>	<i>49,827</i>	<i>49,827</i>
Reserves	318,617	453,602
Non-controlling interest - in reserves	(17,996)	(18,008)
<i>Total reserves</i>	<i>300,621</i>	<i>435,594</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	5,718,877	5,973,916
Non-controlling interest - in revaluation reserves	(273,754)	(249,647)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>5,445,123</i>	<i>5,724,269</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	52,736	265,202
Non-controlling interest - in unrealized gains		(11)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>52,736</i>	<i>265,191</i>
Unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	25,346	17,055
Non-controlling interest - in unrealized losses	(27)	(27)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>25,319</i>	<i>17,028</i>
Retained earnings from previous year	4,907,513	4,614,170
Non-controlling interest - in retained earnings from previous year	(366,130)	(373,551)
<i>Total retained earnings from previous year</i>	<i>4,541,383</i>	<i>4,240,619</i>
Retained earnings from current year	1,024,734	644,886
Non-controlling interest - in retained earnings from current year	88,501	(55,437)
<i>Total retained earnings from current year</i>	<i>1,113,235</i>	<i>589,449</i>
Total capital of the companies with shares of majority sharehold	<i>17,168,799</i>	<i>17,006,292</i>
Non-controlling interest - in total capital	(663,968)	(791,328)
TOTAL CAPITAL	<i>17,832,767</i>	<i>17,797,620</i>

The structure of participation without the right to control - in the retained result of the current year by the companies in the Energoprojekt system is given in the following table.

The structure of participation without the right to control - in the retained earning (net result) of the current year by the companies	% share of minority shareholders	In RSD thousand	
		31.12.2020	31.12.2019
Energoprojekt Entel Plc.	0.00% in 2020 0.05% in 2019		196
Energoprojekt Industrija Plc.	37.23%	18,529	22,491
Energoprojekt Oprema Plc.	32.13%	(125,536)	8,332
Energoplast Ltd.	54.89% in 2020 54.90% in 2019	18,506	24,418
TOTAL		(88,501)	55,437

37. LONG-TERM PROVISIONS

Structure of long-term provisions	In RSD thousand	
	31.12.2020	31.12.2019
Provisions for wages and other employee benefits	262,890	285,334
Provisions for warranty period costs	579,499	606,134
Provision for legal costs	14,399	2,320
Other long-term provisions		
<i>Total</i>	0	0
TOTAL	856,788	893,788

- **Provisions for wages and other employee benefits** (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation made on 31.12.2020.

In the projection of provision calculation under IAS 19 the deductive approach was used, meaning that all the Companies were treated as a whole, and based on general regularities and use of the number of employees as a template, allocation to specific Companies was performed. Considering that all subsidiaries are controlled by the same Company, the applied approach is objective and the projection results can be recognized as expected.

Decrease of the provision amount based on current retirement bonus values in the country in the balance sheet as at 31.12.2020 in comparison to the retirement bonus values in the balance sheet as at 31.12.2019, was the result of several changed factors:

- on one hand, changes of some factors affect the increase of the provision amount (increase in the average expected retirement bonus by 9.21%); and
- on the other hand, changes of some factors affect the decrease of the provision amount (a decrease in the total number of employees by 11.69% and reduction the average years of service in the Company to 3.3%).

In addition to the above mentioned, the change in the provision structure per individual companies came as the result of the change in the aliquot part of the number of employees in individual companies against the total number of employees in the entire Company.

By taking into account the relevant provisions of IAS 19, the provision projections procedure was performed by following these steps:

- Firstly, according to employee gender, working experience and years of service in the Company; considering the expected annual fluctuation and mortality rate (estimated annual fluctuation and mortality rate), an estimation was made of the number of employees that will exercise the right to retirement bonus, as well as the period during which this bonus will be paid out;
- Secondly, considering provisions of the Company Collective Agreement, the bonus amount was appraised for each year of service indicated on the balance sheet date; and
- Thirdly, the discount factor, representing the discount rate to expected salary growth ratio, was used to determine the present value of the expected retirement bonus outflows.

The retirement bonus is, as of the beginning of 2015, pursuant to the provisions of the Collective Agreement in force, paid in the Company in compliance with the Article 57 of the Collective Agreement regulating employment in the country, according to which the Employer is to pay to the Employee retirement bonus amounting to two average gross salaries in the Republic of Serbia according to the latest data published by the relevant Republic authority in charge of statistics. In compliance with the legislation in force, the above mentioned amount is non-taxable.

Since the annual discount rate is necessary to determine the present value of (undue) retirement bonuses, as well as the average annual growth of salaries in the Republic of Serbia, these values shall be specified later in the text.

The rate of **4.5%** was accepted as the **annual discount rate**.

In the paragraph 83, IAS 19 it is explicitly stated that the rate used for discount should be defined according to market yields at the balance sheet date for high yield corporate bonds. In countries where there is no developed market for such bonds, market yields (at the balance sheet date) for government bonds should be used. The currency and term of the bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

Since the financial market of Serbia is insufficiently developed, the actual annual yield from the purchase of government bonds with the Republic of Serbia as the guarantor should be used as a reference for the determination of the discount rate as at the balance sheet date. In compliance to the above stated, the discount rate was determined according to the annual yield of long term government bonds issued by the Public Debt Administration of the Ministry of Finance of the Republic of Serbia, which were achieved in the relevant period. Annual yield on 12-years RSD securities issued on 01.12.2020 was 3.85%. Increased adopted discount rate compared to yield is a consequence of the fact that average maturity of benchmark securities is lower than average maturity of the benefits in question, and thus in the manner provided for in paragraph 86, IAS 19, the yield curve was extrapolated.

The annual expected salary growth in the Republic of Serbia was planned at the level of **2.5%**. The annual discount rate and annual salaries' growth depend on inflation rate.

The Memorandum of the National Bank of Serbia on the target inflation rates by 2023, adopted by the Executive Board of the National Bank of Serbia, determines the target total inflation rate (with permissible deviation) measured by annual percentage changes in the consumer price index, for the period from January 2021 to December 2023, in the amount of 3% with permissible deviation (positive and negative) of 1.5 percentage points.

The target inflation of 3% has been foreseen in the Memorandum for several years, but in real states it is generally lower (in 2020 - 1.3%; in 2019 – 1.5%; in 2018 – 2%; in 2017 - 3%; in 2016 - 1.6% and in 2015 - 1.5%). Therefore, it is more realistic to plan inflation 1.5 percentage point lower than the target.

From the above stated, it can be concluded that the planned long-term annual growth in real salaries in the Republic of Serbia is 1%, which is, bearing in mind the planned growth in domestic product in the following period, realistically achievable.

If the inflation rate would change in the future, the applied logic would result in the change of nominal wages, but also in the discount rate (that is predominantly defined by the inflation rate), so that the change would not lead to the change in results presented in this document. The methodology used, indicating the long-term planned annual growth of wages in the Republic of Serbia of 2.5% and long-term annual discount rate of 4.5%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 78 of IAS 19.

• **Provisions for warranty period** in the amount of RSD 579,499 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 468,575 thousand disclosed based on the provisions from prior periods within Energoprojekt Entel LTD, Qatar in RSD 373,193 thousand based on project Phase 11, Phase 12, Phase 13 and Mega Reservoirs performed for Qatar General Electricity and Water Corporation KAHRAMAA, and in the country in the amount of RSD 95,382 thousand based on Vinča projects - Preparation of project documentation, Activities of the Construction Manager (FIDIC Engineer) on the construction of a new block Kostolac B3 thermal power plant and Preparation of technical documentation and permitting of the consulting service TE-TO Pancevo.

Costs of provisions during warranty period was performed based on the best Management assessment and based on the previous experiences and is expected to be payable in a period of less than 5 years. Final amount of liability to be paid may differ from the provision amount, depending on the future developments. These provisions are not discounted, since the impact of such discount is of no material significance.

Compared to the previous year, the decrease in said provisions in the amount of RSD 129,293 thousand is a result of abolition of unused provisions in the amount of RSD 49,660 thousand (in the country on the projects: Development of technical documentation and permitting consulting services TE-TO Pančevo: RSD 35,542 thousand and in Energoprojekt Entel LTD, Qatar for Phase 11: RSD 14,118 thousand), of reductions from used provisions in the amount of RSD 42,355 thousand (Energoprojekt Entel LTD, Qatar for Phase 11) and recorded foreign exchange gains in the amount of RSD 37,278 thousand (including foreign operations in the company's books, in accordance with IAS 21 - Effects of changes in foreign exchange rates).

- Energoprojekt Oprema in the amount of RSD 5,102 thousand, based on remaining amount of provision from 2017, for the project Power line Pančevo - Romanian border: RSD 5,087 thousand and Dalekovod Belgrade Pancevo: RSD 15 thousand.

The Company usually provides guarantee for its products for the period of 1-5 years, depending on the project in question. Management assessed the provisions costs for the future warranty claims based on information about such claims from the previous periods, as well as based on the recent trends that may provide some indication that information on the costs from the past may differ from the future claims.

Compared to last year on given date, a decrease in related provisions by RSD 3,164 thousand is in its entire amount result of utilised provisions for projects: Transmission line Pancevo - Romanian border: RSD 2,350 thousand, Transmission line Belgrade Pancevo: RSD 472 thousand and Transmission line across the Danube: RSD 342 thousand.

- Energoprojekt Visokogradnja in the amount of RSD 105,822 thousand recorded for provisions made in the reporting year on projects: Z-107 Radiology Hospital Syktyvkar, Russia in the amount of RSD 88,185 thousand and in the country Chinese Cultural Center in the amount of RSD 17,637 thousand.

It is common practice for a company to provide a warranty on completed facilities that are expected to incur costs during the warranty period. The Company estimates the cost of provisions for future claims under the warranty period based on information about these claims in prior periods, as well as based on recent trends that could indicate that information on past costs may differ from future claims.

Changes in structure of long-term provisions for warranty period costs during the reporting period are broken down in the following table.

Structure of provisions for warranty period costs	<i>In RSD thousand</i>
As of 01 January 2019	501,487
Additional provision booked	187,384
Utilized in the year	(3,601)
Abolishing of unused provision	(85,506)
FX differences	6,370
As of 01 January 2020	606,134
Additional provision booked (Note 17)	105,822
Utilized in the year	(45,519)
Abolishing of unused provision (Note 21.1)	(49,660)
FX differences	(37,278)
As of 31 December 2020	579,499

• **Provision for legal costs** in the amount of RSD 14,399 thousand entirely relates to Energoprojekt Niskogradnja, whose professionals estimated future outflows from litigation performing analysis of current disputes and their status as of 31 December 2020, and thus ordered recording the provision in the amount of RSD 14,375 thousand. In addition, during 2020, pursuant to the court decision made against

the Energoprojekt Niskogradnja, the amount of RSD 1,925 thousand of provision for disputes under the verdict was utilised (for basic debt - compensation of non-pecuniary damage to the plaintiff: RSD 1,561 thousand and interest: RSD 364 thousand), while the surplus of provision booked as of 31 December 2019 was abolished in favor of revenue for current period in RSD 370 thousand.

The change in structure of long-term provisions for legal costs occur in the reporting period is shown in the table below.

Structure of provision for legal costs	<i>In RSD thousand</i>
As of 01 January 2019	
Additional provision booked	2,320
Utilized in the year	
Abolishing of unused provision	
As of 01 January 2020	2,320
Additional provision booked	14,375
Utilized in the year	(1,926)
Abolishing of unused provision	(370)
As of 31 December 2020	14,399

38. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Liabilities towards other related companies	730,472	1,196,624
Liabilities for securities issued for a period over a year	3,300,000	
Long-term credits and loans domestic		
Long-term credits and loans foreign countries		203,021
Long term liabilities from financial leasing	74,125	5,405
Other long-term liabilities	452,453	157,047
TOTAL	4,557,050	1,562,097
Portion of long-term liabilities with maturity date up to a year (Note 39.3)	78,145	140,462

38.1. Liabilities Towards Other Related Parties

Structure of long-term loans and borrowings towards other related parties domestic	Interest rate	In RSD thousand	
		31.12.2020	31.12.2019
<i>Napred Razvoj Plc.</i>			
Long-term loan		726,175	1,196,624
Deferred interest loans	6% annual	4,297	
TOTAL		730,472	1,196,624

Liabilities towards other related parties in the amount of RSD 730,472 thousand entirely is the obligation of Energoprojekt Holding towards Napred Razvoj Plc. under the Annex no. 5 to the Loan Agreement no. 91 dated 29 March 2019 as follows:

- long-term loan in the amount of RSD 726,175 thousand (EUR 6,176 thousand) with maturity date 30.03.2022 (with the possibility of early repayment); and
- long-term interest loan for period March - June 2020 that was deferred (under the Decision of the National Bank of Serbia on Temporary Measures to Mitigate the Effects of the COVID-19 Pandemic in Order to Maintain the Stability of the Financial System - a postponement in repayment of obligations - Moratorium) in RSD 4,297 thousand (EUR 36 thousand). According to the repayment schedule interest is payable monthly in equal installments until the due date (interest that is due as of 31.12.2021 of RSD 17,188 thousand is recorded within the item - Interest payable and financing costs - Note 42).

The Company issued 4 solo blank signed bills of exchange to secure the repayment of loan.

38.2. Liabilities for Securities Issued for a Period Over a Year

Liabilities for securities issued for a period over a year	In RSD thousand	
	31.12.2020	31.12.2019
Liabilities for securities issued for a period over a year	3,300,000	
TOTAL	3,300,000	

• **Liabilities for securities issued for a period over a year** in the amount of RSD 3,300,000 thousand relate entirely to Energoprojekt Holding for issued long-term corporate bonds on 30.12.2020. The number of issued bonds is 330,000 individual with a nominal value of RSD 10,000.00 (under the Decision of the Assembly dated 23.07.2020 on the issuance of corporate bonds through a public offering and the decision of the Supervisory Board dated 25.11.2020 on the issuance of the first issue of corporate bonds), with a maturity date of 30.12.2025 and quarterly calculation and payment of interest.

38.3. Long-Term Credits and Loans

Structure of long-term credits and loans	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
In the country:		
a) Long-term loans granted by banks in the country:		
Eurobanka		
<i>Total</i>	-	-
b) Long-term loans granted by other domestic legal entities		
<i>Total - loan in the country</i>	-	-
Abroad:		
Long-term loans granted by other legal entities abroad		203,021
<i>Total - loan abroad</i>		203,021
TOTAL	0	203,021

- **Decrease in Long-term loans granted by other entities abroad** in the amount of RSD 203,021 thousand (USD 1,935 thousand) entirely relate to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the former SFRY Republics on the HPP Baniya II Project in Guinea, which are now credited to income (Note 21.1.).

After balancing off accounts of the working unit abroad, the Energoprojekt Niskogradnja wrote off part of its receivables from investors in 2004, thus reducing the balance of uncollected receivables (USD 2,450 thousand) (Note 28) to the existing amount of total liabilities to subcontractors (USD 1,935 thousand) with accrued interest (USD 515 thousand) (Note 43.3). On 31.12.2020, Energoprojekt Niskogradnja made a decision on direct write-off of previously impaired receivables from the investor as well as liabilities (for principal and accrued interest) to subcontractors (Note 21.1).

38.4. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Financial leasing liabilities	74,125	5,405
TOTAL	74,125	5,405

- **Long term liabilities from financial leasing** were effectively insured as the lessor's right to return of the financial lease asset in case of defaulting.

Of the total long-term financial lease liabilities amounting to RSD 74,125 thousand, the share in the amount of RSD 70,378 thousand relate to Energoprojekt Niskogradnja, RSD 2,265 thousand to Energoprojekt Visokogradnja and RSD 1,482 thousand to Energoprojekt Oprema.

Detailed information on total financial lease (long-term as well as short-term) liabilities of Energoprojekt Niskogradnja is presented in the following table.

Creditor	Currency	Remaining obligation stated in foreign currency	Remaining obligation stated in RSD thousand	Repayment schedule and maturity date
<i>Finance lease liabilities in the country:</i>				
OTP Leasing Srbija	EUR	966,782	113,674	monthly up to 15.08.2023
TOTAL			113,674	

Detailed information on total financial liabilities of Energoprojekt Niskogradnja stated in dinars, as at 31.12.2020, deferred into liabilities up to a year (stated within short-term liabilities) and liabilities over a year (stated within long-term liabilities).

Creditor	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liability</i>
OTP leasing Srbija	70,378	43,296	113,674
TOTAL	70,378	43,296	113,674

Structure of financial lease liabilities by maturity	<i>In RSD thousand</i>	
	<i>Present value</i>	<i>Future value</i>
Up to a year	43,296	47,047
From 1 to 5 years	70,378	73,003
Over 5 years		
TOTAL	113,674	120,050

The difference between the future value of the minimum lease payments and their present value represents the interest rate contained in the lease installments.

Increase in finance lease liabilities compared to the prior year by RSD 68,720 thousand predominantly related to Energoprojekt Niskogradnja based on leasing contracts concluded in 2020 for procurement of equipment and mechanization, mostly for the needs of Vinca Landfill Reconstruction project.

38.5. Other Long-Term Liabilities

Structure of other long-term liabilities	In RSD thousand	
	31.12.2020	31.12.2019
Other long-term liabilities	452,453	157,047
TOTAL	452,453	157,047

• **Other long-term liabilities** in the amount of RSD 452,453 thousand, mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 266,990 thousand, relate to the obligation for retained guarantee deposit of subcontractors primarily on project Chinese Cultural Center: RSD 216,843 thousand (from several companies);

- Energoplast in the amount of RSD 74,017 thousand - distribution of retained earnings to the shareholder Chartered Oil Inc. originated from:

- 2013 and 2017 in the amount of RSD 56,380 thousand (which, in accordance with the decision of the Assembly dated 20.12.2019, will be paid once a year in the period until 2026 as follows: RSD 11,753 thousand to end of each year in the period from 2022 to 2025 and RSD 9,368 thousand in 2026. Short-term liability for dividends to be paid by the end of 2021 amounts to RSD 23,506 thousand (outstanding liability for 2021: RSD 11,753 thousand and liabilities for 2022: 11,753 thousand dinars) - Note 42); and
- 2020 in the amount of RSD 17,637 thousand (which will be paid in accordance with the decision of the Assembly dated 29.10.2020 following the possibilities of business conducted);

- Energoprojekt Holding in the amount of RSD 37,928 thousand relate to:

- long-term advance received from the company Jerry catering service Ltd., in the amount of RSD 27,812 thousand (EUR 235 thousand) for long-term lease (for 15 years) for part of the business office within the building complex "Samački hotel" in Zemun; and
- taxes and contributions on salaries for the period March - May (in accordance with the Decree on Fiscal Benefits and Direct Benefits to Companies and Financial Assistance to Citizens to Mitigate the Economic Consequences of COVID-19) and for August in accordance with the Conclusion of the Government of the RS in the total amount of RSD 10,116 thousand. The payment of obligation in question was postponed in accordance with the Decree on the Procedure and Manner of Deferral of Payment of Due Taxes and Contribution adopted in order to mitigate the economic consequences caused by COVID-19 Disease and it will be paid off until 10.01.2023 (portion of liability for taxes and contributions on salaries up to a year in the amount of RSD 8,559 thousand. The figure is recorded within the item Current portion of long-term liabilities in the country maturing within a year - Note 39.3); and

- Energoprojekt Niskogradnja in the amount of RSD 35,593 thousand entirely related to tax liabilities and contributions to salaries with maturities in 2022 and 2023. Pursuant to the Decree on Fiscal Benefits and Direct Benefits to Companies and Financial Assistance to Citizens to Mitigate the Economic Consequences of COVID-19, the taxes and contributions on salaries and wage compensations for April, May, June, August and September 2020 was postponed (part of the tax liability and contributions to

salaries up to a year in the amount of RSD 21,107 thousand was recorded within the item Liabilities on salaries and wages compensations - Note 42).

39. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Short-term credits and loans in the country	782,626	3,681,150
Short-term credits and loans abroad	150,068	429,149
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	78,145	140,462
b) Other short-term financial liabilities	118	124
Total	78,263	140,586
TOTAL	1,010,957	4,250,885

39.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2020</i>
Short-term loans granted by banks in the country:		
a) Loans in RSD		191,753
b) Loans with foreign currency clause	782.626	3,489,397
TOTAL	782.626	3,681,150

• **Short-term loans granted by banks in the country** in the amount of RSD 782,626 thousand relate to the following companies of the system Energoprojekt:

-
- Energoprojekt Visokogradnja in the amount of RSD 433,670 thousand - loan with a currency clause (Eur) granted by Unicredit Bank (EUR 3,688,287.47); and
- Energoprojekt Oprema in the amount of 348,956 thousand entirely related to loan with a currency clause (EUR) granted by Addiko Bank (EUR 2,9367,817).

Following the short-term loans granted by Unicredit bank, credit line users issued bills of exchange and Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema guarantees to secure the amount of loan granted; a mortgage was constituted against Energoprojekt office building and a pledge on the receivables of Energoprojekt Oprema on the Energocentar Minsk project, Belarus (Notes 45) was registered.

On the basis of short-term loans from Addiko bank, Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Visokogradnja issued a guarantee to secure the payment.

Net book value of short-term loans denominated in currencies is presented in the following table.

Structure of book value of short-term credit and loans in the country denominated in foreign currencies	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
RSD		191,753
EUR	782.626	3,489,397
TOTAL	782.626	3,681,150

39.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Short-term loans granted by foreign banks	150,068	429,149
Short-term loans granted by other legal and physical persons abroad		
TOTAL	150,068	429,149

• **Short-term loans granted by foreign banks** in the amount of RSD 150,068 thousand dominantly relate to Energoprojekt Niskogradnja in the amount of RSD 150,065 thousand granted by Banco Pinchicha in Peru, presented in the table below.

Bank	Currency	Remaining amount of liability stated in foreign currency	Remaining amount of liability stated in RSD 000	Repayment schedule and maturity date
Banco Pinchicha, Peru	USD	1,568,674	150,065	27.10.2021
TOTAL			150,065	

Loans granted by Banco Pinchicha Peru, is secured by pledge right put on land and facilities of Energoprojekt Niskogradnja (Note 45).

Decrease in short-term loans granted by foreign banks compared to last year on given date (on 31.12.) by RSD 279,081 thousand entirely refers to decrease in Energoprojekt Niskogradnja (loan repayments in Uganda and Peru).

39.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Portion of long-term loans with maturity date up to one year:		
a) Portion of long-term loans in the country and abroad with maturity date up to one year		123,438
b) Financial lease liabilities with maturity date up to one year	46,236	12,004
c) Other long-term liabilities with maturity date up to one year	31,909	5,020
<i>Total</i>	<i>78,145</i>	<i>140,462</i>
Other short-term financial liabilities	<i>118</i>	<i>124</i>
TOTAL	<i>78,263</i>	<i>140,586</i>

Decrease in the **portion of long-term loans and borrowings in the country and abroad that mature up to a year** in relation to the same date of previous year by RSD 123,438 thousand entire relates to decrease in Energoprojekt Visokogradnja for repayment of the loan granted by Addiko Bank and Eurobank.

- **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 46,236 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 43,296 thousand (Note 38.4).

- **Other long-term liabilities with maturity dates up to one year** in the amount of RSD 31,909 thousand refer to Energoprojekt Hidroinženjering in the amount of RSD 14,266 thousand, Energoprojekt Industrija in the amount of RSD 9,084 thousand and Energoprojekt Holding in the amount of RSD 8,559 thousand. The entire obligation relates to taxes and contributions on salaries from 2020 that are due for payment during 2021, according to Decree on the Procedure and Manner of Deferral of Payment of Due Taxes and Contribution Adopted in Order to Mitigate the Economic Consequences Caused by COVID-19 Disease.

40. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Advances received from other related parties	941	34,727
Advances received from other legal entities and physical bodies in the country	3,109,384	3,839,822
Advances received from other legal entities and physical bodies, abroad	802,604	1,136,676
Deposits received in the country and abroad	3,624	9,089
TOTAL	<i>3,916,553</i>	<i>5,020,314</i>

- **Advances received from other related parties** in the amount of RSD 941 thousand relate to liabilities towards Enjub Ltd. recorded in Energoprojekt Urbanizmu i arhitektura in the amount of RSD 669 thousand and towards Energopet Ltd. recorded in Energoprojekt Industrija in the amount of RSD 272 thousand.

Decrease in liabilities of advances received from other related parties in relation to given date in previous year by RSD 33,786 thousand, was predominantly recorded due to reclassification of liabilities to the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 33,132 thousand within the item Advances received from other legal entities and individuals abroad (Note 2).

- **Advances received from other legal entities and physical bodies in the country** in the amount of RSD 3,109,384 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 1,668,555 thousand from advances received from investors, primarily on the following projects: Modernisation of TPS Zemun (Serbia Voz): RSD 1,080,260 thousand, Railway Jajinci - Mala Krsna (Serbian Railway Infrastructure): RSD 70,344 thousand and Reconstruction of Vina Landliff (Beo Cista Energija Ltd.): RSD 515,523 thousand;

- Energoprojekt Park 11 in the amount of RSD 989,123 thousand from received advances based on the sale of real estate within the residential and business complex Park 11 in Block 11, New Belgrade; and

- Energoprojekt Visokogradnja in the amount of RSD 396,705 thousand, predominantly on the basis of advances received from investors on the projects: Smatsa Air Traffic Control (Serbia and Montenegro Air Traffic Control Smatsa Ltd.): RSD 324,198 thousand and Delta Headquarters (NBGP Properties Ltd.): RSD 72,010 thousand.

Decrease in liabilities arising from advances received from other legal entities and physical bodies in the country, compared to last year (on 31.12.) by RSD 730,438 thousand, mainly is the result, on the one hand, of increase in Energoprojekt Visokogradnja in the amount of RSD 205,620 thousand (primarily on the projects Smatsa Air Traffic Control and Delta Headquarters) and on the other hand, of decrease on the basis of justification of advances through performed works in the current period in Energoprojekt Niskogradnja in the amount of RSD 123,167 thousand (primarily on the projects: Railway Jajinci - Mala Krsna, Zeleni bulevar and Reconstruction of Karadjordjeva Street) and in Energoprojekt Park 11 in the amount of RSD 683,498 thousand (justification of advances when handing over real estate).

- **Advances received from other legal entities and physical bodies, abroad** in the amount of RSD 802,604 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 397,313 thousand, advances received, for projects in Peru: RSD 310,266 thousand, primarily projects Z-044 Control of the Ika River overflow (Proyecto Especial Tambo Ccaracocho): RSD 354,314 thousand and Z-040 Irrigation system San Antonio (Consortio Energoprojekt - CCEQO): RSD 42,998 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 322,837 thousand mostly advances received for project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 261,511 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 53,164 thousand (primarily Ernest Chemist Limited: RSD 22,296 thousand and Asikes Ventures Limited: RSD 29,995 thousand); and

- Energoprojekt Oprema in the amount of RSD 35,323 thousand, predominantly liabilities advances received from Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 33,132 thousand (reclassified from the item Liabilities from advances received from other related legal entities - Note 2).

Decrease in liabilities for advances received from other legal entities and physical bodies, abroad compared to last year on given date (on 31.12.) by RSD 334,072 thousand, primarily refers to decrease of advances received in Energoprojekt Niskogradnja in the amount of RSD 145,939 thousand (primarily as a net effect of reductions on projects: Z-042 Mpigi Town Roads, Uganda: RSD 202,175 thousand, Z-041 Kampala Mukono Road Repair, Uganda: RSD 30,811 thousand and Z-040 San Antonio, Peru: RSD 53,562 thousand and increases on the project Z-044 Ika River, Peru: 165,310 thousand dinars) and in Energoprojekt Visokogradnja in the amount of RSD 141,392 thousand (mostly as a net effect of the reduction on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia and increase on the project Z-112 Hotel Hyatt Rostov 2, Russia).

- **Deposits received in the country and abroad** in the amount of RSD 3,624 thousand predominantly relate to Energoprojekt Niskogradnja, for received deposits for renting apartments in the building "Cruz del Sur", Peru, in the amount of RSD 2,211 thousand and Dom 12 SAL, Lebanon for received deposits for renting business premises in the building in Moscow in the amount of RSD 1,200 thousand.

41. OPERATING LIABILITIES

Struktura obaveza iz poslovanja	In RSD thousand	
	31.12.2020	31.12.2019
Suppliers - other related companies in the country	80,950	83,250
Suppliers - other related companies, abroad		5,777
Suppliers in the country	2,458,210	2,786,730
Suppliers, abroad	1,428,432	1,585,830
Other operating liabilities	12,836	2,766
TOTAL	3,980,428	4,464,353

- **Suppliers – other related parties, in the country** in the amount of RSD 80,950 thousand relate to liabilities towards the following companies:

- CC Napred Plc. Belgrade in the amount of RSD 74,370 thousand, recorded in Energoprojekt Visokogradnja in the amount of RSD 63,736 thousand (primarily on the projects: Vinca Landfill: RSD 47,110 thousand and Smatsa Air Traffic Control: RSD 14,443 thousand), Energoprojekt Niskogradnja in the amount of RSD 9,893 thousand (procurement of materials) and in Energoprojekt Oprema in the amount of RSD 741 thousand (primarily transport services - relocation of warehouses: RSD 724 thousand); and

- Napred Razvoj Plc. in the amount of RSD 6,580 thousand recorded in Energoprojekt Holding (obligation for part of the loan servicing fee).

- **Decrease in suppliers – other related parties, abroad** in the amount of RSD 5,777 thousand

entirely relate to liabilities of Energoprojekt Oprema based on the reclassification of liability towards Energo Nigeria Ltd., Lagos, Nigeria to the item – Suppliers, abroad (Note 2).

- **Suppliers, in the country** in the amount of RSD 2,458,210 thousand relate mainly to Energoprojekt Visokogradnja in the amount of RSD 1,050,291 thousand, Energoprojekt Niskogradnja in the amount of RSD 994,244 thousand and Energoprojekt Oprema in the amount of RSD 309,099 thousand.

Suppliers, in the country - companies within system Energoprojekt with largest liabilities for trade payables as at the balance date are broken down in the following table.

Structure of suppliers in the country	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Energoprojekt Visokogradnja:</i>		
Jedinstvo Plc. Užice	141,398	
DMA Koping Ltd.	112,154	
Rasina Ltd.	64,109	
Energy Net Solution Ltd.	31,261	80,867
Cscod-sh Ltd.	31,186	188,148
Almont Ltd.	27,126	104,461
CCTV Centar Master Ltd.	26,935	
Termomont Ltd.	25,832	81,728
AL sistem Ltd.	19,283	36,810
Chuang Yi Arspire Ltd.	19,159	233,376
Other	551,848	1,185,997
Total	1,050,291	1,642,372
<i>Energoprojekt Niskogradnja:</i>		
Bauwesen d.o.o.	139,789	177,045
Ogranak Colas Rail SA Beograd	131,859	8,570
Opticus d.o.o.	63,004	
Baumeister d.o.o	60,488	
Ingrap Omni d.o.o.	59,783	
Telekomunikacija d.o.o	58,946	
Signaling d.o.o.	37,468	
Fanu d.o.o	35,375	
City Road Group d.o.o.	34,957	
Telefonkabl a.d	31,234	11,824
Other	341,341	375,900
Total	994,244	573,339
<i>Energoprojekt Oprema:</i>		
GP Planum Plc.	38,057	40,622
Kodar Energomontaža Ltd.	28,568	28,571
Energotehnika Južna Bačka Ltd.	27,533	27,535
Ful Elektro Ltd.	23,385	
Roaming networks security Ltd.	15,950	
Decimal pro Ltd.	15,225	
Elektrometal plus Ltd.	15,163	
Sidek Inženjering Ltd.	2,002	15,403
Other	143,216	295,444
Total	309,099	407,575

Decrease in liabilities to suppliers, in the country compared to last year on given date (on 31.12.) by RSD 328,520 thousand dinars is mostly the result, on the one hand, of decrease in Energoprojekt Visokogradnja in the amount of RSD 592,081 thousand (primarily on the project Chinese Cultural Center) and in Energoprojekt Oprema: RSD 98,476 thousand dinars (primarily on the projects Ada Mol and Kolubara Landfill) and, on the other hand, increases in Energoprojekt Niskogradnja in the amount of RSD 420,905 thousand (primarily on the projects Modernization of TPS Zemun, Reconstruction of Landfill Vinca and Railway Jajinci - Mala Krsna) and in Energoplast in the amount of RSD 17,713 thousand (primarily procurement of raw materials for production from Resinex Ltd.).

• **Suppliers, abroad** in the amount of RSD 1,428,432 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 571,771 thousand (primarily in Peru: RSD 180,891 thousand and in Uganda: RSD 145,984 thousand, as well as in the country, projects: RSD 244,896 thousand);

- Energoprojekt Entel in the amount of RSD 507,420 thousand (primarily in Energoprojekt Entel LTD, Doha, Qatar: RSD 427,152 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 35,765 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 44,503 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 303,085 thousand (mostly, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 143,380 thousand and the projects: Z-114 Syktyvkar Stadium, Russia: RSD 77,263 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 76,217 thousand).

Decrease in liabilities to suppliers abroad compared to last year on given date (on 31.12.) by RSD 157,398 thousand dinars, is primarily the result, on the one hand, of decrease in Energoprojekt Niskogradnja: RSD 85,332 thousand (primarily in Peru) and in Energoprojekt Entel: RSD 94,706 thousand (primarily in the companies: Energoprojekt Entel LTD, Doha, Qatar: RSD 36,753 thousand, Energo Consult LLC Abu Dhabi, UAE: RSD 32,318 thousand and Energoprojekt Entel LLC Oman, Oman: RSD 19,750 thousand dinars) and, on the other hand, of increases in Energoprojekt Visokogradnja: RSD 69,113 thousand (primarily on the project Z-114 Stadium Syktyvkar, Russia).

• **Other operating liabilities** in the amount of RSD 12,836 thousand primarily refer to Energoprojekt Niskogradnja in the amount of RSD 6,178 thousand, from issued checks to suppliers in Peru in behalf of settlement of liabilities, which on 31 December 2020 were not realized and to Energoprojekt Visokogradnja in the amount of RSD 5,826 thousand, primarily from issued checks in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 3,289 thousand.

42. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Liabilities from special transactions - other legal entities	8,415	
Liabilities for wages, fringe benefits and compensations	653,270	733,956
Other liabilities:		
a) Liabilities for interest and financing costs	21,762	8,668
b) Liabilities for dividends	57,338	45,957
c) Liabilities to employees	34,462	26,863
d) Liabilities to General Manager, or to management and Supervisory Board members	2,298	4,057
e) Liabilities to physical persons for contractual compensations	6,599	6,665
f) Liabilities for short-term provision	5,794	
g) Other various liabilities	57,285	47,669
<i>Total</i>	<i>185,538</i>	<i>139,879</i>
TOTAL	847,223	873,835

- **Liabilities from special transactions - other legal entities** in the amount of RSD 8,415 thousand relate entirely to the liability of Energoprojekt Holding towards Erste banka Plc. Novi Sad, which was engaged as the Issue Agent during the issue of corporate bonds of the company. The fee was calculated in the amount of 0.3% on the value of issued corporate bonds.

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 653,270 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, etc.) relate predominantly to Energoprojekt Entel in the amount of RSD 210,222 thousand (abroad: RSD 167,329 thousand, in the country: RSD 42,893 thousand), Energoprojekt Niskogradnja in the amount of RSD 156,330 thousand (abroad: RSD 80,164 thousand, in the country: RSD 76,166 thousand of which the amount of RSD 21,107 thousand relates to calculated and unpaid taxes and contributions on salaries - Note 38.5), Energoprojekt Visokogradnja in the amount of RSD 164,111 thousand (abroad: RSD 60,284 thousand, in the country: RSD 103,827 thousand), Energoprojekt Hidroinženjering in the amount of RSD 44,607 thousand (abroad: RSD 23,812 thousand, in the country: RSD 20,795 thousand), Energoprojekt Oprema in the amount of RSD 24,807 thousand (in the country) and Energoprojekt Industrija: RSD 14,063 thousand (in the country: RSD 14,012 thousand, abroad: RSD 51 thousand).

- **Liabilities for interest and financing costs** in the amount of RSD 21,762 thousand predominantly relate to Energoprojekt Holding in the amount of RSD 17,188 thousand based on part of the long-term interest liability from loan granted by Napred Razvoj Plc. for the period March - June (under the Decision of the National Bank of Serbia on temporary measures to preserve the stability of the financial system, which established a moratorium on repayment of credit obligations), which expires on 31.12.2021 (Note 38.1).

- **Liabilities for dividends** in the amount of RSD 57,338 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 20,366 thousand, dividend liabilities from 2018: RSD

4,463 thousand and from previous years: RSD 15,903 thousand, which have not been paid due to unresolved property and legal relations until the balance sheet date hearings, etc.) and unopened ownership accounts of shareholders;

- Energoplast in the amount of RSD 23,506 thousand, liability to the shareholder Chartered Oil Inc. which will be paid in 2021 (Note 38.5);

- Energoprojekt Entel in the amount of RSD 6,907 thousand liabilities from 2017: RSD 1,733 thousand and from previous years: RSD 5,174 thousand (since the shareholders did not open accounts, probate hearings, etc.); and

- Energoprojekt Oprema in the amount of RSD 6,269 thousand liabilities from previous years.

• **Liabilities for short-term provision** in the amount of RSD 5,794 thousand relate entirely to the Energoprojekt Energodata for severance pay upon termination of the employment contract (social program) for nine employees.

• **Other various liabilities** in the amount of RSD 57,285 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 32,290 thousand dinars, predominantly liabilities to shareholders for forced purchase of shares of Energoprojekt Entel in the amount of RSD 31,987 thousand. Corporate agent M&V Investments on 15.09.2019 returned funds deposited for forced purchase of shares of Energoprojekt Entel, in respect of those shareholders with unappropriated data, payment could not be realized. The Company settles related obligations at the shareholders request;

- Energoprojekt Niskogradnja in the amount of RSD 12,891 thousand for calculated and unpaid commissions under guarantees on projects in the country in the amount of RSD 6,061 thousand (namely, unpaid commissions under guarantees in accordance with the Decision of the National Bank of Serbia on temporary measures to preserve stability financial system due to the COVID-19 pandemic: RSD 3,936 thousand and commissions on guarantees due in January 2021: RSD 2,125 thousand) and liabilities to the Trade Union Organization, the Employee Social Assistance Fund, liabilities to third parties based on suspensions from salaries of employees (legal and administrative), etc. in the total amount of RSD 6,830 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 3,215 thousand (suspensions from salaries for union membership fees: RSD 1,068 thousand, suspension in RSD 1,470 thousand, etc.).

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

43.1. Liabilities for Value Added Tax

Liabilities for value added tax	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Liabilities for value added tax	215,787	163,963
TOTAL	215,787	163,963

• **Liabilities for value added tax** in the amount of RSD 215,787 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 155,802 thousand (entirely abroad, on WUs abroad: RSD 146,056 thousand, in Energoprojekt Ghana Ltd., Accra: RSD 9,688 thousand and in Energoprojekt Montenegro, Montenegro: RSD 58 thousand), Energoprojekt Park 11 of RSD 25,600 thousand and Energoprojekt Entel in the amount of RSD 15,302 thousand.

43.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	In RSD thousand	
	31.12.2020	31.12.2019
Liabilities for income tax	182,843	25,693
Liabilities for other taxes, contributions and fees payable	44,890	26,638
TOTAL	227,733	52,331

• **Liabilities for income tax** in the amount of RSD 182,843 thousand mostly refer to the Energoprojekt Park 11 in the amount of RSD 100,921 thousand – entirely income tax duty payable in the country.

Increase in income tax duty compared to last year on given date (on 31.12.) by RSD 157,150 thousand predominantly is the result of increase in Energoprojekt Park 11 in the amount of RSD 100,921 thousand.

• **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 44,890 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 23,052 thousand dinars, of which the most significant amount relates to the liability for value added tax: 14,217 thousand dinars (in Uganda: 12,136 thousand dinars and Peru: 2,081 thousand dinars, settled within the legal deadline - in January 2021) and the tax liability profit in Peru: RSD 5,814 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 16,123 thousand, where the most significant part refers to unpaid obligations for taxes and contributions for workers abroad.

43.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	In RSD thousand	
	31.12.2020	31.12.2019
Accrued expenses:		
a) Accrued expenses - other related companies	38	-
b) Accrued expenses - other legal entities	624,266	751,674
<i>Total</i>	<i>624,304</i>	<i>751,674</i>
Deferred income - other legal entities	390,168	132,254
Other accruals	233,832	269,962
TOTAL	1,248,304	1,153,890

• **Accrued expenses - other legal entities** in the amount of RSD 624,266 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 368,606 thousand, with no invoices received as at 31 December 2020 (cost calculation performed, mainly, based on invoices received in 2021 (for 2020), as well as valuation costs by experts for projects in the country and abroad, based on appropriate records: construction log, surveying, subcontractors demands for interim (payment) certificate verification, etc.), mostly related to:

- Accrued expenses in the country: RSD 308,539 thousand entirely related to accrued expenses in 2020, mostly on projects: Zeleni Bulevar: RSD 43,526 thousand (primarily subcontracting services), TPS Zemun: RSD 196,203 thousand (subcontracting services: RSD 196,197 thousand), Reconstruction of Karadjordjeva Street: RSD 45,233 thousand (subcontracting services), Railway Jajinci - Mala Krsna: RSD 17,808 thousand (predominantly subcontracting services: RSD 17,602 thousand);
- Accrued expenses in Peru: RSD 48,871 thousand, mainly on projects: Z-034 Road Puerto - Bermudez, Peru: RSD 11,981 thousand (primarily administrative costs of the consortium - part of the contractual obligation: RSD 7,820 thousand), Z-040 Irrigation System San Antonio, Peru: RSD 6,603 thousand (costs of insurance of workers and vehicle, subcontracting costs, lease costs, etc.) and Z-039 Canal Via Cienguillo, Peru: RSD 7,774 thousand (primarily, supplier costs and lease of machinery); and
- Accrued expenses in Uganda: RSD 11,196 thousand, mostly on project Z-027 Mpigi - Kanoni, Uganda: RSD 10,411 thousand (subcontracting services).

- Energoprojekt Visokogradnja in the amount of RSD 84,941 thousand relate to contractual obligations under construction contracts and represent the obligations to buyers. These costs are calculated in the realization towards investors, and until the day of making the balance, they are not invoiced by suppliers and subcontractors. In the country they amount to RSD 51,145 thousand (Chinese Cultural Center: RSD 10,172 thousand dinars, Navigator 2 Bussines Center: RSD 25,894 thousand and Park 11: RSD 12,320 thousand dinars), and abroad: RSD 33,796 thousand (primarily on the projects Z-114 Stadion Siktivkar, Russia: RSD 29,861 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 2,361 thousand).

- Energoprojekt Hidroinženjering in the amount of RSD 51,489 thousand, abroad RSD 34,924 thousand for accrued expenses of subcontractors: RSD 25,833 thousand (primarily on projects: Yaraskay, Peru: RSD 7,160 thousand; Seklafa, Algeria: RSD 4,484 thousand; Securisation, Algeria: RSD 3,387 thousand; Komarnica, Montenegro: RSD 3,526 thousand) and from accrued penalties for delayed work on projects in Algeria: RSD 7,349 thousand (primarily on projects: Sidi Naceur, Algeria: RSD 1,722 thousand and Tabeggart, Algeria: RSD 3,206 thousand), while accrued expenses of subcontractors in the country relate to: RSD 16,565 thousand (primarily on projects: Djerdap: RSD 7,611 thousand and Macva: RSD 3,024 thousand);

- Energoprojekt Sunnyville in the amount of RSD 49,011 thousand for accrued expenses on behalf of the correction of the price for land according to the Contract on purchase and sale of real estate (city construction land k.p.2199 / 1 K.O. Višnjica) OPU: 854-2015 from 01.04.2015;

- Energoprojekt Oprema in the amount of RSD 52,459 thousand, primarily from accrued expenses of

subcontractors on the projects Modernization of TPS Zemun: RSD 33,166 thousand and RTB Bor (from previous years): RSD 7,674 thousand and accrued obligation towards bank for interest for December: RSD 8,491 thousand;

Decrease in accrued expenses - other legal entities, compared to last year on given date (on 31.12.), by RSD 127,408 thousand, mostly refers mostly refers, on the one hand, to reduction in Energoprojekt Niskogradnja in the amount of RSD 145,945 thousand (in the country: RSD 86,129 dinars, primarily on the project Zeleni Bulevar, and abroad: RSD 59,816 thousand, mostly write-off interest to subcontractors on completed Banye II project, Guinea as at 31 December 2020 in the amount of RSD 54,054 thousand (USD 515 thousand) - after balancing, in 2004 a part of receivables from investors was written off, thus the balance of uncollected receivables (Note 28) reduced to the existing amount of total liabilities to subcontractors (Note 38.3) with accrued interest, while income from write-off of accrued interest was credited to the results of the current period (Note 21.1)) and in Energoprojekt Hidroinženjering in the amount of RSD 28,084 thousand (primarily on projects: Sidi Naceur, Algeria: RSD 7,941 thousand, Village Dam: RSD 5,480 thousand, Securization, Algeria: RSD 3,445 thousand, Seklafa: RSD 3,334 thousand, Djerdap: RSD 3,332 thousand, Municipality of Negotin: RSD 3,200 thousand) and on the other hand, increases in Energoprojekt Visokogradnja in the amount of RSD 54,945 thousand (abroad: RSD 20,423 thousand, primarily on the project Z -114 Syktyvkar Stadium, Russia and in the country: RSD 34,522 thousand dinars, primarily on the projects: Navigator 2 Bussines Center and Park 11).

Deferred income - other legal entities in the amount of RSD 390,168 thousand, mainly were recorded in accordance with verified in advance interim certificate by investor for works that were not completed in 2020, in Energoprojekt Niskogradnja in the amount of RSD 245,930 thousand (primarily on the projects: Modernization of TPS Zemun: RSD 186,423 thousand dinars and Railway Jajinci - Mala Krsna: RSD 59,507 thousand) and in Energoprojekt Visokogradnja in the amount of RSD 144,238 thousand (on projects: Chinese Cultural Center: RSD 66,267 thousand, Smatsa Air Traffic Control: RSD 25,491 thousand and Z-114 Stadion Syktyvkar: RSD 52,480 thousand).

Increase in deferred income - other legal entities compared to the given date of last year by RSD 257,914 thousand, predominantly refers to Energoprojekt Niskogradnja in the amount of RSD 254,930 thousand on the above projects.

• **Other accruals** in the amount of RSD 233,832 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 97,707 thousand, primarily obligation to the subcontractor for a guarantee deposit (retention) in the amount of RSD 73,773 thousand on the project Mega tanks in Energoprojekt Entel LTD, Doha, Qatar, which will be closed after collection of receivables for the guarantee deposit from the investor Qatar General Electricity & Water Corporation "Kahramaa";

- Energoprojekt Visokogradnja in the amount of RSD 87,013 thousand, for deferred value added tax duty in the country: RSD 37,280 thousand and abroad: RSD 49,733 thousand (dominant in the company in Ghana: RSD 49,692 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 46,304 thousand, primarily for deferred liability for value added tax in Uganda: RSD 46.146 thousand (payment certificates for work performed are verified

and issued in the reporting period, but the VAT return is submitted in the period of collection from investors in accordance with local regulations - VAT payment system upon collection) and in the country: RSD 158 thousand, which were settled within the legal terms.

Decrease in other accruals compared to last year on given date (on 31.12.) by RSD 36,130 thousand is the result, primarily, of decrease in Energoprojekt Visokogradnja: RSD 49,568 thousand (primarily, accrued value added tax in the country: RSD 45,451 thousand) and on the other hand, of increase in Energoprojekt Entel: RSD 19,051 thousand.

43.4 Deferred Tax Liabilities

Deferred tax assets and liabilities	In RSD thousand	
	31.12.2020	31.12.2019
Deferred tax assets	9,008	278,371
Deferred tax liabilities	499,479	755,238
Net effects of deferred tax assets / (liabilities)	(490,471)	(476,867)

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

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

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

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

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

A summary of changes in balance of deferred tax liabilities of the Company is presented in the following tables.

Balance and changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Balance of deferred tax liabilities at the end of the previous year	476,867	760,118
Balance of deferred tax liabilities at the end of the current year	490,471	476,867
Changes in balance of deferred tax liabilities	13,604	(283,251)

Changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Deferred tax (expenses)/income of the period	36,062	(7,316)
Revaluation reserves		
Retained earnings of the previous year	(22,458)	(275,935)
TOTAL	13,604	(283,251)

Based on the change in the balance of deferred tax assets and deferred tax liabilities in 2020, it can be concluded that in net effect there was increase in the balance of deferred tax liabilities compared to last year on given date by RSD 13,604 thousand and recorded as:

- charged to net results for 2020 (deferred tax expense for the period) in the amount of RSD 36,062 thousand (Note 23); and
- in favor of equity (retained earnings of the previous year) in the amount of RSD 22,458 thousand, based on the correction of deferred tax assets and deferred tax liabilities from the previous period.

Decrease of deferred tax liabilities on 31 December 2019 compared to the previous year recorded in favor of equity (retained earnings of previous year) by RSD 275,935 thousand, whereby the amount of RSD 275,615 thousand (Note 36.7) was recorded as increase in deferred tax assets due to the first application of IFRS 9 under Article 25a of the Law on Corporate Income Tax of RS), while the amount of RSD 320 thousand refers to corrections of deferred tax assets and deferred tax liabilities from the previous period.

44.OFF BALANCE SHEET ASSETS AND LIABILITIES

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

Structure of off balance sheet assets and liabilities is presented in the table below.

Structure of off balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Issued and received guarantees and letters of credits	12,148,280	16,439,053
Construction land use rights	3,124,618	2,976,717
Other off balance sheet assets/liabilities	324,061	287,016
TOTAL	15,596,959	19,702,786

45.MORTGRTGAGES REGISTERED IN FAVOUR AND/OR AGAINST THE COMPANY

- **Mortgages registered against companies within system Energoprojekt**

- Mortgage registered against properties in Qatar

- Energoprojekt Entel LTD, Doha, Qatar reserves the disposal and usufruct right with regard to the properties of total area of 4,488 m2, located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10,736 m2, in Doha - Qatar, Zone 44, East Al Naija, Al Mumtaza Street Doha Qatar, registered owner is a local private individual. The owner has mortgaged the property in the "Doha Bank" as collateral for performance guarantees for Energoprojekt Entel LTD., Doha, Qatar company.

- Mortgages registered against properties in Peru

Energoprojekt Niskogradnja:

- in order to secure a guarantee line granted by the Scotiabank Peru, property was mortgaged for the amount of RSD 1,338,157 thousand (USD 13,988,134), 104.18% of the total appraised value of property mortgaged. The registration of mortgage in excess of estimated property value was proposed by the Bank explaining the need to achieve greater coverage in the financial system which allows the bank to reduce the required reserves, placing funds in a higher amount and offering more favorable conditions. The Bank's proposal is based on a projection of increase in value of real estate in future. Appraisal for which the mortgage was constituted in favor of Scotiabank was made by the appraiser "PROVALUA S.A." (authorized by the competent authority of the Superintendencia de Banca y Seguros of the Republic of Peru, according to Confirmation No. 1079-99), which was hired by the company.
- in order to secure a credit line granted by the Banco Pichincha Peru (former Banco Financiero Peru), property was mortgaged for the amount of RSD 792,429 thousand (USD 8,283,492) which is 92.18% of the total appraised value of the property mortgaged which guarantees a credit line in the amount of USD 2.500.000. The value assessment was performed by an external independent qualified appraiser "PROVALUA S.A.". Pursuant to the Sale and Purchase Agreement on sale of land - Santa Clara, Peru, the release of mortgage in favor of Banco Pichinch is envisaged, after the collection of contracted price from which the obligations towards the Bank will be paid. A mortgage of the second order in favor of Energoprojekt Niskogradnja S.A. Suc. Peru was constituted over the real estate which is the subject of the contract of sale up to USD 6,370,000. The purpose of this mortgage is to

guarantee collection of the total contract price, in accordance with Article 1118 of the Peruvian Civil Law.

Mortgage registered against Energoprojekt Niskogradnja is presented in the table below:

Property	Area in m2	Carrying amount	Estimated value	Estimated value
		In RSD 000	In USD	In RSD 000
Mortgage 1- Scotiabank, Peru				
Land - Camp Primavera, Sullana, Peru	95,907.47	29,479	5,565,314	532,399
Office space 16-18. floor, Lima, Peru	427.73	82,420	853,366	81,636
Building Cruz Del Sur, Lima, Peru	4,295.38	688,521	7,008,101	670,421
<i>Total (100%)</i>		800,420	13,426,781	1,284,456
Total (104,18%)			13,988,134	1,338,157
Mortgage 2 -Banco Pichincha, Peru				
Land - Santa Clara, Peru	23,009.70		8,986,011	859,635
<i>Total (100%)</i>		0	8,986,011	859,635
Total (92,18%)			8,283,492	792,429
Total Mortgage (99,37%)			22,271,626	2,130,586

• **Mortgage registered against property – Office Building of Energoprojekt**

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

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

with following Annexes (debtor Energoprojekt Hidroinženjering, mortgage borrower Energoprojekt Holding and joint debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema), on 19 March 2020, on Energoprojekt office building, executive out-of-court mortgage was established. The property is registered in the List of Properties No. 2652, CM Novi Beograd. The mortgage was established in favour of creditors in question and in accordance with Line Statement of the Energoprojekt Holding Plc. certified by competent authority comply with the Serbian Mortgage Law dated 31 January 2020.

Credit indebtedness of Energoprojekt Holding plc. and other debtors to banks was reduced as of 30 December 2020, and at the beginning of 2021 the Agreements, ie Annexes in respect of banking arrangements were concluded for:

- Erste Bank Plc. Novi Sad in the amount of EUR 27,000,000.00 under Annex no. 1 of the Multi-Purpose Framework Limit Agreement no. OVLC003/20;
- Unicredit Bank Serbia plc. Belgrade in the amount of EUR 436,190.46 under Annex no. 1 of the Revolving Line Agreement for issuing bank guarantees no. RL 0028/20;
- Unicredit Bank Serbia plc. Belgrade in the amount of EUR 3,688,287.47 under Annex no. 1 of the Short-term Loan Agreement No. RL 0029/20;
- OTP Bank Serbia Plc. in the amount of EUR 9,949,000.00 under the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2818/21; and
- OTP Bank Serbia Plc. in the amount of EUR 3,218,000.00 under the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2820/21, In respect to afore-noted on 30 March 2021, a request to the Republic Geodetic Authority - Real Estate Cadastre Service of New Belgrade for registration of an executive out-of-court mortgage of the first range on the Energoprojekt business building, was submitted. The mortgage is placed in favor of creditors in question. The Line Statement of the Energoprojekt Holding Plc. was certified by competent authority and in line with the Serbian Mortgage Law.

- Mortgage registered against property - Complex Stara Pazova

Pursuant to the Decision made by Energoprojekt Visokogradnja Shareholders Assembly dated 12 February 2020, and according to the bank arrangements made with:

- OTP Banka Srbija Plc. under Annex 1 of the General Agreement on short-term multipurpose revolving line no. MRL 11/20 in EUR 21,123,000 as well as all possible future annexes (mortgage debtor Energoprojekt Visokogradnja and debtors: Energoprojekt Holding, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), dated 19 February 2020. An executive out-of-court mortgage was constituted on the land and facilities of the Stara Pazova Complex, registered in the list of real estate number 10503 CM Stara Pazova as private property of the company Energoprojekt Visokogradnja, volume 1/1, in favor of OTP Banka Srbija Plc. The Line Statement of the Energoprojekt Visokogradnja Plc. was certified by competent authority and in line with the Serbian Mortgage Law.

- Mortgage registered against property – Complex Samački hotel

Pursuant to the decision made by Supervisory Board of Energoprojekt Holding plc. dated 20 March 2020, and according to the bank arrangements made with:

- OTP Banka Srbija Plc. under Annex 3 of the General Agreement on short-term multipurpose revolving line no. MRL 11/20 on EUR 21,123,000 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering). On 17.03.2020 on Samački hotel and the accompanying buildings, executive out-of-court mortgage was registered. The property is registered in the List of Properties No. 2734 CM Zemun Polje as private ownership of Energoprojekt Holding Plc. Belgrade volume 1/1. The mortgage was established in favour of creditor in question and in accordance with Line Statement of the Energoprojekt Holding Plc. certified by competent authority comply with the Serbian Mortgage Law dated 13 March 2020.

Credit indebtedness of Energoprojekt Holding plc. and other debtors to banks was reduced as of 30 December 2020, and at the beginning of 2021 the Agreements was concluded on the basis of a banking arrangement, for a mortgage on real estate - Complex Stara Pazova and Complex Samački hotel, with:

- OTP Banka Srbija Plc. under Framework Agreement on Issuance Bank Guarantees, L/Cs and Binding Letters of Intent no. OUG 2819/21 on EUR 14,623,000.00. In respect of this matter on 30 March 2021, the Company submitted request to the Republic Geodetic Authority - Service for Real Estate Cadastre New Belgrade for entering executive out-of-court mortgage on Samački hotel and the accompanying buildings. The process was initiated in accordance with Line Statement of the Energoprojekt Holding Plc. certified by competent authority comply with the Serbian Mortgage Law.

- Pledge on receivables of Energoprojekt Oprema on the project Energocentar Minsk, Belarus

Pursuant to approvement of the Decision made on 38th Extraordinary Session of the Assembly of Energoprojekt Oprema dated 30.01.2020, a pledge on receivables for delivered equipment under the Arbitration Award for the project Energocentar Minsk, Belarus in the amount of USD 18,928,532.76, was registered in favor of banks for the amount of credit sub-limit under banking arrangements/guarantee-credit facilities, with:

- OTP bank Srbija Plc., Belgrade up to the amount of the credit sub-limit in EUR 11,073,180.63 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract;
- Erste bank Plc. Novi Sad up to the amount of the credit sub-limit in the amount of EUR 8,000,000.00 increased by accrued interest, default interest, fees, damages, regular costs or any other costs of fees under the contract; and
- Unicredit bank Srbija Plc. Belgrade up to the amount of the credit sub-limit in the amount of EUR 8,688,287.47 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract.

The Pledge Contract was entered in the Register of Pledge Right on Immovable Property and Rights, under the decision no. 821-1 / 2020 dated 14 February 2020.

Credit indebtedness of Energoprojekt Holding plc. and other debtors to banks was reduced as of 30 December 2020, and at the beginning of 2021 the Annex on the basis of a banking arrangement was made with:

- Unicredit banka Srbija Plc. Belgrade in the amount of EUR 3,688,287.47 under the Annex no. 1 of the Short-term Loan Agreement No. RL 0029/20.

• **Mortgages registered in favor of companies within system Energoprojekt**

Energoprojekt Holding:

- as collateral to secure the repayment of loan pursuant to the Annex No. 13 of the Loan Agreement No. 367, in the amount of RSD 16,167 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the executive extrajudicial mortgage based on Lien Statement, up to entire loan amount with added interest was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company; and
- as collateral to secure the repayment of the loan pursuant to the Annex No. 9 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,346 thousand (EUR 513 thousand), executive extrajudicial mortgage of the first order based on Lien Statement was registered, up to entire amount of the loan with added interest, provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street (mortgage was registered in the amount of EUR 1,198 thousand, since the mortgage was not removed related to the part of repaid loan in 2019 in the amount of EUR 685 thousand).

46.COMMITMENT AND CONTINGENCIES

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

Contingent assets that can potentially result in economic benefits for the Company may primarily arise **based on the lawsuits** in which the Company is involved as the plaintiff.

