

Consolidated Annual Report of
Energoprojekt Holding Plc.
for the year 2021

CONSOLIDATED ANNUAL REPORT
OF ENERGOPROJEKT HOLDING PLC. FOR THE YEAR OF 2021

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1. CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR THE YEAR 2021 (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 31.12.2021. godine

RSD thousand

Account group, account	DESCRIPTION	EDP	Note No.	Amount		
				Current year	Closing balance on 31.12.2020.	Opening balance on 01.01.2020.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. NON-CURRENT ASSETS (0003+0009+0017+0018+0028)	0002		17.517.406	18.252.786	-
01	I. INTEGIBLES ASSETS (0004+0005+0006+0007+0008)	0003		46.807	48.935	-
010	1. Investments in development	0004		-	-	-
011, 012 i 014	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	26.	46.807	48.531	-
013	3. Goodwill	0006		-	-	-
015 i 016	4. Intangible assets leased and intangible assets in development	0007		-	-	-
017	5. Advances paid on intangible assets	0008	26.	-	404	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0010+0011+0012+0013+0014+0015+0016)	0009		12.126.509	11.832.540	-
020, 021 i 022	1. Land and buildings	0010	27.	7.296.712	7.276.802	
023	2. Plant and equipment	0011	27.	1.805.990	2.018.321	
024	3. Investment property	0012	27.	2.695.469	2.402.012	
025 i 027	4. Property, plant and equipment leased and property, plant and equipment under construction	0013	27.	131.195	1.658	
026 i 028	5. Other property, plant and equipment and investment in PPE owned by third parties	0014	27.	152.479	88.912	
029 (p.o.)	6. Advances paid on property, plant and equipment in country	0015	27.	44.664	44.664	
029 (deo)	7. Advances paid on property, plant and equipment in abroad	0016	27.	-	171	
03	III. BIOLOGICAL ASSETS	0017		-	-	
04 i 05	IV. LONG-TERM FINANCIAL INVESTMENT AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025+0026+0027)	0018		2.681.923	2.281.644	-
040 (deo), 041 (deo) i 042 (deo)	1. Share Investments in companies (except share investments valued using the equity method)	0019	28.1.	26.331	32.040	
040 (deo), 041 (deo), 042 (deo)	2. Share investments valued using the equity method	0020	28.2.	785.113	734.267	
043, 050 (deo) i 051 (deo)	3. Long term investments in the parent company, subsidiaries and other related parties and long-term receivables from these parties in the country	0021		-	-	
044, 050 (deo), 051 (deo)	4. Long term investments in the parent company, subsidiaries and other related parties and long-term receivables from these parties in the abroad	0022		-	-	
045 (deo) i 053 (deo)	5. Long-term financial investments (given loans and borrowings) - domestic	0023		-	-	
045 (deo) i 053 (deo)	6. Long-term financial investments (given loans and borrowings) - foreign	0024		-	-	
046	7. Long-term financial investments (securities valued at depreciated value)	0025		-	-	
047	8. Repurchased own shares	0026		-	-	
048, 052, 054, 055 i 056	9. Other long-term investments and other long-term receivables	0027	28.3.	1.870.479	1.515.337	
28 (deo), osim 288	V. LONG-TERM ACCRUED INCOMES	0028	29.	2.662.167	4.089.667	-
288	V. DEFERRED TAX ASSETS	0029		-	-	
	G. OPERATING ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		17.199.313	16.981.102	-
Klasa 1, osim grupe računa 14	I. INVENTORIES (0032+0033+0034+0035+0036)	0031		4.202.492	5.204.288	-
10	1. Material, parts, tools and small inventories	0032	30.	1.549.800	1.249.446	
11 i 12	2. Work in progress and finished products	0033	30.	1.625.167	2.655.233	
13	3. Goods	0034	30.	103.000	60.212	
150, 152 i 154	4. Advances paid for goods and services in the country	0035	30.	364.174	679.286	
151, 153 i 155	5. Advances paid for goods and services abroad	0036	30.	560.351	560.111	
14	II. FIXED ASSETS HELD FOR SALE AND THE TERMINATION OF BUSINESS	0037	31.	185.150	220.170	-
20	III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038		7.322.713	5.881.992	-
204	1. Domestic buyers	0039	32.	1.928.935	2.011.627	
205	2. Foreign buyers	0040	32.	5.389.652	3.867.125	
200 i 202	3. Receivables from parent company, subsidiaries and other related parties in the country	0041	32.	4.126	3.240	
201 i 203	4. Receivables from parent company, subsidiaries and other related parties - abroad	0042		-	-	
206	5. Other receivables in sales	0043		-	-	

Account group, account	DESCRIPTION	EDP	Note No.	Amount		
				Current year	Closing balance on 31.12.2020.	Opening balance on 01.01.2020.
1	2	3	4	5	6	7
21, 22 i 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044		1.132.531	440.289	-
21, 22 osim 223 i 224, i 27	1. Other receivables	0045	33.1.	1.043.662	413.438	
223	2. Receivables for overpaid income tax	0046	33.2.	83.088	21.236	
224	3. Receivables for overpaid other taxes and contributions	0047	33.3.	5.781	5.615	
23	V. SHORT-TERM FINANCIAL INVESTMENTS(0049+0050+0051+0052+0053+0054+0055+0056)	0048		1.262.886	1.410.230	-
230	1. Short-term loans and investments - parent company and subsidiaries	0049		-	-	
231	2. Short-term loans and investments - other related parties	0050	34.1.	76.515	76.513	
232, 234 (deo)	3. Short-term credits, loans and investments in the country	0051	34.2.	244	316	
233, 234 (deo)	4. Short-term credits, loans and investments abroad	0052	34.3.	124.919	1.335	
235	5. Securities valued at depreciated value	0053		-	-	
236 (deo)	6. Financial assets at fair value through Income statement	0054		-	-	
237	7. Repurchased own shares and own share capital	0055	34.4.	49.827	49.827	
236 (deo), 238 i 239	8. Other short-term financial investments	0056	34.5.	1.011.381	1.282.239	
24	VI. CASH AND CASH EQUIVALENTS	0057	35.	2.200.040	2.911.977	
28 (deo), osim 288	VII. SHORT-TERM ACCRUED INCOME	0058	36.	893.501	912.156	
	D. TOTAL ASSETS = OPERATING ASSETS(0001+0002+0029+0030)	0059		34.716.719	35.233.888	-
88	Đ. OFF-BALANCE SHEET ASSETS	0060	48.1.	12.551.029	15.596.959	
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		19.297.211	17.882.594	-
30, osim 306	I. EQUITY CAPITAL	0402	37.1.	5.626.811	5.628.154	
31	II. UNPAID SUBSCRIBED CAPITAL	0403		-	-	
306	III. ISSUE PREMIUM	0404	37.2.	162.693	162.693	
32	IV. RESERVES	0405	37.3.	318.710	318.617	
330 i potražni saldo računa 331,332,333,334 ,335,336 i 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF THE OTHER COMPREHENSIVE RESULT	0406	37.4.	6.198.828	5.771.613	
330 i potražni saldo računa 331,332,333,334 ,335,336 i 337	VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF THE OTHER COMPREHENSIVE RESULT	0407	37.5.	31.053	25.346	
34	VII. RETAINED EARNINGS (0409+0410)	0408		6.926.606	5.932.247	-
340	1. Retained earnings from previous years	0409	37.6.	6.057.272	4.907.513	
341	2. Retained earnings from current year	0410	37.6.	869.334	1.024.734	
	VIII. NON-CONTROLLING INTEREST	0411	37.7.	94.616	94.616	
35	IX. LOSS (0413+0414)	0412		-	-	-
350	1. Losses from previous years	0413		-	-	
351	2. Losses from current year	0414		-	-	
	B. LONG TERM PROVISIONS AND LIABILITIES (0416+0420+0428)	0415		5.403.805	6.157.397	-
40	I. LONG TERM PROVISIONS (0417+0418+0419)	0416		795.899	856.788	-
404	1. Provisions for wages and other employee benefits	0417	38.	280.735	262.890	
400	2. Provisions for warranty period costs	0418	38.	497.490	579.499	
40, osim 400 i 404	3. Other long-term provisions	0419	38.	17.674	14.399	
41	II. LONG TERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		3.812.483	4.557.050	-
410	1. Liabilities that can be converted in capital	0421		-	-	
411 (deo) i 412 (deo)	2. Long-term loans and other long-term liabilities to parent company, subsidiaries and other related parties in the country	0422	39.1.	-	730.472	
411 (deo) i 412 (deo)	3. Long-term loans and other long-term liabilities to parent company, subsidiaries and other related parties abroad	0423		-	-	
414 i 416 (deo)	4. Long-term loans and liabilities for leasing - domestic	0424	39.2.	258.629	74.125	
415 i 416 (deo)	5. Long-term loans and liabilities for leasing - foreign	0425	39.3.	1.340	-	
413	6. Liabilities from issued securities	0426	39.4.	3.300.000	3.300.000	
419	7. Other long-term liabilities	0427	39.5.	252.514	452.453	
49 (deo), osim 498 i 495 (deo)	III. LONG-TERM DEFERRED COSTS	0428	40.	795.423	743.559	
498	V. DEFERRED TAX LIABILITIES	0429	47.	576.430	490.471	
495 (deo)	G. LONG-TERM DEFERRED INCOME AND DANATIONS RECEIVED	0430		-	-	-
	D. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		9.439.273	10.703.426	-
467	I. SHORT-TERM PROVISIONS	0432	41.	-	5.794	

Account group, account	DESCRIPTION	EDP	Note No.	Amount		
				Current year	Closing balance on 31.12.2020.	Opening balance on 01.01.2020.
1	2	3	4	5	6	7
42, osim 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		496.166	1.010.957	-
420 (deo) i 421 (deo)	1. Liabilities for loans to the parent company, subsidiaries and other related parties in the country	0434		-	-	
420 (deo) i 421 (deo)	2. Liabilities for loans to the parent company, subsidiaries and other related parties - abroad	0435		-	-	
422 (deo),424 (deo),425 (deo),i 429 (deo)	3. Liabilities for loans and borrowings from persons other than domestic banks	0436	42.1.	92.966	77.597	
422 (deo),424 (deo),425 (deo),i 429 (deo)	4. Liabilities for loans from domestic banks	0437	42.2.	388.709	782.626	
423,424 (deo),425 (deo) i 429 (deo)	5. Loans, borrowings and liabilities - foreign	0438	42.3.	14.491	150.734	
426	6. Liabilities for short-term securities	0439		-	-	
428	7. Liabilities for financial derivatives	0440		-	-	
430	III. RECEIVED ADVANCES, DEPOSED MONEY AND CAUTIONS	0441	43.	3.332.843	3.916.553	
43 osim 430	IV. OPERATING LIABILITIES (0443+0444+0445+0446+0447+0448)	0442		4.180.344	3.980.428	-
431 i 433	1. Suppliers - parent company, subsidiaries and other related parties - local	0443	44.	41.207	80.950	
432 i 434	2. Suppliers - parent company, subsidiaries and other related parties - foreign countries	0444		-	-	
435	3. Suppliers - local	0445	44.	2.264.541	2.458.210	
436	4. Suppliers - foreign countries	0446	44.	1.854.439	1.428.432	
439 (deo)	5. Liabilities for bill of exchange	0447		-	-	
439 (deo)	6. Other operating liabilities	0448	44.	20.157	12.836	
44, 45, 46, osim 467, 47 i 48	V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		1.004.261	1.284.949	-
44, 45 i 46 osim 467	1. Other short-term liabilities	0450	45.1.	772.132	841.429	
47, 48 osim 481	2. Liabilities for value added tax and other taxes, contributions and fees payable	0451	45.2.	172.958	260.677	
481	3. Liabilities for income tax	0452	45.3.	59.171	182.843	
427	VI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS FROM DISCONTINUED OPERATIONS	0453		-	-	
49 (deo) osim 498	VII. SHORT-TERM ACCRUED EXPENSES	0454	46.	425.659	504.745	
	D. LOSSES EXCEEDING CAPITAL (0415+0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455		-	-	-
	E. UKUPNA PASIVA (0401+0415+0429+0430+0431-0455)	0456		34.716.719	35.233.888	-
89	Ž. OFF-BALANCE SHEET LIABILITIES	0457	48.1.	12.551.029	15.596.959	-

Belgrade,

Date 13.05.2022.

Legal Representative

General Director



Executive Director for finance,
accounting and planning

CONSOLIDATED INCOME STATEMENT
from 01.01. until 31.12.2021.

RSD thousand

Account group, account	DESCRIPTION	EDP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING INCOME (1002+1005+1008+1009-1010+1011+1012)	1001		19.801.705	25.772.716
60	I. INCOME FROM SALE OF GOODS (1003+1004)	1002		75.014	59.750
600, 602 i 604	1. Income from sale of goods on the domestic market	1003	11.1.	30.812	41.320
601, 603 i 605	2. Income from sale of goods on the foreign market	1004	11.1.	44.202	18.430
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1006+1007)	1005		20.342.116	25.888.228
610, 612 i 614	1. Income from sale of products and services on the domestic market	1006	11.2.	9.759.515	14.957.670
611, 613 i 615	2. Income from sale of products and services on the foreign market	1007	11.2.	10.582.601	10.930.558
62	III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND GOODS	1008	11.3.	121.330	79.556
630	IV. INCREASE IN INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1009	11.4.	308.377	1.411.902
631	V. DECREASE IN INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1010	11.4.	1.331.768	1.913.595
64 i 65	VI. OTHER OPERATING INCOME	1011	11.5.	267.470	197.016
68, osim 683, 685 i 686	VII. INCOME FROM IMPAIRMENT OF ASSETS (EXCEPT FINANCIAL)	1012	11.6.	19.166	49.859
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		18.825.327	24.587.883
50	I. PURCHASE VALUE OF GOODS SOLD	1014	12.	69.766	65.008
51	II. MATERIAL COSTS AND FUEL AND ENERGY COSTS	1015	13.	2.692.899	3.674.464
52	III. EMPLOYEE EXPENSES AND BENEFITS(1017+1018+1019)	1016		5.440.727	6.167.041
520	1. Expenses of wages and fringe benefits (gross)	1017	14.	4.519.528	5.186.166
521	2. Taxes and contributions on wages and contributions on wages payable by employer	1018	14.	454.840	509.744
52 osim 520 i 521	3. Other personnel expenses and fringe benefits	1019	14.	466.359	471.131
540	IV. DEPRECIATION EXPENSES	1020	15.	429.545	486.802
58, osim 583, 585 i 586	V. EXPENSES FROM IMPAIRMENT OF ASSETS (EXCEPT FINANCIAL)	1021	16.	13.247	71.890
53	VI. PRODUCTION SERVICE COSTS	1022	17.	8.801.954	12.686.616
54, osim 540	VII. PROVISION EXPENSES	1023	18.	60.805	173.484
55	VIII. INTANGIBLE EXPENSES	1024	19.	1.316.384	1.262.578
	V. OPERATING GAINS (1001-1013) ≥ 0	1025		976.378	1.184.833
	G. OPERATING LOSSES (1013-1001) ≥ 0	1026		-	-
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027		937.080	707.719
660 i 661	I. FINANCIAL INCOMES FROM TRANSACTIONS WITH PARENT COMPANY, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	20.1.	4.652	4.821
662	II. INTEREST INCOME (THIRD PARTY)	1029	20.1.	175.048	100.756
663 i 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1030	20.1.	658.334	482.315
665 i 669	IV. OTHER FINANCIAL INCOME	1031	20.1.	99.046	119.827
	Đ. FINANCIAL EXPENCES (1033+1034+1035+1036)	1032		765.732	1.266.237
560 i 561	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH PARENT COMPANY, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	20.2.	21.703	72.127
562	II. INTEREST EXPENSES (THIRD PARTY)	1034	20.2.	184.536	151.644
563 i 564	III. NEGATIVE CURRENCY CLAUSE EFFECTS AND EXCHANGE RATE LOSSES	1035	20.2.	552.869	1.034.517
565 i 569	IV. OTHER FINANCIAL EXPENSES	1036	20.2.	6.624	7.949
	E. FINANCIAL GAINS (1027-1032) ≥ 0	1037		171.348	-
	Ž. FINANCIAL LOSSES (1032-1027) ≥ 0	1038		-	558.518
683, 685 i 686	Z. INCOME FROM VALUE ADJUSTMENT OF FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH INCOME STATEMENT	1039	21.1.	253.831	406.664
583, 585 i 586	I. EXPENSES FROM VALUE ADJUSTMENT OF FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH INCOME STATEMENT	1040	21.2.	366.200	253.187
67	J. OTHER INCOME	1041	22.1.	630.940	1.058.735
57	K. OTHER EXPENSES	1042	22.2.	360.787	442.746
	L. TOTAL INCOMES (1001+1027+1039+1041)	1043		21.623.556	27.945.834
	LJ. TOTAL EXPENES (1013+1032+1040+1042)	1044		20.318.046	26.550.053
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAX (1043-1044) ≥ 0	1045		1.305.510	1.395.781
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAX (1044-1043) ≥ 0	1046		-	-

RSD thousand

Account group, account	DESCRIPTION	EDP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
69-59	NJ. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICY AND ADJUSTMENTS OF ERRORS FROM PREVIOUS PERIODS	1047			
59-69	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICY AND ADJUSTMENTS OF ERRORS FROM PREVIOUS PERIODS	1048	23.	18.635	6.285
	P. PROFIT BEFORE TAX (1045-1046+1047-1048) ≥ 0	1049	24.	1.286.875	1.389.496
	R. LOSSES BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1051		350.801	331.420
722 dug. saldo	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1052		71.203	36.062
722 pot. saldo	III. DEFERRED TAX INCOME FOR THE PERIOD	1053			
723	T. EMPLOYER'S EARNING PAID OUT	1054			
	T. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		864.871	1.022.014
	U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
	I. NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1057		242.746	
	II. NET PROFIT ATTRIBUTABLE TO PARENT LEGAL ENTITY	1058		622.125	1.110.515
	III. NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1059			88.501
	IV. NET LOSS ATTRIBUTABLE TO PARENT LEGAL ENTITY	1060			
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061			
	2. Reduced (diluted) earnings per share	1062			

Belgrade,

Date 13.05.2022.

Legal Representative

General Director

Executive Director for finance,
accounting and planning

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CONSOLIDATED STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2021.

RSD thousand

Account group, account	DESCRIPTION	EDP	Amount	
			Current year	Previous year
1	2	3	4	5
	A. NET OPERATING RESULTS			
	I. NET PROFIT (AOP 1055)	2001	864.871	1.022.014
	II. NET LOSS (AOP 1056)	2002		
	B. OSTALI SVEOBUH VATNI DOBITAK ILI GUBITAK			
	a) Item that will not be reclassified subsequently to profit or loss			
330	1. Change of revaluation of intangibles, property, plant and equipment			
	a) increase in revaluation reserves	2003	23.740	97.170
	b) decrease in revaluation reserves	2004	487	17.947
331	2. Actuarial gains or losses from defined benefits plans			
	a) gains	2005		
	b) losses	2006		
333	3. Gains and losses from share of other comprehensive profits and losses of affiliates			
	a) gains	2007		
	b) losses	2008		
	b) Items that will not be reclassified subsequently to profit or loss			
332	1. Gains and losses from equity instrument investments			
	a) gains	2009		
	b) losses	2010		
334	2. Gains and losses from translation of financial statements for foreign operations			
	a) gains	2011	214.466	3.042
	b) losses	2012	5.284	215.602
335	3. Gains and losses from hedging of investments in foreign operations			
	a) gains	2013		
	b) losses	2014		
336	4. Gains and losses from cash flow hedging			
	a) gains	2015		
	b) losses	2016		
337	5. Gains and losses on securities measured at fair value through other comprehensive result			
	a) gains	2017		
	b) losses	2018	5.708	8.291
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019	226.727	
	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. DEFERRED TAX EXPENSE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021	3.347	
	IV. DEFERRED TAX INCOME ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		
	V. NNET OTHER COMPREHENSIVE PROFIT (2019- 2020-2021+2022) ≥ 0	2023	223.380	
	VI. NET OTHER COMPREHENSIVE LOSS (2020- 2019+2021-2022) ≥ 0	2024		141.628
	V. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD			
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2023-2024) ≥ 0	2025	1.088.251	880.386
	II. TOTAL COMPREHENSIVE NET LOSS (2002- 2001+2024-2023) ≥ 0	2026		
	G. TOTAL COMPREHENSIVE NET PROFIT OR LOSS (2028+2029) = AOP 2025 ≥ 0 ili AOP 2026 > 0	2027	1.088.251	880.386
	1. Attributable to parent legal entity	2028	838.395	880.386
	2. Attributable to non-controlling interests	2029	249.856	

Belgrade,
Date 13.05.2022.

Legal Representative

General Director

Executive Director for finance, accounting
and planning

M2

CONSOLIDATED CASH FLOW STATEMENT
from 01.01. until 31.12.2021.

RSD thousand

Description	EDP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 4)	3001	21.983.901	28.286.739
1. Sales and advance prepayments received in country	3002	9.462.543	15.654.129
2. Sales and prepayments received abroad	3003	11.646.271	11.835.223
3. Interests from operating activities	3004	49.646	17.418
4. Other inflow from operating operations	3005	825.441	779.969
II. Cash outflow from operating activities (1 to 8)	3006	21.578.931	26.737.894
1. Payments to suppliers and advance prepayments in country	3007	7.021.260	11.787.324
2. Payments to suppliers and advance prepayments abroad	3008	7.110.139	7.656.136
3. Employee expenses and benefits	3009	5.621.101	5.931.562
4. Interests paid in country	3010	197.920	125.602
5. Interests paid abroad	3011	31.095	47.327
6. Income tax	3012	436.510	164.579
7. Other payments to tax authorities	3013	996.286	1.008.804
8. Other outflows from operating activities	3014	164.620	16.560
III. Net cash inflow from operating activities (I-II)	3015	404.970	1.548.845
IV. Net cash outflow from operating activities (II-I)	3016	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3017	684.771	1.510.373
1. Sale of shares and stocks	3018	-	-
2. Sale of intangible investments, property, plant, equipment and biological assets	3019	112.619	49.801
3. Other financial investments	3020	544.620	1.401.268
4. Interest received from investment activities	3021	27.343	50.683
5. Dividends received	3022	189	8.621
II. Cash outflow from investing activities (1 to 3)	3023	724.035	1.612.886
1. Purchase of shares and stocks	3024	1.814	77.899
2. Purchase of intangible investments, property, plant, equipment and biological assets	3025	310.873	93.207
3. Other financial investments	3026	411.348	1.441.780
III. Net cash inflow from investing activities (I-II)	3027	-	-
IV. Net cash outflow from investing activities (II-I)	3028	39.264	102.513
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 7)	3029	476	5.022.932
1. Equity increase	3030	-	-
2. Long-term loans in country	3031	-	58.790
3. Long-term loans abroad	3032	-	-
4. Short-term loans in country	3033	-	1.664.049
5. Short-term loans abroad	3034	208	-
6. Other long-term liabilities	3035	-	3.300.093
7. Other short-term liabilities	3036	268	-
II. Cash outflow from financing activities (1 to 8)	3037	1.123.962	5.781.929
1. Repurchase of own shares and stocks	3038	-	-
2. Long-term loans in country	3039	754.663	470.352
3. Long-term loans abroad	3040	-	-
4. Short-term loans in country	3041	307.800	5.224.722
5. Short-term loans abroad	3042	4	-
6. Other liabilities	3043	11.305	10.074
7. Financial leasing	3044	38.388	76.497
8. Dividends paid	3045	11.802	284
III. Net cash inflow from financing activities (I -II)	3046	-	-
D. Net cash outflow from financing activities (II-I)	3047	1.123.486	758.997
G. TOTAL CASH INFLOW (3001+3017+3029)	3048	22.669.148	34.820.044
D. TOTAL CASH OUTFLOW (3006+3023+3037)	3049	23.426.928	34.132.709
B. NET CASH INFLOW (3048-3049) ≥ 0	3050	-	687.335
E. NET CASH OUTFLOW (3049-3048) ≥ 0	3051	757.780	-
Ž. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3052	2.911.977	2.454.112
Z. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3053	61.567	27.580
I. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3054	15.724	257.050
J. CASH BALANCE AT END OF REPORTING PERIOD (3050-3051+3052+3053-3054)	3055	2.200.040	2.911.977

Belgrade,

Date 13.05.2022.

Legal Representative

General Director



Executive Director for finance,
accounting and planning

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
from 01.01. until 31.12.2021.

RSD thousand

Position	Description	EDP	Share capital (group 30 except 306 and 309)	EDP	Other share capital (account 309)	EDP	Unpaid subscribed capital (group 31)	EDP	Issue premium and Reserves (account 306 and group 32)	EDP	Revaluation reserves and unrealized gains and loss (group 33)	EDP	Retained earnings (group 34)	EDP	GLoss (group 35)	EDP	Non-controlling interest	EDP	Total (correspond to the position AOP 0401) (column 2+3+4+5+6+7-8+9) ≥ 0	EDP	Loss exceeding the amount of capital (correspond to the position AOP 0455) (column 2+3+4+5+6+7-8+9) < 0
1.	Balance as at 01.01.2020.	4001	5.574.959	4010	80.373	4019		4028	616.295	4037	6.222.063	4046	7.050.068	4055		4064	94.701	4073	19.638.459	4082	0
2.	Effects of retroactive correction of material errors and changes in accounting policies	4002		4011		4020		4029		4038		4047	(1.791.012)	4056		4065		4074		4083	
3.	Adjusted opening balance as at 01.01.2020. (no.1+2)	4003	5.574.959	4012	80.373	4021	0	4030	616.295	4039	6.222.063	4048	5.259.056	4057	0	4066	94.701	4075	17.847.447	4084	0
4.	Net changes in 2020	4004		4013	(27.178)	4022		4031	(134.985)	4040	(475.796)	4049	673.191	4058		4067	(85)	4076		4085	
5.	Balance as at 31.12.2020. (no. 3+4)	4005	5.574.959	4014	53.195	4023	0	4032	481.310	4041	5.746.267	4050	5.932.247	4059	0	4068	94.616	4077	17.882.594	4086	0
6.	Effects of retroactive correction of material errors and changes in accounting policies	4006		4015		4024		4033		4042		4051		4060		4069		4078		4087	
7.	Adjusted opening balance as at 01.01.2020 (no. 5+6)	4007	5.574.959	4016	53.195	4025	0	4034	481.310	4043	5.746.267	4052	5.932.247	4061	0	4070	94.616	4079	17.882.594	4088	0
8.	Net changes in 2021	4008		4017	(1.343)	4026		4035	93	4044	421.508	4053	994.359	4062		4071		4080		4089	
9.	Balance as at 31.12.2021. (no. 7+8)	4009	5.574.959	4018	51.852	4027	0	4036	481.403	4045	6.167.775	4054	6.926.606	4063	0	4072	94.616	4081	19.297.211	4090	0

Belgrade,

Date 13.05.2022.

Legal Representative

General Director

Executive Director for finance,
accounting and planning

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT HOLDING PLC.
FOR 2021**

Belgrade, May 2022

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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:

- 10 subsidiary companies in the country, 9 of which are direct subsidiaries (7 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 108) 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	54	5
Construction and fitting	6	54	10
Holding	1		
Other	2		2
Total	13	108	17

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

In 2021, 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 1,274 (compared to 1,476 in 2020), 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 2021 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Holding Plc.** (which contain corrections compared to the consolidated financial statements of Energoprojekt Holding Plc. that were approved by the Supervisory Board of the Company on 27 April 2022 on the 32. session of the Supervisory Board of the Company and submitted to the Business Registers Agency for public announcement on 28 April 2022) approved by the Supervisory

Board of the Company, on 17 May 2022 in the 33. 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 2020. The statements were audited by independent external auditor, which have been reclassified in accordance with the Rules on the Contents and Form of the Financial Statements' Forms and the Content and Form of the Statistical Report Forms for Companies, Cooperatives and Entrepreneurs ("Official Gazette of the Republic of Serbia", No. 89/2020) and the Regulation on the Chart of Accounts and the Content of the Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs ("Official Gazette of the Republic of Serbia", No. 89/2020).

According to the above regulations, the information in column 7 of the Balance Sheet should be stated in the event of retrospective application of a changed or new accounting policy or retrospective recalculation of items in the financial statements, or when items in the financial statements are reclassified. IAS 1 defines that the statements are presented at the beginning date of the previous period in the case of reclassifications that have a material effect on the information in the statement of financial position at the beginning of the previous period.

Paragraphs KK35 and KK38 of the Conceptual Framework for Financial Reporting stipulate that the costs of reporting of financial information should be justified by the benefits of reporting that information and that the benefits of reporting individual information justify the costs required to provide and use that information. In accordance with that, the data in column 7 referring to the situation as at 1 January 2020 are not shown in the Balance Sheet as at 31 December 2021.

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 2021 are prepared in accordance with the going concern.

IMPACT OF COVID-19

As there is still the global pandemic caused by the Covid-19 virus, the management is not able to assess the overall effects and impacts on the future business of the Energoprojekt system. The Covid-19 pandemic had a visible impact on the business of the Energoprojekt system in the part that relates to the deadlines for the execution of works in which companies from the Energoprojekt system are engaged (primarily due to illness) and difficulties in contracting of new jobs. The management is taking all measures to ensure the conditions for a smooth business continuation of the Energoprojekt system so that the going concern principle is not called into question.

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.	Energoplast Ltd. (Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	45.11

Joint ventures

Building Construction and Fitting

11.	Enjub Ltd.	50.00
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By the decision of the Business Registers Agency of the Republic of Serbia BD 54170/2021 from 28/06/2021, the status change of the merger of the company Energoprojekt Energodata Plc. as transferring company (hereinafter: transferring company) to the company Energoprojekt Holding Plc. as the acquiring company (hereinafter: acquiring company) has been registered.

By the decision of the Business Registers Agency of the Republic of Serbia BD 54177/2021 from 28/06/2021, the transferring company Energoprojekt Energodata Plc. has ceased to exist due to the merger, and all the assets of the transferring company are transferred to the acquiring company as the result of the merger, referring to, without exception or limitation, all debts, obligations and other responsibilities of the transferring company to any third party, including the corresponding fiscal obligations of the transferring company owed to any creditor with public authority, and collaterals issued by the Transferor Company.

The day from which the business activities of the transferring company cease is 28/06/2021 as the day of registration of the status change of the merger with the acquiring company, i.e., the day of the deletion from the Business Registers Agency.

By the decision of the Business Registers Agency of the Republic of Serbia BDSL 6489/2021 from 15/07/2021, Energoprojekt Promet Ltd. was deleted from the Register of Economic Entities, since the corresponding company has not submitted the annual financial statements for 2017 and 2018 to the competent register by the end of 2019, all in accordance with Art. 547 (2) of the Law on Business Organizations and Art. 546 (1) Pt. 10) and 547b of the same law.

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.	Energo (Private) Limited, Zimbabwe	100.00
4.	Energo 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

Based on the decision of the Executive Board of Energoprojekt Holding, the company Energoprojekt Energodata Montenegro Ltd., Montenegro (100%) is excluded from the consolidation pursuant to the provisions of Art. 32 of the Law on Accounting.

The abroad subsidiary Energo Kaz Ltd., Kazakhstan was registered in the ownership of Energoprojekt Holding, but it is controlled and managed by the subsidiary Energoprojekt Visokogradnja Plc.

Among the above listed local and foreign subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Entel, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Zambia Engineering and Contracting Company Limited, Zambia are themselves companies that prepare consolidated financial statements, on the basis of the organizational scheme that was adopted by the Board of Directors or the management of the above mentioned companies, so that their subsidiaries 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.
<i>Domestic</i>		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
12.	Energopet Ltd. (33.33 %)	EP Industrija Plc.

On the basis of the decision of the board of directors of Energoprojekt Oprema, Energoprojekt Oprema is exempted from the responsibility of preparing, submitting and publishing Consolidated Financial Statements from 31.12.2020, because pursuant to the provisions of Art. 32 (6) and (7) of the Law on Accounting, the following companies are exempted from the consolidation:

- Energo Nigeria Ltd., Lagos, Nigeria (24.92%) and
- Energoprojekt Oprema Montenegro Ltd., Podgorica, Montenegro (100%).

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 retated from the item of relations with associates to external balance sheet and income statement items, starting from the Financial Reports for 2020.

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 2021 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 and 44/2021 - other law – 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 the Financial Statements' Forms and the Content and the Form of the Statistical Report Forms for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 89/2020). 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. 89/2020).

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, 153/2020 and 118/2021);

- 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, 159/2020 and 97/2021);
- 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, 159/2020 and 97/2021);
- 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, 94/2019 and 95/2021) 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, the Rulebook on the Changes and Amendments of the Rules on Accounting in the Company adopted on 29 November 2021 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 and 44/2021- other law) , 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 and the Form of the Statistical Report Forms for Companies, Cooperatives and Entrepreneurs, which deviates from the presentation and names of certain general purpose financial statements, as well as from the presentation of certain balance positions stipulated by 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.

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:

- IFRS 17 “Insurance Contracts” - effective from 1 January 2023;
- Changes and Amendments to IAS 1 “Presentation of Financial Reports” – “Classification of Liabilities as Long-Term and Short-Term” – effective from 1 January 2023;
- Changes and Amendments to IAS 1 “Presentation of Financial Statements” – “Disclosure of Accounting Policies” – effective from 1 January 2023;
- Changes and Amendments to IAS 8 “Accounting Policies, Changes in the Accounting Estimates and Errors” – Definition of Accounting Estimates – effective from 1 January 2023;
- Changes and Amendments to IAS 12 “Income Taxes” – Deferred Tax on Assets and Liabilities Arising from one Transaction – effective from 1 January 2023,
- Changes and Amendments to IAS 16 “Properties, Plants and Equipment” – “Procedures before Intended Use” - effective from 1 January 2022;
- Amendment to IFRS 3 “Conceptual Framework Reference” – effective from 1 January 2022;
- Changes and Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” – “Contract Performance Cost” - effective from 1 January 2022;
- Annual improvements of standards from 2018 to 2020 – effective from 1 January 2022.

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. Specifically, 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 in 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>31.12.2021</i>	<i>31.12.2020</i>
	<i>Amount in RSD</i>	
1 EUR	117.5821	117.5802
1 USD	103.9262	95.6637
1 GBP	140.2626	130.3984

Middle applied exchange rates applied for the income statement items in 2021 and 2020 were as follows:

<i>Currency</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Amount in RSD</i>	
1 EUR	117.5733	117.5777
1 USD	99.4925	103.0095
1 GBP	136.8155	132.1157

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.

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 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 used 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 in 2020 were recognized in connection with the initial application of IFRS 15 on 1 January 2020.

At the balance sheet date, the Company has no material effects arising from the requirements of IFRS 15.

● **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.

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, the Company applies IFRS 16 - Leases - 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 it is 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 held 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 property, plant and equipment (or disposal group), classified as property, plant and equipment 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 property, plant and equipment as long as it is classified as held for sale (or as part of an 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-to-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 Financial Management Company 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 profit or loss 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 was performed on the basis of data on historical collection.

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.

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.

When IFRS 9 was applied for the first time, the Energoprojekt system applied the cumulated modified (retrospective) approach, whereby IFRS 9 is applied retrospectively with a cumulative effect that is recognized as a correction as at 01.01.2020, with a correction of data as at 31.12.2019.

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.

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 31.12.2021, 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 31.12.2021, 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 these consolidated financial statements in the following financial assets, presented by companies from the Energoprojekt system:

- Energoprojekt Holding: receivables from sales, receivables from specific transactions, other receivables, cash equivalents and cash (short-term financial placements granted to Enjub Ltd. are covered by a pledge over the real estate of the company in question - Note 48.2);
- Energoprojekt Visokogradnja: cash and cash equivalents;
- Energoprojekt Niskogradnja: cash and cash equivalents, other long-term financial placements, other long-term receivables (collateral), receivables from related parties and receivables from specific transactions;
- Energoprojekt Oprema: cash and cash equivalents, short-term financial investments and other long-term financial investments;
- Energoprojekt Hidroinženjering: cash and cash equivalents and receivables from sales from domestic buyers;
- 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.

The Energoprojekt system has determined the existence of objective evidence of impairment in accordance with the adopted Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9 and applied an individual approach in the following companies in the Energoprojekt system, as specified below:

- Energoprojekt Holding for receivables for non-invoiced income from the Republic of Serbia for the construction of the Embassy of RS in Abuja, Nigeria, whereby it was assumed that the receivables in question will be fully collected within 3 (three) years;
- Energoprojekt Visokogradnja for the following financial instruments older than 3 years with uncertain collection, which were impaired 100% as at 01.01.2020: receivables for non-invoiced income for works on the project Prokop, long-term investments for works Crni Vrh from the company O zone, long-term investments for long-term guarantee deposit on the project Law House in the company Energoprojekt Ghana, part of the housing loans that are not repaid, receivables from the company Energo PVT Zimbabwe, receivables from the company Enjub Ltd., receivables from the country for the disability reimbursement, receivables from the company Eurologistik, receivables for non-invoiced income for the project Law house in the company Energoprojekt Ghana, receivables from buyers and receivables for non-invoiced income from the investor on the project Wonda World in the company Energoprojekt Ghana and other receivables from investors in Ghana, for which the maturity is longer than 360 days;
- Energoprojekt Niskogradnja for the total receivables from sales in the abroad point in Uganda as at 31.12.2021, which impairment of 55% according to the decision of the Management of Energoprojekt Niskogradnja. Receivables on non-invoiced income in Serbia and Uganda were impaired based on the impairment rate for basic receivables, whereas the impairment for Uganda was done based on an individual approach (group approach was used for receivables from sales from domestic buyers and foreign buyers for the abroad point Peru);
- Energoprojekt Oprema for the following financial instruments: receivables from sales from foreign buyers (Energo Nigeriji) with maturity over 360 days and receivables from specific transactions (od Energo Nigerije) with maturity over 360 days. When the net cash flows were projected, it was assumed that the above receivables would be fully collected, in particular as at 01.01.2021 within 3 (three) years,

and as at 31.12.2021 within 2 (two) years.

- Energoprojekt Hidroinženjering for the following financial instruments: receivables from sales from foreign buyers and receivables from specific transactions for the foreign entity in Peru. When the net cash flows were projected, it was assumed that the above receivables from specific transactions would be fully collected, specifically as at 01.01.2021 within 24 months and as at 31.12.2021 within 24 meseca, and 36 months for the project Alto Piura;

-Energoprojekt Industrija from receivables from buyers in Ghana (Ernest Chemist Limited). When the net cash flows were projected, it was assumed that the receivables in questions would be fully collected, specifically as at 31.12.2021 within 12 months, and

- Energo (Private) Limited, Zimbabwe for receivables from foreign buyers, which have been impaired 100% in the previous period.

When the value of net cash flow was discounted, the interest rate published on the website of the National Bank of Serbia NBS for loans granted to the non-financial sector was used in accordance with the adopted Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9 (in the amount of RSD 2.06% for receivables in EUR and USD and in the amount of RSD 2.35% for receivables in RSD) as well as the interest rate published by “Damodaran” in the overview “Cost of capital by Industry sector for Emerging markets” (in the amount of RSD 4.39%).

In accordance with the adopted Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9, for other financial assets for which no objective evidence of impairment was identified, for receivables where the other contracting party is a legal entity, as a probability of non-fulfillment of obligations (PD) the interest rate of 0.68% was used, which was determined as an average (for the observation period of 1981-2020) for the credit rating BB, that was published by the renowned agency Standard&Poors, whereas the second parameter used in the calculation of LGD (loss given default), which implies the amount of loss in case of non-fulfillment of obligation was the Basel LGD in the amount of RSD 45%.

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**.

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 BY BUSINESS SEGMENTS

System Energoprojekt, locally as well as abroad, was on 31 December 2021, 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Income from sales	5.138.885	5.683.038	15.626.511	21.731.405	646.366	617.198	21.411.762	28.031.641	(994.632)	(2.083.663)	20.417.130	25.947.978
SEGMENT RESULT												
Operating profit/loss	195.375	388.205	585.522	860.585	91.707	(46.185)	872.604	1.202.605	103.774	4.259	976.378	1.206.864
Interest income (third party)	14.115	45.683	159.739	54.408	1.194	665	175.048	100.756			175.048	100.756
Interest expenses (third party)	1.159	3.374	57.426	129.843	125.951	18.427	184.536	151.644			184.536	151.644
Profit/loss from regular operations before tax	502.095	532.747	606.043	962.432	1.022.894	247.192	2.131.032	1.742.371	(825.522)	(346.590)	1.305.510	1.395.781
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	(1.332)	587	(15.290)	(2.914)	(2.161)	(4.065)	(18.783)	(6.392)	148	107	(18.635)	(6.285)
Income tax	45.216	34.223	358.603	319.801	18.185	13.458	422.004	367.482			422.004	367.482
Net profit/loss	455.547	499.111	232.150	639.717	1.002.548	229.669	1.690.245	1.368.497	(825.374)	(346.483)	864.871	1.022.014
Total assets	9.156.834	8.467.611	22.296.105	23.559.886	16.043.808	15.686.498	47.496.747	47.713.995	(12.780.028)	(12.529.934)	34.716.719	35.184.061
Total liabilities	9.156.834	8.467.611	22.296.105	23.559.886	16.043.808	15.686.498	47.496.747	47.713.995	(12.780.028)	(12.529.934)	34.716.719	35.184.061
Depreciation	82.265	85.032	305.473	357.306	44.112	48.733	431.850	491.071	(2.305)	(4.269)	429.545	486.802

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Income from sales	9.790.327	15.016.802	4.166.760	4.838.180	1.020.192	172.863	1.896.199	1.817.511	3.359.489	3.666.683	184.163	435.939	20.417.130	25.947.978
Income from sale of goods parent company, subsidiaries and other related parties on the domestic market	11	1.714											11	1.714
Income from sale of goods on the domestic market	30.801	39.606											30.801	39.606
Income from sale of goods parent company, subsidiaries and other related parties on the foreign market														
Income from sale of goods on the foreign market			24		1.375		38.257	16.485			4.546	1.945	44.202	18.430
Income from the sales of goods	30.812	41.320	24		1.375		38.257	16.485			4.546	1.945	75.014	59.750
Income from sale of products and services parent company, subsidiaries and other related parties on the domestic market	21.823	36.931											21.823	36.931
Income from sale of products and services on the domestic market	9.737.692	14.920.739											9.737.692	14.920.739
Income from sale of products and services parent company, subsidiaries and other related parties on the foreign market														10.930.558
Income from sale of products and services on the foreign market		17.812	4.166.736	4.838.180	1.018.817	172.863	1.857.942	1.801.026	3.359.489	3.666.683	179.617	433.994	10.582.601	10.930.558
Income from the sales of products and services	9.759.515	14.975.482	4.166.736	4.838.180	1.018.817	172.863	1.857.942	1.801.026	3.359.489	3.666.683	179.617	433.994	20.342.116	25.888.228

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>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Income from the sales of goods on the domestic market		
a) Income from sale of goods to other related parties on the domestic market	11	1.714
b) Income from sale of goods on the domestic market	30.801	39.606
Total - Income from the sales of goods on the domestic market	30.812	41.320
Income from sale of goods on the foreign market	44.202	18.430
TOTAL	75.014	59.750

- **Income from sale of goods to other related parties on the domestic market** in the amount of RSD 11 thousand relate entirely to Energoprojekt Industrija, for the sale of materials to the company Napred Plc.
- **Income from sale of goods on the domestic market** in the amount of RSD 30,801 thousand primarily relates to the following companies of the system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 12,014 thousand, primarily, on the project Modernization of TPS Zemun. 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; and
 - Energoplast in the amount of RSD 18,329 thousand from sale of purchased ready-made closures intended for further sale.
- **Income from sale of goods on the foreign market** in the amount of RSD 44.202 thousand predominantly relates to Energoprojekt Niskogradnja in the amount of RSD 42,803 thousand for stock sales, under contract with subcontractors (predominantly in Uganda: RSD 42,226 thousand, primarily on the project Z-045 Mityana Mubende, Uganda: RSD 33,928 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	
	01.01-31.12.2021	01.01-31.12.2020
Income from sale of products and services on the domestic market:		
a) Income from sale of products and services to other related parties on the domestic market	21.823	36.931
b) Income from sale of products and services on the domestic market	9.737.692	14.920.739
Total - Income from sale of products and services on the domestic market	9.759.515	14.957.670
Income from sale of products and services on the foreign market	10.582.601	10.930.558
TOTAL	20.342.116	25.888.228

- **Income from sale of products and services to other related parties on local market** in the amount of RSD 21,823 thousand dominantly pertain services provided to CC Napred Plc. in the amount of RSD 19,923 thousand (predominantly by Energoprojekt Visokogradnja: RSD 19,826 thousand) and the company Energopet Ltd. in the amount of RSD 1,900 thousand (by Energoprojekt Industrija).
- **Income from sale of products and services on local market** in the amount of RSD 9,737,692 thousand, are related, mostly, to the following companies within the Energoprojekt system:
 - Energoprojekt Visokogradnja in the amount of RSD 3,419,754 thousand, primarily on the projects Delta House: RSD 1,646,204 thousand, Smatsa Flight Control: RSD 1,362,268 thousand, Warehouse Energopet Krnješevci: RSD 199,739 thousand and Chinese Cultural Center: RSD 140,642 thousand.
 - Energoprojekt Niskogradnja in the amount of RSD 2,700,724 thousand, primarily on the projects Modernization of TPS Zemun: RSD 1,074,090 thousand, Reconstruction of Vinča Landfill: RSD 800,072 thousand, Railroad Jajinci - Mala Krsna: RSD 372,770 thousand and Patrijarha Pavla: RSD 304,139 thousand,
 - Energoprojekt Park 11 in the amount of RSD 1,776,826 thousand - sold property, apartments and garages in the residential - business complex "Park 11" in Block 11a in New Belgrade and
 - Energoprojekt Entel in the amount of RSD 818,818 thousand, primarily from providing services to investors PE Elektroprivreda Srbije (on several projects): RSD 497,344 thousand, Shanghai Electric Group Europa Ltd. Belgrade: RSD 30,539 thousand, and Construction Industrielles de la mediterrabee - CNIM S.A. - SRB Belgrade branch (on Vinča Incinerator project - preparation of project documentation and obtaining conditions, permits and approvals): RSD 119,677 thousand;
- **Income from sale of products and services on foreign market** in the amount of RSD 10,582,601 thousand, related, mostly, to the following companies of the Energoprojekt system:
 - Energoprojekt Visokogradnja in the amount of RSD 4,413,315 thousand dinars – works performed for investors, primarily on projects Z-112 Hotel Hyatt Rostov 2, Russia: RSD 3,412,281 thousand, Z-114 Syktyvkar Stadium, Russia: RSD 687,652 thousand, and Z-109 Project Design Rostov, Russia: RSD 43,550 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 246,759 thousand (primarily,

on the projects Law House: RSD 75,540 thousand, Ernest Chemist Limited 54,703 thousand, Residence DR Kwame: RSD 48,865 thousand and Cantonments A: RSD 36,853 thousand);

- Energoprojekt Entel in the amount of RSD 3,346,261 thousand, predominantly realized in the companies abroad: Energoprojekt Entel LTD., Doha, Qatar: RSD 1,656,120 thousand (primarily, on the projects that are done for Qatar General Electricity & Water Corporation "Kahramaa": RSD 943,283 thousand), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 1,196,032 thousand (primarily, on the projects that are done for MERRAS: RSD 197,193 thousand, Abu Dhabi Transmission and Despatch Company (TRANSCO): RSD 177,773 thousand, Dubai Electricity and Water Authority (DEWA): RSD 162,628 thousand and Federal Electricity and Water Authority (FEWA): RSD 125,268 thousand) and Energoprojekt Entel L.L.C Muskat, Sultanate of Oman: RSD 494,109 thousand (primarily, on the projects that are done for Oman Electricity Transmission Company (OETC): RSD 268,896 thousand and Public Authority for Electricity and Water (PEWA): RSD 213,709 thousand),

- Energoprojekt Niskogradnja in the amount of RSD 1,691,312 thousand, realized on the projects in Uganda: RSD 1,491,925 thousand (primarily, on the projects Z-045 Mityana Mubende, Uganda: RSD 608,015 thousand and Z-047 KCCA Bulabira, Uganda: RSD 324,341 thousand, Z-046 KCCA Kasubi, Uganda: RSD 242,383 thousand and Z-048 Unra Jinja, Uganda: RSD 236,514 thousand) and Peru: RSD 199,387 thousand (predominantly, on the project Z-040 Irrigation System San Antonio, Peru: RSD 179,206 thousand), and

- Energoprojekt Oprema in the amount of RSD 786,420 thousand, based on the Arbitration verdict from 24.04.2019, by order of the Ministry of Finance, Minsk Republic of Belarus and the Resolution of the Court in Minsk, Republic of Belarus, where the stated income represents the difference between the non-invoiced income booked before the verdict and the income recognized in the verdict (Note 32).

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 2021, amount to RSD 7,711,208 thousand.

As at 31 December 2021, the total transaction price of unfulfilled (or partially unfulfilled) performance obligations for construction of residential and non-residential buildings is RSD 1,641,086 thousand (translated at the exchange rate on the balance sheet date) and will be realized during the remaining period of concluded contracts. The transaction price of the non-fulfilled performance and the time of recognition of income are not disclosed for the liabilities of performance, which are recognized in the amount in which the company is entitled to issue an invoice.