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

An overview of lawsuits is presented in the following tables. The presented amounts of lawsuits, with potential level of liabilities and receivables defined as at 31 December 2020, include principal amount only for each lawsuits.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
1.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Ungrounded	1st Basic Court in Belgrade	Uncertain	Uncertain First instance proceeding
2.	Kovacevic Pavle, Radmila and Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Ungrounded	Administrative court	Uncertain	Uncertain. The final decision of the administrative body rejected the request of the applicants. The applicants initiated an administrative dispute..
3.	EP Holding Plc.	Republika Srbija, EPS Srbija, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Founded in obtaining 13% of the total area of the hotel, but the value has not been established	Basic court, Niksic	2021	Claim is grounded; first-instance court accepted the claim; in appeal Respondents Second instance proceedings was terminated due to the bankruptcy of Epsturs Ltd. The Bankruptcy Trustee submitted a proposal to continue the procedure.
4.	Marko Martinoli, Activist Ltd. Activeast Ltd.	Montinvest properties Ltd., Napred razvoj Plc., Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Entel shares	RSD 176,744,730.15	Commercial Court in Belgrade	2021	Ungrounded for EP Holding First instance proceedings
5.	Nikola Malbaša, Marko Martinoli and other small shareholders of EP Industrija Plc.	Montinvest properties Ltd., Napred razvoj Plc., GP Napred Plc. Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Industrija Plc. shares	RSD 280,427,106.40	Commercial Court in Belgrade	2021	Ungrounded for EP Holding First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
6.	Decade Export-Import KFT Budapest	1) Vivand BT Budapest, 2) EP Holding Plc.	Determination of the nullity of the contract on assignment of EP Holding's Plc. claim to Vivand BT and Optional Sale&Purchase Agreement on sale of Real Estate	Indefinite	Court of City of Budapest, Commercial Department	2021	Uncertain. Our revision against lower court verdicts has been adopted, earlier decisions were abolished and the case was returned for re-trial. In the retrial, the court upheld the claim. We will appeal against the verdict. Second instance proceedings.
7.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Oprema Plc.	Without any value	Administrative court	2021	Uncertain. Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
8.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	Without any value	Administrative court	2021	Uncertain. Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
9.	Edmond Gašpar Gojko Babić Petar Rajačić	EP Holding Plc. Napred razvoj Plc.	Forced purchase of shares of Energoprojekt Industrija Plc.	1. RSD 1,500,822.40 with default interest (DI) from 09.03.2018 until payment; - DI in the amount of RSD 890,880.00 starting from 09.03.2018 to 07.05.2019	Commercial Court in Belgrade	2021	Uncertain The first-instance verdict accepted the claim, the appeal was filed

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
				<p>2. the amount of RSD 2,110,531.50 with DI from 09.03.2018 until payment</p> <p>- DI on the amount of RSD 1,252,800.00 starting from 09.03.2018 to 07.05.2019</p> <p>3. amount of RSD 2,157,432.20 with DI from 09.03.2018 until payment</p> <p>- DI on the amount of RSD 1,280,640.00 starting 09.03.2018 to 07.05.2019</p> <p>4. Costs of the procedure RSD 717,053.86</p>			
10.	Ep Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision, whereby the right to vote in EP Oprema Plc. was deprived to EP Holding	Without any value	Administrative court	2021	Uncertain. Administrative proceeding. Second instance proceedings. The procedure is pointless since the Holding has been restored the right to vote because the takeover procedure has been completed
11.	Ep Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision, whereby the right to vote in EP Industrija Plc. was deprived to EP Holding	Without any value	Administrative court	2021	Uncertain. Administrative proceeding. Second instance proceedings. The procedure is pointless since the Holding has been restored the right to vote because the takeover procedure completed

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
12.	Ep Holding Plc.	RS Securities Commission	Annulment of the final decision of the commission which terminated the decision-making procedure on the request for publication of the offer to take over EP Entel plc.	Without any value	Administrative court	2021	Uncertain. Administrative proceeding.
13.	Zoran Petrović	Ep Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2021	The claim was accepted. Appeal filed.
14.	Zoran Petrović	Ep Holding Plc.	Compensation for damages	RSD 900,000.00	Higher court in Belgrade	2021	Uncertain First instance proceedings.
15.	Ep Holding Plc.	Ringier Axel Springer Ltd. Belgrade	Determination of nullity of the contract and return of paid advance	RSD 18,000,000.00	Commercial Court in Belgrade	2021	Uncertain Second instance proceedings.
16.	Alco Investments Holding Ltd. Cyprus	Genesis capital, GP Napred Plc. EP Holding Plc.	Determination of nullity of Annex 1 of the Joint Construction Agreement (Block 26)	Without any value	Commercial Court in Belgrade	2021	Ungrounded in relation to EP Holding Plc. Termination of proceedings due to the initiating bankruptcy proceedings against Genesis Capital Ltd.
17.	Alco Investments Holding Ltd. Cyprus	GP Napred Plc. EP Holding Plc.	Fulfilment of contractual agreements	EUR 15,571,615.00	Commercial Court in Belgrade	2021	Unfounded. The first-instance verdict accepted the claim. Appeal upheld. In the new first-instance procedure, the claim was rejected
18.	Proinvestments Plc.	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of shares of the compulsory acquisition of EP VG	RSD 3.234.201,39	Commercial Court in Belgrade	2021	Uncertain. An adoption verdict was passed in the first instance, according to which the main debt with interest was paid. The plaintiff filed an

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
							appeal in relation to the costs of the procedure, and in that part the verdict is not final. A second-instance decision on costs is pending
19.	EP Holding Plc.	EP Oprema Plc. Jadran Ltd. Viacom VS Ltd.	Determination of nullity of the Agreement	EUR 700,000.00	Commercial Court in Belgrade	2021	Uncertain. Second instance procedure.
20.	Radmila Urošević Dragan Mandić Marko Đurović	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of shares of the compulsory acquisition of EP VG	RSD 454,669.95 RSD 124,574.31 RSD 420,504.00	Commercial Court in Belgrade	2021	Founded. An adoption verdict was passed in the first instance, according to which the main debt with interest was paid. The plaintiff filed an appeal in relation to the costs of the procedure, and in that part the verdict is not final. A second-instance decision on costs is pending
21.	Lekić Zoran and other	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 1,748,070.00	Commercial Court in Belgrade	2021	Founded. Ended with a court settlement. Payment by March 2021 in installments
22.	Dmitrović Jelena and others	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 983,453.70	Commercial Court in Belgrade	2021	Uncertain. The first-instance procedure was suspended until the decision on inheritance for the plaintiffs
23.	Dimitraki Zipovski	EP Holding Plc.	Debt	RSD 10,000,000.00	Higher court in Belgrade	2021	Uncertain First instance proceedings
24.	Vladimir Milanović	EP Holding Plc.	Debt	RSD 38,277,924.00	Higher court in Belgrade	2021	Uncertain First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
25.	Jovan Nikčević	EP Holding Plc.	Debt	RSD 8,705,623.60	Higher court in Belgrade	2021	Uncertain First instance proceedings
26.	Svetlana Stevovoć	EP Holding Plc.	Payment of the difference in the price of EP VG shares	RSD 654,934.98	Commercial Court in Belgrade	2021	Uncertain. First instance proceedings
27.	Vesna Prodanović	EP Holding Plc.	Debt	RSD 9,000,000.00	Higher Court in Belgrade	2021	Uncertain. First instance proceedings
28.	Ranko Ljubojević	EP Holding Plc.	Expropriation	RSD 32,370,000.00	Higher Court in Belgrade	2021	The final act in favor of the plaintiff. Revision filed.
29.	Alco Investments Holding LTD. Cyprus	GP Napred, EP Holding Plc.	Compensation for damages	RSD 1,763,775,000.00	Commercial Court in Belgrade	2021	Unfounded. First instance proceedings
30.	Dragan Opanković	EP Holding Plc. Napred razvoj Plc.	Redemption of shares of EP Industrija Plc.	RSD 1,808,724.94	Commercial Court in Belgrade	2021	Uncertain. First instance proceedings
31.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667,104.25	Commercial Court in Belgrade	Completed case	Final judgment approved the claim. Enforced collection must be carried out in Bosnia and Herzegovina
32.	EP Visokogradnja Plc.	Trudbenik gradnja in bankruptcy	Claim recognized in liquidation procedure	RSD 2,767,501.76	Commercial Court in Belgrade	Uncertain	Uncertain collection of receivables
33.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271,813.90	Commercial Court in Belgrade	2021	The first-instance procedure was terminated. Waiting for EP VG order to continue the process.
34.	EP Visokogradnja Plc.	Veso Romić	Unfounded acquisition	RSD 35,301,780.00	Commercial Court in Belgrade	Completed	Grounded In the process of enforced collection

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
35.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 290,385,390.00	Commercial Court in Belgrade	2021	Grounded; proceedings suspended.
36.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bankruptcy	Debt	RSD 1,340,520.00	Commercial Court in Valjevo	Uncertain	Receivables recognized in bankruptcy procedure.
37.	EP Visokogradnja Plc.	City of Belgrade, BG Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606.10 in behalf of principal debt	Commercial Court in Belgrade	2021	The claim of Hala BG Ltd was adopted by final judgment Our revision was adopted and the case for remaining amount of debt was returned for re-trial. First instance proceedings, expertise is on-going
38.	EP Visokogradnja Plc.	PIK Zemun in bankruptcy	Debt	RSD 33,705.46	Commercial Court in Belgrade	Uncertain	Declared receivables in bankruptcy.
39.	EP Visokogradnja Plc.	GZR Krstic, with Radomir Krstic as owner	Debt	RSD 115,776.00	Commercial Court in Belgrade	2021	Grounded. Enforced collection in process.
40.	EP Visokogradnja Plc.	SZR Kvirin, with Milan Tanaskovic as owner	Debt	RSD 31,642.40	Commercial Court in Belgrade	2021	Grounded. Enforced collection in process.
41.	EP Visokogradnja Plc.	Utva silosi Plc. Kovin in restructuring	Debt		Commercial Court in Pančevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
42.	EP Visokogradnja Plc.	Amiga Ltd. Kraljevo in restructuring	Debt	RSD 114,425.00	Commercial Court in Kraljevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
43.	EP Visokogradnja Plc.	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5,048,082.19	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
44.	EP Visokogradnja Plc.	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5,236,849.31	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
45.	EP Visokogradnja	FE Sekundar Ltd. Čortanovci in bankruptcy	Debt for the accommodation services	RSD 81,960.64	Commercial Court in Sremska Mitrovica	2021	Grounded. The company is in bankruptcy and the collection is uncertain.
46.	EP Visokogradnja	PD Anticor Ltd.	Debt for the accommodation services	RSD 16,732.40	Commercial Court in Belgrade	2021	Uncertain. Executive proceeding is on-going
47.	EP Visokogradnja	Stroj RU Inženjering Ltd.	Debt for the accommodation services	RSD 139,239.02	Commercial Court in Belgrade	2021	Grounded
48.	EP Visokogradnja	B Gips Niš	Debt for the accommodation services	RSD 1,128,770.46	Commercial Court in Niš	2021	Uncertain
49.	EP Visokogradnja	BankPro Ltd.	Debt for the accommodation services	RSD 47,489.89	Commercial Court in Belgrade	2021	In the process of forced collection.
50.	EP Visokogradnja	Kosmaj mermer Plc.	Debt for undue advance payment	RSD 200,000.00 with legal default interest starting from 29.12.1997, RSD 200,000.00 with legal default interest starting from 29.01.1998 and RSD 94,500.00 cost of the procedure	Commercial Court in Belgrade	2021	EP Visokogradnja activated mortgage due to collection, but the bankruptcy proceedings against the debtor was initiated and thus activation of mortgage was terminated. In the meantime, the Reorganization Plan was adopted and its application expired so the conditions for repeated activation were met.
51.	EP Visokogradnja Plc.	Mitrović Invest Ltd., Krupanja	Debt for the accommodation services	RSD 213,351.24	Commercial Court in Belgrade	2021	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
52.	EP Visokogradnja Plc.	Kandić Enterijer Ltd.	Debt for the accommodation services	RSD 38,036.12	Commercial Court in Belgrade	2021	Grounded
53.	EP Visokogradnja Plc.	Beogradska Banka Plc. Belgrade in bankruptcy	Registration of receivables	RSD 67,926,673.24	Commercial Court in Belgrade	2021	First instance proceedings. Uncertain
54.	EP Visokogradnja Plc.	Jugobanka Plc. Belgrade in bankruptcy	Registration of receivables	RSD 568,646,437.96	Commercial Court in Belgrade	2021	First instance proceedings. Uncertain
55.	EP Visokogradnja Plc.	Lux Group 89 Ltd.	Debt	RSD 447,827.43	Commercial Court in Belgrade		Grounded. First instance proceedings.
56.	EP Visokogradnja Plc.	JP Železnice, Beošvor	Debt (Prokop)	RSD 153,674,990.16	Commercial Court in Belgrade	2021	Ground. Proceeding terminated
57.	Milan Branković	EP Visokogradnja Plc.	Annulment of the limited time employment contract		First Basic Court in Belgrade	Uncertain	Ungrounded; proceedings suspended until the end of the proceedings 17.P1.11640/10 on the lawsuit of the same plaintiffs against Enjub Ltd.
58.	Nataša Milojević	EP Visokogradnja Plc.	Ownership title to be determined		3rd Basic Court in Belgrade	The final completion in 2016; declared revision	By final judgment the claim is adopted; Appeal against the decision of revision
59.	Aleksandar Petrović	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3,500,000.00	3rd Basic Court in Belgrade	2021	The court issued a decision declaring it incompetent for acting in this proceeding. The prosecutor has filed an appeal, a second instance decision is pending
60.	Ljiljana Damyano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350,000.00	3rd Basic Court in Belgrade	2021	Ungrounded First instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
61.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, MFA	RSD 438,530.00	Commercial Court in Belgrade	Uncertain	Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
62.	Residence building, B.M.Pupina 10e	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2,000,000.00	3rd Basic Court in Belgrade	Uncertain	Ungrounded, procedure stopped. First instance proceeding
63.	Milan Kojić	EP Visokogradnja Plc.	Debt - salaries	EUR 1,130.00	3 rd Basic Court in Belgrade	2021	First instance proceeding
64.	Husein Smailović	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59,000.00 monthly starting from January 2010 and on going	3rd Basic Court in Belgrade	2021	A decision was adopted bringing the claim to be revoked. The prosecutor appealed against this decision. Second instance proceedings.
65.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15,000.00 monthly starting from 21 January 1989 and on-going	3rd Basic Court in Belgrade	2021	Ungrounded First instance proceeding
66.	Dragan Petrović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2021	The claim was dismissed by the first instance verdict Second instance proceeding. Returned to the first instance procedure.
67.	Milić Janković	Direkcija za građevinsko zemljište, EP Visokogradnja Plc. and Aleksić Ružica	Ownership title to be determined		1st Basic Court in Belgrade	2021	Grounded First-instance proceeding
68.	Residence building 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Stevanović Milinko	Determination whether the Agreement is null		Higher Court in Belgrade	2021	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
69.	Ljubinko Dević	EP Visokogradnja Plc.	Salary payment	EUR 5,774.42 The main debt was paid, requirements for interest remained in the lower amount than specified	3rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
70.	Milorad Vasić	EP Visokogradnja Plc.	Damage compensation (Block 12)	RSD 25,732,877.55	Higher court in Belgrade	2021	Hearing concluded, first instance decision expected (rejection of the claim)
71.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 167,162.40 RSD 33,558.94	Commercial Court in Sremska Mitrovica	2021	The claim was accepted. Final.
72.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1,269,860.00	Commercial Court in Belgrade	Uncertain	Partly collected, cca RSD 160.000,00, remaining amount - procedure is stopped. First-instance proceeding
73.	Vladan Vidojević and Nenad Radoš	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance	EUR 4,000.00	3rd Basic Court in Belgrade	2021	Uncertain; arrears of salary paid in their entirety First-instance proceeding
74.	Ljubiša Paunović	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance	EUR 4,300.00	3rd Basic Court in Belgrade	2021	The first instance court accepted the claim Arrears of salary paid in full Second-instance proceeding
75.	Alen Vasić	EP Visokogradnja Plc.	Damage compensation for injury at work	RSD 600,000.00	3rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
76.	Predrag Radeka	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance	EUR 4,200.00	3rd Basic Court in Belgrade	2021	Uncertain; arrears of salary paid in their entirety First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
77.	Miloje Živanović	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries	RSD 39,000.00	3rd Basic Court in Belgrade	2021	By a final judgment, a claim in respect of the main debt and interest has been adopted. It remains that the court decides on the costs of the proceedings, in accordance with our complaint that was adopted. The principal debt and interest paid in full.
78.	Rajko Vasiljević	EP Visokogradnja	Damage compensation on behalf of less paid overtime	EUR 2,500.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
79.	Igor Topalović	EP Visokogradnja	Damage compensation on behalf of less paid overtime and payment of interest on delayed payment of salaries	RSD 500,000.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
80.	Miloje Živanović	EP Visokogradnja	Damage compensation on behalf of less severance paid and payment of interest on delayed payment of salaries	EUR 2,487.94 and RSD 137,478.00	3rd Basic Court in Belgrade	2021	The first-instance final judgment partially accepted the claim. Debt paid by judgment. Dispute ended.
81.	Miloje Živanović	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	RSD 420,000.00	3rd Basic Court in Belgrade	2021	Second-instance proceeding
82.	Đorđe Šerbedžija	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	EUR 1,500.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
83.	Vladimir Pavlović	EP Visokogradnja	Damage compensation due to delays in construction	RSD 2,628,897.70	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
84.	Ljubinko Dević	EP Visokogradnja	Protection against harassment at work and compensation for damages	RSD 200,000.00	Higher Court in Belgrade	2021	Ungrounded The plaintiff withdrew the lawsuit. Dispute ended.
85.	Biljana Pavić	EP Visokogradnja	Compensation for damages due to overtime and payment of interest on delay in payment of earnings	RSD 1,750,643.65	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
86.	Miroslav Jovičić	EP Visokogradnja	Salaries payment for period from 01.01.2009 to September 2017	RSD 50,000.00	3rd Basic Court in Belgrade	2021	Plaintiff's claim upheld. According to our appeal the case in second instance.
87.	Miroslav Jovanović	EP Visokogradnja	Damage compensation for less overtime pay for hours worked over.	EUR 1,000.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
88.	Dužanka Čobanović	EP Visokogradnja	Damage compensation for injury	RSD 1,050,000.00	3rd Basic Court in Belgrade	2021	Ungrounded
89.	Vesa Romić	EP Visokogradnja	Determination of the nullity of the settlement agreement		3rd Basic Court in Belgrade	2021	Ungrounded
90.	Miroslav Jovičić	EP Visokogradnja	Compensation for damages arising from differences in earnings for the period from 01.01.2015 to 31.12.2015	The amount is not defined	3rd Basic Court in Belgrade	2021	Uncertain
91.	Slavoljub Kocopeljić	Maht Savabien Ltd. EP Visokogradnja Plc.	Damage compensation for injury	RSD 999,000.00	Basic Court in Ivanjica	2021	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
92.	Nenad Stanković	EP Visokogradnja	Compensation for lost earning	RSD 810,000.00	3rd Basic Court in Belgrade	2021	The claim was accepted. Final.
93.	Rešid Pobrić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
94.	Radoslav Gluščević	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
95.	Carinka Pobrić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
96.	Mitar Nerac	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
97.	Bogdan Vidaković	EP Visokogradnja	Fortifications property rights	EUR 61,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
98.	Milan Krsmanović	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
99.	Biljana Stijepić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2021	Uncertain The plaintiff's appeal was rejected in the first instance, and the plaintiff filed an appeal
100.	Ana Jakovljević	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
101.	Milovan Popović	EP Visokogradnja	Fortifications property rights	RSD 6,780,000.00	High Court in Belgrade	2021	Uncertain. Lawsuit was rejected and against the lawsuit, the plaintiff filed a revision

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
102.	Axial Ltd.	EP Visokogradnja	Debt by invoices	RSD 2,748,607.27	Commercial Court in Belgrade	2021	The claim was accepted, grounded
103.	Vlajko Bosanac	EP Visokogradnja	Fortifications property rights Stari Merkator		High Court in Belgrade	2021	Grounded First-instance proceeding
104.	Vladan Petković	EP Visokogradnja	Fortifications property rights	RSD 4,000,000.00	High Court in Belgrade	2021	Uncertain In the first instance, the lawsuit was accepted, we filed an appeal
105.	Momčilo Marčeta	EP Visokogradnja	Damage compensation	RSD 27,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
106.	Marker Ltd.	EP Visokogradnja Plc.	Debt by payment certificates	RSD 3,607,301.81	Commercial Court in Belgrade	2021	Uncertain
107.	Plattner Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 559,788.13	Commercial Court in Belgrade	2021	Uncertain
108.	Radoš Lončar	EP Visokogradnja Plc.	Compensation for injury at work	RSD 650,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
109.	Marko Milošević	EP Visokogradnja Plc.	Compensation for a stray dog bite	RSD 100,000.00	Basic Court in Stara Pazova	2021	Uncertain
110.	Igor Topalović	EP Visokogradnja Plc.	Compensation for termination of employment contract	RSD 500,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
111.	Boško Pražić	EP Visokogradnja Plc.	Annulment of the decision on dismissal and unpaid severance	RSD 55,166.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
112.	Slavoljub Simjanović	EP Visokogradnja Plc.	Compensation for injury at work	RSD 1,200,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
113.	Blažo Radović	EP Visokogradnja Plc.	Determining property rights	RSD 90,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
114.	Radmila Urošević Dragan Mandić Marko Đurović	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of redeemed shares of EP VG Plc.	RSD 454,669.95 RSD 124,574.31 RSD 420,504.00	Commercial Court in Belgrade	2021	The first-instance verdict was passed, according to which the main debt was paid. Remained procedure costs, because in relation to the costs, an appeal was filed by the plaintiffs' lawyers.
115.	Proinvestments Plc	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in price of redeemed shares of EP VG	RSD 3,234,201.39	Commercial Court in Belgrade	2021	The first-instance verdict was passed, according to which the main debt was paid. Remained procedure costs, because in relation to the costs, an appeal was filed by the plaintiffs' lawyers.
116.	Lekić Zoran and other	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 1,748,070.00	Commercial Court in Belgrade	2021	Ended with a court settlement. Payment by settlement as of March 2021
117.	Jelena Dmitrović and others	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of shares of EP VG from forced redemption	RSD 983,453.70	Commercial Court in Belgrade	2021	The first-instance procedure was suspended, pending completion of the probate proceedings.
118.	Vladan Đunijijević	EP Visokogradnja Plc.	Compensation for injury at work	RSD 1,700,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
119.	Danijel Vasiljević	EP Visokogradnja Plc.	Compensation for injury at work	RSD 2,000,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
120.	Dragan Katić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 172,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
121.	Zoran Marković and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 87,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
122.	Goran Miljanić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 174,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
123.	Miodrag Vasiljević and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 209,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
124.	A.P. Sidro Ltd.	EP Visokogradnja Plc.	Debt	EUR 38,105.27	Commercial Court in Belgrade	2021	Grounded First-instance proceeding
125.	Gordana Todorović	EP Visokogradnja Plc.	Determining property rights		3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
126.	Rolomatik Ltd.	EP Visokogradnja Plc.	Debt	EUR 29,283.03	Commercial Court in Belgrade	2021	Grounded First-instance proceeding
127.	Svetlana Stevović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of shares of EP VG from forced redemption	RSD 654,934.00	Commercial Court in Belgrade	2021	Uncertain First-instance proceeding
128.	Dragoslav Gurešić, Zoran Perić	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 120,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
129.	EP Urbanizam i arhitektura. Plc.	M. Cvijić	Damage compensation	RSD 1,523,072.42	3 rd Basic Court in Belgrade	Uncertain	Uncertain; in process of forced execution

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
130.	Tamara Vukadinović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal	RSD 1,137,530.29	3rd Basic Court in Belgrade	Uncertain	Uncertain The claim was accepted, and appeal was filed.
131.	Jelena Davidović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal	RSD 1,028,129.00	3rd Basic Court in Belgrade	Uncertain	Uncertain. Returned to first-instance proceedings
132.	Novica Veljković	EP Urbanizam i arhitektura Plc.	Annulment of Annex 3	RSD 89,425.53	3rd Basic Court in Belgrade	Uncertain	First-instance proceeding terminated
133.	EP Oprema Plc. and EP Holding Plc.	Municipality Medveđa	Return	RSD 120,000,000.00	Commercial Court in Leskovac	Uncertain; proceeding terminated	Uncertain First-instance proceeding
134.	EP Oprema Plc.	Clinical Center of Serbia	Debt for works	EUR 240,752.13, RSD 292,335.46 and RSD 2,328,204.00	Commercial Court in Belgrade	2021	The claim was approved by final judgment. In the meantime, the Supreme Court of Cassation, after the defendant's revision, reversed judgments of the lower courts and brought the case back for re-trial. First-instance proceeding
135.	Ep Oprema Plc.	DGP Zlatibor	Payment of works performed works	RSD 42,000,000.00	Commercial Court in Belgrade	Completed action	Grounded, difficult collection, debtor in bankruptcy
136.	Ep Oprema Plc.	Graditelj Lekovac	Works performed in accordance with contracts	RSD 71,129,042.82	Commercial Court in Leskovac	Completed action	Grounded, difficult collection, debtor in bankruptcy
137.	EP Oprema	Green Trafo Ltd.	Damage compensation and return of advance	EUR 138,995.28	Commercial Court in Belgrade	2021	Grounded, termination of the procedure until the end of the procedure under no. 11.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
138.	EP Oprema	GP Rad in bankruptcy	Debt	USD 1,100,000.00	Commercial Court	Grounded	Established receivable in the bankruptcy proceedings
139.	EP Oprema	Stilkon S Ltd. in bankruptcy	Declare of receivables	RSD 192,811.45	Commercial Court in Belgrade	2021	Grounded
140.	EP Oprema	Energotehnika Južna Bačka Ltd.	Debt - invoices	RSD 5,887,493.91	Commercial Court in Novi Sad	2021	Grounded First-instance proceeding
141.	EP Oprema Plc.	Clinical Center of Serbia	Damage compensation	EUR 1,559,000.00	Commercial Court in Belgrade	2021	First instance decision adopted the claim; KCS appealed In the meantime, the appeal was adopted and the case was returned for re-opening. The court made a decision to accept the claim, except for the amount of 5,164,595.02 dinars and 9,505.17 € for lost profits. Appeals were filed on both sides, a second instance decision is pending
142.	Staniša Marinković	EP Oprema Plc.-intervener	Damage compensation	RSD 304.000.00	Basic Court in Vranje	2021	Partly justified The first-instance decision rejected the claim for the amount of 223,125.00 dinars and adopted it for 54,718.50 dinars. Awaiting the second-instance decision on the appeal
143.	Čedomir Ristić	EP Oprema Plc.-intervener	Damage compensation	RSD 6 385,302.00	Basic Court in Vranje	2021	Partially founded; The claim for 385,302.00 dinars was accepted, and rejected for 385,302.00. The decision was

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
							confirmed by the second instance court. EMS did not respond to this court decision
144.	Milan Cvetković	EP Oprema Plc. and JP EMS	Damage compensation	RSD 1,381,278.00	Basic Court in Vranje	2021	The second-instance decision adopted the claim for 324,000.00 dinars and rejected for execution of works on the land and for 706,350.00 dinars and 333,900.00 dinars. Declared revision by the plaintiff
145.	Vladan Stanković	EP Oprema Plc.	Damage compensation in monthly rent	RSD 8,000.00 monthly starting from 14 March 2016	Basic Court in Bor	Uncertain	The second-instance court reversed the first-instance verdict on our appeal and awarded the amount of 582,000.00 dinars and a monthly rent in the amount of 8,200.00 dinars. The awarded amount was paid, rental payment in progress
146.	Green Trafo Ltd.	EP Oprema	Debt for performed work	EUR 43,952.00	Commercial Court in Belgrade	2021	First-instance verdict accepted the claim, the appeal was filed
147.	Goran Đorđević	EP Oprema	Interference with possession		Basic Court in Krusevac	2021	Uncertain
148.	Kodar Energomontaža Ltd.	EP Oprema	Debt - invoices	RSD 242,969.01	Commercial Court in Belgrade	2021	Grounded First-instance proceeding
	EP Oprema	Kodar Energomontaža Ltd.	Compensation complaint for non-certified advance	EUR 154,211.29			

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
149.	EP Holding Plc.	EP Oprema Plc. Jadran Lt. Viacom vs Ltd.	Annulment of the Sale&Purchase Agreement for hall and land - Ševino Polje	EUR 700,000.00	Commercial Court in Belgrade	Uncertain	Second instance proceedings on our appeal
150.	CCE Svetovanje in inženiring Ltd.	EP Oprema	Debt - invoices	EUR 148,652.29	Commercial Court in Belgrade	2021	Grounded
151.	Metaling Ltd.	EP Oprema	Debt - invoices	659.332,17	Commercial Court in Belgrade	2021	Grounded
152.	Power Quality Company doo	EP Oprema	Debt – guarantee deposit	RSD 1,260,752.72	Commercial Court in Belgrade	2021	First instance proceedings
153.	Elektrovolt doo	EP Oprema	Debt - invoices	5.728,63 EUR	Commercial Court in Belgrade	2021	First instance proceedings
154.	Ep Industrija Plc.	Jugoremedija Plc. in bankruptcy	Claims registration	EUR 321,146.18	Commercial Court in Zrenjanin	Uncertain	RSD 28.884.312,77 – accepted following conclusion on correction
155.	Slobodan Čubrilović	EP Industrija Plc.	Determination of shares value		Commercial Court in Belgrade	2021	The request of the proposer was rejected by the second instance decision. The proponent stated a revision
156.	EP Industrija Plc.	Jugobanka Plc. In bankruptcy	Determination of receivables	RSD 1,539,835.21	Commercial Court in Belgrade	2021	Uncertain
157.	EP Entel Plc.	JP EPS (RB Kolubara)	Debt payment on different invoices	RSD 48,937,500.00	Commercial Court in Belgrade	2021	Uncertain First instance proceeding
158.	Duško Paripović	EP Entel Plc., as second Defendant, out of four in total	Damage compensation – injury at work	RSD 1,300,000.00	Basic Court in Požarevac	Uncertain	Uncertain; proceeding terminated First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
159.	Marko Martinoli, Đurović and Siniša Kisić	EP Entel Plc.	Denouncing the Assembly's decision	No value	Commercial Court in Belgrade	2021	Uncertain. The first instance court rejected the claim. Appeal procedure
160.	Veljko Perišić, Siniša Kisić and others	EP Entel Plc.	Determination of shares value		Commercial Court in Belgrade	2021	The second instance decision rejected a proposal of proponent, declared revision
161.	Siniša Kisić and others	EP Entel Plc.	Compensation for damages	RSD 66,488,842.92	Commercial Court in Belgrade	2021	First instance proceeding
162.	EP Energodata Montenegro Ltd.	SOGE Banka Milan Grbić	Determination of the nullity of the surety	EUR 43,000.00	Commercial Court of Montenegro, Podgorica	2021	First instance proceeding
163.	EP Energodata Montenegro Ltd.	NLB Banka Grbić Milan	Determination of the nullity of the surety	EUR 10,000.00	Commercial Court of Montenegro, Podgorica	2021	First instance proceeding
164.	EP Energodata Montenegro Ltd.	Grbić Milan	Compensation for damages	EUR 34,035.00	Basic Court, Podgorica	2021	First instance proceeding
165.	EP Energodata Plc.	PE EPS	Unjustified collection of performance guarantee	RSD 1,980,000.00	Commercial Court in Belgrade	2021	First instance proceeding
165.	Miloš Milinović	EP Energodata Plc.	Annulment of the decision of the Board of Directors and payment of the difference in salary	RSD 100,000.00	3rd Basic Court in Belgrade	2021	Uncertain
166.	EP Energodata Plc.	Miloš Milinović	Counterclaim - unjustified travel orders	RSD 123,074.18	3rd Basic Court in Belgrade	2021	Uncertain
167.	EP Energodata Plc.	Gradimir Cvetković	Counterclaim - unjustified travel orders	RSD 285,470.62	3rd Basic Court in Belgrade	2021	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
168.	Miloš Milinović	EP Energodata Plc.	Poništaj rešenja o otkazu ugovora o radu i naknada štete	RSD 2,988,486.00	3rd Basic Court in Belgrade	2021	Uncertain
169.	Zvonko Radovanović	EP Energodata Plc.	Annulment of the decision on termination of the employment contract		3rd Basic Court in Belgrade	2021	Uncertain
170.	EP Niskogradnja Plc.	Internacional CG in bankruptcy	Debt	RSD 474,718.82	Commercial Court in Belgrade	Uncertain	Recognized receivable in bankruptcy proceedings
171.	EP Niskogradnja Plc.	JIK Banka Plc. in bankruptcy	Claims registration	USD 218,000.00	Commercial Court in Belgrade	Uncertain	Grounded, difficult collection
172.	EP Niskogradnja Plc.	Jugobanka Plc. in bankruptcy	Claims registration	USD 455,877.88 and RSD 12,060,320.00	Commercial Court in Belgrade	Uncertain	Grounded, difficult collection
173.	EP Niskogradnja Plc.	Jugobanka Plc. in bankruptcy	Claim	RSD 39,850,154.59	Commercial Court in Belgrade	2021	Grounded
174.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claims registration	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
175.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claim	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
176.	Ep Niskogradnja Plc.	Jasmina Marinković	Damage compensation	RSD 249,572.17	Basic Court in Milanovac	2021	The first instance verdict approved the claim. Waiting enforceability clause – request was submitted to the Court
177.	Ep Niskogradnja Plc.	MBA Miljkovic Ltd.	Debt by invoices	RSD 142,474.17	Commercial Court in Belgrade	2021	Grounded. Executive proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
178.	Ep Niskogradnja Plc.	Intermost Ltd. in bankruptcy	Debt for performed works (Novi Sad)	RSD 62,505,042.00	Commercial Court in Belgrade	2021	The second instance verdict adopted the claim of EP Niskogradnja. Submitted request to the Commercial Court to change the list of bankruptcy creditors. In the procedure after the revision of Intermost, it was returned to the second-instance procedure. On 13.11.2020 hearing was concluded, awaiting PAS decision
	Intermost Ltd. in bankruptcy	Ep Niskogradnja Plc.	Counterclaim request for material on the construction site (Novi Sad)	RSD 189.827.985,00	Commercial Court in Belgrade	2021	
179.	EP Niskogradnja Plc.	GP Gemax Ltd. in bankruptcy	Secured claims arising from guarantee deposit retained	RSD 10,431,209.72	Commercial Court in Belgrade	Completed	Grounded. Recognized secured claims
180.	EP Niskogradnja Plc.	Radislva Nestorović	Debt from housing loan granted	RSD 342,567.62	Basic Court in Pancevo	2021	Grounded Executive proceedings
181.	EP Niskogradnja Plc.	Jovanka Kunarac-Prelić	Debt from housing loan granted	RSD 188,253.07	2nd Basic Court in Belgrade	2020	Grounded Executive proceedings
182.	EP Niskogradnja Plc.	Republic of Serbia Ministry of Agriculture and Environmental Protection. - Republic Water Directorate	Receivable for completed works on Tisa embankment	RSD 91,891,979.51	Mediation	Uncertain	The mediator did not make a decision, and the claims are outdated for initiating court proceedings
183.	EP Niskogradnja Plc.	Dejan Vujić PR Dey trade Vreoci	Unjust enrichment	RSD 275,999.90	Commercial Court in Belgrade	Dispute is finished	In the process of enforcement
184.	EP Niskogradnja Plc.	Italiana Construzion Branch Belgrade	Debt by invoices	RSD 3,179,510.78	Commercial Court in Belgrade	2021	First instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
185.	EP Niskogradnja Plc.	Borovica Transport in bankruptcy	Debt by invoices	RSD 570,013.06	Commercial Court in Sremska Mitrovica	2021	Grounded. Recognized receivable in bankruptcy proceedings.
186.	EP Niskogradnja Plc.	Hidrotehnika – Hydroenergetika Plc.	Debt by invoices	RSD 2,489,813.62	Commercial Court in Belgrade	2021	Grounded, enforcement proceedings initiated
187.	EP Niskogradnja Plc.	Prlinčević Aleksandar	Return of given	RSD 127,500.00	Commercial Court in Belgrade	2021	Grounded
188.	EP Niskogradnja Plc.	Beogradska Banka Plc. In bankruptcy	Claim	RSD 191,003.87	Commercial Court in Belgrade	2021	Grounded
189.	EP Niskogradnja Plc.	Milan Blagojević – Minerva Ltd.	Depreciation of a bill of exchange		3rd Basic Court in Belgrade	2021	Grounded
190.	EP Niskogradnja Plc.	EVCON Ltd.	Depreciation of a bill of exchange		3rd Basic Court in Belgrade	2021	Grounded
191.	EP Niskogradnja Plc.	Jugobanka and Unikredit banka	Depreciation of a bill of exchange		3rd Basic Court in Belgrade	2021	Grounded
192.	Jovan Cvokić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 20,145.11	3rd Basic Court in Belgrade	2021	Unfounded First instance proceedings
193.	Aleksandar Babić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 40,906.00	3rd Basic Court in Belgrade	2021	Unfounded The claim was rejected by first-instance decision, the prosecutors filed appeal, awaiting the second-instance decision
194.	Tanić Dušan	EP Niskogradnja Plc.	Annulment of the decision on the amount of salary		3rd Basic Court in Belgrade	Uncertain	Unfounded; process interrupted. First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
195.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt arising from work carried out in Yemen Compensation protest	Legal claim: USD 17,604,299.00 Compensation protest: USD 17,390,380.06	Commercial Court in Belgrade	2021	Hearing scheduled for 16.12.2020, concluded, awaiting decision
196.	Tomo Stanišić	EP Niskogradnja Plc.	Damage compensation	RSD 244,413.97	3rd Basic Court in Belgrade	2021	Uncertain The first-instance decision adopted the claim, the appeal was filed
197.	Ljubiša, Milostiva and Gordana Matković,	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290,000.00	Basic Court in Gornji Milanovac	2021	Uncertain The first-instance procedure is interrupted in order to try to settle
198.	Milan, Mirjana, Dragana and Marko Matković	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2021	Uncertain The first-instance procedure is interrupted in order to try to settle
199.	Republic Fund Pension Disability Insurance Belgrade Branch	EP Niskogradnja Plc.	Recourse lawsuit (accident in the Straževica tunnel)	RSD 419.600.10	Commercial Court in Belgrade	Uncertain	Uncertain; the process is open until the completion of criminal proceedings first instance procedure
200.	Vladimir Marinković	EP Niskogradnja Plc.	Overtime, Peru	USD 5,552.84	3rd Basic Court in Belgrade	2021	Ungrounded First instance proceedings
201.	Vojislav, Mirjana, Dragana and Jovana Jovanović	Koridori Srbije, Azvirt and EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2021	Uncertain The first-instance procedure is interrupted in order to try to settle
202.	Radislav Živković	Evro gradnja 2000 and EP Niskogradnja Plc.	Compensation for injury at work	RSD 560,000.00	3rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
203.	Todor Jokić	EP Niskogradnja Plc.	Compensation for damages due to illegal dismissal	RSD 446,248.00		2021	The claim adopted by the first-instance decision, the appeal filed, awaiting the second-instance decision

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
204.	Marko Živanović	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 76,844.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
205.	Miloš Živanović	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 361,233.88	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
206.	Ivan Stevanović	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 190,612.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
207.	PE Putevi Srbije	EP Niskogradnja Plc.	Recourse lawsuit	RSD 2,136,944.06	Commercial Court in Belgrade	2021	Partially accepted claim (1,068,472.03 dinars), appeal filed, awaiting second instance decision
208.	Dragan Antonijević	EP Niskogradnja Plc.	Annulment of the annex to the employment contract and payment of wages	RSD 25,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
209.	Miladin Radović	EP Niskogradnja Plc.	Overtime work		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
210.	ENEL PS	EP Niskogradnja Plc.	Debt by invoices	RSD 3,500,000.00	Commercial Court in Belgrade	2021	The first-instance decision partially accepted request for legal default interest, the plaintiff filed appeal against the decision on costs of the proceedings
211.	Vladimir Muškinja	EP Niskogradnja Plc.	Payment of travel expenses	RSD 109,152.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
212.	Dejan Jaredić	EP Niskogradnja Plc.	Transformation of employment into work for an indefinite period of time		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
213.	Bojan Šićarević	EP Niskogradnja Plc.	Payment of travel expenses	RSD 117,792.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
214.	Bojan Šićarević	EP Niskogradnja Plc.	Annulment of termination of employment		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
215.	Živan Erski	EP Niskogradnja Plc.	Payment of travel expenses	RSD 173,520.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
216.	Marko Radovanović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 60,112.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
217.	Dejan Jaredić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 112,032.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
218.	Danijela Dostanić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
219.	Goran Marković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 143,712.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
220.	Goran Petrović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 83,232.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
221.	Dejan Jaredić	EP Niskogradnja Plc.	Illegal dismissal and return to work		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
222.	Goran Marković	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
223.	Miloš Jeremić	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
224.	Milan Bursać	EP Niskogradnja Plc.	Compensation of salary	RSD 570,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
225.	Predrag Vojinović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2021	The first instance verdict partially approved the claim, appeal shall state
226.	Milan Perović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
227.	Radosav Milić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
228.	Dragan Kozoder	EP Niskogradnja Plc.	Payment of travel expenses	RSD 95,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
229.	Dejan Bošnjaković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
230.	Dražen Potpara	EP Niskogradnja Plc.	Payment of travel expenses	RSD 178,784.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
231.	Jelena Šljivar	EP Niskogradnja Plc.	Determination and compensation of damages	RSD 600,000.00	1st Basic Court in Belgrade	2021	Uncertain First instance proceedings
232.	Ivan Kovačević	EP Niskogradnja Plc.	Reimbursement of costs for commuting to and from work	RSD 607,800.00 and RSD 129,678.00	Basic Court in Gornji Milanovac	Uncertain	The claim was adopted by the first-instance decision, appeal filed, awaiting the second-instance decision

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
233.	Miloš, Radoslav, Biljana and Nataša Jovanović	EP Niskogradnja Plc.	Compensation for damages	RSD 250,000.00	Basic Court in Gornji Milanovac	Uncertain	Uncertain First instance proceedings
234.	Dragomir, Ljiljana, Jelena, Milica and Ilija Matković	EP Niskogradnja Plc.	Compensation for damages	RSD 250,000.00	Basic Court in Gornji Milanovac	Uncertain	Uncertain First instance proceedings
235.	Dragan Prole	EP Niskogradnja Plc.	Annulment of the decision on termination of employment		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
236.	Stanoje Markeljić	EP Niskogradnja Plc.	Protection of property rights and elimination of the danger of damage		Basic Court in Gornji Milanovac	Uncertain	Uncertain First instance proceedings
237.	Nenad Sparović	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
238.	Sladan Lapčević	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
239.	Petar Radojičić	EP Niskogradnja Plc.	Determining the nullity of the decision on termination of the employment contract and salary compensation	RSD 55,985.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
240.	Milija Neradović	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
241.	Vladan Milošević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
242.	Aleksandar Dragović	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
243.	Radoje Milenković	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
244.	Miroslav Luković	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
245.	Miodrag Janićijević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
246.	Tomislav Kovačević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
247.	Vesko Obradović	EP Niskogradnja Plc.	Transportation costs	RSD 73,160.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
248.	Željko Petrović	EP Niskogradnja Plc.	Transportation costs	RSD 126,432.00	3 rd Basic Court in Belgrade	2021	Uncertain
249.	Tomislav Kovačević	EP Niskogradnja Plc.	Overtime, night work, transportation costs	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	First instance proceedings
250.	Miodrag Janićijević	EP Niskogradnja Plc.	Overtime, night work, transportation costs	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain
251.	Jovan Alempijević	EP Niskogradnja Plc.	Compensation for damage - lease of land and restoration	RSD 1,585,032.00	Basic Court in Mionica	2021	First instance proceedings
252.	Milovan Alempijević	EP Niskogradnja Plc.	Compensation for damage - lease of land and restoration	RSD 1,527,616.00	Basic Court in Mionica	2021	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
253.	P. Stanišić and J. Blagojević	EP Hidroinženjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	3rd Basic Court in Belgrade	2021	Favourable The first instance verdict dismissed the claim. In the proceedings on the appeal of the second-degree. Second instance proceedings.
254.	Z. Crnobrnja	EP Hidroinženjering Plc.	Fortifications of existence employment terms for the period 1985-1991	Taxes and contributions from employment for the period from 20.01.1985-31.01.1991	3rd Basic Court in Belgrade	2021	Favourable By the decision of the Court, the lawsuit was rejected in one part as untimely filed and in one part it is rejected. Appeal filed
255.	Técnica y Proyectos S.A.; Energoprojekt Hidroinženjering S.A. and Carlos Alfredo Machicao Pereyra y Asociados S.R.L.	Proyecto Especial de Afianzamiento y Ampliación de los Recursos Hídricos de TACNA - PET	Protesting financial guarantee for the project Yaraskay + 30% of the balance upon the Agreement Finali	USD 464,376.27 and USD 218,216.99	Arbitration Court in TACNA, Peru	The Arbitration Dispute is over and the Arbitration Council has made a decision in favor of the Consortium regarding the return of funds under the protested guarantee and payment of the last payment certificate. After the completion of all appeal procedures, the consortium submitted a request for execution of the Arbitration Award, ie collection. PET has filed a request for cassation, which the High	Achieved very favorable success given the complexity of this dispute: The importance of the Yarascay Contract is recognized, the Client's request for nullity of the contract is rejected, the Yarascay Consortium is ordered to pay the last invoice issued at 30% of the contract value. S / .1,462,834.99, an order is given to refund the amounts of the protested guarantees to the Consortium, of which the amounts S / .353,166.41, S / are returned to EPHI. 302,786.44 and S / .783,661.60, the contract is terminated to the detriment of the Client, thus there is no preparation of the Final Liquidation. All claims for damages were

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
						Court is obliged to forward to the Supreme Court. In that case, the beginning of the deadline for the execution of the arbitral award, which normally lasts for 1 year, shall be extended by about one year.	denied. It was declared that there was no place for the plaintiff to pay the costs and arbitration costs, accordingly, each party will bear its own.
256.	State of Peru	The last two President of the Piura Regional Government, along with 18 other state and other officials, and the contractor Camargo Correa. The criminal case was initiated in 2017. From March 2019, at the request of the prosecutor the following companies are additionally included: Técnica y Proyectos SA, Lahmeyer Agua y Energia, Energoprojekt Hidroinzenjering SA, Sucurasali Técnica y Proyectos SA and Energoprojekt Hidroinzenjering S.A., Pablo Ferradas, Legal Representative of the CSAP Consortium (Supervision) and	Alleged commission of a criminal offense against the state administration in the form of corruption of officials and collusion to the detriment of the state in connection with the implementation of the ALTO PIURA project carried out by the Brazilian company Camargo Correa, with its Sucusal Camargo Correa Peru	In the event that a violation of any of the above is proven and that the amount of assessed damage cannot be fully collected from the above officials and the contractor Camargo Correa, and evidence during the criminal proceedings and some administrative responsibility of the Consortium that performed Supervision (CSAP) related exclusively to approve the extension of deadlines and additions, then the members of the Consortium as the Third Civil Liability would be obliged to cover any difference on this basis, if it was due to the	6th Criminal Court in Piura	The investigation phase is underway (up to 36 m), with the possibility of extension at the request of the prosecutor. Appeal filed on behalf of EP Hidroinzenjering S.A. and EP Hidroinzenjering S.A., Sucursal Peru for exemption from the process. Hearings related to our appeal are underway. The last hearing was held on 23.09.2019. As part of this process, Virgilio Doigu and Pablo Ferradas were banned from "blocking"	As a member of the CSAP Consortium that supervises the Alto Piura project involved in the process of "third civil liability" exclusively related to the administrative approval of extensions of deadlines and additions during the implementation of the Alto Piura project, we must follow the entire criminal process against these individuals and companies, that may last more than 36 months and if no criminal proceedings are instituted against us. In accordance with the statements of the Legal Representative of our Consortium and also the Head of Supervision that everything was done according to the regulations related to

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
		Virgilio Doig, Head of CSAP Supervision as "Third Civil Liable"		impossibility of collection from those against whom criminal proceedings were initiated.		personal property, which is a common practice when it comes to criminal proceedings. A hearing has been scheduled upon Virgilio Doiga's appeal against this ban.	approving the extension of deadlines and additions, it is realistic to expect that we will be released from any administrative responsibility, with the obligation to bear the costs. Due to that overall political situations and scandals related to the so-called "Lava Jato" and leading Brazilian companies, it is difficult to expect that the Court will release us from administrative responsibility at this stage.
257.	EP Hidroinženjering Plc.	Beogradska Banka Plc. in bankruptcy	Lawsuit for determination	RSD 2,153,727.15	Commercial Court in Belgrade	2021	Grounded
258.	EP Hidroinženjering Plc.	Jugobanka Plc. in bankruptcy	Lawsuit for determination	RSD 117,048,753.52	Commercial Court in Belgrade	2021	Grounded

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

In April 2019, the arbitration procedure with Gazprom Transgaz Belarus held in Stockholm for the project Energoentar Minsk, Belarus was completed in favour of Energoprojekt Oprema. Pursuant to Decision made by Arbitration Council, Energoroprojekt Oprema is entitled to compensation in the amount of approximately USD 30 million with added interests (Note 35.2). Investor Gazprom Transgas Belarus has filed an appeal against the mentioned Decision made by Court of Appeals in Stockholm and the procedure is still ongoing, so the dynamics of collection is uncertain. .

47. POST BALANCE SHEET EVENTS

After the balance sheet date, there were no subsequent events that would significantly affect the credibility of the reported financial statements.

Belgrade,

14 May 2021

Legal Representative


Stojan Colakov
M.Sc.C.E.

2. INDEPENDENT AUDITOR'S REPORT (complete report)

ENERGOPROJEKT HOLDING PLC, BELGRADE

Independent Auditor's Report
on the Audit of the Restated
Consolidated Financial Statements for the Year 2020



This version of our report/the accompanying documents is a translation from the original which was prepared in Serbian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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Restated notes to the consolidated financial statements

This version of our report/ the accompanying documents is a translation from the original. which was prepared in Serbian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions. The original language version of our report takes precedence over this translation.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade

Qualified Opinion

We have audited the accompanying restated consolidated annual financial statements of "Energoprojekt Holding" Plc., Belgrade (and the "Parent Company"), its subsidiaries and affiliated company (the "Group"), which comprise restated consolidated balance sheet as at 31 December 2020, restated consolidated income statement, restated consolidated statement of other comprehensive income, restated consolidated cash flow statement and restated consolidated statement of changes in equity for the year then ended, and restated notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the 'Basis for Qualified Opinion', restated consolidated financial statements give a true and fair view of the consolidated financial position of the "Energoprojekt Holding" Plc., Belgrade, its subsidiaries and affiliated company as at 31 December 2020, and of its consolidated financial performances and its consolidated cash flows for the year then ended in accordance with the current accounting regulations in effect in the Republic of Serbia and accounting policies disclosed in the notes to the consolidated financial statements.

Other Matters

On 21 April 2021, we issued a report on regular consolidated annual financial statements of the Group for 2020, in which we disclaimed of our auditor's opinions due consolidated annual financial statements nor all required supporting documentation were not timely provided to us, whereby we were not able to conduct all the audit procedures we considered necessary and sufficient to express our opinion within the legal deadline.

In this report we express our opinion on restated consolidated financial statements (financial statements with amended contents) prepared by the Parent Company in a subsequent period for the same reporting period.

Basis for Qualified Opinion

Within the balance sheet items Advances paid for supplies and services, the amount of RSD 121,904 thousand and Receivables from special operations of RSD 48,114 thousand, are shown. It is about receivables that subsidiary Energoprojekt "Oprema" Plc. Belgrade on 31 December 2020 claimed from the company "Energo Nigeria". These figures in the Group's consolidated financial statements have not been impaired or provisioned if mentioned funds would not be reimbursed by the subsidiary Energoprojekt "Oprema" Plc., Belgrade.

INDEPENDENT AUDITOR'S REPORT (continued)

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (continued)

Basis for Qualified Opinion (continued)

Additionally, within the balance sheet item Buyers abroad as of 31 December 2020, the receivables that Energoprojekt "Oprema" Plc., Belgrade claimed from Energo Nigeria in the amount of RSD 311,173 thousand, Energo Nigeria FZE of RSD 226,192 thousand and Energo Rwanda LTD of RSD 23,735 thousand, are shown. These receivables originated from previous years and were not collected until the audit date, whereby their existence was not confirmed by the debtor. In the consolidated financial statements of the Group as of 31 December 2020, the allowance for impairment of the respective financial assets in the amount of RSD 79,759 thousand, is shown in accordance with the adopted methodology for calculating expected credit losses arising from requirements of IFRS 9 - Financial Instruments.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law on Audit of the Republic of Serbia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Serbia, and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 35.2 to the restated consolidated financial statements where the amount of RSD 1,919,938 thousand within the item Accruals in the Balance Sheet is shown related to the company "Energoprojekt Oprema" Plc. Belgrade in regard to:

- Receivables for non-invoiced income from OAO "Gazprom Transgas Belarus" (GTB), Minsk in the amount of RSD 1,296,346 thousand;*
- Other accruals in the amount of RSD 478,847 thousand related to OAO "Gazprom Transgas Belarus" (GTB), Minsk; and*
- Other prepaid expenses in the amount of RSD 144,745 thousand for lawyer fee and consulting services for the arbitration proceedings initiated against OAO "Gazprom Transgas Belarus".*

Consequently, we note that in April 2019, the Tribunal in Stockholm made a judgment approving compensation to the subsidiary "Energoprojekt Oprema" Plc., Belgrade where all litigation costs will be covered. This ended the arbitration, but immediately afterwards the proceeding was resumed at the Stockholm Court of Appeal and was not completed by the audit date, which is disclosed in Note 46 to the restated consolidated financial statements.

Subsidiary "Energoprojekt Oprema" Plc., Belgrade is in accordance with adopted methodology for calculation the expected credit losses arising from requirements of IFRS 9, booked allowance for impairment for the respective financial assets, which as of 31 December 2020 amounted to RSD 208,831 thousand.

We draw your attention to Note 7.15 to the restated consolidated financial statements related to the policy of first-time adoption of IFRS 9 - Financial Instruments in the Group, which discloses the following: After the elimination of internal relations, the total outcome resulting from the application of IFRS 9 at the consolidated level, recorded as of 01 January 2020 through the reduction of retained earnings from previous years amounted to RSD 2,066,627 thousand, while the same amount in the consolidated income statement of the current year increased the gross result by RSD 272,487 thousand.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (continued)

Emphasis of Matter (continued)

Within the structure of determined outcomes, after elimination of internal relations on consolidated level recorded as of 01 January 2020 through retained earnings from previous years, the largest percentages represent outcomes related to "Energoprojekt Niskogradnja" Plc., Belgrade (RSD 1,029,353 thousand), "Energoprojekt Visokogradnja" Plc., Belgrade (RSD 480,008 thousand) and "Energoprojekt Oprema" Plc., Belgrade (RSD 409,400 thousand).

Our opinion is not qualified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Receivables of the Subsidiary "Energoprojekt Oprema" Plc. Belgrade

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of receivables disclosed in the restated consolidated financial statements of the subsidiary "Energoprojekt Oprema" Plc. Belgrade as of 31 December 2020 was identified as a key audit matter during the audit of the Group's restated consolidated financial statements as at 31 December 2020. The key audit matters were identified as open issues during the audit of the consolidated financial statements of the Group as at 31 December 2019.</p>	<p>During our audit, we have noted the following to answer on identified key audit matter:</p> <p>The audit opinion on the consolidated FS of the subsidiary "Energoprojekt Oprema" Plc. Belgrade as of 31 December 2020 was reviewed and in relation to the identified key audit matters, qualifications were presented in the audit opinion on the consolidated financial statements of "Energoprojekt Oprema" as of 31 December 2020 (Basis for Qualified Opinion Paragraph).</p> <p>Given the above and the fact that the cumulative audit qualifications in the consolidated financial statements of "Energoprojekt Oprema" Plc. Belgrade exceeds general audit materiality determined at the level of Group's restated consolidated financial statements, the qualifications were issued in the audit opinion on the restated consolidated financial statements of the Group as at 31 December 2020.</p>

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (continued)

Key Audit Matters (continued)

Internal Eliminations in Relation to Outcomes of Application IFRS 9 – Financial Instruments

Key Audit Matter	How our audit addressed the key audit matter
<p><i>Accuracy of the application IFRS 9 – Financial Instruments (IFRS9), was a key audit matter observed during the audit of the Group's restated consolidated financial statements as at 31 December 2020.</i></p> <p><i>Namely, the new IFRS 9 moved from the model incurred (realized) credit losses to the expected credit losses model for receivables measured at amortized cost.</i></p> <p><i>According to the new standard, it is no longer necessary to the loss itself occurs in order to recognise impairment. Under IFRS 9, entities are required to calculate Expected Credit Loss - ECL.</i></p> <p><i>Within the scope of audit of the restated consolidated financial statements we focused on considering whether eliminations of internal effects arising from the requirements of IFRS 9 have been made applying modified retrospective method, which involved recording outcomes of the first-time application within the item retained earnings from prior years as of 01 January 2020, respectively current outcomes through the Group's consolidated income statement for 2020.</i></p> <p><i>In addition, it was verified whether adequate disclosures defined by the new IFRS 9 were performed in restated consolidated notes to the financial statements of the Group as at 31 December 2020.</i></p>	<p><i>By audit procedures during the audit of the restated consolidated financial statements in relation to the identified key matters, we have confirmed that all procedures related to identified key matter during the preparation of restated consolidated financial statements of the Group were properly performed. We present them below:</i></p> <p><i>The summary balance sheet and income statement were verified in respect of determined outcomes from the application of IFRS 9, including checking whether the effects of internal relations on 01 January 2020 and 31 December 2020 were properly and completely eliminated. Any deviations have not been identified.</i></p> <p><i>After the elimination of internal relations, the total outcome from application of IFRS 9 at the consolidated level, recorded on 01 January 2020 through reductions of retained earnings from previous years amounted to RSD 2,066,627 thousand, while the outcome in question in the consolidated income statement for the current year increased the gross result by RSD 272,487 thousand.</i></p> <p><i>Within the structure of determined outcomes, after elimination of internal relations on consolidated level recorded as of 01 January 2020 through retained earnings from previous years, the largest percentages represent outcomes related to "Energoprojekt Niskogradnja" Plc., Belgrade (RSD 1,029,353 thousand), "Energoprojekt Visokogradnja" Plc., Belgrade (RSD 480,008 thousand) and "Energoprojekt Oprema" Plc., Belgrade (RSD 409,400 thousand).</i></p> <p><i>Restated consolidated financial statements of the Group include disclosed accounting policies and thus sufficient and valid information shown under the requirements of IFRS 9.</i></p>

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (continued)

Responsibilities of Management and Those Charged with Governance for the Restated Consolidated Financial Statements

Management is responsible for the preparation of restated consolidated financial statements that give a true and fair view in accordance with the current accounting regulations in effect in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of restated consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the restated consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Persons authorized for management are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Restated Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the restated consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these restated consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;*
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;*
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;*
- conclude on the appropriateness of the Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;*
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;*

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

Compliance of the 2020 Annual Business Report with the Restated Consolidated Financial Statements

Management is responsible for other information. Other information is all information provided in the 2020 Annual Business Report, other than the restated consolidated financial statements and the Auditor's Report. Our opinion on the restated consolidated financial statements does not cover other information and we do not provide assurance thereon.

Pursuant to the requirements of the Law on Auditing of the Republic of Serbia and Rulebook on Conditions for Auditing Financial Statements of Public Enterprises, we have checked the compliance of the Annual Business Report and the restated consolidated Financial Statements of the Group.

In conjunction with our audit, it is our responsibility, in accordance with the International Standards on Auditing 720 - Auditor's Responsibility Relating to Other Information, to read this other information and to assess whether based on knowledge gained during our audit, it contains any material inconsistencies with the restated consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

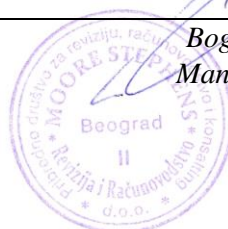
Belgrade, 20 May 2021

„MOORE STEPHENS
Revizija i Računovodstvo“ d.o.o. Beograd
4 Studentski Trg, 5th floor

Stanko Rebić
Authorised Auditor

„MOORE STEPHENS
Revizija i Računovodstvo“ d.o.o. Beograd
4 Studentski Trg, 5th floor

Bogoljub Aleksić
Managing Partner



CONSOLIDATED BALANCE SHEET
as at 31.12.2020.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001		-	-	-
	B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002		14.163.119	15.142.892	-
01	I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003		48.935	63.899	-
010 & part 019	1. Investments in development	0004		-	-	-
011, 012 & part 019	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	25.	48.531	63.429	-
013 & part 019	3. Goodwill	0006		-	-	-
014 & part 019	4. Other intangible assets	0007		-	-	-
015 & part 019	5. Intangible assets in progress	0008	25.	-	470	-
016 & part 019	6. Advances paid on intangible assets	0009	25.	404	-	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		11.832.540	12.741.255	-
020, 021 & part 029	1. Land	0011	26.	632.863	633.593	-
022 & part 029	2. Buildings	0012	26.	6.643.939	6.816.541	-
023 & part 029	3. Plant and equipment	0013	26.	2.018.321	2.329.260	-
024 & part 029	4. Investment property	0014	26.	2.402.012	2.837.068	-
025 & part 029	5. Other property, plant and equipment	0015	26.	70.117	68.304	-
026 & part 029	6. Property, plant and equipment in progress	0016	26.	1.658	2.641	-
027 & part 029	7. Investments in property, plant and equipment, not owned	0017	26.	18.795	4.184	-
028 & part 029	8. Advances paid on property, plant and equipment	0018	26.	44.835	49.664	-
03	III. NATURAL ASSETS (0020+0021+0022+0023)	0019		-	-	-
030, 031 & part 039	1. Forests and growing crops	0020		-	-	-
032 & part 039	2. Livestock	0021		-	-	-
037 & part 039	3. Natural assets in progress	0022		-	-	-
038 & part 039	4. Advances paid for natural assets	0023		-	-	-
04, excl 047	IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		898.307	999.869	-
040 & part 049	1. Shares in subsidiaries	0025		-	-	-
041 & part 049	2. Shares in affiliated companies and joint ventures	0026	27.	734.267	729.439	-
042 & part 049	3. Shares in other companies and other available for sale securities	0027	27.	32.040	31.116	-
part 043, part 044 & part 049	4. Long term investments in parent companies and subsidiaries	0028		-	-	-
part 043, part 044 & part 049	5. Long term investments in other affiliated companies	0029		-	-	-
part 045 & part 049	6. Long term investments, domestic	0030		-	-	-
part 045 & part 049	7. Long term investments, foreign countries	0031		-	-	-
046 & part 049	8. Securities held to maturity	0032		-	-	-
048 & part 049	9. Other long term financial investments	0033	27.	132.000	239.314	-
05	V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		1.383.337	1.337.869	-
050 & part 059	1. Receivables from parent company and subsidiaries	0035		-	-	-
051 & part 059	2. Receivables from other affiliated companies	0036		-	-	-
052 & part 059	3. Receivables from credit sales	0037		-	-	-
053 & part 059	4. Receivables from financial leasing contracts	0038		-	-	-
054 & part 059	5. Receivables from pledged assets	0039	28.	2.400	-	-
055 & part 059	6. Bad debts and uncollectible claims	0040		-	-	-
056 & part 059	7. Other long term receivables	0041	28.	1.380.937	1.337.869	-
288	C. DEFERRED TAX ASSETS	0042		-	-	-
	D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		21.020.942	21.567.051	-
Class 1	I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044		5.424.458	5.671.082	-
10	1. Material ,parts, tools and small inventories	0045	29.	1.249.446	927.165	-
11	2. Work and services in progress	0046	29.	941.628	2.555.541	-
12	3. Finished products	0047	29.	1.713.605	605.909	-
13	4. Goods	0048	29.	60.212	21.980	-
14	5. Non-current assets held for sale	0049	29.	220.170	109.157	-
15	6. Advances paid for inventories and services	0050	29.	1.239.397	1.451.330	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
20	II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051		5.881.992	6.748.205	-
200 & part 209	1. Local buyers - parent company and subsidiaries	0052		-	-	-
201 & part 209	2. Foreign buyers - parent company and subsidiaries	0053		-	-	-
202 & part 209	3. Local buyers - other affiliated companies	0054	30.	3.240	23.127	-
203 & part 209	4. Foreign buyers - other affiliated companies	0055	30.	-	470.798	-
204 & part 209	5. Local buyers	0056	30.	2.011.627	2.634.316	-
205 & part 209	6. Foreign buyers	0057	30.	3.867.125	3.619.964	-
206 & part 209	7. Other receivables from sales	0058		-	-	-
21	III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	31.	48.952	47.539	-
22	IV. OTHER RECEIVABLES	0060	32.	290.844	539.060	-
236	V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061		-	-	-
23 excl. 236 & 237	VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062		1.360.403	1.383.706	-
230 & part 239	1. Short term loans and investments - parent company and subsidiaries	0063		-	-	-
231 & part 239	2. Short term loans and investments - other affiliated companies	0064	33.	76.513	76.521	-
232 & part 239	3. Short term credits and loans, domestic	0065	33.	136	-	-
233 & part 239	4. Short term credits and loans, foreign countries	0066	33.	1.335	853	-
234, 235, 238 & part 239	5. Other short term financial investments	0067	33.	1.282.419	1.306.332	-
24	VII. CASH AND CASH EQUIVALENTS	0068	34.	2.911.977	2.454.112	-
27	VIII. VALUE ADDED TAX	0069	35.1.	100.493	74.967	-
28 excl. 288	IX. PREPAYMENTS AND ACCRUED INCOME	0070	35.2.	5.001.823	4.648.380	-
	E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		35.184.061	36.709.943	-
88	F. OFF-BALANCE SHEET ASSETS	0072	44.	15.596.959	19.702.786	-
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401		17.832.767	17.797.620	-
30	I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402		5.790.847	5.818.025	-
300	1. Share capital	0403	36.1.	5.574.959	5.574.959	-
301	2. Shares of limited liability companies	0404		-	-	-
302	3. Investments	0405		-	-	-
303	4. State owned capital	0406		-	-	-
304	5. Socially owned capital	0407		-	-	-
305	6. Shares of cooperatives	0408		-	-	-
306	7. Issuing premium	0409	36.1.	162.693	162.693	-
309	8. Other share capital	0410	36.1.	53.195	80.373	-
31	II. SUBSCRIBED CAPITAL UNPAID	0411		-	-	-
047 & 237	III. TREASURY SHARES REPURCHASED	0412	36.2.	49.827	49.827	-
32	IV. RESERVES	0413	36.3.	318.617	453.602	-
330	V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	36.4.	5.718.877	5.973.916	-
33 excl. 330	VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	36.5.	52.736	265.202	-
33 excl. 330	VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	36.6.	25.346	17.055	-
34	VIII. RETAINED EARNINGS (0418+0419)	0417		5.932.247	5.259.056	-
340	1. Retained earnings from previous years	0418	36.7.	4.907.513	4.614.170	-
341	2. Retained earnings from current year	0419	36.7.	1.024.734	644.886	-
	IX. NON-CONTROLLING INTEREST	0420	36.8.	94.616	94.701	-
35	X. LOSSES (0422+0423)	0421		-	-	-
350	1. Losses from previous years	0422		-	-	-
351	2. Losses from current year	0423		-	-	-
	B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		5.413.838	2.455.885	-
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		856.788	893.788	-
400	1. Provisions for warranty costs	0426	37.	579.499	606.134	-
401	2. Provisions for recovery of natural resources	0427		-	-	-
403	3. Provisions for restructuring costs	0428		-	-	-
404	4. Provisions for wages and other employee benefits	0429	37.	262.890	285.334	-
405	5. Provisions for legal expenses	0430	37.	14.399	2.320	-
402 & 409	6. Other long term provisions	0431		-	-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		4.557.050	1.562.097	-
410	1. Liabilities convertible into capital	0433		-	-	-
411	2. Liabilities to parent company and subsidiaries	0434		-	-	-
412	3. Liabilities to other affiliated companies	0435	38.1.	730.472	1.196.624	-
413	4. Liabilities for issued securities for more than one year	0436	38.2.	3.300.000	-	-
414	5. Long term credits and loans, domestic	0437		-	-	-
415	6. Long term credits and loans, foreign countries	0438	38.3.	-	203.021	-
416	7. Long term liabilities from financial leasing	0439	38.4.	74.125	5.405	-
419	8. Other long term liabilities	0440	38.5.	452.453	157.047	-
498	C. DEFERRED TAX LIABILITIES	0441	43.4	490.471	476.867	-
42 to 49 (excl. 498)	D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		11.446.985	15.979.571	-
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		1.010.957	4.250.885	-
420	1. Short term loans from parent company and subsidiaries	0444		-	-	-
421	2. Short term loans from other affiliated companies	0445		-	-	-
422	3. Short term credits and loans, domestic	0446	39.1.	782.626	3.681.150	-
423	4. Short term credits and loans, foreign countries	0447	39.2.	150.068	429.149	-
427	5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		-	-	-
424,425,426 & 429	6. Other short term financial liabilities	0449	39.3.	78.263	140.586	-
430	II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	40.	3.916.553	5.020.314	-
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		3.980.428	4.464.353	-
431	1. Suppliers - parent company and subsidiaries, local	0452		-	-	-
432	2. Suppliers - parent company and subsidiaries, foreign countries	0453		-	-	-
433	3. Suppliers - other affiliated companies, local	0454	41.	80.950	83.250	-
434	4. Suppliers - other affiliated companies, foreign countries	0455	41.	-	5.777	-
435	5. Suppliers, local	0456	41.	2.458.210	2.786.730	-
436	6. Suppliers, foreign countries	0457	41.	1.428.432	1.585.830	-
439	7. Other operating liabilities	0458	41.	12.836	2.766	-
44, 45 & 46	IV. OTHER SHORT TERM LIABILITIES	0459	42.	847.223	873.835	-
47	V. VALUE ADDED TAX	0460	43.1.	215.787	163.963	-
48	VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	43.2.	227.733	52.331	-
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	43.3.	1.248.304	1.153.890	-
	D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402) ≥ 0 = (0441+0424+0442-0071) ≥ 0	0463		-	-	-
	E. TOTAL CAPITAL AND LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464		35.184.061	36.709.943	-
89	F. OFF-BALANCE SHEET LIABILITIES	0465	44.	15.596.959	19.702.786	-

Belgrade,

Date: 14.05.2021.



CONSOLIDATED INCOME STATEMENT
from 01.01. until 31.12.2020.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. INCOME FROM NORMAL ACTIVITIES				
60 to 65, excl. 62 & 63	A. OPERATING INCOME (1002+1009+1016+1017)	1001		26.144.994	26.454.843
60	I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002		59.750	202.080
600	1. Income from sale of goods to parent company and subsidiaries on local market	1003		-	-
601	2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004		-	-
602	3. Income from sale of goods to other affiliated companies on local market	1005	11.1.	1.714	-
603	4. Income from sale of goods to other affiliated companies on foreign markets	1006		-	-
604	5. Income from sale of goods on local market	1007	11.1.	39.606	142.487
605	6. Income from sale of goods on foreign markets	1008	11.1.	18.430	59.593
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		25.888.228	26.085.289
610	1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010		-	-
611	2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011		-	-
612	3. Income from sale of finished products and services to other affiliated companies on local market	1012	11.2.	36.931	47.230
613	4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013	11.2.	-	155.158
614	5. Income from sale of finished products and services on local market	1014	11.2.	14.920.739	17.197.430
615	6. Income from sale of finished products and services on foreign markets	1015	11.2.	10.930.558	8.685.471
64	III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016	11.3.	58.067	-
65	IV. OTHER OPERATING INCOME	1017	11.3.	138.949	167.474
	EXPENSES FROM NORMAL ACTIVITIES				
55 to 55, 62 & 63	B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018		24.938.130	25.774.621
50	I. COST PRICE OF GOODS SOLD	1019	12.	65.008	204.552
62	II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	13.	79.556	20.197
630	III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021	13.	1.411.902	943.370
631	IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022	13.	1.913.595	756.117
51 excl. 513	V. MATERIAL COSTS	1023	14.	3.050.183	3.677.586
513	VI. FUEL AND ENERGY COSTS	1024	14.	624.281	733.997
52	VII. EMPLOYEE EXPENSES AND BENEFITS	1025	15.	6.166.841	7.361.902
53	VIII. PRODUCTION SERVICE COSTS	1026	16.	12.686.616	11.864.211
540	IX. DEPRECIATION EXPENSES	1027	17.	486.802	563.863
541 to 549	X. PROVISION EXPENSES	1028	17.	173.484	233.036
55	XI. INTANGIBLE EXPENSES	1029	18.	1.262.778	1.342.924
	C. OPERATING INCOME (1001-1018) ≥ 0	1030		1.206.864	680.222
	D. OPERATING LOSSES (1018-1001) ≥ 0	1031		-	-
66	E. FINANCIAL REVENUES (1033+1038+1039)	1032		707.719	665.269
66, excl. 662, 663 & 664	I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033		124.648	172.721
660	1. Financial income from parent company and subsidiaries	1034		-	-
661	2. Financial income from other affiliated companies	1035	19.1.	4.821	17.885
665	3. Share of profits in associated companies and joint ventures	1036	19.1.	55.120	73.743
669	4. Other financial revenues	1037	19.1.	64.707	81.093
662	II. INTEREST INCOME (THIRD PARTY)	1038	19.1.	100.756	128.492
663 & 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	19.1.	482.315	364.056
56	F. FINANCIAL EXPENSES (1041+1046+1047)	1040		1.266.237	558.111
56, excl. 562, 563 & 564	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		80.076	45.461
560	1. Financial expenses from transactions with parent company and subsidiaries	1042		-	-
561	2. Financial expenses from transactions with other affiliated companies	1043	19.2.	72.127	45.060
565	3. Share of losses in affiliated companies and joint ventures	1044	19.2.	6.976	-
566 & 569	4. Other financial expenditure	1045	19.2.	973	401
562	II. INTEREST EXPENSES (THIRD PARTY)	1046	19.2.	151.644	266.491
563 & 564	III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	19.2.	1.034.517	246.159
	G. FINANCIAL GAINS (1032-1040)	1048		-	107.158
	H. FINANCIAL LOSSES (1040-1032)	1049		558.518	-

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
683 & 685	I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050	20.1.	406.664	112.810
583 & 585	J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051	20.2.	253.187	121.393
67 & 68, excl. 683 & 685	K. OTHER INCOME	1052	21.1.	1.108.594	303.316
57 & 58, excl. 583 & 585	L. OTHER EXPENSES	1053	21.2.	514.636	297.044
	M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		1.395.781	785.069
	N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		-	-
69-59	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056	22.	-	18.205
59-69	P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057	22.	6.285	-
	Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	23.	1.389.496	803.274
	R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1060		331.420	169.741
part 722	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		36.062	-
part 722	III. DEFERRED TAX INCOME FOR THE PERIOD	1062		-	7.316
723	T. MANAGEMENT EARNINGS	1063		-	-
	U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		1.022.014	640.849
	V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065		-	-
	I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066		-	55.437
	II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067		1.110.515	585.412
	III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068		88.501	-
	IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069		-	-
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1070		-	-
	2. Reduced (diluted) earnings per share	1071		-	-

Belgrade,

Date: 14.05.2021.