The total revenues incurred 5 four largest customers who individually participate with more than 10% of the incomes of Energoprojekt Visokogradnja and for 2021 amount to RSD 7,308,144 thousand (2020: 5 customers with revenues of RSD 8,618,190 thousand).

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

Revenues from design, consulting and engineering services recognized during the period ending 31 December 2021 amount to RSD 4,165,079 thousand.

As at 31 December 2021, the total transaction price of unfulfilled (or partially unfulfilled) obligations in the performance of design, consulting and engineering services amounts to RSD 7,099,262 thousand and will be realized during the remaining period of concluded service contracts.

Management expects that 42% of transaction price allocated to unfulfilled (or partially unfulfilled) performance obligations at the end of 2021 or RSD 2,959,659 thousand will be recognized as revenue during the next reporting period. The remaining 58% or RSD 4,139,603 thousand will be recognized in the financial year 2022.

The total revenues of the 10 largest customers who individually participate with more than 10% of Energoprojekt Entel's revenues for 2021 amount to RSD 2,907,750 thousand (2020: 12 customers with revenues of RSD 2,969,818 thousand).

11.3. Income from the Activation of Effects and Goods

Structure of income from the activation of effects and goods	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Income from the activation or consumption of products and services for the own needs	121.330	79.556
TOTAL	121.330	79.556

• **Income from the activation or consumption of products and services for the own needs** in the amount of RSD 121,330 thousand entirely relates to Energoprojekt Niskogradnja, for overhaul of equipment (machine) at the own initiative (in Uganda: RSD 119,838 thousand and in the country: RSD 1,492 thousand).

11.4. Increase and Decrease in Value of Work in Progress and Finished Products

Increase and decrease in value of work in progress and finished products	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Increase and decrease in value of work in progress and finished products	308.377	1.411.902
Decrease and decrease in value of work in progress and finished products	1.331.768	1.913.595

In the reporting period, **Increase in value of work in progress and finished products and unfinished services** in the amount of RSD 308,377 thousand predominantly relates to an increase in value of unfinished products in Energoprojekt Visokogradnja in the amount of RSD 179,978 thousand (for unfinished production of residential building in Bežanijska Kosa, Block 24) and Energoprojekt Niskogradnja in the amount of RSD 124,008 thousand (Uganda: RSD 123,318 thousand and Peru: RSD 690 thousand).

• **Decrease in value of work in progress and finished products and unfinished services** in the amount of RSD 1,331,768 thousand relates to the following companies in the Energoprojekt system:

- Energoprojekt Park 11 in the amount of RSD 1,145,076 thousand (from sales of finished products (properties) within the residential and business building Park 11 in Blocku 11a in New Belgrade),
- Energoprojekt Sunnyville in the amount of RSD 105,975 thousand (from sales of finished products (properties) within the residential and business building Sunnyville in Belgrade), and
- Energoprojekt Niskogradnja in the amount of RSD 80,717 thousand.

11.5. Other Operating Income

Structure of other operating income	In RSD thousand	
	01.01.- 31.12.2021	01.01.- 31.12.2020
Income from premiums, subsidies, grants, donations and the like		
Income from conditional donations	48.796	58.067
Total - Income from premiums, subsidies, grants, donations and the like	48.796	58.067
Other operating income:		
Income from rent:		
a) Income from rent collected from parent, subsidiary and other related parties	962	142
b) Income from rent in the country	32.351	22.439
c) Income from rent abroad	73.795	56.267
Total - Income from rent	107.108	78.848
Income from membership fees	30	
Other operating income from parent, subsidiary and other related parties		85
Other operating income	111.536	60.016
Other - Other operating income	218.674	138.949
TOTAL	267.470	197.016

- **Income from premiums, subsidies, grants, donations and the like** in the amount of RSD 48,796 thousand relate to:
 - direct grants of the Government of the Republic of Serbia to legal entities, in accordance with Decree on Determining the Program of Direct Grants from the Budget of the Republic of Serbia to Economic Entities in the Private Sector in order to mitigate the economic consequences caused by the epidemic of COVID-19 disease caused by the SARS-Cov-2 virus ("Official Gazette of RS", 11/2021 from 12.02.2021) in the form of payment of non-refundable funds for salaries and wages to employees.
- **Income from the rents collected from parent, subsidiaries and other related parties** in the amount of RSD 962 thousand relate to the realized income from rents from the company Napred Plc. in Energoprojekt Visokogradnja: RSD 834 thousand and Energoprojekt Niskogradnja: RSD 128 thousand.
- **Income from the rent on local market** in the amount of RSD 32,351 thousand was primarily generated in the following companies of the system Energoprojekt:
 - Energoprojekt Holding in the amount of RSD 20,037 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, and the rent of a part of the Energoprojekt business building which is rented to the company 5. Univerzitetske igre Beograd 2020 Ltd. Belgrade, in the amount of RSD 7,465 thousand,
 - Energoprojekt Visokogradnja in the amount of RSD 7,065 thousand, primarily based on the rental of facility in Ub in RSD 4,325 thousand and facility in Preradoviceva Street in Belgrade in RSD 2,379 thousand; and
 - Energoprojekt Sunnyville in the amount of RSD 3,188 thousand from leasing garages and shops in the residential - business complex Sunnyville in Belgrade.

- **Income from the rent on foreign market** in the amount of RSD 73,795 thousand was predominantly generated by the following companies of the system Energoprojekt:

- Dom 12 S.A.L., Lebanon in the amount of RSD 21,533 thousand, based based on the rental of office building in Moscow;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 31,570 thousand, based on the rents of several properties in Lusaka, Zambia;

- Energoprojekt Niskogradnja in the amount of RSD 6,670 thousand, predominantly for the rental of a part of the office building Cruz del Sur in Lima, Peru: RSD 6,587 thousand; and

- Energo (Private) Limited, Zimbabwe in the amount of RSD 6,447 thousand, based on the rents of several properties in Harare, Zimbabwe.

- **Other operating income** in the amount of RSD 111,536 thousand was mostly generated in the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 91,786 thousand ostvareni su dominantno for pre-invoiced costs poreza na imovinu, naknade za korišćenje građevinskog zemljišta, izrade dela urbanističkog projekta za izgradnju stambeno - poslovnih objekata u Bloku 26 i dr. raznih plaćanja u prethodnim godinama društvu Trinity Capital doo: 91.703 hiljada RSD po osnovu Aneksa II Ugovora o zajedničkoj izgradnji objekta u Bloku 26, Novi Beograd.

- Energoprojekt Niskogradnja in the amount of RSD 11,461 thousand, primarily on the basis of pre-invoiced costs to the subcontractor Bauwesen Ltd. on the project Patrijarha Pavla (for the purchased gravel and curbs in order to ensure that the dynamics of the works would not be endangered), as well as on the project TPS Zemun (on the basis of insurance) in the total amount of RSD 8,304 thousand, pre-invoiced costs to the foreign supplier Caf Rail, from whom equipment was purchased for the project TPS Zemun (the supplier hasn't sent appropriate documentation for the exemption from customs duties, so that Energoprojekt Niskogradnja had to pay these costs) in the amount of RSD 1,519 thousand and pre-invoiced costs to the to the investor Colas Rail on the project Railroad Jajinci - Mala Krsna (on the basis of insurance of facilities) in the amount of RSD 1,247 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 7,882 thousand, predominantly from income generated under contractual agreements with subcontractors on Delta Headquarters projects: RSD 3,269 thousand and other operating income in the company Energoprojekt Ghana: RSD 1,490 thousand.

11.6. Income from Impairment of Assets (except financial)

Structure of income from impairment of assets (except financial)	<i>In RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Income from impairment of property, plants and equipment	18.394	49.859
Income from impairment of other assets	772	
TOTAL	19.166	49.859

- **Income from impairment of property, plants and equipment** in the amount of RSD 18,394 thousand was recorded on the basis of reducing the value of investment property to fair value at the balance sheet date, in accordance with IFRS 40 - Investment property, in the following companies of the Energoprojekt system:

- Dom 12 S.A.L., Lebanon in the amount of RSD 7,112 thousand (business building in Moscow),

- Energoprojekt Niskogradnja in the amount of RSD 10,926 thousand (part of business building “Cruz del Sur” in Peru, which is intended for renting) and
- Energoprojekt Industrija in the amount of RSD 353 thousand (property in Toše Jovanovića Str. in Belgrade).

12. COST PRICE OF GOODS SOLD

Structure of of cost price of goods sold	<i>In RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Cost price of goods sold:		
a) Cost price of goods sold to parent, subsidiary and other related parties	8	1.934
b) Cost price of goods sold on the domestic market	27.275	44.785
c) Cost price of goods sold on the foreign market	42.483	18.289
TOTAL	69.766	65.008

● **Cost price of goods sold to parent, subsidiary and other related parties on local market** in the amount of RSD 8 thousand, entirely relates to Energoprojekt Industrija for procurement of materials for the company CC Napred Plc.

● **Cost price of goods sold on local market** in the amount of RSD 27,275 thousand predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 11,959 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 14,393 thousand, for purchasing of finished lock-patent delivered for further sales.

● **Cost price of goods sold on foreign market** in the amount of RSD 42,483 thousand dominantly relates to Energoprojekt Niskogradnja in the amount of RSD 42,470 thousand (for inventory costs sold as per agreements to subcontractors for projects in Uganda: RSD 42,226 thousand and in Peru: RSD 244 thousand, in order to ensure smooth performance of works).

13. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Costs of materials used in production	1.681.130	2.577.570
Costs of other materials (overhead)	157.180	193.852
Fuel and energy costs:		
a) Fuel costs	495.090	455.939
b) Costs of electrical energy and heating	158.941	168.342
<i>Total - Fuel and energy costs</i>	<i>654.031</i>	<i>624.281</i>
Costs of spare parts	123.549	177.820
Costs of one-time amortization of tools and inventory	77.009	100.941
TOTAL	2.692.899	3.674.464

• **Cost of materials used in production** in the amount of RSD 1,681,130 thousand relate, primarily, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja, in the amount of RSD 985,969 thousand, of which RSD 389,102 thousand relate to costs on projects in the country (primarily on the projects: Delta Headquarters: RSD 27,460 thousand, Smatsa Flight Control: RSD 286,747 thousand, Bežanijska kosa, Block 24: RSD 17,791 thousand and Chinese Cultural Center: RSD 10,918 thousand), while RSD 596,867 thousand refer to abroad (primarily, on the projects: Z-114 Syktyvkar Stadium, Russia: RSD 83,086 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 465,717 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 46,135 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 422,660 thousand, of which RSD 138,331 thousand relates to costs on projects abroad (in Uganda: RSD 127,195 thousand and Peru: RSD 11,136 thousand), whereas RSD 284,329 thousand relates to the project in the country; and

- Energoplast in the amount of RSD 221,635 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 157,180 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 106,098 thousand, Energoprojekt Entel, in the amount of RSD 31,419 thousand, Energoprojekt Visokogradnja in the amount of RSD 5,264 thousand and Energoprojekt Holding in RSD 4,959 thousand.

• The largest share in **fuel and energy costs** amounting to RSD 654,031 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 437,090 thousand, which were predominantly incurred abroad, of Energoprojekt Visokogradnja in the amount of RSD 70.850 thousand and Energoprojekt Entel in the amount of RSD 70,706 thousand.

• **Costs of spare parts** in the amount of RSD 123,549 thousand relate, dominantly, to Energoprojekt Niskogradnja in the amount of RSD 113,955 thousand and to Energoprojekt Visokogradnja in the amount of RSD 6,916 thousand.

• **Costs of one-off write-off of tools and inventory** in the amount of RSD 77,009 thousand relate

predominantly to Energoprojekt Niskogradnja in the amount of RSD 68,201 thousand and Energoprojekt Visokogradnja in the amount of RSD 7,409 thousand.

14. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Expenses of wages and fringe benefits (gross)	4.519.528	5.186.166
Taxes and contributions on wages and contributions on wages payable by employer	454.840	509.744
Other personnel expenses and benefits:		
Service agreements contributions	12.669	9.580
Copyright agreements contributions	19.650	27.133
Costs of contributions for contract fees for temporary and periodical engagement	111.580	102.300
Considerations to physical persons based on other agreements	23.055	21.364
Considerations to General Manager and/or Management and Supervisory Board members	33.625	34.851
Employment of employees over agencies and unions	16.843	7.537
Other personnel expenses and fringe benefits	248.937	268.366
Total - Other personnel expenses and fringe benefits	466.359	471.131
TOTAL	5.440.727	6.167.041

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** in the total amount of RSD 4,974,368 thousand relate primarily to Energoprojekt Entel in the amount of RSD 2,344,926 thousand, Energoprojekt Visokogradnja in the amount of RSD 995,298 thousand, Energoprojekt Niskogradnja in the amount of RSD 820,454 thousand, Energoprojekt Hidroinženjering in the amount of RSD 296,849 thousand.

- **Copyright agreements contributions** in the amount of RSD 19,650 thousand relate, primarily, to the following companies of the system Energoprojekt:

- Energoprojekt Industrija in the amount of RSD 6,642, predominantly in the country due to the lack of professionally qualified workers; and

- Energoprojekt Hidroinženjering in the amount of RSD 11,439 thousand, in the country in the amount of RSD 5,682 thousand and abroad in RSD 5,757 thousand due to increased work and lack of manpower with appropriate qualification structures in certain fields.

- **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 111,580 thousand were predominantly incurred in following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 87,861 thousand (predominantly abroad: RSD 87,150 thousand, primarily in Uganda: RSD 85,174 thousand) 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 18,107 thousand, in the country, primarily in the Samacki hotel: RSD 1,592 thousand, on the project Smatsa Flight Control: RSD 7,006 thousand and in restaurant within the business building Energoprojekt: RSD 4,865 thousand;

- Energoprojekt Hidroinženjering of RSD 3,733 thousand for projects in the country (primarily Drinsko Limske Hydroelectric Power Plant Bajina Bašta, Hydroelectric Power Plant Elektro-Morava, Hydroelectric Power Plant Limske, RHE Zvornik, Trebišnjica Dam and others).

• **Other personnel expenses and fringe benefits** amounting to RSD 248,937 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 87,128 thousand, in the country RSD 15,112 thousand (primarily, based on costs of transportation to the work and from the work: RSD 13,656 thousand) and abroad: RSD 72,016 thousand (projects abroad: RSD 61,037 thousand - mostly accommodation and food costs in the field and in Energoprojekt Ghana, Accra, Ghana: RSD 10,979 thousand - primarily airfare and food costs);

- Energoprojekt Niskogradnja amounting to RSD 65,856 thousand, in the country: RSD 24,188 thousand (of which RSD 13,085 thousand refer to severance pay due to solving the problem of technological redundancies, and costs of transportation of employees to the work and from the work: RSD 9,103 thousand) and abroad: RSD 41,668 thousand (primarily food and accommodation costs in the field and transportation costs: RSD 29,514 thousand);

- Energoprojekt Entel in the amount of RSD 49,695 thousand (primarily for reimbursement of expenses and expenses of food and stay in the field: RSD 27,685 thousand and business travel expenses: RSD 13,537 thousand);

15. DEPRECIATION EXPENSES

Structure of depreciation expenses	<i>In RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Depreciation of intangible assets	15.598	17.928
Depreciation of property, plant and equipment	413.947	468.874
TOTAL	429.545	486.802

• 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 2021.

Effects of the change in the accounting valuation impact the change in **amortisation expenses** for 2021, and thus, consequently, the change in the booking value of assets as at 31 December 2021.

16. EXPENSES FROM IMPAIRMENT OF ASSETS (EXCEPT FINANCIAL)

Structure of expenses from impairment of assets (except financial)	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Expenses from impairment of property, plants and equipment	1.287	71.890
Expenses from impairment of inventories	2.549	
Expenses from impairment of other assets	9.411	
TOTAL	13.247	71.890

Expenses from impairment of property, plants and equipment in the amount of RSD 1,287 thousand relates to the adjustment of the fair value of the building complex “Samački hotel”.

Expenses from impairment of stocks in the amount of RSD 2,549 thousand has been done on proposal of the Inventory commission in Energoprojekt Oprema.

Expenses from impairment of other equipment in the amount of RSD 9,411 thousand relates to impairment of finished products (2 apartments) in Energoprojekt Sunnyville.

17. PRODUCTION SERVICE COSTS

Structure of costs of production services	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Production service costs	7.838.934	11.757.494
Transportation service costs	194.731	205.371
Repairs and maintenance services' costs	79.613	74.998
Rental costs	342.698	438.440
Fair costs	7.720	0
Advertising costs	189.383	12.945
Research costs	4.253	3.895
Costs of other services	144.622	193.473
TOTAL	8.801.954	12.686.616

• **Production service costs** in the amount of RSD 7,838,934 thousand are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 4,932,008 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 2,510,407 thousand (primarily on projects: Delta Headquarters: RSD 1,450,449 thousand, Smatsa Flight Control: RSD 805,231 thousand and Energopet: RSD 135,537 thousand) and abroad in the amount of RSD 2,421,601 thousand (primarily on the projects: Z-112 Rostov 2 Hayatt: RSD 2,024,647 thousand and Z- 114 Syktyvkar Stadium 302,909 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 44,066 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 1,899,075 thousand for the costs primarily based on subcontracting agreements incurred within projects in the country amounting to RSD 1,590,071 thousand

(mostly on the projects Modernization of TPS Zemun: RSD 758,927 thousand, Railway Jajinci - Mala Krsna: RSD 249,826 thousand and Patrijarha Pavla: RSD 247,630 thousand) and abroad: RSD 309,004 thousand (predominantly on the projects in Uganda: RSD 304,549 thousand, primarily on the projects Z-045 Mityana Mubende, Uganda: RSD 125,317 thousand and Z-047 KCCA Bulabira, Uganda: RSD 70,954 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 373,486 thousand relate to costs of subcontractors and partners on projects in the country (primarily, Vinca landfill: RSD 130,559 thousand and TPS Zemun: RSD 237,309 thousand);

- Energoprojekt Entel, in the amount of RSD 465,424 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 115,491 thousand, while abroad: RSD 349,933 thousand (primarily in UAE: RSD 170,144 thousand and Qatar: RSD 132,511 thousand); and

• **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, postage expenses, etc. These costs amount to RSD 194,731 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 145,529 thousand (abroad: primarily, cost of air tickets for employees and rent-a-cars costs, predominantly in Qatar and UAE), Energoprojekt Niskogradnja in the amount of RSD 19,575 thousand and Energoprojekt Visokogradnja in the amount of RSD 16,076 thousand.

• **Repair and maintenance services' costs** amounting to RSD 79,613 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 28,269 thousand, in Energoprojekt Entel in the amount of RSD 20,544 thousand, in Energoprojekt Visokogradnja in the amount of RSD 6,863 thousand, Energoprojekt Holding in the amount of RSD 5,967 thousand and in Energoplast in RSD 4,669 thousand. These costs were predominantly incurred for regular equipment maintenance.

• **Rental costs** amount to RSD 342,698 thousand and are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 177,005 thousand were recorded due to renting apartments and business spaces in the company's companies abroad (predominantly in Qatar: RSD 120,253 thousand and UAE: RSD 41,519 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 126,800 thousand, comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad (abroad: RSD 104,102 thousand and in the country: RSD 22,698 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 33,364 thousand are predominantly relate to the rental costs on WUs, amounting to RSD 8,943 thousand (of which the largest part refers to lease of machines, cranes and other in the amount of RSD 4,005 thousand), rent in the company Energoprojekt Ghana Ltd., Accra, Ghana, in the amount of RSD 2,727 thousand, primarily on for lease of houses), and lease of machinery and equipment in the country from the company Napred Plc. in the amount of RSD 10,819 thousand.

• **Trade fair expenses** in the amount of RSD 7,720 thousand entirely relate to Energoprojekt Entel in the company Energoconsult L.L.C., Abu Dhabi, UAE.

- **Advertising costs** amounting to RSD 189,383 thousand relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 176,467 thousand (predominantly abroad based on costs of sponsorship in order to be awarded with new works), Energoprojekt Entel in the amount of RSD 6,160 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.), and Energoprojekt Holding in the amount of RSD 4,462 thousand (predominantly for costs of the celebration of 70 years of Energoprojekt – purchase of media space for a TV campaign, making of a new corporate film, advertising in magazines and newspapers, etc.).

- **Costs of other services** in the amount of RSD 144,622 thousand were primarily incurred in the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 47,286 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, sanitation on projects, geodetic services, etc.;

- Energoprojekt Visokogradnja in the amount of RSD 51,435 thousand primarily based on cost of public utility services, personal protection at work, registration of vehicles and photocopying costs;

- Energoprojekt Entel in the amount of RSD 14,870 thousand, primarily from costs of procurement of tender documents, costs of licenses and photocopying.

- Energoprojekt Holding in the amount of RSD 9,519 thousand, primarily for costs of licences, public utility services, etc.

18. PROVISION EXPENSES

Structure of provision expenses	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Warranty period provisions' expenses	5.886	105.822
Provisions for contributions and other personnel benefits	48.748	53.287
Other provisions expenses	6.171	14.375
TOTAL	60.805	173.484

- **Warranty period provisions' expenses** amount to RSD 5,886 thousand entirely refer to Energoprojekt Visokogradnja for the project Delta Headquarters.

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 48,748 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 39,612 thousand (which are carried out with the company Energoprojekt Entel LTD., Qatar: RSD 18,973 thousand and Energoprojekt Entel L.L.C Muscat, Sultanate of Oman: RSD 18,394 thousand, while the provisions costs in the country amount to RSD 2,245 thousand) and Energoprojekt Visokogradnja in the amount of RSD 5,432 thousand.

In 2021, the companies in the Energoprojekt system recorded provision costs for employee expenses and

other benefits based on actuarial calculation (Note 38).

• **Other provisions expenses** in the amount of RSD 6,171 thousand entirely relate to Energoprojekt Niskogradnja, whose expert departments, based on the analysis of current lawsuits and their status as at 31.12.2020, estimated the future expenses for legal costs and gave an order to perform record provisions for legal costs in the above mentioned amount (Note 38).

19. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01.01.-31.12.2021</i>	<i>01.01.-31.12.2020</i>
Intangible expenses	668.639	558.674
Expense account	30.020	31.132
Insurance premiums expenses	123.560	150.860
Payment operations' expenses	242.395	294.113
Membership fee expenses	9.309	22.856
Tax duties	78.956	102.105
Contributions paid	175	1.232
Other non-operating expenses	163.330	101.606
TOTAL	1.316.384	1.262.578

• **Intangible expenses** in the amount of RSD 668,639 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 299,694 thousand primarily abroad: RSD 286,306 thousand (mostly incurred in the company Energoprojekt Entel LTD., Doha, Qatar: RSD 252,156 thousand, for sponsor's and agents expenses paid for conclusion of the largest contracts with the state investor "Kahramaa." Specifically, 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 13,388 thousand (primarily, based on costs of cleaning of business spaces and costs of employee training);

- Energoprojekt Niskogradnja in the amount of RSD 118,045 thousand, abroad: RSD 63,604 thousand (Uganda: RSD 33,906 thousand and Peru: RSD 29,698 thousand), based on costs of securing construction sites, costs of attorney services in Peru, costs of work permits in Uganda, healthcare services, etc.) and in the country: RSD 54,441 thousand (primarily securing construction sites for projects in the country);

- Energoprojekt Visokogradnju in the amount of RSD 102,460 thousand, in the country: RSD 19,043 thousand (primarily, based on costs of securing construction sites) and abroad: RSD 83,417 thousand (primarily on WUs in the amount of RSD 78,705 thousand - predominantly based on costs of securing construction sites: RSD 14,332 thousand and costs of consultancy services on the project Z-114 Siktivakar Stadium: RSD 53,195 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana in the amount of RSD 4,533 thousand - primarily, based on costs of healthcare services: RSD 1,723

thousand and costs of the audit of financial statements: RSD 1,341 thousand);

- Energoprojekt Oprema in the amount of RSD 87,693 thousand, predominantly based on costs of attorney services in the amount of RSD 85,673 thousand (predominantly abroad: RSD 78,012 thousand) and

- Energoprojekt Holding in the amount of RSD 24,220 thousand, mostly legal advisory and intellectual service, costs of audit of the financial statements and cleaning services, etc.

• **Insurance premium expenses** amounting to RSD 123,560 thousand were incurred based on the insurance of works, property and persons, specifically: primarily in the Energoprojekt Niskogradnja in the amount of RSD 54,109 thousand, in Energoprojekt Entel in the amount of RSD 51,864 thousand, in Energoprojekt Visokogradnja in the amount of RSD 51,864 thousand, Energoprojekt Urbanizam I arhitektura in the amount of RSD 8,280 thousand and in Energoprojekt Oprema in the amount of RSD 3,943 thousand.

• **Payment operation expenses** in the amount of RSD 242.395 thousand predominantly relate to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja amounting to RSD 161,502 thousand, abroad: RSD 109,542 thousand (in Uganda: RSD 57,749 thousand and Peru: RSD 51,793 thousand) and in the country: RSD 51,960 thousand, primarily for costs of bank fees for issued guarantees,

- Energoprojekt Visokogradnja amounting to RSD 22,630 thousand, abroad: RSD 5,236 thousand (on WUs 3,129 thousand and in foreign companies: RSD 2,107 thousand) and in the country: RSD 17.394 thousand (primarily, based on the costs of issuing bank guarantees: RSD 11.948 thousand);

- Energoprojekt Entel amounting RSD 31,919 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 20,415 thousand and cost of payment transactions: RSD 11,504 thousand (which were predominantly realized within Energoprojekt Entel LTD., Qatar: RSD 20,422 thousand); and

- Energoprojekt Hidroinženjering amounting RSD 17,221 thousand, primarily costs of issuing bank guarantees: RSD 15,577 thousand (primarily on supervision and designs works performed in Algeria) and cost of payment transactions: RSD 1,644 thousand.

• **Tax and fee duties** in the amount of RSD 78,956 thousand consist of the property tax, utility duties, income tax in foreign countries according to the local regulations, etc. Tax duties are primarily related to the following companies of Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 21,400 thousand, in the country: RSD 13,209 thousand (mostly, based on property tax: RSD 10,560 thousand) and abroad: RSD 8,191 thousand (dominately, based on tax on construction land with the company Energoprojekt Montenegro: RSD 3,648 thousand);

- Energoprojekt Entel in the amount of RSD 21,566 thousand, abroad: RSD 19,089 thousand (primarily paid taxes for local workers in Oman), in the country: RSD 2,477 thousand (mostly, based on property tax: RSD 2,104 thousand);

- Energoprojekt Holding in the amount of RSD 8,826 thousand, in the country, dominantly based on property tax: RSD 8,355 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 8,422 thousand, abroad: RSD 2,359 thousand (Peru:

RSD 2,305 thousand and Uganda: RSD 54 thousand) and in the country: RSD 6,063 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 163,330 thousand, the most significant part relates to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 95,713 thousand, in the country: RSD 84,849 thousand (predominantly on the project of own investment in the construction of a property in Belgrade, Bežanijska Kosa, Block 24) and abroad: RSD 10,864 thousand (of which in the company Energoprojekt Ghana: RSD 3,944 thousand, mostly based on costs of work visas),
- Energoprojekt Entel in the amount of RSD 31,662 thousand, abroad: RSD 27,872 thousand and in the country: RSD 3,790 thousand), and
- Energoprojekt Niskogradnja in the amount of RSD 20,339 thousand (in the country: RSD 3,510 thousand abroad 16,829 thousand).

20. FINANCIAL INCOME AND FINANCIAL EXPENSE

20.1. Financial Income

Structure of financial income	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Financial income from parent, affiliated companies and other related parties:		
Finansijski income from other related parties	4.652	4.821
Total - Financial income from parent, affiliated companies and other related parties	4.652	4.821
Interest income (from third parties)	175.048	100.756
• Exchange rate gains and positive currency clauses effects	658.334	482.315
Other financial income (income from share in profits of affiliated companies and joint ventures and other financial income):		
Income from share in profits of affiliated companies and joint ventures	57.781	55.120
Other financial income:		
a) Dividend income	189	8.478
b) Other financial income	41.076	56.229
Total - Other financial income	41.265	64.707
Total - Other financial income (income from share in profits of affiliated companies and joint ventures and other financial income)	99.046	119.827
TOTAL	937.080	707.719

Financial income from other related parties in the amount of RSD 4,652 thousand dominant, refer to Energoprojekt Holding in the amount of RSD 4,639 thousand from interest income computed on loan granted by

joint venture Enjub Ltd., RSD 4,560 thousand and positive outcomes of the currency clause: RSD 79 thousand: (predominantly for (paid) liabilities under the loan granted by Napred Razvoj Plc.: RSD 76 thousand).

- **Interest income (third party)** in the amount of RSD 175,048 thousand predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 140,494 thousand, predominantly for default interest, from University Clinical Center of Serbia, after a final and executive verdict of the Commercial Court in Belgrade no. 22 P.6230/2017, in the amount of RSD 140,431 thousand,

- Energoprojekt Visokogradnja, in the amount of RSD 16,475 thousand, primarily based on term time deposits with commercial banks, mostly incurred abroad: RSD 16,014 thousand (Z-114 Syktyvkar Stadium project, Russia, and Z-112 Hotel Hyatt Rostov: RSD 3,399 thousand).

- Energoprojekt Entel in the amount of RSD 13.609 thousand, primarily for short-term time deposits with commercial banks (primarily in Qatar: RSD 12.365 thousand).

- **Exchange rate gains and positive currency clauses effects** amounted to RSD 658,334 thousand dinars, while exchange rate losses and negative currency clause effects amounted to RSD 552,869 thousand, so that in the reporting period recorded net exchange rate gains and positive currency clauses effects were recorded in the amount of 105,465 thousand.

From the beginning of the year until 31 December 2021, RSD was depreciated to EUR by 0.002% (in 2020: appreciated by 0.01%), to USD by 8.64% (in 2020: appreciated by 8.82%), and to RUB by 9.21% (in 2020: appreciated by 24.63%).

- **Income from the profit participation in affiliated companies and joint ventures** in the amount of RSD 57,781 thousand relate to realized net result in the reporting period of the affiliated company Energopet Ltd. (33.33%).

The affiliated company Energopet Ltd. is included with the share method (equity method) through first-grade consolidation in the consolidated financial statements of the subsidiary Energoprojekt Industrija, and therefore also in the consolidated financial statements of Energoprojekt Holding (Note 28.2).

20.2. Financial Expense

Structure of financial expenses	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Financial expenses from transactions with parent, affiliated companies and other related parties:		
Financial expenses from transactions with other related parties	21.703	72.127
Total - Financial expenses from transactions with parent, affiliated companies and other related parties	21.703	72.127
Interest expenses (by third parties)	184.536	151.644
Foreign exchange losses and negative currency clause effects	552.869	1.034.517
Other financial expenses:		
Expenses from participation in losses of affiliated companies and joint ventures	6.448	6.976
Other financial expenses:	176	973
Total - Other financial expenses	6.624	7.949
TOTAL	765.732	1.266.237

- **Financial expense from transactions with other related parties** in the amount of RSD 21,703 thousand were mostly recorded within Energoprojekt Holding in the amount of RSD 21,331 thousand and relate to the company Napred Razvoj Plc., predominantly based on costs of interest on the taken loan in the amount of RSD 21,329 thousand.
- **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 184,536 thousand relate predominantly to the companies within system Energoprojekt:
 - Energoprojekt Holding in the amount of RSD 125,940 thousand, predominantly relate to interest on issued long-term corporate bonds of the company for the reporting period (payment of the fourth coupon of the bonds to the Central Securities Register in accordance with the Prospectus on the long-term bonds and issues of the company) in the amount of RSD 125,773 thousand,
 - Energoprojekt Niskogradnja in the amount of RSD 28,534 thousand (in the country: RSD 12,800 thousand and abroad: RSD 15,734 thousand), primarily based on interest expenses on the loans taken from commercial banks and interest expenses based on lease contracts,
 - Energoprojekt Visokogradnja in the amount of RSD 16,495 thousand, dominant in the country: RSD 16,488 thousand (primarily interest on borrowings: RSD 10,658 thousand);
 - Energoprojekt Oprema in the amount of RSD 12,394 thousand, mostly from interest on loans from commercial banks in the country for the project Energocehtar Minsk, Belarus in the amount of RSD 10,896 thousand; and
- **Expenses from the loss of affiliated companies and joint ventures** in the amount of RSD 6,448 thousand relate to realized net result of the joint venture Enjub Ltd. (50.00%) incurred in reporting period which is included in the consolidated financial statements of Energoprojekt Holding by the equity method.

21. INCOME AND EXPENSES FROM IMPAIRMENT OF FINANCIAL ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT AND OTHER INCOME AND EXPENSES

21.1. Income from Impairment of Financial Assets Disclosed at Fair Value through Income Statement

Structure of income from impairment of financial assets disclosed at fair value through the income statement	<i>In RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Income from impairment of long-term financial investments and securities disclosed at fair value through Other total result	19.333	
Income from impairment of receivables and short-term financial investments	234.498	406.664
TOTAL	253.831	406.664

- **Income from impairment of long-term financial investments and securities disclosed at fair value through Other comprehensive result** in the amount of RSD 19,333 thousand entirely relates to abolishing the impairment of long-term receivables for non-invoiced income as at the balance sheet date in Energoprojekt Holding, in accordance with the established *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9* (Note 7.15).
- **Income from impairment of receivables and short-term financial investments** in the amount of RSD 234,498 thousand predominantly relate to impairment of financial instruments previously impaired using IFRS in accordance with the established *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, predominantly in Energoprojekt Hidroinženjering in the amount of RSD 107,147 thousand (on receivables from sales and receivables for non-invoiced income) and Energoprojekt Oprema in the amount of RSD 75,782 thousand (predominantly on receivables from sales).

21.2. Expenses from Impairment of Financial Assets Disclosed at Fair Value through Income Statement

Structure of expenses from impairment of financial assets disclosed at fair value through income statement	<i>in RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Expenses from impairment of receivables and short-term financial investments	366.200	253.187
TOTAL	366.200	253.187

- **Expenses from impairment of receivables and short-term financial investments** in the amount of RSD 366,200 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* predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja: RSD 316,715 thousand (from impairment of receivables from sales: RSD 262,752 thousand (in Uganda – individual approach and impairment of 55% based on decision by the Management: RSD 118,726 thousand and in the country - group approach: RSD 144,026 thousand) and receivables for non-invoiced income: RSD 53,963 thousand (in the country and Peru based on the impairment rate for basic receivables, and in Uganda based on an individual approach),

- Energoprojekt Visokogradnja: RSD 28,509 thousand, of which odnosi RSD 27,782 thousand refer to expense from impairment of receivables and short-term investments applying IFRS 9, for impairment of receivables from sales: RSD 23,148 thousand, receivables for non-invoiced income: RSD 4,113 thousand, receivables for short-term loans and borrowings abroad: RSD 379 thousand, long-term receivables: RSD 78 thousand and other short-term investments: RSD 64 thousand, and

- Energoprojekt Hidroinženjering: RSD 9,849 thousand from impairment of trade receivables: RSD 9,666 thousand, receivables for non-invoiced income: RSD 51 thousand and other receivables: RSD 132 thousand.

22. OTHER INCOME AND OTHER EXPENSE

22.1. Other Income

Structure of other income	In RSD thousand	
	01.01-01.12.2021	01.01-31.12.2020
Gains on sale of intangible assets, property, plant and equipment	205.340	630.153
Gains on sale of material	1.080	2.910
Surpluses	954	2.420
Collected previously written-off receivables	21.009	11.438
Income from effects of agreed risk protection, which cannot be disclosed under other comprehensive result	2.001	17
Income from reduction in liabilities	58.859	251.645
Income from reversal of long and short-term provisions	114.313	51.984
Other income not posted elsewhere	227.384	108.168
TOTAL	630.940	1.058.735

• **Gains on sale of intangibles assets, property, plant and equipment** in the amount of RSD 205,340 thousand relate mostly to the following companies of Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 190,672 thousand, predominantly from sales of equipment and machinery in Peru: RSD 182,692 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 9,135 thousand, abroad, primarily based on expropriation of land for the purpose of the construction of the main road in favor of Montenegro, Ministry of Traffic and Maritime Affairs, in the company Energoprojekt Montenegro d.o.o, Montenegro in the amount of RSD 7,550 thousand,

Energoprojekt Holding in the amount of RSD 4,010 thousand, from the sale of buildings held for sale, specifically: apartments and garage spaces in the building K1G in Rakovica, in Belgrade (Note 31).

- **Collected written-off receivables** in the amount of RSD 21,009 thousand predominantly relate to Energoprojekt Entel in the amount of RSD 20,947 thousand - collection of written-off receivables in the company Energoprojekt Entel LTD., Doha, Qatar.
- **Income from reduction of liabilities** in the amount of RSD 58,859 thousand were predominantly recorded in Energoprojekt Visokogradnja in the amount of RSD 54,784 thousand, predominantly incurred within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 52,665 thousand due to the adjustment of liabilities with the suppliers.
- **Income from reversal of long-term and short-term provisions** in the amount of RSD 114,313 thousand dominantly refer to the reversal of provisions for costs in the warranty period in the amount of RSD 106,171 thousand, which were entirely recorded celosti in Energoprojekt Entel, specifically: in the country: RSD 35,274 thousand and abroad: RSD 70,897 thousand, on the project Phase 11 in Qatar (Note 38).
- **Other income not posted elsewhere** in the amount of RSD 227,384 thousand, predominantly relate to income from the Settlement Contract of Energoprojekt Holding with the Central African Republic (CAR), by which the collection of receivables from previous periods is regulated, and the Protocol of Energoprojekt Holding with subsidiaries on the distribution of funds from the collection of receivables from CAR in the amount of RSD 60,712 thousand (in Energoprojekt Holding: RSD 4,900 thousand, Energoprojekt Visokogradnja: RSD 22,723 thousand, Energoprojekt Niskogradnja: RSD 28,850 thousand and Energoprojekt Oprema: RSD 4,239 thousand). Besides the above mentioned income, significant income was recorded in Energoprojekt Oprema based on the collection of damage from the Clinical Center of Serbia: RSD 108,550 thousand, Energoprojekt Visokogradnja based on the permanently retained deposit of Euro Bravo Ltd. (project Belgrade Waterfront): RSD 7,354 thousand and compensation for damages on the project Delta Headquarters: RSD 9,351 thousand and Energoprojekt Holding from sales of land in Zimbabwe: RSD 14,950 thousand.

22.2. Other Expense

Structure of other expenses	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Losses from sales of intangible assets, property, plant and equipment	102.198	30.228
Losses from sales of material	3.803	18.281
Shortages	14.419	11.099
Expense from direct write-off of receivables	32.686	54.966
Expense from disposal of inventory of material and goods	2.931	5.337
Other not mentioned expense	204.750	322.835
TOTAL	360.787	442.746

- **Losses from sales of intangible assets, property, plant and equipment** in the amount of RSD 102,198 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 91,667 thousand, predominantly from sales of machinery in Peru: RSD 91,317 thousand; and
- Energoprojekt Visokogradnja in the amount of RSD 6,536 thousand, predominantly abroad in the amount of RSD 5,932 thousand (based on the expenditure of fixed assets: RSD 5,064 thousand and losses from sale of fixed assets: RSD 868 thousand).
- **Losses from sale of material** in the amount of RSD 3,803 thousand entirely relate to Energoprojekt Visokogradnja, primarily on the project Z-103 Talan Towers: RSD 3,293 thousand.

- **Shortages** in the amount of RSD 14,419 thousand, mostly relate to Energoprojekt Niskogradnja u iznosu 14,419 thousand (dominantly due to theft of equipment purchased to be installed on the project Modernization of TPS Zemun), Energoprojekt Oprema in the amount of RSD 1,976 thousand and Energoprojekt Visokogradnja in the amount of RSD 1,736 thousand.

- **Expenses from direct write-off of receivables** in the amount of RSD 32,686 thousand relate, mostly, to the following companies of system Energoprojekt:
 - Energoprojekt Entel in the amount of RSD 26,723 thousand, entirely abroad, in the company Energoprojekt Entel LTD., Doha, Qatar; and
 - Energoprojekt Industrija in the amount of RSD 4,320 thousand, predominantly on direct write-off of receivables for non-invoiced income from Aviation Service of the Government of the Republic of Serbia based on the termination of the contract in the amount of RSD 3,680 thousand.

- **Other not mentioned expenses** in the amount of RSD 204,750 thousand predominantly relate to the following companies of the system Energoprojekt:
 - Energoprojekt Oprema in the amount of RSD 95,358 thousand, primarily for penalties for non-calculated VAT: RSD 71,640 thousand and income tax: RSD 23,287 thousand on the project Energocentar Minsk, Belarus in the total amount of RSD 94,927 thousand, based on Inspection of the Ministry of Taxes and Fees, Pervomajsk region of the City of Minsk (Resolution no. 3-2-9/12561-1 of 16.11.2021), which came to the conclusion during the control that the Decision of the Court of Arbitration of the Institute of the Stockholm Chamber of Commerce of 24.04.2019 is considered the moment to consider the works on the delivery fulfilled (so that tax liabilities for VAT and income tax were determined).
 - Energoprojekt Visokogradnja in the amount of RSD 61,313 thousand, predominantly in the company Energoprojekt Ghana Ltd. in the amount of RSD 29,987 thousand, primarily due to subsequently determined tax (several kinds of taxes from 2018 and 2019: RSD 29,094 thousand) and on the project Belgrade Waterfront: RSD 13,812 thousand (on the basis of permanently retained warranty deposit by the investor), and
 - Energoprojekt Entel in the amount of RSD 17,940 thousand, primarily, based on costs of tuition fees abroad.

23. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS, CHANGE IN ACCOUNTING POLICIES AND ADJUSTMENTS OF ERRORS FROM PREVIOUS PERIODS

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>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Net profit from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods		
Net loss from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods	18.635	6.285
UKUPNO	<i>(18.635)</i>	<i>(6.285)</i>

- **Net loss from discontinued operations, effects of changes in accounting policies and adjustments of errors from previous years** in the amount of RSD 18,635 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 Niskogradnja: RSD 8,164 thousand, Energo (Private) Limited, Zimbabwe: RSD 5,486 thousand, Energoprojekt Park 11: RSD 1,950 thousand, Energoprojekt Hidroinženjering: RSD 1,267 thousand and Energoplast: RSD 1,047 thousand.

24. PROFIT (LOSS) BEFORE TAX AND NET PROFIT (LOSS)

Group of accounts	Structure of profit (loss) before tax and net profit (loss)	In RSD thousand	
		01.01-31.12.2021	01.01-31.12.2020
60 do 65 and 68 except 683, 685 and 686	Operating income	19.801.705	25.772.716
50 do 55 and 58 except 583, 585 and 586	Operating expenses	18.825.327	24.587.883
	<i>Operating result</i>	976.378	1.184.833
66	Financial income	937.080	707.719
56	Financial expenses	765.732	1.266.237
	<i>Financial result</i>	171.348	(558.518)
683, 685 and 686	Income from impairment of other assets at fair value through profit or loss	253.831	406.664
67	Other income	630.940	1.058.735
583, 585 and 586	Expenses from impairment of other assets at fair value through profit or loss	366.200	253.187
57	Other expenses	360.787	442.746
	<i>Profit (loss) from other income and expenses and income and expenses from the impairment of financial assets disclosed at fair value through the income statement</i>	157.784	769.466
6 except 69-59	TOTAL INCOME	21.623.556	27.945.834
5 except 59-69	TOTAL EXPENSES	20.318.046	26.550.053
	<i>Result from ordinary activities before taxes</i>	1.305.510	1.395.781
69-59	Net profit from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods		
59-69	Net loss from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods	18.635	6.285
	PROFIT (LOSS) BEFORE TAX	1.286.875	1.389.496
721	Tax expense of the period	350.801	331.420
722 (bal. liabilities)	Deferred tax expense of the period	71.203	36.062
722 (bal. receivables)	Deferred tax income of the period		
	NET PROFIT (LOSS)	864.871	1.022.014
6 with 69-59	TOTAL INCOME	21.623.556	27.945.834
5 with 59-69	TOTAL EXPENSES	20.336.681	26.556.338

Energoprojekt system's incurred **profit before tax (gross profit)** in the reporting year amounted to RSD 1,286,875 thousand and is, first of all the result of:

- Incurred operating profit in the amount of RSD 976,378 thousand, primarily within Energoprojekt Park 11, Energoprojekt Entel, Energoprojekt Visokogradnja and Energoprojekt Oprema;
- Incurred financial profit in the amount of RSD 171,348 thousand, primarily based on net exchange rate gains and positive effects of currency clauses in the amount of RSD 105,465 thousand (primarily, in Energoprojekt Niskogradnja and Energoprojekt Oprema) and share in the profit of the affiliate company Energojet Ltd. (33,33%) in the amount of RSD 57,781 thousand; and
- Incurred profit from other activities in the amount of RSD 157,784 thousand, primarily from:
 - on the one hand,
 - income from the reversal of long-term and short-term provisions: RSD 114,313 thousand (predominantly in Entel based on the reversal of provisions for costs in the warranty period: RSD 106,171 thousand – Note 22.1.),
 - *net* profit from sales of equipment: RSD 103,142 thousand (predominantly in Energoprojekt Niskogradnja: RSD 99,005 thousand - primarily in Peru) (Note 22.1. and Note 22.2.)
 - *net* profit based on recording of other incomes and expenses not stated before: RSD 22,634 thousand (in detail in Note 22.1. and Note 22.2.)
 - and, on the other hand,
 - *net* loss from impairment of financial assets disclosed at fair value in the income statement: RSD 112,369 thousand (predominantly due to the effects of applying IFRS 9 and creating the impairment of financial assets as at the balance sheet date, in accordance with the established *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*) (Note 21), and
 - expenses based on direct write-off of receivables: RSD 32,686 thousand, primarily, in Energoprojekt Entel: RSD 26,723 thousand, entirely in the company Energoprojekt Entel LTD., Doha, Qatar

25. EARNINGS PER SHARE

Indicator	In RSD thousand	
	01.01.- 31.12.2021	01.01.- 31.12.2020
Net-profit pertaining to parent company shareholders (in RSD thousand)	622.125	1.110.515
The weighted average number of shares during the year	10.833.592	10.833.592
Earnings / (loss) per share (in RSD)	57,43	102,51

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

26. INTANGIBLES ASSETS

in RSD thousand

Structure of intangible assets	Concessions, patents, licenses, trademarks and service marks, software and other intangible assets	Leased intangible assets and intangible assets in preparation	Advance for intangible assets	Total
<i>Cost or valuation</i>				
Opening balance as of 1 January 2021	255.567		404	255.971
Additions	14.516			14.516
Transfers from				
Other transfers from / to	404		(404)	
Disposals				
Exchange differences	3.325			3.325
Other increases / (decreases)				
As of 31 December 2021	273.812			273.812
<i>Accumulated depreciation</i>				
Opening balance as of 1 January 2021	207.036			207.036
Charges in the year	15.598			15.598
Disposals				
Other transfers from / to				
Exchange differences	3.346			3.346
Other increases / (decreases)	1.025			1.025
As of 31 December 2021	227.005			227.005
<i>Net book value</i>				
As of 31 December 2020	48.531		404	48.935
As of 31 December 2021	46.807			46.807

Intangible assets as at 31 December 2021 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 14,516 thousand predominantly refer to Energoprojekt Entel in the amount of RSD 9,484 thousand and Energoprojekt Hidroinženjering in the amount of RSD 4,939 thousand.

27. PROPERTY, PLANT AND EQUIPMENT

	In RSD thousand							
Structure of property, plant and equipment	Land and buildings	Plant and equipment	Investment property	Nekretnine, postrojenja i oprema uzeta u lizing i nekretnine, postrojenja i oprema u pripremi	Property, plant and equipment i oprema and investment on third party property, plant and equipment	Advances for PPE in the country	Advances for PPE abroad	Total
<i>Cost or valuation</i>								
Opening balance as of 01.01.2021	7.494.322	8.752.335	2.402.012	1.658	197.209	44.664	171	18.892.371
Additions	5.862	333.941		97.002	77.118			513.923
Transfer from investment in preparation		122		(122)				
Transfer of inventories - non-current assets held for sale		(281)						(281)
Other transfers from / to - from the advance, etc.		171					(171)	
Disposals	(4.736)	(2.125.046)			(5.359)			(2.135.141)
Gains / (losses) included in "Other result" (acc. 330)	23.739							23.739
Gains / (losses) included in the Income Statement			17.107					17.107
FX differences	78.248	116.833	276.350					471.431
Other increases / (decreases) (application of IFRS 16 and others)	(2.723)	(114)		43.199	112			40.474
As of 31.12.2021	7.594.713	7.077.961	2.695.469	141.737	269.080	44.664		17.823.624
<i>Accumulated depreciation</i>								
Opening balance as of 01.01.2021	217.520	6.734.014			108.297			7.059.831
Charges in the year	72.391	317.598		10.542	13.416			413.947
Disposals		(1.864.458)			(5.112)			(1.869.570)
FX differences	9.453	84.817						94.270
Other increases / (decreases)	(1.363)							(1.363)
As of 31.12.2021	298.001	5.271.971		10.542	116.601			5.697.115
<i>Net book value</i>								
As of 31.12.2020	7.276.802	2.018.321	2.402.012	1.658	88.912	44.664	171	11.832.540
As of 31.12.2021	7.296.712	1.805.990	2.695.469	131.195	152.479	44.664		12.126.509

• **Land and buildings**

In RSD thousand

Changes on land and buildings	Land	Buildings	Total
<i>Cost or valuation</i>			
Opening balance as of 01.01.2021	632.863	6.861.459	7.494.322
Additions	5.862		5.862
Disposals	(4.736)		(4.736)
Gains / (losses) included in "Other result" (acc. 330)		23.739	23.739
FX differences	651	77.597	78.248
Other increases / (decreases)		(2.723)	(2.723)
As of 31.12.2021	634.640	6.960.073	7.594.713
<i>Accumulated depreciation</i>			
Opening balance as of 01.01.2021		217.520	217.520
Charges in the year		72.391	72.391
FX differences		9.453	9.453
Other increases / (decreases)		(1.363)	(1.363)
As of 31.12.2021		298.001	298.001
<i>Net book value</i>			
As of 31.12.2020	632.863	6.643.939	7.276.802
As of 31.12.2021	634.640	6.662.072	7.296.712

Value of **land** of the system Energoprojekt amounting to RSD 634,640 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517,306 (land owned by Energoprojekt Ghana Ltd. in Ghana, land in Syktyvkar, Russia and in the country – land in Ub and in Stara Pazova) and Energoprojekt Niskogradnja in the amount of RSD 99,807 (land in Peru and in the country – in Stara Pazova and Gornji Milanovac - Šarani).