Legal Representative of the Company

CONSOLIDATED STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2020.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. NET OPERATING RESULTS				
	I. NET PROFIT (EDP 1064)	2001		1.022.014	640.849
	II. NET LOSSES (EDP 1065)	2002			
	B. OTHER COMPREHENSIVE RESULTS OR LOSSES				
	a) Items not reclassifiable in the balance sheet in future periods				
330	1. Change of revaluation of intangibles, property, plant and equipment				
	a) increase in revaluation reserves	2003		97.170	62.774
	b) decrease in revaluation reserves	2004		17.947	
331	2. Actuarial gains or losses from defined income plans				
	a) gains	2005			
	b) losses	2006			
332	3. Gains and losses from equity instrument investments				
	a) gains	2007			
	b) losses	2008			
333	4. Gains and losses from share of other comprehensive profits and losses of affiliates				
	a) gains	2009			
	b) losses	2010			
	b) Items that may be reclassified in the balance sheet in future periods				
334	1. Gains and losses from translation of financial statements for foreign operations				
	a) gains	2011		3.042	30.029
	b) losses	2012		215.602	31.633
335	2. Gains and losses from hedging of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses from cash flow hedging				
	a) gains	2015			
	b) losses	2016			
337	4. Gains and losses from available for sale securities				
	a) gains	2017			1.091
	b) losses	2018		8.291	14.322
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) > 0	2019			47.939
	II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) > 0	2020		141.628	
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			
	IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) > 0	2022			47.939
	V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) > 0	2023		141.628	
	C. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD				
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) > 0	2024		880.386	688.788
	II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) > 0	2025			
	D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 > 0 or AOP 2025 > 0	2026		880.386	688.788
	1. Payable to majority shareholders	2027		880.386	628.389
	2. Payable to non-controlling shareholders	2028			60.399

Belgrade,

Date: 14.05.2021.



CONSOLIDATED CASH FLOW STATEMENT
from 01.01. until 31.12.2020.

RSD thousand

Description	EDP	Total	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)			
1. Sales and prepayments	3001	28.286.456	32.627.006
2. Interests from operating activities	3002	27.489.419	31.552.755
3. Other inflow from normal operations	3003	17.418	50.734
3. Other inflow from normal operations	3004	779.619	1.023.517
II. Cash outflow from operating activities (1 to 5)	3005	26.738.013	29.573.676
1. Payments to suppliers and prepayments	3006	19.460.983	19.983.398
2. Employee expenses and benefits	3007	5.931.413	7.349.374
3. Interests paid	3008	172.929	285.083
4. Income tax	3009	164.579	863.632
5. Payments based on other public revenues	3010	1.008.109	1.092.189
III. Net cash inflow from operating activities (I-II)	3011	1.548.443	3.053.330
IV. Net cash outflow from operating activities (II-I)	3012	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)			
1. Sale of shares and stocks (net inflow)	3013	109.029	1.109.626
1. Sale of shares and stocks (net inflow)	3014	-	-
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	49.801	54.172
3. Other financial investments (net inflow)	3016	-	1.018.868
4. Interest received from investment activities	3017	50.607	12.140
5. Dividends received	3018	8.621	24.446
II. Cash outflow from investing activities (1 to 3)	3019	260.407	832.517
1. Purchase of shares and stocks (net outflow)	3020	77.899	714.596
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	93.205	117.921
3. Other financial investments (net outflow)	3022	89.303	-
III. Net cash inflow from investing activities (I-II)	3023	-	277.109
IV. Net cash outflow from investing activities (II-I)	3024	151.378	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)			
1. Equity increase	3025	3.300.093	176.396
1. Equity increase	3026	-	-
2. Long term loans (net inflow)	3027	-	176.211
3. Short term loans (net inflow)	3028	-	-
4. Other long term liabilities	3029	3.300.093	139
5. Other short term liabilities	3030	-	46
II. Cash outflow from financing activities (1 to 6)	3031	4.009.823	3.216.727
1. Repurchase of own shares and stocks	3032	-	-
2. Long term loans (net outflow)	3033	362.771	-
3. Short term loans (net outflow)	3034	3.560.675	3.136.137
4. Other liabilities	3035	9.596	33.196
5. Financial leasing	3036	76.497	34.878
6. Dividends paid	3037	284	12.516
III. Net cash inflow from financing activities (I -II)	3038	-	-
D. Net cash outflow from financing activities (II-I)	3039	709.730	3.040.331
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	31.695.578	33.913.028
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	31.008.243	33.622.920
G. NET CASH INFLOW (3040-3041)	3042	687.335	290.108
H. NET CASH OUTFLOW (3041-3040)	3043	-	-
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	2.454.112	2.076.921
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	27.580	113.222
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	257.050	26.139
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	2.911.977	2.454.112

Belgrade,

Date: 14.05.2021.

Legal Representative of the Company



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 31.12.2020.

No.	DESCRIPTION	Equity component												330 Revaluation reserves	331 Actuarial gains or losses		
		EDP	30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 & 237 Treasury shares repurchased	EDP	34 Retained earnings				
1	2		3		4		5		6		7		8		9		10
1	Opening balance on 01.01.2018.																
	a) debit balance	4001	-	4019	-	4037	-	4055	-	4073	49.827	4091	-	4109	-	4127	-
	b) credit balance	4002	5.937.076	4020	-	4038	453.585	4056	-	4074	-	4092	7.150.182	4110	6.019.554	4128	-
2	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4003	-	4021	-	4039	-	4057	-	4075	-	4093	-	4111	-	4129	-
	b) adjustment of credit balance	4004	-	4022	-	4040	-	4058	-	4076	-	4094	-	4112	-	4130	-
3	Adjustment of opening balance on 01.01.2018.																
	a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005	-	4023	-	4041	-	4059	-	4077	49.827	4095	-	4113	-	4131	-
	b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	5.937.076	4024	-	4042	453.585	4060	-	4078	-	4096	7.150.182	4114	6.019.554	4132	-
4	Changes in previous 2018. year																
	a) debit balance activity	4007	24.350	4025	-	4043	-	4061	-	4079	-	4097	865.373	4115	120.267	4133	-
	b) credit balance activity	4008	-	4026	-	4044	17	4062	-	4080	-	4098	765.259	4116	74.629	4134	-
5	Closing balance previous year at 31.12.2018.																
	a) debit balance (3a+4a-4b) ≥ 0	4009	-	4027	-	4045	-	4063	-	4081	49.827	4099	-	4117	-	4135	-
	b) credit balance (3b-4a+4b) ≥ 0	4010	5.912.726	4028	-	4046	453.602	4064	-	4082	-	4100	7.050.068	4118	5.973.916	4136	-
6	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4011	-	4029	-	4047	-	4065	-	4083	-	4101	1.955.118	4119	-	4137	-
	b) adjustment of credit balance	4012	-	4030	-	4048	-	4066	-	4084	-	4102	164.106	4120	-	4138	-
7	Adjustment of opening balance current year at 01.01.2019.																
	a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013	-	4031	-	4049	-	4067	-	4085	49.827	4103	-	4121	-	4139	-
	b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	5.912.726	4032	-	4050	453.602	4068	-	4086	-	4104	5.259.056	4122	5.973.916	4140	-
8	Changes in current 2019. year																
	a) debit balance activity	4015	27.263	4033	-	4051	134.985	4069	-	4087	-	4105	462.224	4123	352.209	4141	-
	b) credit balance activity	4016	-	4034	-	4052	-	4070	-	4088	-	4106	1.135.415	4124	97.170	4142	-
9	Closing balance at 31.12.2019.																
	a) debit balance (7a+8a-8b) ≥ 0	4017	-	4035	-	4053	-	4071	-	4089	49.827	4107	-	4125	-	4143	-
	b) credit balance (7b-8a+8b) ≥ 0	4018	5.885.463	4036	-	4054	318.617	4072	-	4090	-	4108	5.932.247	4126	5.718.877	4144	-

Belgrade,

Date: 14.05.2021.

Name ENERGOPROJEKT HOLDING PLC, BELGRADE

RSD thousand

No.	DESCRIPTION	Other results component									Total capital [Σ (row 1b col.3 to col.15) - Σ (row 1a col.3 to col.15)] ≥ 0	Losses exceeding capital [Σ (row 1a col.3 to col.15) - Σ (row 1b col.3 to col.15)] ≥ 0			
		332 Gains and losses from equity instrument investments	333 Gains and losses from share of other profits and losses of affiliates	334 & 335 Gains and losses from foreign operations and translation of financial statements	336 Gains and losses from cash flow hedging	337 Gains and losses from available for sale securities									
1	2	11	12	13	14	15	16	17							
1	Opening balance on 01.01.2018. a) debit balance b) credit balance	4145 4146	- -	4163 4164	- -	4181 4182	- 266.806	4199 4200	- -	4217 4218	3.824 -	4235	19.773.552	4244	-
2	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4147 4148	- -	4165 4166	- -	4183 4184	- -	4201 4202	- -	4219 4220	- -	4236		4245	-
3	Adjustment of opening balance on 01.01.2018. a) adjustment of debit balance (1a+2a-2b) ≥ 0 b) adjustment of credit balance (1b-2a+2b) ≥ 0	4149 4150	- -	4167 4168	- -	4185 4186	- 266.806	4203 4204	- -	4221 4222	3.824 -	4237	19.773.552	4246	-
4	Changes in previous 2018. year a) debit balance activity b) credit balance activity	4151 4152	- -	4169 4170	- -	4187 4188	31.633 30.029	4205 4206	- -	4223 4224	14.322 1.091	4238		4247	184.920
5	Closing balance previous year at 31.12.2018. a) debit balance (3a+4a-4b) ≥ 0 b) credit balance (3b-4a+4b) ≥ 0	4153 4154	- -	4171 4172	- -	4189 4190	- 265.202	4207 4208	- -	4225 4226	17.055 -	4239	19.588.632	4248	-
6	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4155 4156	- -	4173 4174	- -	4191 4192	- -	4209 4210	- -	4227 4228	- -	4240		4249	1.791.012
7	Adjustment of opening balance current year at 01.01.2019. a) adjustment of debit balance (5a+6a-6b) ≥ 0 b) adjustment of credit balance (5b-6a+6b) ≥ 0	4157 4158	- -	4175 4176	- -	4193 4194	- 265.202	4211 4212	- -	4229 4230	17.055 -	4241	17.797.620	4250	-
8	Changes in current 2019. year a) debit balance activity b) credit balance activity	4159 4160	- -	4177 4178	- -	4195 4196	215.602 3.136	4213 4214	- -	4231 4232	8.291 -	4242		4251	
9	Closing balance at 31.12.2019. a) debit balance (7a+8a-8b) ≥ 0 b) credit balance (7b-8a+8b) ≥ 0	4161 4162	- -	4179 4180	- -	4197 4198	- 52.736	4215 4216	- -	4233 4234	25.346 -	4243	17.832.767	4252	-

Belgrade,

Date: 14.05.2021.





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT HOLDING PLC
FOR 2020**

Belgrade, May 2021

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1. COMPANY BACKGROUND

Consolidated financial statements of the Energoprojekt Holding Plc., Belgrade consists of a parent joint stock company Energoprojekt Holding Plc., Belgrade (hereinafter: Energoprojekt Holding or Company) and:

- 11 subsidiary companies in the country, 10 of which are direct subsidiaries (8 share-based and 2 limited liability companies) and 1 subsidiary company indirectly controlled by other subsidiaries (1 limited liability company),
- 1 joint venture company, hereinafter: joint venture (1 limited liability company) with 50% equity share, and
- 6 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 102) and own companies in the country and abroad (11 subsidiaries abroad and 1 affiliated company in the country), which jointly engage in building construction, design, fitting, study preparation, research, investment facilities' and systems' programming, sales of goods and services and other business activities.

During the reporting period and according to business activities, the companies within Energoprojekt were organized in the following manner:

Activity	No. of entities in the country	No. of business units for investment works and branch offices abroad	No. of entities abroad
Planning and research	4	46	5
Construction and fitting	6	56	10
Holding	1		
Other	3		2
Total	14	102	17

Parent and subsidiary companies' headquarters is in 12 Bulevar Mihajla Pupina Street, New Belgrade.

In 2020, the average number of employees within group for consolidation of Energoprojekt Holding Plc. (further in text: also system Energoprojekt), based on the actual number of employees at the end of each month, was 1,476 (compared to 1,841 in 2019), not including the local workforce in foreign entities.

The Energoprojekt Holding shares are Prime-Listed on the Belgrade Stock Exchange and these are traded in a regulated stock market.

Financial statements for 2020 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Holding Plc.** approved by the Supervisory Board of the Company, on 20 May 2021 in the 122nd meeting of Supervisory Board of the Company and are subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of audited data incorporated in consolidated financial statements for 2019. The statements were audited by independent external auditor and in addition provided that they are adjusted for the effects of the first-time adoption of IFRS 9 - Financial Instruments as of 01 January 2020 (Note 7.15).

The Company's management assesses that companies within consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in the business, and thus the consolidated financial statements for 2020 are prepared in accordance with the going concern.

2. CONSOLIDATION GROUP

The consolidation group of the Energoprojekt Holding Plc. (hereinafter: the System Energoprojekt) consists of parent company Energoprojekt Holding and its local subsidiaries, joint venture and related parties and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and related parties

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Visokogradnja Plc.	100.00
2.	Energoprojekt Niskogradnja Plc.	100.00
3.	Energoprojekt Oprema Plc.	67.87
4.	Energoprojekt Sunnyville Ltd.	100.00
5.	Energoprojekt Park 11 Ltd.	100.00
<i>Planning and Research</i>		
6.	Energoprojekt Urbanizam i arhitektura Plc.	100.00
7.	Energoprojekt Industrija Plc.	62.77
8.	Energoprojekt Entel Plc.	100.00
9.	Energoprojekt Hidroinženjering Plc.	100.00
<i>Other</i>		
10.	Energoprojekt Energodata Plc.	100.00
11.	Energoplast Ltd.	45.11
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	
<i>Joint ventures</i>		
<i>Building Construction and Fitting</i>		
12.	Enjub Ltd.	50.00

We note that the merge procedure of Energoprojekt Energodata Plc. (Transferor Company) to the Energoprojekt Holding Plc., Belgrade (Transferee Company) was initiated and the intention is to complete it by the end of June 2021, whereby the company Energoprojekt Energodata Plc., Belgrade will cease to exist.

Energoprojekt Promet Ltd. from 2010 is an inactive company (in dormant status) and since then had no business activities performed and any assets had not been owned.

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Holding Plc. are including the subsidiary company Energoplast Ltd., with prior elimination, by equity method, of its presence in financial statements of Energoprojekt Industrija Plc. (40.00%) and Energoprojekt Entel Plc. (20.00%), made through primary consolidation. Although Energoprojekt Holding (indirectly) has a share of 45.11%, Energoplast Ltd., the consolidated financial statements of Energoprojekt Holding a.d. included Energoplast Ltd. financial statements by fully consolidation, given the fact that Energoprojekt Holding, indirectly, has controlled Energoplast (although it does not have majority owner).

On the occasion of inclusion of the Energoprojekt Holding Plc. joint venture company Enjub Ltd. in compliance with IFRS 11 - Joint Arrangements, equity method was applied.

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Zambia Engineering and Contracting Company Limited, Zambia	100.00
2.	Energoprojekt Holding Guinee S.A, Guinea	100.00
3.	Energoprojekt (Private) Limited, Zimbabwe	100.00
4.	Energoprojekt Kaz Ltd, Kazakhstan	100.00
<i>Other</i>		
5.	I.N.E.C. Engineering Company Limited, Great Britain	100.00
6.	Dom 12 S.A.L, Libanon	100.00

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, Energoprojekt (Private) Limited, Zimbabwe and Energoprojekt Kaz Ltd., Kazakhstan) was registered as companies owned by the Energoprojekt Holding, but are in fact controlled and managed by certain subsidiary companies.

Among the above listed local and foreign subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering and Zambia Engineering and Contracting Company Limited, Zambia are at the same time parent companies that prepare consolidated financial statements, so that their subsidiary and related parties listed in following table are thus included herein through primary consolidation.

No.	Company Name	Included through primary consolidation
Overseas		
<i>Subsidiary Companies Abroad - Overseas Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus Ltd., Moscow, Russia	EP Visokogradnja Plc.
4.	Energoprojekt Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
<i>Planning and Research</i>		
7.	Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman	EP Entel Plc.
8.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.
9.	Energoprojekt Entel L.L.C., Abu Dhabi, UAE	EP Entel Plc.
10.	Energoprojekt Entel Company, Bahrain	EP Entel Plc.
11.	Enhisa S.A., Lima, Peru	EP Hidroinženjering Plc.
Domestic		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
12.	Energopet Ltd. (33.33 %)	EP Industrija Plc.

At the 51st Session of the Board of Directors of Energoprojekt Oprema Plc. held on 29 January 2021, a Decision on exemption the following companies from the consolidated financial statements of Energoprojekt Oprema Plc. for the year 2020, was made:

- associated company Energo Nigeria Ltd., Lagos, Nigeria (24.92%), pursuant to the provisions of Article 32, paragraph 6 of the Law on Accounting; and
- subsidiary Energoprojekt Oprema Crna Gora Ltd., Podgorica, Montenegro (100%), pursuant to the provisions of Article 32, paragraph 7 of the Law on Accounting.

At the 99th Session of the Board of Directors of Energoprojekt Energodata Plc. held on 01 February 2021 a Decision on exemption the subsidiary Energoprojekt Energodata Montenegro Ltd., Montenegro (100%) from the consolidated financial statements of Energoprojekt Energodata Plc. for the year 2020, was made, in accordance with the provisions of Article 32, paragraph 7 of the Law on Accounting.

Pursuant to the above, Energoprojekt Oprema Plc. and Energoprojekt Energodata Plc. are exempted from the obligation to prepare, submit and disclose consolidated financial statements for 2020.

As Energo Nigeria Ltd., Lagos, Nigeria is not a part of Consolidation Group of Energoprojekt Holding Plc., all mutual relations with the company in question have been referred from the item of relations with associates to external balance sheet and income statement items (Note 27).

The Company's management estimates that the companies that make up the consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in operations, so in accordance with such an assessment, the consolidated financial statements of Energoprojekt Holding Plc. for 2019 are prepared on a going concern principle.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of Energoprojekt Holding Plc. were prepared pursuant to the Law on Accounting ("RS Official Gazette", No. 73/2019– hereinafter: The Law).

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

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

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

Chart of Accounts and content of accounts in the Chart of Accounts were prescribed by the Rules on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 95/2014 - applicable to the preparation of financial statements as at 31.12.2021).

In preparation of consolidated financial statements of Energoprojekt Holding Plc., the following laws and by-laws were taken into account, among others:

- Law on Corporate Income Tax ("Official Gazette of RS", No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - other law, 142/2014, 91/2015 - authentic interpretation, 112/2015, 113/2017, 95/2018, 86/2019 and 153/2020);
- Law on Added Value Tax ("Official Gazette of RS", No. 84/2004, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - other law, 142/2014, 83/2015, 108/2016, 113/2017, 30/2018, 72/2019 and 153/2020);
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 20/2014, 41/2015, 101/2016, 8/2019, 94/2019 and 159/2020);
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 30/2015, 101/2016, 44/2018 – other laws, 8/2019, 94/2019 and 159/2020);
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes ("Official Gazette of RS", No. 116/2004, 99/2010, 104/2018 and 8/2019);
- Rules on Transfer Pricing and Methods Applied in compliance with the “arm’s length” principle in determining the price of transactions among related parties ("Official Gazette of RS", No. 61/2013, 8/2014 and 94/2019) and others.

Among the legal acts comprising the internal regulations of the Company, in preparation of the financial statements of the Company, the Rules on Accounting and Accounting Policies of the Company adopted on 30 November 2020 by the Executive Board and the Rulebook on accounting policies adopted on 23 December 2020 adopted by the Supervisory Board, was used. In addition to the above listed, other internal acts of the Company were used, such as, for example, the Collective Agreement of the Company regulating employment in the country.

Basic accounting policies applied in preparation of these financial statements were listed in the Note no. 7.

The Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016, 9/2020 and 153/2020) set down mandatory data to be included in the annual, six monthly and quarterly statements of public companies with securities listed in the regulated markets.

It should be noted here that in certain cases, not all the relevant provisions of the IFRS or of the Interpretations thereof were taken into account in preparation of the Energoprojekt Holding Plc. consolidated financial statements. Detail explanation is provided below:

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

- Pursuant to the Law on Accounting (RS Official Gazette, No. 73/2019) , the financial statements in the Republic of Serbia are to be presented in the format stipulated by the Rules on the Contents and Form of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs (RS Official Gazette, No. 95/2014 and 144/2014 - valid until the preparation of financial statements as of 31.12.2021), which deviates from the presentation and names of certain general

purpose financial statements, as well as from the presentation of certain balance positions stipulated by the Revised IAS 1 - "Presentation of Financial Statements"; and

- Off-balance assets and off-balance liabilities were presented in the Balance Sheet form. According to the IFRS definition, these items are neither assets, nor liabilities.

In addition to the above stated, some deviations were due to the different publishing dates of the Standards and the relevant Interpretations thereof, which are subject to continuous modifications, and the effective dates when these Standards and relevant Interpretations thereof come into force in the Republic of Serbia. Thus, for example, the deviations from the Standards came as the consequence of the fact that the published Standards and relevant Interpretations, which came into force, have not yet been officially translated or adopted in the Republic of Serbia; as the consequence of the fact that the published Standards and relevant Interpretations have not yet come into force; or as the consequence of some other reasons beyond effective control or influence of the Company, that has not significantly impacted the financial position of the Company and the results of its operations.

The most significant changes in standards and interpretations in force in the current period relate to the application of IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRIC 22 "Foreign Currency Transactions and Treatment of Advances", described in more detail in Note 7.

Published standards and interpretations that have not yet come into force

On the day of publication of consolidated financial statements, the following standards, their amendments and interpretations were published, but have not yet entered into force:

- Amendment to IFRS 16 "Covid 19" - effective from 1 June 2020;
- IFRS 17 "Insurance Contracts" - effective from 1 January 2023;
- Amendment to IAS 1 "Classification of Liabilities as Long-Term and Short-Term" – effective from 1 January 2023;
- Amendment to IAS 16 "Procedures before Intended Use" - effective from 1 January 2022;
- Amendment to IFRS 3 "Conceptual Framework Reference" – effective from 1 January 2022;
- Amendment to IAS 37 "Contract Performance Cost" - effective from 1 January 2022;
- Annual improvements of standards from 2018 to 2020 – effective from 1 January 2022;
- Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between an Investor and its Associated or Joint Venture" - deferred application until the International Accounting Standards Board (IASB) completed the equity method project; and
- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 "Interest Rate Benchmarking - Phase 2" - effective from 1 January 2021.

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of consolidated financial statements in compliance with IAS and IFRS requires that the management perform assessments, provide judgements and assumptions that are reflected on the reported amounts of assets, liabilities, income and expenses. The goal of this approach by management is to reach that achieved results do not differ significantly from the estimated ones (Note 7.1).

5. CONSOLIDATION

Consolidated financial statements are financial statements of the group, presented as financial statements of unique economic entity.

Consolidated financial statements are composed by applying unified accounting policies for similar transactions and events, in similar circumstances.

In case that a group member, consisting of a parent company together with its subsidiaries, for similar transactions and events in similar circumstances, applies accounting policies different from those adopted in consolidated financial statements, the appropriate corrections of those financial statements (according to provisions of rules on Accounting and Accounting Policies of the Company) are made at consolidated financial statements composing.

Profit distribution (dividends) received from the investee reduces the carrying amount of the investment.

5.1. Subsidiary Companies

The Subsidiary Company means a company controlled by the Company (parent company).

Parent company controls the company where it has made investments if it fulfils all following requirements only:

- the power over the company with his investments (meaning present capability to direct relevant activities, ie. activities reflecting significantly at yield of the company with its investments);
- exposure, meaning the right to yield variability based on its share in the company with its investments, and
- capability of using its own power over the company with its investment to influence the yield level for investor.

The consolidated method used for subsidiaries, according to IFRS 10 - Consolidated Financial Statements, is full consolidation. Intra group balances and intra group transactions are eliminated in full in the consolidation process. Equity investments without controlling rights are presented separately.

5.2. Affiliated Companies

Affiliated Company is a company over which the Group exerts significant influence, but not control, ie possesses directly or indirectly (eg through subsidiaries) 20% or more voting power of the investee company, unless such influence can be clearly demonstrated.

The applied method of consolidation for affiliated companies, according to IAS 28 - Investment in Associates and Joint Ventures, is equity method. Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the investors' share of the profits or losses of the investee after the date of acquisition. If investors' share of losses of the associate exceeds the carrying amount of the investment, the investment is reported at nil value; exceptionally, if there are certain irrevocable contractual obligations for covering the losses, the difference of the greater loss against capital is recognized as an expenditure of the parent company.

Shares in affiliated companies is recorded at cost in the separate standalone financial statements.

5.3. Joint Ventures

The Joint Venture arrangement is an arrangement where two or more parties have the joint control. The joint control exists only if the relevant activities decisions require unanimous decision of sides sharing the joint control.

Depending on rights and liabilities defined in arrangement, the joint arrangement could be:

- the joint business, or
- the joint venture.

The Joint Business means the joint arrangement where parties sharing the joint control over the arrangement (participating together in business activities), have the right to property and responsibility for obligations related to the arrangement. Participants in joint business recognize:

- their own property, including their share in jointly owned property;
- their own obligations, including their share in obligations accepted;
- their own income from selling of own share in results deriving from joint business activities;
- their own part of income from selling joint business activity results, and
- their own costs, including their share in joint business activity costs.

The joint business accounting in separated and consolidated financial statements is made according to IFRS applicable for related property, liability, profit or loss.

Joint Venture is a joint arrangement where parties sharing the joint control over the arrangement (participating together in joint venture), have the right to net-assets of the arrangement, meaning that the financial structure, and not the parties in joint venture, has the right to property and responsibility for obligations accepted through the arrangement.

The joint venture sharing in consolidated financial statements is treated by the equity method, according to IAS 28, meanwhile in separated financial statements is treated by cost value, according to IAS 27.

The joint venture parties sharing the arrangement, but not having any control over it, in their respected separated and consolidated financial statements treat their joint business activities and joint ventures according to relevant provisions of IFRS 11.

An overview of subsidiary, affiliated and joint venture companies, which, together with the parent Company, comprise the Group for consolidation of the System Energoprojekt, is presented in Note 2.

6. ACCOUNTING PRINCIPLES

The following principles were applied in the preparation of consolidated financial statements of the Energoprojekt Holding Plc.:

- The Going Concern Principle;
- The Consistency Principle;
- The Prudence Principle;
- The Substance over Form Principle;
- The Accrual Principle;
- The Item by Item Assessment Principle.

By complying with the **Going Concern Principle**, the financial statements are prepared under the assumption that the proprietary position, financial standing and business results of the Company, as well as the economic policy of the country and economic situation in its immediate environment, enable the Company to operate for an unlimited period („*Going Concern* “principle).

The Consistency Principle means that the valuation method for assets and changes in assets, liabilities, capital, income, expenses and business results, that is, for the Company’s balance items, remains the same over a longer period. If, for example changes are implemented due to required harmonization with the legislation, reasoning for the change must be provided and the effects are disclosed according to the professional regulations concerning the change in valuation methods.

The Prudence Principle means, applying a certain level of caution when preparing financial statements of the Company, so that the property and revenues are not overstated and obligations and expenses are not understated. The Prudence Principle, however, should not imply conscious, unrealistic decrease in revenues and capital of the Company or conscious, unrealistic increase of expenses and liabilities of the Company. Namely, The Framework for Preparation and Presentation of Financial Statements clearly states that the Prudence Principle should not result in the forming of substantial hidden reserves, deliberate reduction of property of revenues, or deliberate exaggeration of liabilities or expenses causing the financial statements to become impartial and therefore unreliable.

The **Substance over Form Principle** means that, when recording the company's transactions, and consequently in preparing the financial reports, the accounting treatment should be based on the substance of the transactions and their economic reality and not just their legal form.

By complying with the **Accrual Principle**, recognition of effects of transactions and other events in the Company is not related to the point in time when cash or cash equivalents are received or paid based on these transactions or event, yet to the point in time when they occurred. This approach provides that the users of financial reports are informed not only about past transactions of the Company that resulted in payments or reception of cash, but also about liabilities of the Company to pay cash in the future and resources that represent cash to be received by the Company in the future.

In other words, compliance with the Accrual Principle provides information on past transactions and other events in the manner most useful to users for reaching their economy-related decisions.

The **Item by Item Assessment Principle** means that possible group valuations of various balance items (for example, property or liabilities) for the purpose of rationalization derive from separate valuation of items.

7. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies that are applied in the preparation of these consolidated financial statements of Energoprojekt Holding Plc. are presented herein. These policies are consistently applied to all included years, unless otherwise stated.

Significant accounting policies applied to consolidated financial statements of the Energoprojekt Holding Plc. that are subject of these Notes and presented in the following text, are primarily based on the Rules on Accounting Policies of the Company. If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on the current legislation.

As for the general data, we are hereby noting that in compliance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the RSD is the **functional and presentation reporting currency** in consolidated financial statements of the Energoprojekt Holding Plc.

In preparation of consolidated financial statements of Energoprojekt Holding Plc., relevant provisions IAS 10 – Events after the Reporting period were considered. They refer to events that occur between the balance sheet date and the date when the financial statements were authorized for issue. More precisely, **for effects of the event that provide evidence on circumstances at the balance sheet date**, already recognized amounts in financial statements of the Company were corrected in order to mirror corrected events after the balance sheet date; and **for effects of the event that provide evidence on circumstances after the balance sheet date**, no adjustments of recognized amounts were applied, and if there were any, these Notes will disclose the nature of events and the valuation of their financial effects, or, if impossible to evaluate the financial effects thereof, it is disclosed that such estimate cannot be made.

7.1. Valuation

In preparation and presentation of financial statements in compliance with the requirements of the legal regulations in force in the Republic of Serbia, the Company management is required to use the best possible valuations and reasonable assumptions. Although, understandably, the actual future results may vary, valuations and assumptions are based on information available at the balance sheet date.

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

Within the context of valuation, the business policy of the Company is to disclose information on the **fair value** of assets and liabilities, if the fair value varies significantly from the accounting value.

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

7.2. Effects of Foreign Exchange Rates and Foreign Currency Translation

Transactions in foreign currency, upon initial recognition, are registered in dinar counter value by applying the official middle exchange rate on the transaction date, while upon differently agreed currency clause, translation of receivables (liabilities) is done at the exchange rate specified in the contract (selling FC rate of particular commercial bank, etc.).

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

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

Official middle exchange rates of the National Bank of Serbia, at the balance sheet date, for foreign currencies used for the recalculation of monetary items in dinar counter value, are presented in the following table.

Official Middle Exchange Rates of the National Bank of Serbia

<i>Currency</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Amount in RSD</i>	
1 EUR	117.5802	117.5928
1 USD	95.6637	104.9186
1 GBP	130.3984	137.5998

Middle applied exchange rates applied for the income statement items in 2020 and 2019 were as follows:

<i>Currency</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Amount in RSD</i>	
1 EUR	117.5777	117.8524
1 USD	103.0095	105.2762
1 GBP	132.1157	134.3444

Non-monetary items are those for which there is no right to receive, or obligation to deliver, money, such as prepaid amounts for goods and services (advances), goodwill, intangible assets, inventories, property, plant and equipment, etc. Subsequent to initial recognition applying exchange rate prevailing at transaction date, non-monetary items in foreign currency carried at historical cost are not retranslated.

Subsequent to initial recognition applying exchange rate prevailing at transaction date, non-monetary items in foreign currency carried at historical cost are not retranslated.

Non-monetary items measured at fair value carried at foreign currency are translated applying exchange rates at the date when the fair value was determined.

When a gain or loss from non-monetary item is recognized directly in total comprehensive income (within equity), any portion of that foreign exchange gain or loss is also recognized directly in comprehensive income.

The financial item and result of all companies whose functional currency is different from the presentation currency of the parent company are translated as follows:

- assets and liabilities (balance sheet items) are translated into dinars at the middle official exchange rate of the NBS on the reporting date; and
- income and expenses (income statement items) are translated into dinars at the average exchange rate of the NBS during the year, or in the period from the date of acquisition to the date of reporting if foreign operations were acquired by the Company during the year.

Exchange differences arising on translation of the financial statements of subsidiaries are recognized as a separate component of equity relating to those foreign operations.

7.3. Revenues

Revenues are increases in economic benefits during the accounting period in the form of inflows or increases in assets or decreases in liabilities, which result in increase in equity that does not represent increase in equity contributions.

Revenues include: operating revenues, financial revenues, other revenues (including also revenues from the property value adjustment), and income from the disposal of discontinuing operations, effects from change in accounting policy, correction of prior periods errors and transfer of revenues.

Among the **operating revenues**, the most important are the sales revenues from the sales of goods, products and services, and as other revenues the following may appear: income from the own use of products, services and merchandize, increase of finished goods, work in progress and services in progress (if there were any reductions in the finished goods, work in progress and services in progress, during the year, the total operating revenues shall be reduced by the amount of such reduction), income from premiums, subventions, donations, etc.; and other operating income.

For the purpose of financial reporting, within the operating revenues in Income Statement no income from the own use of products, services and merchandize and income from the change in value of inventories (increases, i.e., decreases in the value of inventories of unfinished and finished products and unfinished services), and are corrected by such amounts in the Income Statement.

Financial revenues include financial revenues from the related parties, gains arising from foreign currency clause, income from interest, profit sharing and other financial revenues.

Within **other income** (including income from the adjustments of value of assets, in addition to other income, gains on sale of property, plant and equipment and intangible assets, gains on sale of the basic herd, collected priory written-off receivables, surpluses, income from reduction of liabilities, income from value adjustments of assets, etc.

Within **income from the disposal of discontinuing operations, effects from change in accounting policy and correction of prior periods errors and transfer of income**, income according to the names of account of this groups are presented and the transfer of total income at the end of the period, which are, for the purposes of financial reporting, presented as net effect, after the decrease for the relevant expenses.

The most significant part of revenues originate from contracts with customers.

IFRS 15 - Revenue from Contracts with Customers establishes unique and comprehensive model for accounting revenue under contracts with customers. With the entry into force of IFRS 15, it replaces previously applicable instructions for revenue recognition: IAS 18 - Revenue, IAS 11 - Construction Contracts and their Interpretations.

The basic principle of the standard dealing with this business aspect (IFRS 15 - Revenue from Contracts with Customers) is the recognition of revenue from the transfer of goods (products) and services to customers in amount that reflects fee that Company (seller) expects to be entitled to those goods and services.

The basic principle of bookkeeping is individual observation of each separate contract. In addition to the basic principle, it is also possible to:

- narrowing the focus - one calculation for several contracts; and
- focus expansion - multiple calculation for one contract.

Diversity is the basis for treatment of separate performance obligations.

To be considered as a contract with the customer it is necessary to fulfill the following five conditions:

- the parties have approved the contract (in writing, orally or in accordance with other business practice) and are committed to perform their respective obligations (the contract causes enforceable rights and obligations);
- each party's rights regarding the goods or services to be transferred can be identified;
- payment terms can be identified;
- content of the contract is commercial; and

- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

When a contract with a customer does not meet the above criteria and the company receives consideration from the customer, it shall recognise the consideration received as revenue only when either of the following events has occurred:

- company has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable; or
- the contract has been terminated and the consideration received from the customer is non-refundable, otherwise, the Company records fee (advance paid) as a liability.

Contract costs include:

- Costs to obtain a contract; and
- Costs to fulfil a contract.

Costs to obtain a contract shall be recognised as an asset if the entity expects to recover them. They are incremental costs of obtaining a contract that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, brokerage commission). As a practical expedient, the Company may recognize the incremental costs of obtaining a contract as an expense when incurred, if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

In contrast, the costs to fulfil a contract that would be incurred regardless of whether the contract is signed should be recognized as an expense when incurred.

Costs incurred in fulfilling a contract with a customer are capitalized if they are not within the scope of another standard, relate directly to the contract, generate or enhance resources that will be used in satisfying performance obligations in the future, and if such costs are expected to be recovered.

The principle in IFRS 15 is applied using the following five steps (in more detail as specified in IFRS 15):

- A. Identify the contract(s) with a customer;
- B. Identify the performance obligations in the contract;
- C. Determine the transaction price;
- D. Allocate the transaction price to the performance obligations in the contract; and
- E. Recognise Revenue when the entity satisfies a performance obligation.

A) Identify the contract with customer

The first step is to determine what is considered a performance obligation of the Company towards the customer (and vice versa).

Performance obligations do not include (preparatory) activities (administrative, etc.) that the Company must undertake to fulfil a contract, and do not constitute an obligation to perform.

Both explicit obligations (contained in the contract) and implicit obligations (obligations arising from business practice) should be taken into account when determining liabilities.

B) Identify the performance obligations in the contract

Second step requires the identification of separate performance obligations conditioned by the focus of observation.

If the conditions for the contract to be considered hybrid in a way that contains different performance obligations are not met (partial benefit from certain goods / services can be realized and the promise to deliver those goods / services can be observed by the Company independently of other promises), all goods / services in the contract should be calculated as a single obligation to perform.

C) Determine the transaction price

In determining the transaction price (allocated to each performance obligations), the agreed conditions should be considered and usual business practice. The price, which may be considered as stand-alone and/or variable, reflects the amount of consideration that the company expects to be entitled to in exchange for the promised goods or services. The price is recorded without inflows collected in behalf of third parties (for example, without VAT).

The following are also taken into account when determining the transaction price: whether there are significant financing components, variable components, amounts paid to the buyer (eg refunds or rebates) and non-monetary fees. Variable components can include discounts, right-to-refund, incentives, bonuses, penalties and the like.

The amount of variable consideration is done by using either of the following methods:

- the expected value—the expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. An expected value may be an appropriate estimate of the amount of variable consideration if an entity has a large number of contracts with similar characteristics.
- the most likely amount—the most likely amount is the single most likely amount in a range of possible consideration amounts (ie the single most likely outcome of the contract).

When there is a financing component, revenue is recognized at the amount that reflects the price that the customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer (ie the cash selling price).

The Company is not required to adjust the consideration amount arise from financing component if it expects less than one year to elapse between sale and collection.

Non-monetary consideration received from the customer are measured at fair value.

Consideration payable to a customer includes cash amounts that the company pays, or expects to pay, to the customer as credit or other items (for example, a coupon or voucher). The company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service.

D) Allocate the transaction price

The objective when allocating the transaction price is for the company to allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer.

To allocate the transaction price on a stand-alone selling price basis, the company estimates the stand-alone selling price. This is the price at which company would sell a good or service on a stand-alone (or separate) basis at contract inception. When estimating a stand-alone selling price, if not directly observable, the company considers all information (including market conditions, entity-specific factors and information about the customer or class of customer).

Suitable methods for estimating the stand-alone selling price of a good or service include the following:

- a) Adjusted market assessment approach—evaluate the market in which it sells goods or services and estimate the price that a customer in that market would be willing to pay for those goods or services;
- b) Expected cost plus a margin approach—add an appropriate margin for that good or service; and
- c) Residual approach—the total transaction price less the sum of the observable stand-alone selling prices of other goods or services promised in the contract.

E) Recognise of revenues

The amount recognises as revenue is the amount allocated to each performance obligation **when (or as) each performance obligation is satisfied**. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. The benefits of an asset are the potential cash flows (inflows or savings in outflows) that can be obtained directly or indirectly in many ways, such as by: using the asset to produce goods or provide services (including public services); using the asset to enhance the value of other assets; using the asset to settle liabilities or reduce expenses; selling or exchanging the asset; pledging the asset to secure a loan; and holding the asset.

Performance obligation may be satisfied:

- over time or
- at appoint in time.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity (see paragraph 36) and the entity has an enforceable right to payment for performance completed to date (by diverting property for another purpose).

Methods that can be used to measure an entity's progress towards complete satisfaction of a performance obligation satisfied over time include the following:

- a) input methods (according to the value that the goods or services transferred up to a certain date have for the buyer; for example, the number of units produced or delivered in relation to the total contracted amount of units; as a practical asset, if the Company is entitled to compensation in an amount commensurate with the value for the customer of goods or services completed or delivered up to that time, revenue may be recognized in the amount that the Company is entitled to invoice);
- b) output methods (revenue is recognized on input that the Company invests to meet performance obligation).

If performance obligation is not fulfilled over time, then the Company does it at appoint in time, and revenue is recognized when the Company transfers control of certain goods or services to the customer.

In the first application of IFRS 15 - Revenue from Contracts with Customers, the Company uses a modified retrospective application.

Apart from extensive disclosures about revenue transactions, the application of IFRS 15 did not have a significant impact on the financial position and results of operations of Energoprojekt, therefore no adjustments to opening balances were recognized in connection with the initial application of IFRS 15 on 1 January 2020.

● **Energoprojekt Visokogradnja** performs several types of sales transactions, the most significant of which are:

- Construction of residential and non-residential buildings - where sales revenue is recognized over time;
- Ancillary sales of products and goods with delivery without delay - where revenue is recognized at the time of delivery (ie at a particular time), when control of the goods is transferred to the buyer.

Income from construction of residential and non-residential buildings

Energoprojekt Visokogradnja performs construction services for residential and non-residential buildings on the basis of contracts with customers. Such contracts are concluded before the construction services of residential and non-residential buildings begin and according to the terms of the contract, Energoprojekt Visokogradnja is limited by the contract to redirecting property to another buyer and has the executive right to pay for the work performed. Revenues from residential and non-residential construction services are therefore recognized over time using an exit method based on reports on services rendered up to a certain date, which are confirmed by the buyer and / or a supervisory or control body appointed by the contracting parties. Energoprojekt Visokogradnja considers that this exit method represents an appropriate measure of progress towards full compliance with the obligations under IFRS 15.

Energoprojekt Visokogradnja has the contractual right to invoice customers for the construction services of residential and non-residential buildings based on the achieved series of milestones related to performance (temporary situations). When a certain milestone is reached, a relevant report on the work

performed is sent to the buyer, signed by the buyer or another supervisory body appointed by the contracting parties. Energoprojekt Visokogradnja will previously recognize the assets from the contract (as active accruals) for any work performed. Any amount previously recognized as an asset, within active accruals, is reclassified as a contractual asset to receivables from customers when the conditions for invoicing to the customer are met.

If the inflows exceed the revenues recognized by the reporting date according to the exit method, Energoprojekt Visokogradnja recognizes the liabilities from the contract, recorded within accrued expenses, for the determined excess of the inflows from the recognized revenues.

Energoprojekt Visokogradnja believes that there is no significant component of financing under contracts with customers, given that the period between revenue recognition and collection at performance-related milestones is less than one year.

In addition, the management of Energoprojekt Visokogradnja believes that contracts with customers for residential and non-residential construction services do not have a significant financing component since the difference between the promised fee and the sale price of the service in cash arises from other reasons that do not include transferring funds to either the buyer or entity. the difference between these amounts is proportional to the reasons for that difference.

Sales of products and goods

Energoprojekt Visokogradnja sells products and goods directly to customers through its own points of sale. Warranties related to the sale of products and goods cannot be purchased separately and serve as a guarantee that the sold products are equipment in accordance with the agreed specifications. Accordingly, Energoprojekt Visokogradnja calculates guarantees in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

For the sale of products and goods, revenue is recognized when control of the goods is transferred to a destination agreed with the buyer.

The obligation to return and corresponding adjustments of revenue are recognized for those products and goods that are expected to be returned. At the same time, Energoprojekt Visokogradnja has the right to return the product when customers exercise their right of return, thus recognizing the right to the returned property of the goods and the appropriate adjustment of the cost of sales. Energoprojekt Visokogradnja uses its accumulated historical experience to estimate the amount of product and goods returns using the expected value method.

Energoprojekt Visokogradnja considers it very likely that there will be no significant reversal in the recognized amounts of cumulative income, taking into account the level of returns in previous years.

Revenue from the sale of products and goods is determined taking into account discounts and margins approved. This means that the final amount of income from the sale of goods, to which they apply, ie. relations discounts and margins, measured after the settlement is completed, ie the amount of income and receivables from customers should be increased or decreased (abolished) by the amount of approved discounts and margins.

- The most significant revenues of **Energoprojekt Niskogradnja** refer to revenues based on contracts with customers as explained below.

Revenues from construction of infrastructure facilities

Energoprojekt Niskogradnja performs infrastructure construction services on the basis of contracts with customers. Such contracts are concluded before the services of construction of infrastructure facilities begin and according to the terms of the contract, Energoprojekt Niskogradnja is limited by the contract to the transfer of property to another buyer and has the executive right to payment for the work performed. Revenues from infrastructure construction services are therefore recognized over time using an exit method based on reports on services performed up to a certain date, which are confirmed by the customer and / or a supervisory or control body appointed by the contracting parties. Energoprojekt Niskogradnja considers that this exit method represents an appropriate measure of progress towards full fulfillment of enforcement obligations under IFRS 15.

Energoprojekt Niskogradnja has the contractual right to invoice customers for the construction of infrastructure facilities based on a number of milestones related to performance (milestone). When a certain milestone is reached, a relevant report on the work performed is sent to the buyer, signed by the buyer or another supervisory body appointed by the contracting parties. Energoprojekt Niskogradnja will previously recognize the assets from the contract (as active accruals) for any work performed. Any amount previously recognized as an asset, within active accruals, is reclassified as a contractual asset to receivables from customers when the conditions for invoicing to the customer are met.

If the inflows exceed the revenues recognized by the reporting date according to the exit method, for the determined excess of the inflows from the recognized revenues, Energoprojekt Niskogradnja recognizes liabilities from the contract, recorded within accrued costs and deferred revenue.

Energoprojekt Niskogradnja believes that there is no significant component of financing under contracts with customers, given that the period between revenue recognition and collection at milestones related to performance is shorter than one year.

In addition, the management of Energoprojekt Niskogradnja believes that contracts with customers for infrastructure construction services do not have a significant financing component since the difference between the promised fee and the sale price of the service in cash arises from other reasons that do not include transferring funds to either the buyer or entity. of these amounts is proportional to the reasons for that difference.

- **Energoprojekt Entel's** main sales transaction is the design, consulting and engineering of thermal, nuclear, electricity and telecommunications facilities - where sales revenue is recognized over time.

Revenues from design, consulting and engineering

Energoprojekt Entel performs design, consulting and engineering services (together hereinafter: “design and consulting services”) on the basis of contracts with customers. Such contracts are concluded before the design and consulting services begin and according to the terms of the contract, Energoprojekt Entel

is limited by the contract to the transfer of assets to another customer and has an enforceable right to payment for the work performed. Revenues from design and consulting services are therefore recognized over time using an exit method based on reports on services performed up to a certain date, which are confirmed by the customer and / or a supervisory or control body appointed by the contracting parties. Energoprojekt Entel considers that this exit method represents an appropriate measure of progress towards full compliance with the obligations under IFRS 15.

Energoprojekt Entel is authorized to invoice customers for design and consulting services based on the achieved set of performance-related milestones (temporary situations). When a certain milestone is reached, a relevant report on the work performed is sent to the buyer, signed by the buyer or another supervisory body appointed by the contracting parties. Energoprojekt Entel will previously recognize the assets from the contract (as active accruals) for any work performed. Any amount previously recognized as an asset, within active accruals, is reclassified as a contractual asset to receivables from customers when the conditions for invoicing to the customer are met.

If the inflows exceed the revenues recognized by the reporting date according to the exit method, Energoprojekt Entel recognizes the liabilities from the contract, recorded within accrued expenses, for the determined excess of the inflows from the recognized revenues.

Energoprojekt Entel believes that there is no significant component of financing under contracts with customers, given that the period between revenue recognition and collection at milestones related to performance is shorter than one year.

In addition, the management of Energoprojekt Entel believes that contracts with customers for design and consulting services do not have a significant financing component since the difference between the promised fee and the selling price of the service in cash arises from other reasons that do not include transferring funds to either the buyer or entity. between these amounts is proportional to the reasons for that difference.

Sales revenue is recognized in the amount less excise duties, value added tax (VAT) and other similar mandatory duties. The amount of customs duty is included in gross sales revenue recognized in the consolidated statement of comprehensive income.

7.4. Expenses

Expenses are reductions in economic benefits during the accounting period, manifested in the form of outflows or reductions in assets or liabilities, which result in a reduction in capital that does not represent a reduction based on distribution to owners.

The definition of expenditure includes:

- expenses incurred in the ordinary course of business; and
- losses

Expenses include operating expenses, financial expenses, other expenses (including impairment of other assets) operations and discontinued operations, effects of changes in accounting policies and corrections of prior period errors and the transfer of expenses.

Operating expenses include: purchase price, material used, gross salaries, salary compensation and other personal expenses, producing costs, non- material costs, depreciation and provisions.

For the purposes of financial reporting, operating expenses are corrected in the Income Statement for the amount of income from the own use of products and merchandize and income from the depreciation of inventories of products (increase, i.e., decrease in the value of inventories of unfinished and finished products and unfinished services).

Financial expenses include financial expenses arising from the related legal entities, gains arising on the translation of foreign currency, interest-related expenses and other financial expenses.

Other expenses (that additionally include expenses from depreciation of other assets measured at fair value through Income Statement), include losses that may or may not arise from usual activities of the Company. Losses (for example, shortages or losses that result from the sale of assets at a less value than the accounting value) represent a decrease of economic benefits and, as such, do not vary from other expenses.

Within operating **loss from discontinuing operations, effects of changes in accounting policy, corrections of prior period errors and transfer of expenses**, expenses according to the names of accounts comprising this groups are presented and the transfer of total expenses at the end of accounting period, which are for the purposes of financial reporting presented in net effect, after offsetting against relevant income.

7.5. Interest and Other Borrowing Costs

Borrowing costs include interest and other costs borne by the Company in relation to the borrowing of funds. Based on relevant provisions IAS 23 – Borrowing Costs, interest and other borrowing costs are recognized as expenses at the moment of occurrence, unless they are directly attributed to the acquisition, construction or production of a certain asset (asset that obligatory needs significant time to be brought to working condition for its intended use or sale), in which case the interest and other borrowing costs are capitalized as a part of the purchase price (cost) of that asset.

7.6. Income Tax

Income tax is recorded in Company books as the sum of:

- The current tax; and
- The deferred tax.

The current tax is the amount of obligation for the payable (recoverable) income tax that refers to the taxable income (tax loss) for the respective period. In other words, the current tax is payable income tax defined in the tax return pursuant to tax regulations.

The deferred tax which is accounted in accordance with the relevant provisions of IAS 12 includes:

- Deferred tax assets or
- Deferred tax liabilities.

Deferred tax assets include income tax, recoverable in future periods in respect of:

- Deductible temporary differences,
- Unused tax losses transferred to the following period and
- Unused tax credit transferred to the following period.

Deductible temporary difference arises in cases where an expense has already been recorded in Company books, on certain bases, which, from the taxation aspect, is to be recognized in the following periods. Some typical examples of cases where the deductible temporary differences arise include the following:

- tax value of assets that are subject to depreciation exceeds the accounting value thereof;
- from the taxation aspect, certain provisions are not recognized and which are recognized at the time of use (for example, individual provisions under IAS 19);
- from the tax aspect impairment of property is not recognized and it is recognized upon the alienation of property (goods, materials, investment property, etc.);
- from tax aspect, expenses are not recognized when they are paid, etc.

For assets that are subject to depreciation, deferred tax assets are recognized for all deductible temporary differences between the accounting value of assets that are subject to depreciation and their tax base (values allocated to these assets for tax purposes). Deductible temporary differences exist if the accounting value of assets is less than their tax base.

The amount of deferred tax assets is determined by applying the prescribed (or notified) income tax rate on Company income on the amount of deductible temporary difference that is determined as at the Balance Sheet date.

If at the end of previous year, the temporary difference was deductible, on the basis of which the deferred tax assets were recognized, and at the end of current year, on the basis of the same assets, the temporary difference is taxable, the previously established deferred tax assets are released in their entirety, and at the same time the deferred tax liabilities are recognized in the amount determined as at the Balance Sheet date.

A deferred tax asset based on **unused tax losses** is determined by applying the prescribed (or expected) corporate income tax rate to the amount of tax loss.

A deferred tax asset based on **unused tax credit** are recognized in the amount of the unused tax credit, without applying the prescribed (or expected) corporate income tax rate to that amount.

The Company recognizes deferred tax assets, on all the above grounds (deductible temporary differences, unused tax losses and unused tax credit), only when it is probable, and to the extent that it is expected, that taxable gains will be available in the future. resources to be able to use.

Deferred tax assets may be recognized on other grounds for which the Company assesses income tax will be recoverable in future (for example, for provisions for non-due retirement bonus, specified pursuant to provisions IAS 19 - Employee Benefits, for the effects of the first application of IFRS 9, etc.).

Deferred tax liabilities include income taxes payable in future periods against deductible temporary differences.

Taxable temporary difference are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods, when the carrying amount of the asset or liability is recovered or settled.

The taxable temporary difference arises in cases when a certain expense is recognized from the tax aspect, while from the accounting aspect it will be recognized in the business books of the Company only in the following periods.

With respect to assets that are subject to depreciation, deferred tax liabilities are recognized always if there is a deductible temporary difference between the accounting value of assets that are subject to depreciation and their tax base. Deductible temporary difference occurs if the accounting value is greater than its tax base.

A deductible temporary difference is stated at the balance sheet date by applying the prescribed tax rate of the income tax to the amount of the deductible temporary difference.

The amount of deferred tax liability is determined by applying the prescribed (or expected) tax rate on the Company profit on the amount of taxable temporary difference that is determined as at the Balance Sheet date.

On each Balance Sheet date, the deferred tax liabilities are reduced to the amount determined based on temporary difference as at that date. If at the end of the previous year the temporary difference was taxable, on the basis of which the deferred tax liabilities were recognized, and at the end of the current year, based on the same assets, the temporary difference is deductible, the previously established deferred tax liabilities are released in their entirety, and at the same time the deferred tax assets of the Company are recognized in the amount determined as at the Balance Sheet date.

Deferred tax liabilities may be recognized on other grounds for which the Company assesses income tax will be recoverable in future against taxable temporary differences.

7.7. Intangible Assets

Intangible assets is non-monetary asset without identifiable physical substance, such as: software, licenses, concession, licenses, patents, investment in development, etc.

The property fulfils criteria to be identified if: it is detachable or it can be detached from the Company and sold, transferred, licensed, rented or traded, separately or with a related contract, property or liability; or that derives from contractual and other legal rights, regardless if these rights are transferable or separable from the Company or other rights or obligations.

To recognize an intangible asset, it must comply with the provisions of IAS 38 – Intangible Assets:

- that it is likely that future economic benefits, attributable to assets, will flow to the Company, characteristic when the Company controls the assets and;

- that the purchase price (cost) can be reliably measured.

If one of the requirements is not fulfilled, expenses on the basis of intangible investments are recognized as debit to expenses in the period in which the expenses incurred.

Accounting recognition of internally generated intangibles assets is dependent upon an assessment of whether they are created:

- In the research phase, or
- In the development phase.

Intangible assets generated from *research or research phase of an internal project*, will not be recognized as intangible asset. Expenditures related to research or to a research phase of an internal project are recognized as expenses in the period of occurrence.

The cost of an internally generated intangibles assets generated from *development* activities (or the research phase of an internal project) includes all the directly attributable expenses necessary to generate, produce and prepare the asset for the use as intended by the Company management.

Initial measuring of an intangible asset is performed at its cost (purchase price).

Subsequent measuring of intangible asset, after initial recognition, is performed at their cost (purchase price) reduced by the accumulated depreciation and accumulated losses from impairment (in compliance with the provisions of IAS 36).

7.8. Property, Plant and Equipment

Property, plant and equipment are tangible assets that are: used in production, supply of goods and services, for rental to others or for administrative purpose; and which are expected to be used for more than one accounting period.

The above general principle for the recognition of property, plants and equipment is not applied exclusively in cases of recognition of assets of lesser value that are registered as inventory items (such as, for example, spare parts and servicing equipment). The total value of such assets is transferred to current expenses when the item is first put in service.

Property, plant and equipment are tangible assets: if and only if it is probable that future economic benefits associated with the item will flow to the entity; and if the purchase price (cost) of the item can be reliably measured.

Initial measuring of property, plant and equipment is performed at purchase cost (purchase price), which includes: invoice price, including import duties and other duties that cannot be refunded, less discounts and rebates received; all costs directly attributable to bringing the asset to the location and condition necessary for it to function, as expected by management; and an initial estimate of the cost of dismantling, removing the asset, and rebuilding the area where the asset is located.

With the aim to perform subsequent measuring of property, plant and equipment, these are grouped in the following categories:

- a) Land;
- b) Facilities;
- c) Plants and equipment, and
- d) Other.

Subsequent measuring of the category “Buildings” is performed under revaluation model, which means valuation at the revalued amount, which represents the fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Subsequent measuring of all other categories within the Property, Plant and Equipment position, other than the facilities, is to be performed in compliance with the cost (purchase price) decreased by the accumulated depreciation and accumulated losses due to impairment (pursuant to IAS 36).

Leasehold improvements are presented and recognized in a special account, if it is probable that the Company will make the future economic benefits related to such asset. Amortization of investment in other person's property, plant and equipment is performed on the basis of the estimated useful life of such assets, which may be equal or shorter than the validity period of the lease agreement.

7.9. Lease

Lease is an agreement according to which the lessor transfers the right to use the object of lease to the lessee for an agreed period of time in exchange for a single payment or for a series of payments.

In case of a **financial lease** (lease whereby all the risks and benefits related to ownership of the assets are essentially transferred, and upon expiry of the lease period, the property right may, but does not necessarily need to, be transferred), in compliance with the provisions of the IAS 17 - Leases, the lessee performs the **initial measurement** by recognizing the lease as an asset and liability in their Balance Sheet, according to the amounts of its fair value at the beginning of the lease, or according to the present value of the minimum payments for the lease, whichever is lower. The *fair value* is the amount for which the lease can be exchanged between knowledgeable, willing parties in an at arm's length transaction.

In calculation of the present value of minimum payments for the lease, the discount rate is generally defined based on the interest rate included in the lease. If the interest rate cannot be determined, the incremental interest rate on the debt amount is used as the discount rate or as the expected interest rate the Company would pay in case of borrowed assets under similar conditions and similar guarantees for the purchase of the asset identical to the lease.

All initial direct expenses borne by the lessee are added to the amount that was recognized as the asset.

In case of **subsequent measurement**, the minimum lease payments should be divided between financial expenses and the reduction of outstanding obligations. The financial expenditure is allocated to periods within the leasing term and a constant periodic interest rate is applied to the outstanding balance.

In case of **business (operational) lease** (the lease whereby all the risks and benefits related to the ownership of the assets are not essentially transferred), the lease payments are recognized as expense, and in general at the linear basis during the lease period.

From the preparation of financial statements for 2021, IFRS 16 - Leases will be applied - retrospective model with a cumulative effect.

7.10. Amortisation of Intangibles assets, Property, Plant and Equipment

Amortization is the amount of assets (intangible assets, property, plant and equipment) amortized over time allocated within its useful life. Depreciation is conditioned by: useful life, depreciation method, depreciation amount and depreciation period.

The lifetime of an asset is determined by applying the time method, so that the lifetime of the asset may be understood as a time period when the asset is at Company's disposal for use. The useful lives of assets are reviewed at the end of each financial year.

The amount to be depreciated, is the revalued value for facilities, ie the purchase value (for other groups within the item property, plant and equipment and Intangible assets) or another amount that replaces that value (in the Company's financial statements), less the residual value that is systematically allocates over the useful life of assets.

Residual value is the evaluated amount that the Company would have received today, if it had disposed of an asset, after the deduction of the estimated disposal costs and under the assumption that the asset is at the end of its lifetime and in a condition as expected at the end of a useful lifetime.

The residual value of intangible assets is always presumed to be zero, except in the following cases:

- When there is an obligation of a third party to purchase intangible asset at the end of its useful life, or
- When there is an active market for the intangible asset, with the presumption that such market will exist at the end of the useful lifetime of the asset as well, when the residual value may be determined by referring to such market.

The residual value is reviewed at the end of each financial year by the competent appraisers and its change from previous estimates is included in accordance with the relevant provisions of IAS 8.

The residual value may be increased as the result of a valuation for an individual asset to the amount that is equal to the book value of such asset or larger than such value. In that case, the depreciation cost will, during the remaining useful lifetime of such asset, be zero, unless, as the result of subsequent valuations, the residual value is reduced to the amount that is lower than the book value.

Amortization of assets is performed by the **linear write-off** (proportional method), and the **calculation of amortisation starts** from the beginning of the following month from the moment when the asset becomes available for use, i.e., employment, or when it is at the location and the condition necessary for its functioning, in the manner envisaged by the management.

Amortization of intangible assets is conditional on the assessment of whether the useful lifetime is unlimited or limited. Intangible assets are not subject to amortization if it is estimated that the useful lifetime is unlimited, that is, if, based on the analysis of all the relevant factors, the end of the period

when is it expected that the intangible asset will cease to generate incoming net cash flows for the Company cannot be foreseen.

Amortisation is not calculated for assets the value of which is not impaired over time (such as, for example, the works of art) nor for assets with unlimited lifetime (land, for example).

For an assets acquired by means of financial lease, amortization is calculated in the same manner as for other assets, except when it is not known whether the Company will acquire the ownership right on such asset, when the assets is amortized in its entirety in a shorter period than the lease period or the useful lifetime.

Calculation of amortization ceases when the asset is derecognized (ceases to be recognized as an asset) and when it is reclassified as a non-current asset held for sale or within discontinuing operations. Thus, amortization is calculated even when the asset is not used, that is, even when the asset is not being used actively, if such asset is not reclassified as a non-current asset held for sale or within the discontinuing operations.

Calculation of assets' amortisation is performed for tax balance purposes in compliance with the applicable legislation.

Assets that are, in accordance with the IFRS 5 - Non-Current Assets Held for Sale and Discontinuing Operations, classified as assets held for sale, as at the balance sheet date are presented as working capital and are assessed at the lower value of the accounting value and fair value reduced by the costs of sale.

7.11. Impairment of Intangibles Assets, Property, Plant and Equipment

At each balance sheet date, competent persons, from the Company or external, check if there are indications that the accounting value of an asset (intangible assets, property, plant and/or equipment) is impaired, that is, if the accounting value exceeds the recoverable amount for the asset in question.

If there are indications of impairment, appraisal of recoverable amount is performed in compliance with the relevant provisions of IAS 36.

Recoverable amount is the higher amount of:

- The fair value, reduced by the costs of sales, and
- The use value.

Fair value reduced by the costs of sales is the expected net selling price of the asset or the amount that can be achieved in the sale of an asset in an at arm's length transaction between knowledgeable, willing parties, reduced by the disposal costs.

Use value is the present value of estimated future cash flows expected to occur from the continuous use of the property during its lifetime and sale at the end of that period. The discount rate used in determining the asset's present value reflects current market estimates of the time value of money, as well as the risks characteristic for the asset in question.

Recoverable amount is estimated for each asset separately or, if that is not possible, for the unit that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows, mostly independent from the cash flow related to other assets of group of assets that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows independent to the greatest degree from the cash flow related to other assets or groups of assets.

If it has been established that the value is decreased, the accounting value is reduced to the recoverable amount. The loss due to the decrease is captured as follows:

- If the revaluation reserves were previously created for that asset, the loss is indicated by decreasing revaluation reserves, and
- If the revaluation reserves were not previously created for that asset, the loss is indicated as expenses for the respective period.

7.12. Investment Property

An investment property is a property (land or building or part of building or both) held by the owner or the lessee in the financial lease in order to receive income from rentals or increase in capital value, or both, and not:

- To use it in the production, or acquisition of goods and services or for administration purposes, or
- The sale within the scope of usual business activities.

The investment property is recognized, pursuant to IAS 40 – Investment Property, as an asset: if there is a chance that the Company may have economic benefit in the future from that investment property; and if its purchase price (cost) can be measured reliably.

An investment property should be measured initially at its cost. Related expenses are included in the price.

Subsequent expenditure related to an already recognized investment property is attributed to the expressed amount of the investment property if it can be recognized as an asset, if it is likely that future economic benefits related to that expenditure will flow to the Company and if the purchase price (cost) of that expenditure can be measured reliably. In the opposite case, the subsequent expenditure is presented as an operating expense in the period in which it was incurred.

After the initial recognition, the **subsequent measurement of the investment property** is performed according to the fair value, meaning its market value or most probable value that can be achieved on the market at the balance sheet date.

The change in the fair value of an investment property over a specific period is recognized in the income statement for the period in which increase / decrease occurs.

Investment properties are not subject to the calculation of depreciation or to the valuation of the decrease in value of the property.

Investment property ceases to be recognized upon disposal (sale or conclusion of a finance lease) or if it has ceased to be used (when it is derecognised) and no future benefits are expected from its disposal. Gains or losses on disposing of or disposed of investment property are recognized in the income statement in the year in which the asset is disposed of or disposed of, while the full amount of revaluation reserves that are part of equity relating to disposed or disposed investment property is transferred directly to retained earnings of the current year.

7.13. Inventories

Inventories are assets: kept for sale in the usual line of activities, assets in production, but intended for sale; or primary and secondary materials used in the production or provision of services.

Inventories include: primary and secondary materials (including spare parts, tools and stock) used in the production, unfinished products that are being produced, finished products manufactured by the Company and goods.

Inventories are (pursuant to IAS 2 - Inventories) **measured** at lower value:

- The purchase price (cost), and
- Net realizable value, net sale price, with stocks of materials and goods being measured at cost.

The purchase price (cost) includes all:

- Purchase expenses;
- Conversion expenses, and
- Other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of materials and goods as basis for the valuation of inventories of materials and goods, include the cost price, import duties and other fiscal expenditure (other than the recoverable tax amounts, such as the input value added tax), transportation costs, handling costs and other costs that are directly attributable to the purchase costs of inventories. Discounts, rebates and other similar items are deducted on the occasion of determining the purchase costs.

Valuation of material and goods inventories *spent* is performed by applying the **weighted average cost formulas**, calculated at the level of each individual warehouse.

In the recognition of assets of lower value (for example small inventory items, spare parts and servicing equipment), upon its use, the entire value (100% write-off) is transferred to expenses of the respective period.

Conversion costs and other costs incurred in bringing the inventories to their present location and condition are important in the valuation of inventories of unfinished products and finished products. These costs include: direct labour costs, direct material costs and indirect costs, or general production costs and non-production costs and borrowing costs.

Under certain conditions, specified in IAS 23, borrowing costs may also be included in the cost of inventories.

Net realizable value is the valuated price of sale within regular business activities (value excluding tax) reduced by estimated completion costs and valuated costs necessary for the realization of the sale. The valuation of the net realizable value is performed based on the most reliable evidence available at the time of valuation with regard amounts that may be achieved.

The amount of any write-off of inventories to the net realizable value and all losses of inventories are recognized as expenses for the period when the write-off or loss occurred.

7.14. Non-Current Assets Held for Sale

The Company recognizes and presents a non-current asset (or available group of assets) as an **asset held for sale** in compliance with IFRS 5 - Non-Current Assets Held for Sale and Discontinuing Operations if its accounting value can primarily be recovered by means of a sales transaction and not by means of its further use.

To fulfil this requirement:

- The asset (or group for disposal) must be available for immediate sale in the current condition, solely under the usual conditions for the sale of such property (or disposal group); and
- The sale of the asset must be very probable.

For a sale to be highly probable, the appropriate level of management must commit to a plan to sell the property (or disposal group), that there is an active program to find a buyer, and that the execution of that plan has already begun, (for example, an announced public sale, started negotiations or preparations for negotiations with potential buyers, etc.). In addition to the above, the probability of sale implies the existence of a market for that asset, that the offered price is reasonably determined, so that it enables the reality of the expectation that the sale will be made within one year from the date of recognition.

Extending the period required to complete the sale does not prevent the asset (or disposal group) from being classified as held for sale if the delay is due to events or circumstances beyond the Company's control and there is sufficient evidence that the Company is still committed to the plan to sell the property (or disposal group).

The Company measures non-current asset (or disposal group), classified as non-current asset held for sale at a lower value than:

- The accounting value, and
- The fair value reduced by the costs of sale.