• **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 2021, the residual value and remaining useful life of buildings was appraised, which resulted in change of depreciation costs for the year 2021.

In the Energoprojekt system, the value of the buildings in the amount of RSD 6,662,072 thousand predominantly relates to the “Energoprojekt” business building in Bulevar Mihail Pupin, New Belgrade, in the amount of RSD 4,501,850 thousand. In accordance with the relevant provisions of IFRS 16, since the changes in the fair value of the buildings in question are insignificant, there was no need to estimate its fair value at the balance sheet date.

Besides the “Energoprojekt” business building, the most important buildings on the level of system Energoprojekt are as follows:

- 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 2021, 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 2021, and, consequently, the carrying value of assets as of 31 December 2021.

The largest purchases of plant and equipment in the reporting period in the amount of RSD 333,941 thousand are recorded in the following companies:

- Energoprojekt Niskogradnja in the amount of RSD 301,416 thousand (predominantly in Uganda),
- Energoprojekt Entel in the amount of RSD 12,896 thousand (in the country: RSD 9,157 thousand and abroad: RSD 3,739 thousand, predominantly in the company in Qatar), and
- Energoprojekt Hidroinženjering in the amount of RSD 5,785 thousand (in the country).

• **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 2021 in the amount of RSD 2,695,469 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 81,579 thousand, primarily from renting several properties in Lussaka, Zambia (in the company Zambia Engineering and Contracting Company Limited, Zambia): RSD 31,570 thousand, business building in Moscow, Dom 12 (in the company Dom 12 S.A.L, Lebanon): RSD 21,533 thousand, part of the building complex “Samački hotel” (in Energoprojekt Holding): RSD 7,737 thousand, property in Ub and Višnjička Banja: RSD 6,704 thousand (in Energoprojekt Visokogradnja), part of the business building “Cruz del Sur” in Peru (in Energoprojekt Niskogradnja): RSD 6,587 thousand and several properties in Harare, Zimbabwe (in the company Energo (Private) Limited, Zimbabwe): RSD 5,731 thousand.

Information on mortgages on the system Energoprojekt properties is presented in detail in Note 48.2.

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

28. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES

Structure of long-term financial investments and long-term receivables	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Share investment pravnih lica (except share investment valued by the equity method) (Note 28.1.)	157.039	(130.708)	26.331	157.040	(125.000)	32.040
Share investment valued by the equity method (Note 28.2.)	785.113		785.113	734.267		734.267
Other long-term financial investments and long-term receivables (Note 28.3.)	2.055.679	(185.200)	1.870.479	1.618.064	(102.727)	1.515.337
TOTAL	2.997.831	(315.908)	2.681.923	2.509.371	(227.727)	2.281.644

28.1. Share Investments in Companies (except for Share Investments Valued by the Equity Method)

Structure of share investments in Companies (except for share investments valued by the equity method) in the amount of RSD 26,331 thousand is shown in the following table.

Share investments (except share investments valued by the equity method)	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
<i>Share investment in other companies and long-term securities disclosed at fair-value through the Other comprehensive result:</i>						
Banks and financial organizations	128.300	(111.203)	17.097	128.301	(105.495)	22.806
Other companies	21.821	(12.607)	9.214	21.821	(12.607)	9.214
Other securities disposable for sale	6.918	(6.898)	20	6.918	(6.898)	20
TOTAL	157.039	(130.708)	26.331	157.040	(125.000)	32.040

Share investments in other companies and long-term securities disclosed at fair value through Other Result in the *gross* amount of RSD 157,039 thousand primarily relate to Energoprojekt Holding in the amount of RSD 126,097 thousand (primarily, Alta bank Plc., Dunav osiguranje Plc. and Belgrade Stock Exchange Plc.) and Energoprojekt Oprema in the amount of RSD 28,737 thousand (primarily, Energo Nigeria Ltd., Lagos, Nigeria, Bačkatrans Vrbas in bankruptcy and Privredna banka Plc. Beograd).

Share investment in banks, financial organizations and other companies and other securities that are available for sale are disclosed at their market (fair) value, if it can be determined.

Net decrease in share investments in other companies and long-term securities disclosed at fair value through Other Result compared to 31.12. of the previous year in the amount of RSD 5,709 thousand was recorded primarily in Energoprojekt Holding: RSD 5,662 thousand for negative effect of impairment of

securities in the portfolio of securities, with their fair value on the secondary securities market on the date of preparation of the financial statements (Alta bank Plc. and Dunav osiguranje Plc.).

28.2. Share Investments Valued by the Equity Method

Structure of **share investments valued by the equity method** in the amount of RSD 785,113 thousand is shown in the following table.

Share investment valued by the equity method	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Energopet Ltd., Belgrade	764.505		764.505	707.211		707.211
Enjub Ltd., Belgrade	20.608		20.608	27.056		27.056
TOTAL	785.113	-	785.113	734.267	-	734.267

Finansijske informacije za pridruženo društvo Energopet d.o.o., Beograd, u iznosima od 33,33%, koliko Energoprojekt Industrija ima učešća u kapitalu pridruženog društva, date su u sledećoj tabeli.

Energopet Ltd., Belgrade	In RSD thousand	
	31.12.2021	31.12.2020
Fixed assets	593.434	528.162
Current assets	609.548	552.076
Assets	1.202.982	1.080.238
Liabilities	438.476	373.027
Capital	764.506	707.211
Income	1.132.291	944.821
Net profit (loss) of the current period	57.782	55.120

Finansijske informacije za zajedničko društvo Enjub d.o.o., Beograd, u iznosima od 50,00%, koliko Energoprojekt Holding ima učešća u kapitalu zajedničkog društva, date su u sledećoj tabeli.

Enjub Ltd., Belgrade	In RSD thousand	
	31.12.2021	31.12.2020
Fixed assets	128.927	128.927
Current assets	107.176	107.316
Assets	236.103	236.243
Liabilities	215.495	209.187
Capital	20.608	27.056
Income	6.362	3.778
Net profit (loss) of the current period	(6.448)	(6.976)

28.3. Other Long-Term Financial Investments and Other Long-Term Receivables

Structure of **other long-term financial investments and other long-term receivables** in the amount of RSD 1,870,479 thousand are shown in the following table.

Other other long-term financial investments and other long-term receivables	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Other long-term financial investments:						
a) Long-term housing loans given to employees	34.004	(20.306)	13.698	29.354	(11.230)	18.124
b) Other long-term financial investments	295.827	(164.813)	131.014	205.373	(91.497)	113.876
Total - Other long-term financial investments	329.831	(185.119)	144.712	234.727	(102.727)	132.000
Receivables from sales on merchandise credit	24.725		24.725			-
Receivables from guarantees	2.400		2.400	2.400		2.400
Other long-term receivables	1.698.723	(81)	1.698.642	1.380.937		1.380.937
TOTAL	2.055.679	(185.200)	1.870.479	1.618.064	(102.727)	1.515.337

- **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 34.004 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 25.728 thousand, Energoprojekt Oprema in the amount of RSD 4.867 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,176 thousand and Energoprojekt Industrija in the amount of RSD 1.003 thousand.

- **Other Long-Term Financial Investments** in the gross amount of RSD 295,827 thousand predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 164,813 thousand, relate to tourist complex building Crni Vrh (which is not finished), in which the Company has ownership rights of 5% based on co-financing (which has been entirely impaired in the previous period) and

- Energoprojekt Entel in the amount of RSD 127,562 thousand, which relate to:

- a) bank deposits for guarantees in the amount of RSD 123,308 thousand (in the companies Energoconsult L.L.C., Abu Dhabi, UAE: RSD 97,253 thousand and Energoprojekt Entel LTD., Doha, Qatar: RSD 26,055 thousand) and

- b) deposits for apartments abroad in the amount of RSD 4,255 thousand (primarily in the companies Energoconsult L.L.C., Abu Dhabi, UAE: RSD 1,477 thousand and Energoprojekt Entel LTD., Doha, Qatar: RSD 1,921 thousand).

- **Receivables from sales on merchandise credit** in the amount of RSD 24,725 thousand relate to Energoprojekt Sunnyville based on sold garage spaces to individuals, with repayment period of 60 months in the residential and business complex Sunnyville in Belgrade.

- **Other long-term financial investments** gross in the amount of RSD 1.698.723 thousand mainly relate to the following Companies of the system Energoprojekt:

- Energoprojekt Entel in RSD 1,417,542 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 1,066,256 thousand (for projects re. Qatar General Electricity & Water Corporation "Kahramaa"), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 265,327 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 85,960 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 278,741 thousand for cash collaterals given to the bank on the project Reconstruction of Vinča Landfill: RSD 138,905 thousand (in 2020 for advance warranty: RSD 128,973 thousand and in 2021 as a special-purpose deposit for the security under the advance guarantee: RSD 9,932 thousand). The release of the cash collateral was agreed proportionally to the the dynamics of justifying the advance payments, with the final maturity of 2023. A long-term collateral was paid abroad based on the advance warranty for the project Z-045 Mitzana Mubende, Uganda: RSD 139,836 thousand, and

- Energoprojekt Visokogradnja in the amount of RSD 2,439 thousand for long-term receivables for warranty deposit in the company Energoprojekt Ghana Ltd., Accra, Ghana (on the project Law House).

Net increase in other long-term receivables compared to 31.12. of the previous year in the amount of RSD 317,705 thousand primarily relates to Energoprojekt Entel: RSD 165,579 thousand (primarily for long-term receivables for guarantee deposit in the company Energoprojekt Entel LTD., Doha, Qatar) and Energoprojekt Niskogradnja: RSD 149,768 thousand (predominantly for the paid long-term collateral for the advance guarantee for the project Z-045 Reconstruction of Mityana Mubende Road, Uganda).

Impairment of other long-term financial investments and other long-term receivables in the amount of RSD 185,200 thousand relates to impairment of housing loans granted to employees: RSD 20,306 thousand (predominantly in Energoprojekt Visokogradnja: RSD 19,303 thousand) and other financial investments: RSD 164,813 thousand (entirely in Energoprojekt Visokogradnja for the investment in the touristic complex Crni Vrh), which was predominantly made in accordance with the requirements of IFRS 9 in the previous period, in accordance with the adopted *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9*.

29. LONG-TERM ACCRUED INCOME AND DEFERRED EXPENSES

Structure of long-term accrued income and deferred expenses	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Long-term prepaid expenses (Note 29.1.)	152.148		152.148	53.787		53.787
Long-term receivables for non-invoiced income (Note 29.2.)	2.609.233	(100.045)	2.509.188	4.308.257	(273.208)	4.035.049
Other long-term accrued income and deferred expenses (Note 29.3.)	831		831	831		831
TOTAL	2.762.212	(100.045)	2.662.167	4.362.875	(273.208)	4.089.667

29.1. Long-term prepaid expenses

Structure of long-term prepaid expenses	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Long-term prepaid expenses for subscriptions for professional publications	191		191			0
Long-term prepaid expenses for rent	25.123		25.123	10.633		10.633
Long-term prepaid expenses for insurance premiums	46.889		46.889	23.440		23.440
Other long-term prepaid expenses	79.945		79.945	19.714		19.714
TOTAL	152.148	0	152.148	53.787	0	53.787

- **Long-term prepaid expenses for rent** in the amount of RSD 25,123 thousand relate to Energoprojekt Niskogradnja based on renting costs of quarries, land and the cost of renting accommodation for workers.
- **Long-term prepaid expenses for insurance premiums** in the amount of RSD 46,889 thousand predominantly relate to Energoprojekt Niskogradnja in the amount of RSD 46,476 thousand based on costs of insurance of works, property and people in the country and abroad.
- **Other long-term prepaid expenses** in the amount of RSD 79,945 thousand relate to Energoprojekt Niskogradnja, based on paid costs of bank guarantees (primarily for protest guarantees on the project Z-039 Kanal Via Cienegullio, Peru: RSD 30,913 thousand), licences and others.

29.2. Long-term receivables for non-invoiced income

Structure of receivables for non-invoiced income	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Long-term receivables for non-invoiced income - other companies	2.609.233	(100.045)	2.509.188	4.308.257	(273.208)	4.035.049
TOTAL	2.609.233	(100.045)	2.509.188	4.308.257	(273.208)	4.035.049

• **Long-term receivables for non-invoiced income** in the *gross* amount of RSD 2,609,233 thousand relate to:

- Energoprojekt Niskogradnja in the amount of RSD 2,236,233 thousand, predominantly abroad in the amount of RSD 1,584,239 thousand (in Uganda: RSD 1,369,157 thousand and in Peru: RSD 215,082 thousand) and in the country: RSD 651,994 thousand, primarily for certified pre-situations for finished works in 2021 on the following projects:

- Z-045 Reconstruction of Mityana Mubende Road, Uganda: RSD 639,685 thousand,
- Reconstruction of Vinča Landfill: RSD 498,833 thousand,
- Z-047 KCCA Bulabira, Uganda: RSD 324,341 thousand,
- Civil Works for Periodic Maintenance of Kampala-Jinja, Uganda: RSD 236,514 thousand,
- Z-046 Reconstruction of Kasubi Crossroad, Uganda: RSD 116,994 thousand,
- Z-016 Reconstruction of Chavimochic Water Intake Structure, Peru: RSD 102,532 thousand,
- Modernization of TPS Zemun: RSD 77,225 thousand,
- Reconstruction of Karadorđeva Street: RSD 65,263 thousand, and
- Z-040 Irrigation System San Antonio, Peru: RSD 58,485 thousand; and

- Energoprojekt Holding in the amount of RSD 373,000 thousand, for the realization of the Contract on the Construction of the Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, “turnkey”, on the cadastral parcel no. 313, entered in the Real Estate Register of the Cadastral Zone A00.

Impairment of long-term receivables for non-invoiced income – other companies in the amount of RSD 100,045 thousand relates to effects of the application of IFRS 9 – Financial Instruments in Energoprojekt Niskogradnja: RSD 77,912 thousand (in the country, Peru and Uganda) and Energoprojekt Holding: RSD 22,133 thousand (receivables for non-invoiced income from the Republic of Serbia for the construction of the Embassy of the Republic of Serbia in Abuja, Nigeria).

Decrease in the net amount of the long-term receivables for non-invoiced income in the amount of RSD 1,525,861 thousand predominantly relates to decrease in Energoprojekt Oprema in the amount of RSD 1,711,108 thousand (gross amount: RSD 1,919,938 thousand and impairment: RSD 208,830 thousand), which entirely relates to the project Energocentar Minsk, Belarus, based on the transfer to other items of the assets (Buyers abroad and Other short-term receivables) (more detailed within Note 32).

29.3. Other long-term accrued income and deferred expenses

Structure of other long-term accrued income and deferred expenses	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Other long-term accrued income and deferred expenses - external	831		831	831		831
TOTAL	831	0	831	831	0	831

• **Other long-term accrued income and deferred expenses** in the amount of RSD 831 thousand entirely relate to Energoprojekt Holding for the location development of Block 45, building C and Block 70, building C (the treatment of these payments will be regulated in the next period).

30. INVENTORIES

Structure of inventories	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Materials, spare parts, tools and small inventory	1.619.764	(69.964)	1.549.800	1.324.558	(75.112)	1.249.446
Work in progress and finished products	1.625.167		1.625.167	2.655.233		2.655.233
Goods	115.220	(12.220)	103.000	72.444	(12.232)	60.212
Advances paid for inventories and services in the country:						
a) Advances paid to other companies for materials, spare parts and small inventory in the country - external	116.467	(296)	116.171	222.385		222.385
b) Advances paid to other companies for goods and fixed assets that are purchased in order to be sold in the country - external	126		126	600		600
c) Advances paid to other companies for services in the country - external	252.433	(4.556)	247.877	461.087	(4.786)	456.301
Total - Advances paid for inventories and services in the country	369.026	(4.852)	364.174	684.072	(4.786)	679.286
Advances paid for inventories and services abroad:						
a) Advances paid to other companies for materials, spare parts and small inventory abroad - external	148.326		148.326	130.832		130.832
c) Advances paid to other companies for services abroad - external	412.025		412.025	429.279		429.279
Total - Advances paid for inventories and services abroad	560.351	0	560.351	560.111	0	560.111
TOTAL	4.289.528	(87.036)	4.202.492	5.296.418	(92.130)	5.204.288

- **Material, parts, tools and small inventories** in the net amount of RSD 1,549,800 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 1,179,967 thousand, of which inventories abroad amount to RSD 511,513 thousand (Uganda: RSD 411,474 thousand and Peru: RSD 100,039 thousand), whereas inventories in the country amount to RSD 668,454 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 131,069 thousand, out of which inventories in the country amount to RSD 74,728 thousand (primarily projects Bežanijska kosa, Block 24: RSD 8,865 thousand and SMATSA Air Traffic Control: RSD 31,916 thousand), while abroad amounted to RSD 56,341 thousand (primarily projects: Z-112 Hyatt Hotel Rostov: RSD 45,592 thousand, and in the company Energoprojekt Ghana Ltd., Accra, Ghana in RSD 5,248 thousand);

- Energoplast in the amount of RSD 106,150 thousand, out of which material inventories amount to RSD 81,454 thousand, parts inventories amount to RSD 23,932 thousand and tools inventories amount to RSD 764 thousand; and

- Energoprojekt Oprema in the amount of RSD 130,301 thousand, of which RSD 127,752 thousand refer to inventories of material (Central warehouse: RSD 40,977 thousand, warehouse for TPS Zemun Modernization project: RSD 86,312 thousand and warehouse for Smatsa Air Traffic Control project: RSD 463 thousand), while tools and small inventory amount to RSD 2,549 thousand (Central Warehouse).

Increase in net amount of inventories of materials, spare parts, tools and small inventory compared to last year on given date by RSD 300,354 thousand is the result, on the one hand, of increases in Energoprojekt Niskogradnja: RSD 320,595 thousand (intensity and type of works as well as the possibility of timely procurement in the regions of work (primarily, in the country: RSD 236,951 thousand) and Energoprojekt Oprema: RSD 45,407 thousand (primarily, inventories of materials in the warehouse for the project Modernization of TPS Zemun), and on the other hand, reductions in Energoprojekt Visokogradnja: RSD 30,166 thousand based on consumption, ie installation through works in the reporting period) and Energoplast: RSD 30,190 thousand (predominantly for decrease in inventory of materials: RSD 29,194 thousand).

- **Work in progress and finished products** in the amount of RSD 1,625,167 thousand primarily relate to following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 954,792 thousand, of which RSD 937,282 thousand refers to unfinished production in the country (in the country 420,333 thousand - own investments in Belgrade, in Knez Danilova Street: RSD 81,337 thousand, in Bežanijska Kosa: RSD 228.352 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 inventories of finished products RSD 17,510 thousand (based on built and unsold business space in Bežanijska Kosa in Belgrade,

- Energoprojekt Niskogradnja in the amount of RSD 227,615 thousand predominantly relates to produced material (crushed stone, prefabricated concrete curbs and pipes) on projects abroad: RSD 214,614 thousand (in Uganda: RSD 212,958 thousand and Peru: RSD 1,656 thousand),

- Energoprojekt Park 11 u iznosu od 284.689 hiljada dinara, po osnovu završene izgradnje poslovno - stambenog kompleksa Park 11 u Bloku 11a na Novom Beogradu i

- Energoprojekt Sunnyville u iznosu od 110.051 hiljada dinara, po osnovu izgrađenih i neprodatih nekretnina u stambeno - poslovnom kompleksu Sunnyville u Beogradu.

Decrease in inventories of work in progress and finished products compared to last year on given date in the amount of RSD 1,030,066 thousand predominantly refers to, on the one hand, decrease in Energoprojekt Park 11 in the amount of RSD 1,142,369 thousand from the sale of a part of the property in the business-residential complex Park 11 in Block 11a in New Belgrade and Energoprojekt Sunnyville in the amount of RSD 111,904 thousand, from the sale of a part of the property in the business-residential complex Sunnyville in Belgrade, and on the other hand, increase in Energoprojekt Visokogradnja in the amount of RSD 179,978 thousand for work in progress in Bežanijska Kosa, Block 24.

- The total value of inventories of **goods** in the *gross* amount of RSD 115,220 thousand mostly refers to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 98,433 thousand, in the country: RSD 43,907 thousand and abroad: RSD 54,526 thousand (primarily on the projects in Uganda: RSD 53,794 thousand) and

- Energoprojekt Visokogradnja in the amount of RSD 14,653 thousand (predominantly relates to goods in the warehouse: RSD 14,645 thousand, which were impaired in the amount of RSD 12,217 thousand, since it is a specific stone).

- **Advances paid to other companies for material, spare parts and small inventory in the country** in the *gross* amount of RSD 116,467 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoplast in the amount of RSD 62,203 thousand, primarily, for advances paid for raw materials to the company Pegasus: RSD 56,311 thousand and for packaging to the company Smurfit Kappa: RSD 4,429 thousand, and

- Energoprojekt Visokogradnja in the amount of RSD 45,364 thousand predominantly relates to the project Smatsa Flight Control in the amount of RSD 40,009 thousand.

Decrease in the *gross* amount of advances paid to other companies for materials, spare parts and small inventory in the country in the amount of RSD 105,918 thousand, primarily relates to, on the one hand, decrease in Energoprojekt Visokogradnja: RSD 123,517 thousand for the completion of the projects: Chinese Cultural Center, Delta Headquarters and Park 11, and Energoprojekt Niskogradnja: RSD 34,269 thousand, primarily, on the project Modernization of TPS Zemun, and on the other hand, increase in Energoplast: RSD 60,033 thousand, primarily for the advance paid for raw materials.

- **Advances paid to other companies for services in the country** in the *gross* amount of RSD 252,433 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 213,694 thousand, primarily, on the projects Modernization of TPS Zemun and Reconstruction of Vinča Landfill, and

- Energoprojekt Oprema in the amount of RSD 22,983 thousand, primarily on the project Modernization of TPS Zemun: RSD 20,176 thousand.

Decrease in the *gross* amount of advances paid to other companies for services in the country in the amount of RSD 208,654 thousand, primarily relates to Energoprojekt Niskogradnja: RSD 155,482 thousand, predominantly on the project Modernization of TPS Zemun and Energoprojekt Oprema: RSD 51,844 thousand, primarily for advances paid to the suppliers Sauter Ltd.: RSD 21,773 thousand and Kodar Elektromontaža: RSD 13,574 thousand.

• **Advances paid to other companies for materials, spare parts and small inventory abroad** in the amount of RSD 148,326 thousand, predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 99,871 thousand, primarily on the project Z-045 Reconstruction of Mityana Mubende Road, Uganda,
- Energoprojekt Visokogradnja in the amount of RSD 46,810 thousand, predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 34,596 thousand (primarily, on the project Ecobank), as well as on the project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 10,043 thousand.

Decrease in advances paid to other companies for materials, spare parts and small inventory abroad in the amount of RSD 17,494 thousand, is primarily the result of the net effect of the decrease in Energoprojekt Visokogradnja: RSD 33,356 thousand for the completion of the works on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia and the increase in Energoprojekt Niskogradnja: RSD 51,788 thousand,

• **Advances paid to other companies for services abroad** in the amount of RSD 412,025 thousand, predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 163,769 thousand predominantly for advances paid to the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 121,904 thousand,
- Energoprojekt Niskogradnja in the amount of RSD 111,236 thousand, primarily in Uganda (on the projects Z-045 Reconstruction of Mityana Mubende Road, Uganda and Z-042 Repair of Mpigi Road, Butambala and Gomba Town Roads), and
- Energoprojekt Visokogradnja in the amount of RSD 88,880 thousand predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 39,576 thousand (primarily on the project Ecobank and Ernest Chemist factory) and on the project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 38,068 thousand.

Decrease in advances paid to other companies for services abroad in the amount of RSD 17,254 thousand, primarily relates to Energoprojekt Visokogradnja: RSD 148,250 thousand for the completion of the works on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia.

31. FIXED ASSETS HELD FOR SALE AND TERMINATION OF BUSINESS

Structure of fixed assets held for sale and termination of business	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Land held for sale	4.066		4.066	4.066		4.066
Buildings held for sale	11.859		11.859	46.345		46.345
Plant and equipment held for sale	169.225		169.225	169.759		169.759
TOTAL	185.150	0	185.150	220.170	0	220.170

• **Land held for sale** in the amount of RSD 4,066 thousand relates to Energoprojekt Niskogradnja, specifically the land in Mombasa Road, Najrobi, Kenya, area of 12,140.55 m².

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.

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

• **Buildings held for sale** in the amount of RSD 11,859 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of RSD 6,111 thousand for the remaining unsold properties in the building K1G in Rakovica, Belgrade, as shown in the following table:

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			696	
2	Two and half bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.16	78	9.234	241			1.057	
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			815	
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			1.262	
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			45	
16	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.10	12	531	12			45	
17	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.11	12	531	12			45	
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			45	
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	5.096	4.010	6.111

Pursuant to the Decision made on 146th session of the Executive Board of the Company from 2019, 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 Company 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. In period from 2019 until now, Company sold most of real estate, and during the reporting period, the Company achieved a net profit on the sale of properties intended for sale in the amount of RSD 4,010 thousand.

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

- Energoprojekt Niskogradnja in the amount of RSD 5,748 thousand for business spaces in Buenos Aires, Argentina, area of 86.30 m².

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.

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

Decrease in buildings held for sale compared to 31.12. of the previous year in the amount of RSD 34,486 thousand entirely relates to Energoprojekt Holding, due to sales of properties in the building K1G in Rakovica, Belgrade.

• **Plant and equipment held for sale** in the amount of RSD 169,225 thousand relate to Energoprojekt Niskogradnja.

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 is a part of the assets sold both in 2020 and in the reporting period, so that the remaining stock amounts to RSD 169,226 thousand.

The company continues to undertake activities in order to sell of the remaining reclassified assets held for sale.

Decrease in plant and equipment held for sale compared to 31.12. of the previous year in the amount of RSD 534 thousand is primarily the result of the sale of machinery in Energoprojekt Niskogradnja in the amount of RSD 444 thousand.

32. RECEIVABLES FROM SALES

Structure of receivables from sales	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Domestic buyers	2.239.951	(311.016)	1.928.935	2.171.454	(159.827)	2.011.627
Foreign buyers	6.916.024	(1.526.372)	5.389.652	5.208.567	(1.341.442)	3.867.125
Receivables from parent, subsidiary companies and other related parties in the country:						
a) Domestic buyers - parent, subsidiary companies			0			0
b) Domestic buyers - other related parties	6.940	(2.814)	4.126	6.052	(2.812)	3.240
Total - Receivables from parent, subsidiary companies and other related parties in the country	6.940	(2.814)	4.126	6.052	(2.812)	3.240
TOTAL	9.162.915	(1.840.202)	7.322.713	7.386.073	(1.504.081)	5.881.992

The gross amounts of receivables from sales will be explained below, whereas the receivables from sales predominantly refer to the effects of the application of IFRS 9.

- **Gross receivables from domestic buyers** amount to RSD 2,239,951 thousand and primarily relate to receivables in Energoprojekt Visokogradnja: RSD 860,126 thousand, Energoprojekt Niskogradnja: RSD 729,292 thousand, Energoprojekt Entel: RSD 248,302 thousand and Energoprojekt Oprema: RSD 177,666 thousand.

The following table shows the structure of receivables from domestic buyers as at the balance sheet date in the companies in the Energoprojekt system, which have the most significant amounts of the respective receivables.

Structure of receivables from domestic buyers	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
<i>Energoprojekt Visokogradnja:</i>		
Delta House/NBGP Properties (project Delta Headquarters)	505.704	480.602
Smatsa Ltd. Flight Control (project Smatsa Flight Control)	220.702	13.319
Empiret Ltd. (project Chinese Cultural Center)	107.280	319.013
Belgrade Waterfront Ltd. (project Belgrade Waterfront)	12.029	70.092
GP Seven Ltd. (project Navigator 2 Business Center)		184.747
Other	14.411	21.635
Gross	860.126	1.089.408
<i>Impairment</i>	<i>(10.783)</i>	<i>(13.064)</i>
Total	849.343	1.076.344
<i>Energoprojekt Niskogradnja:</i>		
Beo Čista energija (Reconstruction of Vinča Landfill)	204.064	88.859
Srbija Voz (Modernization of TPS Zemun)	271.646	186.708
Infrastruktura Železnice Srbije (Railroad Jajinci-Mala Krsna)	188.896	176.633
City of Belgrade (Zeleni bulevar)	21.741	39.719
Other	42.945	81.382
Gross	729.292	573.301
<i>Impairment</i>	<i>(190.975)</i>	<i>(46.949)</i>
Total	538.317	526.352
<i>Energoprojekt Entel:</i>		
Public Company Elektroprivreda Srbije (several projects)	168.490	134.158
Construction Industrielles de la mediterrabee - CNIM S.A. - Branch SRB Belgrade (several projects)	22.355	18.590
Beo Čista Energija Ltd. (several projects)	9.832	13.025
Vetrozelena Ltd. (several projects)	6.949	
Other	40.676	14.743
Gross	248.302	180.516
<i>Impairment</i>		
Total	248.302	180.516

Gross increase in receivables from domestic buyers compared to 31.12. of the previous year in the amount of RSD 68,497 thousand is predominantly the result of, on the one hand, increase in Energoprojekt Niskogradnja: RSD 155,991 thousand (primarily, on the projects Modernization of TPS Zemun and Vinča Landfill) and Energoprojekt Oprema: RSD 106,642 thousand (primarily from the Clinical Center of Serbia on the project Power Facility in the Clinical Center of Serbia) and, on the other hand, decrease in Energoprojekt Visokogradnja: RSD 229,282 thousand (primarily from the company GP Seven Ltd. on the project Navigator 2 Business Center and from the company Empiret Ltd. on the project Chinese Cultural Center).

• **Gross receivables from foreign buyers** in the amount of RSD 6,916,024 thousand, primarily relate to Energoprojekt Oprema in the amount of RSD 2,517,433 thousand, Energoprojekt Niskogradnja in the

amount of RSD 2,286,554 thousand, Energoprojekt Entel in the amount of RSD 1,166,084 thousand, and Energoprojekt Visokogradnja in the amount of RSD 507,235 thousand.

The following table shows the structure of receivables from foreign buyers as at the balance sheet date in the companies of the Energoprojekt system, which have the most significant amounts of the respective receivables.

Structure of receivables from foreign buyers	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
<i>Energoprojekt Oprema:</i>		
Gasprom Transgas Belarus (project Energoentar Minsk)	1.956.324	
Energoprojekt Nigeria Ltd., Lagos, Nigeria	561.109	561.100
Gross	2.517.433	561.100
<i>Impairment</i>	<i>(196.287)</i>	<i>(79.759)</i>
UKUPNO	2.321.146	481.341
<i>Energoprojekt Niskogradnja:</i>		
Uganda National Road Authority (UNRA) - several projects	1.282.335	1.569.382
Ministry of Works and Transport Z-010	456.836	415.597
Centro comercial Eco Plaza SAC	273.305	621.814
Consorcio Energoprojekt-CCEQO Z-040	62.534	93.789
Uganda Kampala Capital City Authority Z-046	36.074	-
Other	175.470	97.787
Gross	2.286.554	2.798.369
<i>Impairment</i>	<i>(954.174)</i>	<i>(851.207)</i>
TOTAL	1.332.380	1.947.162
<i>Energoprojekt Entel:</i>		
In the company Energoprojekt Entel L.L.C., Doha, Qatar	378.886	392.068
In the company Energoconsult L.L.C., Abu Dhabi, UAE	633.926	422.666
In the company Energoprojekt Entel L.L.C., Muskat, Sultanate of Oman	153.272	181.648
Gross	1.166.084	996.382
<i>Impairment</i>		
TOTAL	1.166.084	996.382
<i>Energoprojekt Visokogradnja:</i>		
MKC- RosEvroDevelopment (Z-112 Hotel Hyatt Rostov 2, Russia)	184.188	121.776
Wonda World - Petronia City, Ghana	99.310	91.414
Ecobank, Ghana	68.375	62.930
Ernest Chemist Ghana	61.967	61.647
Ministry of Justice, Ghana	27.440	7.120
Asikes Ventures Limited, Ghana	17.843	17.120
Other	48.112	40.365
Gross	507.235	402.372
<i>Impairment</i>	<i>(183.993)</i>	<i>(157.776)</i>
TOTAL	323.242	244.596

The highest amount of receivables from foreign buyers relates to receivables of Energoprojekt Oprema Plc. from Gasprom Transgas Belarus Plc. in the amount of RSD 1,956,324 thousand, which were recorded on the item Long-Term Receivables for Non-Invoiced Income - Other Companies. Based on the Arbitration Verdict from 24.04.2021 and the Decision on the Recognition and Execution of the foreign arbitration decision by the Commercial Court in Minsk from 18.11.2021, the Long-Term Receivables for Non-Invoiced Income were reclassified to the account 205 – Foreign Buyers and account 228 – Other Short-Term Receivables.

In 2021, the Inspection of the Ministry of Taxes and Fees, Pervomajsk region of the City of Minsk brought the Resolution no. 3-2-9/12561-1 of 16.11.2021 based on the Protocol on additional control no. 3-2-9/426 of 11.11.2021, which relates to Energoprojekt Oprema Plc. within the area of work of the branch of Energoprojekt Oprema Plc. in the Republic of Belarus. It was decided to collect from the controlled subject, Energoprojekt Oprema Plc., within the area of work through the permanent branch in the Republic of Belarus, a total of BYN 13,444,942.10 (Belarusian rubles), of which taxes amount of BYN 11,192,657.29 (VAT: BYN 8,448,478.28 and income tax: BYN 2,742,799.34) and penalties BYN 2,252,284.81 (penalty for non-calculated VAT: BYN 1,669,760.98 and penalty for income tax: BYN 552,523.83), since it was concluded during the control that the Decision of the Court of Arbitration of the Institute of the Stockholm Chamber of Commerce of 24.04.2019 is considered the moment to consider the works on the delivery of equipment fulfilled (so that tax liabilities for 2019 were determined as specified).

On 17.11.2021, the debt to the state was collected in the amount of BYN 13,446,163.48, which according to the exchange rate of the National Bank of Belarus on that day amounted to USD 5,448,423.15.

In that context, the amount of money that is subject to collection in accordance with the Arbitration Decision should, during its execution, be reduced by USD 5,448,423.15.

Based on the above mentioned, having in mind the ZOPPP law of the Republic of Belarus, the court brought the resolution to partially accept the request of the tax office, specifically as follows:

To recognize and execute the Decision of the Court of Arbitration of 24.04.2019 on the acceptance that unilateral termination of the Contract by Gasprom Transgas Belarus Plc. was unlawful, to recognize that the Contract was terminated unilaterally by Gasprom Transgas Belarus Plc. at their own discretion, and to collect from Gasprom Transgas Belarus Plc. the following amounts in favour of Energoprojekt Oprema Plc.:

- USD 22,714,239.31 value of equipment delivered by Energoprojekt Oprema Plc., along with interest at the rate of 1% annually, calculated from 22 December 2017, until they are entirely paid;
- USD 5,005,528.19 amount of bank guarantee, along with interest at the rate of 1% annually, calculated from 10 November 2017, until they are entirely paid;
- USD 603,233.60 for project works for phase "A", along with interest at the rate of 1% annually, calculated from 22 December 2017, until they are entirely paid;
- USD 955,119.87 for project works for phase "S", along with interest at the rate of 1% annually, calculated from 22 December 2017, until they are entirely paid;
- USD 786,433.56 costs Energoprojekt Oprema Plc. had in the arbitration procedure;
- USD 172,182.85 arbitration costs,

reduced by the amount of debt of Energoprojekt Oprema Plc. to the state budget of the Republic of Belarus in the amount of USD 5,448,423.15, for which the Ministry of Taxes and Fees of the City of Minsk executed an enforced collection from Gasprom Transgas Belarus Plc. on 17.11.2021 by a cession.

Based on the above mentioned, corresponding bookings were made on 17.11.2021, by creating a new balance Receivables based on Arbitration Verdict - Decision (USD 24,788,314.23), resulting as the difference between the shown balance according to the verdict and the balance in the business books of Energoprojekt Oprema Plc. until that moment. Receivables from Gazproma reclassified to the account 205 – Foreign Buyers in the gross amount of RSD 1,956,324 thousand (value of equipment, project works for phase "A" and project works for phase "S" in the amount of USD 18,824,169.63) and the account 228 – Other Short-Term Receivables in the gross amount of RSD 619,831 thousand (for the

amount of the bank guarantee and the other costs Energoprojekt Oprama had in the arbitration procedure in the amount of USD 5,964,144.60) (Note 29.2.).

Gross increase in receivables from foreign buyers compared to 31.12. of the previous year in the amount of RSD 1,707,457 thousand is predominantly the result of, on the one hand, increase in Energoprojekt Oprema: RSD 1,954,975 thousand (predominantly, due to receivables from Gasprom Transgas Belarus on the project Energocentar Minsk, with the transfer from the item Long-Term Receivables for Non-Invoiced Income – Other Companies as explained above) and Energoprojekt Entel: RSD 169,702 thousand (primarily, in the company Energoconsult L.L.C., Abu Dhabi, UAE) and, on the other hand, decrease in Energoprojekt Niskogradnja: RSD 511,815 thousand (primarily, on the project Z-042 Reconstruction of Mpigi Road, Butambala and Gomba Town Roads, Uganda and from the company Centro comercial Eco Plaza SAC, Peru).

• ***Gross receivables from domestic buyers - other related parties*** in the amount of RSD 6,940 thousand primarily relate to receivables from the related party Napred Plc.: RSD 2,826 thousand (primarily in Energoprojekt Visokogradnja: RSD 2,428 thousand) and receivables from the joint venture Enjub Ltd.: RSD 3,515 thousand (primarily, in Energoprojekt Visokogradnja: RSD 2,121 thousand, which have been entirely impaired based on the effects of the application of IFRS 9 – Financial Instruments) and Energoprojekt Urbanizam i arhitektura: RSD 1,393 thousand).

Impairment of receivables from sales of in the amount of RSD 1,840.202 thousand predominantly relates to effects of the application of IFRS 9 calculated in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, predominantly in Energoprojekt Niskogradnja (in the country and Peru – group approach and in Uganda – individual approach, and impairment of the total receivables in the amount of RSD 55% in accordance with the decision of the Management of Energoprojekt Niskogradnja) and Energoprojekt Visokogradnja, whereas the remaining impairment relates to impairments created in the previous period.

33. OTHER SHORT-TERM RECEIVABLES

Structure of other short-term receivables	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Other receivables (Note 33.1.)	1.205.986	(162.324)	1.043.662	529.273	(115.835)	413.438
Receivables for Overpaid Income Tax (Note 33.2.)	83.088		83.088	21.236		21.236
Receivables for Overpaid Other Taxes and Contributions (Note 33.3.)	5.781		5.781	5.615		5.615
TOTAL	1.294.855	(162.324)	1.132.531	556.124	(115.835)	440.289

33.1. Other receivables

Structure of other receivables	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Receivables from specific transactions (Note 33.1.1.)	138.406	(86.953)	51.453	138.597	(89.645)	48.952
Other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions) (Note 33.1.2.)	981.945	(75.371)	906.574	290.183	(26.190)	263.993
Value added tax (Note 33.1.3.)	85.635		85.635	100.493		100.493
TOTAL	1.205.986	(162.324)	1.043.662	529.273	(115.835)	413.438

33.1.1. Receivables from specific transactions

Structure of receivables from specific transactions	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Receivables from specific transactions from other related companies	6.433		6.433	6.431		6.431
Receivables from specific transactions from other companies	131.973	(86.953)	45.020	132.166	(89.645)	42.521
TOTAL	138.406	(86.953)	51.453	138.597	(89.645)	48.952

● **Receivables from specific transactions from other related parties** in the amount of RSD 6,433 thousand relate to Energoprojekt Holding for pre-invoiced costs to the joint venture Enjub Ltd.

● *Gross* amount of **receivables from specific transactions from other companies** in the amount of RSD 131,973 thousand predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 83,315 thousand for receivables from the company Intermost a.d, Belgrade in bankruptcy (which were entirely impaired in the previous period) and

- Energoprojekt Oprema in the amount of RSD 48,658 thousand for receivables from the company Energo Nigeria Ltd., Lagos, Nigeria. In accordance with the requirement of IFRS 9, the receivables of the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 3,638 thousand were impaired.

Impairment of receivables from specific transactions from other companies in the amount of RSD 86,953 thousand relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja: RSD 83,315 thousand for entirely impaired receivables (in the previous period) from the company Intermost Plc., Belgrade in bankruptcy, and

- Energoprojekt Oprema: RSD 3,638 thousand, for impairment of receivables from the company Energo Nigeria Ltd., Lagos, Nigeria, which was calculated in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9* (Note 7.15).

33.1.2. Other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions)

Structure of other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions)	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Receivables for interest and dividends:						
a) Receivables for interest and dividends from other related companies	89.814		89.814	85.252		85.252
b) Receivables for contracted and default interest from other companies (externo)	14.783	(12.577)	2.206	12.920	(12.577)	343
Total - receivables for interest and dividends	104.597	(12.577)	92.020	98.172	(12.577)	85.595
Receivables from employees	123.910		123.910	88.876		88.876
Receivables from state authorities and organizations	7		7			0
Potrazivanja za naknade zarada koje se refundiraju	10.970	(1.928)	9.042	10.296	(1.928)	8.368
Receivables for refundable wage benefits	1.611	(1.611)	0	2.219	(1.611)	608
Other short-term receivables	740.850	(59.255)	681.595	90.620	(10.074)	80.546
TOTAL	981.945	(75.371)	906.574	290.183	(26.190)	263.993

- **Receivables for interest and dividends from other related parties** in the amount of RSD 89,814 thousand entirely relate to Energoprojekt Holding, based on interest receivables for loans granted to the joining venture Enjub Ltd.

- **Receivables for contracted and default interest from other companies** in the *gross* amount of RSD 14,783 thousand, primarily relate to Energoprojekt Industriju in the amount of RSD 12,577 thousand for receivables from the company Jugoremedija Fabrika lekova Plc., Zrenjanin – in bankruptcy (receivables entirely impaired in the previous period).

- **Receivables from employees** in the amount of RSD 123,910 thousand predominantly relate to Energoprojekt Entel in the amount of RSD 115,804 thousand (for severance paid in advance in the companies Energoprojekt Entel LTD., Doha, Qatar: RSD 72,175 and Energoprojekt Entel LLC Oman, Oman: RSD 43,629 thousand, in accordance with the local laws), as well as unjustified advance payments for going to work abroad, loans given to employees etc., namely: primarily in Energoprojekt Niskogradnja in the amount of RSD 3,441 thousand and Energoprojekt Visokogradnja in the amount of RSD 2,565 thousand.

Increase in receivables from employees compared to 31.12. of the previous year in the amount of RSD 35,402 thousand predominantly relates to Energoprojekt Entel in the amount of RSD 32,991 thousand (for severance paid in advance in companies in Qatar and Oman).

- *Gross* amount of **receivables for refundable wage benefits** (sick leave over 30 days, maternity leave, etc.) in the amount of RSD 10,970 thousand, primarily relates to Energoprojekt Visokogradnja in the amount of RSD 5,177 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,837 thousand, Energoprojekt Holding in the amount of RSD 990 thousand.

- *Gross iznos* **receivables for compensation for damages** in the amount of RSD 1,611 thousand entirely relates to Energoprojekt Visokogradnja for compensation for damages from the company Eurologistic on the project Z-089 Aktau Hospital, Kazakhstan (receivables entirely impaired in the previous period).

- *Gross* amount of **other short-term receivables in the amount of RSD 740,850 thousand** predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 619,813 thousand, for receivables from Gasprom Transgas Belarus for the project Energocentar Minsk for the amount of the protested bank warranty and other costs the company had in the Arbitration procedure that was concluded on 24.04.2019 in favor of the company, as well as the Decision on the recognition and execution of the foreign arbitration decision by the Commercial Court in Minsk of 18.11.2021 (Note 32), and

- Energoprojekt Hidroinzenjering, in the amount of RSD 55,653 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 42,392 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);

Increase in *gross* amounts of other short-term receivables in the amount of RSD 650,230 thousand, predominantly relates to Energoprojekt Oprema in the amount of RSD 619,823 thousand, predominantly based on receivables from Gasprom Transgas Belarus (project Energoentar Minsk).

Impairment of other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions) in the amount of RSD 75,371 thousand predominantly 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,

- impairment of receivables for refundable wage benefits (receivables for the disabled) in Energoprojekt Visokogradnja in the amount of RSD 1,928 thousand,

- impairment of receivables for compensation for damages from the company Eurologistic on the project Z-089 Aktau Hospital, Kazakhstan in Energoprojekt Visokogradnja in the amount of RSD 1,611 thousand, and

- impairment of other short-term receivables in accordance with the requirements of IFRS calculated in the previous period in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, predominantly in Energoprojekt Oprema in the amount of RSD 48,516 thousand (Note 29.2.).

whereas the remaining impairment relates to impairments created in the previous period.

33.1.3. Value Added Tax

Structure of value added tax	In RSD thousand	
	31.12.2021	31.12.2020
Value added tax	85.635	100.493
TOTAL	85.635	100.493

- **Receivables for value added tax** in the amount of RSD 85,635 thousand relate to the difference between the calculated tax and the pretax, specifically: primarily in Energoprojekt Niskogradnja in the amount of RSD 43,481 thousand, Energoprojekt Visokogradnja in the amount of RSD 25,597 thousand and Energoplast in the amount of RSD 7,785 thousand.

Decrease in receivables for value added tax compared to 31.12. of the previous year in the amount of RSD 14,858 thousand, primarily relates to decreases in Energoprojekt Niskogradnja in the amount of RSD 10,513 thousand and Energoprojekt Visokogradnja in the amount of RSD 3,684 thousand.

33.2. Receivables for Overpaid Income Tax

Structure of receivables for overpaid income tax	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Receivables for overpaid income tax	83.088	21.236
<i>Impairment</i>		
TOTAL	83.088	21.236

• **Receivables for overpaid income tax** in the amount of RSD 83,088 thousand predominantly refer to Energoprojekt Niskogradnja: RSD 40,484 thousand, Energoprojekt Visokogradnja: RSD 22,169 thousand and Energoprojekt Park 11: RSD 10,997 thousand.

Increase in receivables for overpaid income tax compared to 31.12. of the previous year in the amount of RSD 61,852 thousand predominantly relates to Energoprojekt Niskogradnja in the amount of RSD 40,484 thousand and Energoprojekt Visokogradnja in the amount of RSD 22,161 thousand.

33.3. Receivables for Overpaid Other Taxes and Contributions

Structure of receivables for overpaid other taxes and contributions	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Receivables for overpaid other taxes and contributions	5.781	5.615
<i>Impairment</i>		
TOTAL	5.781	5.615

• **Receivables for overpaid other taxes and contributions** amount to RSD 5,781 thousand and predominantly relate to Zambia Engineering and Contracting Company Limited in the amount of RSD 3,453 thousand, Energoprojekt Industrija in the amount of RSD 631 thousand and Energoprojekt Oprema in the amount of RSD 534 thousand.

34. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial placements	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term loans and investments - other related parties (Note 34.1.)	76.515		76.515	76.513		76.513
Short-term loans, borrowings and investments in the country (Note 34.2.)	655	(411)	244	727	(411)	316
Short-term loans, borrowings and investments abroad (Note 34.3.)	125.298	(379)	124.919	1.335		1.335
Purchased own shares and own shares (Note 34.4.)	49.827		49.827	49.827		49.827
Other short-term financial investments (Note 34.5.):						
Short-term time deposits	969.107		969.107	1.213.935		1.213.935
Other short-term financial investments	42.378	(104)	42.274	68.345	(41)	68.304
Total - Other short-term financial investments	1.011.485	(104)	1.011.381	1.282.280	(41)	1.282.239
TOTAL	1.263.780	(894)	1.262.886	1.410.682	(452)	1.410.230

34.1. Short-Term Loans and Investments – Other Related Parties

Structure of short-term loans and investments – other related parties	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Enjub Ltd.	76.515		76.515	76.513		76.513
TOTAL	76.515	0	76.515	76.513	0	76.513

Short-term loans and investments - other related parties in the amount of RSD 76,515 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 48.2).

34.2. Short-Term Loans, Borrowings and Investments in the Country

Structure of short-term credits, borrowings and investments in the country	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Short-term loans and borrowings in the country:						
a) Short-term loans and borrowings to companies in the country	411	(411)	0	411	(411)	0
b) Short-term loans and borrowings to individuals in the country	110		110	136		136
Total - Short-term loans and borrowings in the country	521	(411)	110	547	(411)	136
Part of long-term financial investments with maturity up to one year in the country:						
Part of long-term financial investments (loans and borrowings) to other companies with maturity up to one year	134		134	180		180
Total - Part of long-term financial investments with maturity up to one year in the country	134	0	134	180	0	180
TOTAL	655	(411)	244	727	(411)	316

34.3. Short-Term Loans, Borrowings and Investments Abroad

Structure of short-term loans, borrowings and investments abroad	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term loans and borrowings to companies abroad	125.298	(379)	124.919	1.335		1.335
TOTAL	125.298	(379)	124.919	1.335	0	1.335

• **Gross amount of Short-Term Loans and Borrowings to Foreign Companies** in the amount of RSD 125,298 thousand entirely relate to Energoprojekt Visokogradnja, predominantly for a loan given to the company Alfa Stroi, Russia in the amount of RSD 123,932 thousand.

34.4. Purchased Own Shares and Own Shares

Structure of purchased own shares and own shares	In RSD thousand	
	31.12.2021	31.12.2020
Purchased own shares and own shares	49.827	49.827
TOTAL	49.827	49.827

• Pursuant to Decision on Acquiring own shares on regulated market, made by Supervisory Board, on February 13, 2017, being active on Belgrade Stock exchange the Company has acquired 97,700 own shares (representing 0.89376% of total shares with the right to vote), with nominal value of RSD 49,827 thousand. (Note 37.2.).

34.5. Short-Term Financial Investments

Structure of other short-term financial investments	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Other short-term financial investments:						
a) Short-term time deposits	969.107		969.107	1.213.935		1.213.935
b) Other short-term financial investments	42.378	(104)	42.274	68.345	(41)	68.304
Total - Other short-term financial investments	1.011.485	(104)	1.011.381	1.282.280	(41)	1.282.239
TOTAL	1.011.485	(104)	1.011.381	1.282.280	(41)	1.282.239

● **Short-term time deposits** in the amount of RSD 969,107 thousand, predominantly, relate to the following companies in the Energoprojekt system:

- Energoprojekt Entel in the amount of RSD 934,294 thousand, for deposited funds with commercial banks in the company Energoprojekt Entel Qatar: RSD 889,694 thousand (in QAR – Qatari Riyal, at an interest rate of 1.1% annually) and deposited funds with commercial banks in Serbia: RSD 44,600 thousand (u RSD, at an interest rate of 0.9% annually), which can not be disposed of at all times,
- Energoprojekt Visokogradnja in the amount of RSD 34,813 thousand, for short-term money with commercial banks in the country.

Decrease in short-term time deposits compared to 31.12. of the previous year in the amount of RSD 244,828 thousand, relates to Energoprojekt Entel in the amount of RSD 175,338 thousand (primarily in the company Energo Consult LLC Abu Dhabi, UAE) and Energoprojekt Visokogradnja in the amount of RSD 69,490 thousand (on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia).

● *Gross* amount of **other short-term financial investments** in the amount of RSD 42,378 thousand, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 21,293 thousand, primarily for warranty deposit retained by the investor on the project Z-114 Reconstruction of Syktyvkar Stadium in the amount of RSD 20,887 thousand, and
- Energoprojekt Niskogradnja in the amount of RSD 21,082 thousand, predominantly for a deposit given to the insurance company as a guarantee - in favor of the investor, on the project Z-044 Reka Ika, Peru: RSD 10,282 thousand, deposits given to banks as a guarantee in favor of the investor in Peru (on the project Z-034 Puerto Bermudez Road, Peru): RSD 8,196 thousand and deposited funds in Uganda in accordance with local provisions for the issuance of work permits to persons who are not citizens of the Republic of Uganda: RSD 2,229 thousand.

Impairment of short-term financial investments in the amount of RSD 104 thousand relates to Energoprojekt Niskogradnja in the amount of RSD 40 thousand for the correction of the financial investment given to the company Intermost Plc. Beograd - in bankruptcy, which was performed in previous years, and Energoprojekt Visokogradnja in the amount of RSD 64 thousand.

Gross decrease in short-term financial investments in the amount of RSD 25,967 thousand, is predominantly the result of a decrease in Energoprojekt Niskogradnja in the amount of RSD 40,374 thousand (primarily due to the release of the warranty deposit given to the insurance company Secrex Seguros, Peru, in favor of the investor for the issuance of a bid guarantee on the foreign point Peru: RSD 23,856 thousand, and deposit given to the insurance company Avla, Peru, for the issuance of a guarantee in favor of the investor on the project Z-039 Via Cienguillo Canal, Peru: RSD 14,260 thousand), and increase in Energoprojekt Visokogradnja in the amount of RSD 14,407 thousand (due to retained guarantee deposit by the investor on the project Z-114 Reconstruction of Syktyvkar Stadium).

35. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Current (business) account	206.167		206.167	238.974		238.974
Earmarked cash and letters of credit			0	1		1
Petty cash	951		951	653		653
Foreign currency account	1.546.384		1.546.384	1.418.719		1.418.719
Foreign currency petty cash	43.040		43.040	23.088		23.088
Other cash						
Short term time deposits	397.928		397.928	1.224.322		1.224.322
Other cash	1.807		1.807	871		871
Total - Other cash	399.735	0	399.735	1.225.193	0	1.225.193
Value-impaired or restricted cash	4.250	(487)	3.763	5.349		5.349
TOTAL	2.200.527	(487)	2.200.040	2.911.977	0	2.911.977

• **Current (business) account** of the system Energoprojekt in the amount of RSD 206,167 thousand mostly refers to the current accounts of the following companies in Energoprojekt system: Energoprojekt Niskogradnja in the amount of RSD 51,243 thousand, Energoprojekt Holding in the amount of RSD 33,436 thousand, Energoprojekt Oprema in the amount of RSD 32,870 thousand, Energoprojekt Urbanizam i Arhitektura in the amount of RSD 23,620 thousand, Energoprojekt Entel in the amount of RSD 21,159 thousand, and Energoprojekt Hidroinženjering in the amount of RSD 16,865 thousand.

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

• **Foreign currency account** in the amount of RSD 1,546,384 thousand predominantly refer to the foreign currency accounts of the following companies in the system Energoprojekt: Energoprojekt Entel in the amount of RSD 514,359 thousand, Energoprojekt Niskogradnja in the amount of RSD 335,095 thousand, Energoprojekt Hidroinženjering in the amount of RSD 237,426 thousand, Energoprojekt Holding in the amount of RSD 169,067 thousand, Energoprojekt Park 11 in the amount of RSD 163,196 thousand, and Energoprojekt Visokogradnja in the amount of RSD 48,784 thousand.

• **Foreign currency petty cash** in the amount of RSD 43,040 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 26,495 thousand, Energoprojekt Niskogradnja in the amount of RSD 12,445 thousand and Energoprojekt Hidroinženjering in the amount of RSD 2,322 thousand.

• **Short term time deposits** in the amount of RSD 397,928 thousand are recorded in Energoprojekt Visokogradnja in the amount of RSD 288,447 thousand (abroad, on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 11,836 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 235,611 thousand and in the country: RSD 41,000 thousand), Energoprojekt Holding in the amount of RSD 80,000 thousand (in the country, Addiko bank), Energoprojekt Industrija in the amount of RSD 26,000 thousand (in the country, Erste bank) and Dom 12 SAL, Lebanon: RSD 3,481 thousand.

- **Value-impaired or restricted cash** in the amount of RSD 3,763 thousand mostly relate to the Energoprojekt Hidroinženjering in the amount of RSD 3,763 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.

36. SHORT-TERM ACCRUED INCOME AND DEFERRED EXPENSES

Structure of short-term accrued income and deferred expenses	<i>In RSD thousand</i>					
	31.12.2021			31.12.2020		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Short-term prepaid costs (Note 36.1.)	82.406		82.406	85.077		85.077
Short-term receivables for non-invoiced income (Note 36.2.)	1.022.824	(279.105)	743.719	1.074.782	(317.288)	757.494
Other short-term accrued income and deferred expenses (Note 36.3.)	67.376		67.376	69.585		69.585
TOTAL	1.172.606	(279.105)	893.501	1.229.444	(317.288)	912.156

36.1. Short-Term Prepaid Expenses

Structure of short-term prepaid costs	<i>In RSD thousand</i>					
	31.12.2021			31.12.2020		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Short-term prepaid subscriptions to professional publications	835		835	894		894
Short-term prepaid costs for rent	34.001		34.001	40.320		40.320
Short-term unapred prepaid insurance premiums	34.085		34.085	28.494		28.494
Short-term prepaid costs for advertising and propaganda	10		10	142		142
Other short-term prepaid costs	13.475		13.475	15.227		15.227
TOTAL	82.406	0	82.406	85.077	0	85.077

- **Short-term prepaid expenses for rent** in the amount of RSD 34,001 thousand, predominantly, relate to Energoprojekt Entel in the amount of RSD 32,306 thousand, for renting business spaces and renting apartments for the accomodation of workers in the Energoprojekt companies abroad, specifically in Qatar: RSD 16,201 thousand, UAE: RSD 12,499 thousand and Oman (only for rental of apartments):

RSD 3,606 thousand. The rent agreements are concluded for several years, with rent payments for one year in advance and they are mostly paid on a quarterly basis.

- **Short-term prepaid insurance premiums** in the amount of RSD 34,085 thousand, predominantly relate to Energoprojekt Entel in the amount of RSD 29,894 thousand (primarily in UAE: RSD 14,772 thousand and in the country: RSD 6,167 thousand).

- **Other short-term prepaid expenses** in the amount of RSD 13,475 thousand, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Entel in the amount of RSD 8,216 thousand, in the country in the amount of RSD 4,114 thousand (primarily for prepaid licences) and abroad in the amount of RSD 4,102 thousand (for prepaid tuitions and subscriptions to professional magazines),
- Energoprojekt Visokogradnja in the amount of RSD 1,928 thousand, and
- Energoprojekt Hidroinženjering in the amount of RSD 1,084 thousand.

36.2. Short-Term Receivables for Non-Invoiced Income

Structure of short-term receivables for non-invoiced income	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term receivables for non-invoiced income - other related companies	22.583		22.583	23.938	(4)	23.934
Short-term receivables for non-invoiced income - druga companies - external	1.000.241	(279.105)	721.136	1.050.844	(317.284)	733.560
TOTAL	1.022.824	(279.105)	743.719	1.074.782	(317.288)	757.494

- **Short-term receivables for non-invoiced income - other related companies** in the amount of RSD 22,583 thousand relate to calculated costs for performed works (that are not certified) to the company CC Napred Plc. in Energoprojekt Urbanizam i arhitektura.

- **Gross amount of short-term receivables for non-invoiced income - other companies** in the amount of RSD 1,000,241 thousand, relate to income of the current period that could not be invoiced, and for which costs incurred in the current period, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 469,469 thousand, for situations handed over to the investor for certification, but which have not been certified until the balance sheet date, specifically:
 - in abroad in the amount of RSD 295.619 thousand, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 172.244 hiljthousand (mostly on projects Law house Gana: RSD 75.039 hiljada thousand – totally impaired by the first application of IFRS 9, Wonda World: RSD 40.139 thousand – impaired by the first application of IFRS 9 in amount of RSD 27.255 thousand) and projects projektima Z-112 Hotel Hayatt Rostov 2, Russia: RSD 98.683 thousand i Z-109 Projektovanje Rostov, Russia: RSD 24.692 thousand and

◦ in country: 173.850 hiljada dinara, 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 18,592 thousand.

Asset-related amounts based on contracts (non-invoiced incomes) are balances owed by buyers based on contracts on the construction of residential and non-residential buildings, which incur when the Company charges amounts from buyers in accordance with a series of performance-based milestones. The company previously recognizes the assets from the contracts for any performed works, which do not meet all the conditions to be included in the milestones, but which are confirmed by the buyers or another supervisory body appointed by the contracting parties. Any amount previously recognized as a contractual asset is reclassified to Receivables from buyers when it is invoiced to the buyer.

- Energoprojekt Entel in the amount of RSD 285,569 thousand, for works performed in 2021, which were invoiced in 2022, abroad: RSD 264,688 thousand (in the company Energoprojekt Entel LTD., Doha, Qatar) and in the country: RSD 20,881 thousand.

- Energoprojekt Hidroinženjering in the amount of RSD 156,534 thousand, predominantly for invoices for performed works, which have not been certified until the submission date of the balance sheet, on the following projects:

- Algeria, in the total amount: RSD 73,691 thousand (predominantly on the project Beli Slimane: RSD 48,952 thousand);
- Hydroelectric Power Plant Komarnica, Montenegro: RSD 52,994 thousand,
- Project 20001- Reconstruction of Hydroelectric Power Plant Đerdap: RSD 22,201 thousand,
- Project Karuma, Uganda: RSD 3,784 thousand,
- Project 19025 BP HPP Đerdap: RSD 2,408 thousand i
- Regulation of Bistrica River, Montenegro: RSD 868 thousand.

- Od ostalih društava u sistemu Energoprojekt potraživanja za nefakturisani prihod su zabeležili Energoprojekt Urbanizam i arhitektura: 60.329 hiljada dinara, Energoprojekt Industrija: 28.190 hiljada dinara i Energoprojekt Holding: 150 hiljada dinara.

Gross decrease in short-term receivables for non-invoiced income - other companies compared to 31.12. of the previous year in the amount of RSD 50,603 thousand is predominantly the result of, on the one hand, decrease in Energoprojekt Visokogradnja in the amount of RSD 106,090 thousand (primarily, on the projects Navigator 2 Business Center and Smatsa Flight Control in the country, and on the project Z-112 Hotel Hayatt Rostov 2, Russia) and, on the other hand, increase in Energoprojekt Entel in the amount of RSD 57,982 thousand (primarily in the company Energoprojekt Entel Ltd., Doha, Qatar).

Impairment of short-term receivables for non-invoiced income - other companies in the amount of RSD 279,105 thousand was predominantly recorded in Energoprojekt Visokogradnja in the amount of RSD 278,743 thousand (primarily, in the company in Ghana, as well as on the project Prokop in the country), primarily due to the effect of the application of IFRS 9, calculated in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, dok se manji deo odnosi na formirane ispravke vrednosti u godinama pre primene IFRS 9.

36.3. Other Short-Term Accrued Income and Deferred Expenses

Structure of other short-term accrued income and deferred expenses	<i>In RSD thousand</i>					
	31.12.2021			31.12.2020		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Accrued value added tax	60.238		60.238	64.749		64.749
Other short-term accrued income and deferred expenses - related companies	9		9			0
Other short-term accrued income and deferred expenses - external	7.129		7.129	4.836		4.836
TOTAL	67.376	0	67.376	69.585	0	69.585

• **Accrued value added tax (VAT)** in the amount of RSD 60,238 thousand encompasses the VAT disclosed in the received invoices which relate to the reporting year, and the right to deduct the pretax incurs i the next calculation period, because the incoming invoices were received after the tax return for December of that year was prepared. The most significant amount of accrued VAT was recorded in Energoprojekt Visokogradnja in the amount of RSD 37,009 thousand and Energoprojekt Niskogradnja in the amount of RSD 12,694 thousand.

• **Other accrued income and deferred expenses** in the amount of RSD 7,129 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of RSD 2,959 thousand, predominantly relates to a fee for a commercial bank (which will be which will be re-invoiced to subsidiaries in the next period) in the amount of RSD 1,159 thousand and accrued costs of licences in the amount of RSD 1,409 thousand.
- Energoprojekt Urbanizam i Arhitektura in the amount of RSD 2,063 thousand, for accrued insurance costs for the project Plot 19.1 – Belgrade Waterfrond.
- Energoprojekt Industrija in the amount of RSD 1,272 thousand, for accrued costs of prepaid licences.

37. CAPITAL

Structure of capital	In RSD thousand	
	31.12.2021	31.12.2020
Equity capital (Note 37.1.) (reduced for non-controlling interest in equity capital)	5.626.811	5.628.154
Issuing premium (Note 37.2.)	162.693	162.693
Reserves (Note 37.3.)	318.710	318.617
Positive revaluation reserves and unrealized gains from securities and other components of other comprehensive result - <i>positive equity item</i> (Note 37.4.)	6.198.828	5.771.613
Unrealized losses from securities and other components of other comprehensive result - <i>positive equity item</i> (Note 37.5.)	31.053	25.346
Retained earnings (Note 37.6.)	6.926.606	5.932.247
Non-controlling interest in equity capital	94.616	94.616
TOTAL	19.297.211	17.882.594

37.1. Equity Capital

Structure of equity capital	In RSD thousand	
	31.12.2021	31.12.2020
Share capital (external) - total	5.651.380	5.651.380
Non-controlling interest - in share capital	(76.421)	(76.421)
<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	12.747
Non-controlling interest - in limited liability companies	(12.747)	(12.747)
<i>Total - Stakes in limited liability companies</i>		
Other share capital - total	57.300	58.643
Non-controlling interest in other share capital	(5.448)	(5.448)
<i>Total - Other share capital</i>	<i>51.852</i>	<i>53.195</i>
TOTAL	5.626.811	5.628.154

- **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.

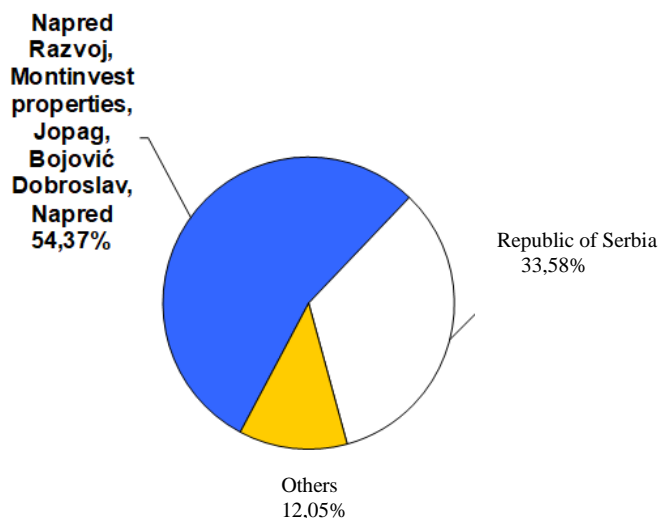
According to the records of the Central Securities Register, the current shareholder structure of Energoprojekt Holding as at 31.12.2021 was as follows:

	No. of shares	% of total issue
Shares owned by physical persons	728,179	6.66
Shares owned by legal persons	9,843,377	89.97
- Republic of Serbia	3,671,205	33.58
- Other legal entities	6,163,172	56.38
Aggregate (custody) account	368,736	3.37
Total no. of shares	10,931,292	100

No. of shareholders with equity investments	No. of persons			No. of shares			% of total issue		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
Up to 5%	3,565	160	3,725	1,329,494	44,165	1,373,659	12.16%	0.40%	12.56%
5% to 10%	1	1	2	564,699	560,731	1,125,430	5.17%	5.13%	10.30%
More than 10% to 25%	0	0	0	0	0	0	0.00%	0%	0.00%
More than 25% to 33%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 33% to 50%	2	0	2	8,432,203	0	8,432,203	77.14%	0.00%	77.14%
More than 50% to 66%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 66% to 75%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 75%	0	0	0	0	0	0	0.00%	0.00%	0.00%
Total no.	3,568	161	3,729	10,326,396	604,896	10,931,292	94.47%	5.53%	100.00%

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

Name	No. of shares	% of total issue
Napred Razvoj Plc Novi Beograd	4,760,998	43.55%
Republic of Serbia	3,671,205	33.58%
Montinvest Properties I.l.c.	564,699	5.17%
Jopag AG	560,731	5.13%
Tezoro broker PLC – summery account	264,917	2.42%
Energoprojekt Holding PLC	97,700	0.89%
Tezoro broker PLC	75,750	0.69%
Bojović Dobroslav	47,004	0.43%
OTP Banka Srbija -summ.account	43,007	0.39%
Grujić Sava	31,301	0.29%



37.2 Issuing premium

Issuing premium	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Issuing premium	162.693	162.693
TOTAL	162.693	162.693

- **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 34.4).

37.3. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Legal reserves	194.758	194.758
Statutory and other reserves	123.952	123.859
Additional payments increasing the capital		
TOTAL	318.710	318.617

- **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.

37.4. Positive Revaluation Reserves and Unrealized Gains from Securities and Other Components of Other Comprehensive Result

Structure of positive revaluation reserves and unrealized gains from securities and other components of other comprehensive result	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Revaluation reserves:		
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	1.008.842	959.806
<i>Total - Revaluation reserves from revaluation of property</i>	<i>4.060.988</i>	<i>4.011.952</i>
Revaluation reserves from revaluation of investment property	1.662.770	1.488.656
Revaluation reserves from revaluation of plant and equipment	213.152	218.269
Total - revaluation reserves	5.936.910	5.718.877
Gains on restatement of financial statements of foreign operations	261.918	52.736
TOTAL	6.198.828	5.771.613

- **Revaluation reserves from revaluation of property** in the amount of RSD 4,060,988 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 1,008,842 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 332,094 thousand (hotel Spintex in Akra, Ghana and buildings in Belgrade - in Vozdovac and in Stara Pazova);
 - Energoprojekt Industrija: RSD 107,907 thousand (real estate of the affiliated company Energopet Ltd. (33.33%): RSD 92,509 thousand and solidarity apartments in Belgrade: RSD 15,398 thousand),
 - Energo (Private) Limited, Zimbabwe: RSD 75,660 thousand (business and residential buildings in Harare, Zimbabwe); and
 - Zambia Engineering and Contracting Company Limited, Zambia: RSD 52,997 thousand (business and residential buildings in Lusaka, Zambia).
- **Revaluation reserves from revaluation of investment property** in the amount of RSD 1,662,770 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 564,095 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 170,920 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).
- **Gains gains on transactions of financial statements for international operations** in the amount of RSD 261,918 thousand primarily relate to na Dom 12 S.A.L., Lebanon, I.N.E.C. Engineering Company Limited, United Kingdom, Energoprojekt Entel and Energoprojekt Visokogradnja.

37.5. Unrealized Losses from Securities and Other Components of Other Comprehensive Result

Structure of Unrealized losses on securities disclosed at fair value through the other comprehensive result	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Losses on securities disclosed at fair value through the other comprehensive result	31.053	25.346
TOTAL	31.053	25.346

- **Unrealized losses on securities disclosed at fair value through the other comprehensive result** in the amount of RSD 31,053 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).

37.6 Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Retained earnings from previous years:		
a) Balance as at 01 January	5.932.247	5.259.056
b) Changes	125.025	(351.543)
<i>Total</i>	<i>6.057.272</i>	<i>4.907.513</i>
Retained earnings from the current year	869.334	1.024.734
TOTAL	6.926.606	5.932.247

Change in **retained earnings** from previous years in the amount of RSD 125,025 thousand net is primarily the result of increase caused by appeared exchange rate differences applied on opening balance of retained earnings in foreign companies: RSD 211,268 thousand (predominantly in Energoprojekt Entel, primarily in the company Energoprojekt Entel LTD., Doha, Qatar) and decrease due to distribution of undistributed result of Energoplast Ltd. to the shareholder Chartered Oil Inc (40%): RSD 16,460 thousand and taxation of incurred profit: RSD 24,286 thousand (primarily in Qatar and Oman).

37.7. Non-Controlling Interest

Non-controlling interest	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Non-controlling interest - in equity capital	94.616	94.616
TOTAL	94.616	94.616

Non-controlling interest was determined on the share capital of the companies in which minority shareholders have shares.

The structure of the capital in which non-controlling interest are determined each equity item of the companies with the shares of minority shareholders is shown in the following table.

Structure of non-controlling interest for each capital item of the Companies with shares of minority shareholders	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Equity capital	5.721.427	5.722.770
Non-controlling interest - in equity capital	(94.616)	(94.616)
<i>Total - Equity capital</i>	<i>5.626.811</i>	<i>5.628.154</i>
Issuing premium	162.693	162.693
Non-controlling interest - purchased own shares		
<i>Total - Issuing premium</i>	<i>162.693</i>	<i>162.693</i>
Reserves	318.710	318.617
Non-controlling interest - in reserves	(17.996)	(17.996)
<i>Total - Reserves</i>	<i>300.714</i>	<i>300.621</i>
Positive revaluation reserves and unrealized gains from financial assets and other components of the Other comprehensive result	6.198.828	5.771.613
Non-controlling interest - in revaluation reserves and unrealized gains	(280.983)	(273.754)
<i>Total - Positive revaluation reserves and unrealized gains from financial assets and other components of the Other comprehensive result</i>	<i>5.917.845</i>	<i>5.497.859</i>
Unrealized losses from financial assets and other components of the Other comprehensive result	31.053	25.346
Non-controlling interest - in unrealized losses	(27)	(27)
<i>Total - Unrealized losses from financial assets and other components of the Other comprehensive result</i>	<i>31.026</i>	<i>25.319</i>
Retained earnings from previous year	6.057.272	4.907.513
Non-controlling interest - in retained earnings from previous year	(261.232)	(366.130)
<i>Total - Retained earnings from previous year</i>	<i>5.796.040</i>	<i>4.541.383</i>
Retained earnings from current year	869.334	1.024.734
Non-controlling interest - in retained earnings from current year	(242.746)	88.501
<i>Total - Retained earnings from current year</i>	<i>626.588</i>	<i>1.113.235</i>
Total capital of the companies with shares of majority sharehold	18.399.665	17.218.626
Non-controlling interest - in total capital	(897.546)	(663.968)
TOTAL CAPITAL	19.297.211	17.882.594

The structure of non-controlling interest - in the retained result of the current year by the companies in the Energoprojekt system is given in the following table.

Structure of non-controlling interest - in the retained earnings of the current year	% share of minority shareholders	In RSD thousand	
		31.12.2021	31.12.2020
Energoprojekt Industrija Plc.	37,23%	(2.800)	18.529
Energoprojekt Oprema Plc.	32,13%	225.898	(125.536)
Energoplast Ltd.	54,89%	19.648	18.506
TOTAL		242.746	(88.501)

38. LONG-TERM PROVISIONS

Structure of long-term provisions	In RSD thousand	
	31.12.2021	31.12.2020
Provisions for wages and other employee benefits	280.735	262.890
Provisions for warranty period costs	497.490	579.499
Provision for legal costs	17.674	14.399
<i>Total</i>	0	0
TOTAL	795.899	856.788

Provisions for wages and other employee benefits (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation made on 31 December 2021.

In the projection of provision calculation 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 (by 14.96%) in the balance sheet as at 31.12.2021 in comparison to the retirement bonus values in the balance sheet as at 31.12.2020, 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 9.66%) and the decrease of the difference between the discount rate and the assumed income increase); 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 19.39% and reduction the average years of service in the Company to 2.35% and increased expected employee fluctuation).

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 54 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 **4.0%** 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 07.09.2021 was 3.24%. 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 **4.0%**.

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 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. Although it has been significantly higher in 2021 (approx. 7.5%), the past years it has been 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 assume inflation on the target level.

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 4.0% and long-term annual discount rate of 4.0%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 78 of IAS 19.

• **Provisions for warranty period costs** in the amount of RSD 497,490 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 391,300 thousand disclosed based on the provisions from prior periods within Energoprojekt Entel LTD., Qatar in RSD 331,192 thousand based on project Phase 12: RSD 91,364 thousand, Phase 13: RSD 216,987 thousand, and Mega Reservoirs: RSD 22,841 thousand, that are done for Qatar General Electricity and Water Corporation "KAHRAMAA" and in the country in the amount of RSD 60,108 thousand, entirely for the project Incinerator in Vinča - Preparation of project documentation.

Calculation of 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 77,275 thousand is a result of abolition of unused provisions in the amount of RSD 106,171 thousand (in the country on the projects: Development of technical documentation and permitting consulting services TE-TO Pančevo: RSD 17,637 thousand and activities of the Construction Manager (FIDIC engineer) on the construction of a new block of the hydroelectric power plant Kostolac B3: RSD 17,637 thousand and in the company Energoprojekt Entel LTD., Qatar for Phase 11: RSD 70,897 thousand), and recorded foreign exchange gains in the amount of RSD 28,896 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 2,737 thousand, based on remaining amount of provision from 2017, for the project Power line Pančevo - Romanian border.

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 2,365 thousand is in its entire amount result of utilised provisions for projects: Transmission line Pancevo - Romanian border: RSD 2,350 thousand, and Transmission line Belgrade Pancevo: RSD 15 thousand.

- Energoprojekt Visokogradnja in the amount of RSD 103,453 thousand, which were recorded for provisions from the previous years on the project: Z-107 Radiology Hospital Syktyvkar, Russia in the amount of RSD 88,185 thousand, remaining provisions from 2020 for the project Chinese Cultural Center in the amount of RSD 9,382 thousand and provisions in the reporting year for the project Delta House in the amount of RSD 5,886 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.

Compared to the previous year, decrease in the respective provisions in the amount of RSD 2,369 thousand is the result of used provisions for the project Chinese Cultural Center: RSD 8,255 thousand and provisions in the reporting year for the project Delta House in the amount of RSD 5,886 thousand.

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 2020	606.134
Additional provision booked	105.822
Used in the year	(45.519)
Abolishing of unused provision	(49.660)
FX differences	(37.278)
As of 01 January 2021	579.499
Additional provision booked (Note 18)	5.886
Used in the year	(10.620)
Abolishing of unused provision (Note 21.1)	(106.171)
FX differences	28.896
As of 31 December 2021	497.490

• **Provision for legal costs** in the amount of RSD 17,674 thousand entirely relates to Energoprojekt Niskogradnja.

The change in structure of long-term provisions for legal costs is shown in the table below.

Structure of provision for legal costs	<i>In RSD thousand</i>
As of 01 January 2020	2.320
Additional provision booked	14.375
Used in the year	(1.926)
Abolishing of unused provision	(370)
As of 01 January 2021	14.399
Additional provision booked	6.171
Used in the year	(2.896)
Abolishing of unused provision	
As of 31 December 2021	17.674

39. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Long-term loans and other long-term liabilities to the parent company, subsidiaries and other related parties in the country (Note 39.1)		730.472
Long-term loans, borrowings and liabilities for lease in the country (Note 39.2)	258.629	74.125
Long-term loans, borrowings and liabilities for lease abroad (Note 39.3)	1.340	
Liabilities for issued securities (Note 39.4)	3.300.000	3.300.000
Other long-term liabilities (Note 39.5)	252.514	452.453
TOTAL	3.812.483	4.557.050
Part of long-term liabilities with maturity up to one year (Note 42.1; 42.2. and 42.3)	352.670	78.145

39.1. Long-Term Loans and Other Long-Term Liabilities to the Parent Company, Subsidiaries and Other Related Parties in the Country

Structure of long-term loans and other long-term liabilities to the parent company, subsidiaries and other related parties in the country	In RSD thousand	
	31.12.2021	31.12.2020
<i>Napred Razvoj Plc.</i>		
Long-term loan		726.175
Long-term liability for interest on loan whose payment is deferred		4.297
TOTAL	0	730.472

The amount of the initial balance of liabilities to the company Napred Razvoj Plc in the amount of RSD 730,472 thousand (6,213 hiljada EUR) was transferred to: part of long-term credits and loans to other related parties in the country with maturity up to one year - for the amount of the principal: EUR 6,176 thousand, which was fully repaid in July 2021 and liability based on interest and financing costs in the country – other related parties: EUR 37 thousand, which were repaid in July and August 2021.

39.2. Long-Term Loans, Borrowings and Liabilities for Lease in the Country

Structure of long-term loans, borrowings and liabilities for lease in the country	In RSD thousand	
	31.12.2021	31.12.2020
Long term loans from banks in the country:		
a) Unicredit bank Plc.	171.823	
b) Alta bank Plc.	39.194	
Total - Long term loans from banks in the country	211.017	
Long-term liabilities for lease in the country	47.612	74.125
TOTAL	258.629	74.125

• **Liabilities for long-term loans from domestic banks** in the amount of RSD 211,017 thousand relate to the following companies in the Energoprojekt system, as shown in the following table.

Creditor	Original currency	Remaining debt in original currency	Remaining debt in RSD thousand	Payment method and due date
Unicredit bank Plc.	EUR	1.461	171.823	monthly, until 30.11.2023
Alta bank Plc.	EUR	333	39.194	monthly, until 03.06.2023
TOTAL			211.017	

Based on the long-term loan from Unicredit bank, as a means of securing payment, bills of exchange and sureties of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema were provided, as well as bills of exchange of Energoprojekt Visokogradnja; a mortgage was established on the Energoprojekt business building and a pledge on the receivables of Energoprojekt Oprema on the project Energocentar Minsk, Belarus (Note 48.2).

Based on the long-term loan from Alta bank, as a means of securing payment, bills of exchange and sureties of Energoprojekt Holding and Energoprojekt Visokogradnja were provided, as well as bills of exchange of Energoprojekt Niskogradnja.

The following table shows liabilities for long-term loans in the country, stated in RSD, as at 31.12.2021, broken down to liabilities up to one year (which are disclosed within short-term liabilities) and liabilities over one year (which are disclosed within long-term liabilities).

Creditor	In RSD thousand		
	Long-term liability	Short-term liability	Total liability
<i>In Energoprojekt Visokogradnja:</i>			
Unicredit bank a.d.	171.823	187.443	359.266
<i>In Energoprojekt Visokogradnja - total</i>	<i>171.823</i>	<i>187.443</i>	<i>359.266</i>
<i>In Energoprojekt Niskogradnja:</i>			
Alta bank a.d.	39.194	71.856	111.050
<i>In Energoprojekt Niskogradnja - total</i>	<i>39.194</i>	<i>71.856</i>	<i>111.050</i>
TOTAL	211.017	259.299	470.316

• **Long-term liabilities for lease in the country** in the amount of RSD 47,612 thousand relate to Energoprojekt Visokogradnja in the amount of RSD 12,123 thousand and Energoprojekt Niskogradnja in the amount of RSD 35,489 thousand.

More detailed information on the total liabilities (long-term and short-term) for lease in the country is presented in the following table.

Creditor	Original currency	Remaining liability in original currency (in 000)	Remaining liability in RSD thousand	Payment method and due date
<i>Liabilities for lease in the country:</i>				
<i>In Energoprojekt Visokogradnja:</i>				
OTP Leasing	EUR	19	2.264	monthly, until 15.04.2025
Real Estate Direction of RS (rent of land for Block 24, Bežanijska kosa)	RSD	20.061	20.061	monthly, until 23.12.2023
<i>In Energoprojekt Visokogradnja - total</i>			<i>22.325</i>	
<i>In Energoprojekt Niskogradnja:</i>				
OTP Leasing	EUR	598	70.379	monthly, until 15.08.2023
Other (rent of apartments)	RSD and EUR		11.897	monthly, until 31.08.2023 / until 01.07.2029
<i>In Energoprojekt Niskogradnja - total</i>			<i>82.276</i>	
TOTAL			104.601	

The following table shows liabilities for lease in the country, stated in RSD, as at 31.12.2021, broken down to liabilities up to one year (which are disclosed within short-term liabilities) and liabilities over one year (which are disclosed within long-term liabilities).

Creditor	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liability</i>
In Energoprojekt Visokogradnja:			
OTP Leasing	1.583	681	2.264
Real Estate Direction (rent of land for Block 24, Bežanijska kosa)	10.540	9.521	20.061
In Energoprojekt Visokogradnja - total	12.123	10.202	22.325
In Energoprojekt Niskogradnja:			
OTP Leasing	26.266	44.113	70.379
Other (rent of apartments)	9.223	2.674	11.897
In Energoprojekt Niskogradnja - total	35.489	46.787	82.276
In other companies of Energoprojekt system:			
Liabilities for financial lease		1.661	1.661
In other companies of Energoprojekt system - total	-	1.661	1.661
TOTAL	47.612	58.650	106.262
<i>Total - Liabilities for financial lease in the country:</i>			
Liabilities for financial lease	38.389	55.976	94.365
Liabilities for other lease	9.223	2.674	11.897
TOTAL	47.612	58.650	106.262

39.3. Long-Term Loans, Borrowings and Liabilities for Lease Abroad

Structure of long-term loans, borrowings and liabilities for lease abroad	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Long-term loans, borrowings and liabilities for lease abroad	1.340	
TOTAL	1.340	

Detailed information on total liabilities (long-term and short-term) for lease abroad is presented in the following table.

Creditor	Original currency	Remaining liab. in original curr. (in 000)	Remaining liability in RSD thousand	Payment method and due date
<i>Liabilities for leasing abroad:</i>				
<i>In Energoprojekt Hidroinženjering:</i>				
Rent of apartment (Algeria)	AD (Algerian dinar)	1.374	1.024	annually/31.12.2025
Rent of apartment (Republic of Srpska)	KM (Convertible mark)	5	316	monthly/31.12.2025
TOTAL			1.340	

The following table shows liabilities for lease abroad, stated in RSD, as at 31.12.2021, broken down to liabilities up to one year (which are disclosed within short-term liabilities) and liabilities over one year (which are disclosed within long-term liabilities).

Creditor	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liability</i>
<i>In Energoprojekt Hidroinženjering:</i>			
Rent of apartment (Algeria)	1.024	312	1.336
Rent of apartment (Republic of Srpska)	316	93	409
TOTAL	1.340	405	1.745

39.4. Liabilities for Issued Securities

Structure of liabilities for issued securities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for issued securities	3.300.000	3.300.000
TOTAL	3.300.000	3.300.000

• **Liabilities for issued long-term securities in a period longer than one year** in the amount of RSD 3,300,000 thousand entirely relate to Energoprojekt Holding for issued long-term corporate bonds on 30.12.2020, specifically 330,000 bonds of individual nominal value of RSD 10,000,00 (based on the Decision of the Assembly of the Company of 23.07.2020 on the issuance of corporate bonds of the company through a public offering and the Decision of the Supervisory Body of the company of 25.11.2020 on the first issuance of corporate bonds), with maturity on 30.12.2025 and quarterly calculated and paid interest.

39.5. Other Long-Term Liabilities

Structure of other long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Ostale long-term liabilities of other companies and individuals in the country (external)	31.936	328.914
Ostale long-term liabilities of other companies and individuals abroad (external)	220.578	123.539
TOTAL	252.514	452.453

• **Other long-term liabilities from other companies and individuals in the country** in the amount of RSD 31,936 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of RSD 20,920 thousand for:
 - long-term advance received from the company Jerry catering service Ltd., in the amount of RSD 20,075 thousand (EUR 170 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 845 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 10,141 thousand. The figure is recorded within the item – Liabilities for loans and borrowings from entities that are not domestic banks - Note 42.1); and
- Energoprojekt Visokogradnja in the amount of RSD 5,053 thousand for liabilities for retained guarantee deposit of subcontractors, primarily on the project Chinese Cultural Center (from several companies) in the amount of RSD 4,217 thousand.

• **Other long-term liabilities from other companies and individuals abroad** in the amount of RSD 220,578 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 158,314 thousand, relate to the obligation for retained guarantee deposit of subcontractors on the project Z-112 Hotel Hyatt Rostov 2, Russia;
- Energoplast in the amount of RSD 62,264 thousand - distribution of retained earnings to the shareholder Chartered Oil Inc. originated from:
 - 2013 and 2017 in the amount of RSD 44,627 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 2023 to 2025 (a total of RSD 35,259 thousand) and RSD 9,368 thousand in 2026.

Short-term liability for dividends to be paid by the end of 2022 amounts to RSD 39,967 thousand,

and consists of unpaid liability according to the above mentioned decision in the amount of RSD 23,506 thousand (RSD 11,753 thousand each for za 2022 and 2023), which will be paid until the end of 2022 according to the decision) and unpaid liability based on the decision on the distribution of the profit from 2021: RSD 16,461 thousand (which will be paid until 15.06.2022 according to the decision) - Note 45.1., 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);

40. LONG-TERM ACCRUED EXPENSES AND DEFERRED INCOME (except Long-Term Deferred Income and Received Donations)

Structure of long-term accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Long-term costs calculated in advance:		
a) Long-term costs calculated in advance - parent, subsidiary and other related companies	54	38
b) Long-term costs calculated in advance - other companies	410.047	377.514
<i>Total - Long-term costs calculated in advance</i>	<i>410.101</i>	<i>377.552</i>
Long-term income collected in advance:		
Long-term income collected in advance - other companies	326.432	245.930
<i>Total - Long-term income collected in advance</i>	<i>326.432</i>	<i>245.930</i>
Other accrued expenses and deferred income	58.890	120.077
TOTAL	795.423	743.559

- **Costs calculated in advance - other companies** in the amount of RSD 410,047 thousand predominantly relate to na Energoprojekt Niskogradnja in the amount of RSD 401,851 thousand (on projects in Serbia: RSD 139,869 thousand, in Peru: RSD 67,969 thousand and Uganda: RSD 194,013 thousand). These costs primarily incurred as a result of performed but not certified works of subcontractors on active projects, primarily on projects in Serbia and foreign points in Uganda, as well as invoices of suppliers for different services performed in December 2021, which were issued in 2022 (costs for lease of equipment, securing the construction site, attorney's fees, commissions for guarantees, etc.)

- **Income collected in advance - other companies** in the amount of RSD 326,432 thousand, entirely relate to Energoprojekt Niskogradnja and are recorded for the realization in advance by the investor for works which have not been performed in 2021, on the projects Modernization of TPS Zemun: RSD 270,472 thousand and Railroad Jajinci - Mala Krsna: RSD 55,960 thousand.

41. SHORT-TERM PROVISIONS

Structure of short-term provisions	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term provisions for compensations and other employee benefits		5.794
TOTAL	0	5.794

• Liabilities for **short-term provisions for compensations and other employee benefits** in the amount of RSD 5,794 thousand that were recorded in 2020 in Energoprojekt Energodati were paid in the reporting year.

42. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for loans and borrowings from entities that are not domestic banks (Note 42.1.)	92.966	77.597
Liabilities for loans from domestic banks (Note 42.2.)	388.709	782.626
Loans, borrowings, and liabilities from abroad (Note 42.3.)	14.491	150.734
TOTAL	496.166	1.010.957

42.1. Liabilities for Loans and Borrowings from Entities that are not Domestic Banks

Structure of liabilities for loans and borrowings from entities that are not domestic banks	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Part of other long-term liabilities with maturity up to one year in the country:		
a) Liabilities for financial lease with maturity up to one year in the country	55.976	45.570
b) Other long-term liabilities of other companies and individuals with maturity up to one year in the country	36.990	31.909
Total - Part of other long-term liabilities with maturity up to one year in the country	92.966	77.479
Other short-term financial liabilities in the country:		
Other short-term financial liabilities to other entities that are not banks in the country		118
Total - Other short-term financial liabilities in the country	-	118
TOTAL	92.966	77.597

- **Liabilities for financial lease with maturity up to one year in the country** in the amount of RSD 55,976 thousand, predominantly relate to Energoprojekt Niskogradnja in the amount of RSD 44,113 thousand and Energoprojekt Visokogradnja in the amount of RSD 10,202 thousand (Note 39.2.).

- **Ostale long-term liabilities of other companies and individuals with maturity up to one year in the country** in the amount of RSD 36,990 thousand, relate to liabilities for taxes and contributions on wages with maturity in 2022, according to the Decree on the procedure and manner of deferral of payment of due taxes and contributions in order to mitigate the economic consequences caused by the disease COVID-19, primarily in Energoprojekt Hidroinženjering: RSD 14,266 thousand, Energoprojekt Holding in the amount of RSD 10,141 thousand and Energoprojekt Industrija: RSD 9,909 thousand.

42.2. Liabilities for Loans from Domestic Banks

Structure of liabilities for loans from domestic banks	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term loans from banks in the country	129.340	782.626
Part of long-term loans and borrowings from domestic banks with maturity up to one year	259.299	
Other short-term financial liabilities to banks in the country	70	
TOTAL	388.709	782.626

- **Short-term loans from domestic banks** in the amount of RSD 129,340 thousand, entirely relate to Energoprojekt Oprema as shown in the following table.

Bank	Curr.	Remaining liability in the currency	Remaining liability in RSD thousand	Payment method and due date
Addiko bank	EUR	1.100.000	129.340	31.12.2022.
TOTAL			129.340	

For the short-term loan from Addiko bank, a surety and bills of exchange Energoprojekt Oprema, Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Visokogradnja were provided as a means of securing payment.

Decrease in short-term loans from banks in the country in the amount of RSD 653,286 thousand relates to Energoprojekt Visokogradnja in the amount of RSD 433,670 thousand (part of the loan from Unicredit bank is repaid (EUR 500 thousand), whereas the remaining part of the loan was converted into a long-term loan) and Energoprojekt Oprema in the amount of RSD 219,616 thousand (due to repayment of a part of the loan from Addiko bank).

- **Part of long-term loans and borrowings from domestic banks with maturity up to one year** in the amount of RSD 259,299 thousand relates to Energoprojekt Visokogradnja in the amount of RSD 187,443 thousand (with Unicredit bank) and Energoprojekt Niskogradnja in the amount of RSD 71,856 thousand (with Alta bank).

42.3. Loans, Borrowings, and Liabilities from Abroad

Structure of loans, borrowings, and liabilities from abroad	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term loans and borrowings abroad:		
a) Short-term loans from banks abroad	14.078	150.068
b) Short-term loans and borrowings from other companies and individuals abroad	8	
Total - Short-term loans and borrowings abroad	14.086	150.068
Part of other long-term liabilities with maturity up to one year abroad:		
a) Liabilities for financial lease with maturity up to one year abroad	405	666
b) Other long-term liabilities of other companies and individuals with maturity up to one year abroad		
Total – Part of long-term loans, borrowings, and other liabilities with maturity up to one year abroad	405	666
TOTAL	14.491	150.734

• **Liabilities for short-term loans from foreign banks** in the amount of RSD 14,078 thousand entirely relate to Energoprojekt Niskogradnja as shown in the following table.

Bank	Curr.	Remaining liability in the currency	Remaining liability in RSD thousand	Payment method and due date
AVLA, Peru	PEN	619.239	14.078	15.04.2022. jednokratno
TOTAL			14.078	

Decrease in short-term foreign loans compared to 31.12. of the previous year in the amount of RSD 135,982 thousand predominantly relates to Energoprojekt Niskogradnja in the amount of RSD 135,987 thousand due to the repayment of the loan in Peru.

43. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Advances received from other related parties	8.498	941
Advances received from other companies and individuals in the country	1.520.036	3.109.384
Advances received from other companies and individuals abroad	1.797.373	802.604
Received deposits and bonds	6.936	3.624
TOTAL	3.332.843	3.916.553

- **Liabilities for Advances received from other related parties** in the amount of RSD 8,498 thousand relate to liabilities to Napred Plc. in the amount of RSD 7,830 thousand and Enjub Ltd. in the amount of RSD 668 thousand, which were recorded in Energoprojekt Urbanizam i arhitektura.

- **Liabilities for advances received from other legal entities and physical bodies in the country** in the amount of RSD 1,520,036 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 1,344,704 thousand, primarily from the investor Public Company Srbija Voz for the project Modernization of TPS Zemun: RSD 649,625 thousand and Beo Čista Energija Ltd. for the project Reconstruction of Vinča Landfill: RSD 693,540 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 54,262 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 53,910 thousand.

- Energoprojekt Entel in the amount of RSD 43,691 thousand, predominantly for advances received from Power Construction Corporation of China – branch Beograd in the amount of RSD 29,529 thousand.

Decrease in liabilities for advances received from other companies and individuals in the country compared to 31.12. of the previous year in the amount of RSD 1,589,348 thousand is predominantly the result of decrease in Energoprojekt Park 11 in the amount of RSD 988,143 thousand (due to justification of advances during the handing over of the property), in Energoprojekt Visokogradnja in the amount of RSD 342,443 thousand (primarily, on the project Smatsa Flight Control: RSD 270,288 thousand) and Energoprojekt Niskogradnja in the amount of RSD 323,851 thousand (primarily, due to decrease on the projects Modernization of TPS Zemun: RSD 430,635 thousand and Railroad Jajinci - Mala Krsna: RSD 70,344 thousand and increase on the project Reconstruction of Vinča Landfill: RSD 178,017 thousand).

- **Advances received from other legal entities and physical bodies, abroad** in the amount of RSD 1,797,373 thousand primarily refer to the following companies of the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 1,606,691 thousand, for advances received in Uganda: RSD 1,238,556 thousand (primarily on the project Z-045, Mityana Mubende, Uganda: RSD 1,144,308 thousand) and in Peru: RSD 368,135 thousand (primarily on the project Z-044 Overflow Control of Ika River, Peru: RSD 354,314 thousand).

- Energoprojekt Visokogradnja in the amount of RSD 117,127 thousand, predominantly for advances received on the project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 35,982 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 65,073 thousand (primarily, from the company Agams Group: RSD 23,119 thousand and Asikes Ventures Limited: RSD 31,252 thousand), and

- Energoprojekt Oprema in the amount of RSD 35,324 thousand, predominantly for liabilities for the advance received from the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 33,132 thousand.