The accounting value is the present (non-write off) value stated in business books of the Company.

The fair value is the amount at which the asset may be traded between knowledgeable and willing parties in an at arm's length transaction, or the market value on the date of sale.

Costs of sale are costs directly attributable to the sale of assets, or disposal groups, other than financing costs and income taxes, that are measured at present value rather than at the time of sale.

The Company does not depreciate non-current assets as long as it is classified as held for sale (or as part of a disposal group that is classified as held for sale).

Written-off assets, as well as assets with insignificant non-write off value will not be recognized as assets held for sale.

The sale of fixed assets held for sale in accordance with IFRS 5 is recorded on a net basis, ie the difference between the net sales value and the carrying amount is reported as a gain or loss on the sale of fixed assets held for sale, while the sale of fixed assets held for sale is recorded in accordance with IAS 2 is performed on a gross basis.

Assets that cease to be classified as held for sale (or cease to be included in a held for sale group) are valued at the lower of:

- the carrying amount before it is classified as held for sale (adjusted for depreciation and impairment that would be recognized if the asset was never classified for sale); and
- its recoverable amount at the date of the decision not to sell the fixed asset.

7.15. Financial Instruments

Financial assets

Pursuant to IFRS 9 - Financial Instruments, a financial asset is recognized when the Company becomes a party to the contractual provisions (rights) of the financial instrument. The purchase or sale of a financial asset is recorded using accounting on the settlement date (the date on which the asset is delivered to the entity or the date on which the entity delivers the asset).

The company derecognises a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the financial asset and the transfer qualifies for derecognition.

At initial recognition, the company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In relation to the above, the difference is that the initial recognition of trade receivables is measured at the transaction price (except in the case when the sale contains a significant component of financing).

In subsequent measurement of financial asset, the relevant group is the group in which the Company has classified the financial asset, which is conditioned by:

- business model of the Company's Financial Management and
- characteristics of contractual cash flows of the financial asset ("SPPI" test - Solely Payments of Principal and Interest)

After initial recognition, the company measures a financial asset at:

- amortised cost;
- fair value through other comprehensive income; or

- fair value through profit or loss.

Asset classified in the amortized cost category should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows;
- SPPI test: whether the agreed conditions give the right to cash flows that represent only the payment of principal and interest.

Asset classified at fair value through other comprehensive income should meet both criteria:

- Business model: the financial asset is held to collect contracted cash flows and sales;
- SPPI test: whether the agreed conditions give the right to cash flows that represent only the payment of principal and interest.

Financial asset measured at fair value through profit or loss includes assets that are not classified in the previous two groups. Valuation effects and realized gains and losses are recognized in the income statement in the period in which they arise.

All derivatives within the scope of IFRS 9 are measured at fair value. All changes are recognized in the income statement.

Dividends are recognised in income statement only when:

- the entity's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the entity; and
- the amount of the dividend can be measured reliably.

A financial asset is impaired when one or more events occur that have an adverse effect on the estimated future cash flows of that financial asset.

With respect to assets measured at amortized cost (loans and receivables) and at fair value through other comprehensive income, the Company should recognize an impairment loss, ie a provision for **expected credit losses**.

At each reporting date:

- the company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition the company should measure the provision for losses on a financial asset at an amount equal to the expected credit losses over the life of the asset;
- An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition, the Company should measure the provision for losses on a financial asset at an amount equal to twelve months of expected credit loss.

The company shall measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial liabilities

A financial liability is any liability that is:

- contract right:
 - delivery of cash or other financial means to another company; or
 - exchange of financial assets or financial liabilities with another company under conditions that are potentially unfavorable for the Company; or
- contract that will be or can be settled with the Company's equity instruments and which is:
 - non-derivative, for which the Company is or may be obliged to submit a variable number of equity instruments of the Company; or
 - derivatives, which will be or can be settled differently than by exchanging a fixed amount of cash or other financial assets for a fixed number of equity instruments of the Company.

Pursuant to IFRS 9 - Financial Instruments, a financial liability is recognized when the Company becomes a party to the contractual provisions of the financial instrument.

The company shall remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—ie when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

A financial liability is initially measured at fair value, increased or decreased, in case of financial liability not measured at fair value through profit or loss, for transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

From the aspect of subsequent valuation, with minor exceptions (derivatives, financial guarantees, etc.), financial liabilities are measured at amortized cost, using the effective interest rate method. Using this method, the Company identifies the fees that are an integral part of the effective interest rate of the financial liability (all of the above also applies to the financial asset). Fees that are an integral part of the effective interest rate include start-up fees (servicing costs, costs of processing loan applications, registration of collateral, attorney's fees, etc.), commissions, etc.

The Company may, on initial recognition (no reclassification of a financial liability over time) classify a financial liability as measured at fair value through profit or loss: if it prevents an accounting mismatch due to the measurement of assets, liabilities, income and / or expenses on various bases; and if the group

of financial assets and liabilities is managed and their performance is measured at fair value, in accordance with a documented risk management or investment strategy.

Impairment of financial assets

IFRS 9 introduces a revised model of impairment of financial assets, which is based on the expected credit loss and not on past losses.

The IAS 39 loss model recognized a loss on a financial instrument only when objective evidence of impairment of the financial instrument appeared, such as late payment of obligations, financial difficulties of the debtor, opening of pre-bankruptcy / bankruptcy proceedings, liquidation of the debtor, etc. This approach resulted in a rather late recognition of losses in the financial statements. In contrast, the model of expected credit losses requires an assessment of possible impairment losses on financial instruments before the deterioration of the financial and creditworthiness of the debtor, ie. that the value adjustment is recognized before the incurred losses occur.

According to the adopted *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9*, the impairment is performed in accordance with the model of expected losses when assessing the impairment of financial assets measured at amortized cost or fair value through other results (except equity), and to contractual assets (contractual financial assets in accordance with IFRS 15).

The Company assesses impairment at two levels: individual and group.

The Company applies individual assessment of allowances in cases where key credit risk drivers can be monitored on the basis of an individual instrument, where the Company then monitors them without the need for additional joint assessment.

The Company applies individual assessment of impairment to receivables from related legal entities; on receivables from the state, which do not relate to commercial relations in which the state is in the role of investor; on financial placements and given deposits; securities and cash and cash equivalents.

For the purposes of individual assessment, the Companies rely on the data on non-payment of liabilities (PD) from external sources, ie the data published by renowned rating agencies. The second parameter in the calculation, LGD (loss given default), which implies the amount of loss in case of default, is based on the Basel LGD of 45%. The exposure in the event of a default event (EAD) in this case is the amount of the claim at the reporting date. The discount factor will depend on the effective interest rate determined at initial recognition and the maturity of the instrument. If the collection of receivables is expected within 12 months, the discount factor is 1.

The Company applies the group assessment of impairment for measuring credit losses, ie receivables from third parties (including receivables from the state, state-owned companies and state bodies, where the state is predominantly in the role of investors) in the country and abroad, as well as accruals and deferrals that have the category of financial assets, and other receivables, including contractual financial assets in accordance with IFRS 15, or receivables from uninvoiced income with these persons, which are not subject to individual estimates, as well as lease receivables arising from transactions under IFRS 16.

The calculation of the parameters that will be applied in the Energoprojekt System was performed on the basis of data on historical collection by the largest companies operating within Energoprojekt: Energoprojekt Visokogradnja a.d., Energoprojekt Niskogradnja a.d., Energoprojekt Entel a.d. and Energoprojekt Oprema a.d.

Calculation approach PD is based on the creation of provision matrices from age intervals (14 intervals, based on late days as follows: "0" overdue receivables; "1" - 0-30 days late, "2" - 31-60 days late... "13" - 330-360 days late; "14" - over 360 days late) and rates of uncollected receivables ("roll-rate") between the observed intervals.

The loss rate in case of default, LGD, was calculated by observing collection of receivables in the "worst" observed interval during the period 2017-2019, 2017-2020, in a way that the amount claimed on 31.12.2019 was put in relation in the worst age interval increased by write-offs during the observed period and the total amount of registered receivables, ie. invoice in the worst age interval during the observed period. In certain cases, due to the existence of first-class (deposits, guarantees, etc.), or adequate collateral (pledges, mortgages), the Company may reduce the exposure by the amount of collateral before applying the LGD with the prior application of an appropriate impairment factor (haircut). In cases of receivables dating from before 2017, except in specific cases that need to be adequately documented, it is assumed that these are receivables that are impaired and for which the impairment calculation approach is applied to instruments where objective evidence of impairment has been identified (as is explained below).

When approaching the calculation of impairment for financial instruments for which objective evidence of impairment has been identified, no need to change the previous approach in accordance with IAS 39 has been identified, and the treatment and method of calculating impairment remains unchanged in accordance with IAS 39 and is based on the amount of loss measured as the difference between the exposure and the present value of future expected cash flows, discounted at the effective interest rate.

In case there is a need to determine the discount factor, ie the effective interest rate for the purposes of calculating the expected credit loss (for certain financial instruments that are not measured under the simplified approach and level 3 assets that are measured individually), the Company will apply the effective interest rate of the instrument. , ie in case of its non-existence, as the best approximation, publicly available data will be used depending on the currency, maturity, etc. (NBS statistics, eminent publicly available sources of information, legal default interest rate, etc.)

The Company applies the simplified approach for trade receivables (related and third parties), contractual assets arising from transactions under IFRS 15 and lease receivables arising from transactions under IAS 17 / IFRS 16. The simplified approach implies that for a given the receivable calculates the life expectancy loss regardless of whether there has been a significant increase in credit risk from customers, contractual assets and lease receivables and the provision for losses in an amount equal to life expectancy throughout the life.

For other categories of financial assets (cash and cash equivalents, financial investments, securities) the Company applies the general approach.

The Company has used the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9 to define indicators of significant increase in credit risk. In connection with the above, as indicators of a significant increase in credit risk, ie indicators that for a certain type of financial assets it is necessary to calculate the expected credit loss for the entire period of its life / duration, the following are taken into account:

- Decline in external credit rating used for the purpose of calculating the impairment;
- Delay in repayment of the obligation to the Companies in the amount of 30 days (if it is about third parties), or 90 days, if it is about related legal entities;
- Other qualitative criteria that may lead to the conclusion that there has been a significant increase in credit risk.

For the purposes of identifying impairment indicators, ie the criteria that it is necessary to calculate the expected credit losses for assets classified in level 3, in accordance with the requirements of IFRS 9, the Companies apply:

- Defined default threshold that applies to a given Company and a given category of financial assets;
- Other objective evidence of impairment in accordance with IFRS 9

The approach of impairment for financial guarantees is based on the historical losses that Energoprojekt had on this basis.

Based on all the above and adopted Methodology for calculating the impairment of financial instruments in accordance with IFRS 9 in the Energoprojekt system, the effects of the first application of IFRS 9 on 01.01.2020 were calculated, as well as the effects of IFRS 9 on 31.12.2020. In addition, according to the adopted Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, a part of materially insignificant effects of the application of IFRS 9 has been singled out, which are not recorded in the consolidated financial statements in question precisely because of immateriality.

The Company has determined that the application of IFRS 9 affected the additional amount of impairment on 01.01.2020 for RSD 2,066,627 thousand, recognized within the capital, ie the item of previous years retained earnings on 01.01.2020 (restated of opening balance - Note 36.7), in the manner shown in the following table.

In RSD thousand

Financial assets	Exposed financial assets of IFRS 9 as of 01.01.2020	Allowance for impairment account	Effect of application of IFRS 9 on 01.01.2020 over acc. 340
1	2	3	4
Long-term financial investments	112,362	49	(101,953)
Trade receivables	6,290,808	209	(1,341,329)
Receivables from specific operations	49,552	219	(7,519)
Other receivables	66,241	229	(6,578)
Receivables for non-invoiced income	3,605,822	2819	(545,258)
Other accruals	525,173	289	(63,990)
TOTAL	10,649,958		(2,066,627)

The following table shows effects of the application IFRS 9 on 31.12.2020, which were recorded through the results of the current year (increase in gross results in the amount of RSD 272,487 thousand).

In RSD thousand

Financial assets	Exposed financial assets IFRS 9 as of 31.12.2020	Allowance for impairment	Effect of application of IFRS 9 on 01.01.2020 over acc. 340	Expenses (acc. 58)	Income (acc. 68)	Exchange difference	Effect of application of IFRS 9 on the current result on 31.12.2020	Impairment of financial assets affected by IFRS 9 in 2020
1	2	3	4	5	6	7	8=5+6+7	9=4+8
Long-term financial investments	111.128	kto 049	(101.953)				0	(101.953)
Trade receivables	5.835.493	kto 209	(1.341.329)	(175.825)	279.720	67.472	171.367	(1.169.962)
Receivables from specific operations	48.114	kto 219	(7.519)		1.853	72	1.925	(5.594)
Other receivables	56.471	kto 229	(6.578)	(2.080)		324	(1.756)	(8.334)
Receivables for non-invoiced income	2.864.300	kto 2819	(545.258)	(33.878)	97.750	17.748	81.620	(463.638)
Other accruals	478.847	kto 289	(63.990)		15.011	4.320	19.331	(44.659)
TOTAL	9.394.353		(2.066.627)	(211.783)	394.334	89.936	272.487	(1.794.140)

By applying the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, the financial assets exposure is reduced by:

- part of non-invoiced receivables which, after issuing the invoice, partially justifies the advance collection/obligation for received advances (acc. 281 Receivables for non-invoiced income);

- part of non-invoiced receivables for which on 31.12.2020, the accrual of income for the future period (acc. 281 Receivables for non-invoiced income) was done in same amount; and
- part of trade receivables for which on 31.12.2020, and in accordance with IFRS 15 and on the basis of determined variable contractual fee, the impairment of receivables was performed.

According to the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, the effects, due to material insignificance, are not recorded in the following financial assets, presented by companies from the Energoprojekt system:

- Energoprojekt Holding: buyers in the country - parent and subsidiaries (except receivables from Energoprojekt Visokogradnja), receivables from specific operations, other receivables, cash and cash equivalents and short-term loans and placements granted to Energoprojekt Energodata (short-term financial placements granted to Enjub Ltd. are covered by a pledge over the real estate of the company in question - Note 45);
- Energoprojekt Visokogradnja: cash and cash equivalents, short-term loans and placements - related parties (except Energo Kaz Ltd., Kazakhstan), receivables from related parties (except Enjub Ltd. 100% of impairment was made);
- Energoprojekt Niskogradnja: cash and cash equivalents, other long-term financial placements, other long-term receivables (collateral), short-term loans and placements - other related parties, other short-term financial placements, buyer in the country - related parties;
- Energoprojekt Oprema: cash and cash equivalents, short-term loans and placements, buyers in the country - parent and subsidiaries and accruals – buyers in the country;
- Energoprojekt Hidroinženjering: cash and cash equivalents;
- Energoprojekt Industrija: cash and cash equivalents;
- Energo (Private) Limited, Zimbabwe: cash and cash equivalents; and
- Other companies from the Energoprojekt system: total exposed financial assets.

During the first application of IFRS 9, the system Energoprojekt applied a cumulative modified (retrospective) approach, where IFRS 9 is applied retrospectively with a cumulative effect that is recognized as an adjustment on 01.01.2020 with data correction on 31.12.2019.

The effects of reconciling the carrying amounts of financial assets and liabilities at the date of initial application of the standard are recognized in equity as adjustment of opening balance of retained earnings in 2020.

7.16. Provisions, Contingent Liabilities and Contingent Assets

A provision, according to IAS 37 - Provisions, Contingent Liability and Contingent Assets, means a liability of uncertain due date or amount present at the balance sheet date.

The Company recognizes provisions only if the following conditions are met:

- The Company has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

The essence of provisions is to form provisions only for liabilities from past events that exist independently from future events. Therefore, provisions are not recognized for future operating losses.

For purposes of recognition of provisions, it is considered as probable that the requested settlement of Company's liabilities will cause an outflow of resources representing an economic benefit when it is more probable than not that an outflow of resources will occur, or when the probability that settlement of these liabilities by the Company will cause an outflow of resources, is greater than the probability that it will not.

Provisions may be made on various bases, and specifically, these may include: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits, provisions for lawsuits and for other purposes.

In the measurement of provisions, the amount recognized as provision is the best valuation of Company's expenditure requested to settle a present liability at the balance sheet date. In other words, it is the amount the Company has to pay at the balance sheet date to settle liabilities or to transfer liabilities to third parties.

Long term provision for expenses and risks are tracked by sorts, they are examined at each balance sheet date and corrected to reflect the best present valuation. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is cancelled. Cancellation of provisions is credited as income.

When the effect of the time value of money is significant, the provision amount represents the present value of expenditure of the Company expected to settle the obligation. Discount rates are used in the calculation of the present value or pre-tax rates that reflect current market valuations of the time value and liability-related risks.

Contingent liability is:

- possible liability that arises from past events and may be confirmed only if one or several uncertain future events, that are not entirely in the scope of influence of the Company, occur or not; or
- present liability that arises from past events, yet not recognized, because it is not probable that an outflow of resources that represents economic benefit of the Company will be required to settle the obligation or because the amount of liability cannot be reliably valued.

A contingent liability is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible and this possibility is not very small.

A contingent liability is permanently revalued (at least at the balance sheet date). If the outflow of economic benefits based on contingent liabilities becomes possible, provisions and expenses are recognized in financial statements of the Company for the period when the change occurred (unless in rare cases when a reliable valuation is not possible).

A contingent asset is an asset that may arise from past events and its existence will be confirmed only if one or several future events, which are not entirely in the scope of influence of the Company, occur.

A contingent asset is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible.

Contingent assets are permanently revalued (at least at the balance sheet date) to ensure that financial statements reflect the development of the event. If it is certain that the outflow of economic benefit based on contingent assets, related asset and revenue are recognized in financial statements of the Company for the period when they occurred.

7.17. Employee Benefits

In terms of **taxes and compulsory social security contributions**, the Company shall, according to regulations applied in the Republic of Serbia, pay for contributions to various public funds for social security. These liabilities include contributions paid by employees and contributions paid by the employer in amounts calculated according to prescribed rates. The Company has legal obligation to suspend calculated contributions from gross earnings of employees and to transfer the amount on their behalf to public funds.

Contributions paid by employees and contributions paid by the employer are recorded as expenses of the Company for the respective period. The company, upon retirement of employees, keeps no obligation to pay them any benefits.

For the valuation of provisions based on contributions and other employee benefits, relevant provisions of the IAS 19 – Employee benefits are applied. Provisions for contributions and other employee benefits include, for example: provisions for non-due retirement benefits upon regular retirement and provisions for retirement bonus paid by the Company upon termination of employment prior to the retirement date or paid upon decision of the employee to take voluntary redundancy in exchange for those benefits.

In the valuation of liabilities upon employment termination and pursuant to respective IAS 19 provisions, the discount rate is determined according to the market yield at the balance sheet date for high yield corporate bonds. Alternatively, also specified in IAS 19, until a developed market for corporate bonds in the Republic of Serbia is established, market yields for government bonds will be used for the (for discount rate of) valuation of liabilities of the Company upon employment termination (at the balance sheet date). The value date and deadline for corporate or government bonds should be in accordance with the value date and deadline for obligations related to the income after employment termination. If the Company, for the valuation of obligations upon employment termination and due to undeveloped market for government bonds, uses the government bond yield as reference with maturity date shorter than the estimated maturity of payments based on respective income, the discount rate is defined by valuating the reference securities yield for longer periods.

Retirement bonus is paid by the Company to employees in compliance with the newly amended provisions of the Collective Agreement, adjusted with legislation (at the level of two average gross earnings in Republic of Serbia, pursuant to the ultimate data published by national institution in charge for statistics).

7.18. Information on Business Segments

A business segment is a part of assets and business operations that provide products or services that are

subject to risks and benefits different from those present in some other business segments. The geographical segment provides products or services within a specific economic environment that are subject to risks and benefits different from the segments operating in some other economic environments.

8. ERRORS FROM PREVIOUS PERIOD, MATERIAL ERRORS AND CORRECTION OF OPENING BALANCE

Potential (im)material errors of the current period, discovered in that period, are corrected before the financial statements are approved for publication.

Errors from previous period represent omitted or false data presented in financial statements of the Company for one or several periods as a result of misuse or lack of use of reliable information, which were available when the financial statements for respective periods were approved for issue and which were expected to be obtained and taken into consideration upon preparation and presentation of the respective financial statements.

A materially significant error, discovered in the current period that refers to a previous period is an error that has significant influence on financial statements for one or several prior periods and due to which these financial statements cannot be considered anymore as reliable.

Materially significant errors are corrected retroactively in the first series of financial statements approved for publishing after these errors have been discovered, by correcting comparative data for presented prior period(s) when errors occurred or if the error occurred prior to the earliest presented prior period, opening balances for assets, liabilities and capital for the earliest presented prior period will be corrected.

If it is practically impossible to establish the effect of an error from a certain period by comparing information for one or several presented prior periods, the Company will correct opening balances for assets, liabilities and capital for the earliest period that can be corrected retroactively (may be also the current period).

When, at the beginning of the current period, it is impracticable to determine the cumulative effect of an error on all prior periods, the Company recalculates the comparative information to correct the error in advance from the earliest date for which it is practicable.

Subsequently *identified errors that are not of material significance* are corrected against expenses or in favour of revenues for the period in which they were identified.

The materiality of an error is valued pursuant to provisions of the Framework for the preparation and presentation of financial reports that state that materiality may imply that omission or false accounting entries may affect economic decisions of users adopted based on financial statements.

Materially significant errors are valued pursuant to relevant provisions from the Framework for the preparation and presentation of financial statements.

Materiality is defined in the Company with respect to the significance of the error considering total revenues. A materially significant error is an error that for itself or together with other errors **exceeds 1.5% of the total income in the previous year.**

In these financial statements, data for the comparative year 2019 have been adjusted in accordance with the requirements of the first-time adoption of IFRS 9.

9. FINANCIAL RISKS

Uncertainty in future events is among the basic specificities of business operations under market conditions in an economic environment that is characterized by several possible or potential outcomes. Unpredictability of future events is one of basic particularities of operating in an open market environment characterized by several possible or potential outcomes.

From the Company's point of view, there are a large number of potential risks that may more or less have adverse effects on the Company's business. Certain (specific) risks are determined by internal factors, such as: *concentration risk*, which, in the Company's case, may be manifested as exposure to any one or a small group of buyers or suppliers; *operational risk*, that means the possibility of adverse effect due to unintentional or deliberate omissions by employees, inappropriate internal procedures and processes, inadequate information system management in the Company, etc.; *reputational risk*, that means a possibility that the Company's market position deteriorates due to the loss of trust or bad reputation (public institutions, suppliers, buyers, etc.) of the Company; *legal risk*, that means a possibility of adverse effects due to penalties and sanctions that derive from lawsuits due to the failure to fulfil contractual or legal obligations; etc.

Since the majority of these and some other risks not mentioned herein is set forth in detail in other chapters of the Notes or in other internal regulations of the Company (for example, the Rules on Accounting Practices of the Company regulates the minimization of operational risks by introducing procedures and work instructions), focus is placed here on the **financial risks** that primarily include the following:

- Credit risk;
- Market risk, and
- Liquidity risk.

Financial risks are significantly affected by external factors that are not directly controlled by the Company. In that sense, financial risk is considerably affected by the Company's environment which, apart from economic development, is likewise committed to legal, financial and other relevant aspects that define system risk level.

Generally, comparing markets of developed economies, companies that operate on markets with insufficient economic development, macroeconomic stability and high insolvency, such as the Republic of Serbia, are significantly exposed to financial risks. Insufficient development of the financial market makes it impossible to use a wide spectrum of *hedging* instruments, characteristic for developed markets. Companies that operate in the Republic of Serbia do not have the possibility to use many derivative instruments in financial risk management due to the fact that these instruments are not widely used nor there is an organized continuous market for financial instruments.

Financial risk management is a comprehensive and reliable management system that aims to minimize potential adverse effects to the financial condition and operations of the Company under unpredictable financial market conditions.

Considering limitations in the financial risk management that are characteristic of business on the Serbian market, it is clear that it is necessary to approach this issue in a proper manner as recognized by the Company's management. Essentially, financial risk management in the Company should ensure that the *Company's risk profile* is always in compliance with *Company's tendency towards risks* or in compliance with an acceptable structure and risk level that the Company will take in order to implement its business strategies and achieve business goals.

9.1. Credit Risk

A credit risk is a risk of adverse effects to the financial result and capital of the Company due to debtor's failure to fulfil obligations towards the Company within the specified deadline.

Credit risks mean not only debtor-creditor relations that derive from sales of Company's products, but also credit risks that derive from other financial instruments such as receivables based on long-term and short-term financial investments.

The Company has substantial concentrations of credit risk in collection from certain buyers with long lending periods due to poor liquidity. However, since that, as a rule, the company has been operating with these customers for many years, the fear of bad debt is small.

9.2. Market Risk

Market risk is a risk of adverse effects to the financial result and capital of the Company due to losses under specific balance sheet items as a result of negative price shifts on the market and other relevant financial parameters.

The market risk includes three risk types:

- The currency risk;
- The interest risk, and
- The price risk.

The currency risk, also called foreign exchange risk or exchange rate risk, is a risk of fair value fluctuation or the fluctuation of future financial instruments cash flows due to the change in exchange rates. The currency risk arises from financial instruments in foreign currency or the currency other than the currency (functional) in which the financial instruments are measured in financial statements. The Company operates within international frames and is exposed to exchange rate risks arising from business operations in different currencies, primarily in Euro and US Dollar.

Interest risk is a risk of adverse effects to the result and capital of the Company due to unfavourable interest rates' fluctuations. The Company is exposed to this type of risk due to financial liabilities related to loans with potentially fluctuating interest rates (Euribor and Belibor).

The price risk is a risk of fair value fluctuation or a risk that the future financial instruments cash flows will fluctuate due to the change in market prices (not prices that result from interest or currency risk) regardless if these changes are caused by specific factors related to a specific financial instrument or its issuer or regardless if factors affect all similar financial instruments traded on the market.

9.3.Liquidity Risk

Liquidity risk is a risk of having difficulties to fulfil due obligations, maintaining the necessary scope and structure of the working capital and good creditworthiness.

Prudent liquidity risk management aims to maintain sufficient cash and securities held for sale, as well as securing adequate sources of financing to cover for the dynamic nature of the Company's business.

Adverse impacts on the Company's liquidity have significant amounts of immobilized assets in some subsidiaries, as well as a slowdown in payment in certain segments (regions) due to economic and geopolitical reasons.

Company seeks to maintain flexibility of its financing through collection from buyers and investments of its available monetary assets. In addition to that, in compliance with the Company's policy, back to back agreements are signed with subcontractors according to which a portion of risk related to any defaulting in collection is transferred/shared with them.

10. INFORMATION OF BUSINESS SEGMENTS

System Energoprojekt, locally as well as abroad, was on 31 December 2020, organized in main business segments as follows:

- Planning and Research;
- Construction and Fitting, and
- Other.

Business and geographical segments of system Energoprojekt are presented in tables below, at the balance sheet date.

Business segments

	Design and research		Construction and fitting		Other		Total		Eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from sales	5.683.038	7.148.684	21.731.405	19.999.508	617.198	756.711	28.031.641	27.904.903	(2.083.663)	(1.617.534)	25.947.978	26.287.369
SEGMENT RESULT												
Operating profit/loss	388.205	509.849	860.585	315.693	(46.185)	(46.892)	1.202.605	778.650	4.259	(98.428)	1.206.864	680.222
Interest income (third party)	45.683	12.833	54.408	114.229	665	1.430	100.756	128.492			100.756	128.492
Interest expenses (third party)	3.374	4.236	129.843	232.488	18.427	29.767	151.644	266.491			151.644	266.491
Profit/loss from regular operations before tax	532.747	591.312	962.432	510.894	247.192	(38.604)	1.742.371	1.063.602	(346.590)	(278.533)	1.395.781	785.069
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	587	(11.493)	(2.914)	26.537	(4.065)	3.101	(6.392)	18.145	107	60	(6.285)	18.205
Income tax	34.223	39.222	319.801	120.802	13.458	2.401	367.482	162.425			367.482	162.425
Net profit/loss	499.111	540.597	639.717	416.629	229.669	(37.904)	1.368.497	919.322	(346.483)	(278.473)	1.022.014	640.849
Total assets	8.467.611	9.260.274	23.559.886	24.143.938	15.686.498	13.506.599	47.713.995	46.910.811	(12.529.934)	(10.200.868)	35.184.061	36.709.943
Total liabilities	8.467.611	9.260.274	23.559.886	24.143.938	15.686.498	13.506.599	47.713.995	46.910.811	(12.529.934)	(10.200.868)	35.184.061	36.709.943
Depreciation	85.032	91.861	357.306	427.928	48.733	47.158	491.071	566.947	(4.269)	(3.084)	486.802	563.863

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from sales	15.016.803	17.400.450	4.838.180	876.584	172.863	197.185	1.817.510	2.327.048	3.666.683	4.580.315	435.939	905.787	25.947.978	26.287.369
Income from the sales of goods to parent company and subsidiaries and other affiliated companies in the domestic market	1.714												1.714	
Income from the sales of goods to other affiliated companies in the international market (Energoprojekt Ltd., Lagos, Nigeria)														
Income from the sales of goods - external	39.606	142.487				1.051	16.485	39.326			1.945	19.216	58.036	202.080
Income from the sales of goods	41.320	142.487				1.051	16.485	39.326			1.945	19.216	59.750	202.080
Income from the sales of products and services to other affiliated companies (Energoprojekt Ltd., Enjub Ltd., Napred plc., Napred Razvoj plc. i Energoprojekt Ltd., Lagos, Nigeria)	36.931	47.230						155.158					36.931	202.388
Income from the sales of products and services - external	14.938.552	17.210.733	4.838.180	876.584	172.863	196.134	1.801.025	2.132.564	3.666.683	4.580.315	433.994	886.571	25.851.297	25.882.901
Income from the sales of products and services	14.975.483	17.257.963	4.838.180	876.584	172.863	196.134	1.801.025	2.287.722	3.666.683	4.580.315	433.994	886.571	25.888.228	26.085.289

INCOME STATEMENT

11. OPERATING INCOME

11.1. Income from Sales of Goods

Structure of income from the sales of good	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Income from sale of goods to other related parties on local market	1,714	
Income from sale of goods on local market	39,606	142,487
Income from sale of goods on foreign market	18,430	59,593
TOTAL	59,750	202,080

- **Income from sale of goods to other related parties on local market** in the amount of RSD 1,714 thousand relate entirely to the sale of goods to CC Napred Plc. from Energoprojekt Visokogradnja: RSD 1,702 thousand and Energoprojekt Industrija: RSD 12 thousand.

- **Income from sale of goods on local market** in the amount of RSD 39,606 thousand, predominantly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 32,637 thousand from sales to subcontractors, primarily on the projects Railway Jajinci - Mala Krsna: RSD 25,120 thousand, Modernization of TPS Zemun: RSD 6,989 thousand. The supply of subcontractors with stocks (sales) necessary for the smooth flow of works, was done in order to avoid the consequences of delays in the works (contractual deadlines) that are borne by the company as the main contractor (Note 12); and

- Energoplast in the amount of RSD 3,001 thousand from sale of purchased ready-made closures intended for further sale.

- **Income from sale of goods on foreign market** in the amount of RSD 18,430 thousand entirely related to Energoprojekt Niskogradnja for stock sales, under contract with subcontractors on projects in Uganda: RSD 16,485 thousand (dominant on the project Z-042 Mpigi Town Roads, Uganda: RSD 14,850 thousand) and Peru: RSD 1,945 thousand (dominant on project Z-039 Canal Via Cieneguillo, Peru: RSD 1,459 thousand) in order to ensure the smooth flow of works and avoid the consequences of downtime (deadlines defined by the contract) which are borne by the company as the main contractor.

11.2. Income from Sale of Products and Services

Structure of income from sale of products and services	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Income from sale of finished products and services to other related parties on local market	36,931	47,230
Income from sale of finished products and services to other related parties on foreign market		155,158
Income from sale of finished products and services on local market	14,920,739	17,197,430
Income from sale of finished products and services on foreign markets	10,930,558	8,685,471
TOTAL	25,888,228	26,085,289

- **Income from sale of products and services to other related parties on local market** in the amount of RSD 36,931 thousand dominantly pertain services provided to CC Napred Plc. in the amount of RSD 29,497 thousand by Energoprojekt Urbanizam i arhitektura: RSD 20,948 thousand, Energoprojekt Visokogradnja: RSD 7,372 thousand and Energoprojekt Industrija: RSD 1,177 thousand.
- **Income from sale of products and services on local market** in the amount of RSD 14,920,739 thousand, are related, mostly, to the following companies within system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 6,433,978 thousand, primarily on the projects of Reconstruction of Vinca landfill: RSD 1,834,734 thousand and Modernization of TPS Zemun: RSD 1,645,846 thousand, as well as on the projects Zeleni Bulevar: RSD 516,301 thousand, Railway Jajinci - Mala Krsna: RSD 975,359 thousand, Patrijarh Pavle: RSD 420,939 thousand;
 - Energoprojekt Visokogradnja in the amount of RSD 3,955,823 thousand, primarily on projects Chinese Cultural Center: RSD 1,402,107 thousand, Delta Headquater: RSD 1,320,115 thousand, Navigator 2 Bussines Center: RSD 699,723 thousand and Smatsa Air Traffic Control: RSD 438,626 thousand and sale of finished products on its own investment in Cara Nikolaja Street in Belgrade: RSD 28,118 thousand;
 - Energoprojekt Park 11 in the amount of RSD 2,410,467 thousand - sold shops, apartments and garages in the residential - business complex "Park 11" in Block 11a in New Belgrade;
 - Energoprojekt Entel in the amount of RSD 783,603 thousand, primarily from providing services to investors PE Elektroprivreda Srbije (on several projects): RSD 427,556 thousand, Shanghai Electric Group Europa Ltd. Belgrade: RSD 120,736 thousand, Beo Čista Energija Ltd.: RSD 59,571 thousand and Construction Industrielles de la mediterrabee - CNIM S.A. - SRB Belgrade branch (on Vinča project - preparation of project documentation and obtaining conditions, permits and approvals): RSD 130,539 thousand;
 - Energoprojekt Sunnyville in the amount of RSD 317,553 thousand - sold apartments and garage spaces in the residential - business complex "Sannyville" in Belgrade; and

- Energoprojekt Industrija in the amount of RSD 313,901 thousand, primarily from providing services to investors in the projects Water treatment plant of the factory in Zajecar (Heineken Serbia Ltd., Zajecar): RSD 146,961 thousand, Nikola Tesla Airport (Vinci terna Construction jv Ltd.): RSD 57,368 thousand, Technical Renovation Project of the factory (HBIS Group Serbia Iron & Steel Ltd.): RSD 33,252 thousand and the Hospital in Kruševac and the Institute for Mother and Child Health care of Serbia (UNDP Serbia): RSD 23,997 thousand.

• **Income from sale of products and services on foreign market** in the amount of RSD 10,930,558 thousand, related, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 5,202,202 thousand dinars – works performed for investors, primarily on projects Z-114 Stadium Syktyvkar, Russia: RSD 2,948,578 thousand, Z-112 Hotel Hyatt Rostov 2, Russia: RSD 1,702. 892 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 148,433 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 364,022 thousand (primarily on projects of Residence DR Kwame: RSD 120,206 thousand, Ernest Chemist Limited RSD 84,233 thousand and Cantonments C: RSD 50,668 thousand);

- Energoprojekt Entel in the amount of RSD 3,656,087 thousand, predominantly realized in the companies abroad: Energoprojekt Entel LTD, Doha, Qatar: RSD 1,793,712 thousand (primarily on projects being developed for Qatar General Electricity & Water Corporation "Kahramaa": RSD 1,159,806 thousand), Energoconsult LLC, Abu Dhabi, UAE: RSD 1,300,303 thousand (primarily on projects for the Dubai Electricity and Water Authority (DEWA): RSD 406,265 thousand, Federal Electricity and Water Authority (FEWA): RSD 87,713 thousand, Abu Dhabi Transmission and Despatch Company (TRANSCO): RSD 272,900 thousand and MERRAS: RSD 90,282 thousand) and Energoprojekt Entel LLC Muscat, Sultanate of Oman: RSD 562,072 thousand (primarily on projects Oman Electricity Transmission Company (OETC): RSD 302,969 thousand and Public Authority for Electricity and Water (PEWA): RSD 232,290 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 1,610,679 thousand, on projects in Uganda: RSD 1,176,685 thousand (primarily Z-042 Mpigi Roads: RSD 1,152,669 thousand and Z-041 Kampala Mukono: RSD 24,016 thousand) and in Peru: RSD 433,994 thousand (dominant Z-040 Irrigation System San Antonio: RSD 219,319 thousand).

Observing the total revenues from sale of products and services with Energoprojekt system, we emphasize the following (Note 7.3):

Energoprojekt Visokogradnja, the most significant income is incurred from contracts with customers.

Revenues from construction of residential and non-residential buildings recognized during the period ending 31 December 2020, amount to RSD 9,165,395 thousand.

As at 31 December 2020, the total transaction price of unfulfilled (or partially unfulfilled) performance obligations for construction of residential and non-residential buildings is RSD 7,125,108 thousand (translated at the exchange rate on the balance sheet date) and will be realized during the remaining period of concluded contracts. The management of Energoprojekt Visokogradnja expects that 80.6% of transaction price assigned to unfulfilled (or partially unfulfilled) execution obligations at the end of 2020 or RSD 5,742,837 thousand will be recognized as income during the next reporting period. The remaining 19.4% or RSD 1,382,271 thousand will be recognized after the financial year 2021.

The total revenues incurred with four largest customers who individually participate with more than 10% of the incomes of Energoprojekt Visokogradnja and for 2020 amount to RSD 7,373,692 thousand (2019: 2 customers with revenues of RSD 4,417,124 thousand).

Of the total revenues the sale of products and services in Energoprojekt Niskogradnja in the amount of RSD 8,044,657 thousand, income from construction of infrastructure facilities recognized during the year ending 31 December 2020 amount to RSD 8,044,013 thousand, while revenues which are recognized at the time for the year ending 31 December 2020 amount to RSD 644 thousand - delivery of concrete and concrete emulsion.

As at 31 December 2020, the total transaction price of unfulfilled (or partially unfulfilled) performance obligations for infrastructure construction projects amounts to RSD 7,885,263 thousand and will be realized during the remaining period of concluded service contracts. Management expects that RSD 4,948,043 thousand of the total transaction price allocated to unfulfilled (or partially unfulfilled) execution obligations at the end of 2020, one thousand dinars will be recognized as income during the next reporting period. The remaining RSD 2,937,220 thousand will be recognized after the financial year 2021.

Energoprojekt Entel, entire sales revenues incurred from contracts with customers.

Revenues from design, consulting and engineering services recognized during the period ending 31 December 2020 amount to RSD 4,439,690 thousand.

As at 31 December 2020, the total transaction price of unfulfilled (or partially unfulfilled) obligations in the performance of design, consulting and engineering services amounts to RSD 8,583,849 thousand and will be realized during the remaining period of concluded service contracts.

Management expects that 55% of transaction price allocated to unfulfilled (or partially unfulfilled) performance obligations at the end of 2020 or RSD 4,675,090 thousand will be recognized as revenue during the next reporting period. The remaining 45% or RSD 3,908,759 thousand will be recognized in the financial year 2021.

The total revenues of the 12 largest customers who individually participate with more than 10% of Energoprojekt Entel's revenues for 2020 amount to RSD 2,969,818 thousand (2019: 12 customers with revenues of RSD 3,198,654 thousand).

As permitted by the transitional provisions in IFRS 15, the transaction price of outstanding (or partially outstanding) performance obligations as at 31 December 2019 has not been disclosed. The transaction price of unfulfilled performance obligations and the time of revenue recognition are not disclosed for performance obligations recognized in the amount in which the companies from the Energoprojekt system are entitled to an invoice.

11.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Income from premiums, subsidies, grants, donations and the like.	58.067	
Other operating income:		
Incomes from the rent collected from parent, subsidiary and other related parties	142	60
Incomes from the rent collected from other legal entities on local market	22.439	20.848
Incomes from the rent collected from other legal entities on foreign market	56.267	91.546
Other operating income from parent, subsidiary and other related parties	85	
Other operating income	60.016	55.020
TOTAL	197.016	167.474

- **Income from premiums, subsidies, grants, donations and the like** in the amount of RSD 58,067 thousand relate to:

- direct grants of the Government of the Republic of Serbia to legal entities, in accordance with the Decree on Fiscal Benefits and Direct Benefits to Private Sector Companies and Financial Assistance to Citizens to Mitigate the Economic Consequences of COVID-19, in the form of grants and compensation of salaries to employees in the amount of minimum net salary per employee (RSD 30,367.00 per month, for three months) and the Conclusion of the Government of the Republic of Serbia in the form of grants in August and September 2020, in the amount of 60% of direct payments from budget of the Republic of Serbia paid in July 2020 in the total amount of RSD 55,640 thousand; and

- direct grants from the Government of the United Kingdom (HM Revenue & Customs) in accordance with the state Furlough program in the form of financing 80% of salaries to employees due to the COVID - 19 pandemic in the amount of RSD 2,427 thousand.

- **Incomes from the rents collected from parent, subsidiaries and other related parties** in the amount of RSD 142 thousand entirely relate to EP Niskogradnja from lease of machinery to the company Napred Plc.

- **Incomes from the rents collected from other legal entities on local market** in the amount of RSD 22,439 thousand was primarily generated in the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 8,851 thousand, primarily based on the rental of: a part of the building complex "Samački hotel" on Batajnicki road no. 24, Zemun to the company Jerry Catering Service Ltd. in RSD 7,737 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 7,011 thousand, primarily based on the rental of facility in Ub in RSD 4,285 thousand and facility in Preradoviceva Street in Belgrade in RSD 2,433 thousand; and

- Energoprojekt Sunnyville in the amount of RSD 3,656 thousand from leasing garages and shops in the residential - business complex Sunnyville in Belgrade.

• **Income from the rents collected from other legal entities on foreign market** in the amount of RSD 56,267 thousand was predominantly generated by the following companies of the system Energoprojekt:

- Dom 12 S.A.L., Lebanon in the amount of RSD 18,843 thousand, based based on the rental of office building in Moscow;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 15,561 thousand, based on the rents of several properties in Lusaka, Zambia;

- Energoprojekt Niskogradnja in the amount of RSD 9,223 thousand, based on the rental of a part of the office building Cruz del Sur in Lima, Peru in RSD 9,223 thousand; and

- Energo (Private) Limited, Zimbabwe in the amount of RSD 6,675 thousand, based on the rents of several properties in Harare, Zimbabwe.

• **Other operating income** in the amount of RSD 60,016 thousand was mostly generated in the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 44,415 thousand, primarily on the basis of insurance damage caused by the bursting of the water pipe on the Zeleni bulevar construction site: RSD 19,260 thousand, compensation for the leading partner for contract on the project of Patrijarh Pavle: RSD 16,557 thousand, damage caused by subcontractors on the Jajinci - Mala Krsna Railway project: RSD 4,177 thousand and re-charged costs to members of consortium for insurance and commissions on guarantees for projects in the country: RSD 2,738 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 14,651 thousand, predominantly from income generated under contractual agreements with subcontractors on Delta Headquarters projects: RSD 7,992 thousand and the Chinese Cultural Center in the amount of RSD 3,899 thousand.

12. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Cost price value of goods sold:		
a) Cost of goods sold to parent, subsidiary and other related parties	1,934	
b) Cost price of goods sold on local market	44,785	146,114
c) Cost price of goods sold on foreign market	18,289	58,438
TOTAL	65,008	204,552

• **Cost of goods sold to parent, subsidiary and other related parties on local market** in the amount of RSD 1,934 thousand, predominantly, refers to Energoprojekt Visokogradnja: RSD 1,926 thousand, for procurement of materials for the company GP Napred Plc.

• **Cost price of goods sold on local market** in the amount of RSD 44,785 thousand primarily is related to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 32,727 thousand, for purchase of inventory of material, with the aim to provide the subcontractor with the inventories necessary to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor;
 - Energoplast in the amount of RSD 7,365 thousand, for purchasing of finished lock-patent delivered for further sales; and
 - Energoprojekt Visokogradnja in the amount of RSD 4.189 thousand, primarily from purchase value of sold material from the warehouse: RSD 4,031 thousand.
- **Cost price of goods sold on foreign market** in the amount of RSD 18,289 thousand dominantly related to Energoprojekt Niskogradnja, in the amount of RSD 18,285 thousand (for inventory costs sold as per agreements to subcontractors for projects in Uganda: RSD 16,485 thousand and in Peru RSD 1,800 thousand, in performance of works).

13. REVENUE FROM UNDERTAKING FOR OWN PURPOSES

Structure of revenue from undertaking for own purposes	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Revenue from undertaking for own purposes	79,556	20,197
Increase in inventories of unfinished and finished goods and services in progress	1,411,902	943,370
Decrease in inventories of unfinished and finished goods and services in progress	1,913,595	756,117

- **Revenue from undertaking for own purposes** in the amount of RSD 79,556 thousand predominantly relate to Energoprojekt Niskogradnja in RSD 79,490 thousand on the basis of mechanization overhaul in RSD 61,071 thousand: (in Uganda: RSD 57,218 thousand and in the country: RSD 3,853 thousand) and refurbishing laboratory for own activity in the country: RSD 18,419 thousand.
- In the reporting period, the **increase in inventories of unfinished and finished goods and services in progress** amounting to RSD 1,411,902 thousand predominantly relate to increase in inventories of intermediate in Energoprojekt Park 11 in the amount of RSD 1,230,949 thousand (construction of business and residential unit Park 11 - Block 11a in New Belgrade) and to Energoprojekt Niskogradnja in the amount of RSD 163,480 thousand, predominantly in Uganda for production of crushed stone for the asphalt and concrete, as well as prefabricated concrete curbs and pipes.
- **Decrease in inventories of the unfinished and finished goods and services in progress** in the amount of RSD 1,913,595 thousand primarily related to the following companies of the system Energoprojekt:
 - Energoprojekt Park 11 in the amount of RSD 1,570,108 thousand (sale of finished products (real estate) within the residential - business unit Park 11 in Block 11a in New Belgrade); and

- Energoprojekt Sunnyville in the amount of RSD 306,902 thousand (sale of finished goods (real estate) - residential and business complex Sunnyville in Belgrade).

14. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Cost of materials:		
a) Costs of materials in production	2,577,570	3,280,561
b) Costs of other materials (overhead)	193,852	154,259
c) Spare parts costs	177,820	131,545
d) Costs of one-off write-off of tools and inventory	100,941	111,221
<i>Total</i>	<i>3,050,183</i>	<i>3,677,586</i>
Fuel and energy costs:		
a) Fuel costs	455,939	543,443
b) Costs of electrical energy and heating	168,342	190,554
<i>Total</i>	<i>624,281</i>	<i>733,997</i>
TOTAL	3,674,464	4,411,583

- **Cost of materials used in production** in the amount of RSD 2,577,570 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja, in the amount of RSD 1,811,852 thousand, of which RSD 788,763 thousand relate to costs on projects in the country (primarily, Delta Headquarters projects: RSD 290,581 thousand, Navigator 2 Bussines Center: RSD 112,011 thousand, Smatsa air traffic control: RSD 119,095 thousand and Chinese Cultural Center: RSD 134,830 thousand), while RSD 1,023,089 thousand to project abroad (primarily Z-114 Stadion Siktivkar, Russia: RSD 723,437 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 188,236 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 92,887 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 501,459 thousand, of which RSD 164,646 thousand relates to costs on projects abroad (Peru and Uganda), while RSD 336,813 thousand to the country's project; and

- Energoplast in the amount of RSD 172,662 thousand for costs of raw materials and packaging for the production of finished products - fasteners.

- The largest shares in **costs of other materials (overhead)** (cost of office supplies, safety equipment and other material) amounting to RSD 193,852 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 118,469 thousand (abroad: RSD 108,822 thousand, in the country: RSD 9,647 thousand), Energoprojekt Entel, in the amount of RSD 38,995 thousand, Energoprojekt Visokogradnja in the amount of RSD 18,782 thousand and Energoprojekt Hidroinženjering in RSD 6,602 thousand.

- **Costs of spare parts** in the amount of RSD 177,820 thousand relate, dominantly, to Energoprojekt Niskogradnja in the amount of RSD 162,076 thousand (abroad: RSD 141,676 thousand, in the country: RSD 20,400 thousand) and to Energoprojekt Visokogradnja in the amount of RSD 14,796 thousand.
- **Costs of one-off write-off of tools and inventory** in the amount of RSD 100,941 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 79,359 thousand and Energoprojekt Visokogradnja in the amount of RSD 19,128 thousand.
- The largest share in **fuel and energy costs** amounting to RSD 624,281 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 403,229 thousand, which were predominantly incurred abroad, of Energoprojekt Visokogradnja in the amount of RSD 85,226 thousand and Energoprojekt Entel in the amount of RSD 71,583 thousand.

15. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	In RSD thousand	
	01.01.- 31.12. 2020	01.01.- 31.12. 2019
Expenses of wages and fringe benefits (gross)	5,186,166	6,099,006
Taxes and contributions on wages and contributions on wages payable by employer	509,744	558,486
Service agreements contributions	9,580	10,980
Copyright agreements contributions	27,133	57,765
Costs of contributions for contract fees for temporary and periodical engagement	109,637	143,389
Considerations to physical persons based on other agreements	21,364	15,665
Considerations to General Manager and/or Management and Supervisory Board members	34,851	42,150
Other personnel expenses and fringe benefits	268,366	434,461
TOTAL	6,166,841	7,361,902

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** amounting to RSD 5,695,910 thousand relate primarily to Energoprojekt Entel in the amount of RSD 2,651,104 thousand, Energoprojekt Visokogradnja in the amount of RSD 1,037,017 thousand, Energoprojekt Niskogradnja in the amount of RSD 938,576 thousand, Energoprojekt Hidroinženjering in the amount of RSD 301,007 thousand and to Energoprojekt Oprema in the amount of RSD 204,988 thousand.
- **Copyright agreements contributions** in the amount of RSD 27,133 thousand relate, mainly, to the following companies of the system Energoprojekt:
 - Energoprojekt Industrija in the amount of RSD 12,135 thousand, entirely in the country, due to the lack of professionally qualified workers;

- Energoprojekt Hidroinženjering in the amount of RSD 9,804 thousand, in the country in the amount of RSD 6,436 thousand and abroad in RSD 3,368 thousand due to increased work and lack of manpower with appropriate qualification structures in certain fields; and

- Energoprojekt Entel in the amount of RSD 4,705 thousand, due to lack of professionally qualified workers in all fields.

• **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 109,637 thousand were predominantly incurred in following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 59,341 thousand (dominantly abroad: RSD 59,273 thousand, mostly in Uganda) and are the result of Company's periodical needs for workforce with adequate qualifications for realization of projects (in construction sites) in compliance with the agreed schedules and types of works;

- Energoprojekt Visokogradnja in the amount of RSD 28,658 thousand, in the country, primarily in the Samacki hotel: RSD 8,301 thousand, on the project Chinese Cultural Center: RSD 5,329 thousand and in restaurant within the business building Energoprojekt: RSD 4,070 thousand;

- Energoprojekt Oprema of RSD 7,890 thousand for projects in the country (primary SMATSA Flight Control: RSD 1,912 thousand and Kolubara Landliff: RSD 1,845 thousand).

• **Other personnel expenses and fringe benefits** amounting to RSD 268,366 thousand (costs of accommodation, meals on field works, transport and other costs of workers, severance pay for solving the problem of redundancy, business trips cost, solidarity aid, scholarships and other benefits) relate to the following companies within system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 96,914 thousand, in the country RSD 17,129 thousand (of which RSD 2,845 thousand for severance pay due to solving the problem of technological redundancies) and abroad: RSD 79,785 thousand (projects abroad: RSD 64,949 thousand - mostly accommodation and food costs in the field and in Energoprojekt Ghana, Accra, Ghana: RSD 14,836 thousand - primarily airfare and food costs);

- Energoprojekt Niskogradnja amounting to RSD 61,275 thousand, in the country: RSD 26,547 thousand of which RSD 10,757 thousand refer to severance pay due to solving the problem of technological redundancies) and abroad: RSD 34,728 thousand (primarily food and accommodation costs in the field and transportation costs);

- Energoprojekt Entel in the amount of RSD 58,503 thousand (dominantly abroad);

- Energoprojekt Hidroinženjering in the amount of RSD 20,303 thousand; and

- Energoprojekt Oprema in the amount of RSD 10,053 thousand, of which RSD 5,766 thousand refer to the severance pay due to solving the problem of technological redundancy.

16. PRODUCTION SERVICE COSTS

Structure of costs of production services	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Production service costs	11,757,494	10,683,216
Transportation service costs	205,371	373,588
Repairs and maintenance services' costs	74,998	103,952
Rental costs	438,440	529,656
Fair costs	0	24,835
Advertising costs	12,945	16,756
Research costs	3,895	4,407
Costs of other services	193,473	127,801
TOTAL	12,686,616	11,864,211

• **Production service costs** in the amount of RSD 11,757,494 thousand are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 6,024,643 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 3,574,387 thousand (mainly on projects: Navigator 2 Bussines Center: RSD 635,091 thousand, Chinese Cultural Center: RSD 920,633 thousand, Park 11: RSD 938,061 thousand and Delta Headquarters: RSD 850,381 thousand) and abroad in the amount of RSD 2,450,256 thousand (primarily on the projects Z-114 Stadium Syktyvkar, Russia: RSD 1,380,603 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 1,001,733 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 16,078 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 4,855,416 thousand for the costs manly based on subcontracting agreements incurred within projects in the country amounting to RSD 4,749,928 thousand (mostly on the projects Modernization of TPS Zemun: RSD 1,378,491 thousand, Railway Jajinci - Mala Krsna: RSD 851,148 thousand, Zeleni Bulevar: RSD 466,188 thousand, Patrijarh Pavle: RSD 419,508 thousand, Reconstruction of Karadjordjeva Street: RSD 356,378 thousand and Reconstruction of Vinca landfill: RSD 288,674 thousand) and abroad: RSD 106,488 thousand (primarily on the projects Z-042 Mpigi Town Roads, Uganda: RSD 68,427 thousand and Z-044 River Ika, Peru: RSD 15,928 thousand). Significant engagement of subcontractors on projects is conditioned by a specific type of necessary works, ie mechanization for their execution;

- Energoprojekt Oprema in the amount of RSD 213,577 thousand relate to costs of subcontractors and partners on projects in the country (primarily, Vinca landfill: RSD 125,340 thousand and TPS Zemun: RSD 33,582 thousand);

- Energoprojekt Entel, in the amount of RSD 310,346 thousand, consists of the subcontractors costs engaged on works for which the company does not have personnel or for specialized works performed only by certain companies. The costs in this country amount to RSD 99,521 thousand, while abroad: RSD 210,825 thousand (mainly in UAE: RSD 138,022 thousand); and

- Energoprojekt Industrija in the amount of RSD 235,356 thousand related to subcontractor services hired for jobs for which the company does not have staff or for specialized jobs that are performed only by certain companies. In the country, the subject costs amount to RSD 176,403 thousand, and abroad: RSD 58,953 thousand.

• **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, etc. These costs amount to RSD 205,371 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 137,043 thousand (abroad: mainly, cost of air tickets for employees and rent-a-cars costs, predominantly in Qatar and UAE), Energoprojekt Niskogradnja in the amount of RSD 27,838 thousand and Energoprojekt Visokogradnja in the amount of RSD 22,111 thousand.

• **Repair and maintenance services' costs** amounting to RSD 74,998 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 32,217 thousand, in Energoprojekt Entel in the amount of RSD 18,899 thousand, in Energoprojekt Visokogradnja in the amount of RSD 7,123 thousand and in Energoplast in RSD 4,255 thousand. These costs were predominantly incurred for regular equipment maintenance.

• **Rental costs** amount to RSD 438,440 thousand and are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 216,799 thousand mainly relate to costs of renting apartments in the company's companies abroad (predominantly in Qatar);

- Energoprojekt Niskogradnja in the amount of RSD 77,699 thousand , comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 57,375 thousand (mostly in Peru and Uganda) and in the country in the amount of RSD 20,324 thousand where the rent of large machinery for the Projects in the country and abroad, representing the result of inability to meet needs of available equipment (defined by dynamics of works) at the several projects simultaneously; and

- Energoprojekt Visokogradnja in the amount of RSD 135,562 thousand are predominantly related to the rental costs of machinery and apartments abroad, amounting to RSD 74,573 thousand (of which the largest part refers to lease of machines, cranes and other in the amount of RSD 65,430 thousand, while to company Energoprojekt Ghana Ltd., Accra, Ghana refers RSD 8,465 thousand, primarily on for lease of houses), while in the country relates RSD 60,989 thousand (lease of machinery and equipment on projects in the country).

• **Advertising costs** amounting to RSD 12,945 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 6,909 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.), to Energoprojekt Niskogradnja in the amount of RSD 2,511 thousand (primarily, recording of propaganda material for needs of the Zeleni Bulevar project) and Energoprojekt Park 11 in the amount of RSD 1,813 thousand (costs of advertising the sale of apartments via Internet).

• **Costs of other services** in the amount of RSD 193,473 thousand were primarily incurred in the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 79,801 thousand, primarily costs of research,

preparation of geotechnical studies, utility services cost, obtaining licenses, costs of legalization, safety at work, vehicle registration, vehicle tracking system, etc.;

- Energoprojekt Visokogradnja in the amount of RSD 43,817 thousand primarily based on cost of personal protection at work, registration of vehicles and photocopying costs;
- Energoprojekt Energodata in the amount of RSD 33,498 thousand, primarily from license costs; and
- Energoprojekt Entel in the amount of RSD 14,617 thousand, primarily from costs of procurement of tender documents, costs of licenses and photocopying.

17. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 25)	17,928	19,714
b) Depreciation of property, plant and equipment (Note 26)	468,874	544,149
<i>Total</i>	<i>486,802</i>	<i>563,863</i>
Provisions expenses:		
a) Warranty period provisions' expenses	105,822	187,384
b) Provisions for contributions and other personnel benefits	53,287	43,332
c) Other provisions expenses (Note 37)	14,375	2,320
<i>Total</i>	<i>173,484</i>	<i>233,036</i>
Total	660,286	796,899

• Depreciation expenses for the reporting period were calculated based on the assessments of residual value and remaining useful life of property and equipment with significant booking value as at 31 December 2020.

Effects of the change in the accounting valuation impact the change in **amortisation expenses** for 2020, and thus, consequently, the change in the booking value of assets as at 31 December 2020.

• **Warranty period provisions' expenses** amount to RSD 105,822 thousand, and entirely refer to Energoprojekt Visokogradnja for the projects Z-107 Radiology Hospital Syktyvkar, Russia: RSD 88,185 thousand and the Chinese Cultural Center: RSD 17,637 thousand.

The management of companies within Energoprojekt appraises provision expenses for future guarantees based on information of applications from previous periods, as well as based on recent trends which could announce that information on previous expenses could differ from those from future demands. Final amount of liability to be paid could differ from the one defined before, depending on future circumstances.

- **Provisions for contributions and other personnel benefits** in the amount of RSD 53,048 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 41,131 thousand which are carried out with the company Energoprojekt Entel LTD, Qatar: RSD 18,692 thousand and Energoprojekt Entel L.L.C Muscat, Sultanate of Oman: RSD 21,599 thousand, while the provisions costs in the country amount to RSD 840 thousand.

In 2020, the companies within Energoprojekt recorded provisions for contribution and other personnel benefits according to actuarial calculation (Note 37).

18. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Intangible expenses	558,874	623,725
Expense account	31,132	42,930
Insurance premiums expenses	150,860	177,186
Payment operations' expenses	294,113	277,793
Membership fee expenses	22,856	17,187
Tax duties	102,105	93,976
Contributions paid	1,232	1,515
Other non-operating expenses	101,606	108,612
TOTAL	1,262,778	1,342,924

- **Intangible expenses** in the amount of RSD 558,874 thousand (which include the attorney fees, consulting and intellectual services, audit costs, professional training and education of employees, broker services, Belgrade Stock Exchange services, cleaning services, health services, security services of construction site and other costs) are predominantly related to the following companies of the system Energoprojekt:

- Energoprojekt Entel amounting to RSD 282,071 thousand primarily abroad: RSD 273,069 thousand (mostly incurred in the company Energoprojekt Entel LTD, Doha, Qatar: RSD 243,390 thousand, for sponsor's and agents expenses paid for conclusion of the largest contracts with the state investor "Kahramaa." Namely, in the area of Middle East is not possible to run the company without making a contract with a local sponsor, which fee does not amount less than 2.5% of invoiced income, while in Oman these percentages are higher, depending on the contract value) and in the country: RSD 9,002 thousand;

- Energoprojekt Niskogradnju in the amount of RSD 122,335 thousand, abroad: RSD 67,607 thousand

(primarily in Peru: RSD 43,114 thousand, Uganda: RSD 24,493 thousand) and in the country: RSD 54,728 thousand (primarily securing construction sites for projects in the country);

- Energoprojekt Visokogradnja in the amount of RSD 63,550 thousand, in the country: RSD 34,781 thousand and abroad: RSD 28,769 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 4,269 thousand and on projects Z-112 Hotel Hayatt Rostov 2, Russia and Z-114 Reconstruction Stadium Syktyvkar, Russia);

- Energoprojekt Sunnyville in the amount of RSD 11,057 thousand, predominantly calculated variable costs for land according to the Contract on purchase and sale of real estate OPU: 854-2015 from 01.04.2015 which are included in the cost of built real estate in the residential - business complex Sannyville in Belgrade in the amount of RSD 9,461 thousand (Note 43.3);

- Energoprojekt Holding in the amount of RSD 19,758 thousand, mostly legal advisory service, audit of the financial statements and cleaning services; and

- Energoprojekt Oprema in the amount of RSD 24,734 thousand, in the country: RSD 9,645 thousand and abroad: RSD 15,089 thousand.

• **Insurance premium expenses** amounting to RSD 150,860 thousand were incurred based on the insurance of works, property and persons, primarily in the Energoprojekt Niskogradnja in the amount of RSD 69,792 thousand, in Energoprojekt Entel in the amount of RSD 55,026 thousand, in Energoprojekt Visokogradnja in the amount of RSD 13,638 thousand, Energoprojekt Urbanizam I arhitektura in the amount of RSD 3,550 thousand and in Energoprojekt Oprema in the amount of RSD 2,692 thousand.

• **Payment operation expenses** in the amount of RSD 294,113 thousand predominantly relate to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja amounting to RSD 194,753 thousand, abroad: RSD 104,084 thousand (predominantly in Uganda: RSD 24,259 thousand and in Peru: RSD 79,750 thousand) and in the country: RSD 90,669 thousand (primarily on the projects Modernization of TPS Zemun, Reconstruction of the Vinca Landfill and Railway Jajinci - Mala Krsna), mostly bank fees for issued guarantees in Peru: RSD 68,199 thousand (of which RSD 15,076 thousand refers to, in the previous period deferred costs of bank fees for guarantees on the project Z-030 Chancay attributed to the cost of period as a result of the completed arbitration process in 2020);

- Energoprojekt Visokogradnja amounting to RSD 33,463 thousand, abroad: RSD 9,998 thousand (primarily on the Project Z-114 Reconstruction Syktyvkar Stadium, Russia: RSD 5,580 thousand and in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 2,987 thousand) and in the country: RSD 23,465 thousand (primarily, based on the costs of issuing bank guarantees on the projects Belgrade Waterfront, Chinese Cultural Center, Smatsa Flight Control and Navigator 2 Bussines Center);

- Energoprojekt Entel amounting RSD 31,096 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 24,784 thousand and cost of payment transactions: RSD 6,312 thousand (dominantly within Energoprojekt Entel LTD, Qatar: RSD 13,721 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 13,475 thousand); and

- Energoprojekt Hidroinženjering amounting RSD 19,063 thousand, primarily costs of issuing bank guarantees: RSD 16,179 thousand (primarily on supervision and designs works performed in Algeria) and cost of payment transactions: RSD 2,884 thousand.

• **Tax duties** in the amount of RSD 102,105 thousand consist of the property tax, utility duties, income

tax in foreign countries according to the local regulations, etc. Tax duties are mainly related to the following companies of Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 18,508 thousand, in the country: RSD 13,611 thousand (mostly, based on property tax: RSD 10,657 thousand) and abroad: RSD 4,897 thousand (dominately, based on tax on construction land with the company Energoprojekt Montenegro: RSD 3,648 thousand);
 - Energoprojekt Entel in the amount of RSD 18,515 thousand, abroad: RSD 15,096 thousand (mainly paid taxes for local workers in Oman), in the country: RSD 3,419 thousand (mostly, based on property tax: RSD 2,282 thousand);
 - Energoprojekt Holding in the amount of RSD 19,129 thousand, in the country, dominantly based on property tax: RSD 18,678 thousand;
 - Energoprojekt Niskogradnja in the amount of RSD 15,209 thousand, abroad: RSD 5,246 thousand (in Peru: RSD 4,121 thousand and in Uganda: RSD 1,125 thousand) and in the country: RSD 9,963 thousand; and
 - Energoprojekt Sunnyville in the amount of RSD 5,471 thousand, predominantly construction land tax: RSD 4,099 thousand and property tax: RSD 1,319 thousand.
- Within the **other non-operating expenses** item (administrative, court and other fees, expert professional magazines, publication of announcements and tenders, visa costs for employees working abroad, hiring of local workforce in foreign countries for international projects' realization, quality control costs, protection equipment purchasing, etc.) amounting to the total of RSD 101,606 thousand consist primarily to the costs incurred by Energoprojekt Entel in the amount of RSD 37,575 thousand (abroad: RSD 33,074 thousand, in the country: RSD 4,501 thousand), Energoprojekt Visokogradnja in the amount of RSD 24,786 thousand (abroad: RSD 20,038 thousand, in the country: RSD 4,748 thousand), Energoprojekt Park 11 in the amount of RSD 19,189 thousand (primarily connections and permits in the business-residential building Park 11 in Block 11a in New Belgrade) and Energoprojekt Oprema in the amount of RSD 6,493 thousand (primarily charges and court fees): RSD 2,957 thousand).

19. FINANCIAL INCOME AND FINANCIAL EXPENSE

19.1. Financial Income

Structure of financial income	<i>In RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Financial income from other related parties	4,821	17,885
Income from profit share of affiliated companies and joint ventures	55,120	73,743
Other financial income:		
a) Dividend income	8,478	17,350
b) Other financial income	56,229	63,743
<i>ITotal</i>	<i>64,707</i>	<i>81,093</i>
<i>Total financial income from related parties and other financial income</i>	<i>124,648</i>	<i>172,721</i>
Interest income (from third parties)	100,756	128,492
Foreign exchange gains and positive currency clause effect	482,315	364,056
TOTAL	707,719	665,269

Financial income from other related parties in the amount of RSD 4,821 thousand dominant, refer to Energoprojekt Holding in the amount of RSD 4,755 thousand from interest income computed on loan granted by joint venture Enjub Ltd., RSD 4,657 thousand and positive outcomes of the currency clause under the loan granted by Napred Razvoj Plc.: RSD 98 thousand.

- **Income from profit share of affiliated companies and joint ventures** in the amount of RSD 55,120 thousand relate to realized net result in the reporting period of associated companies Energopet Ltd. (33.33%).

Affiliated company Energopet Ltd. is included by the equity method in the first-instance consolidation of the subsidiary Energoprojekt Industrija, and thus in the consolidated financial statements of Energoprojekt Holding (Note 27).

- **Dividend income** in the amount of RSD 8,478 thousand relates entirely to Energoprojekt Hidroinženjering based on made payments of Izvozna banka plc. in liquidation to shareholders under the decision of the Commercial Court in Belgrade.