Increase in liabilities for advances received from other companies and individuals abroad compared to 31.12. of the previous year in the amount of RSD 994,769 thousand, primarily relates to, on the one hand, increase in advances received in Energoprojekt Niskogradnja in the amount of RSD 1,209,378 thousand (predominantly on the project Z-045 Mityana Mubende, Uganda in the amount of RSD 1,144,308 thousand), and, on the other hand, decrease in Energoprojekt Visokogradnja in the amount of RSD 205,710 thousand (predominantly, on the project Z-112 Hotel Hyatt Rostov 2, Russia in the amount of RSD 225,529 thousand).

• **Liabilities for advances received and deposits** in the amount of RSD 6,936 thousand predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 2,218 thousand (for deposits received for renting apartments in the building “Cruz del Sur“, Peru),
- Dom 12 S.A.L., Lebanon (for deposits received for renting business spaces in the business building in Moscow) in the amount of RSD 1,844 thousand, and
- Energoprojekt Holding in the amount of RSD 1,219 thousand for deposits received for renting business spaces in the Energoprojekt business building.

44. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities to suppliers - parent, subsidiary companies and other related parties in the country:		
Liabilities to suppliers - other related companies in the country	41.207	80.950
Total - liabilities to suppliers - parent, subsidiary companies and other related parties in the country	41.207	80.950
Suppliers in the country	2.264.541	2.458.210
Suppliers abroad	1.854.439	1.428.432
Other operating liabilities	20.157	12.836
TOTAL	4.180.344	3.980.428

• **Suppliers – other related parties, in the country** in the amount of RSD 41,207 thousand relate to liabilities to the company Napred Plc. that were recorded in Energoprojekt Visokogradnja (primarily, on the project Bežanijska kosa, Blovk 24: RSD 14,393 thousand) and Energoprojekt Niskogradnja in the amount of RSD 25,838 thousand (on the project Reconstruction of Vinča Landfill for the purchase of materials).

• **Suppliers, in the country** in the amount of RSD 2,264,541 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 1,047,424 thousand, Energoprojekt Niskogradnja in the amount of RSD 804,958 thousand and Energoprojekt Oprema in the amount of RSD 352,350 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 liabilities to suppliers in the country	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
<i>Energoprojekt Visokogradnja:</i>		
Cscod-sh Ltd.	156.877	31.186
Rasina Ltd.	125.692	64.109
DMA Koping Ltd.	93.431	112.154
Jedinstvo Plc. Užice	72.027	141.398
Chuang Yi Arspire Ltd.	64.249	19.159
Almont Ltd.	40.959	27.126
Maestral SZR Gavrilović Marko	34.761	15.591
Energy Net Solution Ltd.	30.028	31.261
Koving Ltd.	24.766	7.916
Termomont Ltd.	21.442	25.832
Other	383.192	574.559
Total	1.047.424	1.050.291
<i>Energoprojekt Niskogradnja:</i>		
Bauwesen Ltd.	154.508	139.789
Ogranak Colas Rail SA Belgrade	113.121	131.859
Nukleus Ltd.	49.313	
Opticus Ltd.	36.517	63.004
Telefonkabl Plc.	33.261	31.234
Baumeister Ltd.	32.551	60.488
Ingrap Omni Ltd.	29.758	59.783
Other	355.929	508.087
Total	804.958	994.244
<i>Energoprojekt Oprema:</i>		
Nimax	55.205	-
GP Planum Plc.	38.056	38.056
Roaming smart solution Ltd.	37.756	15.950
Kodar Energomontaža Ltd.	28.569	28.569
Energotehnika Južna Bačka Ltd.	27.532	27.532
Elite steel	18.729	-
Telekomunikacija Ltd.	17.828	-
ABB Ltd.	14.124	407
Institute Mihailo Pupin	10.758	2.002
Ful Elektro Ltd.	5.545	23.385
Other	98.248	173.198
Total	352.350	309.099

- Decrease in liabilities to suppliers in the country compared to 31.12. of the previous year in the amount of RSD 193,669 thousand is predominantly the result of decrease in Energoprojekt Niskogradnja in the amount of RSD 189,286 thousand, primarily due to settlement of liabilities to subcontractors, primarily, on the projects Modernization of TPS Zemun and Reconstruction of Vinča Landfill.

- **Suppliers, abroad** in the amount of RSD 1,854,439 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 774,028 thousand, primarily in Peru: RSD 185,837 thousand and in Uganda: RSD 365,699 thousand),

- Energoprojekt Entel in the amount of RSD 692,102 thousand (in the company Energoprojekt Entel LTD., Doha, Qatar: RSD 581,480 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 63,831 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 46,791 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 322,674 thousand (predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana and on the project Z-112 Hotel Hyatt Rostov 2, Russia).

- Increase in liabilities to suppliers abroad compared to 31.12. of the previous year in the amount of RSD 426,007 thousand, is primarily the result of increase in Energoprojekt Niskogradnja in the amount of RSD 202,257 thousand (primarily in Uganda) and Energoprojekt Entel: RSD 184,682 thousand (in the companies Energoprojekt Entel LTD., Doha, Qatar: RSD 154,328 thousand, Energo Consult LLC Abu Dhabi, UAE: RSD 2,288 thousand and Energoprojekt Entel LLC Oman, Oman: RSD 28,066 thousand)

- **Other operating liabilities** in the amount of RSD 20,157 thousand primarily refer to Energoprojekt Niskogradnja in the amount of RSD 11,282 thousand, for issued checks to suppliers in Peru for the settlement of liabilities, which were not realized on 31.12.2021, and to Energoprojekt Visokogradnja in the amount of RSD 8,641 thousand, primarily for issued checks in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 7,010 thousand.

45. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Other short-term liabilities (Note 45.1.)	772.132	841.429
Liabilities for value added tax and other fees payable (Note 45.2.)	172.958	260.677
Liabilities for income tax (Note 45.3.)	59.171	182.843
TOTAL	1.004.261	1.284.949

45.1. Other Short-Term Liabilities

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities from special transaction:		
Liabilities from special transactions - other legal entities	13	8.415
Total - Liabilities from special transaction	13	8.415
Liabilities for wages, fringe benefits and compensations	609.383	653.270
Other liabilities:		
a) Liabilities for interest and financing costs	5.071	21.762
b) Liabilities for dividends	73.750	57.338
c) Liabilities to employees	23.275	34.462
d) Liabilities to General Manager, members of the management and the Supervisory Board	2.187	2.298
e) Liabilities to individuals for contractual compensations	2.204	6.599
f) Other liabilities	56.249	57.285
Total - Other liabilities	162.736	179.744
TOTAL	772.132	841.429

- **Decrease in liabilities from specific transactions – other companies** in the amount of RSD 8,402 thousand, predominantly relate to the liability of Energoprojekt Holding to Erste bank Plc. Novi Sad, which was commissioned as the Issue Agent when the Company issued the corporate bonds, in the amount of RSD 8,415 thousand. The fee was calculated in the amount of RSD 0.3% on the value of the issued corporate bonds.

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 609,383 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, etc.) relate predominantly to Energoprojekt Entel in the amount of RSD 293,011 thousand (abroad: RSD 251,700 thousand, in the country: RSD 41,311 thousand), Energoprojekt Niskogradnja in the amount of RSD 137,291 thousand (abroad: RSD 71,094 thousand, in the country: RSD 66,197 thousand), Energoprojekt Visokogradnja in the amount of RSD 104,969 thousand (abroad: RSD 34,516 thousand, in the country: RSD 70,453 thousand), Energoprojekt Hidroinženjering in the amount of RSD 36,823 thousand (abroad: RSD 7,891 thousand, in the country: RSD 28,932 thousand).

- **Liabilities for interest and financing costs** in the amount of RSD 5,071 thousand predominantly relate to Energoprojekt Holding in the amount of RSD 4,297 thousand based on deferred liability from loan granted by Napred Razvoj Plc. for the period March – June 2020 (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 31.03.2022 (Note 39.1).

- **Liabilities for dividends** in the amount of RSD 73,750 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoplast in the amount of RSD 39,967 thousand, relate to unpaid dividends to the founders – shareholder Chartered Oil Inc. (Note 39.5);

- Energoprojekt Holding in the amount of RSD 20,317 thousand, dividend liabilities from 2018: RSD 4,448 thousand and from previous years: RSD 15,869 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;
 - Energoprojekt Entel in the amount of RSD 6,907 thousand liabilities from 2017: RSD 1,645 thousand and from previous years: RSD 5,262 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.
- **Other liabilities** in the amount of RSD 56,249 thousand primarily refer to the following companies of the system Energoprojekt:
- Energoprojekt Holding in the amount of RSD 32,300 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 of the Company 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 11,443 thousand, in the country 8,488 thousand (predominantly for calculated but unpaid quarterly bank guarantee fees) and abroad RSD 2,955 thousand; and
 - Energoprojekt Urbanizam i arhitektura Plc. in the amount of RSD 8,417 thousand relate to liabilities for suspensions from the salaries of employees.

45.2. Liabilities for Value Added Tax and Other Fees Payable

Structure of - liabilities for for value added tax and other fees payable	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for value added tax	122.725	215.787
Liabilities for other fees payable	50.233	44.890
TOTAL	172.958	260.677

- **Liabilities for value added tax** in the amount of RSD 122,725 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 90,988 thousand (entirely abroad, on WUs abroad: RSD 63,592 thousand, in Energoprojekt Ghana Ltd., Accra: RSD 27,338 thousand and in Energoprojekt Montenegro, Montenegro: RSD 58 thousand), Energoprojekt Entel in the amount of RSD 20,365 thousand and Energoprojekt Urbanizam and arhitektura Plc. in the amount of RSD 3,853 thousand.
- **Liabilities for other fees payable** in the amount of RSD 50,233 thousand predominantly relate to the following companies in the Energoprojekt system:
 - Energoprojekt Niskogradnja in the amount of RSD 25,836 thousand, predominantly abroad: RSD 25,217 thousand, and
 - Energoprojekt Visokogradnja in the amount of RSD 9,868 thousand, whereby liabilities for fees payable in the country amount to RSD 9,224 thousand and on WUs RSD 644 thousand.

45.3. Liabilities for Income Tax

Structure of liabilities for income tax	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for income tax	59.171	182.843
TOTAL	59.171	182.843

• **Liabilities for income tax** in the amount of RSD 59,171 thousand, predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 29,807 thousand, which relate to liabilities abroad, predominantly for unpaid estimated liability based on income tax on the project Z-112 Hotel Hyatt Rostov on Don (RSD 29,396 thousand).

Decrease in liabilities from income tax compared to 31.12. of the previous year in the amount of RSD 123,672 thousand predominantly is the result of decrease in Energoprojekt Park 11 in the amount of RSD 100,921 thousand.

46. SHORT-TERM ACCRUED EXPENSES AND DEFERRED INCOME

Structure of short-term accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term costs calculated in advance:		
Short-term costs calculated in advance - other companies	215.000	246.752
<i>Total - short-term costs calculated in advance</i>	<i>215.000</i>	<i>246.752</i>
Short-term income collected in advance:		
Short-term income collected in advance - other companies	81.032	144.238
<i>Total - long-term income collected in advance</i>	<i>81.032</i>	<i>144.238</i>
Other accrued expenses and deferred income	129.627	113.755
TOTAL	425.659	504.745

• **Short-term costs calculated in advance - other companies** in the amount of RSD 215,000 thousand predominantly relate to to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 64,159 thousand, calculated during the realization for the investors, which have not been invoiced by the supplier and subcontractor until the balance sheet date. These costs amount in the country to RSD 62,217 thousand (predominantly on the projects Delta house: RSD 11,866 thousand, Smatska Flight Control: RSD 50,331 thousand), and abroad: RSD 1,942 thousand (primarily on the projects Z-108 Narhoz, Russia: RSD 560 thousand and Z-114 Syktyvkar Stadium, Russia: RSD 209 thousand as well as in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 1,010 thousand).

- Energoprojekt Sunnyville in the amount of RSD 52,566 thousand, correction of the land price

according to the Contract on the purchase of property (urban construction land).

- Energoprojekt Hidroinženjering in the amount of RSD 50,190 thousand, for calculated costs of subcontractors, primarily on the projects Electroenergetic Coordination Center: RSD 9,800 thousand, Yaraskay Peru: RSD 7,056 thousand, Đerdap 2: RSD 6,012 thousand, Komarnica Montenegro: RSD 5,798 thousand, Seklafa Sosapal-Algeria: RSD 4,583 thousand, Mačva: RSD 3,024 thousand, Gornja Drina, Republic of Srpska: RSD 2,822 thousand, Hydroelectric Power Plant Đerdap and Ship Lock: RSD 1,355 thousand and Karuma Uganda: RSD 1,185 thousand, and
- Energoprojekt Oprema in the amount of RSD 22,476 thousand, primarily, for calculated costs of subcontractors a on the project TPS Zemun: RSD 19,480 thousand.

Decrease in costs calculated in advance - other companies compared to 31.12. of the previous year in the amount of RSD 31,752 thousand, predominantly relates to, on the one hand, decrease in Energoprojekt Oprema in the amount of RSD 21,075 thousand (primarily on the projects Modernization of TPS Zemun and RTB Bor) and Energoprojekt Visokogradnja in the amount of RSD 20,782 thousand (primarily on the project Z-114 Syktyvkar Stadium, Russia) and, on the other hand, increase in Energoprojekt Industrija in the amount of RSD 10,266 thousand (on the project Heineken Water Treatment Plant).

- **Income collected in advance - other companies** in the amount of RSD 81,032 thousand, entirely relates to Energoprojekt Entel.

Decrease in income collected in advance - other companies compared to 31.12. of the previous year in the amount of RSD 63,206 thousand, relates to, on the one hand, decrease in Energoprojekt Visokogradnja: RSD 144,238 thousand (on the projects Chinese Cultural Center: RSD 66,267 thousand, Smatsa Flight Control: RSD 25,491 thousand and Z-114 Syktyvkar Stadium: RSD 52,480 thousand), and on the other hand, increase in Energoprojekt Entel: RSD 81,032 thousand.

- **Other accrued expenses and deferred income** in the amount of RSD 129,627 thousand predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 110,383 thousand, for accrued liabilities for value added tax in the country: RSD 34,416 thousand and abroad: RSD 75,967 thousand (predominantly in the company in Ghana: RSD 44,888 thousand).

47. DEFERRED TAX LIABILITIES

Net effect of deferred tax assets and liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Deferred tax assets	3.263	9.008
Deferred tax liabilities	579.693	499.479
Net effects of deferred tax assets / (liabilities)	(576.430)	(490.471)

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>31.12.2021</i>	<i>31.12.2020</i>
Balance of deferred tax liabilities at the end of the previous year	490.471	476.867
Balance of deferred tax liabilities at the end of the current year	576.430	490.471
Changes in balance of deferred tax liabilities	85.959	13.604

Based on the change in the balance of deferred tax assets and deferred tax liabilities in 2021, 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 85,959 thousand and recorded as:

- charged to net results for 2021 (deferred tax expense for the period) in the amount of RSD 71,203 thousand (Note 24); and
- charged to equity (retained earnings of the previous year and revaluation reserves) in the amount of RSD 14,756 thousand, based on the correction of deferred tax assets and deferred tax liabilities from the previous period, as well as effects of revaluation of properties.

48. OFF BALANCE SHEET ASSETS AND LIABILITIES, MORTGAGES REGISTERED IN FAVOUR AND AGAINST THE COMPANY AND ADJUSTMENTS OF RECEIVABLES AND LIABILITIES

48.1. 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>31.12.2021.</i>	<i>31.12.2020.</i>
Issued and received guarantees and letters of credit	12.132.914	12.148.280
Construction land use rights	114.044	3.124.618
Other off balance sheet assets/liabilities	304.071	324.061
TOTAL	12.551.029	15.596.959

48.2. Mortgages 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 1,453,734 thousand (USD 13,988,134), 107.53% 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

independent, authorized appraiser “PROVALUA S.A.” according to the Reports: PAR 481-12/21, PAR 479-12/21 and PAR 478-12/20 of 31.12.2021.

- in order to secure a credit line granted by the Banco Pichincha Peru, property was mortgaged in 2016 for the amount of RSD 860,872 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, authorized 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.

In progress is the complete release of the mortgage in favor of the bank Banco Pichincha, for the last remaining liability of Energoprojekt Niskogradnja S.A. to the bank, which is guaranteed by the mortgage, which refers to the guarantees issued in favor of the investor PROYECTO ESPECIAL CHAVIMOCHIC, released in March 2022 and returned by Energoprojekt Niskogradnja S.A. Suc. Peru to the issuing bank on 17 March 2022.

The mortgage in favour of the Company will be released after the collection of the entire agreed price.

Mortgage registered against Energoprojekt Niskogradnja is presented in the table below:

Property	Area in m2	Carrying amount	Estimated value	Estimated value	Date of appraisal
		In RSD 000	In USD	In RSD 000	
Mortgage 1 - Scotiabank, Peru					
Land - Camp Primavera, Sullana, Peru	95.907,47	29.479	5.537.750	575.517	31.12.2021
Office space 16-18. floor, Lima, Peru	427,73	81.952	810.258	84.207	31.12.2021
Building Cruz Del Sur, Lima, Peru	4.295,38	697.877	6.660.904	692.242	31.12.2021
<i>Total (100%)</i>		809.308	13.008.912	1.351.967	
Total (107.53%)			13.988.134	1.453.734	
Mortgage 2 - Banco Pichincha, Peru					
Land - Santa Clara, Peru	23.009,70		8.986.011	933.882	31.12.2020
<i>Total (100%)</i>		0	8.986.011	933.882	
Total (92,18%)			8.283.492	860.872	
Total Mortgage (101.26%)			22.271.626	2.314.605	0

Mortgage registered against property – Office Building of Energoprojekt, based on bank arrangements with:

- Erste Bank Plc. Novi Sad in the amount of EUR 27,000,000.00 under Annex no. 2 to 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);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 3,188,287.47 under Annex no. 3 to the Agreement on Short-Term Loan no. RL 0029/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema);
- OTP Bank Serbia in the amount of EUR 6,782,000.00 under Annex no. 4 to the Framework Agreement on the Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2818/21 - now OL2021/202, with following Annexes (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering); and
- OTP Bank Serbia Novi Sad in the amount of EUR 3,218,000.00 under Annex no. 4 to the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2820/21 - now OL2021/457, with following Annexes (debtor Energoprojekt Hidroinženjering, mortgage borrower Energoprojekt Holding and joint debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema).

based on which on 30.12.2021, 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 27.12.2021.

- Mortgage registered against property - Complex Stara Pazova, based on bank arrangements with:

- OTP Banka Srbija Plc. under Annex 4 of the Framework Agreement on the Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2819/21 – now OL2021/365 – EUR 6,300,000.00 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), based on which on 7 July 2021 an executive out-of-court mortgage was constituted on the land and facilities of the Stara Pazova Complex was registered in the list of real estate number 10503 CM Stara Pazova in favor of the respective creditors. The Line Statement of the Energoprojekt Visokogradnja Plc. was certified by competent authority and in line with the Serbian Mortgage Law.

- Pledge on receivables of Energoprojekt Oprema on the project Energoentar Minsk, Belarus, based on bank arrangements with:

- Unicredit Bank Srbija Plc. Beograd in the amount of EUR 3,188,287.47 EUR under Annex no. 3 of the Agreement on Short-Term Loan no. RL 0029/20 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema); a pledge was established on the receivables of Energoprojekt Oprema Plc. from OAO “Gasprom transgas Belarus” for delivered equipment, according to the Arbitration Decision for the project Energoentar Minsk, Belarus in the amount of USD 18,928,532.76. The agreement on the pledge on receivables was registered in the Pledge Register for Movable and Rights, with the Decision no. 821/2020 of 05.02.2020 and its last change/amendment no. 821-4/2020 of 28.12.2021.

• **Mortgages registered in favor of companies within system Energoprojekt**

Energoprojekt Holding:

- as collateral to secure the repayment of loan pursuant to the Annex No. 14 of the Loan Agreement No. 367, in the amount of RSD 16,168 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. 10 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,347 thousand (EUR 513 thousand), with the Resolution no. 952-02-1973/2012, an 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).

48.3. Adjustment of receivables and liabilities

The major part of the unadjusted receivables and liabilities was recorded in the following companies in the Energoprojekt system, as specified below.

- In Energoprojekt Oprema:

Because there are no certified statements of open items, the total unadjusted receivables and liabilities in Energoprojekt Oprema in the amount of RSD 1,325,180 thousand — relate to the following balance items:

- Advances paid for inventories and services: RSD 190,815 thousand (primarily, with the company Energo Nigeria Ltd., Lagos, Nigeria: RSD 121,905 thousand),
- Domestic buyers: RSD 177,835 thousand,
- Foreign buyers: RSD 561,109 thousand (entirely with the company Energo Nigeria Ltd., Lagos, Nigeria),
- Advances received, deposits and bonds: RSD 43,071 thousand, and
- Suppliers in the country: RSD 352,350 thousand.

- In Energoprojekt Hidroinženjering:

According to the legal obligation, Energoprojekt Hidroinženjering has sent requests to adjust liabilities and receivables to its foreign buyers. However, they haven't responded to these requests. The total amount of the respective receivables amounts to RSD 151,216 thousand and entirely relates to Agence Nationale des Barrages et Transferts, Algeria (National Agency for Dams and Water Transfer), specifically according to the following contracts: Seklafa: RSD 53,537 thousand, Soubela: RSD 25,122 thousand, Djedra: RSD 11,959 thousand, Sidi Naceur: RSD 9,609 thousand, etc. We notice that a huge part of the respective receivables was already collected until the date of the issuance of this financial statement.

- In Energoprojekt Visokogradnja:

Unadjusted receivables from domestic buyers in the amount of RSD 106,029 thousand relate to the investor on the project Smatsa Flight Control, who did not disclose in its books in the reporting period the situation for December 2021, as it was certified on 03.02.2022.

Unadjusted liabilities for advances received in the amount of RSD 26,480 thousand, relate to the investor on the project Smatsa Flight Control, who did not disclose the justification of the advance for the situation for December 2021, as it was certified on 03.02.2022, and the investor on the project Z-112 Hotel Hayatt Rostov, Russia, who did not disclose in its books the justification of the advance for the situation for December 2021, as it was certified in February 2022.

Unadjusted liabilities to suppliers in the country in the amount of RSD 17,900 thousand relates to subcontractors, who did not book in their books the situations for December 2021, as these were certified in 2022.

- In Energoprojekt Entel:

Elektroprivreda Srbije (EPS) has unfoundedly disputed the amount of RSD 48,938 thousand. For this amount, the first-instance court decision was in favour of Energoprojekt Entel. EPS appealed and now the case is at the Court of Appeals. In 2021, there was not a single hearing – both due to illness of the judge and Covid 19 (we hope that the verdict will be in 2022).

- In Energoprojekt Holding:

Of the total amount of unadjusted receivables and liabilities, the major part relates to unadjusted balances with the company Jerry catering service Ltd. in the total amount of RSD 7,200 thousand, which incurred due to a different way of converting advance payments. Specifically, the company Jerry catering hasn't converted advance payments, whereas Energoprojekt Holding converted the advance payments until 31.12.2017, and since 01.01.2018, in accordance with IFRAC 22, advance payments are not converted any more.

49. 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 2021, 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 ongoing phase
1.	EP Holding Plc.	Republic of Serbia, EPS Srbije, Epsturs Ltd. and Rep. 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, Nikšić	2022	Grounded First-instance court accepted the claim. In appeal procedure upon Defendants' appeal. Second-instance proceedings due to bankruptcy of Epsturs Ltd. Bankruptcy Trustee submitted proposal to continue the procedure.
2.	EP Holding Plc.	Gradimir Cvetković	Compensation for damages – unjustified travel orders	RSD 285,470.62	3rd Basic Court in Belgrade	2022	Grounded First-instance proceedings
3.	EP Holding Plc.	City of Belgrade, and Bg Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606,10 on behalf of principal debt	Commercial Court in Belgrade	2022	Grounded The claim of Hala BG Hala 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 ongoing.
4.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is rejected right to vote in EP Oprema Plc.	Without any value	Administrative court	2022	Uncertain. Administrative dispute. Second-instance proceedings. Procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed.
5.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is rejected right to vote in EP Industrija Plc.	Without any value	Administrative court	2022	Uncertain Administrative dispute. Second-instance proceedings. Procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
6.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to EP Holding is rejected right to vote in EP Oprema Plc.	Without any value	Administrative court	2022	Uncertain Administrative dispute. Second-instance proceedings. Procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed.
7.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to EP Holding is rejected right to vote in EP Industrija Plc.	Without any value	Administrative court	2022	Uncertain Administrative dispute. Second-instance proceedings. 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 final Commission's decision 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	2022	Uncertain Administrative dispute.
9.	EP Holding Plc.	Ringier Axel Springer Ltd. Belgrade	Determination of nullity of the contract and return of paid advance	18,000,000.00 RSD	Commercial Court in Belgrade	2022	Uncertain Second-instance verdict confirms first-instance verdict. Revision filed.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
10.	EP Holding Plc.	EP Oprema ad Jadran Ltd. Viacom VS Ltd.	Determination of nullity of the contract	EUR 700,000.00	Commercial Court in Belgrade	2022	Uncertain. Claim rejected. Appeal of HLD rejected and first-instance verdict confirmed with verdict of Commercial Court of Appeals of 08.03.2022.
11.	EP Holding Plc.	Public company EPS	Unjustified collection of performance guarantee	RSD 1,980,000.00	Commercial Court in Belgrade	2022	Grounded First-instance proceedings
12.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bežanija)	Ungrounded	1st Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings suspended until the completion of the restitution procedure
13.	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	2022	Ungrounded in relation to EP Holding Plc. First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
14.	Nikola Malbaša, Marko Martinoli and other small shareholders of EP Industrija Plc.	Montinvest properties Ltd., Napred razvoj Plc., CC Napred Plc. Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Industrija Plc. shares	RSD 280,427,106.40	Commercial Court in Belgrade	2022	Ungrounded in relation to EP Holding Plc. First-instance proceedings
15.	Dekada Export-Import KFT Budapest	1)Vivand BT Budapest, 2)EP Holding Plc.	Determination of the nullity of the contract on assignment of claim of EP Holding Plc. to Vivand BT and Optional Sale&Purchase Agreement on sale of Real Estate	Ungrounded	Court of City of Budapest, Commercial Department	2022	Uncertain. Our revision against the final judgments of lower courts was adopted, therefore earlier decisions were canceled and the case was remanded for new proceedings. In new proceedings court adopted claim. Appeal was filed against verdict. First-instance decision was confirmed in second-instance proceedings.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
16.	Edmond Gašpar Gojko Babić Petar Rajačić	EP Holding Plc. Napred razvoj Plc.	Forced purchase of shares of EP Industrija Plc.	<p>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</p> <p>2. the amount of RSD 2,110,531.50 with DI from 09.03.2018 until payment - 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 - 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>	Commercial Court in Belgrade	2022	<p>Ungrounded in relation to EP Holding Plc. First-instance court accepted the claim. Appeal filed. Second-instance decision received on 10.02.2022 Confirmed first-instance decision, paid.</p>
17.	Zoran Petrović	EP Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2022	<p>Uncertain Claim was adopted. Appeal filed, awaiting second-instance decision.</p>

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
18.	Zoran Petrović	EP Holding Plc.	Compensation for damages for to harassment at work	RSD 900,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
19.	Alco Investments Holding LTD. Cyprus	Genesis capital Ltd., CC Napred Plc. and EP Holding Plc.	Determination of nullity of Annex 1 of the Joint Construction Agreement (Block 26)	Without any value	Commercial Court in Belgrade	2022	Ungrounded in relation to EP Holding Plc. Proceedings suspended due to opening of bankruptcy procedure over Genesis capital Ltd.
20.	Alco Investments Holding LTD. Cyprus	CC Napred EP Holding Plc.	Fulfilment of contractual agreements	EUR 15,571,615.00	Commercial Court in Belgrade	2022	Ungrounded First-instance court accepted the claim. Filed appeal was adopted. The claim was rejected in the new first-instance procedure. Second-instance decision rejects Plaintiff's appeal and confirms first-instance verdict.
21.	Proinvestments Plc.	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of shares of EP Visokogradnja Plc.	RSD 3,234,201.39	Commercial Court in Belgrade	2022	Uncertain First-instance verdict adopted claim, based on which the principal with interest was paid. Plaintiff filed appeal in relation to the costs of the proceedings, therefore the verdict is not final in that part. Awaiting second-instance decision for the costs.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
22.	Dmitrović Jelena and others	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of redeemed shares of EP VG Plc.	RSD 983,453.70	Commercial Court in Belgrade	2022	Uncertain First-instance proceedings
23.	Vladimir Milovanović	EP Holding Plc.	Debt	RSD 38,277,924.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
24.	Dimitraki Zipovski	EP Holding Plc.	Debt	RSD 10,000,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
25.	Jovan Nikčević	EP Holding Plc.	Debt	RSD 8,705,623.60	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
26.	Svetlana Stevović	EP Holding Plc.	Payment of the difference in price of redeemed shares of EP VG Plc.	RSD 654,934.98	Commercial Court in Belgrade	2022	Uncertain Second-instance decision reversed first-instance verdict and claim was rejected. Plaintiff filed appeal.
27.	Vesna Prodanović	EP Holding Plc.	Debt	RSD 9,000,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
28.	Ranko Ljubojević	EP Holding Plc.	Expropriation	RSD 32,370,000.00	Higher Court in Belgrade	2022	Grounded Final judgment in favor of Plaintiff. Revision filed, which was rejected on 05.01.2022.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
29	Alco Investments Holding LTD. Cyprus	CC Napred EP Holding Plc.	Compensation for damages	RSD 1,763,775,000.00	Commercial Court in Belgrade	2022	Ungrounded 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	2022	Uncertain. Claim was adopted Second-instance proceedings upon appeal
31.	Ali Hojeij, attorney	EP Holding Plc.	Debt - services	EUR 75,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
32.	Miloš Milinović EP Holding Plc.	EP Holding Plc. Miloš Milinović	Annulment of the decision of the Board of Directors and payment of the difference in salary Counterclaim – unjustified travel orders	RSD 100,000.00 RSD 123,074.18	3rd Basic Court in Belgrade	2022	Uncertain Grounded First-instance proceedings
33.	Miloš Milinović	EP Holding Plc.	Annulment of the decision on termination of employment service contract and compensation for damages	RSD 2,988,486.00	3rd Basic Court in Belgrade	2022	<i>Ungrounded First-instance proceedings</i>
34.	Zvonko Radovanović	EP Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
35.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667,104.25	Commercial Court in Belgrade	Completed	Final judgment approved the claim. Enforced collection must be carried out in Bosnia and Herzegovina.
36.	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
37.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271,813.90	Commercial Court in Belgrade	2022	We suggested to continue the execution procedure against the founder of the legal entity
38.	EP Visokogradnja Plc.	Veso Romić	Unfounded acquisition	RSD 35,301,780.00	Commercial Court in Belgrade	Completed	Grounded In the process of enforced collection

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
39.	EP Visokogradnja Plc.	Public Company Železnice, Beočvor	Debt (Prokop)	RSD 290,385,390.00	Commercial Court in Belgrade	2022	Grounded Proceedings suspended
40.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bankruptcy	Debt	RSD 1,340,520.00	Commercial Court, Valjevo	Uncertain	Receivables recognized in bankruptcy procedure
41.	EP Visokogradnja Plc.	City of Belgrade, BG Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606,10 RSD on behalf of principal debt	Commercial Court in Belgrade	2022	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. Expertise is ongoing.
42.	EP Visokogradnja Plc.	PIK Zemun in bankruptcy	Debt	RSD 33,705.46	Commercial Court in Belgrade	Uncertain	Declared receivables in bankruptcy

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
43.	EP Visokogradnja Plc.	GZR Krstić, owner Krstić Radomir	Debt	RSD 115,776.00	Commercial Court in Belgrade	Uncertain	Uncertain Enforced collection is ongoing
44.	EP Visokogradnja Plc.	SZR Kvirin, owner Tanasković Milan	Debt	RSD 31,642.40	Commercial Court in Belgrade	Uncertain	Grounded Enforced collection is ongoing
45.	EP Visokogradnja Plc.	Utva silosi Plc. Kovin in reorganization	Debt	-	Commercial Court in Pančevo	Uncertain	Receivables grounded, but payment depends on restructuring plan
46.	EP Visokogradnja Plc.	Amiga Ltd. Kraljevo in reorganization	Debt	RSD 114,425.00	Commercial Court in Kraljevo	Uncertain	Receivables grounded, but payment depends on restructuring plan
47.	EP Visokogradnja Plc.	Бон-Апеттит ООО, Ростов, РФ	Debt based on loan	RUB 5,048,082.19	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
48.	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
49.	EP Visokogradnja	PD Anticor Ltd.	Debt for accommodation services	RSD 16,732.40	Commercial Court in Belgrade	Uncertain	Uncertain Execution procedure is ongoing
50.	EP Visokogradnja	Stroj RU Inženjering Ltd.	Debt for accommodation services	RSD 139,239.02	Commercial Court in Belgrade	2022	Grounded. Proposed continuation of execution against the founder. Decision on continuation was made.
51.	EP Visokogradnja	B Gips plus Niš	Debt for accommodation services	RSD 1,128,770.46	Commercial Court in Niš	Uncertain	Uncertain Execution procedure.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
52.	EP Visokogradnja	BankPro Ltd.	Debt for accommodation services	RSD 47,489.89	Commercial Court in Belgrade	Uncertain	Uncertain Enforced collection is ongoing.
53.	EP Visokogradnja	Kosmaj mermer Plc.	Debt for unfounded 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 costs of the procedure	Commercial Court in Belgrade	2022	EP Visokogradnja activated mortgage for the collection, but the bankruptcy proceedings against the debtor was initiated and thus activation of mortgage was canceled. In the meantime, the Restructuring Plan was adopted and its application expired so the conditions for repeated activation are met.
54.	EP Visokogradnja Plc.	Mitrović Invest Ltd. Krupanj	Debt for accommodation services	RSD 213,351.24	Commercial Court in Valjevo	2022	Grounded In collection procedure
55.	EP Visokogradnja Plc.	Beogradska banka Plc. Beograd in bankruptcy	Registration of receivables	RSD 67,926,673.24	Commercial Court in Belgrade	2022	Grounded First-instance verdict rejected claim Upon our appeal case is in the Court of Appeals.
56.	EP Visokogradnja Plc.	Jugobanka Plc. Beograd in bankruptcy	Registration of receivables	RSD 568,646,437.96	Commercial Court in Belgrade	Uncertain	Grounded First-instance proceedings
57.	EP Visokogradnja	LUX GROUP 89 LTD.	Debt	RSD 447,827.43	Commercial Court in Belgrade	Uncertain	Grounded Proceedings suspended due to deletion of the company from the Business Registers Agency

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
58.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 153,674,990.16	Commercial Court in Belgrade	2022	Grounded Proceedings suspended
59.	EP Visokogradnja Plc.	Jusuf Ziberi PR	Debt – Samački hotel	RSD 742,782.50	Commercial Court in Belgrade	2022	Grounded Execution procedure initiated
60.	EP Visokogradnja Plc.	Vese and Darinka Romić	Determining the co-ownership shares of the spouses	-	Higher Court in Belgrade	2022	Uncertain First-instance proceedings ongoing
61.	Milan Branković	EP Visokogradnja Plc.	Annulment of the limited time employment contract		1st Basic Court in Belgrade	Uncertain	Ungrounded Proceedings suspended until the completion of the proceedings 17.P1.11640/10 on the lawsuit of the same plaintiff against Enjub Ltd.
62.	Nataša Milojević	EP Visokogradnja Plc.	Ownership title to be determined		3rd Basic Court in Belgrade	Court decision in 2016; revision filed	Claim was adopted by final judgement. Appeal filed against the decision.
63.	Aleksandar Petrović	EP Visokogradnja Plc.	Annulment of contract and compensation for damages	RSD 3,500,000.00	3rd Basic Court in Belgrade	2022	The court issued a decision declaring it incompetent for acting in this proceeding. The prosecutor filed an appeal. A second instance decision is pending.
64.	Ljiljana Damjano	EP Visokogradnja Plc.	Performance and compensation for damages	RSD 350,000.00	3rd Basic Court in Belgrade	2022	Claim was adopted by first-instance decision Appeal filed Awaiting second-instance decision.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
65.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, MFA	RSD 438,530.00	Commercial Court in Belgrade	Uncertain	Partly grounded Proceedings suspended due to Plaintiff's bankruptcy
66.	Residential building 10e, Bul. Mihaila Pupina	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2,000,000.00	3rd Basic Court in Belgrade	Uncertain	Uncertain Proceedings suspended
67.	Kojić Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1,130.00	3rd Basic Court in Belgrade	2022	Claim was rejected by first-instance decision. Plaintiff filed an appeal.
68.	Husein Smailović	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59,000.00 monthly starting from January 2010 and ongoing	3rd Basic Court in Belgrade	2022	A decision was adopted bringing the claim to be revoked. Plaintiff appeal against this decision. Second-instance proceedings.
69.	Naim Hajdari	EP Visokogradnja Plc.	Determination of monthly rent for damage compensation	RSD 15,000.00 monthly starting from 21 January 1989 and ongoing	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
70.	Dragan Petrović	EP Visokogradnja Plc.	Annulment of termination of employment contract		3rd Basic Court in Belgrade	Uncertain	Claim was rejected by first-instance verdict. Second-instance proceedings. Returned to first-instance proceedings.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
71.	Residential building 10G, Bul. Mihaila Pupina	EP Visokogradnja Plc. and Stevanović Milinko	Determination of nullity of the contract		Higher Court in Belgrade	Uncertain	Uncertain First-instance proceedings
72.	Residential building 10G, Bul. Mihaila Pupina	EP Visokogradnja Plc. Omni Promet Ltd.	Determination of nullity of the contract		3rd Basic Court in Belgrade	Uncertain	Uncertain, Proceedings suspended.
73.	Dević Ljubinko	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	2022	Grounded First-instance proceedings
74.	Milorad Vasić	EP Visokogradnja Plc.	Compensation for damages (Block 12)	25,732,877,55 RSD	Higher Court in Belgrade	2022	First-instance verdict rejected claim. Plaintiff filed an appeal.
75.	JP ViK Stara Pazova	EP Visokogradnja	Debt	167,162,40 RSD and 33,558,94 RSD	Commercial Court in Sremska Mitrovica	-	Claim was adopted. Final. Debt paid on 09.07.2021
76.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	1,269,860.00 RSD	Commercial Court in Belgrade	Uncertain	Partly collected, approx. RSD 160,000.00. Proceedings suspended for remaining debt. 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 ongoing phase
77.	Vidojević Vladan and Radoš Nenad	EP Visokogradnja Plc.	Compensation for damages due to unpaid salaries and differences from overtime and performance	EUR 4,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
78.	Alen Vasić	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 600,000.00	3rd Basic Court in Belgrade	2022	Grounded First-instance proceed. concluded. Main hearing concluded. Claim was partly adopted by verdict.
79.	Predrag Radeka	EP Visokogradnja Plc.	Compensation for damages due to unpaid salaries and differences from overtime and performance	RSD 50,000 per lawsuit, but real value is much higher	3rd Basic Court in Belgrade	Uncertain	Claim was adopted. Court of Appeals rejected our appeal and confirmed first-instance verdict. Debt by verdict paid on 14.02.2022.
80.	Miloje Živanović	EP Visokogradnja Plc.	Compensation for damages for unpaid salaries	RSD 39,000.00	3rd Basic Court in Belgrade	2022	Principal and interest paid in full. Decision on costs reverted – they are still not paid.
81.	Rajko Vasiljević	EP Visokogradnja	Compensation for damages on behalf of less paid overtime	EUR 2,500.00	3rd Basic Court in Belgrade	Uncertain	First-instance proceedings terminated due to Plaintiff's death.
82.	Topalović Igor	EP Visokogradnja	Compensation for damages on behalf of less paid overtime and payment of interest on delayed payment of salaries	EUR 2,084.28	3rd Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
83.	Miloje Živanović	EP Visokogradnja	Compensation for damages on behalf of excess of overtime and individual performance	RSD 420,000.00	3rd Basic Court in Belgrade	Uncertain	Second-instance proceedings
84.	Šerbedžija Đorđe	EP Visokogradnja	Compensation for damages on behalf of excess of overtime and individual performance	EUR 1,500.00	3rd Basic Court in Belgrade	2022	Grounded. Upon our appeal case is in the Court of Appeals. Second-instance proceed. ongoing.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
85.	Pavlović Vladimir	EP Visokogradnja	Comp. for damages due to delays in construction	RSD 2,628,897.70	3rd Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
86.	Pavić Biljana	EP Visokogradnja	Compensation for damages due to overtime and payment of interest on delay in payment of salaries	RSD 1,750,643.65	3rd Basic Court in Belgrade	Uncertain.	Claim was partly adopted by first-instance decision. Appeal was filed.
87.	Miroslav Jovičić	EP Visokogradnja	Salary payment for the period from 1.1.2009 to september 2017	RSD 50,000.00 (claim amount specified in lawsuit), but value is much higher	3rd Basic Court in Belgrade	Uncertain	Uncertain. First-instance proceedings.
88.	Jovanović Miroslav	EP Visokogradnja Plc.	Compensation for damages on behalf of less paid overtime	1,000.00 EUR	3rd Basic Court in Belgrade	2022	Paid according to the first instance verdict.
89.	Dužanka Čobanović	EP Visokogradnja Plc.	Compensation for damages for injury	1,050,000.00 RSD	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
90.	Miroslav Jovičić	EP Visokogradnja	Compens. for damages for differences in earnings for the period from 01.01.2015 to 31.12.2015	Plaintiff determined claim amount of RSD 50,000 per lawsuit. Real amount is much higher.	3rd Basic Court in Belgrade	2022	First-instance court accepted the claim. Appeal was filed.
91.	Slavoljub Kodžopeljčić	Maht Savabien Ltd. EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 999,000.00	Basic Court in Ivanjica	2022	Uncertain Adoption verdict was passed, appeal was filed
92.	Rešid Pobrić	EP Visokogradnja Plc.	Determination of property rights	EUR 54,000.00	Higher Court in Belgrade	2022	Decision on withdrawal of lawsuit due to the absence of the Plaintiff from the hearing.
93.	Glušćević Radoslav	EP Visokogradnja Plc.	Determination of property rights	EUR 49,000.00	Higher Court in Belgrade	Uncertain	Uncertain Upon appeals before second-instance court.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
94.	Pobrić Carinka	EP Visokogradnja Plc.	Determination of property rights	EUR 54,000.00	Higher Court in Belgrade	Uncertain	Uncertain Upon appeals before second-instance court.
95.	Nerac Mitar	EP Visokogradnja Plc.	Determination of property rights	EUR 50,000.00	Higher Court in Belgrade	Uncertain	Our counterclaim was rejected. Returned to the first-instance court to pass a new decision on the claim
96.	Vidaković Bogdan	EP Visokogradnja Plc.	Determination of property rights	EUR 61,000.00	Higher Court in Belgrade	Uncertain	Uncertain Upon appeals before second-instance court
97.	Krsmanović Milan	EP Visokogradnja Plc.	Determination of property rights	EUR 49,000.00	Higher Court in Belgrade	Uncertain.	Uncertain First-instance proceedings
98.	Biljana Stjepić	EP Visokogradnja Plc.	Determination of property rights	EUR 54,000.00	Higher Court in Belgrade	Uncertain.	Uncertain Claim was rejected in the first instance. The plaintiff filed an appeal. Appeal was adopted and case was returned to first-instance proceedings.
99.	Jakovljević Ana	EP Visokogradnja Plc.	Determination of property rights	EUR 50,000.00	Higher Court in Belgrade	Uncertain	Uncertain. Claim was rejected. Plaintiff filed an appeal. Case was returned to first-instance proceedings. Plaintiff's appeal was adopted.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
100.	Popović Milovan	EP Visokogradnja Plc.	Determination of property rights	RSD 6,780,000.00	Higher Court in Belgrade	Uncertain	Uncertain. Lawsuit and Counterclaim rejected by final judgement. Plaintiff filed revision.
101.	Vlajko Bosanac	EP Visokogradnja Plc.	Determination of property rights Stari Merkator		Higher Court in Belgrade	Uncertain	Grounded First-instance proceedings
102.	Petković Vladan	EP Visokogradnja Plc.	Determination of property rights	RSD 4,000,000.00	1st Basic Court in Belgrade	Uncertain	Uncertain Claim was adopted in the first instance, we filed an appeal
103.	Marčeta Momčilo	EP Visokogradnja Plc.	Compensation for damages	RSD 27,000.00	3rd Basic Court in Belgrade	2022	Claim was adopted. Verdict is final. Debt paid on 01.04.2021.
104.	Radoš Lončar	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 650,000.00	3rd Basic Court	Uncertain	Grounded First-instance proceedings
105.	Milošević Marko	EP Visokogradnja Plc.	Compensation for damages for stray dog bite	RSD 100,000.00	Basic Court in Stara Pazova	2022	Uncertain First-instance proceedings
106.	Igor Topalović	EP Visokogradnja Plc.	Compensation for damages for termination of employment contract	RSD 500,000.00	3rd Basic Court in Belgrade	Uncertain	Partly grounded. First-instance proceedings
107.	Boško Pražić	EP Visokogradnja Plc.	Annulment of the decision on dismissal and unpaid severance	RSD 55,166.00	3rd Basic Court in Belgrade	Uncertain	Ungrounded First-instance proceedings suspended by court decision.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
108.	Slavoljub Simjanović	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 1,200,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
109.	Blažo Radović	EP Visokogradnja Plc.	Determination of property rights	RSD 90,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
110.	Đunisijević Vladan	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 1,700,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
111.	Danijel Vasiljević	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 2,000,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
112.	Dragan Katić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 172,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
113.	Zoran Marković and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 87,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
114.	Goran Miljanić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 174,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
115.	Miodrag Vasiljević and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 209,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded, First-instance proceedings
116.	Gordana Todorović	EP Visokogradnja Plc.	Determination of property rights		3rd Basic Court in Belgrade	2022	Grounded First-instance proceedings – claim was adopted
117.	Dragoslav Gurešić, Zoran Perić	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 120,000.00	Third Basic Court in Belgrade	Uncertain	Grounded, first-instance proceedings
118.	Tripković family and Nada Tomašević	Municipality of Herceg Novi EP Visokogradnja Plc. EP Montenegro Ltd.	Determination		Basic Court in Herceg Novi	2022	First-instance proceedings Is being handled by an external lawyer.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
119.	Crna trava gradnja Ltd.	EP Visokogradnja Plc.	Debt	EUR 51,367.94	Commercial Court in Belgrade	2022	Grounded Our appeal was withdrawn
120.	DE Company Ltd.	EP Visokogradnja Plc.	Debt	RSD 1,023,164.36	Commercial Court in Belgrade	2022	Paid according to the first instance verdict
121.	Radomir Jovišić	EP Visokogradnja Plc.	Severance payment	RSD 168,402.00	3rd Basic Court in Belgrade	2022	Partly grounded. First-instance proceedings
122.	Marko Blagotić and others	Ep Visokogradnja Plc.	Determination of condominium rights		Basic Court in Herceg Novi	Uncertain	First-instance proceedings, claim was adopted
123.	Miloš Tijanić	EP Visokogradnja Plc. Park 11	Compensation for non-material damage	RSD 2,200,000.00	Basic Court in Kruševac	2022	First-instance proceedings
124.	New Company Ltd.	EP Visokogradnja Plc. Agroosiguranje	Determination of property rights		Commercial Court in Belgrade	2022	Adoption verdict Claim was adopted
125.	Stošić Aleksandar	EP Visokogradnja Plc.	Compensation for damages	RSD 2,910,000.00	3rd Basic Court	Uncertain	First-instance proceedings
126.	Rešid Pobrić	EP Visokogradnja Plc.	Determination of property rights on the basis of maintenance		Higher Court in Belgrade	Uncertain	Uncertain. First-instance proceedings
127.	CMC Group Ltd.	EP Visokogradnja Plc.	Debt - bills	RSD 5,613,903.00	Commercial Court in Belgrade	2022	Grounded. Objection filed against the decision on execution.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
128.	Aquaeductus co Ltd.	EP Visokogradnja	Debt - bills	RSD 803,326.12	Commercial Court in Belgrade	2022	Grounded Paid
129.	Tamara Vukadinović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal and payment of lost salaries	Based on first-instance verdict, in the part for lost salaries that were canceled, RSD 817,651.99 + default interest for the individual monthly amounts + contributions for Pension and Retirement Funds, health insurance and unemployment insurance + costs of procedure were awarded. Since the verdict in that part was canceled, the claim amount will remain unknown until the final verdict.	3rd Basic Court in Belgrade	Uncertain	In favor of the Plaintiff. Annulment was canceled and that part of the verdict is final, and the part concerning the amount of lost salaries was returned to first-instance proceedings.
130.	Jelena Davidović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal and payment of lost salaries	Based on first-instance verdict, which is not final because of the Plaintiff's appeal, the claim amount for lost salaries in the amount of RSD 485,651.99 + default interest for the individual monthly amounts + contributions for Pension and Retirement Funds, unpaid vacation recourse + costs of procedure were rejected. Since the verdict is not final, the claim amount is unknown.	3rd Basic Court in Belgrade	Uncertain	Uncertain. The claim was rejected for the second time. Awaiting decision of the Court of Appeals on the Plaintiff's appeal