- **Interest income (third party)** in the amount of RSD 100,756 thousand are mainly related to the following companies of Energoprojekt:

- Energoprojekt Entel in the amount of RSD 44,498 thousand, mostly from short-termed deposits with commercial banks in Qatar;

- Energoprojekt Niskogradnja in the amount of RSD 41,502 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment: RSD 21,662 thousand (projects: Z-041 Unra Seeta Repair of the road Kampala - Mukono- RSD 11,162 thousand, Z-042 Mpigi Town Roads: RSD 7,122 thousand and Z-036 Streets in Kampala Kawempe-Lubaga, Uganda Lot 1.2: RSD 3,378 thousand) and interest collected from the Tax Administration in Peru/Sunat/ on the request for repayment of overpaid income tax credit in Peru (refund of tax credit was made in November 2020 with interest): RSD 10,905 thousand and interest collected on previously claims from the buyer in the country by court decision: RSD 5,640 thousand;

- Energoprojekt Visokogradnja, in the amount of RSD 12,870 thousand, mainly based on term time deposits with commercial banks, mostly incurred abroad: RSD 10,987 thousand (Z-114 Syktyvkar Stadium project, Russia).

• **Exchange rate gains and positive currency clauses effects (third party)** amounted to RSD 482,315 thousand dinars, while exchange rate losses and negative currency clause effects amounted to RSD 1,034,517 thousand, so that in the reporting period recorded net exchange rate loss and negative currency clauses effects in the amount of RSD 552,202 thousand.

From the beginning of the year until 31 December 2020, RSD was appreciated to EUR by 0.01% (in 2019: was appreciated by 0.51%) and to USD was appreciated by 8.82% (in 2019: depreciated by 1.48%), and RSD was appreciated to RUB by 24.63% (in 2019 was depreciated by 14.00%).

19.2. Financial Expense

Structure of financial expenses	In RSD thousand	
	01.01-31.12.2020	01.01-31.12.2019
Financial expenses from transactions with other related parties	72,127	45,060
Financial expense from the losses of affiliated companies and joint ventures	6,976	
Other financial expenses	973	401
<i>Total financial expenses from transactions with other related parties and other financial expenses</i>	<i>80,076</i>	<i>45,461</i>
Interest expenses (by third parties)	151,644	266,491
Foreign exchange losses and negative currency clause (towards third parties)	1,034,517	246,159
TOTAL	1,266,237	558,111

• **Financial expense from transactions with other related parties** in the amount of RSD 72,127 thousand were mostly recorded within Energoprojekt Holding in the amount of RSD 72,109 thousand and relate to the company Napred Razvoj plc. in the amount of RSD 72,093 thousand (interest costs from loan: RSD 58,933 thousand and loan servicing fees: RSD 13,160 thousand) and to joint venture Enjub ltd. in the amount of RSD 16 thousand (negative effects of the currency clause from loans and interest on loans).

- **Expenses from the loss of affiliated companies and joint ventures** in the amount of RSD 6,976 thousand relate to realized net result of the joint venture Enjub ltd. (50.00%) incurred in reporting period which at equity method, is included in the consolidated financial statements of Energoprojekt Holding.

- **Interest expense (by third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions and interest costs for public charges in the country. Interest expenses in the amount of RSD 151,644 thousand relate predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 51,961 thousand primarily incurred from interest on loans granted by commercial banks and interest on leasing contracts in RSD 51,001 thousand (in the country: RSD 19,148 thousand and abroad (Peru): RSD 31,853 thousand);

- Energoprojekt Visokogradnja in the amount of RSD 38,691 thousand, dominant in the country: RSD 38,654 thousand (primarily interest on borrowings: RSD 34,594 thousand);

- Energoprojekt Oprema in the amount of RSD 39,190 thousand, mostly from interest on loans from commercial banks in the country for the project Energocentar Minsk, Belarus in the amount of RSD 35,949 thousand; and

- Energoprojekt Holding in the amount of RSD 18,253 thousand, dominant related to interest expenses on loans from commercial banks in the country: RSD 18,250 thousand (Erste Banka and Komercijalna banka).

20. INCOME AND EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT

20.1. Income from Value Adjustment of other Assets Disclosed at Fair Value through Income Statement

Structure of income from value adjustment of other assets disclosed at fair value through income statement	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Income from value adjustment of long-term financial investments and securities available for sale		44
Income from value adjustment of receivables and short-term financial investments	406,664	112,766
TOTAL	406,664	112,810

• **Income from value adjustment of receivables and short-term financial investments** in the amount of RSD 406,664 thousand predominantly relate to reversal of impairment of financial assets at the balance sheet date in accordance with established Methodology for calculating impairment of financial instruments under IFRS 9 in the amount of RSD 394,334 thousand (Note 7.15), predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 198,205 thousand from reversal of impairment of receivables based on sales and receivables for non-invoiced income as shown in the following table:

Financial instrument/Region	Income from adjustment of financial instruments previously impaired by application of IFRS 9 <i>In RSD thousand</i>			
	Uganda	Peru	Serbia	Total
Trade receivables	149,110	22,424	3,227	174,761
Receivables from non-invoiced income	16,409	4,241	2794	23,444
Total	165,519	26,665	6,021	198,205

- Energoprojekt Oprema: RSD 97,722 thousand, mostly from reversal of impairment of receivables from Gazprom Transgas, Belarus on the project Energocentar Minsk, Belarus: RSD 69,027 thousand (on items of accruals and deferrals, receivables for non-invoiced income: RSD 54,016 thousand and other accruals - receivables for protested performance guarantee: RSD 15,011 thousand) and receivables from Energo Nigeria Ltd., Lagos, Nigeria: RSD 12,448 thousand (item buyers abroad: RSD 10,595 thousand and receivables from specific transactions from other legal entities: RSD 1,853 thousand);

- Energoprojekt Hidroinženjering: RSD 74,837 thousand reversal of impairment of receivables from sales and receivables for non-invoiced income; and

-Energoprojekt Visokogradnja: RSD 13,352 thousand reversal of impairment of receivables from sales and receivables for non-invoiced income.

20.2. Expenses from Value Adjustment of other Assets Disclosed at Fair Value through Income Statement

Structure of expenses from value adjustment of other assets disclosed at fair value through Income Statement	<i>In RSD thousand</i>	
	01.01.- 31.12. 2020	01.01.- 31.12. 2019
Expenses from value adjustment of long-term financial investments and securities available for sale		
Expenses from value adjustment of receivables and short-term financial investments	253,187	121,393
TOTAL	253,187	121,393

• **Expenses from value adjustment of receivables and short-term financial investments** in the amount of RSD RSD 253,187 thousand predominantly relate to the effects of application of IFRS 9 and

formation of impairment of financial assets at the balance sheet date in accordance with established Methodology for calculating impairment of financial instruments in accordance with IFRS 9 in the amount of RSD 211,783 thousand (Note 7.15), predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 111,071 thousand from impairment of trade receivables: RSD 93,488 thousand and receivables for non-invoiced income: RSD 17,583 thousand;

Financial instrument/Region	Income from adjustment of financial instruments by application of IFRS 9 <i>In RSD thousand</i>			
	Uganda	Peru	Serbia	Total
Trade receivables	30,997	58,289	4,202	93,488
Receivables from non-invoiced income	9,864	736	6,983	17,583
Total	40,861	59,025	11,185	111,071

- Energoprojekt Hidroinženjering: RSD 82,063 thousand from impairment of trade receivables: RSD 68,936 thousand, receivables for non-invoiced income: RSD 11,098 thousand and other receivables: RSD 2,029 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 16,880 thousand, from impairment of trade receivables: RSD 12,065 thousand and receivables for non-invoiced income: RSD 4,815 thousand.

21. OTHER INCOME AND OTHER EXPENSE

21.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Gains on sale of intangible assets, property, plant and equipment	630,153	27,040
Gains on sale of shares and securities		
Gains on sale of material	2,910	2,600
Surpluses	2,420	2,337
Collected previously written-off receivables	11,438	4,040
Income from effects of agreed risk protection, which cannot be disclosed under other comprehensive result	17	359
Income from reduction in liabilities	251,645	32,374
Income from reversal of long and short-term provisions	51,984	89,672
Other income not posted elsewhere	108,168	107,542
Income from value adjustment of property, plant and equipment	49,859	37,352
TOTAL	1,108,594	303,316

• **Gains on sale of intangibles assets, property, plant and equipment** in the amount of RSD 630,153 thousand relate mostly to the following companies of Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 613,604 thousand from the sale of non-current assets held for sale (Santa Clara grounds in Peru): RSD 603,741 thousand (Note 29) and equipment: RSD 10,163 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 11,419 thousand, primarily based on the sale of equipment in Aktau, Kazakhstan and the sale of vehicles in the country of RSD 10,473 thousand; and

- Energoprojekt Holding in the amount of RSD 2,443 thousand, predominantly from sale of non-current assets held for sale (property Facility K1G in Rakovica, Belgrade) in the amount of RSD 2,433 thousand (Note 29).

• **Gains on sale of material** in the amount of RSD 2,910 thousand mostly refer to Energoprojekt Visokogradnja in the amount of RSD 2,016 thousand, mostly from sale of material from warehouse in Kazakhstan.

• **Surpluses** in the amount of RSD 2,420 thousand refer to several companies in the Energoprojekt system, most of which to Energoprojekt Niskogradnja: RSD 706 thousand, Energoprojekt Visokogradnja: RSD 640 thousand and Energoprojekt Oprema: RSD 662 thousand.

- **Collected written-off receivables** in the amount of RSD 11,438 thousand predominantly relate to:
 - Energoprojekt Entel in the amount of RSD 7,490 thousand - collection of written-off receivables in the company Energoprojekt Entel LTD, Doha, Qatar; and
 - Energoprojekt Visokogradnja in the amount of RSD 3,431 thousand - collection of written-off receivables mostly relate to the collection after the final sharing of property of Astra Bank: RSD 3,388 thousand.

- **Income from reduction of liabilities** in the amount of RSD 251,645 thousand predominantly were recorded in the following companies in the system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 246,921 thousand predominantly from collected obligation credited to revenue originated from liabilities to subcontractors from the former Republic of SFRY engaged in the project Z-0150 HPP Banieya II in Guinea in the amount of RSD 234,398 thousand dinars (USD 2,450 thousand) (namely, principal: USD 1,935 thousand) 38.3) and added interest: USD 515 thousand (Note 43.3)) pursuant to the decision of the Board of Directors of Energoprojekt Niskogradnja dated 31.12.2020 (which also made a decision on direct write-off of previously impaired receivables from the investor (in the same amount of liabilities to the investor) - Note 28); and
 - Energoprojekt Visokogradnja in the amount of RSD 4,452 thousand, predominantly incurred within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 3,958 thousand from reduction of VAT liability.

- **Income from reversal of long-term and short-term provisions** in the amount of RSD 51,984 thousand dominantly refer to Energoprojekt Entel in the amount of RSD 49,660 thousand from reversal of provisions for costs incurred in the warranty period: in the country: RSD 35,542 thousand (project Contract TE-TO Pancevo) and abroad: RSD 14,118 thousand (project Phase 11 in Qatar).

- **Other income not posted elsewhere** in the amount of RSD 108,168 thousand relate mostly to the following companies of system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 79,749 thousand, primarily related to agreed compensation from subcontractors on the project Railway Jajinci - Mala Krsna: RSD 74,996 thousand for insurance damage collected for destroyed equipment on projects in Serbia: RSD 1,876 thousand, as well as income from the sale of secondary raw materials in the country: RSD 516 thousand;
 - Energoprojekt Visokogradnja in the amount of RSD 20,485 thousand, predominantly in the country in the amount of RSD 19,791 thousand, primarily from collection of agreed penalty and damage incurred on the projects Navigator 2 Bissines Center: RSD 9,506 thousand and Belgrade Waterfront: RSD 3,045 thousand; and
 - Energoprojekt Entel in the amount of RSD 3,827 thousand from collection from the tax administration in the country according to dispute solved in the favour of the company.

- **Income from value adjustment of property, plant and equipment** in the amount of RSD 49,859 thousand relate to settlement of investment property value on its fair value at the balance sheet date in accordance with IAS 40, Investment Property in the following companies in the Energoprojekt system:
 - Dom 12 S.A.L., Lebanon in the amount of RSD 35,855 thousand (business buildings in Moscow);
 - Energoprojekt Visokogradnja in the amount of RSD 13,887 thousand (property in Uba); and
 - Energoprojekt Industrija in the amount of RSD 117 thousand (property in Toše Jovanovića Street).

21.2. Other Expense

Structure of other expenses	<i>In RSD thousand</i>	
	<i>01.01.-31.12. 2020</i>	<i>01.01.-31.12. 2019</i>
Losses from sales of intangible assets, property, plant and equipment	30,228	16,123
Loss from sales of equity shares and securities		3,493
Losses from sales of material	18,281	374
Shortages	11,099	8,503
Expense from direct write-off of receivables	54,966	81,579
Expense from disposal of inventory of material and goods	5,337	2,180
Other not mentioned expense	322,835	182,691
Impairment of property, plant and equipment	71,890	787
Impairment of inventory of material and merchandise		1,314
TOTAL	514,636	297,044

• **Losses from sales of intangible assets, property, plant and equipment** in the amount of RSD 30,228 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 22,752 thousand, predominantly from loss incurred due to demolition of the warehouse on the land of Santa Clara in WU abraod Peru: RSD 22,273 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 5,936 thousand, in the country RSD 1,366 thousand (primarily from disposal of equipment) and abroad: RSD 4,570 thousand (primarily from sales of equipment in Aktau and Astana: RSD 1,823 thousand).

• **Losses from sale of material** in the amount of RSD 18,281 thousand relate entirely to Energoprojekt Visokogradnja - sales of materials from warehouses in Kazakhstan.

• **Shortages** in the amount of RSD 11,099 thousand, mostly related to shortages of stocks of tools, inventory and material determined by the regular annual inventory count conducted in Energoprojekt Oprema in the amount of RSD 9,834 thousand.

• **Expenses from direct write-off of receivables** in the amount of RSD 54,966 thousand relate, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 33,714 thousand, entirely abroad, mostly in the company Energoprojekt Entel LTD, Doha, Qatar in the amount of RSD 33,138 thousand from written off receivables older than 3 years; and

- Energoprojekt Holding in the amount of RSD 18,000 thousand, entirely related to write-off of receivables from the company Ringier Axcel Springer Plc. namely - paid advance in the amount of RSD 4,800 thousand and disputed performed services recorded within the item Other accrued costs and deferred revenue in the amount of RSD 13,200 thousand in accordance with judgment of the Commercial Court in Belgrade rejecting Energoprojekt Holding's claims.

• **Other not mentioned expenses** in the amount of RSD 322,835 thousand predominantly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 271,388 thousand, primarily refers to paid contractual penalties in accordance with final Arbitration Award in Peru on the project Z-030 Chancay y Rucuy, Peru: RSD 263,814 thousand (Energoprojekt Niskogradnja initiated proceedings in court review of the arbitration process and request was accepted and the procedure is ongoing, where it is not possible to assess when the Court will issue a final outcome in respect of the request) and donations: RSD 6,103 thousand (in the country: RSD 4,951 thousand - donation of art paint to the City of Belgrade and abroad: RSD 1,152 thousand - donations to the city of Kampala in the form of assistance due to COVID-19 pandemic);

- Energoprojekt Visokogradnja in the amount of RSD 25,211 thousand, primarily for projects: Belgrade Waterfront: RSD 12,091 thousand (on behalf of permanently retained funds), Navigator 2 Bussines Center: RSD 5,847 thousand and Delta Headquarters: RSD 2,500 thousand (on behalf of damages);

- Energoprojekt Hidroinženjering in the amount of RSD 11,051 thousand, primarily from penalties for delays in the preparation of project documentation for project Terzout in Algeria: RSD 7,954 thousand; and

- Energoprojekt Entel in the amount of RSD 14,038 thousand, primarily from tuition fees.

• **Impairment of property, plant and equipment** in the amount of RSD 71,890 thousand recorded as a result of investment property value adjustment to fair value at the balance sheet date in accordance with IAS 40 - Investment property within following companies of the system Energoprojekt:

- I.N.E.C. Engineering Company Limited, Great Britain in the amount of RSD 49,543 thousand (office buildings in London);

- Energoprojekt Niskogradnja in the amount of RSD 21,239 thousand (impairment of part of the business building "Cruz del Sur" in Peru, which is intended for rent: RSD 19,304 thousand and impairment of passenger vehicles due to total damage, on the project Jajinci - Mala Krsna Railway, and in accordance with appraised liquidation balance done by authorized appraiser: RSD 1,935 thousand); and

- Energoprojekt Holding in the amount of RSD 1,108 thousand (part of the buildings complex " Samački hotel" in Zemun).

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

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		18,205
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	6,285	
TOTAL	(6,285)	18,205

- **Net loss from discontinued operations, effects of changes in accounting policies and adjustments of errors from previous years** in the amount of RSD 6,285 thousand is the result of subsequently determined income, ie expenses from the previous period in amounts that are not material and on the basis of which recognition is charged, in favor of the current period, primarily on the one hand, due to reported net loss from correction of material insignificant errors from previous years in Energoprojekt Visokogradnja in the amount of RSD 3,757 thousand and in Enregoplast of RSD 3,565 thousand, and on the other hand, net profit on the same basis incurred in Energoprojekt Niskogradnja in the amount of RSD 2,158 thousand.

23. PROFIT BEFORE TAX AND NET PROFIT

Structure of gross result	<i>in RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Operating income	26,144,994	26,454,843
Operating expenses	24,938,130	25,774,621
<i>Operating result</i>	<i>1,206,864</i>	<i>680,222</i>
Financial income	707,719	665,269
Financial expenses	1,266,237	558,111
<i>Financial result</i>	<i>(558,518)</i>	<i>107,158</i>
Income from value adjustment of other assets at fair value through profit or loss	406,664	112,810
Other income	1,108,594	303,316
Expenses from value adjustment of other assets at fair value through profit or loss	253,187	121,393
Other expenses	514,636	297,044
<i>Result of other income and expenses</i>	<i>747,435</i>	<i>(2,311)</i>
<i>Result from ordinary activities before taxes</i>	<i>1,395,781</i>	<i>785,069</i>
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period		18,205
Net loss of discontinued operations, changes in accounting policies and corrections of errors from the previous period	6,285	
<i>PROFIT BEFORE TAX</i>	<i>1,389,496</i>	<i>803,274</i>
Tax expense period	331,420	169,741
Deferred tax expense of period	36,062	
Deferred tax income of period		7,316
<i>NET PROFIT</i>	<i>1,022,014</i>	<i>640,849</i>
<i>TOTAL INCOME</i>	<i>28,367,971</i>	<i>27,554,443</i>
<i>TOTAL EXPENSES</i>	<i>26,978,475</i>	<i>26,751,169</i>

Energoprojekt system's incurred profit before tax (gross profit) in the reporting year amounted to RSD 1,389,469 thousand and is, first of all the result of:

- Incurred operating profit in the amount of RSD 1,206,864 thousand, primarily within Energoprojekt Park 11, Energoprojekt Entel and Energoprojekt Visokogradnja;
- Incurred profit from other activities in the amount of RSD 747,435 thousand, primarily from sale of property, plant and equipment of Energoprojekt Niskogradnja (predominantly, non-current assets held for sale - Santa Clara in Peru); and

- Incurred financial loss in the amount of 558,518 thousand dinars (predominantly from net exchange losses and negative outcome of currency clause).

Compared to last year on given date, increase in **gross results** of the Energoprojekt system in 2020 by RSD 586,222 thousand is primarily the result of increase in operating profit in the amount of RSD 526,642 thousand and other revenues and expenses in the amount of RSD 749,746 thousand (predominantly increase in income from sale of property, plant and equipment and income from decrease in liabilities) and on the other hand, decrease in financial result in the amount of RSD 665,676 thousand (dominant significant net exchange losses and negative outcomes of currency clauses in the amount of RSD 552,202 thousand).

24. EARNINGS PER SHARE

Indicator	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2020</i>	<i>01.01.- 31.12. 2019</i>
Net-profit pertaining to parent company shareholders	1,110,515	585,412
The weighted average number of shares during the year	10,833,592	10,833,592
Earnings / (loss) per share (In RSD)	<i>102.51</i>	<i>54.04</i>

Earnings per share is calculated by dividing the profit for ordinary shareholders by the average weighted number of ordinary shares in circulation for the period and does not include ordinary shares that the Company (companies within System) purchased and held as treasury shares.

BALANCE SHEET

25. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Investment in development	Software and other right	Intangible assets in preparation	Advance for intangible assets	Total
<i>Cost or valuation</i>					
Opening balance as of 1 January 2020		256,206	470		256,676
Additions		2,631		404	3,035
Transfers from		470	(470)		
Other transfers from / to					
Disposals		(11)			(11)
Exchange differences		(3,729)			(3,729)
Other increases / (decreases)					
As of 31 December 2020		255,567		404	255,971
<i>Accumulated depreciation</i>					
Opening balance as of 1 January 2020		192,777			192,777
Charges in the year		17,928			17,928
Disposals		(11)			(11)
Other transfers from / to					
Exchange differences		(3,658)			(3,658)
Other increases / (decreases)					
As of 31 December 2020		207,036			207,036
<i>Net book value</i>					
As of 31 December 2019		63,429	470		63,899
As of 31 December 2020		48,531		404	48,935

Software and other rights as at 31 December 2020 relate to various software used by the system Energoprojekt for own purposes, which are depreciated in compliance with the relevant accounting policy.

Investments in software and other rights in the amount of RSD 3,035 thousand, primarily refer to Energoprojekt Hidroinženjering in the amount of RSD 2,713 thousand.

26. PROPERTY, PLANT AND EQUIPMENT

In RSD thousand

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and IP under construction	Other PPE	PPE under construction	Investment in third parties PPE	Advances for PPE	Total
<i>Cost or valuation</i>									
Opening balance as of 01.01.2020	633,593	6,978,887	9,711,012	2,837,068	182,268	2,641	4,351	49,664	20,399,484
Additions			300,557		9,209	122	19,901		329,789
Transfer from investment in preparation			1,105		4,126	(1,105)		(4,126)	
Transfer of inventories - non-current assets held for sale and work in progress			(871,720)						(871,720)
Other transfers from / to - from the advance, etc.			874		4,352		(4,352)	(874)	
Disposals			(257,310)		(22,646)				(279,956)
Gains / (losses) included in "Other result" (acc. 330)		(4,009)							(4,009)
Gains / (losses) included in the Income Statement				(20,097)					(20,097)
Impairments			(2,488)						(2,488)
FX differences	(730)	(95,451)	(131,755)	(414,959)					(642,895)
Other increases / (decreases)		(17,968)	2,060					171	(15,737)
As of 31.12.2020	632,863	6,861,459	8,752,335	2,402,012	177,309	1,658	19,900	44,835	18,892,371
<i>Accumulated depreciation</i>									
Opening balance as of 01.01.2020		162,346	7,381,752		113,964		167		7,658,229
Charges in the year		78,190	379,074		10,337		1,273		468,874
Disposals			(236,209)		(17,444)				(253,653)
Transfer to inventories - non-current assets held for sale			(701,363)						(701,363)
Other transfers from / to					335		(335)		
Impairments			(553)						(553)
FX differences		(10,170)	(91,059)						(101,229)
Other increases / (decreases)		(12,846)	2,372						(10,474)
As of 31.12.2020		217,520	6,734,014		107,192		1,105		7,059,831
<i>Net book value</i>									
As of 31.12.2019	633,593	6,816,541	2,329,260	2,837,068	68,304	2,641	4,184	49,664	12,741,255
As of 31.12.2020	632,863	6,643,939	2,018,321	2,402,012	70,117	1,658	18,795	44,835	11,832,540

- **Land**

Value of land of the system Energoprojekt amounting to RSD 632,863 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517,291 (land owned by Energoprojekt Montenegro Ltd. in Montenegro, land owned by Energoprojekt Ghana Ltd. in Ghana and in the country – land in Ub and in Stara Pazova) and Energoprojekt Niskogradnja in the amount of RSD 97,292 (land in Peru and in the country – in Stara Pazova).

- **Buildings**

Measuring of buildings after their initial recognition, transition was made from Cost model to the Revalorization model (Note 7.8).

The fair value of buildings usually is their market value defined by valuation made by independent qualified appraisers, based on market evidence.

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

As of 31 December 2020, the residual value and remaining useful life of buildings was appraised, which resulted in change of depreciation costs for the year 2020.

In accordance with the relevant provisions of IAS 16, it was not necessary to estimate the fair value of Energoprojekt system building at the balance sheet date for which fair value movements were insignificant (already every three or five years). A significant change in fair value primary has facility part of the buildings complex "Samački hotel" in Zemun, for which the fair value was appraised on 31 December 2020 by a professionally qualified appraiser. In this regard, the revalued value of buildings as of 31 December 2020, in the amount of RSD 6,643,939 thousand represents their fair value.

The most important buildings on the level of system Energoprojekt are as follows:

- Office building in Bulevar Mihaila Pupina, in New Belgrade;
- A part of Samacki Hotel Complex of the Energoprojekt Holding in Zemun;
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru; and
- Office building of the Energoprojekt Entel in Oman.

- **Plant and Equipment**

As at 31 December 2020, appraisal of the residual value and the remaining useful lifetime of the equipment with significant accounting value were performed. Changes in accounting estimates impacted depreciation costs for 2020, and, consequently, the carrying value of assets as of 31 December 2020.

Of the total items in the reporting period, the amount of RSD 147,952 thousand relates to equipment regulated by the Financial Lease Agreement, related to Energoprojekt Niskogradnja in the amount of RSD 143,966 thousand and Energoprojekt Visokogradnja in the amount of RSD 3,986 thousand.

Liabilities of the system Energoprojekt based on the financial lease are explained in the Note 38.4.

The largest purchases of plant and equipment in the reporting period in the amount of RSD 329,789 thousand are recorded in the following companies:

- Energoprojekt Niskogradnja in the amount of RSD 273,406 thousand (in the country: RSD 213,742 thousand, primarily for Vinca Landfill Reconstruction project and abroad: RSD 59,664 thousand, primarily in Uganda);
- Energoprojekt Visokogradnja in the amount of RSD 27,181 thousand (in the country: RSD 13,765 thousand and abroad: RSD 13,416 thousand, primarily for the project Z-112 Hotel Hyatt Rostov 2, Russia and Z-114 Reconstruction of Syktyvkar Stadium, Russia); and
- Energoprojekt Entel in the amount of RSD 18,973 thousand (primarily in the country: RSD 14,268 thousand and in the companies in Qatar, Oman and the Emirates in the amount of RSD 4,705 thousand).

• **Investment property**

According to adopted accounting policies, after initial recognition, an item of investment property is measured at fair value (Note 7.12.).

Investment property is stated at fair value as at 31 December 2020 in the amount of RSD 2,402,012 thousand. Valuation of the fair value of investment property as at 31 December 2018 was performed by independent valuers with recognized and relevant professional qualifications and recent relevant work experience with relevant locations and categories of investment property appraised.

The most significant investment properties on the level of system Energoprojekt are as follows:

- Office building in Moscow, Dom 12;
- Office and residential premises of the Zambia Engineering and Contracting Company Limited, Zambia;
- Office and residential premises of the Energoprojekt Zambia Limited, Zambia,
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Production hall Energoprojekt Visokogradnja in Ub;
- I.N.E.C. Engineering Company Limited in London;
- Business and residential premises of Energo (Private) Limited, Zimbabwe; and
- Part of the building "Samački hotel" complex of the Energoprojekt Holding in Zemun.

In the reporting period, the system Energoprojekt generated income from the rent of investment property in the amount of RSD 59,028 thousand primarily from renting office building in Moscow, Dom 12 (in the company Dom 12 SAL, Lebanon): RSD 18,843 thousand, several properties in Lusaka, Zambia (in the company Zambia Engineering and Contracting Company Limited, Zambia): RSD 15,561 thousand, part of the business building "Cruz del Sur" in Peru (Energoprojekt Niskogradnja): RSD 9,223 thousand, part of the buildings "Samački hotel" complex (Energoprojekt Holding): RSD 7,737 thousand, property in Ub and Višnjička Banja: RSD 6,666 thousand (Energoprojekt Visokogradnja) and several properties in Harare, Zimbabwe (Energo (Private) Limited, Zimbabwe): RSD 6,822 thousand.

Information on mortgages on the system Energoprojekt properties is presented in detail in Note 45.

- **Advances paid for property, plant and equipment** in the amount of RSD 44,835 thousand predominately relate to advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria in RSD 44,664 thousand.

27. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Shares in affiliated companies and joint ventures	734,267	729,439
Shares in other legal entities and other available for sale securities	136,117	128,322
Other long-term financial investments	234,727	342,014
Subtotal	1,105,111	1,199,775
<i>Allowance for impairment</i>	<i>(206,804)</i>	<i>(199,906)</i>
TOTAL	898,307	999,869

- **Shares in affiliated companies and joint ventures** in the amount of RSD 734,267 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Energo Nigeria Ltd., Lagos, Nigeria		131,386
Energopet Ltd. Belgrade	707,211	563,491
Enjub Ltd., Belgrade	27,056	34,562
TOTAL	734,267	729,439

Pursuant to the decision of the Board of Directors of Energoprojekt Oprema dated 29 January 2021, the FS of Energo Nigeria Ltd., Lagos, Nigeria, starting from the FS for the year 2020 is not included in the consolidated financial statements of Energoprojekt Oprema through equity method, and thus in the consolidated financial statements of Energoprojekt Holding (in accordance with provisions of Article 32, paragraph 6 of the Accounting Law). In respect of this matter the entity in question is considered as other

legal entity and all transactions are restated to external items of the balance sheet and income statement (Note 2).

Financial data pertaining to Energopet Ltd. Belgrade on the 33.33% equity share of Energoprojekt Industrija in the affiliate is presented in the following table.

Energopet Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Non-current assets	528,162	437,477
Operating assets	552,076	474,143
Assets	1,080,238	911,620
Liabilities	373,027	348,129
Capital	707,211	563,491
Income	944,821	1,291,446
Net profit/(loss) of the current period	55,120	56,619

Financial data pertaining to Enjub Ltd. Belgrade on the 50.00% equity share of Energoprojekt Holding in the joint venture is presented in the following table.

Enjub Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Non-current assets	128,926	128,927
Operating assets	107,316	107,709
Assets	236,242	236,636
Liabilities	209,186	202,074
Capital	27,056	34,562
Income	3,778	65,242
Net profit / (loss) of the current period	(6,976)	17,124

• **Shares in other legal entities and available for sale securities** in the amount of RSD 32,040 thousand are presented in the following table.

Shares in other legal entities and available for sale securities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
a) Banks, financial organisations and other legal entities	136,097	128,302
b) Other securities available for sale	20	20
Subtotal	136,117	128,322
<i>Allowance for impairment</i>	<i>(104,077)</i>	<i>(97,206)</i>
TOTAL	32,040	31,116

Share in banks, financial organizations and other legal entities in the amount of RSD 136,097 thousand primarily related to Energoprojekt Holding (Alta banka Plc., Dunav osiguranje Plc., Belgrade Stock Exchange Plc., etc.), Energoprojekt Oprema in the amount of RSD 9,213 thousand (primarily Energo Nigeria Ltd., Lagos, Nigeria: RSD 9,212 thousand) and Energoprojekt Niskogradnja (Belgrade Stock Exchange Plc.): RSD 604 thousand.

Shares in banks, financial organisation and other legal entities and other securities available for sale are measured at their market (fair) value, if it is possible to determine it.

Net increase in share in banks, financial organizations and other legal entities compared to last year on given date (on 31.12.) by RSD 924 thousand was primarily caused, on the one hand by the increase in Energoprojekt Oprema - recorded equity shares with Energo Nigeria Ltd., Lagos, Nigeria within external items as stated above: RSD 9,212 thousand and on the other hand, by negative outcome of value adjustments of securities from portfolio and their fair value on the secondary securities market as of the preparation the financial statements date dominantly in Energoprojekt Holding: RSD 8,218 thousand (Alta Bank Plc. and Dunav osiguranje Plc.).

• **Other long-term financial investments** in the amount of RSD 132,000 thousand are presented in the following table.

Other long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Housing loans granted to employees	29,354	31,684
Long-term time deposits		78,135
Deposits for bank guarantees	93,189	117,511
Other	112,184	114,684
<i>Subtotal</i>	<i>234,727</i>	<i>342,014</i>
<i>Allowance for impairment</i>	<i>(102,727)</i>	<i>(102,700)</i>
TOTAL	132,000	239,314

• **Long-term housing loans granted to employees** are interest-free and in compliance with the Housing Loan Agreement provisions and pursuant to the Law on Amendments and Addenda to the Law on Housing, the Company performs legally prescribed revalorization of loan instalments based on the trends in consumer prices in the Republic of Serbia for the accounting period in question. Of the total of RSD 29,354 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 19,631 thousand, Energoprojekt Oprema in the amount of RSD 5,413 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,312 thousand and Energoprojekt Holding in the amount of RSD 908 thousand.

• **Deposits for bank guarantees** in the amount of RSD 93,189 thousand entirely relate to Energoprojekt Entel (within Energoprojekt Entel LTD, Doha, Qatar: RSD 72,034 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 21,155 thousand).

Decrease in deposits for bank guarantees compared to last year on given date (on 31.12.) by RSD 24,322 thousand refers to Energoprojekt Entel (net effect of decrease in Energoconsult L.L.C., Abu Dhabi, UAE: RSD 73,154 thousand and increase in Energoprojekt Entel LTD, Doha, Qatar: RSD 48,832 thousand).

• **Other long-term financial investments** in the amount of RSD 112,184 thousand mainly relate to the following Companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 91,497 thousand, the largest share of which or RSD 82,407 thousand relate to a building within the tourist complex of Crni Vrh (which has not yet been completed), in which the Company holds ownership rights up to 5%, based on its co-financing (adjusted in accordance with the requirements of IFRS 9 in the amount of RSD 82,406 thousand); and

- Energoprojekt Entel in the amount of RSD 17,832 thousand, relate to deposits for working visas in the amount of RSD 12,662 thousand (within Energoconsult L.L.C., Abu Dhabi, UAE) and the deposits for apartments abroad in the amount of RSD 5,170 thousand (mainly within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 2,197 thousand and Energoprojekt Entel LTD, Doha, Qatar: RSD 2,184 thousand).

The structure of impairment of other long-term financial investments is shown in the table below.

Allowance for impairment of other long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Housing loans given to employees	(11,230)	(11,203)
Long-term time deposits		
Bank guarantee deposits		
Other	(91,497)	(91,497)
TOTAL IMPAIRMENT	(102,727)	(102,700)

Impairment of other long-term financial investments in the amount of RSD 102,727 thousand refers to housing loans given to employees: RSD 11,230 thousand (predominantly in Energoprojekt Visokogradnja: RSD 10,200 thousand) and other financial investments: RSD 91,497 thousand (in Energoprojekt Visokogradnja, predominantly investments in the tourist complex Crni Vrh: RSD 82,406 thousand). The impairment was made in accordance with the requirements of IFRS 9, and in accordance with the adopted *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9*.

28. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Receivables from guarantees	2,400	
Other long-term receivables	1,380,937	1,594,944
<i>Allowance for impairment</i>		<i>(257,075)</i>
TOTAL	<i>1,383,337</i>	<i>1,337,869</i>

• **Other long-term receivables** in the amount of RSD 1,380,937 thousand refer to the following companies in the Energoprojekt system:

- Energoprojekt Entel in RSD 1,251,964 thousand based on its long-term receivables for guarantee deposit, which is in most of the cases a deposit amounting to 10% of the invoice amount and which can be collected only upon expiry of the guarantee term within Energoprojekt Entel Ltd. Doha, Qatar: RSD 926,611 thousand (for projects re. Qatar General Electricity & Water Corporation "Kahramaa"), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 253,451 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 71,902 thousand; and

- Energoprojekt Niskogradnja in the amount of RSD 128,973 thousand for cash collateral given to AIK banka Plc., Belgrade for advance guarantee - project Reconstruction of the Vinca Landfill. The release of the monetary collateral was agreed in proportion to the dynamics of the justification of the advance with the final maturity in 2023.

Net increase in other long-term receivables compared to last year on given date (on 31.12.) by RSD 43,068 thousand refers, on the one hand, to increase in Energoprojekt Niskogradnja: RSD 128,973 thousand (based on the above collateral given to the bank for advance guarantee - project Reconstruction of the Vinca Landfill) and, on the other hand, to reduction in Energoprojekt Entel in the amount of RSD 66,331 thousand (primarily in Energoprojekt Entel LTD, Doha, Qatar).

Compared to last year on given date (on 31.12.) the amount of RSD 257,075 thousand, ie on 31.12.2020 of RSD 234,398 thousand (USD 2,450 thousand) refers to uncollected receivables from the Government of the Republic of Guinea - Investors on the project Z-0150 HPP Banieya II Guinea, crediting 70% of the value of contracted works by Energoprojekt Niskogradnja as a contractor. The receivable in question was previously, after balancing the working unit abroad, impaired in 2004, by direct write-off, to the subject level of receivables corresponding to the amount of total liabilities to subcontractors (USD 1,935 thousand - Note 38.3) with accrued interest (USD 515 thousand - Note 43.3). In the previous period, in accordance with IAS 39, the value of receivable in question (USD 2,450 thousand) was impaired in entire amount. On 31 December 2020, given the overall political and security situation in Guinea, inefficiency of administration, which would make initiating arbitration proceedings difficult, the company's efforts and resources so far, as well as the company's management's assessment that there are interests to maintain good business relations in that market, the Board of Directors of Energoprojekt

Niskogradnja made a decision on the direct write-off of the aforementioned, previously impaired, receivables (as well as liabilities to subcontractors - Note 21.1).

The change in the impairment of receivables from the Investor on the project Z-0150 HPP Banieya II in Guinea is shown below:

Changes in impairment of long-term receivables	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Opening balance as of 1 January	257,075	253,328
Outcomes of exchange differences	(22,677)	3,747
Assets written off during the year as uncollectible	(234,398)	
Discount change		
TOTAL	0	257,075

In accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9*, the effects of expected loss of long-term receivables at the balance sheet date were calculated, however, taking into account the materiality of obtained results, the outcomes were not recorded.

29. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Material, spare parts, tools and small inventory	1.249.780	927.494
Work and service in progress	941.628	2.555.541
Finished Products	1.713.605	605.909
Goods	60.212	21.980
Non-current assets held for sale	220.170	109.157
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related legal entities		121.904
b) Advances paid for materials, spare parts and inventory	353.442	306.318
c) Advances paid for goods	600	
d) Advances paid for services	890.141	1.028.376
<i>Total</i>	<i>1.244.183</i>	<i>1.456.598</i>
<i>Allowance for impairment</i>	<i>(5.120)</i>	<i>(5.597)</i>
TOTAL	5.424.458	5.671.082

The structure of allowance for impairment is shown in the table below:

Structure of allowance for impairment	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Material, spare parts, tools and small inventory	(334)	(329)
Advances paid for inventories and services:		
a) Advances paid to other related parties		
b) Advances paid for materials, spare parts and small inventory	(225)	(307)
c) Advances paid for goods		
d) Advances paid for services	(4,561)	(4,961)
<i>Subtotal</i>	<i>(4,786)</i>	<i>(5,268)</i>
TOTAL ALLOWANCE FOR IMPAIRMENT	(5,120)	(5,597)

• **Material, parts, tools and small inventories** in the amount of RSD 1,249,780 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 859,372 thousand, out of which inventories abroad amount to RSD 427,868 thousand (Uganda: RSD 310,207 thousand, Peru: RSD 117,662 thousand), and inventories in the country amount to RSD 431,503 thousand. Stock levels, primarily those of the materials and parts, are determined by the work schedule and timely supply in the relevant regions;

- Energoprojekt Visokogradnja in the amount of RSD 161,235 thousand, out of which inventories in the country amount to RSD 59,271 thousand (primarily projects Chinese Cultural Center: RSD 5,558 thousand and SMATSA Air Traffic Control: RSD 12,177 thousand), while abroad amounted to RSD 95,412 thousand (primarily projects: Z-112 Hyatt Hotel Rostov: RSD 60 491 thousand, Z-114 Stadium Syktyvkar: RSD 24,757 thousand, Energoprojekt Ghana Ltd., Accra, Ghana in RSD 6,551 thousand);

- Energoplast in the amount of RSD 136,340 thousand, out of which material inventories amount to RSD 110,648 thousand, parts inventories amount to RSD 24,928 thousand and tools inventories amount to RSD 764 thousand; and

- Energoprojekt Oprema in the amount of RSD 84.894 thousand, of which RSD 79,797 thousand refer to inventories of material (Central warehouse: RSD 42,677 thousand, warehouse for TPS Zemun Modernization project: RSD 4,373 thousand and warehouse for Smatsa Air Traffic Control project: RSD 32,747 thousand), while tools and small inventory amount to RSD 5,097 thousand (Central Warehouse).

Increase in gross amount of inventories of materials, spare parts, tools and small inventory compared to last year on given date (on 31.12.) by RSD 322,286 thousand is the result, on the one hand, of increases in Energoprojekt Niskogradnja: RSD 393,824 thousand (intensity and type of works as well as the possibility of timely procurement in the regions of work and mostly recorded in the country: RSD 311,124 thousand) and on the other hand, reductions in Energoprojekt Visokogradnja: RSD 71,033 thousand basis of consumption, ie installation through works in the reporting period).

- **Work and services in progress** in the amount of RSD 941,628 thousand primarily relate to following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 757,304 thousand, of which RSD 240,355 thousand refers to unfinished production in the country (own investments in Belgrade, in Knez Danilova Street: RSD 81,337 thousand, in Bežanijska Kosa: RSD 48,374 thousand, in Voždovac: RSD 25,938 thousand and in Bor Shopping Center Bor: RSD 84,706 thousand), while RSD 516,949 thousand refer to abroad (works on the residential complex Šišet Bare, Herceg Novi in Montenegro); and
- Energoprojekt Niskogradnja in the amount of RSD 184,324 thousand refer to produced material (crushed stone, prefabricated concrete curbs and pipes) on projects abroad, predominantly in Uganda: RSD 163,183 thousand.

Decrease in inventories of work in progress and service compared to last year on given date (on 31.12.) in the amount of RSD 1,613,913 thousand predominantly refers, on the one hand, to decrease in Energoprojekt Park 11 in the amount of RSD 1,766,218 thousand from completed construction of business - residential complex Park 11 in Block 11a in New Belgrade and transfer to finished product items and, on the other hand, to increase in Energoprojekt Niskogradnja in the amount of RSD 155,870 thousand from inventories of produced materials for projects abroad, predominantly in Uganda, (reconstruction of the road Mityana - Mubenda and upgrades of the city roads Mityani) whose signing of the contract was postponed to 2021 due to political reasons and the consequences of the pandemic COVID 19.

The increase / (decrease) in the value of inventories of work and service in progress is recognized within the item operating expenses in the income statement.

- **Finished products** in the amount of RSD 1,713,605 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Park 11 in the amount of RSD 1,427,058 thousand from completed construction of the business - residential complex Park 11 in Block 11a in New Belgrade;
- Energoprojekt Sunnyville in the amount of RSD 221,955 thousand, from constructed and unsold real estate in the residential - business complex Sunnyville in Belgrade;
- Energoplast in the amount of RSD 47,082 thousand relate to inventories of finished plastic stoppers; and
- Energoprojekt Visokogradnja in the amount of RSD 17,510 thousand from built and unsold office space on Bežanijska Kosa in Belgrade.

The increase / (decrease) in inventories of finished products is recognized within the item operating expenses in the income statement.

Increase in inventories of finished products compared to last year on given date (on 31.12.) in the amount of RSD 1,107,696 thousand is the result, first of all, of increase in Energoprojekt Park 11 in the amount of RSD 1,427,058 thousand from completed construction and sale of business - residential complex Park 11 in Block 11a in New Belgrade and on the other hand, of decrease in Energoprojekt Sunnyville in the

amount of RSD 294,299 thousand from the sale of properties in the residential - business complex Sunnyville in Belgrade.

• **The total value of inventories of goods** in the amount of RSD 60,212 thousand mostly refers to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 51,348 thousand (stocks of materials in warehouses of other entries: RSD 32,386 thousand for the project Railway Jajinci - Mala Krsna, which will be installed in accordance with the dynamics of works in 2021 and based on invoiced procurement of inventories of materials and spare parts: RSD 7,986 thousand, predominantly on projects in Peru: RSD 7,885 thousand, which were not received as of 31 December 2020 - Goods in transit); and

- Energoplast in the amount of RSD 6,209 thousand (purchased ready-made closures intended for further sale).

• **Non-current assets held for sale** amount to RSD 220,170 thousand primarily relate to Energoprojekt Holding in the amount of RSD 40,597 thousand and Energoprojekt Niskogradnja in the amount of RSD 179,483 thousand.

- Non-current assets held for sale in Energoprojekt Holding in the amount of RSD 40,597 thousand relate to property in the K1G Building in Rakovica, Belgrade.

Pursuant to the Decision made by the Executive Board of the Energoprojekt Holding and to Conclusion on partial settlement and costs of the procedure I.IV 122/19 dated 17.05.2019 and the Contract on sale of real estate by direct agreement under the agreement of the parties I.Iv 122/19 dated 17.05.2019. The Energoprojekt Holding on behalf of partial collection of receivables from Enjub Ltd. Belgrade and under the Agreement on Reprogramming of the Debt no. 115 dated 18.04.2012, as of promissory note, on real estate of Enjub Ltd. Belgrade, which are located in the K1G Building in Rakovica, was recorded in its business books the figure under the item non-current assets held for sale the amount of RSD 81,453 thousand. During 2019 and 2020 part of properties is sold, and in 2020 from sale of property a net profit was incurred in the amount of RSD 2,163 thousand.

Summary of non-current assets held for sale is presented below:

In RSD thousand

No	Item	Address	No.	Area in m2	Cost	Tax on the transfer of absolute rights under the 2020 Decision	Sales price	Profit / Loss from sales in the previous period with correction based on the Decision for tax on transfer of absolute rights from 2020	Profit / loss from sales in the reporting period	Net book value
1	Two bedroom apartment	Petra Konjovića 14	Lamella 1, II floor, no.15	51	6,072	157				6,229
2	Two and half bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.16	78	9,234	241				9,475
3	Two bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.17	46	5,417	142	6,179	620		
4	Two bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.20	50	5,856	154	6,768		758	
5	Two bedroom apartment	Petra Konjovića 14	Lamella 1, IV floor, no.26	45	5,350	139	6,100	611		
6	Three bedroom apartment	Petra Konjovića 14a	Lamella 2, I floor, no.4	80	9,384	247	11,170		1,540	
7	Two bedroom apartment	Petra Konjovića 14a	Lamella 2, III floor, no.17	60	7,105	185				7,290
8	Studio	Petra Konjovića 14b	Lamella 3, ground floor, no.2	29	3,421	89	3,901	391		
9	Office space	Petra Konjovića 14b	Lamella 3, ground floor, no.L	46	5,442	126				5,568
10	Studio	Petra Konjovića 14b	Lamella 3, II floor, no.13	33	3,948	102	4,634	584		
11	Two and half bedroom apartment	Petra Konjovića 14b	Lamella 3, II floor, no.14	77	9,083	238				9,321
12	Apartment	Petra Konjovića 14b	Lamella 3, attic, no.15	54	6,361	167	7,255	727		
13	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.7	12	531	12	273		(270)	
14	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.8	12	531	12				543
15	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.9	12	531	12				543
16	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.10	12	531	12				543
17	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.11	12	531	12				543
18	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.12	12	531	12	588		45	
19	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.13	12	531	12	588		45	
20	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.16	12	531	11				542
21	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.17	12	531	11	588		45	
	Total			757	81,453	2,093	48,044	2,933	2,163	40,597

The Company is actively implementing planned sales plans, which are expected to be fully realised within a year.

- Non-current assets held for sale in Energoprojekt Niskogradnja amount to RSD 179,483 thousand are shown in the following table.

Description	Location	Area in m2	Net book value in RSD thousand
Property and land held for sale			
Land - Mombasa Road, Kenia	Nairobi, Kenia	12,140.55	4,066
Office space - Buenos Aires, Argentina	Buenos Aires, Argentina	86.30	5,748
Subtotal			9,814
Machinery held for sale	Serbia		169,669
TOTAL			179,483

Reclassification of land for sale was performed based on the Decision passed by the Board of Directors of the Energoprojekt Niskogradnja from 2012, on the sale of land in Kenya and land in RSD 4,066 thousand in compliance with IFRS 5.

Based on the Decision of competent body of the Company from 2011, on the sale of office and residential facilities in Argentina, reclassification of these facilities was performed into the facilities held for sale amounting to RSD 5,748 thousand, in compliance with IFRS 5.

Pursuant to the decision of the competent body made on 30 September 2020 on the sale of machinery in the country (which was not engaged in active projects in the country and not planned for the projects in the coming period), the items in question were reclassified to assets held for sale (in accordance with IFRS 5), at net (book) value (which is lower than estimated market value) on the day of reclassification, whereby by the end of reporting year part of the assets was sold, and the remaining amount was RSD 169,669 thousand.

The Company continues to undertake activities in order to realize the sale of remaining part of reclassified assets held for sale.

Increase in non-current assets held for sale compared to the same date of previous year by RSD 111,013 thousand is the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 128,795 thousand (reclassified unsold machinery in 2020: RSD 169,669 thousand and of decrease from sales of land and warehouse space in Santa Clara in Peru: RSD 40,874 thousand) and, on the other hand, of decrease in Energoprojekt Holding in the amount of RSD 17,782 thousand from sale of properties in the K1G Building in Rakovica, Belgrade.

Pursuant to the decision of the Board of Directors of Energoprojekt Niskogradnja dated 20 November 2020, approval was given and Decision made on the sale of Santa Clara land (23,009.70 m²) together with warehouse in the working unit abroad in Peru, in Lima (reclassified item for sale in 2012, namely Santa Clara land: RSD 18,601 thousand and warehouse space Santa Clara: RSD 22,273 thousand).

Sales and Purchase Agreement for Santa Clara land was concluded on 30 December 2020. The agreed purchase value is RSD 622,342 thousand (ie USD 6,500 thousand including VAT), and the sale is recorded on a net basis (Note 21.1). In accordance with the customer's request, on 28 December 2020, a decision on removal, ie demolish the warehouse space of Santa Clara (792.3 m²) on the mentioned land, was made. The effects of demolition are recorded through the current result on a net basis (Note 21.2).

A mortgage in favor of Banco Pichincha in the amount of USD 8,284 thousand was registered on the Santa Clara land. On the other hand, in accordance with the Sales and purchase agreement the Santa Clara land was realised of mortgage in favor of Banco Pichinch after the collection of the contract price from which the obligations towards the Bank will be paid. A mortgage of the second order in favor of Energoprojekt Niskogradnja S.A. Suc. Peru was constituted over the real estate to the amount of USD 6,370 thousand, as collateral for collection of the total contract price (Note 45).

- Decrease in advances paid for inventories and services to other related legal entities in the amount of RSD 121,904 thousand relates entirely to receivables from advances paid to Energo Nigeria Ltd., Lagos, Nigeria recorded in Energoprojekt Oprema and reclassified to external item – Advances paid for services (Note 2).

- **Advances paid for material, spare parts and inventory** in the amount of RSD 353,442 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 249,047 thousand, of which advances paid in the country amount to RSD 229,122 thousand (primarily on the project Chinese Cultural Center: RSD 45,552 thousand, Navigator 2 Bussines Center: RSD 81,260 thousand and Park 11: RSD 98,818 thousand), and abroad RSD 54,425 thousand (primarily, in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 33,967 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 86,839 thousand, primarily on the projects Modernization of TPS Zemun and Z-042 Repair of the road Mpigi, Butambala and Gomba, Uganda.

Increase in gross amount of advances paid for materials, spare parts and inventory compared to last year on given date (on 31.12.) in the amount of RSD 47,124 thousand, mostly is the result of, on the one hand, increase in Energoprojekt Niskogradnja: RSD 69,011 thousand (predominantly due to increased work on project Modernization TPS Zemun) and in Energoprojekt Oprema: RSD 11,149 thousand (project SMATSA: RSD 9,488 thousand and TPS Zemun: RSD 1,661 thousand) and, on the other hand, decrease in Energoprojekt Visokogradnja: RSD 34,500 thousand (projects in the country).

- **Advances paid for services** in the amount of RSD 890,141 thousand, relate, primarily, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 396,995 thousand for advances paid to suppliers on projects in the country in the amount of RSD 368,952 thousand (primarily projects: Modernization of TPS Zemun, Railway Jajinci - Mala Krsna and Reconstruction of the Landfill Vinca) and projects abroad

in the amount of RSD 28,043 thousand (primarily projects: Z-042 Road Repair Mpigi, Butambala and Gomba, Uganda and Z-040 San Antonio, Peru);

- Energoprojekt Visokogradnja in the amount of RSD 237,130 thousand, primarily projects: Z-112 Hotel Hayatt Rostov 2, Russia: RSD 109,900 thousand, Z-114 Siktivkar Stadium, Russia: RSD 76,981 thousand and in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 43,966 thousand;

- Energoprojekt Oprema in the amount of RSD 228,730 thousand, which refer to advances paid in the country in the amount of RSD 74,827 thousand (mostly related to the Mihailo Pupin Institute, Belgrade: RSD 27,889 thousand, Sauter Ltd.: RSD 21,773 thousand and Kodar Energomontaža Ltd.: RSD 15,483 thousand) and abroad in the amount of RSD 153,903 thousand (primarily, Energo Nigeria Ltd., Lagos, Nigeria: RSD 121,004 thousand, Stockholm Arbitration Court: RSD 19,980 thousand and the International Chamber of Commerce: RSD 12,019 thousand); and

- Energoprojekt Industrija in the amount of RSD 13,372 thousand, primarily from advance paid to the company Sipatec Industrial: RSD 7,134 thousand and Montmontaža Banja Luka: RSD 4,504 thousand.

Decrease in the gross amount of advances paid for services compared to the given date of the last year in the amount of RSD 138,235 thousand, mostly is the result, on the one hand, of decrease in Energoprojekt Niskogradnja: RSD 467,141 thousand (primarily, based on justification of advances on the projects Railway Jajinci - Mala Krsna, Zeleni Bulevar and Patrijarh Pavle) and, on the other hand, of increases in Energoprojekt Oprema: RSD 209,341 thousand (primarily Energo Nigeria Ltd., Lagos, Nigeria: RSD 121,004 thousand) (Note 2): RSD 121,004 thousand, on SMATSA project: RSD 37,442 thousand and TPS Zemun project: RSD 30,015 thousand and Energoprojekt Visokogradnja: RSD 161,041 thousand (primarily projects: Z-112 Hotel Hayatt Rostov 2, Russia: RSD 91,799 thousand and Z-114 Stadion Syktyvkar, Russia: RSD 76,816 thousand).

30. RECEIVABLES FROM SALES

Structure of receivables from sale	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Local buyers - other related parties	5,363	25,938
Foreign buyers - other related parties		584,679
Local buyers	2,171,454	2,772,231
Foreign buyers	5,208,567	5,121,330
<i>Allowance for Impairment</i>	(1,503,392)	(1,755,973)
TOTAL	5,881,992	6,748,205

Local buyers - other related parties in the amount of RSD 5,363 thousand refer, primarily, to receivables from the related party Napred Plc. in RSD 1,698 thousand (primarily in Energoprojekt Oprema: RSD 912 thousand and Energoprojekt Visokogradnja: RSD 774 thousand) and receivables from the joint venture Enjub Ltd.: RSD 2,825 thousand (primarily in Energoprojekt Visokogradnja: RSD 2,121 thousand. The amount was entirely impaired due to application of IFRS 9 - Financial Instruments).

• **Foreign buyers– other related parties** in the amount of RSD 584,679 thousand refers entirely to the company Energo Nigeria Ltd., Lagos, Nigeria, which is not in status associate and it is not consolidated within equity method of consolidation of Energoprojekt Oprema and thus the amount was restated to the item – receivables from foreign buyers (Note 2).

• **Local buyers** amounting to RSD 2,171,454 thousand primarily relate to receivables from Energoprojekt Visokogradnja: RSD 1,089,408 thousand, Energoprojekt Niskogradnja: RSD 573,301 thousand, Energoprojekt Entel: RSD 180,516 thousand and Energoplast: RSD 102,175 thousand.

Structure of local buyers is presented in the following table as at the financial statements date in system Energoprojekt companies, with the highest amount of such receivables.

Structure of receivables from local buyers	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Energoprojekt Visokogradnja:</i>		
Delta House/NBGP Properties (project Delta Headquarters)	480,602	25,278
Empiret Ltd. (project Chinese Cultural Center)	319,030	608,039
GP Seven Ltd. (project Navigator 2 Business Centar)	184,747	568,004
Beograd na vodi Ltd. (project Belgrade Waterfront)	70,092	212,871
Other	34,937	15,872
<i>Allowance for impairment</i>	<i>(13,064)</i>	<i>(8,345)</i>
Total	1,076,344	1,421,719
<i>Energoprojekt Niskogradnja:</i>		
Colas Rail s.a.s. (several projects)	216,501	89,593
Srbija voz Plc. (TPS Zemun, modernisation)	186,707	6,017
Beo Cista Energija Ltd. (Vinča Landfill)	88,859	
Hidro-Tan Ltd. (Regulation of the river Peštan and construction of the road Baroševac)	17,523	86,477
SE Putevi Srbije (Zrenjanin loop)	12,638	19,505
Bauwesen Ltd. (several projects)	12,392	101
Other	38,681	256,288
<i>Allowance for impairment</i>	<i>(46,949)</i>	<i>(12,464)</i>
Total	526,352	445,517
<i>Energoprojekt Entel:</i>		
SE Elektroprivreda Srbije (several projects)	134,158	235,768
Construction Industrielles de la mediterrabee - CNIM S.A. - Branch SRB Beograd (Vinca - preparation of project documentation and obtaining conditions, permits and approvals)	18,590	
Beo Čista Energija Ltd. (several projects)	13,025	8,897
Other	14,743	10,036
<i>Allowance for impairment</i>		
Total	180,516	254,701

Gross decrease in receivables from local buyers compared to last year on given date (on 31.12.) by RSD 600,777 thousand mainly originated, on one hand, from decrease in Energoprojekt Visokogradnja: RSD 340,656 thousand (primarily from GP Seven for Navigator 2 Business Center project and from Empiret Ltd. for the Chinese Cultural Center project), Energoprojekt Oprema: RSD 281,750 thousand (primarily from Gradina Ltd. for Ada Mol project and from Legas Group Ltd. for Kolubara Landfill project) and in Energoprojekt Entel: RSD 74,185 thousand (primarily from SE Elektroprivreda Srbije for several projects in the country) and, on the other hand, increases in Energoprojekt Niskogradnja: RSD 115,320 thousand from Srbija Voz Plc. for the Modernization of TPS Zemun project and Colas Rail sas for several projects in the country).

- **Foreign buyers** in the amount of RSD 5,208,567 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 2,798,369 thousand, Energoprojekt Entel in the amount of RSD 996,382 thousand, Energoprojekt Visokogradnja in the amount of RSD 402,372 thousand and to Energoprojekt Hidroinženjering in the amount of RSD 315,706 thousand.

Foreign buyers as at the financial statements of companies within system Energoprojekt, which generated the highest amounts of trade receivables, are broken down in the following table.

Structure of receivables from foreign buyers	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority	1,910,310	2,113,402
Kampala Capital City Authority	46,994	145,561
<i>Total Uganda</i>	<i>1,957,304</i>	<i>2,258,963</i>
<i>Peru:</i>		
<i>Centro Comercial Eco Plaza S.A.C</i>	621,814	
Consorcio Energoprojekt - CCEQO	93,789	88,897
Consorcio Pericos San Ignacio, Peru	48,157	57,621
Consorcio Chira	27,075	33,715
Consorcio Primavera	9,866	48,870
Proyecto Especial Tambo Ccaracocha	7,372	
Other	31,807	134,172
<i>Total Peru</i>	<i>839,880</i>	<i>363,275</i>
<i>Other foreign buyers</i>	<i>1,185</i>	<i>97,126</i>
<i>Allowance for impairment</i>	<i>(851,207)</i>	<i>(1,100,438)</i>
TOTAL	<i>1,947,162</i>	<i>1,618,926</i>
<i>Energoprojekt Entel:</i>		
Company Energoprojekt Entel L.L.C., Doha, Qatar	392,068	541,079
Company Energoconsult L.L.C., Abu Dhabi, UAE	422,666	725,889
Company Energoprojekt Entel L.L.C., Muskat, Sultanat Oman	181,648	210,484
<i>Allowance for impairment</i>		
TOTAL	<i>996,382</i>	<i>1,477,452</i>
<i>Energoprojekt Oprema:</i>		
Energo Nigeria Ltd., Lagos, Nigeria	561,100	
Other	1,358	
<i>Allowance for impairment</i>	<i>(79,759)</i>	
TOTAL	<i>482,699</i>	<i>-</i>
<i>Energoprojekt Visokogradnja:</i>		
MKC- RosEvroDevelpoment (Z-112 Hotel Hyatt Rostov 2, Russia)	121,776	44,667
Wonda World - Petronia City, Ghana	91,414	100,258
Ecobank Ghana	62,939	69,028
Ernest Chemist Ghana	61,665	95,364
Paulina Residence Ghana	17,130	8,307
Other	47,448	90,447
<i>Allowance for impairment</i>	<i>(157,776)</i>	<i>(157,744)</i>
TOTAL	<i>244,596</i>	<i>250,327</i>

Gross increase in receivables from foreign buyers respecting the last year comparative period, by RSD 87,237 thousand mainly came as result, on the one hand, from increase in Energoprojekt Oprema: RSD 562,458 thousand (predominantly, from transfer of receivables from Energo Nigeria Ltd., Lagos, Nigeria from the item receivables from foreign buyers - other related parties that no longer have the status of an associate - Note 2) and, on the other hand, decrease in Energoprojekt Entel: RSD 481,070 thousand (primarily in companies: Energoconsult LLC, Abu Dhabi, UAE and Energoprojekt Entel LLC, Doha, Qatar).

The structure of the allowance for impairment for receivables from sale is shown in the table below.

Structure of allowances for impairment for receivables from sale	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Local buyers – other related parties	(2,123)	(2,811)
Foreign buyers – other related parties		(113,881)
Local buyers	(159,827)	(137,915)
Foreign buyers	(1,341,442)	(1,501,366)
Other receivables from sale		
TOTAL ALLOWANCE FOR IMPAIRMENT	(1,503,392)	(1,755,973)

Allowance for impairment of receivables from sale in the amount of RSD 1,503,392 thousand mainly relates to the effects of application of IFRS 9 calculated in accordance with the established *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9* in the amount of RSD 1,174,499 thousand (Note 7.15), mostly in Energoprojekt Niskogradnja: RSD 849,753 thousand and Energoprojekt Visokogradnja: RSD 167,729 thousand

31. RECEIVABLES FROM SPECIAL TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Receivables from special transactions from other related parties	6,432	54,835
Receivables from special transactions from other legal entities	132,166	84,274
<i>Allowance for impairment</i>	<i>(89,646)</i>	<i>(91,570)</i>
TOTAL	48,952	47,539

- **Receivables from special transactions from other related parties** in the amount of RSD 6,432 thousand mostly relate to Energoprojekt Holding in the amount of RSD 6,430 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

Decrease in receivables from special transactions from other related legal entities compared to given date of previous year in the amount of RSD 48,403 thousand, predominantly, refers to Energoprojekt Oprema in the amount of RSD 48,114 thousand, based on the transfer of receivables from Energo Nigeria Ltd., Lagos, Nigeria to the position of receivables from special transactions from other legal entities (Note 2).

- **Receivables from special transactions from other legal entities** in the amount of RSD 132,166 thousand predominantly related to the following companies within Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 84,051 thousand for receivables from the company Intermost Plc., Belgrade in bankruptcy (impaired in entire amount in the previous period); and

- Energoprojekt Oprema in the amount of RSD 48,114 thousand for receivables from Energo Nigeria Ltd., Lagos, Nigeria (transfer from items receivables from special transactions from other related parties - Note 2). According to IFRS 9 requirements, receivable of Energo Nigeria Ltd., Lagos, Nigeria was impaired in the amount of RSD 5,594 thousand.

The structure of allowances for impairment of receivables from special transactions is shown in the table below.

Structure of allowances for impairment of receivables from special transactions	In RSD thousand	
	31.12.2020	31.12.2019
Receivables from special transactions from other related parties	(1)	(7,519)
Receivables from special transactions from other legal entities	(89,645)	(84,051)
TOTAL ALLOWANCE FOR IMPAIRMENT	(89,646)	(91,570)

Allowance for impairment of receivables from special transactions from other legal entities in the amount of RSD 89,645 thousand relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja: RSD 84,051 thousand, related to impaired in entire amount receivables (in the previous period) from the company Intermost Plc., Belgrade in bankruptcy; and
- Energoprojekt Oprema: RSD 5,594 thousand related to effect of application of IFRS 9 calculated in accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9* (Note 7.15).

32. OTHER RECEIVABLES

Structure of other receivables	In RSD thousand	
	31.12.2020	31.12.2019
Interest and dividend receivables:		
a) Interest and dividends receivables from other related companies	85.252	80.602
b) Interest agreed and default interest receivables from other companies	12.920	12.803
c) Receivables for dividends - other legal companies (Note 27)		144
<i>Total</i>	<i>98.172</i>	<i>93.549</i>
Receivables from employees	88.876	113.730
Receivables from state institutions		
Receivables for overpaid income tax	21.236	46.111
Receivables from overpaid other taxes and contributions	5.615	8.718
Receivables for fringe benefits returns	10.296	10.856
Receivables for damage compensation	2.219	1.611
Other short-term receivables	87.142	287.246
<i>Allowance for impairment</i>	<i>(22.712)</i>	<i>(22.761)</i>
TOTAL	290.844	539.060

- **Interest and dividend receivables from other related parties** in the amount of RSD 85.252 thousand comprise exclusively of the receivables of Energoprojekt Holding, based on the interest receivables for loans granted to the joint venture Enjub Ltd.
- **Interest agreed and default interest receivables from other companies** in the amount of RSD 12,920 thousand predominantly relate to Energoprojekt Industrija in the amount of RSD 12,627 thousand, whereby receivables from the company Jugoremedija Fabrika lekova Ltd., Zrenjanin - in bankruptcy refers to RSD 12,577 thousand (impaired in entire amount in the previous period).
- **Receivables from employees** in the amount of RSD 88,876 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 82,813 thousand (from pre-paid severance payments in Energoprojekt Entel LTD, Doha, Qatar RSD 59,485 and Energoprojekt Entel LLC Oman, Oman: RSD 23,328 thousand in accordance with local legal regulations), as well as to unjustifiably paid advance payments to employees leaving to work in foreign countries, etc., primarily in Energoprojekt Niskogradnja in the amount of RSD 1,870 thousand, Energoprojekt Visokogradnja in the amount of RSD 1,560 thousand (in the country: RSD 825 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 735 thousand) and Energoprojekt Hidroinženjering in the amount of 944 thousand.

Decrease in receivables from employees compared to last year on given date (on 31.12.) by RSD 24,854 thousand mostly refers to Energoprojekt Entel in the amount of RSD 14,131 thousand (primarily as a net effect of changes in prepaid severance pay, namely reductions in the company in Qatar and increases in the company in Oman).

- **Receivables for overpaid income tax** in the amount of RSD 21,236 thousand, mainly relate to Energoprojekt Entel: RSD 6,469 thousand, Energoplast: RSD 5,191 thousand, Energoprojekt Sunnyville: RSD 3,319 thousand and Energoprojekt Oprema: RSD 2,871 thousand.