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
131.	Veljković Novica	EP Urbanizam i arhitektura Plc.	Annulment of Appendix 3 of employment contract	-	3rd Basic Court in Belgrade	Uncertain Proceedings suspended	Proceedings suspended
132.	EP Oprema Plc. and EP Holding Plc.	Municipality of Medveđa	Return	RSD 120,000,000.00	Commercial Court in Leskovac	Uncertain Proceedings suspended	Uncertain First-instance proceedings
133.	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	2022	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 proceedings, ongoing expertise
134.	EP Oprema Plc.	DGP Zlatibor	Payment of performed works	RSD 42,000,000.00	Commercial Court in Belgrade	Completed	Grounded, difficult collection, debtor in bankruptcy
135.	EP Oprema Plc.	Graditelj Leskovac	Works performed in accordance with contracts	RSD 71,129,042.82	Commercial Court in Leskovac	Completed	Grounded, difficult collection, debtor in bankruptcy

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
136.	EP Oprema	Green Trafo Ltd.	Compensation for damages and return of advance	EUR 138,995.28	Commercial Court in Belgrade	2022	Grounded Proceedings suspended until the completion of procedure no. 12.
137.	EP Oprema	GP Rad in bankruptcy	Debt	USD 1,100,000.00	Commercial Court	Grounded	Established claim in the bankruptcy proceedings
138.	EP Oprema Plc.	Clinical Center of Serbia	Compensation for damages	EUR 1,559,000.00	Commercial Court in Belgrade	2022	Claim was adopted by first-instance decision. Second-instance decision confirmed. ongoing payment according to agreement.
139.	Marinković Staniša	EP Oprema Plc.-intervener	Compensation for damages	RSD 304,000.00	Basic Court in Vranje	2022	Partly grounded. Claim for amount of RSD 223,125.00 was rejected by first-instance decision. Amount of RSD 54,718.50 was accepted Awaiting second-instance decision on the appeal.
140.	Ristić Čedomir	EP Oprema Plc.-intervener	Compensation for damages	RSD 385,302.00	Basic Court in Vranje	2022	Partly grounded; claim for RSD 385,302.00 was accepted, and rejected for RSD 385,302.00. Decision was confirmed by the second instance court. EMS did not respond to this court decision
141.	Cvetković Milan	EP Oprema Plc. and JP EMS	Compensation for damages	RSD 1,381,278.00	Basic Court in Vranje	2022	Second-instance decision adopted the claim for RSD 324,000.00 RSD and rejected for the execution of works on the land and for RSD 706,350.00 and RSD 333,900.00 RSD. Plaintiff filed a revision.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
142.	Stanković Vladan	EP Oprema Plc.	Compensation for damages in form of monthly rent	RSD 8,000.00 monthly, starting from 14 March 2016, ongoing	Basic Court in Bor	2022	The second-instance court reversed the first-instance verdict on our appeal and awarded the amount of RSD 582,000.00 and the monthly rent in the amount of RSD 8,200.00. Awarded amount was paid, rental payment ongoing.
143.	Green Trafo Ltd.	EP Oprema	Payment of debt for performed work	EUR 43,952.00	Commercial Court in Belgrade	2022	Uncertain. First-instance court accepted the claim. Filed appeal was adopted. Returned to first-instance proceedings.
144.	Đorđević Goran	EP Oprema	Interference with possession		Basic Court in Kruševac	2022	Uncertain
145.	CCE Svetovanje in inženiring Ltd.	EP Oprema	Debt - bills	EUR 148,652.29	Commercial Court in Belgrade	2022	Grounded, awaiting second-instance decision on our appeal

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
146.	Power Quality Company Ltd.	EP Oprema	Debt – guarantee deposit	RSD 1,260,752.72	Commercial Court in Belgrade	2022	Awaiting second-instance decision on our appeal
147.	Elektrovolt Ltd.	EP Oprema	Debt - bills	EUR 5,728.63	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 29.04.2022
148.	Mišped Ltd.	EP Oprema	Debt - bills	RSD 366,414.70	Commercial Court in Belgrade	2022	First-instance proceedings
149.	Srđan Pojić PR Geobild	EP Oprema	Debt - bills	RSD 684,000.00	Commercial Court in Belgrade	2022	First-instance proceedings
150.	Sidek Inženjering Ltd.	EP Oprema	Debt - bills	RSD 1,998,438.40	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 12.08.2022
151.	Teh nolink Ltd.	EP Oprema	Debt - bills	RSD 639,802.62	Commercial Court in Belgrade	2022	First-instance proceedings
152.	Vilmat-Net Ltd.	EP Oprema	Debt - bills	RSD 693,830.55	Commercial Court in Belgrade	2022	First-instance proceedings
153.	Uniprom Ltd.	EP Oprema	Debt - bills	RSD 667,858.42	Commercial Court in Belgrade	2022	First-instance proceedings
154.	Protech Integra Ltd.	EP Oprema	Debt - bills	RSD 999,442.75	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 15.03.2022

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
155.	Smart Building Technologies Ltd.	EP Oprema	Debt - bills	RSD 2,965,221.44	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 12.05.2022
156.	Eurometal Ltd.	EP Oprema	Debt - bills	RSD 1,260,600.00	Commercial Court in Belgrade	2022	First-instance proceedings
157.	Novomak Export Ltd.	EP Oprema	Debt - bills	RSD 12,200.82	Commercial Court in Belgrade	2022	First-instance proceedings Principal paid
158.	Nimax Ltd.	EP Oprema	Debt - bills	RSD 1,381,577,11.00	Commercial Court in Belgrade	2022	First-instance proceedings
159.	Novomak Marijana Tomašević PR	EP Oprema	Debt - bills	RSD 8,000.00	Commercial Court in Belgrade	2022	First-instance proceedings
160.	PTR Roki Roknić Milan PR Putinci	EP Oprema	Debt - bills	RSD 375,813.60	Commercial Court in Belgrade	2022	First-instance proceedings
161.	OBO Bettermann Ltd.	EP Oprema	Depreciation of bill of exchange		Basic Court in Stara Pazova	2022	First-instance proceedings
162.	LAYHER Ltd.	EP Oprema	Debt - bills	RSD 565,160.34	Commercial Court in Belgrade	2022	First-instance proceedings
163.	BUCK Ltd.	EP Oprema	Debt - bills	RSD 500,000.00	Commercial Court in Belgrade	2022	First-instance proceedings
164.	ALBO Ltd.	EP Oprema	Debt - bills	RSD 147,831.20	Commercial Court in Belgrade	2022	First-instance proceedings
165.	Elite Steel Construction Ltd.	EP Oprema	Debt - bills	RSD 12,001,328.93	Commercial Court in Belgrade	2022	First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
166.	Grappa Ltd.	EP Oprema	Debt - bills	RSD 3,597,957.18	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 16.06.2022
167.	RS CAT Ltd.	EP Oprema	Guarantee deposit	RSD 910,619.97	Commercial Court in Belgrade	2022	First-instance proceedings
168.	PR Instaltim	EP Oprema	Debt - bills	RSD 1,555,543.72	Commercial Court in Belgrade	2022	First-instance proceedings
169.	Elmark Ltd.	EP Oprema	Debt - bills	EUR 2,188.99	Commercial Court in Belgrade	2022	First-instance proceedings
170.	Procodex	EP Oprema	Debt - bills	RSD 1,579,383.89	Commercial Court in Belgrade	2022	First-instance proceedings
171.	Nimax Ltd.	EP Oprema	Debt - bills	RSD 25,757,005.40	Commercial Court in Belgrade	2022	First-instance proceedings
172.	GR Elta	EP Oprema	Debt - bills	RSD 2,112,402.50	Commercial Court in Belgrade	2022	First-instance proceedings
173.	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
174.	Slobodan Čubrilović	EP Industrija Plc.	Determination of value of shares		Commercial Court in Belgrade	2022	Request of the proposer was rejected by second-instance decision. Proposer 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 ongoing phase
175.	EP Industrija Plc.	Jugobanka Plc. in bankruptcy	Claims registration	RSD 1,539,835.21	Commercial Court in Belgrade	2022	Uncertain. First-instance verdict in our favor. Our claim in the amount of RSD 825,442.84 was adopted. Defendant filed an appeal, which was adopted and the proceedings were returned to first instance.
176.	EP Entel Plc.	JP EPS (RB Kolubara)	Debt payment on different invoices	RSD 48,937,500.00	Commercial Court in Belgrade	2022	Uncertain. First-instance verdict in our favor. EPS filed an appeal.
177.	Paripović Duško	EP Entel Plc., as second defendant from a total of four defendants	Compensation for damages - work injury	RSD 1,300,000.00	Basic Court in Požarevac	Uncertain	Uncertain; proceedings suspended First-instance proceedings
178.	Siniša Kisić and others	EP Entel Plc.	Compensation for damages	RSD 66,488,842,92	Commercial Court in Belgrade	2022	Ungrounded First-instance proceedings
179.	EP Niskogradnja Plc.	Internacional CG in bankruptcy	Debt	RSD 474,718.82	Commercial Court in Belgrade	Uncertain	Recognized receivable in bankruptcy proceedings, difficult collection
180.	EP Niskogradnja Plc.	JIK Banka Plc. in bankruptcy	Claims registration	USD 218,000.00	Commercial Court in Belgrade	Uncertain	Grounded, difficult collection
181.	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
182.	EP Niskogradnja Plc.	Jugobanka Plc. in bankruptcy	Lawsuit	RSD 39,850,154,59	Commercial Court in Belgrade	2022	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
183.	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
184.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Lawsuit	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
185.	EP Niskogradnja Plc.	Jasmina Marinković	Compensation for damages	RSD 249,572.17	Basic Court in Gornji Milanovac	2022	First instance verdict adopted the claim. Executive procedure is ongoing
186.	EP Niskogradnja Plc.	Intermost Ltd. in bankruptcy	Debt for performed works (Novi Sad)	RSD 62,505,042.00	Commercial Court in Belgrade	2022	Claim of EP Niskogradnja was adopted with the second-instance verdict, request to change the list of bankruptcy trustee was submitted to Commercial Court. In the procedure after the revision of Intermost, it was returned to the second-instance procedure. On 13.11.2020, the Commercial Court of Appeals rejected the Counterclaim. Defendant filed a revision.
	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	2022	
187.	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
188.	EP Niskogradnja Plc.	Radislav Nestorović	Debt from housing loan granted	RSD 342,567.62	Basic Court in Pančevo	2022	Grounded. Executive procedure is ongoing

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
189.	EP Niskogradnja Plc.	Jovanka Kunarac-Prelić	Debt from housing loan granted	RSD 188,253.07	2nd Basic Court in Belgrade	2022	Grounded. Executive procedure is ongoing.
190.	EP Niskogradnja Plc.	Dejan Vujić PR Dey trade Vreoci	Unjust enrichment	RSD 275,999.90	Commercial Court in Belgrade	Completed	Enforced collection is ongoing
191.	EP Niskogradnja Plc.	ITALIANA COSTRUZIONI Branch Belgrade	Debt - bills	RSD 3,179,510.78	Commercial Court in Belgrade	2022	First-instance court accepted the claim
192.	EP Niskogradnja Plc.	Borovica transport Ltd. in bankruptcy	Debt by invoices	RSD 570,013.06	Commercial Court in Sremska Mitrovica	2022	Grounded. Recognized claims in bankruptcy procedure.
193.	EP Niskogradnja Plc.	Hidrotehnika – Hidroenergetika Plc.	Debt by invoices	RSD 2,489,813.62	Commercial Court in Belgrade	2022	Grounded Execution procedure initiated
194.	EP Niskogradnja Plc.	Aleksandar Prlinčević	Return of given payment	RSD 127,500.00	2nd Basic Court	2022	Claim was adopted by first-instance decision. Awaiting to receive clauses
195.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Lawsuit	RSD 191,003.87	Commercial Court in Belgrade	2022	Grounded

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
196.	EP Niskogradnja Plc.	Milan Blagojević – Minerva Ltd.	Depreciation of bill of exchange		3rd Basic Court in Belgrade	2022	Grounded
197.	EP Niskogradnja Plc.	EVCON Ltd.	Depreciation of bill of exchange		3rd Basic Court in Belgrade	2022	Grounded
198.	EP Niskogradnja Plc.	Jugobanka and Unikredit banka	Depreciation of bill of exchange		3rd Basic Court in Belgrade	2022	Grounded
199.	Jovan Cvokić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 20,145.11	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
200.	Aleksandar Babić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 40,906.00	3rd Basic Court in Belgrade	2022	Ungrounded Claim was rejected by first-instance decision, second-instance decision confirmed
201.	Tanić Dušan	EP Niskogradnja Plc.	Annulment of the decision on the amount of salary		3rd Basic Court in Belgrade	Uncertain	Ungrounded; proceedings suspended First-instance proceedings
202.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt arising from work carried out in Yemen Compensation protest	Claim: USD 17,604,299.00 Compensation protest: USD 17,390,380.06	Commercial Court in Belgrade	2022	Breakdown of receivables in the amount of USD 4,691,598,31 each was performed by the first-instance decision, without right to interest. Plaintiff filed an appeal that was rejected, Plaintiff and intervener 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 ongoing phase
203.	Stanišić Tomo	EP Niskogradnja Plc.	Compensation for damages	RSD 244,413.97	3rd Basic Court in Belgrade	2022	Uncertain Claim was adopted by first-instance decision, appeal filed
204.	Matković Ljubiša, Milostiva and Gordana	Koridori Srbije, Azvirt, EP Niskogradnja Plc.	Compensation for damages	RSD 290,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings suspended due to attempt to settle
205.	Matković Milan, Mirjana, Dragana and Marko	Koridori Srbije, Azvirt, EP Niskogradnja Plc.	Compensation for damages	RSD 380,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings suspended due to attempt to settle
206.	RF PIO Filijala Beograd	EP Niskogradnja Plc.	Recourse lawsuit (accident in the Straževica tunnel)	RSD 419,600.10	Commercial Court in Belgrade	Uncertain	Uncertain Proceedings until the conclusion of the criminal proceedings First-instance proceedings
207.	Vladimir Marinković	EP Niskogradnja Plc.	Overtime, Peru	USD 5,552.84	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
208.	Jovanović Vojislav, Mirjana, Dragana and Jovana	Koridori Srbije, Azvirt and EP Niskogradnja Plc.	Compensation for damages	RSD 380,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings suspended due to attempt to settle
209.	Radislav Živković	Evro gradnja 2000 and EP Niskogradnja Plc.	Compensation for damages for injury at work	RSD 560,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
210.	Živanović Marko	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 76,844.00	3rd Basic Court	2022	Uncertain First-instance proceedings
211.	Živanović Miloš	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 361,233.88	3rd Basic Court	2022	Uncertain First-instance proceedings
212.	Stepanović Ivan	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 190,612.00	3rd Basic Court	2022	Uncertain First-instance proceedings
213.	JP Putevi Srbije	EP Niskogradnja Plc.	Recourse lawsuit	RSD 2,136,944.06	Commercial Court in Belgrade	2022	Claim was partly adopted (1,068,472,03 RSD) Appeal filed. Second-instance decision confirmed. Special revision was filed.
214.	Miladin Radović	EP Niskogradnja Plc.	Overtime work and transportation costs	RSD 990,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
215.	Vladimir Muškinja	EP Niskogradnja Plc.	Payment of travel expenses	RSD 109,152.00	3rd Basic Court	2022	Uncertain First-instance proceedings
216.	Dejan Jaredić	EP Niskogradnja Plc.	Transformation of employment into work for an indefinite period of time		3rd Basic Court	2022	Uncertain First-instance proceedings
217.	Bojan Šićarević	EP Niskogradnja Plc.	Payment of travel expenses	RSD 117,792.00	3rd Basic Court	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
218.	Bojan Šićarević	EP Niskogradnja Plc.	Annulment of termination of employment contract		3rd Basic Court	2022	Uncertain First-instance proceedings
219.	Živan Erski	EP Niskogradnja Plc.	Payment of travel expenses	RSD 173,520.00	3rd Basic Court	2022	Uncertain First-instance proceedings
220.	Marko Radovanović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 60,112.00	3rd Basic Court	2022	Uncertain First-instance proceedings
221.	Dejan Jaredić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 112,032.00	3rd Basic Court	2022	Uncertain First-instance proceedings
222.	Danijela Dostanić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	3rd Basic Court	2022	Uncertain First-instance proceedings
223.	Goran Marković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 143,712.00	3rd Basic Court	2022	Uncertain First-instance proceedings
224.	Goran Petrović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 83,232.00	3rd Basic Court	2022	Uncertain First-instance proceedings
225.	Dejan Jaredić	EP Niskogradnja Plc.	Illegal dismissal and return to work		3rd Basic Court	2022	Uncertain First-instance proceedings
226.	Goran Marković	EP Niskogradnja Plc.	Illegal dismissal		3rd Basic Court	2022	Uncertain First-instance proceedings
227.	Miloš Jeremić	EP Niskogradnja Plc.	Illegal dismissal		3rd Basic Court	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
228.	Milan Bursać	EP Niskogradnja Plc.	Compensation of salary	RSD 570,000.00	3rd Basic Court	2022	Uncertain First-instance proceedings
229.	Predrag Vojinović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2022	Claim was partly adopted by the first-instance verdict. Second-instance decision confirmed.
230.	Milan Perović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
231.	Radosav Milić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
232.	Dragan Kozoder	EP Niskogradnja Plc.	Payment of travel expenses	RSD 95,000.00	Basic Court in Gornji Milanovac	2022	Claim was adopted by the first-instance decision Appeal filed
233.	Dejan Bošnjaković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
234.	Dražen Potpara	EP Niskogradnja Plc.	Payment of travel expenses	RSD 178,784.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
235.	Jelena Šljivar	EP Niskogradnja Plc. Sava neživotno osiguranje Plc.	Determination and compensation for damages	RSD 600,000.00	1st Basic Court in Belgrade	2022	Uncertain First-instance proceedings
236.	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	Claim was adopted by first-instance decision Appeal filed Returned to first-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
237.	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
238.	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
239.	Prole Dragan	EP Niskogradnja Plc.	Annulment of the decision on termination of employment service contract		Third Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
240.	Nenad Sparović	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
241.	Slađan Lapčević	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
242.	Petar Radojičić	EP Niskogradnja Plc.	Determining the nullity of the decision on termination of the employment contract and salary compensation	RSD 55,985.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
243.	Milija Neradović	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
244.	Vladan Milošević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
245.	Aleksandar Dragović	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
246.	Radoje Milenković	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
247.	Miroslav Luković	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
248.	Miodrag Janićijević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
249.	Tomislav Kovačević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
250.	Vesko Obradović	EP Niskogradnja Plc.	Transportation costs	RSD 73,160.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
251.	Željko Petrović	EP Niskogradnja Plc.	Transportation costs	RSD 126,432.00	3rd Basic Court in Belgrade	2022	Uncertain
252.	Tomislav Kovačević	EP Niskogradnja Plc.	Overtime work, work at night, Transportation costs	RSD 50,000.00	3rd Basic Court in Belgrade	2022	First-instance proceedings
253.	Miodrag Janićijević	EP Niskogradnja Plc.	Overtime work, work at night, Transportation costs	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
254.	Jovan Alempijević	EP Niskogradnja Plc.	Compensation for damages – lease of land and restoration to initial state	RSD 1,585,032.00	Basic Court in Mionica	2022	First-instance proceedings Uncertain
255.	Milovan Alempijević	EP Niskogradnja Plc.	Compensation for damages – lease of land and restoration to initial state	RSD 1,527,616.00	Basic Court in Mionica	2022	Uncertain First-instance proceedings
256.	Ljubinko Janković	EP Niskogradnja Plc.	Compensation for damages – lease of land and restoration to initial state	RSD 935,000.00	Basic Court in Mionica	2022	Uncertain First-instance proceedings
257.	Andrija Novaković	EP Niskogradnja Plc.	Transportation costs	RSD 95,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
258.	PUC Beogradski vodovod i kanalizacija	EP Niskogradnja Plc. Colas Rail SAS	Compensation for damages	RSD 3,254,691,34.00	Commercial Court in Belgrade	2022	Uncertain First-instance proceedings
259.	Novica Stojiljković	EP Niskogradnja Plc.	Compensation for damages	RSD 400,000.00	3rd Basic Court	2022	Uncertain

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
260.	Simo Marić	EP Niskogradnja Plc.	Determination of annulment and compensation for damages	RSD 450,000.00	3rd Basic Court	2022	First-instance proceedings
261.	P. Stanišić and J. Blagojević	EP Hidroinženjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	3rd Basic Court in Belgrade		<p style="text-align: center;">Favourable</p> <p>The first instance verdict was in our favour. Court did not deliver the first-instance verdict to the Plaintiff P. Stanišić. Appeal was filed by second Plaintiff J. Blagojević. It was returned to the Third Court to supplement the procedure by the decision of the Court of Appeals. Plaintiff P. Stanišić died on 23.06.2021 and we notified the court about that immediately. Therefore, it should be expected that the Court will determine in the coming period that the proceedings are suspended and will be continued when the heirs take over the proceedings, or when the court summons them to do that on the Defendant's proposal.</p> <p>In the meantime, the judicial function of the acting judge has ceased, and a new judge has not been appointed yet.</p>

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
262.	Z. Crnobrnja	EP Hidroinženjering Plc.	Fortifications of existence of 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		Uncertain Main hearing was held. Decision was adopted, by which the lawsuit was rejected in one part of the claim as untimely, and it in the other part of the claim due to the incompetence of the Court. Plaintiff filed an appeal. The High Court revoked the decision and returned the case files to the first-instance court for retrial.
263.	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	RSD 48,260,861.11 (USD 464,376.27) RSD 22,678,462.55 (USD 218,216.99)	Arbitration Court in TACNA, Peru	Enforcement procedure initiated	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/. 302,786.44 and S/. 783,661.60 are returned to EPHI, the contract is terminated to the detriment of the Client, thus there is no preparation of the Final Liquidation. All claims for damages were 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 costs.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
264.	State of Peru	EP Hidroinženjering Plc.	<p>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...</p>	<p>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 impossibility of collection from those against whom criminal proceedings were initiated.</p>	Criminal Court in Tacna	Ongoing	<p>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 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.</p>

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
265.	EP Hidroinženjering Plc.	Beogradska banka Plc. in bankruptcy	Lawsuit for determination. Regarding the submitted Conclusion on the list of determined and disputed claims in the bankruptcy proceedings against the bankruptcy debtor BEOBANKA Plc. in bankruptcy. Defendant disputes the claim in its entirety as ungrounded. Presentation of evidence by expertise is scheduled. Expert submitted his findings.	RSD 2,153,727.15	Commercial Court in Belgrade		First-instance proceedings Grounded
266.	EP Hidroinženjering Plc.	Jugobanka Plc. Beograd in bankruptcy	Lawsuit for determination. Regarding the submitted Conclusion on the list of determined and disputed claims in the bankruptcy proceedings against the bankruptcy debtor BEOBANKA Plc. in bankruptcy. Defendant disputes the claim in its entirety as ungrounded. Presentation of evidence by expertise is scheduled. Expert submitted his findings.	RSD 117,048,753.52	Commercial Court in Belgrade		First-instance proceedings Grounded
267.	EP Energodata Montenegro	Milan Grbić	Unjust enrichment	EUR 34,035.00	Basic Court in Podgorica	2022	Uncertain First-instance proceedings
268.	EP Energodata Montenegro	1.Milan Grbić 2. Crnogorska komercijalna banka	Determination of partial nullity of contract	EUR 10,000.00	Commercial Court of Montenegro	2022	Uncertain Second-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
269.	EP Oprema Plc.	Attorney (external)	2017	»GTB« MINSK BELARUS	Acceptance and execution of the arbitration decision of the Institute for Arbitration of the Stockholm Chamber of Commerce from 24 April 2019, in case no. V2017/201	Principal amounts to USD 30,236,737.38 (17.11.2021. Forced collection executed by Ministry of Taxes and Fees of Belarus in the amount of USD 5,448,423.15 (for VAT and profit tax obligations of the company), and the remaining debt amounts to USD 24,788,314.23 + interest that will be calculated as of the day of payment kamata	Supreme Court (instance of cassation) of the Republic of Belarus (VSKI), which acts on the appeal of the Defendant against the decision of the first-instance court (Commercial Court of City of Minsk), by which the execution of the remaining debt in the amount of USD 24,788,314,23 USD plus interest was recognized.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
270.	EP Oprema Plc. Counter-plaint.: ENERGOTEHNIKA JUŽNA BAČKA	ENERGOTEHIKA JUŽNA BAČKA Counter-defendant: EP Oprema Plc.	Debt	Claim value: RSD 5,887,493,91 Counterclaim value: EUR 226,465,28	Commercial Court in Novi sad	2022	First-instance proceedings Claim is grounded Counterclaim is uncertain
271.	EP Oprema Plc.	Energoprojekt Nigeria Ltd.	Determination of nullity of Appendix 3 of Subcontracting agreement and unjust enrichment	RSD 149,163,881,69	Commercial Court in Belgrade	2023/2024	Hard to predict Proceedings are in initial phase (lawsuit has not yet been submitted to the defendant for response)
272.	EP Oprema Plc. Counter-plaint.: Energoprojekt Nigeria Ltd.	Energoprojekt Nigeria Ltd. Counter-defendant: EP Oprema Plc.	Guarantee deposit	Claims in the amount of USD 2,571,083 Counterclaims and compensation claims in the amount of USD 4,532,062	ICC arbitration	2022/2023	The Arbitration Committee tribunal has not yet ruled on the counterclaims. Despite submitted counterclaims, it is reasonable to expect a success in the major part.
273.	EP Oprema Plc.	Energoprojekt Nigeria Ltd. and Energoprojekt Nigeria FZE	Guarantee deposit and performed works	Claims in the amount of USD 2,268,922 Compensation claims in the amount of USD 847,656 (in the last submission, Defendant additionally waived the compensation claim in the amount of approx. EUR 370,000, but this is still not reflected in the financial documents)	ICC arbitration	2022/2023	The Arbitration Committee tribunal has not yet ruled on the counterclaims. Despite submitted counterclaims, it is reasonable to expect a success in the major part.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
274.	KODAR LTD.	EP Oprema Plc.	Guarantee deposit from contract for the performance of works	EUR 242,969.01	Commercial Court in Belgrade	2022/2023	First-instance proceedings 50% 50%
275.	SIJARINA LTD.	EP Oprema Plc.	Compensation for damages	RSD 489,669,500.00	Commercial Court in Belgrade	2022/2023	100% success EPO
276.	Pavle Tomašević	EP Oprema Plc.	Claim of agreed one-time cash fee	RSD 8,910,128.40	Higher Court in Belgrade P1 29/19	2022/2023	First-instance verdict revoked on our appeal. Hearing scheduled on 24.03.2022
277.	Predrag Aleksić	EP Oprema Plc.	Annulment of the decision on termination of employment service contract, compensation for damages for lost salaries	RSD 5,820,500.00	3rd Basic Court in Belgrade P1 309/19	2022/2023	Hearing scheduled on 09.07.2021 was postponed because the judge was prevented to appear. NEXT HEARING SCHEDULED ON 05.04.2022 ON 11:00 h.
278.	Stevan Došen	EP Oprema Plc.	Annulment of Appendix No. 13 of employment contract	Lawsuit has no value because there is no claim for compensation for damages	3rd Basic Court in Belgrade P1 359/19		CONCLUDED – Partial verdict: annulment of Appendix 13, return to work and payment of costs
279.	Svetlana Tolić	EP Oprema Plc.	Compensation for damages	RSD 415,612.00	3rd Basic Court in Belgrade P1 287/20	2022/2023	PREPARATORY HEARING SCHEDULED ON 24.05.2022 ON 14:30 h.
280.	Stevan Došen	EP Oprema Plc.	Annulment of Appendix No. 14 of employment contract	Lawsuit has no value because there is no claim for compensation for damages	3rd Basic Court in Belgrade P1 131/20	2022/2023	HEARING SCHEDULED ON 17.05.2022.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
281.	Dušan Anastasijević	EP Oprema Plc.	Debt	RSD 2,122,542.00	3rd Basic Court P1 7/20	2022/2023	HEARING SCHEDULED ON 11.02.2022 ON 12:00 h.
282.	Svetlana Tolić	EP Oprema Plc.	Annulment of Appendix No. 10 of employment contract	Lawsuit has no value because there is no claim for compensation for damages	3rd Basic Court in Belgrade P1 423/20	2022/2023	HEARING SCHEDULED ON 23.05.2022 ON 11:30 h.
283.	Svetlana Tolić	EP Oprema Plc.	Debt	RSD 1,992,264.00	Treci Basic Court u Beogradu P1 230/20	2022/2023	Plaintiff was interrogated on 10.01.2022. WE EXPECT A FIRST-INSTANCE VERDICT
284.	Nikola Ljubojević	EP Oprema Plc.	Debt	RSD 9,600.00	3rd Basic Court in Belgrade P1 383/20	2022/2023	LAWSUIT WAS JOINED WITH P1 391/20 TATJANA KOZOMORA
285.	Nikola Ljubojević	EP Oprema Plc.	Debt	RSD 1,920.00	3rd Basic Court in Belgrade P1 390/20	2022/2023	HEARING – 04.07.2022 ON 11:30 h.
286.	Tatjana Kozomora and Nikola Ljubojević	EP Oprema Plc.	Debt	RSD 16,800.00	3rd Basic Court in Belgrade P1 391/20	2022/2023	HEARING - 08.02.2022 ON 15:00 h.
287.	Tatjana Kozomora	EP Oprema Plc.	Debt	RSD 9,240.00	3rd Basic Court in Belgrade P1 392/20	2022/2023	HEARING SCHEDULED ON 17.02.2022 ON 09:00 h.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
288.	Predrag Palavestrić	EP Oprema Plc.	Annulment of termination of employment contract	RSD 31,200.00	3rd Basic Court in Belgrade P1 409/20	2022/2023	WE ARE AWAITING A CALL FOR A PREPARATORY HEARING
289.	Ivan Robović	EP Oprema Plc.	Debt	RSD 1,990,034.00	3rd Basic Court in Belgrade P1 438/20	2022/2023	HEARING WILL BE SCHEDULED IN WRITING.
290.	Svetlana Tolić	EP Oprema Plc.	Annulment of Appendix No. 11 of employment contract	RSD 10,000.00	3rd Basic Court P1 482/20	2022/2023	HEARING - 20.05.2022 ON 9:00 h.
291.	Svetlana Novaković	EP Oprema Plc.	Debt	RSD 578,805.00	3rd Basic Court P1 75/21	2022/2023	HEARING - 20.05.2022 ON 9:00 h.
292.	Milan Gagić	EP Oprema Plc.	Salary payment and payment of contributions	RSD 96,750.00 RSD	3rd Basic Court in Belgrade, P1 1022/21	2022/2023	PREPARATORY HEARING NOT SCHEDULED

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 CC 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 CC 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.

50. POST BALANCE SHEET EVENTS

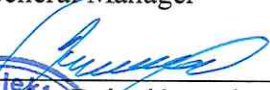
After the balance sheet date, there were no subsequent events that would significantly affect the credibility of the reported financial statements.

As the Energoprojekt system is doing business on the soil of the Russian Federation (Energoprojekt Visokogradnja) and has uncollected significant receivables upon the Arbitration Verdict in the Republic of Belarus (Energoprojekt Oprema), at the time of the preparation of these consolidated financial statements, the Management can not predict what effects the war in Ukraine and the economic measures that are taken as a consequence of these events (sanctions to the Russian Federation, etc.) will have on the operations of the Energoprojekt system. The Management takes all measures to ensure that the conditions for a the smooth continuation of business are not called into question.


Belgrade,

13 May 2022

General Manager


Dobroslav Bojović, graduate economist


Executive Director for Finances,
Accounting and Planning


Siniša Tekić, graduate economist

SCHEDULE

ENERGOPROJEKT NISKOGRADNJA AD

OVERVIEW OF THE MOST SIGNIFICANT LITIGATIONS IN THE COUNTRY AND ABROAD AS AT 31ST DECEMBER 2021

2. OVERVIEW OF THE MOST SIGNIFICANT LITIGATIONS ABROAD (IC, IZ)

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
1	EP NG	Bertha Talledo Carrasco- Building 'Cruz del Sur' apartment 304	Request for eviction from the apartment due to non-compliance with the terms of the lease agreement and collection of debts from USS 12,960 based on the protocol of determination of debts for the apartment lease		5. Misdemeanor Court, Surco Center-San Soda		<p>Pursuant to Regulation No. 1 of the said procedure from 8th January 2019 and received on 15th January 2019, a case file was accepted with request for eviction, and subsequently a lawsuit was accepted for processing. Defendant received the Decision no. 1 from 26th March 2019 and it is expected that the Court notifies our side on whether the Defendant has responded and the next steps will therefore be taken accordingly.</p> <p>As the Defendant failed to present his defence within the prescribed period, we sent a request to the relevant judge on April 17 to issue an appropriate order to prevent eviction. Following a repeated request for the issuance of an eviction order filed on 19th July 2019, the competent court rendered a decision ordering eviction from the apartment. After that, our lawyer submitted a letter to the court urging the eviction; however, the court has not declared its decision so far. In the meantime, the tenant appeared, under the pretext of a long absence from the country, and settled a good part of his previous debts. An agreement was reached on the payment plan regarding the remaining harmonized debt and on the contract signing to regulate and formalize the tenant's status. Due to the declaration of a state of emergency arising from the Covid-19 pandemic on the 16th March, it was not possible to implement the agreement and sign the protocol with the notary public and pay off the agreed debt plan, as well as the corresponding contract. Following the abolition of the state of emergency, the agreement reached will be implemented, after which the lawsuit will be withdrawn. Due to belonging to the group of risky staff and the conditions of the pandemic, the agreement is still not implemented. At the end of 2021, the protocol on the current debt (USD 15075) and repayment plan.</p>
2	NG	Mercedes Blanco Ulfe- Building 'Cruz del Sur' apartment 306	Request for eviction from the apartment due to non-compliance with the terms of the lease contract		37. Civil Court in Lima		<p>Based on the Decision no. 1 from 3rd January 2019, received on 21st January 2019, the lawsuit was accepted for processing. It is expected that the Defendant receives the notification on the Decision no. 1 on the case after which the Defendant has a deadline of 5 days to appeal.</p> <p>The appropriate decision was delivered to the Defendant, but the same failed to respond so far (the time deadline to respond to the lawsuit charges has expired). Appeal has been filed and confrontation has been demanded. A favorable outcome is likely. The disadvantage is the impossibility of vacating the apartment until the process is over. Lawsuit was initiated before the relevant court on 26th January 2020 requesting the execution of a debt recognition protocol. On the 9th September 2020, the relevant court defined the confrontation date through its Decision no. 4, as 16th December 2020 via video conference. For the time being, the notification thereto has arrived solely via a virtual platform, while direct delivery of the said Decision is still being expected.</p> <p>Due to technical problems of the Court, the hearing was not held, and new one is being requested. At the end of 2021, we changed our legal representative and submitted a new request to define the hearing date with the subject of eviction from the apartment; also, a request to collect the debt incurred by the end of 2018 (26000 S) was repeated and additionally a notarial letter for debt actualization has been submitted, which represents the standard procedure prior to initiating a new lawsuit for actualized debt (USD 42000). A favorable outcome is certain according to the EP NG; sluggishness of the judicial bodies represents a major problem.</p>

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
3	EP NG	Luis Gonzalez Orbegoso - Building 'Cruz del Sur' apartment 101	Request for eviction from the apartment due to non-compliance with the terms of the lease agreement and due to the expiration of the agreement on 31 st December 2018.				On 17 th April 2019 a request for eviction was issued due to failure to comply with contractual conditions and settlement of monthly obligations, as well as due to non-settlement of obligations according to the protocol signed in June 2018 when the program of repayment of the additional debt was established. Enforcement of the eviction decision has been insisted on. The second lawsuit was also accepted regarding the failure to fulfill the obligation to pay the debt according to the programmed plan. Only upon receipt of the lawsuits, the Defendant and his lawyer appeared before the competent judge with evidence of the payments made, which later turned out to have been made in 2019, the period when the Defendant received the lawsuits. Currently, a hearing is expected to be held to determine the status of the debt. Our lawyer re-submitted the petitions insisting on eviction. Favourable outcome is expected. The disadvantage remains in the inability to vacate the apartment until the process is complete. A lawsuit was filed with the competent court requesting the execution of the protocol on debt recognition. A request was submitted to the competent court to establish a temporary measure, i.e. blocking of the signatory's account at the time of the apartment rental. Awaiting the Court to send a Decision regarding the acceptance of our requests contained in the lawsuit for the enforcement of the established debt's payment; this is followed by the issuance of an order to comply with the payment of USD 8000 plus legal interest, taxes and costs of the process. At the end of 2021, we changed our legal representative. In the meantime, the tenant has been mostly regularly settling his obligations, the actual debt is currently being reconciled, and the eviction process is being stopped. Reaching a debt payment agreement is certain.
4	EP NG	Maria del Carmen Gonzales Orbegoso - Building 'Cruz del Sur' apartment 302 (previously used)	Debt settlement lawsuit under a consented agreement				In September 2019, the sued party was notified of the initiated dispute: the party did not make a statement regarding the same within the stipulated period of 5 working days. In the same month, the competent court adopted the present lawsuit and ordered enforcement in the relevant case. There are no changes regarding the case. The respondent does not have the property or funds to enforce the interim measure and collect the debt. Uncertain outcome. At the end of 2021, we changed our legal representative. Activities related to the collection of the debt confirmed by the court decision, in the amount of USD 7,400, will be intensified.
5	EP NG	Directorate for Labour Inspection "Cajamarca "	Request for cancellation of fine according to the decision made during the administrative process by Decision no. 054-2018-GR-CAJ-DRTPE, which ordered a fine for ENERGOPROJEKT NISKOGRADNJA S.A. SUCURSAL PERU, to the amount of S/19,000.00 and also a request for annulment of the Decision confirming the fine.	PEN 19,000.00	Administrative Court "Cajamarca"		On 18 th March 2019, a lawsuit was filed before the Administrative Court in <i>Cajamarca</i> , with the request to annul the Decision no. 054-2018-GR-CAJ-DRTPE dated 14 th October 2018. The mentioned penalty is related to the case from 15 th July 2014, when a report of the Labour Law violation was made through the inspection order number 143-2014. In the period from 2014 an administrative procedure was conducted and on several occasions an appeal was filed with a request to annul, which postponed the decision. By decision no. 054-2018-GR-CAJ-DRTPE dated 14 th October 2018, which was received on 19 th December 2018, a decision was rendered confirming the penalty. Consequently, the administrative procedure was exhausted, a lawsuit was filed for annulment of the administrative penalty with the corresponding decision. We were informed that the lawsuit was accepted, after which a request was submitted for the establishment of an interim measure to prevent the administrative penalty, and its annulment was requested. In the last quarter of 2020, the request for an interim measure submitted in 2019 was accepted, followed by a decision annulling the case under the statute of limitations. The case was resolved in favour of EP NG.

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
6	EP NG	Directorate for Labour Inspection "Cajamarca "	Request for cancellation of fine according to the decision made during the administrative process by Decision no. 053-2018-GR-CAJ-DRTPE/DPSC, which ordered a fine for ENERGOPROJEKT NISKOGRADNJA S.A. SUCURSAL PERU, to the amount of S/19,000.00 and also a request for annulment of the Decision confirming the fine.	PEN 19,000.00	Administrative Court "Cajamarca"		<p>On 18th March 2019, a lawsuit was filed before the Administrative Court in <i>Cajamarca</i>, with the request to annul the Decision no. 063-2018-GR-CAJ-DRTPE dated 14th October 2018. The said judgement is also related to the case of 15th July 2014, when a violation of the Labour Law was reported through the inspection order, number 144-2014. In the period from 2014, an administrative procedure was conducted and on several occasions an appeal was filed with a request for annulment, which postponed the decision. By decision no. 063-2018-GR-CAJ-DRTPE from 14th October 2018, received on 19th December 2018, a decision was rendered confirming the penalty. Due to the exhaustion of the administrative procedure, a request for the penalty and the Decision annulment was submitted and it is still not accepted. We were informed that the lawsuit was accepted, after which a request was submitted for the establishment of an interim measure to prevent the administrative penalty collection, and its annulment was requested. On the 4th August 2020, a judgement was issued declaring as ungrounded the request of the EP NG filed against the Regional Directorate for Labour and Employment Promotion in Cajamarca and the Directorate for Prevention and Resolution of Conflicts of the Cajamarca Regional Government, on the complete nullity of the administrative decision. An appeal was immediately lodged against the judgment in question, but it was declared inadmissible by Resolution No. 4 of 21st August 2020. On 11th September 2020 an appeal was lodged against non-acceptance of the complaint as well as non-acceptance of the establishment of an interim measure. Possible adverse outcome. By decision no. 01 from 3rd March 2021, our objection to the reconsideration of the judgment as well as the request for an interim measure was adopted.</p> <p>A hearing is scheduled for 22nd June 2022 on our objection to unfavorable court decisions. As for our request for the establishment of a temporary measure and the suspension of the fine collection, it was rejected and a timely appeal was filed; a deadline for defining a decision on the appeal is expected.</p>

7	EP NG	Directorate for Labour Inspection "Cajamarca "	Request for cancellation of fine according to the decision made during the administrative process by Decision no. 045-2018-GR-CAJ-DRTPE/DPSC, which ordered a fine for ENERGOPROJEKT NISKOGRADNJA S.A. SUCURSAL PERU, to the amount of S/106,400.00 and also a request for annulment of the Decision confirming the fine.	PEN 106,400.00	Administrative Court "Cajamarca"		<p>On 18th March 2019, a lawsuit was filed before the Administrative Court in <i>Cajamarca</i>, with the request to annul Decision no. 016-2019-GR-CAJ-GRDS dated 15th January 2019. The mentioned penalty is related to the case of 26th May 2014, when a violation of the Labour Law was reported through the inspection order, number 238-2014. By decision no. 45-2015-GR-DRTPE / DPSC, from 3rd August 2015, a decision on a fine of S/304,000.00 was brought. In the period from 2015, an administrative procedure was conducted and an appeal was filed on several occasions with a request for annulment, which thus postponed the decision. After one of the complaints from 19th April 2018, Decision no. 016-2019-GR-CAJ-GRDS was brought on 15th January 2019, on the reduction of the fine by almost S /200,000.00 from the amount of S/304,000.00 to S/106,400.00. Considering that the administrative procedure was exhausted, a request for annulment of the penalty and the Decision was submitted and has not yet been accepted. We were informed that the lawsuit was accepted, after which a request was submitted for the establishment of an interim measure to prevent collection of the administrative penalty; its annulment was also requested. A judgment rendering the request for annulment of the administrative decision was declared ungrounded. On the 8th May 2020, an appeal against the judgement was filed within the legal deadline and a request was also submitted for the establishment of an interim measure, at the request of which a statement is expected to be issued in early October. On 30th September, a statement was ordered requesting clarification regarding the establishment of an interim measure. The competent chamber failed to send a response within the deadline, which expired on the 5th October. A major classification of the current situation by the competent chamber remains pending. A hearing on the appeal is scheduled for April 2022.</p>
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ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
8	Prima AFP vs. Consorcio Energoprojekt NG SA - Bartos	EP NG	Compensation for unfulfilled obligations	PEN 121,397.30			The judgement against the EP was overturned at the highest instance as unfounded and returned to the basic court. A positive outcome for the EP is expected. No changes.
9	AFP Habitat	EP NG	Compensation for unfulfilled obligations	PEN 2,206.53			The AFP's request was declared as founded, and our appeal to a higher instance is in the process
10	Prima AFP	EP NG	Compensation for unfulfilled obligations	PEN 10,469.12			Process in progress, outcome uncertain
11	AFP Integra	EP NG	Compensation for unfulfilled obligations	PEN 14,674.85			Process in progress, outcome uncertain
12	Jorge Luis Garcia Roque	EP NG	Compensation for unfulfilled obligations	PEN 400,000.00			On 4 th May 2018, a judgement was passed declaring the claim unfounded, i.e. in favour of EP NG, and the worker therefore shall not be able to collect any damages. However, according to this judgement, it is possible to file an appeal, and the higher instance can decide in a different way or confirm the decision under the same conditions, which is very certain. On 11 th May 2018, the judgement was challenged, and on 16 th May 2018 and Resolution 04, the appeal was declared inadmissible and the employee was given a period of 3 days to pay the court fee in the amount of S/249.00, which has not been fulfilled to date; if payment is made, the file will be sent to the appropriate labour chamber so that the complaint can be considered. The Claimant is still failing to pay the appropriate amount in order for the complaint in question to be taken into account. To date, there is no procedural act regarding this process. Considering that the process has remained in an unchanged status for a long time, a petition was submitted to the competent court on 17 th June 2019, requesting that the judgement in favour of EP NG which was the sued party be formalised, and that the case be definitively closed. The competent court, by Decision no. 05, dated 9 th July 2019, confirmed the decision according to the Ruling no. 04, dated 16 th May 2018, by which the claim was declared unfounded and as such definitively archived, stating that the process was successfully concluded in favor of EP NG.

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
13	Reinaldo Romero Infante	EP NG	Compensation for unfulfilled obligations	PEN 191,693.95			<p>EP NG did not accept direct settlement, considering that the request was unfounded. A positive outcome is expected for the EP NG. With the resolution issued on 17th July 2018, the current Court is declared incompetent and the case is transferred to the jurisdiction of the Special Labour Relations Court in Lima; the interested parties will be notified about the hearings in the following period. The case has not yet been transferred to the Special Labour Court in Lima. To date, there is no procedural act regarding this proceeding. The status of the process is the same compared to the previous period.</p> <p>Notification dated 3rd September 2019 of a lawsuit against the EP NG was received by the Nineteenth Labour Court in Lima (case no. 21160-2018), and a hearing was scheduled for 6th December 2019.</p> <p>The hearing was not held and was postponed to January 2020. Our lawyer turned out at the scheduled hearing (29th January 2020), but the it was not held and was postponed for 1st September 2020. The hearing was held on 29th December 2020. The Decision of the Trial Chamber was issued on 21st January 2021 with the following conclusions: 1) The Defendant is ordered (EP NG) to pay the amount of S/58,000.00 for compensation of unpaid salaries, as well as consequential and moral damages. 2) The Defendant is ordered (EP NG) to pay all costs of the proceedings. An appeal against the decision was filed within the appropriate deadline. On 9th July 2021, the appeal was accepted, and on 27th September 2021, the procedure was sent to the Second Permanent Labour Council, which will subsequently define the date of the hearing on the appeal in question, of which the parties will be notified. A date has been set for the hearing on the case, which will be on 8th April 2022 at 3.30 pm, where a decision on the appeal should be made.</p>
14	Miriam Elsa Gambini Jaramillo	EP NG	Personal loss compensation	PEN 100,000.00			<p>EP NG did not accept the direct settlement, considering that the company was not responsible for the personal loss. A judgement of acquittal is expected. On 23rd October 2018, a hearing was held where all parties presented oral statements on the case and exchanged relevant issues. It was concluded that all parties will be informed regarding the next hearing within the legal deadline and that they will speed up the process. The Higher Court declared all proceedings invalid and ordered a new qualification of the lawsuit. On the 23rd April, a re-declaration was requested in the given case, which, on our part, was performed within the required deadline. On 23rd May, it was established that a letter had been submitted to the EP NG to comment on the case within the deadline. The meeting date of the opposing parties has not been defined yet.</p> <p>Compared to the previous period, a hearing was held on the case in question and a decision was made to acquit EP NG of the claims under the lawsuit, after which the opposing party lodged an appeal with the second instance body within the appropriate period of time. The superior court chamber has not yet submitted the said appeal so that it could be answered.</p>

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
<i>PERU</i>							
15	Eduardo William Lujan Soto	EP NG	Compensation for unfulfilled obligations	PEN 95,750.00			Eduardo William Lujan Soto filed a lawsuit for the total amount of S/95,750.18. This amount corresponds to the amount requested by the Claimant, plus legal interests, to be defined, i.e. calculated at the end of the court proceedings, for the concept of denaturalization of contracts and payment of social benefits. This request is being processed in the Tenth Labour Court in Lima. The Defendant was informed and a date was set - 28 th January 2019, for the consideration (hearing) of the lawsuit. The outcome is uncertain. The hearing scheduled for 21 st March 2019 was not held again (our lawyer was present) and we will be notified of the next date. A new hearing on the case was scheduled for 25 th July 2019. At the hearing scheduled for 25 th July 2019, our lawyer was absent because he was present at another hearing, but he informed the competent court thereof in a timely manner and requested a postponement. However, the hearing was held without the presence of our lawyer. Our representative demanded the annulment of the hearing, and the competent court has not yet decided on that. The request of our lawyer was then accepted and the annulled hearing was held without his presence. A new hearing was scheduled via video conference for 9 th November 2020. The hearing was held and a decision was rendered on the next hearing scheduled for 8 th April 2021. After the hearing, a decision was brought against EP NG with a payment order in the amount of PEN 77,297.64. An appeal was filed within the deadline pursuant to the court's decision. On 21 st September 2021, the Second Permanent Chamber determined that the hearing on the appeal would be held on 14 th March 2022.
16	Gabriela Leon Meza	EP NG	Compensation for unpaid social benefits.	PEN 65,806.68			On 5 th April 2019, Gabriela Leon Meza requested payment of the amount of S/65,806.68 by EP NG SA SUCURSAL PERU. This requested amount, as stated in the lawsuit, corresponds to the payment of social security benefits for overtime work, in the time period from 2013 to 2018, and on the grounds of the unpaid amount for 2.30 hours of overtime work for each working day in the aforementioned period. The dispute will be conducted before the Thirteenth Court of Labor in Lima in case no. 07296-2019. The first statement in the case is scheduled for 9 th July 2019 at 11.45 am. The said hearing was held according to plan, and on that occasion the opposing parties presented their evidence and declared themselves on the subject. The next hearing was scheduled for 10 th October 2019, where the case should be discussed orally and a decision on the lawsuit made. The said hearing was not held and was postponed to 29 th November 2019, which was also not held, but everything is postponed to January 2020. Multiple times postponed hearing was held on 17 th January 2020 and after that the competent court issued a decision on 31 st January 2020, accepting in part the request of Mr. Leon and according to which the EP NG payment in the amount of 11,797.41 soles is ordered as compensation for overtime hours in the period 2013-2018. An appeal was filed against the mentioned decision within the appropriate deadline, i.e. 2 nd July 2020. The hearing scheduled for 14 th January 2021 was held according to the plan and on 21 st January 2021 a decision was brought where the following was ordered: 1) the Defendant shall pay (EP NG) the amount of S/8,299,35 as compensation for overtime work, for the period 2013-2014-2015-2017-2018; 2) the claim for compensation for the period 2016 is rejected; 3) the Defendant shall pay all the costs of the court proceedings according to the current rules. An appropriate appeal was filed within the time limit. At this time, there is no court ruling on the appeal.

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
17	Artidoro Alarcón Guivar, José Antonio, María Isabel, Flor Celina Alarcón Alarcón	EP NG	Non-contractual liability compensation.	PEN 150,000.00			During the month of June 2019, we learned about a case that has been pending against EP NG before the competent court ever since the period of work execution on the Cota project, without our side being duly informed of any legal provision in this regard due to the fact that the notice was sent to an inappropriate address. On 28 th June 2019, a letter was submitted to the competent judge urging a decision to be brought on the invalidity of the notice, as well as the annulment of the decisions made without the presence of the Defendant. The grounds of the case is, in fact, a death that occurred as a result of a landslide in the Lajas district, where Rosalina Alarcon and Victoria Silva Medina got killed; this zone was the work zone where EP NG carried out the execution of works. A copy of the complete previous case was requested. In October, it was noted that our lawyer had submitted a letter of authorization entitling him to conduct the case on behalf of EP NG. The competent judge issued a decision rejecting the request for the judgement annulment. The appeal against the judgement was filed on 3 rd July 2020, and it is certain that in the second instance proceedings the judge's ruling will be corrected and everything that was done in the main proceedings will be declared null and void without us being informed, and where we will get the right to defence in the present process. No changes.
18	EDUARDOS RIOS Y ASSOCIADOS SAC	EP NG	Supplier's lawsuit for non-payment on our part.	US \$ 12,153.00			On 15 th November 2021, we have received a notification from the competent court that the supplier Eduardo Rios initiated court proceedings for failure to settle the debt balance for the delivered material. In addition to the settlement request for the debt balance with interest, the settlement of all costs and fees of the court proceedings is also required.
19	INTERNET SERVICES AND CO SAC SEINCO	EP NG	Supplier's lawsuit for non-payment on our part.	US \$ 1,500.00			On 14 th December 2021, we have received a notification from the competent court that the Internet service provider has initiated legal proceedings for failure to settle the debt balance for the service provided. In addition to the settlement request for the debt balance with interest, the settlement of all costs and fees of the court proceedings is also required.
20	AFP PRIMA	EP NG	The lawsuit of the Pension Fund for non-payment on our part.	PEN 74,214.00			On 4 th January 2022, we have received a notification from the competent court that the AFP PRIMA Pension Fund has initiated court proceedings for failure to settle the obligations in the period February-September 2021. In addition to the settlement request for the debt balance with interest, the settlement of all costs and fees of the court proceedings is also required.
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8

B.E. A. Dimitrijević
(Signature)

Managing Director,
Energoprojekt Niskogradnja joint stock company

Re: **ENERGOPROJEKT NISKOGRADNJA JOINT STOCK COMPANY**

Court proceedings, mediations and threatened civil proceedings for the period until 31st December 2021

A. COURT PROCEEDINGS

1. Civil litigation before the Higher Court no. 226/10 **Abamwe Transporters Ltd in proceedings against Energoprojekt**
2. Civil litigation before the Higher Court no. 186 of the year 2009 **Foreman Kasirye Gwanga in proceedings against Energoprojekt**
3. Civil litigation before the court in Kasangati no. 68 of the year 2010 **Kawooya Livingstone in proceedings against Energo Project Ltd**
4. Civil litigation before the court in Kasangati no. 22 of the year 2011 **Kitimbo Thomas in proceedings against Energoprojekt Ltd and 4 other companies**
5. Civil litigation before the Supreme Court no. 348 of the year 2010 **Mary Kiggundu in proceedings against Energoprojekt**
6. Civil litigation no. 102/2015 **Kalyesubula Brian Kigongo in proceedings against Energoprojekt.**
7. Civil litigation no.163 / 2016 **Atna technologies ltd in proceedings against Energoprojekt**
8. Civil litigation no. 76 of the year 2017 **Kasaliko Herman in proceedings against Energoprojekt**
9. **Suuna Fredrick in the lawsuit against Energoprojekt**
10. Civil litigation no. 93 of the year 2021 **Registered creditors of the Anglican Church of Uganda in proceedings against Energoprojekt**
11. Civil litigation no. 61 of the year 2021 **Atto Julius in proceedings against Tumuhairwe Ssozi Mosses and Energoprojekt**

B. LIST OF CASES FOR MEDIATION

1. Civil litigation no. 040/2014 **Busulwa Monday in proceedings against Energoprojekt**
2. Civil litigation no.443 / 2015 **Denis Rwentungamo in proceedings against Energoprojekt.**
3. Civil litigation no. 023/2015 **Baseke Tendo Christina in proceedings against Energoprojekt**
4. **Turyatunga Wahab & 7 other persons in proceedings against Energoprojekt.**
5. Civil litigation no. 2/2017 **Kasule David in proceedings against Energoprojekt and UNRA**
6. Civil litigation no. 0014/2016 **Salvatori Odinga and others in the proceedings against the company Energoprojekt**
7. Appeal based on labour relations No. KCC / CEN / LC / 131/2017 **Moses Semuli in proceedings against Energoprojekt**
8. Civil litigation no. 160 of the year 2020 **Yoel Shalom in proceedings against Energoprojekt**

C. LIST OF POSSIBLE PENALTY MEASURES

1. Safina Nakibirango v. Energoprojekt
2. Kabanyolo High School against Energoprojekt
3. Lugoba Schools Ltd v. Energoprojekt
4. Kiyambu Wilson v. Energoprojekt
5. Nakiwewa Jalia v. Energoprojekt
6. Tumusiime Wesley v. Energoprojekt
7. Lubowa Lawrence v. Energoprojekt
8. Godfrey Walungama v. Energoprojekt
9. Nakamanya Jamia v. Energoprojekt
10. Namaganda Edith v. Energoprojekt
11. Collin Newky v. Energoprojekt
12. Charles Mubiru Mwangi v. Energoprojekt
13. Nduhukyeire Innocent v. Energoprojekt
14. Hyatt Sarah Kasuya and 9 others v. Energoprojekt.
15. Muhumuza Moses and Kugonza Sylvester v. Energoprojekt
16. Moses Mpomba Bugembe v. Energoprojekt
17. Icodat Komugisha Igytonic v. Energoprojekt
18. Madungha Christopher v. Energoprojekt
19. Sonko Samuel v. Energoprojekt
20. Kasoma Denis and 2 other persons against the company Energoprojekt
21. Ayibako Peter and others v. Energoprojekt
22. Musinguzi Edison v. Energoprojekt
23. Beatrice K. Baruga v. Energoprojekt
24. Father Charles Ocul and 26 others v. Energoprojekt
25. Andihaihi and Kabura Leonard v. Energoprojekt.
26. Senyondwa Siraje v. Energoprojekt
27. Solomon Bukenya v. Energoprojekt
28. Samuel Kawesa v. Energoprojekt
29. Sevume Yisirayiri Waswa and Others v. Energoprojekt
30. Adiga Kizito v. Energoprojekt
31. East African Roofings v. Energoprojekt.
32. Zimbe Hamis v. Energoprojekt
33. Francis R. Baliruno v. Energoprojekt
34. Nsasira Denis v. Energoprojekt
35. St Appollo Kivebulaya Church v. Energoprojekt
36. Nakasongola School Parents School v. Energoprojekt.
37. Mayambala Simon and others v. Energoprojekt
38. Florence Mukalazi v. Energoprojekt
39. Sekitoleku Edward v. Energoprojekt
40. Muguluma Musa v. Energoprojekt
41. Sengoma Abdul v. Energoprojekt
42. Commission of Inquiry, reference code LI/524/2018 Energoprojekt
43. Badru Tomusange v. Energoprojekt

44. Nakiyaga Ruth v. Energoprojekt
45. St Peters Technologies Ltd v. Energoprojekt
46. Fred Kigundu v. Energoprojekt
47. Bbale Mugeru Robert v. Energoprojekt
48. Noah Sebuliba v. Energoprojekt

A detailed description of all the above indicated procedures is given below.

A. LIST OF COURT PROCEEDINGS

1. Civil litigation before the Higher Court no. 226/10

Abamwe Transporters Ltd. in proceedings against Energoprojekt

This proceeding is conducted on the grounds of a claim for damages in the amount of 155,942,500/= UGX, filed for damage inflicted to the truck caused by it falling into an open culvert along the Kawempe-Luwero road, which was under construction by Energoprojekt. The judgement was passed on 14th July 2015, and it was ruled that the company Energoprojekt bears 60% responsibility for the accident. Energoprojekt has initiated an appeal procedure. An appeal is likely to have little chance of success.

2. Civil litigation before the Higher Court no. 186 of the year 2009 Foreman Kasirve Gwang in the lawsuit against Energoprojekt

The Claimant claims to own the Kungu quarry. The judgement was passed on 21st January 2013 in favour of Energoprojekt. The Claimant appealed. A hearing date is expected.

3. Kasangati civil litigation no. 68 of the year 2010

Kawooya Livingstone in proceedings against Energoprojekt Ltd.

Kawooya Livingstone has filed a lawsuit in the Kasangati City Court against Energo Project Ltd. due to the degradation of his land in Namulonge Nabalanga, the Gayaza road Zirowe. According to the judgement, he received compensation in the amount of 35,015,000/= UGX. He executed the judgment against the company **Energoprojekt Niskogradnja Jscs** and collected 20,000,000./= UGX. The Higher Court overturned this judgment and ordered the recovery of 20,000,000./= UGX. Kawooya was ordered to suspend the execution of the judgement and filed a request to reinstate the judgement. No hearing has been scheduled so far.

4. Kasangati civil litigation no. 22 of the year 2011

Kitimbo Thomas in the proceedings against Energoprojekt Ltd. and 4 other companies

Thomas is seeking damages in the amount of 3,949,500/= UGX for destruction of crops and trespassing (unauthorized entry into the property). The case has not yet been resolved before the court.

5. Civil litigation before the High Court no. 348 of 2010 to Mary Kiggundu in proceedings against Energoprojekt

This proceeding is conducted on the grounds of a claim for special damages in the amount of 209,822,560/=UGX and general damage caused by unauthorized land use. Energoprojekt allegedly extracted laterite from the owner's land without her permission, for the needs of the Kampala-Gayaza-Zirowe road construction. The judgement was passed in favour of the Claimant, and she was paid compensation in the amount of 56,016,000 with interest of 21 percent per year, calculated from the date of the judgement to the date of the full amount payment. The costs of the proceedings will be determined.

6. Civil litigation no. 102/2015

Kalvesubula Brian Kigongo in the proceedings against Energoprojekt

The claimant seeks damages of 37,600,000 / = UGX (thirty-seven million six hundred thousand) in the name of inconvenience. He claims that his house was damaged due to the activities in the quarry. The probability that the judgement will be passed in favor of the claimant is minimal. The total exposure of Energoprojekt in the case of initiating court proceedings is reduced to the payment of compensation, which should not exceed 37,600,000 / = especially if the claimant does not prove the existence of special damage he alleges. All documents have been submitted to the court, and the date of the hearing is expected to be defined.

7. Civil litigation no. 163 / 2016-04-13

Atna technologies ltd in proceedings against Energoprojekt

The claimant company seeks payment of the amount of 10,514,493 / = UGX pursuant to the contract concluded with Energoprojekt. Energoprojekt has paid this amount to the company representative, of which the company was informed. This issue is being discussed.

8. Civil litigation no. 76 of 2017

Casalico Hermann in the proceedings against UNRA and Energoprojekt

The Claimant claims that he is on the road Mpigi during the Works-Kanoni the earth material was removed from the registered road which forms the border between the mentioned road and the fishpond on his land. Due to heavy rains, the fish disappeared from the pond, which caused a loss. He seeks payment of the total amount of 87,902,500 / = in the name of special monetary compensation for the loss of fish, increased by interest on the amount of special compensation. Energoprojekt denies any responsibility, given that the earth material was removed in accordance with UNRA's road projects, as well as that such works were carried out on a registered road. A hearing date is expected to be specified.

9. Suuna Fredrick in the proceedings against Energoprojekt

Threatened procedure. The claimant claims that the company Energoprojekt entered into the possession of his land without authorization and extracted laterite, just as it extracted laterite from the neighboring land. The land is located in Mpigi. The claimant is seeking 540,622,000 / = UGX as compensation for unauthorized entry to the land. This case is in the process of mediation. Awaiting date.

10. Civil litigation no. 93 of 2021.

Registered creditors of the Anglican Church of Uganda in the proceedings against Energoprojekt

The claimant claims that the Anglican Church in Mabandi developed cracks in the construction of the church, which made it necessary to build a completely new church. They claim that it was caused by Energoprojekt's excavation of laterite on the church land. They demand the reconstruction of the church and 100,000,000 = UGX as compensation. The company Energoprojekt obtained a license with the church for the excavation of laterite and a solid defense was submitted. Awaiting hearing date.

11. Civil litigation no. 61 of 2021.

Atto Julius Lazarus in proceedings against Tumuhairwe Ssozi Mosses and Energoprojekt

The claimant claims that his brother was knocked down and killed by an Energoprojekt vehicle in Wobulenza. He is asking for 60,000,000 = as compensation for the loss of life. A solid defense has been filed. Awaiting hearing date.

B. ISSUES FOR MEDIATION

12. Civil litigation no. 040/2014

Busulwa Monday in the proceedings against Energoprojekt

Busulwa is seeking damages in the amount of 19,347,000 / = UGX in the name of the destruction of his house by Energoprojekt. The documents have been submitted to the court, and the defining date of the hearing is expected.

13. Civil litigation no. 443/20155

Denis Rwentungamo in the proceedings against Energoprojekt

This is a claim for damages against KCCA (Kampala Capital Administration) and the company Energoprojekt worth 22,000,000 / = UGX (twenty-two million Ugandan shillings) in the name of destroying the perimeter wall during construction work on the Weregga road, Najjjanankimbi. All documents were submitted to the court. The date of the hearing is expected to resolve this issue.

14. Civil litigation no. 023/2015

Baseke Tendo Christina in the proceedings against Energoprojekt

The claimant seeks payment of 1,000,000 / = UGX (one million shillings) in the name of outstanding rent, monetary damages, interest and court costs. Chances are the judgement to be passed in favor of the claimant is great. The total exposure of Energoprojekt is reduced to the payment of unpaid rent, increased by monetary compensation and court costs, which should not exceed 10,000,000 / =. All documents have been submitted to the court, and the date of the hearing is expected to be defined. It is advisable to resolve this issue amicably as soon as possible.

- 15. Turyatunga Wahab and 7 other persons in the proceedings against Energoprojekt** This case is discussed before the official in charge of labor KCCA. All the aforementioned persons are former employees of the company Energoprojekt who were fired together without paying severance pay due to suspicion of theft. The case has been handed over to the police and sentencing by the criminal court is expected. The evidence against certain individuals is weak, and Energoprojekt is likely to lose the case.

16. Civil litigation no. 2 from 2017

Kasule David in the proceedings against Energoprojekt and UNRA (National Roads Agency of Uganda)

It is a claim for damages in the amount of 84,702,000 UGX for alleged damage to his house and damage to his property. This claim for damages was filed against UNRA and Energoprojekt. Energoprojekt disclaims any responsibility, in view of the fact that all road works are performed on registered roads on the basis of orders and UNRA road projects.

17. Civil litigation no. 0014/2016

Salvengers Odinga and others in the proceedings against the company Energoprojekt

Claimants (more than 409 of them) claim to have health problems and that their property was damaged due to the extraction of stone in the Kiryandongo quarry. They demand payment of a fee in the form of monetary damages the amount of which has not been determined. Energoprojekt disclaims any responsibility, as the activities in the quarry were carried out in accordance with NEMA guidelines and in accordance with the law. All documents have been submitted to the court, and the date of the hearing is expected.

18. Employment complaint No. KCC / CEN / LC / 131/2017

Moses Semuli in proceedings against Energoprojekt

The claimant was employed by Energoprojekt on occasional and temporary jobs. During his engagement, he allegedly suffered an injury in September 2014. He and several other employees were later fired due to redundancies. He seeks payment of compensation for the injury suffered and compensation for the allegedly unjust and unlawful termination of employment in the amount of 23,270,000 / = UGX. The case was forwarded to the insurance company for payment of compensation from the insurance for the alleged injury, and a response is expected. In addition, Energoprojekt denies allegations of unfair and illegal termination of employment.

19. Civil litigation no. 160 from 2020

Yoel Shalom in the proceedings against against Energoprojekt

The claimant claims that he was injured in a fall on an unpaved road from a laterite that the company Energoprojekt negligently left unprotected during the works on the road Kanyaya -Waligo - Kawempe. He seeks payment of special compensation in the amount of 53,550,000 / = UGX plus monetary and special compensation. Energoprojekt denies the alleged negligence, and an appropriate defense has been filed. A hearing date is expected.

20. Civil litigation no. 323 of 2020

Mujuni Samuel in proceedings against Bivinzika Poultry International and Energoprojekt

The claimant claims that he was seriously injured in an accident involving a motor vehicle in which the claimant was driving as a passenger and a motor vehicle owned by Energoprojekt. He asks for payment of damages in the total amount of 47,117,000 / = UGX plus monetary and punitive damages, as well as all costs. The company Energoprojekt denies the allegations and claims that the accident occurred due to the mistake of the driver of the motor vehicle in which the claimant was driving. A hearing date is expected.

C. POSSIBLE PENALTY MEASURESS

21. Safina Nakibirango in the proceedings against Energoprojekt

Possible procedure. Safina Nakibirango is seeking the payment of 10,000,000 / = UGX in compensation for Energoprojekt allegedly extracting stone material and thus destroying ancestral graves located on her land in Kung. The last announcement was submitted on April 26, 2011 when Energoprojekt was asked to confirm the claim for damages in order to avoid any sudden judicial action.

22. Kabanyolo High School in the proceedings against Energoprojekt

Possible litigation on the basis of a claim in the amount of 18,700,000 / = UGX in the name of alleged damage to the perimeter wall, water pipes and gates during the construction works on the Gayza - Zirobwe road. Energoprojekt disclaims any responsibility.

23. Lugoba Schools Ltd. in proceedings against Energoprojekt

Prevented court proceedings in order to stop the activities of quarrying in the quarry that is performed by Energoprojekt in Kigoogwa LCI, Wakiso County.

24. Kiyambu Wilson in proceedings against Energoprojekt

Possible court proceedings in order to collect the amount of 33,000,000 / = UGX in the name of illegal entry into the land during the works on the road Gayaza-Zirobwe.

25. Nakiwewa Jalia in proceedings against Energoprojekt

Possible lawsuit. Nakiwewa Jalia claims that the deposited material from the Kungu quarry was spilled on her land, which is right next to the Energoprojekt quarry. She tried to force Energoprojekt to lease the land in question. She filed a complaint with the State House, asking them to take the necessary measures. The company Energoprojekt paid the amount of 1,100,000 shillings under pressure and stated that it was not interested in the given land. She continues to insist that Energoprojekt should lease the land in question.

26. Tumusiime Wesley in proceedings against Energoprojekt

Possible lawsuit. Tumusiime Wesley reported to police that Energo Uganda Co.Ltd. illegally used his land (plot 184 along the Gayaza-Ziobwe road) and extracted laterite. Energo Uganda Co. Ltd. did not carry out any activities in this area. Energoprojekt extracted laterite from plots 191, 188, 192 and 193. If Energoprojekt accidentally entered plot 184, it may lose this case. We submitted the last announcement on July 6, 2010, and there was no response from Tumusiime.

27. Lobowa Lawrence in the proceedings against against Energoprojekt

Possible lawsuit. Lobowa Lawrence represents about 32 former workers. The workers in question were fired, and they were paid severance pay in accordance with the Collective Agreement, which has expired. They want severance pay in accordance with the valid contract. This issue needs to be resolved.

28. Godfrey Walungama in proceedings against Energoprojekt

Possible lawsuit. In this case it is stated that along the road Gayaza-Ziobwe, garbage was deposited on the claimant's land, as well as damage to property. Compensation is sought. The amount has not been defined. We have not yet received notice of intent to file a lawsuit.

29. Nakamaya Jamia in proceedings against Energoprojekt

Possible lawsuit. Nakamaya seeks damages in the amount of 50,000,000 / = UGX in respect of damages inflicted on her facility during the construction of the Gayaza-Ziobwe road. She was reminded that her family was officially paid compensation by the competent authority. She probably will not win this case. The last announcement was submitted on March 15, 2011 when Jamia was informed that the case was under investigation.

30. Namaganda Edith in proceedings against Energoprojekt

Possible lawsuit. Namaganda claims that she is threatened by eviction from the Kungu quarry area. She filed a complaint with the State House, asking it to take the necessary measures. The Seller of the land was asked to reply regarding this issue. The last statement was delivered to Edith's lawyers on Aug. 2, 2011 when they were asked to provide information on whether compensation had been paid to Edith. No feedback has been received from the lawyer or Edith on this issue.

31. Collin Newki in proceedings against Energoprojekt

Possible lawsuit. Collin claims that Energoprojekt uses his land for the purpose of depositing, retaining and processing excavated rubble. He suggested to the company Energoprojekt to buy the land if it is interested, and if the company does not want to do that, he asks to vacate the plot. Amounts of fees for the use and sale of land have not been submitted.

32. Charles Mubiru Mwangi in proceedings against Energoprojekt

Possible lawsuit. The car of Lucy Kathendu (worker of Charles Mwangi) was damaged during water pipe bursts. She claims that due to negligence, the company Energoprojekt dug water pipes during the works on the sanitation of the road and never replaced them in a safe way, which led to the bursting. She seeks damages in the amount of 15,000,000 / = UGX for the damage caused to her motor vehicle. This amount is increasing daily. She was advised to claim damages from the National Water and Sewerage Company (which is responsible for water pipes). Further communication is awaited from her.

33. Nduhukyeire Innocent in proceedings against Energoprojekt

This is a claim for payment of insurance. The district official in charge of labor relations assessed the fee for Innocent in the amount of 9,971,800 / = UGX. The insurance company (Vital Insurance Services Ltd) approved the payment of 1,451,500 / = UGX. Innocent requests payment of the balance up to the estimated

amount from the company Energoprojekt. We requested an explanation from the insurance company regarding their compensation. We are still waiting for an answer from the insurance company.

- 34. Hayati Sarah Kasuja and 9 other people in proceedings against Energoprojekt** Possible lawsuit. Claimants allegedly claim that the company Energoprojekt built a culvert in the proximity of their property through which drainage water reaches their properties and causes damage. They were informed that the company Energoprojekt had never performed works on the construction of that culvert and that it was not responsible in this case. An answer is still expected from them.
- 35. Muhumuza Moses and Kugonza Sylvester in proceedings against Energoprojekt** Possible lawsuit. This procedure is conducted on the basis of a claim in the amount of 40,000,000 / = UGX for damage caused by environmental pollution caused by a large amount of earth, dust and noise due to motor vehicles used during the works on the Jinja road. Energoprojekt does not accept any responsibility, and if any proceedings are initiated before the court in connection with this issue, there is a high chance that the proceedings will fail.
- 36. Moses Mpomba Bugembe in proceedings against Energoprojekt** Possible lawsuit based on loan agreement. Moses demands the return of the humus layer on the loan, as defined by the agreement. Also claims compensation in the amount of 15,000,000 / = UGX (fifteen million shillings).
- 37. Icodat Komugisha Igytonic in proceedings against Energoprojekt** Possible lawsuit. This is a claim for damages in the amount of 15,000,000 / = UGX (fifteen million shillings) in the name of destruction of property by the company Energoprojekt. Energoprojekt disclaims any responsibility.
- 38. Madungha Christopher in the proceedings against Energoprojekt** Possible lawsuit. Christopher claims that his employment was terminated illegally by Energoprojekt. He requires a return to work or payment of compensation for the period until the expiration of the contract. We are still waiting for an answer from the company Energoprojekt.
- 39. Sonko Samuel in the case against Energoprojekt** Possible lawsuit. This is about determining the ownership of a piece of land owned by Energoprojekt. On May 6, 2014, the claimant was advised to refer his request to the owner, not Energoprojekt. No response has been received since then.
- 40. Kasoma Denis and 2 other persons in the proceedings against the company Energoprojekt** Possible lawsuit. This is a claim for damages in the amount of 600,000,000 / = UGX in the name of illegal land use. Claimants allegedly claim that Energoprojekt uses their land and conducts commercial activities on it. Energoprojekt denies any responsibility, given that the land was purchased from NARO (National Organization for Agricultural Research) and asks NARO to clarify these third party claims. A response from NARO is expected.
- 41. Ayibako Peter and other persons in the proceedings against Energoprojekt** Possible lawsuit. Peter seeks compensation in the amount of 60,000,000 / = UGX in the name of death of his brother caused by M/V UAS 665Y owned by Energoprojekt.
- 42. Musunguzi Edison in proceedings against Energoprojekt** Possible lawsuit. This is a claim in the amount of 20,000,000 / = UGX in the name of damage to the motor vehicle caused by a canal excavated on the road during the construction works by the company Energoprojekt. On Aug. 20, 2014 we asked the claimant to provide more precise information regarding his claim for damages, and to this date we have not received any answer.

43. Beatrice K. Baruga in proceedings against Energoprojekt

Possible lawsuit. Beatrice claims that her house was damaged due to the quarrying activities in the quarry carried out by the company Energoprojekt. She claims that the company Energoprojekt agreed to renovate the house, but that it only delivered 2 bags of cement and a truckload of stone in March 2011 and that nothing else has been done since then. From April 11, 2014 she did not file any other complaint.

44. Father Charles Ocul in 26 other people in proceedings against Energoprojekt

Claimants allege they lost property and suffered mental anguish as a result of the blasting carried out by Energoprojekt in Kiryadongo County. They asked for a meeting to be held in order to resolve this issue amicably, as well that Energoprojekt suspend all activities related to rock blasting until this issue is resolved. On Dec. 24, 2014 we asked for details about all the injured persons so that we can suggest organizing a meeting. However, we have not received any response since then.

45. Andihaihi and Kabura Leonard in proceedings against Energoprojekt

Possible lawsuit. Both are former Energoprojekt employees seeking severance pay. They were fired together on suspicion of theft, and their severance pay could not be paid under the Collective Agreement. This case was forwarded to criminal court, but the charge was later dropped. We have submitted a request to reopen the proceedings in this case and the date of the hearing is currently expected. If acquitted, Energoprojekt will be obliged to pay them severance pay. The evidence against them is weak, and there is a high probability that they will be acquitted. It is advisable to resolve this case amicably.

46. Senyondwa Siraje in the proceedings against against Energoprojekt

Possible lawsuit. Siraje was suspended indefinitely on suspicion of theft. After the police investigation, it was concluded that there is no real or convincing evidence accusing him of theft. Siraje reported this case to the Foundation to launch an initiative for human rights (FHRI). Energoprojekt is proposed to resolve this case amicably. The FHRI did not take any action.

47. Solomon Bukenya in proceedings against Energoprojekt

Possible penalty measures. It is a request for the repair of the claimant's motor vehicle, which was damaged during strike about the omission allegedly committed by the company Energoprojekt on the road Mpigi - Butambala without any warning signs. Energoprojekt disclaims any responsibility.

48. Samuel Kawesa in proceedings against Energoprojekt

Possible penalty measures. This is a claim for damages in the amount of 300,000,000 UGX for the alleged damage caused to the claimant's house due to the quarrying activities in the quarry carried out by the company Energoprojekt. Energoprojekt denies any responsibility, in view of the fact that the activities in the quarry were carried out in accordance with NEMA guidelines and in accordance with the law. A claimant's response is expected.

49. Sevume Yisiraviri Wasawa and Others in the proceedings against Energoprojekt Possible penalty measure. It is a request for payment of compensation in the name of alleged damage caused to the property of the claimants and crops due to the blasting of the rock mass on the road Mpigi-Kibibi. The amount of the fee has not been defined. Energoprojekt disclaims any responsibility. There were no further announcements from claimants.

50. Adiga Kizito in proceedings against Energoprojekt

Possible penalty measures. This is a claim for damages in the amount of 60,000,000 UGX for the alleged illegal termination of employment. The claimant claims that the company Energoprojekt terminated his employment relationship without any explanation and that it did not pay him severance pay. Energoprojekt terminated the claimant's employment due to redundancy, and the claimant was informed that he could take over his severance

pay, which he refused to do. These data were submitted to the claimant, and since May 2016, no response has been received.

51. East African Roofings in the proceedings against against Energoprojekt

Possible penalty measures. The director of the claimant claims that his motor vehicle participated in a traffic accident in which the vehicle of the company Energoprojekt also participated. He requires repair of the motor vehicle and reimbursement of costs incurred due to finding alternative transportation during the repair of the vehicle. This case was submitted to the insurance company that offered to repair the damaged vehicle, but not the payment of the costs of alternative transportation. The claimant is now seeking payment of 20,250,000 / = for the costs of alternative transportation he had to find. The last announcement was submitted on October 13, 2016.

52. Zimbe Hamis in proceedings against Energoprojekt

Possible penalty measures. It is a request for payment of compensation due to an accident caused by an employee of the company Energoprojekt. The claimant alleges that his motor vehicle was damaged and that the passengers were hospitalized as a result of the accident. The case was submitted to the insurance company, which on December 6, 2016 offered the payment of compensation in the amount of 10,000,000 / =. The claimant has yet to accept the settlement.

53. Francis R Baliruno in proceedings against Energoprojekt

Possible penalty measures. Francis claims that Energoprojekt illegally entered his property in September 2016 and installed traffic signalization machines during the reconstruction of the Mackay road. Energoprojekt denies these allegations. The claimant has not sent any announcement since March 2017.

54. Nsasira Denis in proceedings against Energoprojekt

Possible penalty measures. The claimant states that he was suspended from work for an indefinite period of time by Energoprojekt, and therefore, requires severance pay. The company Energoprojekt denies that it suspended him and advises him to stop avoiding coming to work and fulfilling work obligations. Otherwise, if he wants to terminate his employment with Energoprojekt, he should submit his resignation. He has not submitted any announcement since July 2017.

55. Church of St. Appollo Kivebulaya Church in the proceedings against against Energoprojekt Possible penalty measures. Claimants claim that the mass mining was carried out by the company Energoprojekt and caused damage to the church. They demand that the company Energoprojekt renovate the church as well as pay the amount of 100,000,000 / = in the name of compensation. Energoprojekt denies that it caused the destruction, however, in the spirit of an amicable solution, Energoprojekt offered to carry out repairs to the church after an assessment of the alleged damage was made. As of March 2017, no response has been submitted to our offer.

56. Nakasongola Parents School in the proceedings against Energoprojekt Possible penalty measures. Claimants claim that the blasting of the rock mass by the company Energoprojekt caused damage to their facilities. They further claim that the company Energoprojekt made a culvert that leads the atmospheric water to the school premises, which causes flooding during the rainy season. The amount of the fee has not been defined. The company Energoprojekt denies these allegations, but in the spirit of an amicable solution, it offered to repair the damage after the assessment is performed. The process is still ongoing. In addition, the construction of the culvert was carried out in accordance with UNRA's road projects. Compensation for such damages should therefore be sought from UNRA.

57. Mayambala Simon and others in proceedings against Energoprojekt

Possible penalty measures. Claimants allege that the activities of extracting the stone caused damage to their property. The amount of their claim for damages has not been precisely defined. Energoprojekt denies responsibility given that the activities in the quarry were carried out in accordance with the law. An answer is expected from them.

58. Florence Mukalazi in proceedings against Energoprojekt

Possible penalty measures. The claimant states that during the construction of the Mpigi road -Kanoni a culvert was made that leads the water to the property of the claimant. No amount of compensation has been defined. Company Energoprojekt denies responsibility, in view of the fact that the omissions made on the road were in line with UNRA projects. An answer is expected from them.

59. Muguluma Musa v. Energoprojekt

Possible penalty measures. The claimant claims that Energoprojekt illegally entered his land in Gomba district during gravel removal. He requires the payment of a fee of 230,000,000 / = UGX. Energoprojekt does not accept any responsibility, and demanded from the claimant to submit proof of ownership, which has not been submitted to date.

60. Sengoma Abdul v. Energoprojekt

The claimant claims that the company Energoprojekt owes him 2,560,420 / = UGX on the basis of a contract for renting his motor vehicle. Energoprojekt does not accept this claim. The claimant was asked to provide evidence for his allegations.

61. Investigation Committee, reference number LI / 524/2018

Energoprojekt

The claimant claims that the company Energoprojekt took over his land. The aforementioned land was the subject of a civil litigation before the High Court no. 186 from 2009.- **Foreman Kasirye Gwanga in proceedings against Energoprojekt**, which was won by Energoprojekt when it was granted rights over the land. The Committee has been informed about that, and an answer is expected.

62. Badru Tomusange v. Energoprojekt

The claimant alleges that the company Energoprojekt destroyed the access road leading to his facilities during the works on the Mpigi- Kanoni road. He claims that because of that, he is not able to access his property. The claimant asks Energoprojekt to carry out works on the repair of the access road. A response was sent to the claimant asking him to provide a copy of his title deed so that the said access route could be identified. To date, no response has been received.

63. Nakiyaga Ruth v. Energoprojekt

The claimant claims that her house was damaged due to the activities of Energoprojekt in the quarry in Kigogwa. She claims that damage in the amount of 48,209,250 / = UGX was made to her house. Energoprojekt denies that any damage was done, but, in the spirit of an amicable solution, Energoprojekt is willing to repair the damage. A settlement was reached, and the claimant agreed to conclude this case in accordance with the final decision. The settlement was submitted to the court.

64. St Peters Technologies Ltd v. Energoprojekt

This is a request for payment of compensation of 36,000,000 / = UGX under a subcontract between the company St. Peters and Energoprojekt. The company St. Peters claims the money was never paid to it. However, Energoprojekt claims that this amount was paid to St. Peters through a recognized agent who signed a subcontract. This claim was communicated to the company Energoprojekt, and a response is expected.

65. Fred Kigundu v. Energoprojekt

This is a claim for damages in the amount of 80,000,000 / = UGX. The Applicant claims that he suffered injuries while recklessly driving a bitumen truck belonging to the company Energoprojekt, which on that occasion was left without its bitumen tank. It happened in place Kibibi Mpigi. The claim for damages was forwarded to the insurance company for resolution.

66. Bbale Mugeru Robert v. Energoprojekt

This is a claim for damages in the amount of 8,750,000 / = UGX in the name of compensation for medical expenses and payment of back wages. The Applicant claims that he participated in a traffic accident that occurred due to negligence of Energoprojekt employees. The incident happened in Kabasanda Butambala. The company Energoprojekt claims that the accident was due to the negligence of Robert himself. However, compensation for medical expenses was paid together with severance pay. He was informed about that, and a response is expected.

67. Noah Sebuliba v. Energoprojekt

The claimant claims that his property was damaged due to vibrations caused by the use of heavy machinery during the construction works on the road Mpigi- Kanoni. He also claims that for the same reason, the access road leading to his property is impassable. He filed a complaint with UNRA and now claims that according to the instructions of UNRA, he is seeking compensation from Energoprojekt. We have been looking for evidence for previous allegations and are awaiting a response.

Sincerely,

Signature illegible

ON BEHALF OF LAWYER PAUL BYARUHANGA ADVOCATES

2. INDEPENDENT AUDITOR'S REPORT (complete report)

RSM Serbia d.o.o., Beograd

ENERGOPROJEKT HOLDING P.L.C. BEOGRAD

Amended Consolidated Financial Statements for 2021 in
accordance
with accounting regulations prevailing in the
Republic of Serbia
and
Independent auditor's report

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RSM Serbia d.o.o. BeogradBul. Mihajla Pupina 10 b/l
11070 Novi Beograd, Srbija

Matični broj: 17303252

PIB: 100120147

Račun: 160-13177-24

T +381 (0)11 2053 550

www.rsm.global/rsmserbia

KR_S 3/1/22

Translation of the Auditors' Report issued in the Serbian language**Independent auditor's report**

To the Shareholders and Supervisory Board of Energoprojekt Holding p.l.c. Beograd

Qualified Opinion

We have audited the amended consolidated financial statements of Energoprojekt Holding p.l.c. Beograd and its subsidiaries (hereinafter: the Group), which comprise the amended consolidated statement of financial position as at December 31, 2021, and the amended consolidated statements of income and comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes to the amended consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying amended consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting.

Basis for Qualified Opinion

Within the *Paid advances for supplies and services abroad* the Group reports the amount of RSD 121,904 thousand, which dates back to 2015 and relates to claims of the subsidiary Energoprojekt Oprema a.d. Beograd from Energo Nigeria Ltd. The specified advance was not realized until the day of the audit, it was not reconciled with the debtor, and it is the subject of a litigation which subsidiary Energoprojekt Oprema a.d. Beograd launched in 2020 in order to collect these receivables. On the day of the consolidated financial statements for 2021, the Group did not impair the specified advance, nor after the performance of additional audit procedures we provided assurances on the certainty of its realization.

Within the *Receivables from customers abroad* the Group reports the amount of RSD 561,109 thousand related to receivables that subsidiary Energoprojekt Oprema a.d. Beograd has from the following companies: Energo Nigeria Ltd in the amount of RSD 311,178 thousand, Energo Rwanda in the amount of RSD 23,735 thousand and Energonigerija FZE in the amount of RSD 226,196 thousand. These receivables originate from earlier years, are not reconciled with debtors, and are subject to arbitration proceedings that subsidiary Energoprojekt Oprema a.d. Beograd initiated in order to collect these receivables. On the day of consolidated financial statements for 2021, subsidiary Energoprojekt Oprema a.d. Beograd, in accordance with the adopted methodology for calculating expected credit losses, formed a provision to the value of the specified receivables in the amount of RSD 53,429 thousand. By performing additional audit procedures, we were unable to obtain satisfactory audit evidence that would allow us to accept the management's accounting estimate.

Within *Other receivables* the Group reports the amount of RSD 48,658 thousand related to receivables that subsidiary Energoprojekt Oprema a.d. Beograd has from Energo Nigeria Ltd. The specified receivables originates from earlier years and has not been reconciled with the debtor. On the day of consolidated financial statements for 2021 subsidiary Energoprojekt Oprema a.d. Beograd, in accordance with the adopted methodology for calculating expected credit losses, formed a provision to the value of the specified receivables in the amount of RSD 3,638 thousand. By applying additional audit procedures, we were unable to obtain satisfactory audit evidence that would allow us to accept the management's accounting estimate.

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We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Amended 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 amended consolidated financial statements in the Republic of Serbia, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the amended consolidated financial statements. These matters were addressed in the context of our audit of the amended consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter: Valuation of financial assets

The requested disclosures are presented within sections 7.15, 21, 28, 29, 32, 33 and 36. in Note to the amended consolidated financial statements.

According to the adopted Methodology for calculating impairment of financial instruments in accordance with *IFRS 9 - Financial instruments*, calculation of impairment is performed in accordance with the model of expected losses. The Group evaluates impairment at the individual and group levels. The Group applies an individual valuation assessment in cases where key credit risk initiator can be tracked based on an individual instrument, where the Group then tracks them without the need for an additional joint assessment. For the purposes of individual assessment, the Group relies on data on probability of default (PD) from external sources, i.e. data published by renowned rating agencies. The amount of loss given default is based on Basel LGD of 45%. Exposure at default (EAD) is the amount of receivable on the reporting date. The discount factor depends on the effective interest rate determined when at initial recognition of financial instruments and on their term. If receivables are expected to be collected within 12 months, the discount factor is 1.

Due to the fact that financial assets represent the most significant category of assets in the Amended Consolidated Statement of Financial Position, as well as the significant estimates and assumptions used in measuring expected credit losses, we have determined that this is one of the key audit matters.

Our approach to this matter

Our audit procedures related to this matter included:

- Gaining understanding of adopted accounting policies and methodology for calculating impairment of financial instruments in accordance with IFRS 9 - Financial Instruments.
- The assessment to what extent the choice of accounting policy is appropriate for the Group's operations and its financial assets.
- Testing the reliability and completeness of the used data and their compliance with accounting records.
- Evaluation of the applied model of expected credit loss and used parameters, including the probability of default, loss given default, exposure to risk and a significant increase in credit risk.
- Evaluation of the estimated expected receivables collection periods and review of cash flow plans and projections for the coming period.
- Evaluation of the quality of projections Group's management made, through comparison of previous projections with achieved results.
- Evaluation of disclosures made in amended consolidated financial statements.

Based on the procedures we have conducted, except for the effects described in the Basis for Qualified Opinion section, we have not identified materially significant irregularities in the recognized expected credit losses contained in sales receivables and long-term and short-term financial placements.

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Emphasis of Matter

We draw attention to Note 32 to the amended consolidated financial statements, which describes the status of receivables based on the concluded court dispute between the subsidiary Energoprojekt Oprema a.d. Beograd and OAO Gazprom Transgas Belarusia (GTB), Minsk.

We draw attention to Note 37.7 to the amended consolidated financial statements, which discloses non-controlling interest in all equity items.

We draw attention to Note 49 and the attachment to the amended consolidated financial statements, which discloses uncertainties related to the outcome of litigations against the Group.

We draw attention to Note 50 to the amended consolidated financial statements, which describes events after amended consolidated balance sheet date related to the situation in the Russian Federation where the Group carries out part of its business.

Our opinion is not modified in respect of this matter.

Other matter

After the adoption of consolidated financial statements for 2021, the Group's management decided to amend the consolidated financial statements. The amendment of previously issued consolidated financial statements was disclosed in Note 1 to attached amended consolidated financial statements. In addition, on the regular consolidated financial statements of the Group for 2021, we issued an auditor's report on April 28, 2022 when we issue a disclaimer of opinion due to the fact that until the date of issuance of the auditor's report we were not presented final financial statements of the subsidiary Energoprojekt Niskogradnja a.d. Beograd, as well as the documentation of its branch in Uganda, for the purpose of auditing the standalone financial statements of this subsidiary, and as a result of this we were unable to determine whether there were necessary adjustments to the Group's consolidated financial statements related to the subsidiary Energoprojekt Niskogradnja a.d. Beograd. Consequently, our report from April 28, 2022 is no longer valid and should not be relied upon.

The consolidated financial statements of the Group, for the year ended December 31, 2020, were audited by another auditor who expressed a qualified opinion on those statements on May 20, 2021.

Other Information

Management is responsible for other information. The other information comprises the Consolidated Annual Business Report for the year ended December 31, 2021. Our opinion on amended consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In accordance with our audit of amended consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether other information is materially inconsistent with the amended consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we performed during the audit of the amended consolidated financial statements, in our opinion the Amended Consolidated Annual Business Report for the year 2021, which includes the Corporate Management Report and non-financial information, was compiled in accordance with the requirements of the Law on Accounting (Official Gazette of RS No. 73/2019 and 44/2021) and the Law on Capital Market (Official Gazette of RS No. 31/2011, 112/2015, 108/2016, 9/2020 and 153/2020), and the information disclosed in the amended consolidated annual business report for the year 2021 are in all material respects harmonized with the amended consolidated financial statements for the same business year.

In addition, if, based on the work we have performed, we conclude that there is a materially significant misstatement of other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Amended Consolidated Financial Statements

Management is responsible for the preparation of the amended consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of amended consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the amended consolidated financial statements, 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 management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Amended Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the amended 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 amended consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the amended 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 management's 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 amended 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 amended consolidated financial statements, including the disclosures, and whether the amended consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 amended consolidated financial statements of the current 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 our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belgrade, May 18, 2022

A handwritten signature in blue ink, appearing to read "Stanimirka Svičević", is written over a horizontal line.The logo for RSM Serbia d.o.o. features the text "RSM Serbia d.o.o. Beograd-Novl Beograd" in blue, with a stylized "RSM" logo above it.