Decrease in receivables for overpaid paid income tax compared to last year on given date (on 31.12.) by RSD 24,875 thousand is mostly the result, on the one hand, of decrease in Energoprojekt Visokogradnja in the amount of RSD 13,484 thousand (on the project Z-103 Talan Towers, Astana, Kazakhstan), in Energoprojekt Niskogradnja in the amount of RSD 16,527 thousand (in the country) and on the other hand, of increases in Energoprojekt Entel in the amount of RSD 6,469 thousand and Energoprojekt Oprema in the amount of RSD 1,091 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 5,615 thousand and predominantly refer to Zambia Engineering and Contracting Company Limited, in the amount of RSD 4,578 thousand, Energoprojekt Hidroinženjering in the amount of RSD 464 thousand and Energoprojekt Industrija in RSD 468 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 10.296 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 3,935 thousand, Energoprojekt Entel in the amount of RSD 2,393 thousand, and to Energoprojekt Niskogradnja in the amount of RSD 2,154 thousand.

- **Receivables for damage compensation** in the amount of RSD 2,219 thousand predominantly relate to Energoprojekt Visokogradnja in RSD 1,611 thousand, based on damage compensation from Eurologistic - project Z-089 Hospital Aktau, Kazakhstan.

• **Other short-term receivables** amounting to RSD 87,142 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Hidroinženjering, in the amount of RSD 55,302 thousand, mostly based on receivables from client Special Project for Strengthening and Expansion of TACNA Water Resources - PET, for the amount of unwarranted protested guarantees, on the Yaraskay project, Peru in the amount of RSD 40,943 thousand (at the beginning of 2018, a positive decision was made at the Arbitration Council, which was confirmed by the decision of the higher court. The decision is final, and the collection of claims depends on the timeliness of local courts and administration); and

- Energoprojekt Niskogradnja in the amount of RSD 20,707 thousand primarily based on receivables for funds transferred to partners in the consortium on projects in Peru for settlement of joint obligations of project partners (insurance costs, bank guarantees, legal services, etc.): RSD 13,716 thousand and receivables from the tax administration for overpaid VAT in Uganda: RSD 5,124 thousand.

Decrease in other short-term receivables (gross amount) by RSD 200,104 thousand mostly related to decrease in Energoprojekt Niskogradnja in the amount of RSD 178,117 thousand, primarily based on the collection of receivables from the tax administration for overpaid income tax in Peru: RSD 116,411 thousand.

The structure of allowance for impairment of short-term other receivables is shown in the table below.

Structure of allowance for impairment of other receivables	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Interest and dividend receivables:		
a) Interest and dividends receivables from other related companies		
b) Interest agreed and default interest receivables from other companies	(12,577)	(12,577)
<i>Total</i>	<i>(12,577)</i>	<i>(12,577)</i>
Receivables for fringe benefits returns	(1,928)	(1,928)
Receivables for damage compensation	(1,611)	(1,611)
Other short-term receivables	(6,596)	(6,645)
TOTAL ALLOWANCE FOR IMPAIRMENT	(22,712)	(22,761)

Allowance for impairment of other receivables in the amount of RSD 22,712 thousand mainly relates to:

- impairment of interest receivables (from previous years) from the company Jugoremedija Fabrika lekova Plc., Zrenjanin - in bankruptcy in the amount of RSD 12,577 thousand in Energoprojekt Industrija; and

- effects of application of IFRS 9 calculated in accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9* in the amount of RSD 8,334 thousand (Note 7.15), mostly incurred in Energoprojekt Hidroinženjering: RSD 4,151 thousand, Energoprojekt Visokogradnja: RSD 3,539 thousand and Energoprojekt Visokogradnja: RSD 644 thousand, while the remaining amount of impairment refers established and recorded impairment in the earlier period.

33. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Short-term loans and investments - other related companies	76.513	76.521
Short-term loans and borrowings in the country	136	
Short-term loans and borrowings abroad	1.335	853
Portion of other long-term financial investments with maturity date up to one year		158
Other short-term financial investments		
a) Short-term time deposits	1.213.935	1.247.526
b) Other short-term financial investments	68.345	58.689
<i>Total</i>	<i>1.282.280</i>	<i>1.306.215</i>
<i>Allowance for impairment</i>	<i>(41)</i>	<i>(41)</i>
TOTAL	<i>1.360.403</i>	<i>1.383.706</i>

Short-term loans and investments - other related parties in the amount of RSD 76,513 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

Energoprojekt Holding has, as collateral for the collection of payments pursuant to loan agreements concluded with the Enjub Ltd. joint venture, blank bills of exchange with "no protest" clause and a mortgage on property (for apartments and business premises) in Jurija Gagarina Street in New Belgrade (Note 45).

• **Short term time deposits** in the amount of RSD 1,213,935 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 1,109,632 thousand - deposits with banks, within the companies: Energoprojekt Entel Qatar: RSD 914,347 thousand at interest rate from 1.1.% p.a. (in QAR-Qatar Riyal), and Energo Consult LLC Abu Dhabi, UAE: RSD 165,285 thousand at interest rate from 0.80% to 1.15% p.a (AED - Dirham), which are related to the Doha Bank Guarantee Framework, whereby the separation is only possible after the completion of work on the projects for which the guarantees were issued, as well as funds deposited with commercial banks in Serbia: RSD 30,000 thousand, at an interest rate of 0.90% p.a. (in RSD); and
- - Energoprojekt Visokogradnja in the amount of RSD 104,303 thousand from short-term time funds on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia, at interest rate of 3.25% - 4% p.a. (in RUB).

Decrease in short-term time deposits compared to last year on given date (on 31.12.) by RSD 33,591 thousand, primarily refers, on the one hand, to decrease in Energoprojekt Visokogradnja in the amount of RSD 73,346 thousand (reductions on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia) and on the other hand, to increase in Energoprojekt Entel in the amount of RSD 49,399 thousand (primarily from increase in Energoprojekt Entel Qatar and decrease in the country).

• **Other short term financial investments** in the amount of RSD 68,345 thousand, relate, mainly, to the following companies within Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 61,456 thousand, mostly related to deposits held with banks for issuance of guarantees in favor of investors on projects in Peru (Z-039 Canal Via Cienguillo and Z-034 Road Puerto Bermudez): RSD 24,795 thousand, placed deposit in insurance company in favor of investor for issuing a bid guarantee in WU abroad Peru: RSD 23,856 thousand and placed deposit in insurance company in favor of the guarantor on the project Z-044 Ica River, Peru: RSD 10,443 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 6,886 thousand, mostly related to deposit issued to Astana Property Management for troubleshooting in the warranty period on the project Z-103 Talan Tower: RSD 6,409 thousand.

The structure of allowance for impairment of short-term financial investments is shown in the table below.

Structure of allowance for impairment of short-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
a) Short-term time deposits		
b) Other short-term financial investments	(41)	(41)
TOTAL	(41)	(41)

Allowance for impairment of short-term financial investment in the amount of RSD 41 thousand refers entirely to Energoprojekt Niskogradnja - impairment of financial investments placed to the company Intermost Plc. Belgrade - in bankruptcy, recorded in previous years.

34. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Current (business) account	238,974	556,086
Earmarked cash and letters of credit	1	
Petty cash	653	541
Foreign currency account	1,418,719	1,399,764
Foreign currency petty cash	23,088	19,405
Other cash:		
a) Short term time deposits	1,224,322	466,419
b) Other cash	871	843
<i>Total</i>	<i>1,225,193</i>	<i>467,262</i>
Value-impaired or restricted cash	5,349	11,054
TOTAL	2,911,977	2,454,112

- **Current (business) account** of the system Energoprojekt in the amount of RSD 238,974 thousand mostly refers to the current accounts of the following companies in Energoprojekt system: Energoprojekt Park 11 in the amount of RSD 76,577 thousand, Energoprojekt Niskogradnja in the amount of RSD 64,689 thousand, Energoplast in the amount of RSD 26,727 thousand, Energoprojekt Holding in the amount of RSD 19,796 thousand, Energoprojekt Hidroinženjering in the amount of RSD 13,059 thousand, Energoprojekt Oprema in the amount of RSD 8,015 thousand, Energoprojekt Industrija in the amount of RSD 7,338 thousand.

The joint venture Enjub Ltd. has been blocked for a long period of time.

- **Foreign currency account** in the amount of RSD 1,418,719 thousand predominantly refer to the foreign currency accounts of the following companies in the system Energoprojekt: Energoprojekt Niskogradnja in the amount of RSD 475,718 thousand, Energoprojekt Entel in the amount of RSD 330,723 thousand, Energoprojekt Park 11 in the amount of RSD 224,552 thousand, Energoprojekt Hidroinženjering in the amount of RSD 206,928 thousand and Energoprojekt Visokogradnja in the amount of RSD 93,103 thousand.

- **Foreign currency petty cash** in the amount of RSD 23,088 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 15,999 thousand, Energoprojekt Niskogradnja in the amount of RSD 3,572 thousand, Dom 12 in the amount of RSD 1,380 thousand and Energoprojekt Entel in the amount of RSD 1,213 thousand.

- **Short term time deposits** in the amount of RSD 1,224,322 thousand recorded in Energoprojekt Visokogradnja in the amount of RSD 732,640 thousand (abroad, on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 529,039 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 62,571 thousand and in the country: RSD 141,030 thousand), Energoprojekt Holding in the amount of

RSD 420,000 thousand (in the country, Erste bank Plc. Novi Sad) and in Energoprojekt Industrija in the amount of RSD 66,964 thousand (in the country, Addiko banka) and Dom 12 SAL, Lebanon : RSD 4,718 thousand.

- **Value-impaired or restricted cash** in the amount of RSD 5,349 thousand mostly relate to the Energoprojekt Hidroinženjering in the amount of RSD 3,762 thousand, based on bank deposits serving as collateral for issuing guarantees for the project Ourkiss, Algeria. Funds will be available upon expiration of the overdraft agreement and upon release of bank guarantees.

Decrease in Value-impaired or restricted cash by RSD 5,705 thousand compared to last year on given date, predominantly originated from Energoprojekt Oprema for collateral return from Aik Banka for the project Procurement and installation of OPWG on 3 transmission lines.

Increase in cash and cash equivalents compared to last year on given date (on 31.12.) by RSD 457,865 thousand is mostly the result, on the one hand, of increase in Energoprojekt Visokogradnja: RSD 428,715 thousand (predominantly short-term time deposits), Energoprojekt Holding: RSD 303,582 thousand (mostly short-term time deposits) and in Energoprojekt Park 11: RSD 103,014 thousand (funds placed at current and foreign currency account from sales of properties in business and residential complex Park 11 in Block 11a in New Belgrade) and, on the other hand, of decrease in Energoprojekt Niskogradnja: RSD 243,742 thousand and Energoprojekt Industrija: RSD 110,072 thousand.

35. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

35.1. Value Added Tax

Structure of VAT	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Value added tax	100,493	74,967
TOTAL	100,493	74,967

- **Value added tax** in the amount of RSD 100,493 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Niskogradnja in the amount of RSD 53,994 thousand, Energoprojekt Visokogradnja in the amount of RSD 29,281 thousand and in Energoprojekt Oprema in the amount of RSD 9,192 thousand.

Increase in VAT compared to last year on given date (on 31.12.) by RSD 25,526 thousand is mainly the result, on the one hand, of increases in Energoprojekt Niskogradnja in the amount of RSD 33,872 thousand, Energoplast in the amount of RSD 5,380 thousand and in Energoprojekt Oprema in the amount of RSD 3,700 thousand, and on the other hand, of decrease in Energoprojekt Park 11 in the amount of RSD 19,545 thousand.

35.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income and deferred expenses	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Prepayments:		
a) Prepaid subscriptions for expert and professional publications	894	1,420
b) Prepaid rental costs	50,953	65,953
c) Prepaid insurance premiums	51,934	69,665
d) Prepaid advertising and propaganda costs	142	14
e) Other prepaid expenses	179,686	247,980
Total	283,609	385,032
Receivables for accrued non-invoiced income:		
a) Receivables for non-invoiced income - other related companies	23,938	15,837
b) Receivables for non-invoiced income - other legal entities	4,735,509	4,193,430
Total	4,759,447	4,209,267
Deferred costs based on liabilities		
Other accruals:		
a) Deferred value added tax	64,749	112,866
b) Other accruals	484,514	550,463
Total	549,263	663,329
<i>Allowance for impairment</i>	<i>(590,496)</i>	<i>(609,248)</i>
Total	5,001,823	4,648,380

• **Prepaid rental costs** in the amount of RSD 50,953 thousand predominately refer to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 37,979 thousand based on leasing of business premises and apartments for workers in companies abroad in Qatar: RSD 20,776 thousand, in UAE: RSD 13,541 thousand and in Oman: RSD 3,662 thousand (only leasing of apartments). Contractual agreements are multi-year lease agreements with payment of a full year rent in advance, payable on three-months base; and

- Energoprojekt Niskogradnja in the amount of RSD 10,633 thousand entirely relate to Uganda, based on leasing quarries: RSD 3,574 thousand, lease of land: RSD 4,311 thousand and leasing of apartments for accommodation of workers: RSD 2,748 thousand (a year lease agreements for apartments, while lease of quarry is on 3 years).

• **Other prepaid expenses** in the amount of RSD 179,686 thousand refer primarily to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 144,745 thousand for consultancy service costs incurred on the arbitration procedure filed against Gazprom Transgas, Belarus for the EnergoCenter Minsk project, Belarus (Note 46); and

- Energoprojekt Niskogradnja in the amount of RSD 19,714 thousand, mostly for bank guarantee costs: RSD 9,019 thousand (projects abroad: RSD 7,850 thousand (in Peru: RSD 5,246 thousand and Uganda:

RSD 2,604 thousand), and in the country: RSD 1,169 thousand), prepaid lawyers fees for project in Peru: RSD 4,906 thousand, costs of computer licenses acquired in the country: RSD 2,716 thousand and costs of commissions based on the maintenance of a credit facility in Uganda: RSD 1,833 thousand.

Decrease in other prepaid expenses compared to last year on given date (on 31.12.) by RSD 68,294 thousand, predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 68,189 thousand, primarily from reduction of prepaid costs for repair of damage on the Zeleni Bulevar project recorded in 2019 (collected from the insurance company in 2020): RSD 19,219 thousand, reduction of prepaid material costs on the Jajinci - Mala Krsna Railway project: RSD 24,994 thousand and bank guarantee costs in Peru: RSD 17,251 thousand.

• **Receivables for accrued non-invoiced income – other related parties** in the amount of RSD 23,938 thousand relate to calculated costs based on the performed works (which are not certified) with GP Napred Plc. in Energoprojekt Urbanizam i arhitektura in the amount of 22,581 thousand and Energopet Ltd. in Energoprojekt Industrija in the amount of RSD 1,357 thousand.

• **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 4,735,509 thousand refer to income of the current period that could not be invoiced, and for which costs were incurred in the current period, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 2,015,325 thousand, mostly in the country: RSD 1,536,386 thousand and abroad in the amount of RSD 478,939 thousand (Uganda: RSD 330,595 thousand and Peru: RSD 148,344 thousand), primarily for authorised interim (payment) certificate for work performed in 2020 on the following projects:

- Vinča Landfill: RSD 988,802 thousand;
- TPS Zemun: RSD 427,854 thousand;
- Z-042 Mpigi Roads, Uganda: RSD 177,556 thousand;
- Z-041 Kampala Mukono, Uganda: RSD 110,316 thousand (receivables for participation in collection of insurance claims were recorded and calculated within the project: RSD 5,456 thousand);
- Zeleni Bulevar: RSD 55,784 thousand;
- Reconstruction of Karadjordjeva Street: RSD 42,758 thousand;
- Z-039 Canal Via Cienguillo: RSD 19,783 thousand;
- Railway Jajinci - Mala Krsna: RSD 17,116 thousand;
- Z-034 Road Puerto Bermudez, Peru: RSD 10,353 thousand; and
- Zrenjanin loop: RSD 3,969 thousand.

- Energoprojekt Oprema in the amount of RSD 1,296,346 thousand, entirely related to the project Energocentar Minsk, Belarus: for equipment procurement costs (suppliers' invoices) and direct dependent procurement costs that were included in the customs declaration during import (transport) and customs and forwarding costs (Note 46);

- Energoprojekt Visokogradnja in the amount of RSD 575,559 thousand, payment certificate submitted to the investor for verification, but were not verified until the day of submitting the balance sheet, as follows:

- abroad: RSD 341,055 thousand, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 180,059 thousand (mostly on projects: Law house Ghana: RSD 86,895 thousand, Wonda World: RSD 36,948 thousand and Cassava Starsh: RSD 30,037 thousand) and on Z-112 Hotel projects Hayatt Rostov 2, Russia: RSD 143,077 thousand and Z-109 Design Rostov, Russia: RSD 17,919 thousand; and
- in the country: RSD 234,504 thousand, primarily on projects: Prokop Railway Station: RSD 147,977 thousand (fully impaired, in 2017: RSD 74,922 thousand and on 01.01.2020 following the first application of IFRS 9 impaired: RSD 73,055 thousand), Smatsa Air Traffic Control: RSD 34,485 thousand and Navigator 2 Bussines Center: RSD 44,680 thousand;

- Energoprojekt Holding in the amount of RSD 373,171 thousand, predominantly from implementation of the Agreement on construction of Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, on a turnkey basis, on the first floor. parcel number 313, entered in the real estate register of Cadastral Zone A00 in the amount of RSD 372,994 thousand;

- Energoprojekt Entel in the amount of RSD 227,587 thousand for works performed in 2020 invoiced in 2021, abroad: RSD 214,783 thousand (in the company Energoprojekt Entel LTD, Doha, Qatar) and in the country: RSD 12,804 thousand; and

- Energoprojekt Hidroinženjering in the amount of RSD 144,684 thousand, mostly for invoices for performed work, which have not been verified by the day of submission of the balance, on the following projects:

- Seklafa, Algeria: RSD 13,517 thousand;
- Beni Slimane, Algeria: RSD 48,814 thousand;
- Soubella, Algeria: RSD 24,074 thousand;
- Hydroelectric power plant Komarnica: RSD 25,167 thousand; and
- Gornja Drina, Bosnia and Herzegovina: RSD 17,637 thousand.

- Of the other legal entities in the Energoprojekt system, receivables for non-invoiced income were recorded by Energoprojekt Urbanizam i arhitektura: RSD 55,471 thousand, Energoprojekt Industrija: RSD 47,272 thousand and Energoprojekt Sunnyville: RSD 94 thousand.

Gross increase in receivables for non-invoiced income from other legal entities compared to last year on given date (on 31.12.) by RSD 542,079 thousand is mostly the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 507,333 thousand (as a result of increase in the country, primarily on the projects: Reconstruction of the Vinca Landfill and Modernization of TPS Zemun and reductions in Uganda, primarily on the project Z-042 Mpigi Roads and in Peru, primarily on the project Z-040 Irrigation System San Antonio) and in Energoprojekt Visokogradnja in the amount of RSD 169,288 thousand (primarily on the project Z-112 Hotel Hayatt Rostov 2, Russia and in the company Energoprojekt Ghana Ltd., Accra, Ghana) and, on the other hand, reductions in Energoprojekt Oprema in the amount of RSD 161,076 thousand (on the projects: Energocehtar Minsk, Belarus (exchange rate differences), Ada Mol and Kolubara Landfill).

- **Accrued Value Added Tax (VAT) in** the amount of RSD 64,749 thousand include VAT presented in received invoices for reported year, and the right to tax return from previous period occurs in the next one, due to the fact that invoices came after the financial statement for December of the reported year. The most important amount of accrued VAT was recorded within: Energoprojekt Visokogradnja in the amount of RSD 47,413 thousand (predominantly in the country), Energoplast in the amount of RSD 4,294 thousand, Energoprojekt Niskogradnja in the amount of RSD 8,050 thousand (primarily in the country) and in Energoprojekt Holding in the amount of RSD 4,564 thousand.
- **Other accruals** in the amount of RSD 484,513 thousand predominantly refer to the Energoprojekt Oprema in the amount of RSD 478,874 thousand. The investor Gazprom Transgas, Belarus of the project Energoentar Minsk, Belarus (Note 38) demanded for payment under guarantee the amount of USD 5.06 million at 10 November 2017 (Note 46).

The structure of allowance for impairment of prepayments and accrued income and deferred expenses is shown in the table below.

Structure of allowance for impairment of prepayments and accrued income and deferred expenses	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Receivables for accrued non-invoiced income:		
a) Receivables for accrued non-invoiced income - other related parties	(4)	(1)
b) Receivables for accrued non-invoiced income - other LE	(545,833)	(545,257)
<i>Total</i>	<i>(545,837)</i>	<i>(545,258)</i>
Other accruals:		
a) Deferred VAT		
b) Other accruals	(44,659)	(63,990)
<i>Total</i>	<i>(44,659)</i>	<i>(63,990)</i>
TOTAL ALLOWANCE FOR IMPAIRMENT	(590,496)	(609,248)

Impairment of prepayments and accrued income and deferred expenses in the amount of RSD 590,496 thousand mainly relates to the effects of application of IFRS 9 calculated in accordance with the established *Methodology for calculation of impairment of financial instruments in accordance with IFRS 9* in the amount of RSD 508,295 thousand (Note 7.15):

- receivables for non-invoiced income: RSD 463,638 thousand, mostly in Energoprojekt Visokogradnja: RSD 206,081 thousand (primarily in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 127,184 thousand, and project in the country Prokop (remaining amount of non-impaired receivable for non-invoiced income): RSD 73,055 thousand), Energoprojekt Oprema: RSD 164,172 thousand (entirely in Gazprom Transgas, Belarus on the project Energoentar Minsk - expected collection within four years on as on 01.01.2020, ie three years on 31.12.2020); Energoprojekt Holding: RSD 41,465 thousand (entire amount from the Ministry of Foreign Affairs of the Republic of Serbia for the construction of the embassy in Abuja, Nigeria - expected collection within five years as of 01.01.2020, ie four years as of 31.12.2020), Energoprojekt Hidroinženjering: RSD 28,623 thousand and Energoprojekt Niskogradnja: RSD 22,913 thousand; and

- other accruals: RSD 44,659 thousand entire amount relates to Energoprojekt Oprema, based on the protested guarantee for good performance issued by the investor Gazprom Transgas, Belarus for project Energocentar Minsk, and expected collection within four years as of 01.01.2020, ie three years as of 31.12.2020.

Remaining amount of allowance for impairment made relates to recorded impairment in prior periods.

36. CAPITAL

Structure of capital	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Equity capital – reduced for non-controlling interest in equity capital	5,790,847	5,818,025
Repurchased own shares - <i>negative item of equity</i>	49,827	49,827
Reserves	318,617	453,602
Revaluation reserves revaluation of intangible assets, property, plant and equipment	5,718,877	5,973,916
Unrealized gains on securities and other components of other comprehensive income (credit balances under accounts class 33 except 330) – <i>positive item of equity</i>	52,736	265,202
Unrealized losses on securities and other components of other comprehensive income (debit balances under accounts class 33 except 330) – <i>negative item of equity</i>	25,346	17,055
Retained earnings	5,932,247	5,259,056
Non-controlling interest - in equity capital	94,616	94,701
TOTAL	17,832,767	17,797,620

36.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	In RSD thousand	
	31.12.2020	31.12.2019
Share capital - total	5,651,380	5,651,463
Non-controlling interest - in share capital	(76,421)	(76,504)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5,574,959</i>	<i>5,574,959</i>
Stakes in limited liability companies - total	12,747	12,749
Non-controlling interest - in limited liability companies	(12,747)	(12,749)
<i>Total stakes in limited liability companies</i>		
Issuing premium	162,693	162,693
Other share capital - total	58,643	85,821
Other non-controlling interest	(5,448)	(5,448)
<i>Total other share capital</i>	<i>53,195</i>	<i>80,373</i>
TOTAL	5,790,847	5,818,025

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

Share capital of the parent company Energoprojekt Holding as at the balance sheet date consists of 10,931,292 ordinary shares with nominal value of RSD 510.00 or RSD 5,574,959 thousand worth share capital of the majority shareholder.

- **Issuing premium** in the amount of RSD 162,693 thousand is recorded based on purchase and sale of own shares in the period from 2006 to 2011 in the amount of RSD 237,014 thousand and based on purchase of own shares at the value which is above their nominal value achieved in 2017, in the amount of RSD 74,321 thousand, for which the prior balance of issuing premium from 2011 reduced (Note 36.2).

36.2 Purchased own shares

Structure of purchased own shares	In RSD thousand	
	31.12.2020	31.12.2019
Purchased own shares	49,827	49,827
TOTAL	49,827	49,827

- Pursuant to the Decision by the Supervisory Board of Energoprojekt Holding to acquire own shares on a regulated market, made on 13 February 2017, the Company acquired 97,700 of own shares on the Belgrade Stock Exchange (which amounts to 0.89376% of the total number of shares with voting rights) with nominal value of RSD 49,827 thousand.

36.3. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Legal reserves	194,758	217,943
Statutory and other reserves	123,859	235,659
TOTAL	318,617	453,602

- **Legal reserves** were formed in compliance with the Law on Enterprises that was in force until 30 November 2004, when the Law on Companies came into force. Each year a minimum of 5% was appropriated from the profits until the reserves' level prescribed in the Articles of Association or at least 10% of the equity capital was reached.

- **Statutory and other reserves** are reserves formed from profit in compliance with the Articles of Association and other internal acts of the Company. Pursuant to the Decision made by Shareholders Assembly of Energoprojekt Holding on 2017, earmarked reserves were formed for acquiring own shares for distribution to employees of Energoprojekt Holding or related party, or for rewarding members of the Executive and Supervisory Board, pursuant to Article 282, paragraph 4, item 2. Of the Law on Business Companies in the amount of RSD 80,000 thousand.

The decrease in reserves compared to the previous year in the amount of RSD 134,985 thousand predominantly refers to Energoprojekt Holding in the amount of RSD 134,881 thousand, based on the transfer of legal reserves (from previous years) in the amount of RSD 23,185 thousand and statutory reserves (from previous years) in the amount of RSD 111,696 thousand on the retained earnings in previous years (Note 36.7) made in accordance with Decision on distribution of retained earnings of Energoprojekt Holding, issued on 23 July 2020 at the 52nd Regular Session of the Energoprojekt Holding Assembly.

36.4. Revaluation Reserves from Revaluation of Intangibles, Property, Plant and Equipment

Structure of revaluation reserves from intangibles, property, plant and equipment	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3,052,146	3,052,146
b) Revaluation reserves from revaluation of other property	959,806	1,008,535
<i>Total</i>	<i>4,011,952</i>	<i>4,060,681</i>
Revaluation reserves from revaluation of investment property	1,488,656	1,767,519
Revaluation reserves from revaluation of plant and equipment	218,269	145,716
TOTAL	5,718,877	5,973,916

- **Revaluation reserves from revaluation of property** in the amount of RSD 4,011,952 thousand relate to valuation of fair value of buildings (positive revaluation reserves) and application of IAS 12 – Income Taxes, 15% of revaluation reserves (negative aspect of revaluation reserves).

The revaluation reserves based on revaluation of property - Energoprojekt office building in the amount of RSD 3,052,146 thousand, relate to:

- the fair value booking effects of Energoprojekt office building as at 31 December 2018, in the amount of RSD 2,918,532 thousand;
- present value adjustment according to sq.m. of Energoprojekt office building, in the amount of RSD 672,228 thousand and
- 15% of income tax booking (the negative aspect of revaluation reserves) for the amount of deferred tax liabilities based on revaluation reserves, pursuant to IAS 12 – Income Taxes, in the amount of RSD 538,614 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 959,806 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja: RSD 345,045 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business premises, Lima, Peru, residential building in Kampala, Uganda and other facilities in Serbia and Peru);
- Energoprojekt Visokogradnja: RSD 323,804 thousand (hotel Spintex in Akra, Ghana and buildings in Belgrade - in Vozdovac and in Stara Pazova);
- Energoprojekt Industrija: RSD 104,720 thousand (real estate of the affiliated company Energopet Ltd. (33.33%): RSD 92,509 thousand and solidarity apartments in Belgrade: RSD 12,211 thousand),
- Energo (Private) Limited, Zimbabwe: RSD 69,644 thousand (business and residential buildings in Harare, Zimbabwe); and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 38,485 thousand (business and residential buildings in Lusaka, Zambia).

- **Revaluation reserves from revaluation of investment property** in the amount of RSD 1,488,656 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the system Energoprojekt:

- Zambia Engineering and Contracting Company Limited, Zambia: RSD 409,607 thousand (business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540,422 thousand (office building in Moscow);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 158,899 thousand (office building in London);
- Energoprojekt Niskogradnja: RSD 144,624 (a part of the “Cruz del Sur“ office building in Peru); and
- Energoprojekt Visokogradnja: RSD 96,695 thousand (property in the country: in Belgrade and in Ub).

36.5. Unrealized Gains from Securities and Other Components of Other Comprehensive Result (credit balances under account class 33, except 330)

Structure of unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Unrealized gains on transaction of financial statements for international operations	52,736	265,202
TOTAL	52,736	265,202

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 52,736 thousand relate primarily to: Dom 12 S.A.L., Lebanon, I.N.E.C. Engineering Company Limited, Great Britain, Energoprojekt Entel and Energoprojekt Visokogradnja.

36.6. Unrealized Losses from Securities and Other Components of Other Comprehensive Result (debit balances under account class 33, except 330)

Structure of unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Unrealized losses on securities available for sale	25,346	17,055
TOTAL	25,346	17,055

• **Unrealized losses on securities available for sale** in the amount of RSD 25,346 thousand, which predominantly relate to Energoprojekt Holding, were recorded based on the adjustment of value of securities in Company portfolio with their fair value in the secondary securities market as at the financial statements date (the negative effect of which could not be covered with the positive effects of the change in the fair value of the security in question).

36.7. Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Retained earnings from previous years:		
a) Balance as at 01 January	5,259,056	7,150,182
b) Changes	(351,543)	(2,536,012)
<i>Total</i>	4,907,513	4,614,170
Retained earnings from the current year	1,024,734	644,886
TOTAL	5,932,247	5,259,056

- Change in **retained earnings** from previous years in the amount of RSD 351,543 thousand is primarily the result of decrease caused by appeared exchange rate differences applied on opening balance of retained earnings in foreign companies: RSD 294,479 thousand (primarily Energoprojekt Entel: RSD 238,008 thousand, namely: Energoprojekt Entel LTD, Doha, Qatar: RSD 143,064 thousand, Energoconsult LLC, Abu Dhabi, UAE: RSD 95,263 thousand, Energoprojekt Entel LLC, Muscat, Sultanate of Oman: RSD 44,602 thousand and Energoprojekt Entel Company, Bahrain: RSD 79 thousand), distribution of undistributed result of Energoplast Ltd. to the shareholder Chartered Oil Inc (40%): RSD 17,637 thousand and taxation of incurred profit: RSD 8,391 thousand (primarily in Uganda and Oman).

Retained earnings from previous years in the amount of RSD 5,259,056 thousand represent retained earnings from previous years according to the officially submitted consolidated annual financial statements of Energoprojekt Holding as of 31 December 2019 in the amount of RSD 7,050,068 thousand, adjusted (reduced) for the effects of the first application of IFRS 9 in the amount of RSD 1,791,012 thousand (recorded in the table above, item b) Changes) which are the result of:

- on the one hand, the effect of the first application of IFRS 9 on the financial assets of the Energoprojekt system on 01.01.2020 in the amount of RSD 2,066,627 thousand, which represents the impairment of financial assets at the consolidated level (Note 7.15); and

-on the other hand, increase in deferred tax assets (recorded through individual financial statements of companies from the Energoprojekt system in the country) in the amount of RSD 275,615 thousand, in accordance with the provisions of Article 25a of the Law on Corporate Income Tax and the provisions of IAS 12 (recorded in consolidated financial statements through the reduction of deferred tax liabilities) (Note 43.4).

36.8. Non-Controlling Interest

Non-controlling interest	In RSD thousand	
	31.12.2020	31.12.2019
Non-controlling interest - in equity capital	94,616	94,701
TOTAL	94,616	94,701

In order to properly fill out the Statement of Changes in Equity in compliance with the logical and accounting controls of the Business Registers Agency, **non-controlling interest** was determined only for the basic capital of the Companies with the shares of minority shareholders.

Within the Statement of Other Comprehensive Income (EDP 2026), the total net comprehensive income amounts to RSD 880,386 thousand whereby share of majority owners of capital in the net comprehensive income amounting to RSD 941,204 thousand, while owners without control have share in the net comprehensive loss of RSD 60,818 thousand.

In order to fill Statement of Other Comprehensive Income in the prescribed manner and in accordance with the logical and accounting controls of the Business Registers Agency, the total net comprehensive income in the amount of RSD 880,386 thousand (EDP 2026) had to be shown as that figure within items attributed to the majority capital owners (EDP 2027).

Non-controlling interest are broken down in the following table for the total equity of the Companies with the shares of minority shareholders.

Structure of non-controlling interest for total capital of the Companies with shares of minority shareholders	<i>In RSd thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Equity capital	5,885,463	5,912,726
Non-controlling interest - in equity capital	(94,616)	(94,701)
<i>Total equity capital</i>	<i>5,790,847</i>	<i>5,818,025</i>
Purchased own shares	49,827	49,827
Non-controlling interest - purchased own shares		
<i>Total purchased own shares</i>	<i>49,827</i>	<i>49,827</i>
Reserves	318,617	453,602
Non-controlling interest - in reserves	(17,996)	(18,008)
<i>Total reserves</i>	<i>300,621</i>	<i>435,594</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	5,718,877	5,973,916
Non-controlling interest - in revaluation reserves	(273,754)	(249,647)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>5,445,123</i>	<i>5,724,269</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	52,736	265,202
Non-controlling interest - in unrealized gains		(11)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>52,736</i>	<i>265,191</i>
Unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	25,346	17,055
Non-controlling interest - in unrealized losses	(27)	(27)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>25,319</i>	<i>17,028</i>
Retained earnings from previous year	4,907,513	4,614,170
Non-controlling interest - in retained earnings from previous year	(366,130)	(373,551)
<i>Total retained earnings from previous year</i>	<i>4,541,383</i>	<i>4,240,619</i>
Retained earnings from current year	1,024,734	644,886
Non-controlling interest - in retained earnings from current year	88,501	(55,437)
<i>Total retained earnings from current year</i>	<i>1,113,235</i>	<i>589,449</i>
Total capital of the companies with shares of majority sharehold	<i>17,168,799</i>	<i>17,006,292</i>
Non-controlling interest - in total capital	(663,968)	(791,328)
TOTAL CAPITAL	<i>17,832,767</i>	<i>17,797,620</i>

The structure of participation without the right to control - in the retained result of the current year by the companies in the Energoprojekt system is given in the following table.

The structure of participation without the right to control - in the retained earning (net result) of the current year by the companies	% share of minority shareholders	In RSD thousand	
		31.12.2020	31.12.2019
Energoprojekt Entel Plc.	0.00% in 2020 0.05% in 2019		196
Energoprojekt Industrija Plc.	37.23%	18,529	22,491
Energoprojekt Oprema Plc.	32.13%	(125,536)	8,332
Energoplast Ltd.	54.89% in 2020 54.90% in 2019	18,506	24,418
TOTAL		(88,501)	55,437

37. LONG-TERM PROVISIONS

Structure of long-term provisions	In RSD thousand	
	31.12.2020	31.12.2019
Provisions for wages and other employee benefits	262,890	285,334
Provisions for warranty period costs	579,499	606,134
Provision for legal costs	14,399	2,320
Other long-term provisions		
<i>Total</i>	0	0
TOTAL	856,788	893,788

• **Provisions for wages and other employee benefits** (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation made on 31.12.2020.

In the projection of provision calculation under IAS 19 the deductive approach was used, meaning that all the Companies were treated as a whole, and based on general regularities and use of the number of employees as a template, allocation to specific Companies was performed. Considering that all subsidiaries are controlled by the same Company, the applied approach is objective and the projection results can be recognized as expected.

Decrease of the provision amount based on current retirement bonus values in the country in the balance sheet as at 31.12.2020 in comparison to the retirement bonus values in the balance sheet as at 31.12.2019, was the result of several changed factors:

- on one hand, changes of some factors affect the increase of the provision amount (increase in the average expected retirement bonus by 9.21%); and
- on the other hand, changes of some factors affect the decrease of the provision amount (a decrease in the total number of employees by 11.69% and reduction the average years of service in the Company to 3.3%).

In addition to the above mentioned, the change in the provision structure per individual companies came as the result of the change in the aliquot part of the number of employees in individual companies against the total number of employees in the entire Company.

By taking into account the relevant provisions of IAS 19, the provision projections procedure was performed by following these steps:

- Firstly, according to employee gender, working experience and years of service in the Company; considering the expected annual fluctuation and mortality rate (estimated annual fluctuation and mortality rate), an estimation was made of the number of employees that will exercise the right to retirement bonus, as well as the period during which this bonus will be paid out;
- Secondly, considering provisions of the Company Collective Agreement, the bonus amount was appraised for each year of service indicated on the balance sheet date; and
- Thirdly, the discount factor, representing the discount rate to expected salary growth ratio, was used to determine the present value of the expected retirement bonus outflows.

The retirement bonus is, as of the beginning of 2015, pursuant to the provisions of the Collective Agreement in force, paid in the Company in compliance with the Article 57 of the Collective Agreement regulating employment in the country, according to which the Employer is to pay to the Employee retirement bonus amounting to two average gross salaries in the Republic of Serbia according to the latest data published by the relevant Republic authority in charge of statistics. In compliance with the legislation in force, the above mentioned amount is non-taxable.

Since the annual discount rate is necessary to determine the present value of (undue) retirement bonuses, as well as the average annual growth of salaries in the Republic of Serbia, these values shall be specified later in the text.

The rate of **4.5%** was accepted as the **annual discount rate**.

In the paragraph 83, IAS 19 it is explicitly stated that the rate used for discount should be defined according to market yields at the balance sheet date for high yield corporate bonds. In countries where there is no developed market for such bonds, market yields (at the balance sheet date) for government bonds should be used. The currency and term of the bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

Since the financial market of Serbia is insufficiently developed, the actual annual yield from the purchase of government bonds with the Republic of Serbia as the guarantor should be used as a reference for the determination of the discount rate as at the balance sheet date. In compliance to the above stated, the discount rate was determined according to the annual yield of long term government bonds issued by the Public Debt Administration of the Ministry of Finance of the Republic of Serbia, which were achieved in the relevant period. Annual yield on 12-years RSD securities issued on 01.12.2020 was 3.85%. Increased adopted discount rate compared to yield is a consequence of the fact that average maturity of benchmark securities is lower than average maturity of the benefits in question, and thus in the manner provided for in paragraph 86, IAS 19, the yield curve was extrapolated.

The annual expected salary growth in the Republic of Serbia was planned at the level of **2.5%**. The annual discount rate and annual salaries' growth depend on inflation rate.

The Memorandum of the National Bank of Serbia on the target inflation rates by 2023, adopted by the Executive Board of the National Bank of Serbia, determines the target total inflation rate (with permissible deviation) measured by annual percentage changes in the consumer price index, for the period from January 2021 to December 2023, in the amount of 3% with permissible deviation (positive and negative) of 1.5 percentage points.

The target inflation of 3% has been foreseen in the Memorandum for several years, but in real states it is generally lower (in 2020 - 1.3%; in 2019 – 1.5%; in 2018 – 2%; in 2017 - 3%; in 2016 - 1.6% and in 2015 - 1.5%). Therefore, it is more realistic to plan inflation 1.5 percentage point lower than the target.

From the above stated, it can be concluded that the planned long-term annual growth in real salaries in the Republic of Serbia is 1%, which is, bearing in mind the planned growth in domestic product in the following period, realistically achievable.

If the inflation rate would change in the future, the applied logic would result in the change of nominal wages, but also in the discount rate (that is predominantly defined by the inflation rate), so that the change would not lead to the change in results presented in this document. The methodology used, indicating the long-term planned annual growth of wages in the Republic of Serbia of 2.5% and long-term annual discount rate of 4.5%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 78 of IAS 19.

• **Provisions for warranty period** in the amount of RSD 579,499 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 468,575 thousand disclosed based on the provisions from prior periods within Energoprojekt Entel LTD, Qatar in RSD 373,193 thousand based on project Phase 11, Phase 12, Phase 13 and Mega Reservoirs performed for Qatar General Electricity and Water Corporation KAHRAMAA, and in the country in the amount of RSD 95,382 thousand based on Vinča projects - Preparation of project documentation, Activities of the Construction Manager (FIDIC Engineer) on the construction of a new block Kostolac B3 thermal power plant and Preparation of technical documentation and permitting of the consulting service TE-TO Pancevo.

Costs of provisions during warranty period was performed based on the best Management assessment and based on the previous experiences and is expected to be payable in a period of less than 5 years. Final amount of liability to be paid may differ from the provision amount, depending on the future developments. These provisions are not discounted, since the impact of such discount is of no material significance.

Compared to the previous year, the decrease in said provisions in the amount of RSD 129,293 thousand is a result of abolition of unused provisions in the amount of RSD 49,660 thousand (in the country on the projects: Development of technical documentation and permitting consulting services TE-TO Pančevo: RSD 35,542 thousand and in Energoprojekt Entel LTD, Qatar for Phase 11: RSD 14,118 thousand), of reductions from used provisions in the amount of RSD 42,355 thousand (Energoprojekt Entel LTD, Qatar for Phase 11) and recorded foreign exchange gains in the amount of RSD 37,278 thousand (including foreign operations in the company's books, in accordance with IAS 21 - Effects of changes in foreign exchange rates).

- Energoprojekt Oprema in the amount of RSD 5,102 thousand, based on remaining amount of provision from 2017, for the project Power line Pančevo - Romanian border: RSD 5,087 thousand and Dalekovod Belgrade Pancevo: RSD 15 thousand.

The Company usually provides guarantee for its products for the period of 1-5 years, depending on the project in question. Management assessed the provisions costs for the future warranty claims based on information about such claims from the previous periods, as well as based on the recent trends that may provide some indication that information on the costs from the past may differ from the future claims.

Compared to last year on given date, a decrease in related provisions by RSD 3,164 thousand is in its entire amount result of utilised provisions for projects: Transmission line Pancevo - Romanian border: RSD 2,350 thousand, Transmission line Belgrade Pancevo: RSD 472 thousand and Transmission line across the Danube: RSD 342 thousand.

- Energoprojekt Visokogradnja in the amount of RSD 105,822 thousand recorded for provisions made in the reporting year on projects: Z-107 Radiology Hospital Syktyvkar, Russia in the amount of RSD 88,185 thousand and in the country Chinese Cultural Center in the amount of RSD 17,637 thousand.

It is common practice for a company to provide a warranty on completed facilities that are expected to incur costs during the warranty period. The Company estimates the cost of provisions for future claims under the warranty period based on information about these claims in prior periods, as well as based on recent trends that could indicate that information on past costs may differ from future claims.

Changes in structure of long-term provisions for warranty period costs during the reporting period are broken down in the following table.

Structure of provisions for warranty period costs	<i>In RSD thousand</i>
As of 01 January 2019	501,487
Additional provision booked	187,384
Utilized in the year	(3,601)
Abolishing of unused provision	(85,506)
FX differences	6,370
As of 01 January 2020	606,134
Additional provision booked (Note 17)	105,822
Utilized in the year	(45,519)
Abolishing of unused provision (Note 21.1)	(49,660)
FX differences	(37,278)
As of 31 December 2020	579,499

• **Provision for legal costs** in the amount of RSD 14,399 thousand entirely relates to Energoprojekt Niskogradnja, whose professionals estimated future outflows from litigation performing analysis of current disputes and their status as of 31 December 2020, and thus ordered recording the provision in the amount of RSD 14,375 thousand. In addition, during 2020, pursuant to the court decision made against

the Energoprojekt Niskogradnja, the amount of RSD 1,925 thousand of provision for disputes under the verdict was utilised (for basic debt - compensation of non-pecuniary damage to the plaintiff: RSD 1,561 thousand and interest: RSD 364 thousand), while the surplus of provision booked as of 31 December 2019 was abolished in favor of revenue for current period in RSD 370 thousand.

The change in structure of long-term provisions for legal costs occur in the reporting period is shown in the table below.

Structure of provision for legal costs	<i>In RSD thousand</i>
As of 01 January 2019	
Additional provision booked	2,320
Utilized in the year	
Abolishing of unused provision	
As of 01 January 2020	2,320
Additional provision booked	14,375
Utilized in the year	(1,926)
Abolishing of unused provision	(370)
As of 31 December 2020	14,399

38. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Liabilities towards other related companies	730,472	1,196,624
Liabilities for securities issued for a period over a year	3,300,000	
Long-term credits and loans domestic		
Long-term credits and loans foreign countries		203,021
Long term liabilities from financial leasing	74,125	5,405
Other long-term liabilities	452,453	157,047
TOTAL	4,557,050	1,562,097
Portion of long-term liabilities with maturity date up to a year (Note 39.3)	78,145	140,462

38.1. Liabilities Towards Other Related Parties

Structure of long-term loans and borrowings towards other related parties domestic	Interest rate	In RSD thousand	
		31.12.2020	31.12.2019
<i>Napred Razvoj Plc.</i>			
Long-term loan		726,175	1,196,624
Deferred interest loans	6% annual	4,297	
TOTAL		730,472	1,196,624

Liabilities towards other related parties in the amount of RSD 730,472 thousand entirely is the obligation of Energoprojekt Holding towards Napred Razvoj Plc. under the Annex no. 5 to the Loan Agreement no. 91 dated 29 March 2019 as follows:

- long-term loan in the amount of RSD 726,175 thousand (EUR 6,176 thousand) with maturity date 30.03.2022 (with the possibility of early repayment); and
- long-term interest loan for period March - June 2020 that was deferred (under the Decision of the National Bank of Serbia on Temporary Measures to Mitigate the Effects of the COVID-19 Pandemic in Order to Maintain the Stability of the Financial System - a postponement in repayment of obligations - Moratorium) in RSD 4,297 thousand (EUR 36 thousand). According to the repayment schedule interest is payable monthly in equal installments until the due date (interest that is due as of 31.12.2021 of RSD 17,188 thousand is recorded within the item - Interest payable and financing costs - Note 42).

The Company issued 4 solo blank signed bills of exchange to secure the repayment of loan.

38.2. Liabilities for Securities Issued for a Period Over a Year

Liabilities for securities issued for a period over a year	In RSD thousand	
	31.12.2020	31.12.2019
Liabilities for securities issued for a period over a year	3,300,000	
TOTAL	3,300,000	

• **Liabilities for securities issued for a period over a year** in the amount of RSD 3,300,000 thousand relate entirely to Energoprojekt Holding for issued long-term corporate bonds on 30.12.2020. The number of issued bonds is 330,000 individual with a nominal value of RSD 10,000.00 (under the Decision of the Assembly dated 23.07.2020 on the issuance of corporate bonds through a public offering and the decision of the Supervisory Board dated 25.11.2020 on the issuance of the first issue of corporate bonds), with a maturity date of 30.12.2025 and quarterly calculation and payment of interest.

38.3. Long-Term Credits and Loans

Structure of long-term credits and loans	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
In the country:		
a) Long-term loans granted by banks in the country:		
Eurobanka		
<i>Total</i>	-	-
b) Long-term loans granted by other domestic legal entities		
<i>Total - loan in the country</i>	-	-
Abroad:		
Long-term loans granted by other legal entities abroad		203,021
<i>Total - loan abroad</i>		203,021
TOTAL	0	203,021

- **Decrease in Long-term loans granted by other entities abroad** in the amount of RSD 203,021 thousand (USD 1,935 thousand) entirely relate to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the former SFRY Republics on the HPP Baniya II Project in Guinea, which are now credited to income (Note 21.1.).

After balancing off accounts of the working unit abroad, the Energoprojekt Niskogradnja wrote off part of its receivables from investors in 2004, thus reducing the balance of uncollected receivables (USD 2,450 thousand) (Note 28) to the existing amount of total liabilities to subcontractors (USD 1,935 thousand) with accrued interest (USD 515 thousand) (Note 43.3). On 31.12.2020, Energoprojekt Niskogradnja made a decision on direct write-off of previously impaired receivables from the investor as well as liabilities (for principal and accrued interest) to subcontractors (Note 21.1).

38.4. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Financial leasing liabilities	74,125	5,405
TOTAL	74,125	5,405

- **Long term liabilities from financial leasing** were effectively insured as the lessor's right to return of the financial lease asset in case of defaulting.

Of the total long-term financial lease liabilities amounting to RSD 74,125 thousand, the share in the amount of RSD 70,378 thousand relate to Energoprojekt Niskogradnja, RSD 2,265 thousand to Energoprojekt Visokogradnja and RSD 1,482 thousand to Energoprojekt Oprema.

Detailed information on total financial lease (long-term as well as short-term) liabilities of Energoprojekt Niskogradnja is presented in the following table.

Creditor	Currency	Remaining obligation stated in foreign currency	Remaining obligation stated in RSD thousand	Repayment schedule and maturity date
<i>Finance lease liabilities in the country:</i>				
OTP Leasing Srbija	EUR	966,782	113,674	monthly up to 15.08.2023
TOTAL			113,674	

Detailed information on total financial liabilities of Energoprojekt Niskogradnja stated in dinars, as at 31.12.2020, deferred into liabilities up to a year (stated within short-term liabilities) and liabilities over a year (stated within long-term liabilities).

Creditor	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liability</i>
OTP leasing Srbija	70,378	43,296	113,674
TOTAL	70,378	43,296	113,674

Structure of financial lease liabilities by maturity	<i>In RSD thousand</i>	
	<i>Present value</i>	<i>Future value</i>
Up to a year	43,296	47,047
From 1 to 5 years	70,378	73,003
Over 5 years		
TOTAL	113,674	120,050

The difference between the future value of the minimum lease payments and their present value represents the interest rate contained in the lease installments.

Increase in finance lease liabilities compared to the prior year by RSD 68,720 thousand predominantly related to Energoprojekt Niskogradnja based on leasing contracts concluded in 2020 for procurement of equipment and mechanization, mostly for the needs of Vinca Landfill Reconstruction project.

38.5. Other Long-Term Liabilities

Structure of other long-term liabilities	In RSD thousand	
	31.12.2020	31.12.2019
Other long-term liabilities	452,453	157,047
TOTAL	452,453	157,047

• **Other long-term liabilities** in the amount of RSD 452,453 thousand, mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 266,990 thousand, relate to the obligation for retained guarantee deposit of subcontractors primarily on project Chinese Cultural Center: RSD 216,843 thousand (from several companies);

- Energoplast in the amount of RSD 74,017 thousand - distribution of retained earnings to the shareholder Chartered Oil Inc. originated from:

- 2013 and 2017 in the amount of RSD 56,380 thousand (which, in accordance with the decision of the Assembly dated 20.12.2019, will be paid once a year in the period until 2026 as follows: RSD 11,753 thousand to end of each year in the period from 2022 to 2025 and RSD 9,368 thousand in 2026. Short-term liability for dividends to be paid by the end of 2021 amounts to RSD 23,506 thousand (outstanding liability for 2021: RSD 11,753 thousand and liabilities for 2022: 11,753 thousand dinars) - Note 42); and
- 2020 in the amount of RSD 17,637 thousand (which will be paid in accordance with the decision of the Assembly dated 29.10.2020 following the possibilities of business conducted);

- Energoprojekt Holding in the amount of RSD 37,928 thousand relate to:

- long-term advance received from the company Jerry catering service Ltd., in the amount of RSD 27,812 thousand (EUR 235 thousand) for long-term lease (for 15 years) for part of the business office within the building complex "Samački hotel" in Zemun; and
- taxes and contributions on salaries for the period March - May (in accordance with the Decree on Fiscal Benefits and Direct Benefits to Companies and Financial Assistance to Citizens to Mitigate the Economic Consequences of COVID-19) and for August in accordance with the Conclusion of the Government of the RS in the total amount of RSD 10,116 thousand. The payment of obligation in question was postponed in accordance with the Decree on the Procedure and Manner of Deferral of Payment of Due Taxes and Contribution adopted in order to mitigate the economic consequences caused by COVID-19 Disease and it will be paid off until 10.01.2023 (portion of liability for taxes and contributions on salaries up to a year in the amount of RSD 8,559 thousand. The figure is recorded within the item Current portion of long-term liabilities in the country maturing within a year - Note 39.3); and

- Energoprojekt Niskogradnja in the amount of RSD 35,593 thousand entirely related to tax liabilities and contributions to salaries with maturities in 2022 and 2023. Pursuant to the Decree on Fiscal Benefits and Direct Benefits to Companies and Financial Assistance to Citizens to Mitigate the Economic Consequences of COVID-19, the taxes and contributions on salaries and wage compensations for April, May, June, August and September 2020 was postponed (part of the tax liability and contributions to

salaries up to a year in the amount of RSD 21,107 thousand was recorded within the item Liabilities on salaries and wages compensations - Note 42).

39. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Short-term credits and loans in the country	782,626	3,681,150
Short-term credits and loans abroad	150,068	429,149
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	78,145	140,462
b) Other short-term financial liabilities	118	124
Total	78,263	140,586
TOTAL	1,010,957	4,250,885

39.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2020</i>
Short-term loans granted by banks in the country:		
a) Loans in RSD		191,753
b) Loans with foreign currency clause	782.626	3,489,397
TOTAL	782.626	3,681,150

• **Short-term loans granted by banks in the country** in the amount of RSD 782,626 thousand relate to the following companies of the system Energoprojekt:

-
- Energoprojekt Visokogradnja in the amount of RSD 433,670 thousand - loan with a currency clause (Eur) granted by Unicredit Bank (EUR 3,688,287.47); and
- Energoprojekt Oprema in the amount of 348,956 thousand entirely related to loan with a currency clause (EUR) granted by Addiko Bank (EUR 2,9367,817).

Following the short-term loans granted by Unicredit bank, credit line users issued bills of exchange and Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema guarantees to secure the amount of loan granted; a mortgage was constituted against Energoprojekt office building and a pledge on the receivables of Energoprojekt Oprema on the Energocentar Minsk project, Belarus (Notes 45) was registered.

On the basis of short-term loans from Addiko bank, Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Visokogradnja issued a guarantee to secure the payment.

Net book value of short-term loans denominated in currencies is presented in the following table.

Structure of book value of short-term credit and loans in the country denominated in foreign currencies	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
RSD		191,753
EUR	782.626	3,489,397
TOTAL	782.626	3,681,150

39.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Short-term loans granted by foreign banks	150,068	429,149
Short-term loans granted by other legal and physical persons abroad		
TOTAL	150,068	429,149

• **Short-term loans granted by foreign banks** in the amount of RSD 150,068 thousand dominantly relate to Energoprojekt Niskogradnja in the amount of RSD 150,065 thousand granted by Banco Pinchicha in Peru, presented in the table below.

Bank	Currency	Remaining amount of liability stated in foreign currency	Remaining amount of liability stated in RSD 000	Repayment schedule and maturity date
Banco Pinchicha, Peru	USD	1,568,674	150,065	27.10.2021
TOTAL			150,065	

Loans granted by Banco Pinchicha Peru, is secured by pledge right put on land and facilities of Energoprojekt Niskogradnja (Note 45).

Decrease in short-term loans granted by foreign banks compared to last year on given date (on 31.12.) by RSD 279,081 thousand entirely refers to decrease in Energoprojekt Niskogradnja (loan repayments in Uganda and Peru).

39.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	In RSD thousand	
	31.12.2020	31.12.2019
Portion of long-term loans with maturity date up to one year:		
a) Portion of long-term loans in the country and abroad with maturity date up to one year		123,438
b) Financial lease liabilities with maturity date up to one year	46,236	12,004
c) Other long-term liabilities with maturity date up to one year	31,909	5,020
<i>Total</i>	<i>78,145</i>	<i>140,462</i>
Other short-term financial liabilities	118	124
TOTAL	78,263	140,586

Decrease in the **portion of long-term loans and borrowings in the country and abroad that mature up to a year** in relation to the same date of previous year by RSD 123,438 thousand entire relates to decrease in Energoprojekt Visokogradnja for repayment of the loan granted by Addiko Bank and Eurobank.

- **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 46,236 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 43,296 thousand (Note 38.4).

- **Other long-term liabilities with maturity dates up to one year** in the amount of RSD 31,909 thousand refer to Energoprojekt Hidroinženjering in the amount of RSD 14,266 thousand, Energoprojekt Industrija in the amount of RSD 9,084 thousand and Energoprojekt Holding in the amount of RSD 8,559 thousand. The entire obligation relates to taxes and contributions on salaries from 2020 that are due for payment during 2021, according to Decree on the Procedure and Manner of Deferral of Payment of Due Taxes and Contribution Adopted in Order to Mitigate the Economic Consequences Caused by COVID-19 Disease.

40. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	In RSD thousand	
	31.12.2020	31.12.2019
Advances received from other related parties	941	34,727
Advances received from other legal entities and physical bodies in the country	3,109,384	3,839,822
Advances received from other legal entities and physical bodies, abroad	802,604	1,136,676
Deposits received in the country and abroad	3,624	9,089
TOTAL	3,916,553	5,020,314

- **Advances received from other related parties** in the amount of RSD 941 thousand relate to liabilities towards Enjub Ltd. recorded in Energoprojekt Urbanizmu i arhitektura in the amount of RSD 669 thousand and towards Energopet Ltd. recorded in Energoprojekt Industrija in the amount of RSD 272 thousand.

Decrease in liabilities of advances received from other related parties in relation to given date in previous year by RSD 33,786 thousand, was predominantly recorded due to reclassification of liabilities to the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 33,132 thousand within the item Advances received from other legal entities and individuals abroad (Note 2).

- **Advances received from other legal entities and physical bodies in the country** in the amount of RSD 3,109,384 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 1,668,555 thousand from advances received from investors, primarily on the following projects: Modernisation of TPS Zemun (Serbia Voz): RSD 1,080,260 thousand, Railway Jajinci - Mala Krsna (Serbian Railway Infrastructure): RSD 70,344 thousand and Reconstruction of Vina Landliff (Beo Cista Energija Ltd.): RSD 515,523 thousand;

- Energoprojekt Park 11 in the amount of RSD 989,123 thousand from received advances based on the sale of real estate within the residential and business complex Park 11 in Block 11, New Belgrade; and

- Energoprojekt Visokogradnja in the amount of RSD 396,705 thousand, predominantly on the basis of advances received from investors on the projects: Smatsa Air Traffic Control (Serbia and Montenegro Air Traffic Control Smatsa Ltd.): RSD 324,198 thousand and Delta Headquarters (NBGP Properties Ltd.): RSD 72,010 thousand.

Decrease in liabilities arising from advances received from other legal entities and physical bodies in the country, compared to last year (on 31.12.) by RSD 730,438 thousand, mainly is the result, on the one hand, of increase in Energoprojekt Visokogradnja in the amount of RSD 205,620 thousand (primarily on the projects Smatsa Air Traffic Control and Delta Headquarters) and on the other hand, of decrease on the basis of justification of advances through performed works in the current period in Energoprojekt Niskogradnja in the amount of RSD 123,167 thousand (primarily on the projects: Railway Jajinci - Mala Krsna, Zeleni bulevar and Reconstruction of Karadjordjeva Street) and in Energoprojekt Park 11 in the amount of RSD 683,498 thousand (justification of advances when handing over real estate).

- **Advances received from other legal entities and physical bodies, abroad** in the amount of RSD 802,604 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 397,313 thousand, advances received, for projects in Peru: RSD 310,266 thousand, primarily projects Z-044 Control of the Ika River overflow (Proyecto Especial Tambo Ccaracocha): RSD 354,314 thousand and Z-040 Irrigation system San Antonio (Consortio Energoprojekt - CCEQO): RSD 42,998 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 322,837 thousand mostly advances received for project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 261,511 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 53,164 thousand (primarily Ernest Chemist Limited: RSD 22,296 thousand and Asikes Ventures Limited: RSD 29,995 thousand); and

- Energoprojekt Oprema in the amount of RSD 35,323 thousand, predominantly liabilities advances received from Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 33,132 thousand (reclassified from the item Liabilities from advances received from other related legal entities - Note 2).

Decrease in liabilities for advances received from other legal entities and physical bodies, abroad compared to last year on given date (on 31.12.) by RSD 334,072 thousand, primarily refers to decrease of advances received in Energoprojekt Niskogradnja in the amount of RSD 145,939 thousand (primarily as a net effect of reductions on projects: Z-042 Mpigi Town Roads, Uganda: RSD 202,175 thousand, Z-041 Kampala Mukono Road Repair, Uganda: RSD 30,811 thousand and Z-040 San Antonio, Peru: RSD 53,562 thousand and increases on the project Z-044 Ika River, Peru: 165,310 thousand dinars) and in Energoprojekt Visokogradnja in the amount of RSD 141,392 thousand (mostly as a net effect of the reduction on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia and increase on the project Z-112 Hotel Hyatt Rostov 2, Russia).

- **Deposits received in the country and abroad** in the amount of RSD 3,624 thousand predominantly relate to Energoprojekt Niskogradnja, for received deposits for renting apartments in the building "Cruz del Sur", Peru, in the amount of RSD 2,211 thousand and Dom 12 SAL, Lebanon for received deposits for renting business premises in the building in Moscow in the amount of RSD 1,200 thousand.

41. OPERATING LIABILITIES

Struktura obaveza iz poslovanja	In RSD thousand	
	31.12.2020	31.12.2019
Suppliers - other related companies in the country	80,950	83,250
Suppliers - other related companies, abroad		5,777
Suppliers in the country	2,458,210	2,786,730
Suppliers, abroad	1,428,432	1,585,830
Other operating liabilities	12,836	2,766
TOTAL	3,980,428	4,464,353

- **Suppliers – other related parties, in the country** in the amount of RSD 80,950 thousand relate to liabilities towards the following companies:

- CC Napred Plc. Belgrade in the amount of RSD 74,370 thousand, recorded in Energoprojekt Visokogradnja in the amount of RSD 63,736 thousand (primarily on the projects: Vinca Landfill: RSD 47,110 thousand and Smatsa Air Traffic Control: RSD 14,443 thousand), Energoprojekt Niskogradnja in the amount of RSD 9,893 thousand (procurement of materials) and in Energoprojekt Oprema in the amount of RSD 741 thousand (primarily transport services - relocation of warehouses: RSD 724 thousand); and

- Napred Razvoj Plc. in the amount of RSD 6,580 thousand recorded in Energoprojekt Holding (obligation for part of the loan servicing fee).

- **Decrease in suppliers – other related parties, abroad** in the amount of RSD 5,777 thousand

entirely relate to liabilities of Energoprojekt Oprema based on the reclassification of liability towards Energo Nigeria Ltd., Lagos, Nigeria to the item – Suppliers, abroad (Note 2).

- **Suppliers, in the country** in the amount of RSD 2,458,210 thousand relate mainly to Energoprojekt Visokogradnja in the amount of RSD 1,050,291 thousand, Energoprojekt Niskogradnja in the amount of RSD 994,244 thousand and Energoprojekt Oprema in the amount of RSD 309,099 thousand.

Suppliers, in the country - companies within system Energoprojekt with largest liabilities for trade payables as at the balance date are broken down in the following table.

Structure of suppliers in the country	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Energoprojekt Visokogradnja:</i>		
Jedinstvo Plc. Užice	141,398	
DMA Koping Ltd.	112,154	
Rasina Ltd.	64,109	
Energy Net Solution Ltd.	31,261	80,867
Cscod-sh Ltd.	31,186	188,148
Almont Ltd.	27,126	104,461
CCTV Centar Master Ltd.	26,935	
Termomont Ltd.	25,832	81,728
AL sistem Ltd.	19,283	36,810
Chuang Yi Arspire Ltd.	19,159	233,376
Other	551,848	1,185,997
Total	1,050,291	1,642,372
<i>Energoprojekt Niskogradnja:</i>		
Bauwesen d.o.o.	139,789	177,045
Ogranak Colas Rail SA Beograd	131,859	8,570
Opticus d.o.o.	63,004	
Baumeister d.o.o	60,488	
Ingrap Omni d.o.o.	59,783	
Telekomunikacija d.o.o	58,946	
Signaling d.o.o.	37,468	
Fanu d.o.o	35,375	
City Road Group d.o.o.	34,957	
Telefonkabl a.d	31,234	11,824
Other	341,341	375,900
Total	994,244	573,339
<i>Energoprojekt Oprema:</i>		
GP Planum Plc.	38,057	40,622
Kodar Energomontaža Ltd.	28,568	28,571
Energotehnika Južna Bačka Ltd.	27,533	27,535
Ful Elektro Ltd.	23,385	
Roaming networks security Ltd.	15,950	
Decimal pro Ltd.	15,225	
Elektrometal plus Ltd.	15,163	
Sidek Inženjering Ltd.	2,002	15,403
Other	143,216	295,444
Total	309,099	407,575

Decrease in liabilities to suppliers, in the country compared to last year on given date (on 31.12.) by RSD 328,520 thousand dinars is mostly the result, on the one hand, of decrease in Energoprojekt Visokogradnja in the amount of RSD 592,081 thousand (primarily on the project Chinese Cultural Center) and in Energoprojekt Oprema: RSD 98,476 thousand dinars (primarily on the projects Ada Mol and Kolubara Landfill) and, on the other hand, increases in Energoprojekt Niskogradnja in the amount of RSD 420,905 thousand (primarily on the projects Modernization of TPS Zemun, Reconstruction of Landfill Vinca and Railway Jajinci - Mala Krsna) and in Energoplast in the amount of RSD 17,713 thousand (primarily procurement of raw materials for production from Resinex Ltd.).

• **Suppliers, abroad** in the amount of RSD 1,428,432 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 571,771 thousand (primarily in Peru: RSD 180,891 thousand and in Uganda: RSD 145,984 thousand, as well as in the country, projects: RSD 244,896 thousand);

- Energoprojekt Entel in the amount of RSD 507,420 thousand (primarily in Energoprojekt Entel LTD, Doha, Qatar: RSD 427,152 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 35,765 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 44,503 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 303,085 thousand (mostly, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 143,380 thousand and the projects: Z-114 Syktyvkar Stadium, Russia: RSD 77,263 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 76,217 thousand).

Decrease in liabilities to suppliers abroad compared to last year on given date (on 31.12.) by RSD 157,398 thousand dinars, is primarily the result, on the one hand, of decrease in Energoprojekt Niskogradnja: RSD 85,332 thousand (primarily in Peru) and in Energoprojekt Entel: RSD 94,706 thousand (primarily in the companies: Energoprojekt Entel LTD, Doha, Qatar: RSD 36,753 thousand, Energo Consult LLC Abu Dhabi, UAE: RSD 32,318 thousand and Energoprojekt Entel LLC Oman, Oman: RSD 19,750 thousand dinars) and, on the other hand, of increases in Energoprojekt Visokogradnja: RSD 69,113 thousand (primarily on the project Z-114 Stadium Syktyvkar, Russia).

• **Other operating liabilities** in the amount of RSD 12,836 thousand primarily refer to Energoprojekt Niskogradnja in the amount of RSD 6,178 thousand, from issued checks to suppliers in Peru in behalf of settlement of liabilities, which on 31 December 2020 were not realized and to Energoprojekt Visokogradnja in the amount of RSD 5,826 thousand, primarily from issued checks in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 3,289 thousand.

42. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Liabilities from special transactions - other legal entities	8,415	
Liabilities for wages, fringe benefits and compensations	653,270	733,956
Other liabilities:		
a) Liabilities for interest and financing costs	21,762	8,668
b) Liabilities for dividends	57,338	45,957
c) Liabilities to employees	34,462	26,863
d) Liabilities to General Manager, or to management and Supervisory Board members	2,298	4,057
e) Liabilities to physical persons for contractual compensations	6,599	6,665
f) Liabilities for short-term provision	5,794	
g) Other various liabilities	57,285	47,669
<i>Total</i>	<i>185,538</i>	<i>139,879</i>
TOTAL	847,223	873,835

- **Liabilities from special transactions - other legal entities** in the amount of RSD 8,415 thousand relate entirely to the liability of Energoprojekt Holding towards Erste banka Plc. Novi Sad, which was engaged as the Issue Agent during the issue of corporate bonds of the company. The fee was calculated in the amount of 0.3% on the value of issued corporate bonds.

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 653,270 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, etc.) relate predominantly to Energoprojekt Entel in the amount of RSD 210,222 thousand (abroad: RSD 167,329 thousand, in the country: RSD 42,893 thousand), Energoprojekt Niskogradnja in the amount of RSD 156,330 thousand (abroad: RSD 80,164 thousand, in the country: RSD 76,166 thousand of which the amount of RSD 21,107 thousand relates to calculated and unpaid taxes and contributions on salaries - Note 38.5), Energoprojekt Visokogradnja in the amount of RSD 164,111 thousand (abroad: RSD 60,284 thousand, in the country: RSD 103,827 thousand), Energoprojekt Hidroinženjering in the amount of RSD 44,607 thousand (abroad: RSD 23,812 thousand, in the country: RSD 20,795 thousand), Energoprojekt Oprema in the amount of RSD 24,807 thousand (in the country) and Energoprojekt Industrija: RSD 14,063 thousand (in the country: RSD 14,012 thousand, abroad: RSD 51 thousand).

- **Liabilities for interest and financing costs** in the amount of RSD 21,762 thousand predominantly relate to Energoprojekt Holding in the amount of RSD 17,188 thousand based on part of the long-term interest liability from loan granted by Napred Razvoj Plc. for the period March - June (under the Decision of the National Bank of Serbia on temporary measures to preserve the stability of the financial system, which established a moratorium on repayment of credit obligations), which expires on 31.12.2021 (Note 38.1).

- **Liabilities for dividends** in the amount of RSD 57,338 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 20,366 thousand, dividend liabilities from 2018: RSD

4,463 thousand and from previous years: RSD 15,903 thousand, which have not been paid due to unresolved property and legal relations until the balance sheet date hearings, etc.) and unopened ownership accounts of shareholders;

- Energoplast in the amount of RSD 23,506 thousand, liability to the shareholder Chartered Oil Inc. which will be paid in 2021 (Note 38.5);

- Energoprojekt Entel in the amount of RSD 6,907 thousand liabilities from 2017: RSD 1,733 thousand and from previous years: RSD 5,174 thousand (since the shareholders did not open accounts, probate hearings, etc.); and

- Energoprojekt Oprema in the amount of RSD 6,269 thousand liabilities from previous years.

• **Liabilities for short-term provision** in the amount of RSD 5,794 thousand relate entirely to the Energoprojekt Energodata for severance pay upon termination of the employment contract (social program) for nine employees.

• **Other various liabilities** in the amount of RSD 57,285 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 32,290 thousand dinars, predominantly liabilities to shareholders for forced purchase of shares of Energoprojekt Entel in the amount of RSD 31,987 thousand. Corporate agent M&V Investments on 15.09.2019 returned funds deposited for forced purchase of shares of Energoprojekt Entel, in respect of those shareholders with unappropriated data, payment could not be realized. The Company settles related obligations at the shareholders request;

- Energoprojekt Niskogradnja in the amount of RSD 12,891 thousand for calculated and unpaid commissions under guarantees on projects in the country in the amount of RSD 6,061 thousand (namely, unpaid commissions under guarantees in accordance with the Decision of the National Bank of Serbia on temporary measures to preserve stability financial system due to the COVID-19 pandemic: RSD 3,936 thousand and commissions on guarantees due in January 2021: RSD 2,125 thousand) and liabilities to the Trade Union Organization, the Employee Social Assistance Fund, liabilities to third parties based on suspensions from salaries of employees (legal and administrative), etc. in the total amount of RSD 6,830 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 3,215 thousand (suspensions from salaries for union membership fees: RSD 1,068 thousand, suspension in RSD 1,470 thousand, etc.).

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

43.1. Liabilities for Value Added Tax

Liabilities for value added tax	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Liabilities for value added tax	215,787	163,963
TOTAL	215,787	163,963

• **Liabilities for value added tax** in the amount of RSD 215,787 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 155,802 thousand (entirely abroad, on WUs abroad: RSD 146,056 thousand, in Energoprojekt Ghana Ltd., Accra: RSD 9,688 thousand and in Energoprojekt Montenegro, Montenegro: RSD 58 thousand), Energoprojekt Park 11 of RSD 25,600 thousand and Energoprojekt Entel in the amount of RSD 15,302 thousand.

43.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	In RSD thousand	
	31.12.2020	31.12.2019
Liabilities for income tax	182,843	25,693
Liabilities for other taxes, contributions and fees payable	44,890	26,638
TOTAL	227,733	52,331

• **Liabilities for income tax** in the amount of RSD 182,843 thousand mostly refer to the Energoprojekt Park 11 in the amount of RSD 100,921 thousand – entirely income tax duty payable in the country.

Increase in income tax duty compared to last year on given date (on 31.12.) by RSD 157,150 thousand predominantly is the result of increase in Energoprojekt Park 11 in the amount of RSD 100,921 thousand.

• **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 44,890 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 23,052 thousand dinars, of which the most significant amount relates to the liability for value added tax: 14,217 thousand dinars (in Uganda: 12,136 thousand dinars and Peru: 2,081 thousand dinars, settled within the legal deadline - in January 2021) and the tax liability profit in Peru: RSD 5,814 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 16,123 thousand, where the most significant part refers to unpaid obligations for taxes and contributions for workers abroad.

43.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	In RSD thousand	
	31.12.2020	31.12.2019
Accrued expenses:		
a) Accrued expenses - other related companies	38	-
b) Accrued expenses - other legal entities	624,266	751,674
<i>Total</i>	<i>624,304</i>	<i>751,674</i>
Deferred income - other legal entities	390,168	132,254
Other accruals	233,832	269,962
TOTAL	1,248,304	1,153,890

• **Accrued expenses - other legal entities** in the amount of RSD 624,266 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 368,606 thousand, with no invoices received as at 31 December 2020 (cost calculation performed, mainly, based on invoices received in 2021 (for 2020), as well as valuation costs by experts for projects in the country and abroad, based on appropriate records: construction log, surveying, subcontractors demands for interim (payment) certificate verification, etc.), mostly related to:

- Accrued expenses in the country: RSD 308,539 thousand entirely related to accrued expenses in 2020, mostly on projects: Zeleni Bulevar: RSD 43,526 thousand (primarily subcontracting services), TPS Zemun: RSD 196,203 thousand (subcontracting services: RSD 196,197 thousand), Reconstruction of Karadjordjeva Street: RSD 45,233 thousand (subcontracting services), Railway Jajinci - Mala Krsna: RSD 17,808 thousand (predominantly subcontracting services: RSD 17,602 thousand);
- Accrued expenses in Peru: RSD 48,871 thousand, mainly on projects: Z-034 Road Puerto - Bermudez, Peru: RSD 11,981 thousand (primarily administrative costs of the consortium - part of the contractual obligation: RSD 7,820 thousand), Z-040 Irrigation System San Antonio, Peru: RSD 6,603 thousand (costs of insurance of workers and vehicle, subcontracting costs, lease costs, etc.) and Z-039 Canal Via Cienguillo, Peru: RSD 7,774 thousand (primarily, supplier costs and lease of machinery); and
- Accrued expenses in Uganda: RSD 11,196 thousand, mostly on project Z-027 Mpigi - Kanoni, Uganda: RSD 10,411 thousand (subcontracting services).

- Energoprojekt Visokogradnja in the amount of RSD 84,941 thousand relate to contractual obligations under construction contracts and represent the obligations to buyers. These costs are calculated in the realization towards investors, and until the day of making the balance, they are not invoiced by suppliers and subcontractors. In the country they amount to RSD 51,145 thousand (Chinese Cultural Center: RSD 10,172 thousand dinars, Navigator 2 Bussines Center: RSD 25,894 thousand and Park 11: RSD 12,320 thousand dinars), and abroad: RSD 33,796 thousand (primarily on the projects Z-114 Stadion Siktivkar, Russia: RSD 29,861 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 2,361 thousand).

- Energoprojekt Hidroinženjering in the amount of RSD 51,489 thousand, abroad RSD 34,924 thousand for accrued expenses of subcontractors: RSD 25,833 thousand (primarily on projects: Yaraskay, Peru: RSD 7,160 thousand; Seklafa, Algeria: RSD 4,484 thousand; Securisation, Algeria: RSD 3,387 thousand; Komarnica, Montenegro: RSD 3,526 thousand) and from accrued penalties for delayed work on projects in Algeria: RSD 7,349 thousand (primarily on projects: Sidi Naceur, Algeria: RSD 1,722 thousand and Tabeggart, Algeria: RSD 3,206 thousand), while accrued expenses of subcontractors in the country relate to: RSD 16,565 thousand (primarily on projects: Djerdap: RSD 7,611 thousand and Macva: RSD 3,024 thousand);

- Energoprojekt Sunnyville in the amount of RSD 49,011 thousand for accrued expenses on behalf of the correction of the price for land according to the Contract on purchase and sale of real estate (city construction land k.p.2199 / 1 K.O. Višnjica) OPU: 854-2015 from 01.04.2015;

- Energoprojekt Oprema in the amount of RSD 52,459 thousand, primarily from accrued expenses of

subcontractors on the projects Modernization of TPS Zemun: RSD 33,166 thousand and RTB Bor (from previous years): RSD 7,674 thousand and accrued obligation towards bank for interest for December: RSD 8,491 thousand;

Decrease in accrued expenses - other legal entities, compared to last year on given date (on 31.12.), by RSD 127,408 thousand, mostly refers mostly refers, on the one hand, to reduction in Energoprojekt Niskogradnja in the amount of RSD 145,945 thousand (in the country: RSD 86,129 dinars, primarily on the project Zeleni Bulevar, and abroad: RSD 59,816 thousand, mostly write-off interest to subcontractors on completed Banye II project, Guinea as at 31 December 2020 in the amount of RSD 54,054 thousand (USD 515 thousand) - after balancing, in 2004 a part of receivables from investors was written off, thus the balance of uncollected receivables (Note 28) reduced to the existing amount of total liabilities to subcontractors (Note 38.3) with accrued interest, while income from write-off of accrued interest was credited to the results of the current period (Note 21.1)) and in Energoprojekt Hidroinženjering in the amount of RSD 28,084 thousand (primarily on projects: Sidi Naceur, Algeria: RSD 7,941 thousand, Village Dam: RSD 5,480 thousand, Securization, Algeria: RSD 3,445 thousand, Seklafa: RSD 3,334 thousand, Djerdap: RSD 3,332 thousand, Municipality of Negotin: RSD 3,200 thousand) and on the other hand, increases in Energoprojekt Visokogradnja in the amount of RSD 54,945 thousand (abroad: RSD 20,423 thousand, primarily on the project Z -114 Syktyvkar Stadium, Russia and in the country: RSD 34,522 thousand dinars, primarily on the projects: Navigator 2 Bussines Center and Park 11).

Deferred income - other legal entities in the amount of RSD 390,168 thousand, mainly were recorded in accordance with verified in advance interim certificate by investor for works that were not completed in 2020, in Energoprojekt Niskogradnja in the amount of RSD 245,930 thousand (primarily on the projects: Modernization of TPS Zemun: RSD 186,423 thousand dinars and Railway Jajinci - Mala Krsna: RSD 59,507 thousand) and in Energoprojekt Visokogradnja in the amount of RSD 144,238 thousand (on projects: Chinese Cultural Center: RSD 66,267 thousand, Smatsa Air Traffic Control: RSD 25,491 thousand and Z-114 Stadion Syktyvkar: RSD 52,480 thousand).

Increase in deferred income - other legal entities compared to the given date of last year by RSD 257,914 thousand, predominantly refers to Energoprojekt Niskogradnja in the amount of RSD 254,930 thousand on the above projects.

• **Other accruals** in the amount of RSD 233,832 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 97,707 thousand, primarily obligation to the subcontractor for a guarantee deposit (retention) in the amount of RSD 73,773 thousand on the project Mega tanks in Energoprojekt Entel LTD, Doha, Qatar, which will be closed after collection of receivables for the guarantee deposit from the investor Qatar General Electricity & Water Corporation "Kahramaa";

- Energoprojekt Visokogradnja in the amount of RSD 87,013 thousand, for deferred value added tax duty in the country: RSD 37,280 thousand and abroad: RSD 49,733 thousand (dominant in the company in Ghana: RSD 49,692 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 46,304 thousand, primarily for deferred liability for value added tax in Uganda: RSD 46.146 thousand (payment certificates for work performed are verified

and issued in the reporting period, but the VAT return is submitted in the period of collection from investors in accordance with local regulations - VAT payment system upon collection) and in the country: RSD 158 thousand, which were settled within the legal terms.

Decrease in other accruals compared to last year on given date (on 31.12.) by RSD 36,130 thousand is the result, primarily, of decrease in Energoprojekt Visokogradnja: RSD 49,568 thousand (primarily, accrued value added tax in the country: RSD 45,451 thousand) and on the other hand, of increase in Energoprojekt Entel: RSD 19,051 thousand.

43.4 Deferred Tax Liabilities

Deferred tax assets and liabilities	In RSD thousand	
	31.12.2020	31.12.2019
Deferred tax assets	9,008	278,371
Deferred tax liabilities	499,479	755,238
Net effects of deferred tax assets / (liabilities)	(490,471)	(476,867)

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

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

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

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

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

A summary of changes in balance of deferred tax liabilities of the Company is presented in the following tables.

Balance and changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Balance of deferred tax liabilities at the end of the previous year	476,867	760,118
Balance of deferred tax liabilities at the end of the current year	490,471	476,867
Changes in balance of deferred tax liabilities	13,604	(283,251)

Changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Deferred tax (expenses)/income of the period	36,062	(7,316)
Revaluation reserves		
Retained earnings of the previous year	(22,458)	(275,935)
TOTAL	13,604	(283,251)

Based on the change in the balance of deferred tax assets and deferred tax liabilities in 2020, it can be concluded that in net effect there was increase in the balance of deferred tax liabilities compared to last year on given date by RSD 13,604 thousand and recorded as:

- charged to net results for 2020 (deferred tax expense for the period) in the amount of RSD 36,062 thousand (Note 23); and
- in favor of equity (retained earnings of the previous year) in the amount of RSD 22,458 thousand, based on the correction of deferred tax assets and deferred tax liabilities from the previous period.

Decrease of deferred tax liabilities on 31 December 2019 compared to the previous year recorded in favor of equity (retained earnings of previous year) by RSD 275,935 thousand, whereby the amount of RSD 275,615 thousand (Note 36.7) was recorded as increase in deferred tax assets due to the first application of IFRS 9 under Article 25a of the Law on Corporate Income Tax of RS), while the amount of RSD 320 thousand refers to corrections of deferred tax assets and deferred tax liabilities from the previous period.

44.OFF BALANCE SHEET ASSETS AND LIABILITIES

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

Structure of off balance sheet assets and liabilities is presented in the table below.

Structure of off balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Issued and received guarantees and letters of credits	12,148,280	16,439,053
Construction land use rights	3,124,618	2,976,717
Other off balance sheet assets/liabilities	324,061	287,016
TOTAL	15,596,959	19,702,786

45.MORTGRTGAGES REGISTERED IN FAVOUR AND/OR AGAINST THE COMPANY

- **Mortgages registered against companies within system Energoprojekt**

- Mortgage registered against properties in Qatar

- Energoprojekt Entel LTD, Doha, Qatar reserves the disposal and usufruct right with regard to the properties of total area of 4,488 m2, located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10,736 m2, in Doha - Qatar, Zone 44, East Al Naija, Al Mumtaza Street Doha Qatar, registered owner is a local private individual. The owner has mortgaged the property in the "Doha Bank" as collateral for performance guarantees for Energoprojekt Entel LTD., Doha, Qatar company.

- Mortgages registered against properties in Peru

Energoprojekt Niskogradnja:

- in order to secure a guarantee line granted by the Scotiabank Peru, property was mortgaged for the amount of RSD 1,338,157 thousand (USD 13,988,134), 104.18% of the total appraised value of property mortgaged. The registration of mortgage in excess of estimated property value was proposed by the Bank explaining the need to achieve greater coverage in the financial system which allows the bank to reduce the required reserves, placing funds in a higher amount and offering more favorable conditions. The Bank's proposal is based on a projection of increase in value of real estate in future. Appraisal for which the mortgage was constituted in favor of Scotiabank was made by the appraiser "PROVALUA S.A." (authorized by the competent authority of the Superintendencia de Banca y Seguros of the Republic of Peru, according to Confirmation No. 1079-99), which was hired by the company.
- in order to secure a credit line granted by the Banco Pichincha Peru (former Banco Financiero Peru), property was mortgaged for the amount of RSD 792,429 thousand (USD 8,283,492) which is 92.18% of the total appraised value of the property mortgaged which guarantees a credit line in the amount of USD 2.500.000. The value assessment was performed by an external independent qualified appraiser "PROVALUA S.A". Pursuant to the Sale and Purchase Agreement on sale of land - Santa Clara, Peru, the release of mortgage in favor of Banco Pichinch is envisaged, after the collection of contracted price from which the obligations towards the Bank will be paid. A mortgage of the second order in favor of Energoprojekt Niskogradnja S.A. Suc. Peru was constituted over the real estate which is the subject of the contract of sale up to USD 6,370,000. The purpose of this mortgage is to

guarantee collection of the total contract price, in accordance with Article 1118 of the Peruvian Civil Law.

Mortgage registered against Energoprojekt Niskogradnja is presented in the table below:

Property	Area in m2	Carrying amount	Estimated value	Estimated value
		In RSD 000	In USD	In RSD 000
Mortgage 1- Scotiabank, Peru				
Land - Camp Primavera, Sullana, Peru	95,907.47	29,479	5,565,314	532,399
Office space 16-18. floor, Lima, Peru	427.73	82,420	853,366	81,636
Building Cruz Del Sur, Lima, Peru	4,295.38	688,521	7,008,101	670,421
<i>Total (100%)</i>		800,420	13,426,781	1,284,456
Total (104,18%)			13,988,134	1,338,157
Mortgage 2 -Banco Pichincha, Peru				
Land - Santa Clara, Peru	23,009.70		8,986,011	859,635
<i>Total (100%)</i>		0	8,986,011	859,635
Total (92,18%)			8,283,492	792,429
Total Mortgage (99,37%)			22,271,626	2,130,586

• **Mortgage registered against property – Office Building of Energoprojekt**

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

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

with following Annexes (debtor Energoprojekt Hidroinženjering, mortgage borrower Energoprojekt Holding and joint debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema), on 19 March 2020, on Energoprojekt office building, executive out-of-court mortgage was established. The property is registered in the List of Properties No. 2652, CM Novi Beograd. The mortgage was established in favour of creditors in question and in accordance with Line Statement of the Energoprojekt Holding Plc. certified by competent authority comply with the Serbian Mortgage Law dated 31 January 2020.

Credit indebtedness of Energoprojekt Holding plc. and other debtors to banks was reduced as of 30 December 2020, and at the beginning of 2021 the Agreements, ie Annexes in respect of banking arrangements were concluded for:

- Erste Bank Plc. Novi Sad in the amount of EUR 27,000,000.00 under Annex no. 1 of the Multi-Purpose Framework Limit Agreement no. OVLC003/20;
- Unicredit Bank Serbia plc. Belgrade in the amount of EUR 436,190.46 under Annex no. 1 of the Revolving Line Agreement for issuing bank guarantees no. RL 0028/20;
- Unicredit Bank Serbia plc. Belgrade in the amount of EUR 3,688,287.47 under Annex no. 1 of the Short-term Loan Agreement No. RL 0029/20;
- OTP Bank Serbia Plc. in the amount of EUR 9,949,000.00 under the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2818/21; and
- OTP Bank Serbia Plc. in the amount of EUR 3,218,000.00 under the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2820/21, In respect to afore-noted on 30 March 2021, a request to the Republic Geodetic Authority - Real Estate Cadastre Service of New Belgrade for registration of an executive out-of-court mortgage of the first range on the Energoprojekt business building, was submitted. The mortgage is placed in favor of creditors in question. The Line Statement of the Energoprojekt Holding Plc. was certified by competent authority and in line with the Serbian Mortgage Law.

- Mortgage registered against property - Complex Stara Pazova

Pursuant to the Decision made by Energoprojekt Visokogradnja Shareholders Assembly dated 12 February 2020, and according to the bank arrangements made with:

- OTP Banka Srbija Plc. under Annex 1 of the General Agreement on short-term multipurpose revolving line no. MRL 11/20 in EUR 21,123,000 as well as all possible future annexes (mortgage debtor Energoprojekt Visokogradnja and debtors: Energoprojekt Holding, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), dated 19 February 2020. An executive out-of-court mortgage was constituted on the land and facilities of the Stara Pazova Complex, registered in the list of real estate number 10503 CM Stara Pazova as private property of the company Energoprojekt Visokogradnja, volume 1/1, in favor of OTP Banka Srbija Plc The Line Statement of the Energoprojekt Visokogradnja Plc. was certified by competent authority and in line with the Serbian Mortgage Law.

- Mortgage registered against property – Complex Samački hotel

Pursuant to the decision made by Supervisory Board of Energoprojekt Holding plc. dated 20 March 2020, and according to the bank arrangements made with:

- OTP Banka Srbija Plc. under Annex 3 of the General Agreement on short-term multipurpose revolving line no. MRL 11/20 on EUR 21,123,000 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering). On 17.03.2020 on Samački hotel and the accompanying buildings, executive out-of-court mortgage was registered. The property is registered in the List of Properties No. 2734 CM Zemun Polje as private ownership of Energoprojekt Holding Plc. Belgrade volume 1/1. The mortgage was established in favour of creditor in question and in accordance with Line Statement of the Energoprojekt Holding Plc. certified by competent authority comply with the Serbian Mortgage Law dated 13 March 2020.

Credit indebtedness of Energoprojekt Holding plc. and other debtors to banks was reduced as of 30 December 2020, and at the beginning of 2021 the Agreements was concluded on the basis of a banking arrangement, for a mortgage on real estate - Complex Stara Pazova and Complex Samački hotel, with:

- OTP Banka Srbija Plc. under Framework Agreement on Issuance Bank Guarantees, L/Cs and Binding Letters of Intent no. OUG 2819/21 on EUR 14,623,000.00. In respect of this matter on 30 March 2021, the Company submitted request to the Republic Geodetic Authority - Service for Real Estate Cadastre New Belgrade for entering executive out-of-court mortgage on Samački hotel and the accompanying buildings. The process was initiated in accordance with Line Statement of the Energoprojekt Holding Plc. certified by competent authority comply with the Serbian Mortgage Law.

- Pledge on receivables of Energoprojekt Oprema on the project Energocentar Minsk, Belarus

Pursuant to approvement of the Decision made on 38th Extraordinary Session of the Assembly of Energoprojekt Oprema dated 30.01.2020, a pledge on receivables for delivered equipment under the Arbitration Award for the project Energocentar Minsk, Belarus in the amount of USD 18,928,532.76, was registered in favor of banks for the amount of credit sub-limit under banking arrangements/guarantee-credit facilities, with:

- OTP bank Srbija Plc., Belgrade up to the amount of the credit sub-limit in EUR 11,073,180.63 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract;
- Erste bank Plc. Novi Sad up to the amount of the credit sub-limit in the amount of EUR 8,000,000.00 increased by accrued interest, default interest, fees, damages, regular costs or any other costs of fees under the contract; and
- Unicredit bank Srbija Plc. Belgrade up to the amount of the credit sub-limit in the amount of EUR 8,688,287.47 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract.

The Pledge Contract was entered in the Register of Pledge Right on Immovable Property and Rights, under the decision no. 821-1 / 2020 dated 14 February 2020.

Credit indebtedness of Energoprojekt Holding plc. and other debtors to banks was reduced as of 30 December 2020, and at the beginning of 2021 the Annex on the basis of a banking arrangement was made with:

- Unicredit banka Srbija Plc. Belgrade in the amount of EUR 3,688,287.47 under the Annex no. 1 of the Short-term Loan Agreement No. RL 0029/20.

• **Mortgages registered in favor of companies within system Energoprojekt**

Energoprojekt Holding:

- as collateral to secure the repayment of loan pursuant to the Annex No. 13 of the Loan Agreement No. 367, in the amount of RSD 16,167 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the executive extrajudicial mortgage based on Lien Statement, up to entire loan amount with added interest was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company; and
- as collateral to secure the repayment of the loan pursuant to the Annex No. 9 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,346 thousand (EUR 513 thousand), executive extrajudicial mortgage of the first order based on Lien Statement was registered, up to entire amount of the loan with added interest, provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street (mortgage was registered in the amount of EUR 1,198 thousand, since the mortgage was not removed related to the part of repaid loan in 2019 in the amount of EUR 685 thousand).

46.COMMITMENT AND CONTINGENCIES

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

Contingent assets that can potentially result in economic benefits for the Company may primarily arise **based on the lawsuits** in which the Company is involved as the plaintiff.

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

An overview of lawsuits is presented in the following tables. The presented amounts of lawsuits, with potential level of liabilities and receivables defined as at 31 December 2020, include principal amount only for each lawsuits.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
1.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Ungrounded	1st Basic Court in Belgrade	Uncertain	Uncertain First instance proceeding
2.	Kovacevic Pavle, Radmila and Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Ungrounded	Administrative court	Uncertain	Uncertain. The final decision of the administrative body rejected the request of the applicants. The applicants initiated an administrative dispute..
3.	EP Holding Plc.	Republika Srbija, EPS Srbija, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Founded in obtaining 13% of the total area of the hotel, but the value has not been established	Basic court, Niksic	2021	Claim is grounded; first-instance court accepted the claim; in appeal Respondents Second instance proceedings was terminated due to the bankruptcy of Epsturs Ltd. The Bankruptcy Trustee submitted a proposal to continue the procedure.
4.	Marko Martinoli, Activist Ltd. Activeast Ltd.	Montinvest properties Ltd., Napred razvoj Plc., Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Entel shares	RSD 176,744,730.15	Commercial Court in Belgrade	2021	Ungrounded for EP Holding First instance proceedings
5.	Nikola Malbaša, Marko Martinoli and other small shareholders of EP Industrija Plc.	Montinvest properties Ltd., Napred razvoj Plc., GP Napred Plc. Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Industrija Plc. shares	RSD 280,427,106.40	Commercial Court in Belgrade	2021	Ungrounded for EP Holding First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
6.	Decade Export-Import KFT Budapest	1) Vivand BT Budapest, 2) EP Holding Plc.	Determination of the nullity of the contract on assignment of EP Holding's Plc. claim to Vivand BT and Optional Sale&Purchase Agreement on sale of Real Estate	Indefinite	Court of City of Budapest, Commercial Department	2021	Uncertain. Our revision against lower court verdicts has been adopted, earlier decisions were abolished and the case was returned for re-trial. In the retrial, the court upheld the claim. We will appeal against the verdict. Second instance proceedings.
7.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Oprema Plc.	Without any value	Administrative court	2021	Uncertain. Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
8.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	Without any value	Administrative court	2021	Uncertain. Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
9.	Edmond Gašpar Gojko Babić Petar Rajačić	EP Holding Plc. Napred razvoj Plc.	Forced purchase of shares of Energoprojekt Industrija Plc.	1. RSD 1,500,822.40 with default interest (DI) from 09.03.2018 until payment; - DI in the amount of RSD 890,880.00 starting from 09.03.2018 to 07.05.2019	Commercial Court in Belgrade	2021	Uncertain The first-instance verdict accepted the claim, the appeal was filed

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
				<p>2. the amount of RSD 2,110,531.50 with DI from 09.03.2018 until payment</p> <p>- DI on the amount of RSD 1,252,800.00 starting from 09.03.2018 to 07.05.2019</p> <p>3. amount of RSD 2,157,432.20 with DI from 09.03.2018 until payment</p> <p>- DI on the amount of RSD 1,280,640.00 starting 09.03.2018 to 07.05.2019</p> <p>4. Costs of the procedure RSD 717,053.86</p>			
10.	Ep Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision, whereby the right to vote in EP Oprema Plc. was deprived to EP Holding	Without any value	Administrative court	2021	Uncertain. Administrative proceeding. Second instance proceedings. The procedure is pointless since the Holding has been restored the right to vote because the takeover procedure has been completed
11.	Ep Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision, whereby the right to vote in EP Industrija Plc. was deprived to EP Holding	Without any value	Administrative court	2021	Uncertain. Administrative proceeding. Second instance proceedings. The procedure is pointless since the Holding has been restored the right to vote because the takeover procedure completed

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
12.	Ep Holding Plc.	RS Securities Commission	Annulment of the final decision of the commission which terminated the decision-making procedure on the request for publication of the offer to take over EP Entel plc.	Without any value	Administrative court	2021	Uncertain. Administrative proceeding.
13.	Zoran Petrović	Ep Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2021	The claim was accepted. Appeal filed.
14.	Zoran Petrović	Ep Holding Plc.	Compensation for damages	RSD 900,000.00	Higher court in Belgrade	2021	Uncertain First instance proceedings.
15.	Ep Holding Plc.	Ringier Axel Springer Ltd. Belgrade	Determination of nullity of the contract and return of paid advance	RSD 18,000,000.00	Commercial Court in Belgrade	2021	Uncertain Second instance proceedings.
16.	Alco Investments Holding Ltd. Cyprus	Genesis capital, GP Napred Plc. EP Holding Plc.	Determination of nullity of Annex 1 of the Joint Construction Agreement (Block 26)	Without any value	Commercial Court in Belgrade	2021	Ungrounded in relation to EP Holding Plc. Termination of proceedings due to the initiating bankruptcy proceedings against Genesis Capital Ltd.
17.	Alco Investments Holding Ltd. Cyprus	GP Napred Plc. EP Holding Plc.	Fulfilment of contractual agreements	EUR 15,571,615.00	Commercial Court in Belgrade	2021	Unfounded. The first-instance verdict accepted the claim. Appeal upheld. In the new first-instance procedure, the claim was rejected
18.	Proinvestments Plc.	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of shares of the compulsory acquisition of EP VG	RSD 3.234.201,39	Commercial Court in Belgrade	2021	Uncertain. An adoption verdict was passed in the first instance, according to which the main debt with interest was paid. The plaintiff filed an

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
							appeal in relation to the costs of the procedure, and in that part the verdict is not final. A second-instance decision on costs is pending
19.	EP Holding Plc.	EP Oprema Plc. Jadran Ltd. Viacom VS Ltd.	Determination of nullity of the Agreement	EUR 700,000.00	Commercial Court in Belgrade	2021	Uncertain. Second instance procedure.
20.	Radmila Urošević Dragan Mandić Marko Đurović	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of shares of the compulsory acquisition of EP VG	RSD 454,669.95 RSD 124,574.31 RSD 420,504.00	Commercial Court in Belgrade	2021	Founded. An adoption verdict was passed in the first instance, according to which the main debt with interest was paid. The plaintiff filed an appeal in relation to the costs of the procedure, and in that part the verdict is not final. A second-instance decision on costs is pending
21.	Lekić Zoran and other	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 1,748,070.00	Commercial Court in Belgrade	2021	Founded. Ended with a court settlement. Payment by March 2021 in installments
22.	Dmitrović Jelena and others	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 983,453.70	Commercial Court in Belgrade	2021	Uncertain. The first-instance procedure was suspended until the decision on inheritance for the plaintiffs
23.	Dimitraki Zipovski	EP Holding Plc.	Debt	RSD 10,000,000.00	Higher court in Belgrade	2021	Uncertain First instance proceedings
24.	Vladimir Milanović	EP Holding Plc.	Debt	RSD 38,277,924.00	Higher court in Belgrade	2021	Uncertain First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
25.	Jovan Nikčević	EP Holding Plc.	Debt	RSD 8,705,623.60	Higher court in Belgrade	2021	Uncertain First instance proceedings
26.	Svetlana Stevovoć	EP Holding Plc.	Payment of the difference in the price of EP VG shares	RSD 654,934.98	Commercial Court in Belgrade	2021	Uncertain. First instance proceedings
27.	Vesna Prodanović	EP Holding Plc.	Debt	RSD 9,000,000.00	Higher Court in Belgrade	2021	Uncertain. First instance proceedings
28.	Ranko Ljubojević	EP Holding Plc.	Expropriation	RSD 32,370,000.00	Higher Court in Belgrade	2021	The final act in favor of the plaintiff. Revision filed.
29.	Alco Investments Holding LTD. Cyprus	GP Napred, EP Holding Plc.	Compensation for damages	RSD 1,763,775,000.00	Commercial Court in Belgrade	2021	Unfounded. First instance proceedings
30.	Dragan Opanković	EP Holding Plc. Napred razvoj Plc.	Redemption of shares of EP Industrija Plc.	RSD 1,808,724.94	Commercial Court in Belgrade	2021	Uncertain. First instance proceedings
31.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667,104.25	Commercial Court in Belgrade	Completed case	Final judgment approved the claim. Enforced collection must be carried out in Bosnia and Herzegovina
32.	EP Visokogradnja Plc.	Trudbenik gradnja in bankruptcy	Claim recognized in liquidation procedure	RSD 2,767,501.76	Commercial Court in Belgrade	Uncertain	Uncertain collection of receivables
33.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271,813.90	Commercial Court in Belgrade	2021	The first-instance procedure was terminated. Waiting for EP VG order to continue the process.
34.	EP Visokogradnja Plc.	Veso Romić	Unfounded acquisition	RSD 35,301,780.00	Commercial Court in Belgrade	Completed	Grounded In the process of enforced collection

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
35.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 290,385,390.00	Commercial Court in Belgrade	2021	Grounded; proceedings suspended.
36.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bankruptcy	Debt	RSD 1,340,520.00	Commercial Court in Valjevo	Uncertain	Receivables recognized in bankruptcy procedure.
37.	EP Visokogradnja Plc.	City of Belgrade, BG Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606.10 in behalf of principal debt	Commercial Court in Belgrade	2021	The claim of Hala BG Ltd was adopted by final judgment Our revision was adopted and the case for remaining amount of debt was returned for re-trial. First instance proceedings, expertise is on-going
38.	EP Visokogradnja Plc.	PIK Zemun in bankruptcy	Debt	RSD 33,705.46	Commercial Court in Belgrade	Uncertain	Declared receivables in bankruptcy.
39.	EP Visokogradnja Plc.	GZR Krstic, with Radomir Krstic as owner	Debt	RSD 115,776.00	Commercial Court in Belgrade	2021	Grounded. Enforced collection in process.
40.	EP Visokogradnja Plc.	SZR Kvirin, with Milan Tanaskovic as owner	Debt	RSD 31,642.40	Commercial Court in Belgrade	2021	Grounded. Enforced collection in process.
41.	EP Visokogradnja Plc.	Utva silosi Plc. Kovin in restructuring	Debt		Commercial Court in Pančevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
42.	EP Visokogradnja Plc.	Amiga Ltd. Kraljevo in restructuring	Debt	RSD 114,425.00	Commercial Court in Kraljevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
43.	EP Visokogradnja Plc.	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5,048,082.19	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
44.	EP Visokogradnja Plc.	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5,236,849.31	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
45.	EP Visokogradnja	FE Sekundar Ltd. Čortanovci in bankruptcy	Debt for the accommodation services	RSD 81,960.64	Commercial Court in Sremska Mitrovica	2021	Grounded. The company is in bankruptcy and the collection is uncertain.
46.	EP Visokogradnja	PD Anticor Ltd.	Debt for the accommodation services	RSD 16,732.40	Commercial Court in Belgrade	2021	Uncertain. Executive proceeding is on-going
47.	EP Visokogradnja	Stroj RU Inženjering Ltd.	Debt for the accommodation services	RSD 139,239.02	Commercial Court in Belgrade	2021	Grounded
48.	EP Visokogradnja	B Gips Niš	Debt for the accommodation services	RSD 1,128,770.46	Commercial Court in Niš	2021	Uncertain
49.	EP Visokogradnja	BankPro Ltd.	Debt for the accommodation services	RSD 47,489.89	Commercial Court in Belgrade	2021	In the process of forced collection.
50.	EP Visokogradnja	Kosmaj mermer Plc.	Debt for undue advance payment	RSD 200,000.00 with legal default interest starting from 29.12.1997, RSD 200,000.00 with legal default interest starting from 29.01.1998 and RSD 94,500.00 cost of the procedure	Commercial Court in Belgrade	2021	EP Visokogradnja activated mortgage due to collection, but the bankruptcy proceedings against the debtor was initiated and thus activation of mortgage was terminated. In the meantime, the Reorganization Plan was adopted and its application expired so the conditions for repeated activation were met.
51.	EP Visokogradnja Plc.	Mitrović Invest Ltd., Krupanja	Debt for the accommodation services	RSD 213,351.24	Commercial Court in Belgrade	2021	Grounded

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
52.	EP Visokogradnja Plc.	Kandić Enterijer Ltd.	Debt for the accommodation services	RSD 38,036.12	Commercial Court in Belgrade	2021	Grounded
53.	EP Visokogradnja Plc.	Beogradska Banka Plc. Belgrade in bankruptcy	Registration of receivables	RSD 67,926,673.24	Commercial Court in Belgrade	2021	First instance proceedings. Uncertain
54.	EP Visokogradnja Plc.	Jugobanka Plc. Belgrade in bankruptcy	Registration of receivables	RSD 568,646,437.96	Commercial Court in Belgrade	2021	First instance proceedings. Uncertain
55.	EP Visokogradnja Plc.	Lux Group 89 Ltd.	Debt	RSD 447,827.43	Commercial Court in Belgrade		Grounded. First instance proceedings.
56.	EP Visokogradnja Plc.	JP Železnice, Beošvor	Debt (Prokop)	RSD 153,674,990.16	Commercial Court in Belgrade	2021	Ground. Proceeding terminated
57.	Milan Branković	EP Visokogradnja Plc.	Annulment of the limited time employment contract		First Basic Court in Belgrade	Uncertain	Ungrounded; proceedings suspended until the end of the proceedings 17.P1.11640/10 on the lawsuit of the same plaintiffs against Enjub Ltd.
58.	Nataša Milojević	EP Visokogradnja Plc.	Ownership title to be determined		3rd Basic Court in Belgrade	The final completion in 2016; declared revision	By final judgment the claim is adopted; Appeal against the decision of revision
59.	Aleksandar Petrović	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3,500,000.00	3rd Basic Court in Belgrade	2021	The court issued a decision declaring it incompetent for acting in this proceeding. The prosecutor has filed an appeal, a second instance decision is pending
60.	Ljiljana Damyano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350,000.00	3rd Basic Court in Belgrade	2021	Ungrounded First instance proceeding

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
61.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, MFA	RSD 438,530.00	Commercial Court in Belgrade	Uncertain	Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
62.	Residence building, B.M.Pupina 10e	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2,000,000.00	3rd Basic Court in Belgrade	Uncertain	Ungrounded, procedure stopped. First instance proceeding
63.	Milan Kojić	EP Visokogradnja Plc.	Debt - salaries	EUR 1,130.00	3 rd Basic Court in Belgrade	2021	First instance proceeding
64.	Husein Smailović	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59,000.00 monthly starting from January 2010 and on going	3rd Basic Court in Belgrade	2021	A decision was adopted bringing the claim to be revoked. The prosecutor appealed against this decision. Second instance proceedings.
65.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15,000.00 monthly starting from 21 January 1989 and on-going	3rd Basic Court in Belgrade	2021	Ungrounded First instance proceeding
66.	Dragan Petrović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2021	The claim was dismissed by the first instance verdict Second instance proceeding. Returned to the first instance procedure.
67.	Milić Janković	Direkcija za građevinsko zemljište, EP Visokogradnja Plc. and Aleksić Ružica	Ownership title to be determined		1st Basic Court in Belgrade	2021	Grounded First-instance proceeding
68.	Residence building 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Stevanović Milinko	Determination whether the Agreement is null		Higher Court in Belgrade	2021	Uncertain First-instance proceeding

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
69.	Ljubinko Dević	EP Visokogradnja Plc.	Salary payment	EUR 5,774.42 The main debt was paid, requirements for interest remained in the lower amount than specified	3rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
70.	Milorad Vasić	EP Visokogradnja Plc.	Damage compensation (Block 12)	RSD 25,732,877.55	Higher court in Belgrade	2021	Hearing concluded, first instance decision expected (rejection of the claim)
71.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 167,162.40 RSD 33,558.94	Commercial Court in Sremska Mitrovica	2021	The claim was accepted. Final.
72.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1,269,860.00	Commercial Court in Belgrade	Uncertain	Partly collected, cca RSD 160.000,00, remaining amount - procedure is stopped. First-instance proceeding
73.	Vladan Vidojević and Nenad Radoš	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance	EUR 4,000.00	3rd Basic Court in Belgrade	2021	Uncertain; arrears of salary paid in their entirety First-instance proceeding
74.	Ljubiša Paunović	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance	EUR 4,300.00	3rd Basic Court in Belgrade	2021	The first instance court accepted the claim Arrears of salary paid in full Second-instance proceeding
75.	Alen Vasić	EP Visokogradnja Plc.	Damage compensation for injury at work	RSD 600,000.00	3rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
76.	Predrag Radeka	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance	EUR 4,200.00	3rd Basic Court in Belgrade	2021	Uncertain; arrears of salary paid in their entirety First-instance proceeding

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
77.	Miloje Živanović	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries	RSD 39,000.00	3rd Basic Court in Belgrade	2021	By a final judgment, a claim in respect of the main debt and interest has been adopted. It remains that the court decides on the costs of the proceedings, in accordance with our complaint that was adopted. The principal debt and interest paid in full.
78.	Rajko Vasiljević	EP Visokogradnja	Damage compensation on behalf of less paid overtime	EUR 2,500.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
79.	Igor Topalović	EP Visokogradnja	Damage compensation on behalf of less paid overtime and payment of interest on delayed payment of salaries	RSD 500,000.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
80.	Miloje Živanović	EP Visokogradnja	Damage compensation on behalf of less severance paid and payment of interest on delayed payment of salaries	EUR 2,487.94 and RSD 137,478.00	3rd Basic Court in Belgrade	2021	The first-instance final judgment partially accepted the claim. Debt paid by judgment. Dispute ended.
81.	Miloje Živanović	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	RSD 420,000.00	3rd Basic Court in Belgrade	2021	Second-instance proceeding
82.	Đorđe Šerbedžija	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	EUR 1,500.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
83.	Vladimir Pavlović	EP Visokogradnja	Damage compensation due to delays in construction	RSD 2,628,897.70	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
84.	Ljubinko Dević	EP Visokogradnja	Protection against harassment at work and compensation for damages	RSD 200,000.00	Higher Court in Belgrade	2021	Ungrounded The plaintiff withdrew the lawsuit. Dispute ended.
85.	Biljana Pavić	EP Visokogradnja	Compensation for damages due to overtime and payment of interest on delay in payment of earnings	RSD 1,750,643.65	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
86.	Miroslav Jovičić	EP Visokogradnja	Salaries payment for period from 01.01.2009 to September 2017	RSD 50,000.00	3rd Basic Court in Belgrade	2021	Plaintiff's claim upheld. According to our appeal the case in second instance.
87.	Miroslav Jovanović	EP Visokogradnja	Damage compensation for less overtime pay for hours worked over.	EUR 1,000.00	3rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
88.	Dužanka Čobanović	EP Visokogradnja	Damage compensation for injury	RSD 1,050,000.00	3rd Basic Court in Belgrade	2021	Ungrounded
89.	Vesa Romić	EP Visokogradnja	Determination of the nullity of the settlement agreement		3rd Basic Court in Belgrade	2021	Ungrounded
90.	Miroslav Jovičić	EP Visokogradnja	Compensation for damages arising from differences in earnings for the period from 01.01.2015 to 31.12.2015	The amount is not defined	3rd Basic Court in Belgrade	2021	Uncertain
91.	Slavoljub Kocopeljić	Maht Savabien Ltd. EP Visokogradnja Plc.	Damage compensation for injury	RSD 999,000.00	Basic Court in Ivanjica	2021	Uncertain

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
92.	Nenad Stanković	EP Visokogradnja	Compensation for lost earning	RSD 810,000.00	3rd Basic Court in Belgrade	2021	The claim was accepted. Final.
93.	Rešid Pobrić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
94.	Radoslav Gluščević	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
95.	Carinka Pobrić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
96.	Mitar Nerac	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
97.	Bogdan Vidaković	EP Visokogradnja	Fortifications property rights	EUR 61,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
98.	Milan Krsmanović	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
99.	Biljana Stijepić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2021	Uncertain. The plaintiff's appeal was rejected in the first instance, and the plaintiff filed an appeal
100.	Ana Jakovljević	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2021	Uncertain. First-instance proceeding
101.	Milovan Popović	EP Visokogradnja	Fortifications property rights	RSD 6,780,000.00	High Court in Belgrade	2021	Uncertain. Lawsuit was rejected and against the lawsuit, the plaintiff filed a revision

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
102.	Axial Ltd.	EP Visokogradnja	Debt by invoices	RSD 2,748,607.27	Commercial Court in Belgrade	2021	The claim was accepted, grounded
103.	Vlajko Bosanac	EP Visokogradnja	Fortifications property rights Stari Merkator		High Court in Belgrade	2021	Grounded First-instance proceeding
104.	Vladan Petković	EP Visokogradnja	Fortifications property rights	RSD 4,000,000.00	High Court in Belgrade	2021	Uncertain In the first instance, the lawsuit was accepted, we filed an appeal
105.	Momčilo Marčeta	EP Visokogradnja	Damage compensation	RSD 27,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
106.	Marker Ltd.	EP Visokogradnja Plc.	Debt by payment certificates	RSD 3,607,301.81	Commercial Court in Belgrade	2021	Uncertain
107.	Plattner Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 559,788.13	Commercial Court in Belgrade	2021	Uncertain
108.	Radoš Lončar	EP Visokogradnja Plc.	Compensation for injury at work	RSD 650,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
109.	Marko Milošević	EP Visokogradnja Plc.	Compensation for a stray dog bite	RSD 100,000.00	Basic Court in Stara Pazova	2021	Uncertain
110.	Igor Topalović	EP Visokogradnja Plc.	Compensation for termination of employment contract	RSD 500,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
111.	Boško Pražić	EP Visokogradnja Plc.	Annulment of the decision on dismissal and unpaid severance	RSD 55,166.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
112.	Slavoljub Simjanović	EP Visokogradnja Plc.	Compensation for injury at work	RSD 1,200,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
113.	Blažo Radović	EP Visokogradnja Plc.	Determining property rights	RSD 90,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
114.	Radmila Urošević Dragan Mandić Marko Đurović	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of redeemed shares of EP VG Plc.	RSD 454,669.95 RSD 124,574.31 RSD 420,504.00	Commercial Court in Belgrade	2021	The first-instance verdict was passed, according to which the main debt was paid. Remained procedure costs, because in relation to the costs, an appeal was filed by the plaintiffs' lawyers.
115.	Proinvestments Plc	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in price of redeemed shares of EP VG	RSD 3,234,201.39	Commercial Court in Belgrade	2021	The first-instance verdict was passed, according to which the main debt was paid. Remained procedure costs, because in relation to the costs, an appeal was filed by the plaintiffs' lawyers.
116.	Lekić Zoran and other	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 1,748,070.00	Commercial Court in Belgrade	2021	Ended with a court settlement. Payment by settlement as of March 2021
117.	Jelena Dmitrović and others	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of shares of EP VG from forced redemption	RSD 983,453.70	Commercial Court in Belgrade	2021	The first-instance procedure was suspended, pending completion of the probate proceedings.
118.	Vladan Đunijijević	EP Visokogradnja Plc.	Compensation for injury at work	RSD 1,700,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
119.	Danijel Vasiljević	EP Visokogradnja Plc.	Compensation for injury at work	RSD 2,000,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
120.	Dragan Katić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 172,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
121.	Zoran Marković and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 87,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
122.	Goran Miljanić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 174,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
123.	Miodrag Vasiljević and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 209,000.00	3 rd Basic Court in Belgrade	2021	Grounded First-instance proceeding
124.	A.P. Sidro Ltd.	EP Visokogradnja Plc.	Debt	EUR 38,105.27	Commercial Court in Belgrade	2021	Grounded First-instance proceeding
125.	Gordana Todorović	EP Visokogradnja Plc.	Determining property rights		3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
126.	Rolomatik Ltd.	EP Visokogradnja Plc.	Debt	EUR 29,283.03	Commercial Court in Belgrade	2021	Grounded First-instance proceeding
127.	Svetlana Stevović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of shares of EP VG from forced redemption	RSD 654,934.00	Commercial Court in Belgrade	2021	Uncertain First-instance proceeding
128.	Dragoslav Gurešić, Zoran Perić	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 120,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First-instance proceeding
129.	EP Urbanizam i arhitektura. Plc.	M. Cvijić	Damage compensation	RSD 1,523,072.42	3 rd Basic Court in Belgrade	Uncertain	Uncertain; in process of forced execution

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
130.	Tamara Vukadinović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal	RSD 1,137,530.29	3rd Basic Court in Belgrade	Uncertain	Uncertain The claim was accepted, and appeal was filed.
131.	Jelena Davidović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal	RSD 1,028,129.00	3rd Basic Court in Belgrade	Uncertain	Uncertain. Returned to first-instance proceedings
132.	Novica Veljković	EP Urbanizam i arhitektura Plc.	Annulment of Annex 3	RSD 89,425.53	3rd Basic Court in Belgrade	Uncertain	First-instance proceeding terminated
133.	EP Oprema Plc. and EP Holding Plc.	Municipality Medveđa	Return	RSD 120,000,000.00	Commercial Court in Leskovac	Uncertain; proceeding terminated	Uncertain First-instance proceeding
134.	EP Oprema Plc.	Clinical Center of Serbia	Debt for works	EUR 240,752.13, RSD 292,335.46 and RSD 2,328,204.00	Commercial Court in Belgrade	2021	The claim was approved by final judgment. In the meantime, the Supreme Court of Cassation, after the defendant's revision, reversed judgments of the lower courts and brought the case back for re-trial. First-instance proceeding
135.	Ep Oprema Plc.	DGP Zlatibor	Payment of works performed works	RSD 42,000,000.00	Commercial Court in Belgrade	Completed action	Grounded, difficult collection, debtor in bankruptcy
136.	Ep Oprema Plc.	Graditelj Lekovac	Works performed in accordance with contracts	RSD 71,129,042.82	Commercial Court in Leskovac	Completed action	Grounded, difficult collection, debtor in bankruptcy
137.	EP Oprema	Green Trafo Ltd.	Damage compensation and return of advance	EUR 138,995.28	Commercial Court in Belgrade	2021	Grounded, termination of the procedure until the end of the procedure under no. 11.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
138.	EP Oprema	GP Rad in bankruptcy	Debt	USD 1,100,000.00	Commercial Court	Grounded	Established receivable in the bankruptcy proceedings
139.	EP Oprema	Stilkon S Ltd. in bankruptcy	Declare of receivables	RSD 192,811.45	Commercial Court in Belgrade	2021	Grounded
140.	EP Oprema	Energotehnika Južna Bačka Ltd.	Debt - invoices	RSD 5,887,493.91	Commercial Court in Novi Sad	2021	Grounded First-instance proceeding
141.	EP Oprema Plc.	Clinical Center of Serbia	Damage compensation	EUR 1,559,000.00	Commercial Court in Belgrade	2021	First instance decision adopted the claim; KCS appealed In the meantime, the appeal was adopted and the case was returned for re-opening. The court made a decision to accept the claim, except for the amount of 5,164,595.02 dinars and 9,505.17 € for lost profits. Appeals were filed on both sides, a second instance decision is pending
142.	Staniša Marinković	EP Oprema Plc.-intervener	Damage compensation	RSD 304.000.00	Basic Court in Vranje	2021	Partly justified The first-instance decision rejected the claim for the amount of 223,125.00 dinars and adopted it for 54,718.50 dinars. Awaiting the second-instance decision on the appeal
143.	Čedomir Ristić	EP Oprema Plc.-intervener	Damage compensation	RSD 6 385,302.00	Basic Court in Vranje	2021	Partially founded; The claim for 385,302.00 dinars was accepted, and rejected for 385,302.00. The decision was

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
							confirmed by the second instance court. EMS did not respond to this court decision
144.	Milan Cvetković	EP Oprema Plc. and JP EMS	Damage compensation	RSD 1,381,278.00	Basic Court in Vranje	2021	The second-instance decision adopted the claim for 324,000.00 dinars and rejected for execution of works on the land and for 706,350.00 dinars and 333,900.00 dinars. Declared revision by the plaintiff
145.	Vladan Stanković	EP Oprema Plc.	Damage compensation in monthly rent	RSD 8,000.00 monthly starting from 14 March 2016	Basic Court in Bor	Uncertain	The second-instance court reversed the first-instance verdict on our appeal and awarded the amount of 582,000.00 dinars and a monthly rent in the amount of 8,200.00 dinars. The awarded amount was paid, rental payment in progress
146.	Green Trafo Ltd.	EP Oprema	Debt for performed work	EUR 43,952.00	Commercial Court in Belgrade	2021	First-instance verdict accepted the claim, the appeal was filed
147.	Goran Đorđević	EP Oprema	Interference with possession		Basic Court in Krusevac	2021	Uncertain
148.	Kodar Energomontaža Ltd.	EP Oprema	Debt - invoices	RSD 242,969.01	Commercial Court in Belgrade	2021	Grounded First-instance proceeding
	EP Oprema	Kodar Energomontaža Ltd.	Compensation complaint for non-certified advance	EUR 154,211.29			

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
149.	EP Holding Plc.	EP Oprema Plc. Jadran Lt. Viacom vs Ltd.	Annulment of the Sale&Purchase Agreement for hall and land - Ševino Polje	EUR 700,000.00	Commercial Court in Belgrade	Uncertain	Second instance proceedings on our appeal
150.	CCE Svetovanje in inženiring Ltd.	EP Oprema	Debt - invoices	EUR 148,652.29	Commercial Court in Belgrade	2021	Grounded
151.	Metaling Ltd.	EP Oprema	Debt - invoices	659.332,17	Commercial Court in Belgrade	2021	Grounded
152.	Power Quality Company doo	EP Oprema	Debt – guarantee deposit	RSD 1,260,752.72	Commercial Court in Belgrade	2021	First instance proceedings
153.	Elektrovolt doo	EP Oprema	Debt - invoices	5.728,63 EUR	Commercial Court in Belgrade	2021	First instance proceedings
154.	Ep Industrija Plc.	Jugoremedija Plc. in bankruptcy	Claims registration	EUR 321,146.18	Commercial Court in Zrenjanin	Uncertain	RSD 28.884.312,77 – accepted following conclusion on correction
155.	Slobodan Čubrilović	EP Industrija Plc.	Determination of shares value		Commercial Court in Belgrade	2021	The request of the proposer was rejected by the second instance decision. The proponent stated a revision
156.	EP Industrija Plc.	Jugobanka Plc. In bankruptcy	Determination of receivables	RSD 1,539,835.21	Commercial Court in Belgrade	2021	Uncertain
157.	EP Entel Plc.	JP EPS (RB Kolubara)	Debt payment on different invoices	RSD 48,937,500.00	Commercial Court in Belgrade	2021	Uncertain First instance proceeding
158.	Duško Paripović	EP Entel Plc., as second Defendant, out of four in total	Damage compensation – injury at work	RSD 1,300,000.00	Basic Court in Požarevac	Uncertain	Uncertain; proceeding terminated First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
159.	Marko Martinoli, Đurović and Siniša Kisić	EP Entel Plc.	Denouncing the Assembly's decision	No value	Commercial Court in Belgrade	2021	Uncertain. The first instance court rejected the claim. Appeal procedure
160.	Veljko Perišić, Siniša Kisić and others	EP Entel Plc.	Determination of shares value		Commercial Court in Belgrade	2021	The second instance decision rejected a proposal of proponent, declared revision
161.	Siniša Kisić and others	EP Entel Plc.	Compensation for damages	RSD 66,488,842.92	Commercial Court in Belgrade	2021	First instance proceeding
162.	EP Energodata Montenegro Ltd.	SOGE Banka Milan Grbić	Determination of the nullity of the surety	EUR 43,000.00	Commercial Court of Montenegro, Podgorica	2021	First instance proceeding
163.	EP Energodata Montenegro Ltd.	NLB Banka Grbić Milan	Determination of the nullity of the surety	EUR 10,000.00	Commercial Court of Montenegro, Podgorica	2021	First instance proceeding
164.	EP Energodata Montenegro Ltd.	Grbić Milan	Compensation for damages	EUR 34,035.00	Basic Court, Podgorica	2021	First instance proceeding
165.	EP Energodata Plc.	PE EPS	Unjustified collection of performance guarantee	RSD 1,980,000.00	Commercial Court in Belgrade	2021	First instance proceeding
165.	Miloš Milinović	EP Energodata Plc.	Annulment of the decision of the Board of Directors and payment of the difference in salary	RSD 100,000.00	3rd Basic Court in Belgrade	2021	Uncertain
166.	EP Energodata Plc.	Miloš Milinović	Counterclaim - unjustified travel orders	RSD 123,074.18	3rd Basic Court in Belgrade	2021	Uncertain
167.	EP Energodata Plc.	Gradimir Cvetković	Counterclaim - unjustified travel orders	RSD 285,470.62	3rd Basic Court in Belgrade	2021	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
168.	Miloš Milinović	EP Energodata Plc.	Poništaj rešenja o otkazu ugovora o radu i naknada štete	RSD 2,988,486.00	3rd Basic Court in Belgrade	2021	Uncertain
169.	Zvonko Radovanović	EP Energodata Plc.	Annulment of the decision on termination of the employment contract		3rd Basic Court in Belgrade	2021	Uncertain
170.	EP Niskogradnja Plc.	Internacional CG in bankruptcy	Debt	RSD 474,718.82	Commercial Court in Belgrade	Uncertain	Recognized receivable in bankruptcy proceedings
171.	EP Niskogradnja Plc.	JIK Banka Plc. in bankruptcy	Claims registration	USD 218,000.00	Commercial Court in Belgrade	Uncertain	Grounded, difficult collection
172.	EP Niskogradnja Plc.	Jugobanka Plc. in bankruptcy	Claims registration	USD 455,877.88 and RSD 12,060,320.00	Commercial Court in Belgrade	Uncertain	Grounded, difficult collection
173.	EP Niskogradnja Plc.	Jugobanka Plc. in bankruptcy	Claim	RSD 39,850,154.59	Commercial Court in Belgrade	2021	Grounded
174.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claims registration	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
175.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claim	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
176.	Ep Niskogradnja Plc.	Jasmina Marinković	Damage compensation	RSD 249,572.17	Basic Court in Milanovac	2021	The first instance verdict approved the claim. Waiting enforceability clause – request was submitted to the Court
177.	Ep Niskogradnja Plc.	MBA Miljkovic Ltd.	Debt by invoices	RSD 142,474.17	Commercial Court in Belgrade	2021	Grounded. Executive proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
178.	Ep Niskogradnja Plc.	Intermost Ltd. in bankruptcy	Debt for performed works (Novi Sad)	RSD 62,505,042.00	Commercial Court in Belgrade	2021	The second instance verdict adopted the claim of EP Niskogradnja. Submitted request to the Commercial Court to change the list of bankruptcy creditors. In the procedure after the revision of Intermost, it was returned to the second-instance procedure. On 13.11.2020 hearing was concluded, awaiting PAS decision
	Intermost Ltd. in bankruptcy	Ep Niskogradnja Plc.	Counterclaim request for material on the construction site (Novi Sad)	RSD 189.827.985,00	Commercial Court in Belgrade	2021	
179.	EP Niskogradnja Plc.	GP Gemax Ltd. in bankruptcy	Secured claims arising from guarantee deposit retained	RSD 10,431,209.72	Commercial Court in Belgrade	Completed	Grounded. Recognized secured claims
180.	EP Niskogradnja Plc.	Radislva Nestorović	Debt from housing loan granted	RSD 342,567.62	Basic Court in Pancevo	2021	Grounded Executive proceedings
181.	EP Niskogradnja Plc.	Jovanka Kunarac-Prelić	Debt from housing loan granted	RSD 188,253.07	2nd Basic Court in Belgrade	2020	Grounded Executive proceedings
182.	EP Niskogradnja Plc.	Republic of Serbia Ministry of Agriculture and Environmental Protection. - Republic Water Directorate	Receivable for completed works on Tisa embankment	RSD 91,891,979.51	Mediation	Uncertain	The mediator did not make a decision, and the claims are outdated for initiating court proceedings
183.	EP Niskogradnja Plc.	Dejan Vujić PR Dey trade Vreoci	Unjust enrichment	RSD 275,999.90	Commercial Court in Belgrade	Dispute is finished	In the process of enforcement
184.	EP Niskogradnja Plc.	Italiana Construzion Branch Belgrade	Debt by invoices	RSD 3,179,510.78	Commercial Court in Belgrade	2021	First instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
185.	EP Niskogradnja Plc.	Borovica Transport in bankruptcy	Debt by invoices	RSD 570,013.06	Commercial Court in Sremska Mitrovica	2021	Grounded. Recognized receivable in bankruptcy proceedings.
186.	EP Niskogradnja Plc.	Hidrotehnika – Hydroenergetika Plc.	Debt by invoices	RSD 2,489,813.62	Commercial Court in Belgrade	2021	Grounded, enforcement proceedings initiated
187.	EP Niskogradnja Plc.	Prlinčević Aleksandar	Return of given	RSD 127,500.00	Commercial Court in Belgrade	2021	Grounded
188.	EP Niskogradnja Plc.	Beogradska Banka Plc. In bankruptcy	Claim	RSD 191,003.87	Commercial Court in Belgrade	2021	Grounded
189.	EP Niskogradnja Plc.	Milan Blagojević – Minerva Ltd.	Depreciation of a bill of exchange		3rd Basic Court in Belgrade	2021	Grounded
190.	EP Niskogradnja Plc.	EVCON Ltd.	Depreciation of a bill of exchange		3rd Basic Court in Belgrade	2021	Grounded
191.	EP Niskogradnja Plc.	Jugobanka and Unikredit banka	Depreciation of a bill of exchange		3rd Basic Court in Belgrade	2021	Grounded
192.	Jovan Cvokić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 20,145.11	3rd Basic Court in Belgrade	2021	Unfounded First instance proceedings
193.	Aleksandar Babić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 40,906.00	3rd Basic Court in Belgrade	2021	Unfounded The claim was rejected by first-instance decision, the prosecutors filed appeal, awaiting the second-instance decision
194.	Tanić Dušan	EP Niskogradnja Plc.	Annulment of the decision on the amount of salary		3rd Basic Court in Belgrade	Uncertain	Unfounded; process interrupted. First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
195.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt arising from work carried out in Yemen Compensation protest	Legal claim: USD 17,604,299.00 Compensation protest: USD 17,390,380.06	Commercial Court in Belgrade	2021	Hearing scheduled for 16.12.2020, concluded, awaiting decision
196.	Tomo Stanišić	EP Niskogradnja Plc.	Damage compensation	RSD 244,413.97	3rd Basic Court in Belgrade	2021	Uncertain The first-instance decision adopted the claim, the appeal was filed
197.	Ljubiša, Milostiva and Gordana Matković,	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290,000.00	Basic Court in Gornji Milanovac	2021	Uncertain The first-instance procedure is interrupted in order to try to settle
198.	Milan, Mirjana, Dragana and Marko Matković	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2021	Uncertain The first-instance procedure is interrupted in order to try to settle
199.	Republic Fund Pension Disability Insurance Belgrade Branch	EP Niskogradnja Plc.	Recourse lawsuit (accident in the Straževica tunnel)	RSD 419.600.10	Commercial Court in Belgrade	Uncertain	Uncertain; the process is open until the completion of criminal proceedings first instance procedure
200.	Vladimir Marinković	EP Niskogradnja Plc.	Overtime, Peru	USD 5,552.84	3rd Basic Court in Belgrade	2021	Ungrounded First instance proceedings
201.	Vojislav, Mirjana, Dragana and Jovana Jovanović	Koridori Srbije, Azvirt and EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2021	Uncertain The first-instance procedure is interrupted in order to try to settle
202.	Radislav Živković	Evro gradnja 2000 and EP Niskogradnja Plc.	Compensation for injury at work	RSD 560,000.00	3rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
203.	Todor Jokić	EP Niskogradnja Plc.	Compensation for damages due to illegal dismissal	RSD 446,248.00		2021	The claim adopted by the first-instance decision, the appeal filed, awaiting the second-instance decision

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
204.	Marko Živanović	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 76,844.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
205.	Miloš Živanović	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 361,233.88	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
206.	Ivan Stevanović	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 190,612.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
207.	PE Putevi Srbije	EP Niskogradnja Plc.	Recourse lawsuit	RSD 2,136,944.06	Commercial Court in Belgrade	2021	Partially accepted claim (1,068,472.03 dinars), appeal filed, awaiting second instance decision
208.	Dragan Antonijević	EP Niskogradnja Plc.	Annulment of the annex to the employment contract and payment of wages	RSD 25,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
209.	Miladin Radović	EP Niskogradnja Plc.	Overtime work		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
210.	ENEL PS	EP Niskogradnja Plc.	Debt by invoices	RSD 3,500,000.00	Commercial Court in Belgrade	2021	The first-instance decision partially accepted request for legal default interest, the plaintiff filed appeal against the decision on costs of the proceedings
211.	Vladimir Muškinja	EP Niskogradnja Plc.	Payment of travel expenses	RSD 109,152.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
212.	Dejan Jaredić	EP Niskogradnja Plc.	Transformation of employment into work for an indefinite period of time		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
213.	Bojan Šićarević	EP Niskogradnja Plc.	Payment of travel expenses	RSD 117,792.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
214.	Bojan Šićarević	EP Niskogradnja Plc.	Annulment of termination of employment		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
215.	Živan Erski	EP Niskogradnja Plc.	Payment of travel expenses	RSD 173,520.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
216.	Marko Radovanović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 60,112.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
217.	Dejan Jaredić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 112,032.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
218.	Danijela Dostanić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
219.	Goran Marković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 143,712.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
220.	Goran Petrović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 83,232.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
221.	Dejan Jaredić	EP Niskogradnja Plc.	Illegal dismissal and return to work		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
222.	Goran Marković	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
223.	Miloš Jeremić	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
224.	Milan Bursać	EP Niskogradnja Plc.	Compensation of salary	RSD 570,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
225.	Predrag Vojinović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2021	The first instance verdict partially approved the claim, appeal shall state
226.	Milan Perović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
227.	Radosav Milić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
228.	Dragan Kozoder	EP Niskogradnja Plc.	Payment of travel expenses	RSD 95,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
229.	Dejan Bošnjaković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
230.	Dražen Potpara	EP Niskogradnja Plc.	Payment of travel expenses	RSD 178,784.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
231.	Jelena Šljivar	EP Niskogradnja Plc.	Determination and compensation of damages	RSD 600,000.00	1st Basic Court in Belgrade	2021	Uncertain First instance proceedings
232.	Ivan Kovačević	EP Niskogradnja Plc.	Reimbursement of costs for commuting to and from work	RSD 607,800.00 and RSD 129,678.00	Basic Court in Gornji Milanovac	Uncertain	The claim was adopted by the first-instance decision, appeal filed, awaiting the second-instance decision

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
233.	Miloš, Radoslav, Biljana and Nataša Jovanović	EP Niskogradnja Plc.	Compensation for damages	RSD 250,000.00	Basic Court in Gornji Milanovac	Uncertain	Uncertain First instance proceedings
234.	Dragomir, Ljiljana, Jelena, Milica and Ilija Matković	EP Niskogradnja Plc.	Compensation for damages	RSD 250,000.00	Basic Court in Gornji Milanovac	Uncertain	Uncertain First instance proceedings
235.	Dragan Prole	EP Niskogradnja Plc.	Annulment of the decision on termination of employment		3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
236.	Stanoje Markeljić	EP Niskogradnja Plc.	Protection of property rights and elimination of the danger of damage		Basic Court in Gornji Milanovac	Uncertain	Uncertain First instance proceedings
237.	Nenad Sparović	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
238.	Sladan Lapčević	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	Basic Court in Gornji Milanovac	2021	Uncertain First instance proceedings
239.	Petar Radojičić	EP Niskogradnja Plc.	Determining the nullity of the decision on termination of the employment contract and salary compensation	RSD 55,985.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
240.	Milija Neradović	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
241.	Vladan Milošević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
242.	Aleksandar Dragović	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
243.	Radoje Milenković	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
244.	Miroslav Luković	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
245.	Miodrag Janićijević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
246.	Tomislav Kovačević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
247.	Vesko Obradović	EP Niskogradnja Plc.	Transportation costs	RSD 73,160.00	3 rd Basic Court in Belgrade	2021	Uncertain First instance proceedings
248.	Željko Petrović	EP Niskogradnja Plc.	Transportation costs	RSD 126,432.00	3 rd Basic Court in Belgrade	2021	Uncertain
249.	Tomislav Kovačević	EP Niskogradnja Plc.	Overtime, night work, transportation costs	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	First instance proceedings
250.	Miodrag Janićijević	EP Niskogradnja Plc.	Overtime, night work, transportation costs	RSD 50,000.00	3 rd Basic Court in Belgrade	2021	Uncertain
251.	Jovan Alempijević	EP Niskogradnja Plc.	Compensation for damage - lease of land and restoration	RSD 1,585,032.00	Basic Court in Mionica	2021	First instance proceedings
252.	Milovan Alempijević	EP Niskogradnja Plc.	Compensation for damage - lease of land and restoration	RSD 1,527,616.00	Basic Court in Mionica	2021	Uncertain

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
253.	P. Stanišić and J. Blagojević	EP Hidroinženjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	3rd Basic Court in Belgrade	2021	Favourable The first instance verdict dismissed the claim. In the proceedings on the appeal of the second-degree. Second instance proceedings.
254.	Z. Crnobrnja	EP Hidroinženjering Plc.	Fortifications of existence employment terms for the period 1985-1991	Taxes and contributions from employment for the period from 20.01.1985-31.01.1991	3rd Basic Court in Belgrade	2021	Favourable By the decision of the Court, the lawsuit was rejected in one part as untimely filed and in one part it is rejected. Appeal filed
255.	Técnica y Proyectos S.A.; Energoprojekt Hidroinženjering S.A. and Carlos Alfredo Machicao Pereyra y Asociados S.R.L.	Proyecto Especial de Afianzamiento y Ampliación de los Recursos Hidricos de TACNA - PET	Protesting financial guarantee for the project Yaraskay + 30% of the balance upon the Agreement Finali	USD 464,376.27 and USD 218,216.99	Arbitration Court in TACNA, Peru	The Arbitration Dispute is over and the Arbitration Council has made a decision in favor of the Consortium regarding the return of funds under the protested guarantee and payment of the last payment certificate. After the completion of all appeal procedures, the consortium submitted a request for execution of the Arbitration Award, ie collection. PET has filed a request for cassation, which the High	Achieved very favorable success given the complexity of this dispute: The importance of the Yarascay Contract is recognized, the Client's request for nullity of the contract is rejected, the Yarascay Consortium is ordered to pay the last invoice issued at 30% of the contract value. S / 1,462,834.99, an order is given to refund the amounts of the protested guarantees to the Consortium, of which the amounts S / .353,166.41, S / are returned to EPHI. 302,786.44 and S / .783,661.60, the contract is terminated to the detriment of the Client, thus there is no preparation of the Final Liquidation. All claims for damages were

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
						Court is obliged to forward to the Supreme Court. In that case, the beginning of the deadline for the execution of the arbitral award, which normally lasts for 1 year, shall be extended by about one year.	denied. It was declared that there was no place for the plaintiff to pay the costs and arbitration costs, accordingly, each party will bear its own.
256.	State of Peru	The last two President of the Piura Regional Government, along with 18 other state and other officials, and the contractor Camargo Correa. The criminal case was initiated in 2017. From March 2019, at the request of the prosecutor the following companies are additionally included: Técnica y Proyectos SA, Lahmeyer Agua y Energia, Energoprojekt Hidroinzenjering SA, Sucurasali Técnica y Proyectos SA and Energoprojekt Hidroinzenjering S.A., Pablo Ferradas, Legal Representative of the CSAP Consortium (Supervision) and	Alleged commission of a criminal offense against the state administration in the form of corruption of officials and collusion to the detriment of the state in connection with the implementation of the ALTO PIURA project carried out by the Brazilian company Camargo Correa, with its Sucusal Camargo Correa Peru	In the event that a violation of any of the above is proven and that the amount of assessed damage cannot be fully collected from the above officials and the contractor Camargo Correa, and evidence during the criminal proceedings and some administrative responsibility of the Consortium that performed Supervision (CSAP) related exclusively to approve the extension of deadlines and additions, then the members of the Consortium as the Third Civil Liability would be obliged to cover any difference on this basis, if it was due to the	6th Criminal Court in Piura	The investigation phase is underway (up to 36 m), with the possibility of extension at the request of the prosecutor. Appeal filed on behalf of EP Hidroinzenjering S.A. and EP Hidroinzenjering S.A., Sucursal Peru for exemption from the process. Hearings related to our appeal are underway. The last hearing was held on 23.09.2019. As part of this process, Virgilio Doigu and Pablo Ferradas were banned from "blocking"	As a member of the CSAP Consortium that supervises the Alto Piura project involved in the process of "third civil liability" exclusively related to the administrative approval of extensions of deadlines and additions during the implementation of the Alto Piura project, we must follow the entire criminal process against these individuals and companies, that may last more than 36 months and if no criminal proceedings are instituted against us. In accordance with the statements of the Legal Representative of our Consortium and also the Head of Supervision that everything was done according to the regulations related to

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
		Virgilio Doig, Head of CSAP Supervision as "Third Civil Liable"		impossibility of collection from those against whom criminal proceedings were initiated.		personal property, which is a common practice when it comes to criminal proceedings. A hearing has been scheduled upon Virgilio Doiga's appeal against this ban.	approving the extension of deadlines and additions, it is realistic to expect that we will be released from any administrative responsibility, with the obligation to bear the costs. Due to that overall political situations and scandals related to the so-called "Lava Jato" and leading Brazilian companies, it is difficult to expect that the Court will release us from administrative responsibility at this stage.
257.	EP Hidroinženjering Plc.	Beogradska Banka Plc. in bankruptcy	Lawsuit for determination	RSD 2,153,727.15	Commercial Court in Belgrade	2021	Grounded
258.	EP Hidroinženjering Plc.	Jugobanka Plc. in bankruptcy	Lawsuit for determination	RSD 117,048,753.52	Commercial Court in Belgrade	2021	Grounded

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

In April 2019, the arbitration procedure with Gazprom Transgaz Belarus held in Stockholm for the project Energoentar Minsk, Belarus was completed in favour of Energoprojekt Oprema. Pursuant to Decision made by Arbitration Council, Energoroprojekt Oprema is entitled to compensation in the amount of approximately USD 30 million with added interests (Note 35.2). Investor Gazprom Transgas Belarus has filed an appeal against the mentioned Decision made by Court of Appeals in Stockholm and the procedure is still ongoing, so the dynamics of collection is uncertain. .

47. POST BALANCE SHEET EVENTS

After the balance sheet date, there were no subsequent events that would significantly affect the credibility of the reported financial statements.

Belgrade,

14 May 2021

Legal Representative


Stojan Colakov
M.Sc.C.E.

3. ANNUAL BUSINESS REPORT

- Company background;
 - Summary of Company's business operations and organizational structure;
 - Overview of Company's development, financial position and business results, including relevant financial and non-financial indicators and personnel-related information;
 - Description of Company's expected development in the following period, changes in its business policies and main risks and threats to which its business is exposed;
 - Significant events after the end of the reporting business year;
 - Significant transactions with related parties;
 - Company's research and development activities;
 - Information on investments aimed at environmental protection;
 - Information on redemption of own stock and/or shares;
 - Company branches;
 - Financial instruments of significance for the assessment of Company's financial position and business results;
 - Objectives and policies related to financial risk management and protection policy for each type of planned significant transaction for which protection is applied; Exposure to price risk, credit risk, liquidity risk and cash flow risk, management strategy for these risks and assessment of their effectiveness;
 - Statement on Code of Corporate Governance.
-

Company Background

Business name: Energoprojekt Holding Plc., Holding Company, Belgrade

Head office and address: Belgrade, Bulevar Mihaila Pupina 12

Registration number: 07023014

TIN: 100001513

Web site and e-mail address: www.energoprojekt.rs ; ep@energoprojekt.rs

Number and date of the Decision on Company Registration with the Companies Register: BD 8020/2005

Registered business activity (code and description): 06420 - Holding Company

Number of employees (average number of employees in 2020): 73

Auditor's business name, head office and business address: MOORE STEPHENS *Revizija i Računovodstvo d.o.o, Beograd, Studentski Trg 4/V*

Number of shareholders (as at December 31, 2020): 3.742

Ten principal Company's shareholders (as at December 31, 2020):

No.	Name and family name (business name)	No. of shares	% of share capital
1.	Napred Razvoj a.d. Novi Beograd	4,760,998	43.55%
2.	Republic of Serbia	3,671,205	33.58%
3.	Montinvest Properties Ltd.	564,699	5.17%
4.	Jopag AG	560,731	5.13%
5.	Tezoro broker Plc.- summ. acc.	257,950	2.36%
6.	Energoprojekt Holding Plc.	97,700	0.89%
7.	Tezoro broker Plc.	81,150	0.74%
8.	Bojović Dobroslav	47,004	0.43%
9.	Vojvođanska banka Plc. N. Sad – summ. acc.	41,107	0.38%
10.	Grujić Sava	31,301	0.29%

Equity capital: Share capital RSD 5,574,958,920

Shares issued: 10,931,292 ordinary shares

Share nominal value: RSD 510

ISIN number: RSHOLDE58279

CIF code: ESVUFR

Price of shares over the reported period:

- Last price (as at December 31, 2020): RSD 399/share
- Highest price (as at January 9, 2020): RSD 690/share
- Lowest price (as at December 16, 2020): RSD 360/share

Market capitalization (as at December 31, 2020): RSD 4,361,585,508

Organized market for shares trading: Belgrade Stock Exchange, New Belgrade,
Omladinskih brigada 1

Energoprojekt Holding Plc. shares are quoted and traded on regulated market – Belgrade Stock Exchange Prime Listing.

Overview of Company's Business Activities and Organizational Structure

Energoprojekt Group comprises of the Energoprojekt Holding Plc. as the controlling - parent company and its subsidiaries (in the country and abroad), and joint venture company (in the country). Based on equity investments, companies of the Energoprojekt Group are related companies.

Energoprojekt Holding Plc. is the controlling – parent company pursuing financing and management of subsidiaries. In addition to energy and water management, the business activity of Energoprojekt Group includes design and construction of industrial plants, public and residential complexes, telecommunication systems, service provision in the fields of urbanism and environmental protection, information technologies, trade and real estate.

According to the Company's turnover, except for the domestic market, the most important markets are those in the African countries (Uganda, Ghana, Algeria), Kazakhstan, Russia, Middle East (Qatar, UAE, Oman) and South America (Peru).

Information about Company management:

Supervisory Board members (as at December 31, 2020):

Name and family name	Educational background	No. of ENHL shares
1. Dobroslav Bojović, President	VII-1 degree, B.Sc.Ecc.	47.004
2. Miodrag Zečević, member	VIII degree, M.Sc.E.E.	7.254
3. Nada Bojović, member	VII-1 degree, B.Sc. Labour Organization Eng.	0
4. Branislav Ivković, member	VIII degree, B.Sc.C.E.	1.000
5. Zoran Đerković, member	VIII degree, B.Sc.Econ.	0
6. Dragan Ugrčić, member	VII-2 degree M.Econ.	0

Executive Board members (as at December 31, 2020):

Name and family name	Educational background	No. of ENHL shares
1. Stojan Čolakov General Manager	VII-1 degree, B.Sc.C.E	0
2. Siniša Tekić Executive Manager for Finance, Accounting and Plan	VII-1 degree, B.Sc.Econ.	0
3. Milan Mamula Executive Manager for Legal Issues	VII-1 degree, B.Sc.Law	0

Overview of Company's development, financial position and business results, including relevant financial and non-financial indicators and personnel-related information

Consolidated financial statements of the Energoprojekt Holding Plc., Belgrade consists of a parent joint stock company Energoprojekt Holding Plc., Belgrade (hereinafter: Energoprojekt Holding or Company) and:

- 11 subsidiary companies in the country, 10 of which are direct subsidiaries (8 share-based and 2 limited liability companies) and 1 subsidiary company indirectly controlled by other subsidiaries (1 limited liability company),
- 1 joint venture company, hereinafter: joint venture (1 limited liability company) with 50% equity share, and
- 6 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 102) and own companies in the country and abroad (11 subsidiaries abroad and 1 affiliated company in the country), which jointly engage in building construction, design, fitting, study preparation, research, investment facilities' and systems' programming, sales of goods and services and other business activities.

During the reporting period and according to business activities, the companies within Energoprojekt were organized in the following manner:

Activity	No. of entities in the country	No. of business units for investment works and branch offices abroad	No. of entities abroad
Planning and research	4	46	5
Construction and fitting	6	56	10
Holding	1		
Other	3		2
Total	14	102	17

Parent and subsidiary companies' headquarters is in 12 Bulevar Mihajla Pupina Street, New Belgrade.

In 2020, the average number of employees within group for consolidation of Energoprojekt Holding Plc. (further in text: also system Energoprojekt), based on the actual number of employees at the end of each month, was 1,476 (compared to 1,841 in 2019), not including the local workforce in foreign entities.

The consolidation group of the Energoprojekt Holding Plc. (hereinafter: the System Energoprojekt) consists of parent company Energoprojekt Holding and its local subsidiaries, joint venture and related parties and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and related parties

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Visokogradnja Plc.	100.00
2.	Energoprojekt Niskogradnja Plc.	100.00
3.	Energoprojekt Oprema Plc.	67.87
4.	Energoprojekt Sunnyville Ltd.	100.00
5.	Energoprojekt Park 11 Ltd.	100.00
<i>Planning and Research</i>		
6.	Energoprojekt Urbanizam i arhitektura Plc.	100.00
7.	Energoprojekt Industrija Plc.	62.77
8.	Energoprojekt Entel Plc.	100.00
9.	Energoprojekt Hidroinženjering Plc.	100.00
<i>Other</i>		
10.	Energoprojekt Energodata Plc.	100.00
11.	Energoplast Ltd.	45.11

(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)

Joint ventures

Building Construction and Fitting

12. Enjub Ltd.	50.00
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We note that the merge procedure of Energoprojekt Energodata Plc. (Transferor Company) to the Energoprojekt Holding Plc., Belgrade (Transferee Company) was initiated and the intention is to complete it by the end of June 2021, whereby the company Energoprojekt Energodata Plc., Belgrade will cease to exist.

Energoprojekt Promet Ltd. from 2010 is an inactive company (in dormant status) and since then had no business activities performed and any assets had not been owned.

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Holding Plc. are including the subsidiary company Energoplast Ltd., with prior elimination, by equity method, of its presence in financial statements of Energoprojekt Industrija Plc. (40.00%) and Energoprojekt Entel Plc. (20.00%), made through primary consolidation. Although Energoprojekt Holding (indirectly) has a share of 45.11%, Energoplast Ltd., the consolidated financial statements of Energoprojekt Holding a.d. included Energoplast Ltd. financial statements by fully consolidation, given the fact that Energoprojekt Holding, indirectly, has controlled Energoplast (although it does not have majority owner).

On the occasion of inclusion of the Energoprojekt Holding Plc. joint venture company Enjub Ltd. in compliance with IFRS 11 - Joint Arrangements, equity method was applied.

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
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Subsidiary Companies

Building Construction and Fitting

1. Zambia Engineering and Contracting Company Limited, Zambia	100.00
2. Energoprojekt Holding Guinee S.A, Guinea	100.00
3. Energo (Private) Limited, Zimbabwe	100.00
4. Energo Kaz Ltd, Kazakhstan	100.00

Other

- | | | |
|----|---|--------|
| 5. | I.N.E.C. Engineering Company Limited, Great Britain | 100.00 |
| 6. | Dom 12 S.A.L, Libanon | 100.00 |

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, Energo (Private) Limited, Zimbabwe and Energo Kaz Ltd., Kazakhstan) was registered as companies owned by the Energoprojekt Holding, but are in fact controlled and managed by certain subsidiary companies.

Among the above listed local and foreign subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering and Zambia Engineering and Contracting Company Limited, Zambia are at the same time parent companies that prepare consolidated financial statements, so that their subsidiary and related parties listed in following table are thus included herein through primary consolidation.

No.	Company Name	Included through primary consolidation
<i>Overseas</i>		
<i>Subsidiary Companies Abroad - Overseas Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus Ltd., Moscow, Russia	EP Visokogradnja Plc.
4.	Energo Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
<i>Planning and Research</i>		
7.	Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman	EP Entel Plc.
8.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.

- | | |
|--|--------------------------|
| 9. Energoconsult L.L.C., Abu Dhabi, UAE | EP Entel Plc. |
| 10. Energoprojekt Entel Company, Bahrain | EP Entel Plc. |
| 11. Enhisa S.A., Lima, Peru | EP Hidroinženjering Plc. |

Domestic

Affiliated Local Companies

Other

- | | |
|------------------------------|--------------------|
| 12. Energopet Ltd. (33.33 %) | EP Industrija Plc. |
|------------------------------|--------------------|

At the 51st Session of the Board of Directors of Energoprojekt Oprema Plc. held on 29 January 2021, a Decision on exemption the following companies from the consolidated financial statements of Energoprojekt Oprema Plc. for the year 2020, was made:

- associated company Energo Nigeria Ltd., Lagos, Nigeria (24.92%), pursuant to the provisions of Article 32, paragraph 6 of the Law on Accounting; and
- subsidiary Energoprojekt Oprema Crna Gora Ltd., Podgorica, Montenegro (100%), pursuant to the provisions of Article 32, paragraph 7 of the Law on Accounting.

At the 99th Session of the Board of Directors of Energoprojekt Energodata Plc. held on 01 February 2021 a Decision on exemption the subsidiary Energoprojekt Energodata Montenegro Ltd., Montenegro (100%) from the consolidated financial statements of Energoprojekt Energodata Plc. for the year 2020, was made, in accordance with the provisions of Article 32, paragraph 7 of the Law on Accounting.

Pursuant to the above, Energoprojekt Oprema Plc. and Energoprojekt Energodata Plc. are exempted from the obligation to prepare, submit and disclose consolidated financial statements for 2020.

As Energo Nigeria Ltd., Lagos, Nigeria is not a part of Consolidation Group of Energoprojekt Holding Plc., all mutual relations with the company in question have been referred from the item of relations with associates to external balance sheet and income statement items.

The Company's management estimates that the companies that make up the consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in operations, so in accordance with such an assessment, the consolidated financial statements of Energoprojekt Holding Plc. for 2020 are prepared on a going concern principle.

Authentic overview of the development and business results of the Company, its financial position and information of significance for the assessment of the Company's assets are

presented in detail and explained in the "Notes to Consolidated Financial Statements of Energoprojekt Holding Plc. for 2020".

Only some of the relevant parameters of the parent company's (Energoprojekt Holding Plc.) and Energoprojekt systems, which are of significance for adequate understanding of the presented subject matter.

Structure of the total business result of Energoprojekt Holding Plc. (parent company) in 2020.

Structure of gross result	<i>In RSD thousand</i>	
	<i>01/01-31/12/2020</i>	<i>01/01-31/12/2019</i>
Operating income	270.237	271.736
Operating expenses	318.773	344.617
Operating result	(48.536)	(72.881)
Financial revenues	408.583	98.358
Financial expenses	90.907	87.212
Financial result	317.676	11.146
Revenues from valuation adjustment of other assets disclosed at fair value through Profit or Loss	28.415	
Other revenues	8.410	69.771
Expenses from valuation adjustment of other assets disclosed at fair value through Profit or Loss	18.090	
Other expenses	18.271	38.140
Result of other revenues and expenses	464	31.631
Net income from discontinuing operations, changes in accounting policy and correction of errors from previous period	276	3.758
Net expense from discontinuing operations, changes in accounting policy and correction of errors from previous period		
TOTAL INCOME	715.921	443.623
TOTAL EXPENSE	446.041	469.969
PROFIT/LOSS BEFORE TAX	269.880	(26.346)

Compared to the same period of the last year, the increase of total result of the Company, in the amount of RSD 296,226 thousand, is predominantly the result of the income based on dividend of the subsidiary company Energoprojekt Entel Plc. in the amount of RSD 352,756 thousand.

Earnings per Share

Earnings per Share is calculated by dividing the profit for ordinary shareholders with the average weighted number of common shares in circulation for the period.

Indicator	In RSD thousand	
	01/01-31/12 2020	01/01-31/12 2019
Net profit (loss)	263.278	-28.262
Average number of shares per year	10.833.592	10.833.592
Earnings (loss) per share (in RSD)	24,30	-2,61

The most important liquidity indicators for the Company's business in 2020 are presented in the following table, and specifically:

- The current liquidity ratio (ratio of working capital and short-term liabilities), indicating the short-term liabilities coverage against working capital;
- Quick ratio (ratio of liquid assets, which include total working capital reduced by inventories, and short-term liabilities), indicating the short-term liabilities coverage against liquid assets;
- Operating cash flow liquidity ratio (ratio of cash flow increased by cash equivalents and short-term liabilities), indicating the short-term liabilities coverage against cash assets; and
- Net working capital (the excess of working capital over short-term liabilities).

Drawing conclusions on liquidity indicators based on the ratio analysis means, *inter alia*, comparison of these indicators against satisfactory general standards, which are presented in the following table.

Liquidity Indicators	Satisfactory General Standards	2020	2019
Current liquidity ratio	2:1	19,71:1	2,50:1
Quick ratio	1:1	19,48:1	2,43:1
Operating cash flow ratio		2,69:1	0,20:1
Net working capital (in RSD thousand)	Positive Value	3.397.207	1.355.568

The results of the ratio analysis indicate that the Company was liquid during 2020 meaning that it had no difficulties to meet its due liabilities or to maintain the necessary scope and structure of the working capital and to preserve its good standings.

The best **profitability** indicator is the *return on average equity capital employed* that indicates the average return on own assets per dinar invested. In the calculation of this profitability

indicator, average own capital is defined as an arithmetic average value at the beginning and at the end of a year.

Profitability indicators	In RSD thousand	
	2020	2019
Net profit	263.278	(28.262)
Average capital:		
a) Capital at the beginning of the year	8.928.644	9.094.008
b) Capital at the end of the year	9.183.704	8.928.644
Total	9.056.174	9.011.326
Average return rate on own capital at the end of the year	2,91%	-0,31%

Financial adequacy structure is reflected in the amounts and types of debts.

The most significant indicators of Company's financial structure are presented in the following Tables, and specifically:

- The ratio of borrowed funds to total assets, indicating coverage per dinar of the Company's assets from borrowed sources;
and
- The ratio of long-term funds to total assets, indicating coverage per dinar of the Company's assets from long-term sources.

Financial structure indicators	In RSD thousand	
	31.12.2020	31.12.2019
Liabilities	4.394.324	2.272.512
Total assets	13.578.028	11.201.156
Ratio of borrowed funds to total assets	0,32 : 1	0,20 : 1
Long-term assets:		
a) Capital	9.183.704	8.928.644
b) Long-term provisions and long-term liabilities (deferred tax liabilities included)	4.212.770	1.369.718
Total	13.396.474	10.298.362
Total assets	13.578.028	11.201.156
Ratio of long-term to total assets	0,99 : 1	0,92 : 1

Racio The net debt ratio indicates the Company's capital coverage against Company's net debt.

Net debt means the difference between:

- Total (long-term and short-term) financial liabilities of the Company (total liabilities reduced by the capital, long-term provisions and deferred tax liabilities of the Company plus Loss Above Equity) and
- Cash and cash equivalents.

Parameters for the net debt to capital ratio	<i>In RSD thousand</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
Net debt:		
a) Liabilities	4.394.324	2.272.512
b) Cash and cash equivalents	487.598	184.016
<i>Total</i>	<i>3.906.726</i>	<i>2.088.496</i>
Capital	9.183.704	8.928.644
Net debt to capital ratio	1 : 2,35	1 : 4,28

**Structure of the total consolidated business result of Energoprojekt Holding Plc.
(Energoprojekt systems) in 2020.**

Structure of gross result	<i>in RSD thousand</i>	
	<i>01.01-31.12.2020</i>	<i>01.01-31.12.2019</i>
Operating income	26,144,994	26,454,843
Operating expenses	24,938,130	25,774,621
<i>Operating result</i>	<i>1,206,864</i>	<i>680,222</i>
Financial income	707,719	665,269
Financial expenses	1,266,237	558,111
<i>Financial result</i>	<i>(558,518)</i>	<i>107,158</i>
Income from value adjustment of other assets at fair value through profit or loss	406,664	112,810
Other income	1,108,594	303,316
Expenses from value adjustment of other assets at fair value through profit or loss	253,187	121,393
Other expenses	514,636	297,044
<i>Result of other income and expenses</i>	<i>747,435</i>	<i>(2,311)</i>
<i>Result from ordinary activities before taxes</i>	<i>1,395,781</i>	<i>785,069</i>
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period		18,205
Net loss of discontinued operations, changes in accounting policies and corrections of errors from the previous period	6,285	
PROFIT BEFORE TAX	1,389,496	803,274
Tax expense period	331,420	169,741
Deferred tax expense of period	36,062	
Deferred tax income of period		7,316
NET PROFIT	1,022,014	640,849
TOTAL INCOME	28,367,971	27,554,443
TOTAL EXPENSES	26,978,475	26,751,169

Energoprojekt system's incurred profit before tax (gross profit) in the reporting year amounted to RSD 1,389,469 thousand and is, first of all the result of:

- Incurred operating profit in the amount of RSD 1,206,864 thousand, primarily within Energoprojekt Park 11, Energoprojekt Entel and Energoprojekt Visokogradnja;
- Incurred profit from other activities in the amount of RSD 747,435 thousand, primarily from sale of property, plant and equipment of Energoprojekt Niskogradnja (predominantly, non-current assets held for sale - Santa Clara in Peru); and
- Incurred financial loss in the amount of 558,518 thousand dinars (predominantly from net exchange losses and negative outcome of currency clause).

Compared to last year on given date, increase in **gross results** of the Energoprojekt system in 2020 by RSD 586,222 thousand is primarily the result of increase in operating profit in the amount of RSD 526,642 thousand and other revenues and expenses in the amount of RSD 749,746 thousand (predominantly increase in income from sale of property, plant and equipment and income from decrease in liabilities) and on the other hand, decrease in financial result in the amount of RSD 665,676 thousand (dominant significant net exchange losses and negative outcomes of currency clauses in the amount of RSD 552,202 thousand).

Earnings per Share

Indicator	In RSD thousand	
	01.01.- 31.12. 2020	01.01.- 31.12. 2019
Net-profit pertaining to parent company shareholders	1,110,515	585,412
The weighted average number of shares during the year	10,833,592	10,833,592
Earnings / (loss) per share (In RSD)	102.51	54.04

Earnings per share is calculated by dividing the profit for ordinary shareholders by the average weighted number of ordinary shares in circulation for the period and does not include ordinary shares that the Company (companies within System) purchased and held as treasury shares.

Description of the Company's expected development in the following period, changes in its business policies and main risks and threats to which its business is exposed

Starting from the strategic determination to achieve lasting and sustainable development of the Energoprojekt Group oriented towards continuous profitability growth, conducting business in its traditional markets (in the country and abroad), economically viable employment of resources and global macroeconomic trends, the following business tasks were planned to be achieved in 2021:

Priority tasks:

- Contracting of new business and providing conditions for continued working activities within Energoprojekt Group;
- Providing liquidity – activities aimed to collect receivables and optimize credit-loans liabilities of Energoprojekt Group, as well as refinancing of short-term sources by emission of corporative bonds;
- Providing conditions to realize business activities of the companies within Energoprojekt Group;

Other business-related tasks:

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

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

It is necessary to establish a system for timely risks' identification and management for the business operations of the Energoprojekt in the country and in the foreign markets as one of the principal functions of the Company's internal audit. In the following period, efforts on risk management development strategy will be intensive and according to the plans, in compliance with the established annual plan of the Energoprojekt Holding Plc. internal audit for 2021.

Significant events after the end of the reported business year

There were no significant business events from the balance date to the date of publication of those statements, which would exert any impact on the authenticity of the disclosed financial statements.

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

Significant business transactions with the related parties

In compliance with the requirements contained in the IAS 24 – Related Parties Disclosures, relationship, transactions, etc. between the Company and its related parties are disclosed below.

From the point of view of the **related parties**, transactions resulting in revenues and expenses in the Income Statement and in the disclosed receivables and liabilities (for the purpose of disclosure of relationships with the related parties, we included all the balances in the Company assets within it) in the Balance Sheet are presented in the following two Tables.

Income and expenses from related parties	In RSD thousand	
	2020	2019
<i>Income:</i>	.	.
a) EP Visokogradnja Plc.	118.729	71.984
b) EP Niskogradnja PLc.	73.110	95.869
c) EP Hidroinženjering Plc.	12.957	13.059
d) EP Entel Plc.	386.374	44.960
e) EP Energodata Plc.	8.396	6.022
f) EP Industrija Plc.	7.749	6.236
g) EP Urbanizam i arhitektura Plc.	4.528	3.688
h) EP Oprema Plc.	29.545	43.391
i) EP Sunnyville Ltd.	11.950	24.870
j) EP Park 11 Ltd.	20.708	16.978
k) I.N.E.C. Engineering Company Limited, Great Britain		4
l) Dom 12 S.A.L.		
m) Zambia Engineering and Contracting Company Limited, Zambia	3	1
n) Enjub Ltd.	4.657	6.580
o) Napred Razvoj Plc.	100	3.756
p) EP Ghana Ltd, Akra, Ghana	3	
<i>Total</i>	<i>678.809</i>	<i>337.398</i>
<i>Expenses:</i>		
a) EP Visokogradnja Plc.	21.540	15.278
b) EP Niskogradnja Plc.	8.380	6.791
c) EP Hidroinženjering Plc.	155	57
d) EP Entel Plc.	176	197
e) EP Energodata Plc.	6.930	12.030
f) EP Industrija Plc.	3.031	2.001
g) EP Urbanizam i arhitektura Plc.	3	150
h) EP Oprema Plc.	16.343	17.181
i) EP Sunnyville Ltd.	58	3.843
j) EP Park 11 Ltd.	5	181
k) I.N.E.C. Engineering Company Limited, Great Britain	5	1
l) Dom 12 S.A.L.		
m) Zambia Engineering and Contracting Company Limited, Zambia	31	13
n) Enjub Ltd.	16	942
o) Napred Razvoj Plc.	72.093	40.391
<i>Total</i>	<i>128.766</i>	<i>99.056</i>

Financial assets from related parties	In RSD thousand					
	31.12.2020			31.12.2019		
	Gross	Impairment	Net	Gross	Impairment	Net
a) EP Visokogradnja Plc.	2.087.587	85.384	2.002.203	1.270.633	89.714	1.180.919
b) EP Niskogradnja Plc.	1.103.864	3.174	1.100.690	246.791	644	246.147
c) EP Hidroinženjering Plc.	50.386	154	50.232	8.609		8.609
d) EP Entel Plc.	3.895		3.895	3.524		3.524
e) EP Energodata Plc.	172.594		172.594	102.577		102.577
f) EP Industrija Plc.	1.049		1.049	134		134
g) EP Urbanizam i arhitektura Plc.	21.914	52	21.862	18.637	51	18.586
h) EP Oprema Plc.	1.301.155	4.088	1.297.067	652.291	2.039	650.252
i) EP Sunnyville Ltd.	153.807	479	153.328	455.852	1.422	454.430
j) EP Park 11 Ltd.			-	93.161	171	92.990
k) I.N.E.C. Engineering Company Limited, Great Britain	357		357	362		362
l) Dom 12 S.A.L.			-			-
m) Enjub Ltd.	168.196		168.196	162.407		162.407
n) Zambia Engineering and Contracting Company Limited, Zambia	1.475		1.475	1.503		1.503
o) Napred Razvoj Plc.			-			-
Total	5.066.279	93.331	4.972.948	3.016.481	94.041	2.922.440

Financial liabilities to related parties	In RSD thousand	
	2020	2019
a) EP Visokogradnja Plc.	393	406
b) EP Niskogradnja Plc.	3.618	2.895
c) EP Hidroinženjering Plc.	4.427	3.840
d) EP Entel Plc.	10.073	3.841
e) EP Energodata Plc.	245	4.667
f) EP Industrija Plc.	4.554	5.866
g) EP Urbanizam i arhitektura Plc.	2.623	2.298
h) EP Oprema Plc.	25.071	25.796
i) EP Sunnyville Ltd.	397	
j) EP Park 11 Ltd.	3.910	
n) Encom GmbH Consulting, Engineering & Trading		
l) Dom 12 S.A.L.		
m) Enjub Ltd.		
n) Zambia Engineering and Contracting Company Limited, Zambia		
o) Napred Razvoj Plc.	754.241	1.202.807
Total	809.552	1.252.416

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

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

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

Company's research and development activities

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

Also, Energoprojekt Holding Plc. conforms its business activities according to Quality Management Standard ISO 9001, Environmental Protection Management regulated by ISO 14001 and Occupational Health and Safety Management regulated by BS OHSAS 18001, and the new ISO 45001 standard respectively. Conformity with the mentioned standards Energoprojekt Holding Plc. has certified by: ISO 9001 standard from 2010, and ISO 14001, BS OHSAS 18001 / and the new ISO 45001 standards from 2013, respectively. Those certificates Energoprojekt Holding Plc. keep on valid through regular annual control performed by recognized external audit - Lloyd's Register. The highest Energoprojekt Holding Plc. management has accepted and regular controls "IMS – Integrated Managing System policy of Energoprojekt Holding Plc. This policy has been disclosed and it is available to all interested parties at web-presentation (<http://www.energoprojekt.rs/odrzivost/>).

Information on investments aimed at environmental protection

All the external suppliers / partners / cooperatives of Energoprojekt Holding Plc. are familiar with IMS Policy. Performing their activities, they are contacted to respect Energoprojekt Holding Plc. orientations defined by policies, procedures and other legal acts, within the area of environmental protection and occupational health and safety.

Regularly, at least once per year, companies within the Energoprojekt Group control the realization of the previously set goals, which, inter alia, include goals / key indicators of success linked to reduce the use of natural resources and pollution, professional injuries and diseases, and devotion to employees care.

Company's business activities are regularly harmonized with the applicable requirements of the positive legal regulations in the field of environmental protection, environmental protection programs are adopted and efforts are made towards the strict compliance with such requirements and programs. The said programs are being implemented through impact and/or risk analyses and assessments in the field of environmental protection, as well as through the implementation of relevant technical and technological solutions and instructions for elimination and/or reduction of adverse environmental effects. In that sense, Energoprojekt management organize and continuously monitor, review and direct activities of all the organizational units, services and individuals in order to completely implement the said IMS policy.

Company's activities aimed at environmental protection are integrated and implemented in compliance with the business philosophy and through joint activities on the level of the Energoprojekt Group. Thus, the "Waste Management Project" is an example of the said activities, which is being implemented in a coordinated manner, in compliance with the Rulebook on Waste Management in the Energoprojekt Building. Participation of the representatives of each Company of the Energoprojekt Group in the waste management working group serves as a guarantee that all the planned activities will be implemented in the least expensive and most effective manner: such as, for example, the selection of various office waste materials (used paper, used batteries, car batteries, discarded electrical and electronic appliances and devices), recycling of these items, as well as the disposal of such items in compliance with the legally prescribed standards, etc.

Information on redemption of own stock and/or shares;

Based on Resolution on Acquiring of Own Shares at the organized market, made by Supervisory Board on February 13, 2017, the Company has acquired, trading on Belgrade Stock Exchange, 97,700 own shares (meaning 0.89376% out of total shares).

During 2020, there were no redemption nor selling of own shares.

Company branches;

Energoprojekt Holding Plc. does not have any registered branches in Serbia.

The official seat of the Parent Company and its subsidiaries is located in 12 Mihaila Pupina Av. in New Belgrade.

Detailed reviews of and comments on the business operations of the (foreign) entities of the Energoprojekt Group are presented in the Notes to the Consolidated Financial Statements of the Energoprojekt Group and in the Notes to the Consolidated Financial Statements of its subsidiary companies.

Financial instruments of significance for the assessment of Company's financial position and business results;

Financial instruments include financial assets and liabilities recorded in the balance sheet of the Company as of the moment when the Company becomes legally bound by the financial instrument and until the loss of control over rights derived from that financial asset (by realization, activation, assignment, etc.), or by settlement, cancellation or activation of the financial liability..

Financial Assets

Pursuant to provisions of IFRS 9 – Financial Instruments, financial asset is recognized when the Company becomes one of the contractual parties with the right on financial instrument. The purchase or selling of the financial asset will be recorded by accounting calculations as at the day of settlement (the date when the assets will be delivered to the entity or the date when the entity will deliver the asset).

The Company derecognize the financial asset:

- when the contractual rights on cash flow from financial asset are no longer valid; or
- when it transfers the financial asset and that transaction, due to the risk and benefit generated by the financial asset also significantly transferred, is qualified as derecognition.

Initially, financial assets are measured by their fair value, increased or reduced, in case of financial asset whgich is measured by fair value presented in Income Statement, for transaction expenses which may directly be added to acquisition or emission of financial instrument. Comparing to this, the difference is that the opening recognition at receivables from sale will be measured by transaction cost (except in case when the selling includes significant component of financing).

At additional measurement of financial asset, the relevant is the group where the Company has classified the financial asset, which depends on:

- The Company's business model for management of financial assets, and
- The features of contractual cash flow of financial asset ("SPPI" test - Solely Payments of Principal and Interest).

From the aspect of subsequent valuation, financial asset may be classified in one of following three groups:

- financial asset measured by depreciated value,
- financial asset measured by fair value presented in final result and
- financial value measured by fair value presented in Income Statement

An asset classified per depreciated value has to meet both of the following criteria:

- Business model: financial asset is hold to collect the contracted cash flow;

- SPPI test: if the contracted terms refer to cash flows which are nothing but payment of principal and interest.

An asset classified by fair value presented in final result has to meet both of the following criteria:

- Business model: financial asset is held to collect the contracted cash flow and selling;
- SPPI test: if the contracted terms refer to cash flows which are nothing but payment of principal and interest.

Financial asset measured by fair value presented in Income Statement includes the asset which are not classified in the above mentioned two groups. The valuation effects an realized benefit and losses are recognized in Income Statement in the period when they have occurred.

All the derivatives included in IFRS 9 will be measured by fair value. All the transactions are recognized in Income Statement.

Dividend as financial asset will be recognized in Income Statement when:

- The Company's right to dividend payment has been established,
- when there is a big chance that the future economic benefit linked to dividend will flow into the Company and
- when the amount of dividend could be measured accurately.

The reduced value of financial asset will occur when one or more events happen with the negative effect on estimated future cash flows of that financial asset.

As for the assets measured by depreciated value (loans and receivables) and by fair value presented in final result, the Company should recognize the reduced value, meaning to recognize reserves **for expected credit losses**.

On each reporting date:

- if the credit risk has significant increase comparing to the opening recognition, the Company has to measure provisions for loss for financial asset in the amount which should be equal to the expected credit losses during the life age of the asset; and
- if the credit risk has not significant increases comparing to opening recognition, the Company has to measure provisions for loss for financial asset in the amount which should be equal to expected 12-month credit losses.

The Company should, on each reporting date, estimate whether there has been any significant increase in the credit risk related to a specific financial asset since the initial recognition, which, among other things, includes measuring of the expected losses from the financial asset in the manner which is reflecting:

- Arm's length value, weighted by probability which is defined by valuing of a serie of possible results,
- Time value of the money and
- Reasonable and supported information which are available without unnecessary costs nor efforts as at reporting date about past events, present conditions and forecasts of future economic conditions.

Financial liabilities

Financial liability is each liability which is:

- A contractual right to:
 - Provision of cash or another financial asset to another company; or
 - Exchange the financial assets or financial liabilities with another company under the conditions which are potentially adverse for the Company; or
- A contract which will or may be fulfilled by instruments of equity of the Company, and which is:
 - Non-derivative, for which the Company is or may be obliged to present changeable number of instruments of equity of the Company; or
 - Derivative, which will or may be fulfilled in other way than by interchange of fixed amount of cash or some other financial asset for fixed number of instruments of equity.

Pursuant to IFRS 9 – Financial instruments, financial obligation is recognized when the Company becomes one of the parties related to contractual liabilities of the financial instrument.

The Company derecognizes a financial liability (or a part of the financial liability) when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or has expired.

An exchange between an existing borrower and lender of debt instruments with substantially different terms should be accounted for as an extinguishment of the original financial liability and the recognition of a new one. Similarly to the above stated, a substantial modification of the terms of an existing financial liability (or a part of a financial liability) should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the present value of a financial liability (or part of a financial liability) which has been cancelled or transferred to another party and the fees paid, including all the non-cash assets transferred or liabilities undertaken, should be recognized in income statement.

A financial liability is initially measured at its fair value, plus or minus, in the case of a financial liability which is not measured at fair value through profit or loss, the transaction costs which are directly attributable to acquisition or issue of a financial instrument.

From the aspect of subsequent valuation, with some minor exceptions (derivatives, financial guarantees, etc.), financial liabilities are measured at amortized value, by using the effective interest rate method. By using this method, the Company identifies fees which are integral parts of the effective interest rate for a financial liability (all the afore said is also applicable to financial assets). Fees which are integral parts of effective interest rate include the initial charges (the servicing costs, the costs of processing of credit applications, registration of pledge, lawyer's fees, etc.), commission amounts, etc.

The Company may, at initial recognition (financial liabilities are not reclassified over time), classify a financial liability as a liability measured at fair value through profit or loss: if, by doing that, it will prevent accounting mismatch due to measuring of assets, liabilities, income and/or expenses on different bases; and if a group of financial assets and liabilities are managed and their performances are valued based on fair value, according to the documented strategy of risk or investment management.

Depreciation of financial assets:

IFRS 9 has introduced a revised model of depreciation of financial assets, which is based on expected credit loss, and not on past losses.

The model of an incurred loss from IAS 39 recognized a loss related to a financial instrument only when objective proof of depreciation of a financial instrument is generated, such as, for example, defaulting in payment of liabilities, financial difficulties of the debtor, initiating of a prior bankruptcy and/or bankruptcy proceedings, liquidation of the debtor, etc. This approach has resulted in a quite belated recognition of loss in financial statements. Contrary to that, the model of expected credit losses requires that the possible losses from depreciation of financial instruments are assessed before the financial standing and creditworthiness of the debtor deteriorate, i.e. that the value adjustment is recognized before the losses occur.

According to the adopted *Calculation methodology for depreciation of financial instruments in accordance with IFRS 9*, depreciation is calculated according to the model of expected losses when performing assessment of depreciation of financial assets which are measured at amortized cost or at fair value through other comprehensive income (except for equity investments), as well as on contractual assets (contractual financial assets according to IFRS 15).

The Company performs assessment of depreciation on the following two levels: individual and group levels.

The Company applies individual assessment of the calculation of impairments in cases where the key drivers of credit risk can be monitored based on an individual instrument, where the Company then monitors them on that basis, without any need for an additional joint assessment.

The Company applies individual assessment of impairment to receivables from related legal persons; to receivables from the state, which are related to commercial relations where the state has the role of an investor; to financial investments and deposits made; securities and cash and cash equivalents.

For the needs of individual assessment, the Companies rely on information on defaulting upon liabilities (PD) from external sources, i.e. on information published by the reputable rating agencies. Another parameter used in calculation, the LGD (loss given default), which involves the amount of loss in case of defaulting upon a liability, is based on the Basel LGD of 45%. Exposure at defaulting (EAD) in such a case is the receivable amount as at reporting date. The

discount factor will depend on the effective interest rate determined on occasion of initial recognition and maturity of the instrument. Where it is expected that the receivable will be collected within a period of 12 months, the discount factor will be 1.

The Company applies the group assessment of impairment calculation for the needs of credit loss measuring, and/or measuring of impairments in cases of third party receivables (including the receivables from the state, state-owned companies and public authorities, where the state predominantly has the role of an investor), which include domestic and foreign trade receivables, as well as prepayments and deferred expenses in the category of financial assets, and other receivables, including the contractual financial assets in compliance with IFRS 15, i.e. receivables on non-invoiced income from such persons, which are not subject to individual assessment, as well as lease receivables arising from the transactions within IFRS 16.

Calculation of parameters that will be applied in the Energoprojekt System was performed based on data on historical collection by the largest companies operating within Energoprojekt, i.e. Energoprojekt Visokogradnja Plc., Energoprojekt Niskogradnja Plc., Energoprojekt Entel Plc. and Energoprojekt Oprema Plc.

PD calculation approach is based on creation of provision matrices which are based on aging intervals (14 intervals, based on defaulting days as follows: "0" receivables not yet matured; "1"-0-30 days of defaulting, "2" – 31-60 days of defaulting... "13" – 330-360 days of defaulting; "14" – more than 360 days of defaulting) and rates of uncollected receivables ("roll-rate") among the intervals observed.

The loss rate in case of defaulting or the loss given default (LGD) is calculated by observing collection of receivables in the "worst" interval observed in 2017-2019 and/or in 2017-2020, so that it was related to the receivables' amount as at December 31, 2019 in the worst aging interval increased by the write-offs in the observed period and the total amount of registered receivables, i.e. invoices in the worst aging interval in the observed period. In certain cases, due to the existence of a first-rate (deposit, guarantee, etc.) or adequate security (pledge, mortgage), the Company may, before applying the LGD, reduce the exposure itself by the amount of collateral by first applying an adequate reduction factor for such value (haircut). In cases of receivables dating before 2017, except in some specific cases that need to be adequately documented, it is presumed that those are receivables which have been impaired and for which the impairment calculation approach is applied for the instruments for which an objective proof of impairment is identified (as it is explained in the following part).

In case of impairment calculation approach for the financial instrument for which objective proof of impairment has been identified, no need has been identified to change the approach used so far in compliance with IAS 39, and thus the treatment and the calculation method remain the same and in accordance with IAS 39 and it is based on the loss amount measured as the

difference between the exposure and the present value of the future expected cash flows, discounted by the effective interest rate.

In case of a need to establish the discount factor, and/or the effective interest rate to calculate the expected credit loss (for specific financial instruments which are measured by using a simplified approach and means on the level 3 which are measured individually), the Company will apply the effective interest rate for the instrument concerned, and/or in case that the same does not exist, the publicly available information depending on the currency, maturity, etc will be used as the best approximation (the statistical data of the NBS, the renowned publicly available sources of information, the statutory defaulting interest rate, etc.)

The Company applies the simplified approach in cases of trade receivables (the related and the third parties), agreed assets arising from transactions within IFRS 15 and lease receivables arising from transactions within IAS17/IFRS 16. The simplified approach means that the credit loss over the expected life expectancy is calculated for the receivable concerned irrespective of whether there has been any significant increase of the credit risk from the buyers, the contractual assets and receivables based on lease and the measure of provisioning for losses in the amount which is equal to the expected credit losses during the entire useful life.

The Company applies the general approach to other categories of financial assets (cash and cash equivalents, financial investments, securities).

By means of the Impairment Calculation Methodology for Financial Instruments in accordance with IFRS 9, the Company defined the indicators of significant increase of credit risk. In relation to the afore said, the following are taken into account as the indicators of a significant increase of the credit risk and/or as the indicators of the need for calculation of the expected credit loss for a specific type of financial assets for the entire period of useful life/life expectancy of the same:

- Decrease of the external credit rating used for impairment calculation;
- Defaulting in repayment of a liability vis-à-vis the Company for 30 days (in case of third parties) and/or 90 days, in case of the related legal person;
- Other qualitative criteria that may lead to a conclusion that there has been a significant increase in credit risk.

For the needs of identification of impairment indicators, and/or criteria indicating the necessity to perform calculation of expected credit losses for the assets classified in level 3, in accordance with the requirements from IFRS 9, the Companies are applying:

- The defined threshold for defaulting applicable to the Company concerned and to the category of the financial asset concerned;
- Other objective proof of impairment in accordance with IFRS 9.

Impairment calculation approach for financial guarantees is based on historical losses that the Energoprojekt suffered on that basis.

Based on all the above and adopted Methodology for calculating the impairment of financial instruments in accordance with IFRS 9 in the Energoprojekt system, the effects of the first application of IFRS 9 on 01.01.2020 were calculated, as well as the effects of IFRS 9 on 31.12.2020. In addition, according to the adopted Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, a part of materially insignificant effects of the application of IFRS 9 has been singled out, which are not recorded in the consolidated financial statements in question precisely because of immateriality.

The Company has determined that the application of IFRS 9 affected the additional amount of impairment on 01.01.2020 for RSD 2,066,627 thousand, recognized within the capital, ie the item of previous years retained earnings on 01.01.2020 (restated of opening balance - Note 36.7), in the manner shown in the following table.

In RSD thousand

Financial assets	Exposed financial assets of IFRS 9 as of 01.01.2020	Allowance for impairment account	Effect of application of IFRS 9 on 01.01.2020 over acc. 340
1	2	3	4
Long-term financial investments	112,362	49	(101,953)
Trade receivables	6,290,808	209	(1,341,329)
Receivables from specific operations	49,552	219	(7,519)
Other receivables	66,241	229	(6,578)
Receivables for non-invoiced income	3,605,822	2819	(545,258)
Other accruals	525,173	289	(63,990)
TOTAL	10,649,958		(2,066,627)

The following table shows effects of the application IFRS 9 on 31.12.2020, which were recorded through the results of the current year (increase in gross results in the amount of RSD 272,487 thousand).

In RSD thousand

Financial assets	Exposed financial assets IFRS 9 as of 31.12.2020	Allowance for impairment	Effect of application of IFRS 9 on 01.01.2020 over acc. 340	Expenses (acc. 58)	Income (acc. 68)	Exchange difference	Effect of application of IFRS 9 on the current result on 31.12.2020	Impairment of financial assets affected by IFRS 9 in 2020
1	2	3	4	5	6	7	8=5+6+7	9=4+8
Long-term financial investments	111.128	kto 049	(101.953)				0	(101.953)
Trade receivables	5.835.493	kto 209	(1.341.329)	(175.825)	279.720	67.472	171.367	(1.169.962)
Receivables from specific operations	48.114	kto 219	(7.519)		1.853	72	1.925	(5.594)
Other receivables	56.471	kto 229	(6.578)	(2.080)		324	(1.756)	(8.334)
Receivables for non-invoiced income	2.864.300	kto 2819	(545.258)	(33.878)	97.750	17.748	81.620	(463.638)
Other accruals	478.847	kto 289	(63.990)		15.011	4.320	19.331	(44.659)
TOTAL	9.394.353		(2.066.627)	(211.783)	394.334	89.936	272.487	(1.794.140)

By applying the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, the financial assets exposure is reduced by:

- part of non-invoiced receivables which, after issuing the invoice, partially justifies the advance collection/obligation for received advances (acc. 281 Receivables for non-invoiced income);
- part of non-invoiced receivables for which on 31.12.2020, the accrual of income for the future period (acc. 281 Receivables for non-invoiced income) was done in same amount; and
- part of trade receivables for which on 31.12.2020, and in accordance with IFRS 15 and on the basis of determined variable contractual fee, the impairment of receivables was performed.

According to the Methodology for calculating the impairment of financial instruments in accordance with IFRS 9, the effects, due to material insignificance, are not recorded in the following financial assets, presented by companies from the Energoprojekt system:

- Energoprojekt Holding: buyers in the country - parent and subsidiaries (except receivables from Energoprojekt Visokogradnja), receivables from specific operations, other receivables, cash and cash equivalents and short-term loans and placements granted to Energoprojekt Energodata (short-term financial placements granted to Enjub Ltd. are covered by a pledge over the real estate of the company in question - Note 45);

- Energoprojekt Visokogradnja: cash and cash equivalents, short-term loans and placements - related parties (except Energo Kaz Ltd., Kazakhstan), receivables from related parties (except Enjub Ltd. 100% of impairment was made);
- Energoprojekt Niskogradnja: cash and cash equivalents, other long-term financial placements, other long-term receivables (collateral), short-term loans and placements - other related parties, other short-term financial placements, buyer in the country - related parties;
- Energoprojekt Oprema: cash and cash equivalents, short-term loans and placements, buyers in the country - parent and subsidiaries and accruals – buyers in the country;
- Energoprojekt Hidroinženjering: cash and cash equivalents;
- Energoprojekt Industrija: cash and cash equivalents;
- Energo (Private) Limited, Zimbabwe: cash and cash equivalents; and
- Other companies from the Energoprojekt system: total exposed financial assets.

During the first application of IFRS 9, the system Energoprojekt applied a cumulative modified (retrospective) approach, where IFRS 9 is applied retrospectively with a cumulative effect that is recognized as an adjustment on 01.01.2020 with data correction on 31.12.2019.

The effects of reconciling the carrying amounts of financial assets and liabilities at the date of initial application of the standard are recognized in equity as adjustment of opening balance of retained earnings in 2020.

Objectives and policies related to financial risk management and protection policies for each type of planned significant transaction for which protection is applied; Exposure to price risk, credit risk, liquidity risk and cash flow risk, management strategy for these risks and the assessment of their effectiveness

Uncertainty referred to future events is one of the principal business characteristics of trading commercial surroundings, reflected through variety of possible outcomes. As a result of this uncertainty, i.e. insecure and unknown possible events which are going to happen, legal entities are exposed to different business risks which could interfere their future market position.

Looking from the aspect of the Company, there are many potential risks of different possible impact on condition and business activity of the Company itself.

Some (specific) risks are affected by some internal causes, such as *concentration risk*, in this case reflected as exposure to a certain or small group of buyers or suppliers; *operational risk*, manifested by the possibility of emerging of negative effects, caused by willing or unwilling operational errors, unsuitable internal procedures and processes, inadequate managing of information system in the Company, etc.; *reputation risk* presents the possibility of aggravation of market position of the Company caused by lack of confidence, i.e. creating a negative public image (with state institutions, suppliers, buyers, etc.) about the business activities of the

Company; *legal risk*, reflected as the possibility of emerging negative effects caused by legal sanctions and penalties of lawsuits for contractual and legal obligations unfulfilled; etc.

As those mentioned, and some other risks have been treated in Notes and some other internal Company acts (f.e.g. to minimize the operational risk by procedures and working instructions adopted, is treated by Rulebook on Accounting and Company Accounting Policy), in continuation we will put our focus on considering **financial risks**, mainly referred to:

- Credit risk,
- Market risk and
- Liquidity risk.

Financial risk is significantly affected by (external) causes which are not directly under the control of the Company. Having that in mind, the impact of financial risk is dominantly affected by Company surroundings, which was not influenced only by economic development, but also by legal, financial and other relevant aspects to define the size of system risks.

Generally, comparing to developed economies markets, companies active on markets of low developed level and macroeconomic stability, with high rate of insolvency, as we face in Republic of Serbia, are extremely exposed to financial risk. Furthermore, undeveloped financial market makes impossible use of variety of „*hedging*“ instruments, present on developed markets. Thus, companies having business in Republic of Serbia have no possibility of use different financial instruments in financial risks management, because those instruments are not widely applied, nor there is an organized continued market of financial instruments.

Financial risk management is a comprehensive and reliable management system that aims to minimize potential adverse effects to the financial condition and operations of the Company under unpredictable financial market conditions.

Considering limitations in the financial risk management that are characteristic of business on the Serbian market, it is clear that it is necessary to approach this issue in a proper manner as recognized by the Company's management. Essentially, financial risk management in the Company should ensure that the *Company's risk profile* is always in compliance with *Company's tendency towards risks* or in compliance with an acceptable structure and risk level that the Company will take in order to implement its business strategies and achieve business goals.

Credit Risk

A credit risk is a risk of adverse effects to the financial result and capital of the Company due to a debtor's failure to fulfill obligations towards the Company within the specified deadline.

Credit risks mean not only debtor-creditor relations that derive from sales of Company's products, but also credit risks that derive from other financial instruments such as receivables based on long-term and short-term financial investments.

The company has substantial concentrations of credit risk in collection from buyers with long lending periods due to poor liquidity.

Market Risk

A market risk is a risk of adverse effects to the financial result and capital of the Company due to losses under specific balance sheet items as a result of negative price shifts on the market and other relevant financial parameters.

The market risk includes three risk types:

- Currency risk,
- Interest risk and
- Price risk.

Currency risk, also called foreign exchange risk or exchange rate risk, is a risk of fair value fluctuation or the fluctuation of future financial instruments cash flows due to the change in exchange rates. The currency risk arises from financial instruments in foreign currency or the currency other than the currency (functional) in which the financial instruments are measured in financial statements.

The Company operates within international frames and is exposed to exchange rate risks arising from business operations in different currencies, first of all in Euros.

The sensitivity analysis indicates that variations in the exchange rate will significantly affect variations in financial results of the Company and it can therefore be concluded that the Company is exposed to the currency risk to a significant extent.

- **Interest risk** is a risk of adverse effects to the result and capital of the Company due to unfavourable interest rates' fluctuations. The Company is exposed to this type of risk to a significant extent due to financial obligations related to loans with potentially fluctuating interest rates (Euribor).

Sensitivity analysis showed that the Company is exposed to the interest risk

- **Price risk** is a risk of fair value or future cash flow of the financial instrument fluctuation due to market price changes (but not caused by currency or interest risk), whether those changes occurred due to specific financial instrument or its issuer, or due to some similar financial instruments present on the market.

This type of risk is not noted within the Company.

Liquidity Risk

Liquidity risk is a risk of having difficulties to fulfil due obligations and maintain the necessary scope and structure of the working capital and good standing.

The results of the ratio analysis indicate that the Company had satisfactory level of liquidity during the year, meaning that it had no difficulties to meet its due liabilities or to maintain the necessary scope and structure of the working capital and to preserve its good standing.

Therefore we emphasise that:

- Considering the dynamic nature of the Company's business, the finance department aims to maintain financial flexibility, which means, among other things, to keep the existing lines of credit available and to expand them; and
- The management performs continuous monitoring of Company's liquidity reserves that include available unused lines of credit, cash and cash equivalents, as well as the liquid potentials according to the expected cash flows.

This subject matter was defined in and it is being implemented in compliance with the following adopted internal acts of the Company:

- *"Rulebook on the Basic Elements of the Internal Control System and Risk Management in Energoprojekt Holding Plc."*,
- *"Rulebook on the Operations of the Internal Supervision Sector of Energoprojekt Holding Plc."*,
- *"Rulebook on Accounting in Energoprojekt Holding Plc."*;
- *" Rulebook on Accounting and Accounting Policies of Energoprojekt Holding Plc."*

All the Companies in the Energoprojekt Group have adopted and are implementing their own individual acts regulating the said subject matter.

Most of the above listed risks, as well as some other risks not mentioned herein, are presented in greater detail in the Notes to the Financial Statements (which are primarily focusing on the review of the financial risks: the credit risk, market risk and liquidity risk) and/or other internal acts of the Company.

Statement on Code of Corporate Governance Implementation

Energoprojekt Holding Plc. implements its own Code of Corporate Governance (as adopted in 11th meeting of the Management Board of the Energoprojekt Holding Plc. held on January 26, 2012). The Code has been made publicly available on the Company's Internet page, at link: <http://www.energoprojekt.rs/wp-content/uploads//2018/10/kodeks.pdf>

The affiliated companies from the energoprojekt Group do apply own codes of corporate governance, defining the issue in matter..

The Energoprojekt Holding Plc. Code on Corporate Governance set out the principles of corporate practices and organizational culture that the principal holders of the corporate governance function of the Energoprojekt Holding Plc. comply with, with regard to the shareholders' rights, corporate governance frameworks and methods, public relations and transparency of the Company's business operations. The main objective of this Code is to introduce good business practice in the field of corporate management, which should provide for the right balance between the influences exerted by the principal corporate governance holders, consistency of the control system and strengthening of shareholders' and investors' trust in the Company, all with the aim to achieve long-term development of the Company.

Relevant Company's bodies make a point of presenting the principles laid down in the Code in greater detail in other general acts of the Company, whenever necessary. In the application thereof, there are no significant deviations from the rules of the Code of Corporate Governance.

In compliance with the Rules on Listing and Quotation of the Belgrade Stock Exchange, parallel with the disclosure of its Annual Business Report, Energoprojekt Holding Plc. delivers and discloses the completed "Questionnaire on Corporate Governance Practices" (containing all relevant information on codes of corporative governance valid within the Company, pursuant to provisions of national legislation and codes/praxis of corporative governance the Company has accepted if it goes above national laws) and has agreed to its online publication on the Internet page of the Belgrade Stock Exchange, at link: <https://www.belex.rs/>.

During 2020, there were no offers for overtaking from Energoprojekt Holding Plc. or its related companies, when the company is obliged to apply regulation for overtaking of other companies.

The management system is based on organizational structure of the Energoprojekt Group and legal status of the companies within that system, according to the law, act of constitution of the parent company and acts of constitution of related companies.

The Energoprojekt Group consists of Energoprojekt Holding Plc. as control, parent company, as well as other related companies in the country and abroad. Energoprojekt Holding Plc. directly or indirectly has the ownership control over all the companies within the system.

Energoprojekt Holding Plc. is a company with the two-tier management structure and is including bodies as follows: Shareholders Assembly, Supervising Board and Executive Board.

The shareholders Assembly of Energoprojekt Holding Plc. is the highest body of management and decision making.

Members of the Supervisory Board are named by Shareholders Assembly of Energoprojekt Holding Plc. Supervising Board of Energoprojekt Holding Plc. at the moment has six members, with two of them independent from the Company.

Supervising Board of Energoprojekt Holding Plc. members are:

1. Dobroslav Bojović – President and Member
2. Dragan Ugrčić – Member
3. Miodrag Zečević – Member
4. Branislav Ivković – Member
5. Zoran Đerković – Independent Member
6. Nada Bojović – Independent Member

Supervising Board of Energoprojekt Holding Plc. names General Manager and executive managers.

Executive Board of Energoprojekt Holding Plc. at the moment has three members and is consisting of General Manager and two executive managers (Executive Manager for Finance, Accounting and Planning; Executive Manager for Legal Issues). General Manager represents the Company, coordinates the activities of executive managers and organizes the company business.

Executive Board of Energoprojekt Holding Plc. members are:

Stojan Čolakov - General Manager

Siniša Tekić – Executive Manager for Finance, Accounting and Planning

Milan Mamula – Executive Manager for Legal Issues

Biographies of all members of Supervising and Executive boards of Energoprojekt Holding Plc. are available on the internet page of issuer, at link: <http://www.energoprojekt.rs/organizacija/>

Regarding the matter of election of managing boards, Energoprojekt Holding Plc. tries to apply in an optimal way (which is best possible in a particular moment) the appropriate diversity policy, respecting the aspects as life-age, gender or education and expertise. The goal of applying this diversity policy, *inter alla*, is the equal treatment of all potential candidates for possible election or position in some of managing functions, without any discrimination rules, provisions or limits. Applying this diversity policy there are no significant deviations concerning the defined goals.

Pursuant to the law and provisions of Act of Constitution of the Company, the Supervising Board has formed and named the Auditing Committee of Energoprojekt Holding Plc. Aside of this Auditing Committee, whose formation is regulated by the law, there were no other committees nor counseling expert bodies founded.

The Company also has named persons who are performing the internal supervising. Those activities are regulated by the „Rulebook on Internal Supervising Sector Activities“ and „Rulebook on Internal Control System and Risk Management in Energoprojekt Holding Plc.“.

In „Rulebook on Internal Control System and Risk Management in Energoprojekt Holding Plc.“ are described the basic elements of the system of internal control and risk reduction regarding the procedure of financial reporting. In this context, the Group recognizes and systematically processes information linked with financial reporting, which must be identified, collected and processed in a way that is suitable for use on different levels of the Company, and distributed in a form and time range which has to be adequate to the goals and demands requested. The Company has established internal control over the key processes, activities and procedures which are integrated into the system, with the main intention to provide more effective business process and risk management. The risk identification is made referring to the defined key goals of the Company, which are formed within middle-term annual plan and other documents adopted by the Company. The Executive Board of Energoprojekt Holding Plc./Board directors of the companies within the Energoprojekt Group, are taking special care for key risks linked to the procedure of financial reporting, which may provoke significant impact on the Company business activities, taking certain measures for their reducing or eliminating. Having this goal in mind, the permanent control of Company's business activities was performed, through the revising the quarterly reports and business activities analysis with the main business parameters (financial and economic ones; profitability; market trends; key businesses and business events which are of significance for business activities and liquidity, etc.). The Company is continuing to perform education of its employees for the risk management, consciousness level rising about this issue, and improving of appropriate preventive and corrective measures, with the aim of risk exposure diminution.

Through the risk management process the Company provides the system for identification, analysis and assessment of the risk exposure in business activities, as well as risk management in a way that this exposure will be at level which will not hurt the property and business activities of the Company, meaning that it will provide reaching the goals, plans and legality of its work. Depending on strategic determination, adopted plans and goals of the Company, the Executive Board of Energoprojekt Holding Plc./Board of Directors of the companies within the Energoprojekt Group, are adopting the risk level which is acceptable for the Company. Performing the adequate risk management process, the Company controls and provides the high level of arguments and reliability of reporting and conformity of business activities with laws and other positive regulations and internal acts.

Energoprojekt Holding Plc.

Executive Manager for Finance, accounting and Planning


Siniša Tekić, B.Sc.Ecc.

Energoprojekt Holding Plc.

Chief Executive Officer


Stojan Čolakov, M.Sc.C.E



4. STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Annual Financial Statements of the Energoprojekt Holding Plc. for 2020 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Consolidated Statements.

Person responsible for preparation of the Annual Report:

Executive Director for Finance, Accounting and Planning

Energoprojekt Holding Plc.



94. Siniša Tekić, B.Sc.Ecc.



Legal Representative:

Chief Executive Officer

Energoprojekt Holding Plc.



Stojan Čolakov, M.Sc.C.E

5. DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF COMPANY'S ANNUAL CONSOLIDATED FINANCIAL STATEMENTS *

Note *:

- Consolidated Financial Statements of Energoprojekt Holding Plc. for the year 2020 were approved on May 20, 2021, in the 122nd meeting of the Supervisory Board of the Issuer. At the moment when the Consolidated Annual Report of the Company is published, it has not yet been adopted by the competent Company's body (Shareholders' Assembly). The Company shall publish the complete the Decision of the competent body on the adoption of Company's Consolidated Annual Report at a later date.

6. DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES *

Note *:

- Decisions on distribution of profit of the Energoprojekt Holding Plc. and all its subsidiaries in the Energoprojekt Group for 2020 shall be passed in the regular annual Shareholders' Assembly meetings.

A public company is legally obliged to prepare their annual consolidated financial statements, to disclose them and to deliver them to the Commission, and, providing that the securities of such company are admitted for trading, to deliver these Statements to the regulated market or to the MTP four months after the end of each business year at the latest, and to ensure that the annual financial statements are available to the general public over the course of five years at the minimum from the date of its disclosure.

The Company shall be held responsible for the accuracy and veracity of data presented in the Annual Consolidated Report.

In Belgrade, May 2021

Person responsible for preparation of Annual Report:

Executive Director for Finance, Accounting and Planning

Energoprojekt Holding Plc.


St. Siniša Tekić, B.Sc.Ecc.



Legal Representative:

Chief Executive Officer

Energoprojekt Holding Plc.


Stojan Čolakov, M.Sc.C.E