Stanimirka Svičević, Certified Auditor

CONSOLIDATED BALANCE SHEET
as at 31.12.2021. godine

RSD thousand

Account group, account	DESCRIPTION	EDP	Note No.	Amount		
				Current year	Closing balance on 31.12.2020.	Opening balance on 01.01.2020.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. NON-CURRENT ASSETS (0003+0009+0017+0018+0028)	0002		17.517.406	18.252.786	-
01	I. INTEGIBLES ASSETS (0004+0005+0006+0007+0008)	0003		46.807	48.935	-
010	1. Investments in development	0004		-	-	-
011, 012 i 014	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	26.	46.807	48.531	-
013	3. Goodwill	0006		-	-	-
015 i 016	4. Intangible assets leased and intangible assets in development	0007		-	-	-
017	5. Advances paid on intangible assets	0008	26.	-	404	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0010+0011+0012+0013+0014+0015+0016)	0009		12.126.509	11.832.540	-
020, 021 i 022	1. Land and buildings	0010	27.	7.296.712	7.276.802	
023	2. Plant and equipment	0011	27.	1.805.990	2.018.321	
024	3. Investment property	0012	27.	2.695.469	2.402.012	
025 i 027	4. Property, plant and equipment leased and property, plant and equipment under construction	0013	27.	131.195	1.658	
026 i 028	5. Other property, plant and equipment and investment in PPE owned by third parties	0014	27.	152.479	88.912	
029 (p.o.)	6. Advances paid on property, plant and equipment in country	0015	27.	44.664	44.664	
029 (deo)	7. Advances paid on property, plant and equipment in abroad	0016	27.	-	171	
03	III. BIOLOGICAL ASSETS	0017		-	-	
04 i 05	IV. LONG-TERM FINANCIAL INVESTMENT AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025+0026+0027)	0018		2.681.923	2.281.644	-
040 (deo), 041 (deo) i 042 (deo)	1. Share Investments in companies (except share investments valued using the equity method)	0019	28.1.	26.331	32.040	
040 (deo), 041 (deo), 042 (deo)	2. Share investments valued using the equity method	0020	28.2.	785.113	734.267	
043, 050 (deo) i 051 (deo)	3. Long term investments in the parent company, subsidiaries and other related parties and long-term receivables from these parties in the country	0021		-	-	
044, 050 (deo), 051 (deo)	4. Long term investments in the parent company, subsidiaries and other related parties and long-term receivables from these parties in the abroad	0022		-	-	
045 (deo) i 053 (deo)	5. Long-term financial investments (given loans and borrowings) - domestic	0023		-	-	
045 (deo) i 053 (deo)	6. Long-term financial investments (given loans and borrowings) - foreign	0024		-	-	
046	7. Long-term financial investments (securities valued at depreciated value)	0025		-	-	
047	8. Repurchased own shares	0026		-	-	
048, 052, 054, 055 i 056	9. Other long-term investments and other long-term receivables	0027	28.3.	1.870.479	1.515.337	
28 (deo), osim 288	V. LONG-TERM ACCRUED INCOMES	0028	29.	2.662.167	4.089.667	-
288	V. DEFERRED TAX ASSETS	0029		-	-	
	G. OPERATING ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		17.199.313	16.981.102	-
Klasa 1, osim grupe računa 14	I. INVENTORIES (0032+0033+0034+0035+0036)	0031		4.202.492	5.204.288	-
10	1. Material, parts, tools and small inventories	0032	30.	1.549.800	1.249.446	
11 i 12	2. Work in progress and finished products	0033	30.	1.625.167	2.655.233	
13	3. Goods	0034	30.	103.000	60.212	
150, 152 i 154	4. Advances paid for goods and services in the country	0035	30.	364.174	679.286	
151, 153 i 155	5. Advances paid for goods and services abroad	0036	30.	560.351	560.111	
14	II. FIXED ASSETS HELD FOR SALE AND THE TERMINATION OF BUSINESS	0037	31.	185.150	220.170	-
20	III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038		7.322.713	5.881.992	-
204	1. Domestic buyers	0039	32.	1.928.935	2.011.627	
205	2. Foreign buyers	0040	32.	5.389.652	3.867.125	
200 i 202	3. Receivables from parent company, subsidiaries and other related parties in the country	0041	32.	4.126	3.240	
201 i 203	4. Receivables from parent company, subsidiaries and other related parties - abroad	0042		-	-	
206	5. Other receivables in sales	0043		-	-	

Account group, account	DESCRIPTION	EDP	Note No.	Amount		
				Current year	Closing balance on 31.12.2020.	Opening balance on 01.01.2020.
1	2	3	4	5	6	7
21, 22 i 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044		1.132.531	440.289	-
21, 22 osim 223 i 224, i 27	1. Other receivables	0045	33.1.	1.043.662	413.438	
223	2. Receivables for overpaid income tax	0046	33.2.	83.088	21.236	
224	3. Receivables for overpaid other taxes and contributions	0047	33.3.	5.781	5.615	
23	V. SHORT-TERM FINANCIAL INVESTMENTS(0049+0050+0051+0052+0053+0054+0055+0056)	0048		1.262.886	1.410.230	-
230	1. Short-term loans and investments - parent company and subsidiaries	0049		-	-	
231	2. Short-term loans and investments - other related parties	0050	34.1.	76.515	76.513	
232, 234 (deo)	3. Short-term credits, loans and investments in the country	0051	34.2.	244	316	
233, 234 (deo)	4. Short-term credits, loans and investments abroad	0052	34.3.	124.919	1.335	
235	5. Securities valued at depreciated value	0053		-	-	
236 (deo)	6. Financial assets at fair value through Income statement	0054		-	-	
237	7. Repurchased own shares and own share capital	0055	34.4.	49.827	49.827	
236 (deo), 238 i 239	8. Other short-term financial investments	0056	34.5.	1.011.381	1.282.239	
24	VI. CASH AND CASH EQUIVALENTS	0057	35.	2.200.040	2.911.977	
28 (deo), osim 288	VII. SHORT-TERM ACCRUED INCOME	0058	36.	893.501	912.156	
	D. TOTAL ASSETS = OPERATING ASSETS(0001+0002+0029+0030)	0059		34.716.719	35.233.888	-
88	Đ. OFF-BALANCE SHEET ASSETS	0060	48.1.	12.551.029	15.596.959	
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		19.297.211	17.882.594	-
30, osim 306	I. EQUITY CAPITAL	0402	37.1.	5.626.811	5.628.154	
31	II. UNPAID SUBSCRIBED CAPITAL	0403		-	-	
306	III. ISSUE PREMIUM	0404	37.2.	162.693	162.693	
32	IV. RESERVES	0405	37.3.	318.710	318.617	
330 i potražni saldo računa 331,332,333,334 ,335,336 i 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF THE OTHER COMPREHENSIVE RESULT	0406	37.4.	6.198.828	5.771.613	
330 i potražni saldo računa 331,332,333,334 ,335,336 i 337	VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF THE OTHER COMPREHENSIVE RESULT	0407	37.5.	31.053	25.346	
34	VII. RETAINED EARNINGS (0409+0410)	0408		6.926.606	5.932.247	-
340	1. Retained earnings from previous years	0409	37.6.	6.057.272	4.907.513	
341	2. Retained earnings from current year	0410	37.6.	869.334	1.024.734	
	VIII. NON-CONTROLLING INTEREST	0411	37.7.	94.616	94.616	
35	IX. LOSS (0413+0414)	0412		-	-	-
350	1. Losses from previous years	0413				
351	2. Losses from current year	0414				
	B. LONG TERM PROVISIONS AND LIABILITIES (0416+0420+0428)	0415		5.403.805	6.157.397	-
40	I. LONG TERM PROVISIONS (0417+0418+0419)	0416		795.899	856.788	-
404	1. Provisions for wages and other employee benefits	0417	38.	280.735	262.890	
400	2. Provisions for warranty period costs	0418	38.	497.490	579.499	
40, osim 400 i 404	3. Other long-term provisions	0419	38.	17.674	14.399	
41	II. LONG TERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		3.812.483	4.557.050	-
410	1. Liabilities that can be converted in capital	0421		-	-	
411 (deo) i 412 (deo)	2. Long-term loans and other long-term liabilities to parent company, subsidiaries and other related parties in the country	0422	39.1.	-	730.472	
411 (deo) i 412 (deo)	3. Long-term loans and other long-term liabilities to parent company, subsidiaries and other related parties abroad	0423		-	-	
414 i 416 (deo)	4. Long-term loans and liabilities for leasing - domestic	0424	39.2.	258.629	74.125	
415 i 416 (deo)	5. Long-term loans and liabilities for leasing - foreign	0425	39.3.	1.340	-	
413	6. Liabilities from issued securities	0426	39.4.	3.300.000	3.300.000	
419	7. Other long-term liabilities	0427	39.5.	252.514	452.453	
49 (deo), osim 498 i 495 (deo)	III. LONG-TERM DEFERRED COSTS	0428	40.	795.423	743.559	
498	V. DEFERRED TAX LIABILITIES	0429	47.	576.430	490.471	
495 (deo)	G. LONG-TERM DEFERRED INCOME AND DANATIONS RECEIVED	0430		-	-	-
	D. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		9.439.273	10.703.426	-
467	I. SHORT-TERM PROVISIONS	0432	41.	-	5.794	

Account group, account	DESCRIPTION	EDP	Note No.	Amount		
				Current year	Closing balance on 31.12.2020.	Opening balance on 01.01.2020.
1	2	3	4	5	6	7
42, osim 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		496.166	1.010.957	-
420 (deo) i 421 (deo)	1. Liabilities for loans to the parent company, subsidiaries and other related parties in the country	0434		-	-	
420 (deo) i 421 (deo)	2. Liabilities for loans to the parent company, subsidiaries and other related parties - abroad	0435		-	-	
422 (deo),424 (deo),425 (deo),i 429 (deo)	3. Liabilities for loans and borrowings from persons other than domestic banks	0436	42.1.	92.966	77.597	
422 (deo),424 (deo),425 (deo),i 429 (deo)	4. Liabilities for loans from domestic banks	0437	42.2.	388.709	782.626	
423,424 (deo),425 (deo) i 429 (deo)	5. Loans, borrowings and liabilities - foreign	0438	42.3.	14.491	150.734	
426	6. Liabilities for short-term securities	0439		-	-	
428	7. Liabilities for financial derivatives	0440		-	-	
430	III. RECEIVED ADVANCES, DEPOSED MONEY AND CAUTIONS	0441	43.	3.332.843	3.916.553	
43 osim 430	IV. OPERATING LIABILITIES (0443+0444+0445+0446+0447+0448)	0442		4.180.344	3.980.428	-
431 i 433	1. Suppliers - parent company, subsidiaries and other related parties - local	0443	44.	41.207	80.950	
432 i 434	2. Suppliers - parent company, subsidiaries and other related parties - foreign countries	0444		-	-	
435	3. Suppliers - local	0445	44.	2.264.541	2.458.210	
436	4. Suppliers - foreign countries	0446	44.	1.854.439	1.428.432	
439 (deo)	5. Liabilities for bill of exchange	0447		-	-	
439 (deo)	6. Other operating liabilities	0448	44.	20.157	12.836	
44, 45, 46, osim 467, 47 i 48	V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		1.004.261	1.284.949	-
44, 45 i 46 osim 467	1. Other short-term liabilities	0450	45.1.	772.132	841.429	
47, 48 osim 481	2. Liabilities for value added tax and other taxes, contributions and fees payable	0451	45.2.	172.958	260.677	
481	3. Liabilities for income tax	0452	45.3.	59.171	182.843	
427	VI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS FROM DISCONTINUED OPERATIONS	0453		-	-	
49 (deo) osim 498	VII. SHORT-TERM ACCRUED EXPENSES	0454	46.	425.659	504.745	
	D. LOSSES EXCEEDING CAPITAL (0415+0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455		-	-	-
	E. UKUPNA PASIVA (0401+0415+0429+0430+0431-0455)	0456		34.716.719	35.233.888	-
89	Ž. OFF-BALANCE SHEET LIABILITIES	0457	48.1.	12.551.029	15.596.959	-

Belgrade,

Date 13.05.2022.

Legal Representative

General Director



Executive Director for finance,
accounting and planning

CONSOLIDATED INCOME STATEMENT
from 01.01. until 31.12.2021.

RSD thousand

Account group, account	DESCRIPTION	EDP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING INCOME (1002+1005+1008+1009-1010+1011+1012)	1001		19.801.705	25.772.716
60	I. INCOME FROM SALE OF GOODS (1003+1004)	1002		75.014	59.750
600, 602 i 604	1. Income from sale of goods on the domestic market	1003	11.1.	30.812	41.320
601, 603 i 605	2. Income from sale of goods on the foreign market	1004	11.1.	44.202	18.430
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1006+1007)	1005		20.342.116	25.888.228
610, 612 i 614	1. Income from sale of products and services on the domestic market	1006	11.2.	9.759.515	14.957.670
611, 613 i 615	2. Income from sale of products and services on the foreign market	1007	11.2.	10.582.601	10.930.558
62	III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND GOODS	1008	11.3.	121.330	79.556
630	IV. INCREASE IN INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1009	11.4.	308.377	1.411.902
631	V. DECREASE IN INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1010	11.4.	1.331.768	1.913.595
64 i 65	VI. OTHER OPERATING INCOME	1011	11.5.	267.470	197.016
68, osim 683, 685 i 686	VII. INCOME FROM IMPAIRMENT OF ASSETS (EXCEPT FINANCIAL)	1012	11.6.	19.166	49.859
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		18.825.327	24.587.883
50	I. PURCHASE VALUE OF GOODS SOLD	1014	12.	69.766	65.008
51	II. MATERIAL COSTS AND FUEL AND ENERGY COSTS	1015	13.	2.692.899	3.674.464
52	III. EMPLOYEE EXPENSES AND BENEFITS(1017+1018+1019)	1016		5.440.727	6.167.041
520	1. Expenses of wages and fringe benefits (gross)	1017	14.	4.519.528	5.186.166
521	2. Taxes and contributions on wages and contributions on wages payable by employer	1018	14.	454.840	509.744
52 osim 520 i 521	3. Other personnel expenses and fringe benefits	1019	14.	466.359	471.131
540	IV. DEPRECIATION EXPENSES	1020	15.	429.545	486.802
58, osim 583, 585 i 586	V. EXPENSES FROM IMPAIRMENT OF ASSETS (EXCEPT FINANCIAL)	1021	16.	13.247	71.890
53	VI. PRODUCTION SERVICE COSTS	1022	17.	8.801.954	12.686.616
54, osim 540	VII. PROVISION EXPENSES	1023	18.	60.805	173.484
55	VIII. INTANGIBLE EXPENSES	1024	19.	1.316.384	1.262.578
	V. OPERATING GAINS (1001-1013) ≥ 0	1025		976.378	1.184.833
	G. OPERATING LOSSES (1013-1001) ≥ 0	1026		-	-
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027		937.080	707.719
660 i 661	I. FINANCIAL INCOMES FROM TRANSACTIONS WITH PARENT COMPANY, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	20.1.	4.652	4.821
662	II. INTEREST INCOME (THIRD PARTY)	1029	20.1.	175.048	100.756
663 i 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1030	20.1.	658.334	482.315
665 i 669	IV. OTHER FINANCIAL INCOME	1031	20.1.	99.046	119.827
	Đ. FINANCIAL EXPENCES (1033+1034+1035+1036)	1032		765.732	1.266.237
560 i 561	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH PARENT COMPANY, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	20.2.	21.703	72.127
562	II. INTEREST EXPENSES (THIRD PARTY)	1034	20.2.	184.536	151.644
563 i 564	III. NEGATIVE CURRENCY CLAUSE EFFECTS AND EXCHANGE RATE LOSSES	1035	20.2.	552.869	1.034.517
565 i 569	IV. OTHER FINANCIAL EXPENSES	1036	20.2.	6.624	7.949
	E. FINANCIAL GAINS (1027-1032) ≥ 0	1037		171.348	-
	Ž. FINANCIAL LOSSES (1032-1027) ≥ 0	1038		-	558.518
683, 685 i 686	Z. INCOME FROM VALUE ADJUSTMENT OF FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH INCOME STATEMENT	1039	21.1.	253.831	406.664
583, 585 i 586	I. EXPENSES FROM VALUE ADJUSTMENT OF FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH INCOME STATEMENT	1040	21.2.	366.200	253.187
67	J. OTHER INCOME	1041	22.1.	630.940	1.058.735
57	K. OTHER EXPENSES	1042	22.2.	360.787	442.746
	L. TOTAL INCOMES (1001+1027+1039+1041)	1043		21.623.556	27.945.834
	LJ. TOTAL EXPENES (1013+1032+1040+1042)	1044		20.318.046	26.550.053
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAX (1043-1044) ≥ 0	1045		1.305.510	1.395.781
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAX (1044-1043) ≥ 0	1046		-	-

RSD thousand

Account group, account	DESCRIPTION	EDP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
69-59	NJ. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICY AND ADJUSTMENTS OF ERRORS FROM PREVIOUS PERIODS	1047			
59-69	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICY AND ADJUSTMENTS OF ERRORS FROM PREVIOUS PERIODS	1048	23.	18.635	6.285
	P. PROFIT BEFORE TAX (1045-1046+1047-1048) ≥ 0	1049	24.	1.286.875	1.389.496
	R. LOSSES BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1051		350.801	331.420
722 dug. saldo	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1052		71.203	36.062
722 pot. saldo	III. DEFERRED TAX INCOME FOR THE PERIOD	1053			
723	T. EMPLOYER'S EARNING PAID OUT	1054			
	T. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		864.871	1.022.014
	U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
	I. NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1057		242.746	
	II. NET PROFIT ATTRIBUTABLE TO PARENT LEGAL ENTITY	1058		622.125	1.110.515
	III. NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1059			88.501
	IV. NET LOSS ATTRIBUTABLE TO PARENT LEGAL ENTITY	1060			
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061			
	2. Reduced (diluted) earnings per share	1062			

Belgrade,

Date 13.05.2022.

Legal Representative

General Director



Executive Director for finance,
accounting and planning

M2

CONSOLIDATED STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2021.

RSD thousand

Account group, account	DESCRIPTION	EDP	Amount	
			Current year	Previous year
1	2	3	4	5
	A. NET OPERATING RESULTS			
	I. NET PROFIT (AOP 1055)	2001	864.871	1.022.014
	II. NET LOSS (AOP 1056)	2002		
	B. OSTALI SVEOBUH VATNI DOBITAK ILI GUBITAK			
	a) Item that will not be reclassified subsequently to profit or loss			
330	1. Change of revaluation of intangibles, property, plant and equipment			
	a) increase in revaluation reserves	2003	23.740	97.170
	b) decrease in revaluation reserves	2004	487	17.947
331	2. Actuarial gains or losses from defined benefits plans			
	a) gains	2005		
	b) losses	2006		
333	3. Gains and losses from share of other comprehensive profits and losses of affiliates			
	a) gains	2007		
	b) losses	2008		
	b) Items that will not be reclassified subsequently to profit or loss			
332	1. Gains and losses from equity instrument investments			
	a) gains	2009		
	b) losses	2010		
334	2. Gains and losses from translation of financial statements for foreign operations			
	a) gains	2011	214.466	3.042
	b) losses	2012	5.284	215.602
335	3. Gains and losses from hedging of investments in foreign operations			
	a) gains	2013		
	b) losses	2014		
336	4. Gains and losses from cash flow hedging			
	a) gains	2015		
	b) losses	2016		
337	5. Gains and losses on securities measured at fair value through other comprehensive result			
	a) gains	2017		
	b) losses	2018	5.708	8.291
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019	226.727	
	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. DEFERRED TAX EXPENSE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021	3.347	
	IV. DEFERRED TAX INCOME ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		
	V. NNET OTHER COMPREHENSIVE PROFIT (2019- 2020-2021+2022) ≥ 0	2023	223.380	
	VI. NET OTHER COMPREHENSIVE LOSS (2020- 2019+2021-2022) ≥ 0	2024		141.628
	V. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD			
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2023-2024) ≥ 0	2025	1.088.251	880.386
	II. TOTAL COMPREHENSIVE NET LOSS (2002- 2001+2024-2023) ≥ 0	2026		
	G. TOTAL COMPREHENSIVE NET PROFIT OR LOSS (2028+2029) = AOP 2025 ≥ 0 ili AOP 2026 > 0	2027	1.088.251	880.386
	1. Attributable to parent legal entity	2028	838.395	880.386
	2. Attributable to non-controlling interests	2029	249.856	

Belgrade,
Date 13.05.2022.

Legal Representative

General Director

Executive Director for finance, accounting
and planning

M2

CONSOLIDATED CASH FLOW STATEMENT
from 01.01. until 31.12.2021.

RSD thousand

Description	EDP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 4)	3001	21.983.901	28.286.739
1. Sales and advance prepayments received in country	3002	9.462.543	15.654.129
2. Sales and prepayments received abroad	3003	11.646.271	11.835.223
3. Interests from operating activities	3004	49.646	17.418
4. Other inflow from operating operations	3005	825.441	779.969
II. Cash outflow from operating activities (1 to 8)	3006	21.578.931	26.737.894
1. Payments to suppliers and advance prepayments in country	3007	7.021.260	11.787.324
2. Payments to suppliers and advance prepayments abroad	3008	7.110.139	7.656.136
3. Employee expenses and benefits	3009	5.621.101	5.931.562
4. Interests paid in country	3010	197.920	125.602
5. Interests paid abroad	3011	31.095	47.327
6. Income tax	3012	436.510	164.579
7. Other payments to tax authorities	3013	996.286	1.008.804
8. Other outflows from operating activities	3014	164.620	16.560
III. Net cash inflow from operating activities (I-II)	3015	404.970	1.548.845
IV. Net cash outflow from operating activities (II-I)	3016	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3017	684.771	1.510.373
1. Sale of shares and stocks	3018	-	-
2. Sale of intangible investments, property, plant, equipment and biological assets	3019	112.619	49.801
3. Other financial investments	3020	544.620	1.401.268
4. Interest received from investment activities	3021	27.343	50.683
5. Dividends received	3022	189	8.621
II. Cash outflow from investing activities (1 to 3)	3023	724.035	1.612.886
1. Purchase of shares and stocks	3024	1.814	77.899
2. Purchase of intangible investments, property, plant, equipment and biological assets	3025	310.873	93.207
3. Other financial investments	3026	411.348	1.441.780
III. Net cash inflow from investing activities (I-II)	3027	-	-
IV. Net cash outflow from investing activities (II-I)	3028	39.264	102.513
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 7)	3029	476	5.022.932
1. Equity increase	3030	-	-
2. Long-term loans in country	3031	-	58.790
3. Long-term loans abroad	3032	-	-
4. Short-term loans in country	3033	-	1.664.049
5. Short-term loans abroad	3034	208	-
6. Other long-term liabilities	3035	-	3.300.093
7. Other short-term liabilities	3036	268	-
II. Cash outflow from financing activities (1 to 8)	3037	1.123.962	5.781.929
1. Repurchase of own shares and stocks	3038	-	-
2. Long-term loans in country	3039	754.663	470.352
3. Long-term loans abroad	3040	-	-
4. Short-term loans in country	3041	307.800	5.224.722
5. Short-term loans abroad	3042	4	-
6. Other liabilities	3043	11.305	10.074
7. Financial leasing	3044	38.388	76.497
8. Dividends paid	3045	11.802	284
III. Net cash inflow from financing activities (I-II)	3046	-	-
D. Net cash outflow from financing activities (II-I)	3047	1.123.486	758.997
G. TOTAL CASH INFLOW (3001+3017+3029)	3048	22.669.148	34.820.044
D. TOTAL CASH OUTFLOW (3006+3023+3037)	3049	23.426.928	34.132.709
B. NET CASH INFLOW (3048-3049) ≥ 0	3050	-	687.335
E. NET CASH OUTFLOW (3049-3048) ≥ 0	3051	757.780	-
Ž. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3052	2.911.977	2.454.112
Z. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3053	61.567	27.580
I. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3054	15.724	257.050
J. CASH BALANCE AT END OF REPORTING PERIOD (3050-3051+3052+3053-3054)	3055	2.200.040	2.911.977

Belgrade,

Date 13.05.2022.

Legal Representative

General Director

Executive Director for finance,
accounting and planning

42

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
from 01.01. until 31.12.2021.

RSD thousand

Position	Description	EDP	Share capital (group 30 except 306 and 309)	EDP	Other share capital (account 309)	EDP	Unpaid subscribed capital (group 31)	EDP	Issue premium and Reserves (account 306 and group 32)	EDP	Revaluation reserves and unrealized gains and loss (group 33)	EDP	Retained earnings (group 34)	EDP	GLoss (group 35)	EDP	Non-controlling interest	EDP	Total (correspond to the position AOP 0401) (column 2+3+4+5+6+7-8+9) ≥ 0	EDP	Loss exceeding the amount of capital (correspond to the position AOP 0455) (column 2+3+4+5+6+7-8+9) < 0
1.	Balance as at 01.01.2020.	4001	5.574.959	4010	80.373	4019		4028	616.295	4037	6.222.063	4046	7.050.068	4055		4064	94.701	4073	19.638.459	4082	0
2.	Effects of retroactive correction of material errors and changes in accounting policies	4002		4011		4020		4029		4038		4047	(1.791.012)	4056		4065		4074		4083	
3.	Adjusted opening balance as at 01.01.2020. (no.1+2)	4003	5.574.959	4012	80.373	4021	0	4030	616.295	4039	6.222.063	4048	5.259.056	4057	0	4066	94.701	4075	17.847.447	4084	0
4.	Net changes in 2020	4004		4013	(27.178)	4022		4031	(134.985)	4040	(475.796)	4049	673.191	4058		4067	(85)	4076		4085	
5.	Balance as at 31.12.2020. (no. 3+4)	4005	5.574.959	4014	53.195	4023	0	4032	481.310	4041	5.746.267	4050	5.932.247	4059	0	4068	94.616	4077	17.882.594	4086	0
6.	Effects of retroactive correction of material errors and changes in accounting policies	4006		4015		4024		4033		4042		4051		4060		4069		4078		4087	
7.	Adjusted opening balance as at 01.01.2020 (no. 5+6)	4007	5.574.959	4016	53.195	4025	0	4034	481.310	4043	5.746.267	4052	5.932.247	4061	0	4070	94.616	4079	17.882.594	4088	0
8.	Net changes in 2021	4008		4017	(1.343)	4026		4035	93	4044	421.508	4053	994.359	4062		4071		4080		4089	
9.	Balance as at 31.12.2021. (no. 7+8)	4009	5.574.959	4018	51.852	4027	0	4036	481.403	4045	6.167.775	4054	6.926.606	4063	0	4072	94.616	4081	19.297.211	4090	0

Belgrade,

Date 13.05.2022.

Legal Representative

General Director

Executive Director for finance,
accounting and planning

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT HOLDING PLC.
FOR 2021**

Belgrade, May 2022

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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:

- 10 subsidiary companies in the country, 9 of which are direct subsidiaries (7 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 108) 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	54	5
Construction and fitting	6	54	10
Holding	1		
Other	2		2
Total	13	108	17

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

In 2021, 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 1,274 (compared to 1,476 in 2020), 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 2021 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Holding Plc.** (which contain corrections compared to the consolidated financial statements of Energoprojekt Holding Plc. that were approved by the Supervisory Board of the Company on 27 April 2022 on the 32. session of the Supervisory Board of the Company and submitted to the Business Registers Agency for public announcement on 28 April 2022) approved by the Supervisory

Board of the Company, on 17 May 2022 in the 33. 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 2020. The statements were audited by independent external auditor, which have been reclassified in accordance with the Rules on the Contents and Form of the Financial Statements' Forms and the Content and Form of the Statistical Report Forms for Companies, Cooperatives and Entrepreneurs ("Official Gazette of the Republic of Serbia", No. 89/2020) and the Regulation on the Chart of Accounts and the Content of the Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs ("Official Gazette of the Republic of Serbia", No. 89/2020).

According to the above regulations, the information in column 7 of the Balance Sheet should be stated in the event of retrospective application of a changed or new accounting policy or retrospective recalculation of items in the financial statements, or when items in the financial statements are reclassified. IAS 1 defines that the statements are presented at the beginning date of the previous period in the case of reclassifications that have a material effect on the information in the statement of financial position at the beginning of the previous period.

Paragraphs KK35 and KK38 of the Conceptual Framework for Financial Reporting stipulate that the costs of reporting of financial information should be justified by the benefits of reporting that information and that the benefits of reporting individual information justify the costs required to provide and use that information. In accordance with that, the data in column 7 referring to the situation as at 1 January 2020 are not shown in the Balance Sheet as at 31 December 2021.

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 2021 are prepared in accordance with the going concern.

IMPACT OF COVID-19

As there is still the global pandemic caused by the Covid-19 virus, the management is not able to assess the overall effects and impacts on the future business of the Energoprojekt system. The Covid-19 pandemic had a visible impact on the business of the Energoprojekt system in the part that relates to the deadlines for the execution of works in which companies from the Energoprojekt system are engaged (primarily due to illness) and difficulties in contracting of new jobs. The management is taking all measures to ensure the conditions for a smooth business continuation of the Energoprojekt system so that the going concern principle is not called into question.

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.	Energoplast Ltd. (Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	45.11

Joint ventures

Building Construction and Fitting

11.	Enjub Ltd.	50.00
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By the decision of the Business Registers Agency of the Republic of Serbia BD 54170/2021 from 28/06/2021, the status change of the merger of the company Energoprojekt Energodata Plc. as transferring company (hereinafter: transferring company) to the company Energoprojekt Holding Plc. as the acquiring company (hereinafter: acquiring company) has been registered.

By the decision of the Business Registers Agency of the Republic of Serbia BD 54177/2021 from 28/06/2021, the transferring company Energoprojekt Energodata Plc. has ceased to exist due to the merger, and all the assets of the transferring company are transferred to the acquiring company as the result of the merger, referring to, without exception or limitation, all debts, obligations and other responsibilities of the transferring company to any third party, including the corresponding fiscal obligations of the transferring company owed to any creditor with public authority, and collaterals issued by the Transferor Company.

The day from which the business activities of the transferring company cease is 28/06/2021 as the day of registration of the status change of the merger with the acquiring company, i.e., the day of the deletion from the Business Registers Agency.

By the decision of the Business Registers Agency of the Republic of Serbia BDSL 6489/2021 from 15/07/2021, Energoprojekt Promet Ltd. was deleted from the Register of Economic Entities, since the corresponding company has not submitted the annual financial statements for 2017 and 2018 to the competent register by the end of 2019, all in accordance with Art. 547 (2) of the Law on Business Organizations and Art. 546 (1) Pt. 10) and 547b of the same law.

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.	Energo (Private) Limited, Zimbabwe	100.00
4.	Energo 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

Based on the decision of the Executive Board of Energoprojekt Holding, the company Energoprojekt Energodata Montenegro Ltd., Montenegro (100%) is excluded from the consolidation pursuant to the provisions of Art. 32 of the Law on Accounting.

The abroad subsidiary Energo Kaz Ltd., Kazakhstan was registered in the ownership of Energoprojekt Holding, but it is controlled and managed by the subsidiary Energoprojekt Visokogradnja Plc.

Among the above listed local and foreign subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Entel, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Zambia Engineering and Contracting Company Limited, Zambia are themselves companies that prepare consolidated financial statements, on the basis of the organizational scheme that was adopted by the Board of Directors or the management of the above mentioned companies, so that their subsidiaries 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.
<i>Domestic</i>		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
12.	Energopet Ltd. (33.33 %)	EP Industrija Plc.

On the basis of the decision of the board of directors of Energoprojekt Oprema, Energoprojekt Oprema is exempted from the responsibility of preparing, submitting and publishing Consolidated Financial Statements from 31.12.2020, because pursuant to the provisions of Art. 32 (6) and (7) of the Law on Accounting, the following companies are exempted from the consolidation:

- Energo Nigeria Ltd., Lagos, Nigeria (24.92%) and
- Energoprojekt Oprema Montenegro Ltd., Podgorica, Montenegro (100%).

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 retated from the item of relations with associates to external balance sheet and income statement items, starting from the Financial Reports for 2020.

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 2021 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 and 44/2021 - other law – 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 the Financial Statements' Forms and the Content and the Form of the Statistical Report Forms for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 89/2020). 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. 89/2020).

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, 153/2020 and 118/2021);

- 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, 159/2020 and 97/2021);
- 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, 159/2020 and 97/2021);
- 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, 94/2019 and 95/2021) 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, the Rulebook on the Changes and Amendments of the Rules on Accounting in the Company adopted on 29 November 2021 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 and 44/2021- other law) , 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 and the Form of the Statistical Report Forms for Companies, Cooperatives and Entrepreneurs, which deviates from the presentation and names of certain general purpose financial statements, as well as from the presentation of certain balance positions stipulated by 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.

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:

- IFRS 17 “Insurance Contracts” - effective from 1 January 2023;
- Changes and Amendments to IAS 1 “Presentation of Financial Reports” – “Classification of Liabilities as Long-Term and Short-Term” – effective from 1 January 2023;
- Changes and Amendments to IAS 1 “Presentation of Financial Statements” – “Disclosure of Accounting Policies” – effective from 1 January 2023;
- Changes and Amendments to IAS 8 “Accounting Policies, Changes in the Accounting Estimates and Errors” – Definition of Accounting Estimates – effective from 1 January 2023;
- Changes and Amendments to IAS 12 “Income Taxes” – Deferred Tax on Assets and Liabilities Arising from one Transaction – effective from 1 January 2023,
- Changes and Amendments to IAS 16 “Properties, Plants and Equipment” – “Procedures before Intended Use” - effective from 1 January 2022;
- Amendment to IFRS 3 “Conceptual Framework Reference” – effective from 1 January 2022;
- Changes and Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” – “Contract Performance Cost” - effective from 1 January 2022;
- Annual improvements of standards from 2018 to 2020 – effective from 1 January 2022.

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. Specifically, 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 in 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>31.12.2021</i>	<i>31.12.2020</i>
	<i>Amount in RSD</i>	
1 EUR	117.5821	117.5802
1 USD	103.9262	95.6637
1 GBP	140.2626	130.3984

Middle applied exchange rates applied for the income statement items in 2021 and 2020 were as follows:

<i>Currency</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Amount in RSD</i>	
1 EUR	117.5733	117.5777
1 USD	99.4925	103.0095
1 GBP	136.8155	132.1157

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.

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 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 used 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 in 2020 were recognized in connection with the initial application of IFRS 15 on 1 January 2020.

At the balance sheet date, the Company has no material effects arising from the requirements of IFRS 15.

● **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.

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, the Company applies IFRS 16 - Leases - 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 it is 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 held 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 property, plant and equipment (or disposal group), classified as property, plant and equipment 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 property, plant and equipment as long as it is classified as held for sale (or as part of an 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-to-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 Financial Management Company 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 profit or loss 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 was performed on the basis of data on historical collection.

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.

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.

When IFRS 9 was applied for the first time, the Energoprojekt system applied the cumulated modified (retrospective) approach, whereby IFRS 9 is applied retrospectively with a cumulative effect that is recognized as a correction as at 01.01.2020, with a correction of data as at 31.12.2019.

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.

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 31.12.2021, 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 31.12.2021, 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 these consolidated financial statements in the following financial assets, presented by companies from the Energoprojekt system:

- Energoprojekt Holding: receivables from sales, receivables from specific transactions, other receivables, cash equivalents and cash (short-term financial placements granted to Enjub Ltd. are covered by a pledge over the real estate of the company in question - Note 48.2);
- Energoprojekt Visokogradnja: cash and cash equivalents;
- Energoprojekt Niskogradnja: cash and cash equivalents, other long-term financial placements, other long-term receivables (collateral), receivables from related parties and receivables from specific transactions;
- Energoprojekt Oprema: cash and cash equivalents, short-term financial investments and other long-term financial investments;
- Energoprojekt Hidroinženjering: cash and cash equivalents and receivables from sales from domestic buyers;
- 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.

The Energoprojekt system has determined the existence of objective evidence of impairment in accordance with the adopted Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9 and applied an individual approach in the following companies in the Energoprojekt system, as specified below:

- Energoprojekt Holding for receivables for non-invoiced income from the Republic of Serbia for the construction of the Embassy of RS in Abuja, Nigeria, whereby it was assumed that the receivables in question will be fully collected within 3 (three) years;
- Energoprojekt Visokogradnja for the following financial instruments older than 3 years with uncertain collection, which were impaired 100% as at 01.01.2020: receivables for non-invoiced income for works on the project Prokop, long-term investments for works Crni Vrh from the company O zone, long-term investments for long-term guarantee deposit on the project Law House in the company Energoprojekt Ghana, part of the housing loans that are not repaid, receivables from the company Energo PVT Zimbabwe, receivables from the company Enjub Ltd., receivables from the country for the disability reimbursement, receivables from the company Eurologistik, receivables for non-invoiced income for the project Law house in the company Energoprojekt Ghana, receivables from buyers and receivables for non-invoiced income from the investor on the project Wonda World in the company Energoprojekt Ghana and other receivables from investors in Ghana, for which the maturity is longer than 360 days;
- Energoprojekt Niskogradnja for the total receivables from sales in the abroad point in Uganda as at 31.12.2021, which impairment of 55% according to the decision of the Management of Energoprojekt Niskogradnja. Receivables on non-invoiced income in Serbia and Uganda were impaired based on the impairment rate for basic receivables, whereas the impairment for Uganda was done based on an individual approach (group approach was used for receivables from sales from domestic buyers and foreign buyers for the abroad point Peru);
- Energoprojekt Oprema for the following financial instruments: receivables from sales from foreign buyers (Energo Nigeriji) with maturity over 360 days and receivables from specific transactions (od Energo Nigerije) with maturity over 360 days. When the net cash flows were projected, it was assumed that the above receivables would be fully collected, in particular as at 01.01.2021 within 3 (three) years,

and as at 31.12.2021 within 2 (two) years.

- Energoprojekt Hidroinženjering for the following financial instruments: receivables from sales from foreign buyers and receivables from specific transactions for the foreign entity in Peru. When the net cash flows were projected, it was assumed that the above receivables from specific transactions would be fully collected, specifically as at 01.01.2021 within 24 months and as at 31.12.2021 within 24 meseca, and 36 months for the project Alto Piura;

-Energoprojekt Industrija from receivables from buyers in Ghana (Ernest Chemist Limited). When the net cash flows were projected, it was assumed that the receivables in questions would be fully collected, specifically as at 31.12.2021 within 12 months, and

- Energo (Private) Limited, Zimbabwe for receivables from foreign buyers, which have been impaired 100% in the previous period.

When the value of net cash flow was discounted, the interest rate published on the website of the National Bank of Serbia NBS for loans granted to the non-financial sector was used in accordance with the adopted Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9 (in the amount of RSD 2.06% for receivables in EUR and USD and in the amount of RSD 2.35% for receivables in RSD) as well as the interest rate published by "Damodaran" in the overview "Cost of capital by Industry sector for Emerging markets" (in the amount of RSD 4.39%).

In accordance with the adopted Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9, for other financial assets for which no objective evidence of impairment was identified, for receivables where the other contracting party is a legal entity, as a probability of non-fulfillment of obligations (PD) the interest rate of 0.68% was used, which was determined as an average (for the observation period of 1981-2020) for the credit rating BB, that was published by the renowned agency Standard&Poors, whereas the second parameter used in the calculation of LGD (loss given default), which implies the amount of loss in case of non-fulfillment of obligation was the Basel LGD in the amount of RSD 45%.

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**.

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 BY BUSINESS SEGMENTS

System Energoprojekt, locally as well as abroad, was on 31 December 2021, 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Income from sales	5.138.885	5.683.038	15.626.511	21.731.405	646.366	617.198	21.411.762	28.031.641	(994.632)	(2.083.663)	20.417.130	25.947.978
SEGMENT RESULT												
Operating profit/loss	195.375	388.205	585.522	860.585	91.707	(46.185)	872.604	1.202.605	103.774	4.259	976.378	1.206.864
Interest income (third party)	14.115	45.683	159.739	54.408	1.194	665	175.048	100.756			175.048	100.756
Interest expenses (third party)	1.159	3.374	57.426	129.843	125.951	18.427	184.536	151.644			184.536	151.644
Profit/loss from regular operations before tax	502.095	532.747	606.043	962.432	1.022.894	247.192	2.131.032	1.742.371	(825.522)	(346.590)	1.305.510	1.395.781
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	(1.332)	587	(15.290)	(2.914)	(2.161)	(4.065)	(18.783)	(6.392)	148	107	(18.635)	(6.285)
Income tax	45.216	34.223	358.603	319.801	18.185	13.458	422.004	367.482			422.004	367.482
Net profit/loss	455.547	499.111	232.150	639.717	1.002.548	229.669	1.690.245	1.368.497	(825.374)	(346.483)	864.871	1.022.014
Total assets	9.156.834	8.467.611	22.296.105	23.559.886	16.043.808	15.686.498	47.496.747	47.713.995	(12.780.028)	(12.529.934)	34.716.719	35.184.061
Total liabilities	9.156.834	8.467.611	22.296.105	23.559.886	16.043.808	15.686.498	47.496.747	47.713.995	(12.780.028)	(12.529.934)	34.716.719	35.184.061
Depreciation	82.265	85.032	305.473	357.306	44.112	48.733	431.850	491.071	(2.305)	(4.269)	429.545	486.802

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Income from sales	9.790.327	15.016.802	4.166.760	4.838.180	1.020.192	172.863	1.896.199	1.817.511	3.359.489	3.666.683	184.163	435.939	20.417.130	25.947.978
Income from sale of goods parent company, subsidiaries and other related parties on the domestic market	11	1.714											11	1.714
Income from sale of goods on the domestic market	30.801	39.606											30.801	39.606
Income from sale of goods parent company, subsidiaries and other related parties on the foreign market														
Income from sale of goods on the foreign market			24		1.375		38.257	16.485			4.546	1.945	44.202	18.430
Income from the sales of goods	30.812	41.320	24		1.375		38.257	16.485			4.546	1.945	75.014	59.750
Income from sale of products and services parent company, subsidiaries and other related parties on the domestic market	21.823	36.931											21.823	36.931
Income from sale of products and services on the domestic market	9.737.692	14.920.739											9.737.692	14.920.739
Income from sale of products and services parent company, subsidiaries and other related parties on the foreign market														
Income from sale of products and services on the foreign market		17.812	4.166.736	4.838.180	1.018.817	172.863	1.857.942	1.801.026	3.359.489	3.666.683	179.617	433.994	10.582.601	10.930.558
Income from the sales of products and services	9.759.515	14.975.482	4.166.736	4.838.180	1.018.817	172.863	1.857.942	1.801.026	3.359.489	3.666.683	179.617	433.994	20.342.116	25.888.228

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>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Income from the sales of goods on the domestic market		
a) Income from sale of goods to other related parties on the domestic market	11	1.714
b) Income from sale of goods on the domestic market	30.801	39.606
Total - Income from the sales of goods on the domestic market	30.812	41.320
Income from sale of goods on the foreign market	44.202	18.430
TOTAL	75.014	59.750

- **Income from sale of goods to other related parties on the domestic market** in the amount of RSD 11 thousand relate entirely to Energoprojekt Industrija, for the sale of materials to the company Napred Plc.
- **Income from sale of goods on the domestic market** in the amount of RSD 30,801 thousand primarily relates to the following companies of the system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 12,014 thousand, primarily, on the project Modernization of TPS Zemun. 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; and
 - Energoplast in the amount of RSD 18,329 thousand from sale of purchased ready-made closures intended for further sale.
- **Income from sale of goods on the foreign market** in the amount of RSD 44.202 thousand predominantly relates to Energoprojekt Niskogradnja in the amount of RSD 42,803 thousand for stock sales, under contract with subcontractors (predominantly in Uganda: RSD 42,226 thousand, primarily on the project Z-045 Mityana Mubende, Uganda: RSD 33,928 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	
	01.01-31.12.2021	01.01-31.12.2020
Income from sale of products and services on the domestic market:		
a) Income from sale of products and services to other related parties on the domestic market	21.823	36.931
b) Income from sale of products and services on the domestic market	9.737.692	14.920.739
Total - Income from sale of products and services on the domestic market	9.759.515	14.957.670
Income from sale of products and services on the foreign market	10.582.601	10.930.558
TOTAL	20.342.116	25.888.228

- **Income from sale of products and services to other related parties on local market** in the amount of RSD 21,823 thousand dominantly pertain services provided to CC Napred Plc. in the amount of RSD 19,923 thousand (predominantly by Energoprojekt Visokogradnja: RSD 19,826 thousand) and the company Energopet Ltd. in the amount of RSD 1,900 thousand (by Energoprojekt Industrija).
- **Income from sale of products and services on local market** in the amount of RSD 9,737,692 thousand, are related, mostly, to the following companies within the Energoprojekt system:
 - Energoprojekt Visokogradnja in the amount of RSD 3,419,754 thousand, primarily on the projects Delta House: RSD 1,646,204 thousand, Smatsa Flight Control: RSD 1,362,268 thousand, Warehouse Energopet Krnješevci: RSD 199,739 thousand and Chinese Cultural Center: RSD 140,642 thousand.
 - Energoprojekt Niskogradnja in the amount of RSD 2,700,724 thousand, primarily on the projects Modernization of TPS Zemun: RSD 1,074,090 thousand, Reconstruction of Vinča Landfill: RSD 800,072 thousand, Railroad Jajinci - Mala Krsna: RSD 372,770 thousand and Patrijarha Pavla: RSD 304,139 thousand,
 - Energoprojekt Park 11 in the amount of RSD 1,776,826 thousand - sold property, apartments and garages in the residential - business complex "Park 11" in Block 11a in New Belgrade and
 - Energoprojekt Entel in the amount of RSD 818,818 thousand, primarily from providing services to investors PE Elektroprivreda Srbije (on several projects): RSD 497,344 thousand, Shanghai Electric Group Europa Ltd. Belgrade: RSD 30,539 thousand, and Construction Industrielles de la mediterrabee - CNIM S.A. - SRB Belgrade branch (on Vinča Incinerator project - preparation of project documentation and obtaining conditions, permits and approvals): RSD 119,677 thousand;
- **Income from sale of products and services on foreign market** in the amount of RSD 10,582,601 thousand, related, mostly, to the following companies of the Energoprojekt system:
 - Energoprojekt Visokogradnja in the amount of RSD 4,413,315 thousand dinars – works performed for investors, primarily on projects Z-112 Hotel Hyatt Rostov 2, Russia: RSD 3,412,281 thousand, Z-114 Syktyvkar Stadium, Russia: RSD 687,652 thousand, and Z-109 Project Design Rostov, Russia: RSD 43,550 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 246,759 thousand (primarily,

on the projects Law House: RSD 75,540 thousand, Ernest Chemist Limited 54,703 thousand, Residence DR Kwame: RSD 48,865 thousand and Cantonments A: RSD 36,853 thousand);

- Energoprojekt Entel in the amount of RSD 3,346,261 thousand, predominantly realized in the companies abroad: Energoprojekt Entel LTD., Doha, Qatar: RSD 1,656,120 thousand (primarily, on the projects that are done for Qatar General Electricity & Water Corporation "Kahramaa": RSD 943,283 thousand), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 1,196,032 thousand (primarily, on the projects that are done for MERRAS: RSD 197,193 thousand, Abu Dhabi Transmission and Despatch Company (TRANSCO): RSD 177,773 thousand, Dubai Electricity and Water Authority (DEWA): RSD 162,628 thousand and Federal Electricity and Water Authority (FEWA): RSD 125,268 thousand) and Energoprojekt Entel L.L.C Muskat, Sultanate of Oman: RSD 494,109 thousand (primarily, on the projects that are done for Oman Electricity Transmission Company (OETC): RSD 268,896 thousand and Public Authority for Electricity and Water (PEWA): RSD 213,709 thousand),

- Energoprojekt Niskogradnja in the amount of RSD 1,691,312 thousand, realized on the projects in Uganda: RSD 1,491,925 thousand (primarily, on the projects Z-045 Mityana Mubende, Uganda: RSD 608,015 thousand and Z-047 KCCA Bulabira, Uganda: RSD 324,341 thousand, Z-046 KCCA Kasubi, Uganda: RSD 242,383 thousand and Z-048 Unra Jinja, Uganda: RSD 236,514 thousand) and Peru: RSD 199,387 thousand (predominantly, on the project Z-040 Irrigation System San Antonio, Peru: RSD 179,206 thousand), and

- Energoprojekt Oprema in the amount of RSD 786,420 thousand, based on the Arbitration verdict from 24.04.2019, by order of the Ministry of Finance, Minsk Republic of Belarus and the Resolution of the Court in Minsk, Republic of Belarus, where the stated income represents the difference between the non-invoiced income booked before the verdict and the income recognized in the verdict (Note 32).

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 2021, amount to RSD 7,711,208 thousand.

As at 31 December 2021, the total transaction price of unfulfilled (or partially unfulfilled) performance obligations for construction of residential and non-residential buildings is RSD 1,641,086 thousand (translated at the exchange rate on the balance sheet date) and will be realized during the remaining period of concluded contracts. The transaction price of the non-fulfilled performance and the time of recognition of income are not disclosed for the liabilities of performance, which are recognized in the amount in which the company is entitled to issue an invoice.

The total revenues incurred 5 four largest customers who individually participate with more than 10% of the incomes of Energoprojekt Visokogradnja and for 2021 amount to RSD 7,308,144 thousand (2020: 5 customers with revenues of RSD 8,618,190 thousand).

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

Revenues from design, consulting and engineering services recognized during the period ending 31 December 2021 amount to RSD 4,165,079 thousand.

As at 31 December 2021, the total transaction price of unfulfilled (or partially unfulfilled) obligations in the performance of design, consulting and engineering services amounts to RSD 7,099,262 thousand and will be realized during the remaining period of concluded service contracts.

Management expects that 42% of transaction price allocated to unfulfilled (or partially unfulfilled) performance obligations at the end of 2021 or RSD 2,959,659 thousand will be recognized as revenue during the next reporting period. The remaining 58% or RSD 4,139,603 thousand will be recognized in the financial year 2022.

The total revenues of the 10 largest customers who individually participate with more than 10% of Energoprojekt Entel's revenues for 2021 amount to RSD 2,907,750 thousand (2020: 12 customers with revenues of RSD 2,969,818 thousand).

11.3. Income from the Activation of Effects and Goods

Structure of income from the activation of effects and goods	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Income from the activation or consumption of products and services for the own needs	121.330	79.556
TOTAL	121.330	79.556

• **Income from the activation or consumption of products and services for the own needs** in the amount of RSD 121,330 thousand entirely relates to Energoprojekt Niskogradnja, for overhaul of equipment (machine) at the own initiative (in Uganda: RSD 119,838 thousand and in the country: RSD 1,492 thousand).

11.4. Increase and Decrease in Value of Work in Progress and Finished Products

Increase and decrease in value of work in progress and finished products	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Increase and decrease in value of work in progress and finished products	308.377	1.411.902
Decrease and decrease in value of work in progress and finished products	1.331.768	1.913.595

In the reporting period, **Increase in value of work in progress and finished products and unfinished services** in the amount of RSD 308,377 thousand predominantly relates to an increase in value of unfinished products in Energoprojekt Visokogradnja in the amount of RSD 179,978 thousand (for unfinished production of residential building in Bežanijska Kosa, Block 24) and Energoprojekt Niskogradnja in the amount of RSD 124,008 thousand (Uganda: RSD 123,318 thousand and Peru: RSD 690 thousand).

• **Decrease in value of work in progress and finished products and unfinished services** in the amount of RSD 1,331,768 thousand relates to the following companies in the Energoprojekt system:

- Energoprojekt Park 11 in the amount of RSD 1,145,076 thousand (from sales of finished products (properties) within the residential and business building Park 11 in Blocku 11a in New Belgrade),
- Energoprojekt Sunnyville in the amount of RSD 105,975 thousand (from sales of finished products (properties) within the residential and business building Sunnyville in Belgrade), and
- Energoprojekt Niskogradnja in the amount of RSD 80,717 thousand.

11.5. Other Operating Income

Structure of other operating income	In RSD thousand	
	01.01.- 31.12.2021	01.01.- 31.12.2020
Income from premiums, subsidies, grants, donations and the like		
Income from conditional donations	48.796	58.067
Total - Income from premiums, subsidies, grants, donations and the like	48.796	58.067
Other operating income:		
Income from rent:		
a) Income from rent collected from parent, subsidiary and other related parties	962	142
b) Income from rent in the country	32.351	22.439
c) Income from rent abroad	73.795	56.267
Total - Income from rent	107.108	78.848
Income from membership fees	30	
Other operating income from parent, subsidiary and other related parties		85
Other operating income	111.536	60.016
Other - Other operating income	218.674	138.949
TOTAL	267.470	197.016

- **Income from premiums, subsidies, grants, donations and the like** in the amount of RSD 48,796 thousand relate to:
 - direct grants of the Government of the Republic of Serbia to legal entities, in accordance with Decree on Determining the Program of Direct Grants from the Budget of the Republic of Serbia to Economic Entities in the Private Sector in order to mitigate the economic consequences caused by the epidemic of COVID-19 disease caused by the SARS-Cov-2 virus ("Official Gazette of RS", 11/2021 from 12.02.2021) in the form of payment of non-refundable funds for salaries and wages to employees.
- **Income from the rents collected from parent, subsidiaries and other related parties** in the amount of RSD 962 thousand relate to the realized income from rents from the company Napred Plc. in Energoprojekt Visokogradnja: RSD 834 thousand and Energoprojekt Niskogradnja: RSD 128 thousand.
- **Income from the rent on local market** in the amount of RSD 32,351 thousand was primarily generated in the following companies of the system Energoprojekt:
 - Energoprojekt Holding in the amount of RSD 20,037 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, and the rent of a part of the Energoprojekt business building which is rented to the company 5. Univerzitetske igre Beograd 2020 Ltd. Belgrade, in the amount of RSD 7,465 thousand,
 - Energoprojekt Visokogradnja in the amount of RSD 7,065 thousand, primarily based on the rental of facility in Ub in RSD 4,325 thousand and facility in Preradoviceva Street in Belgrade in RSD 2,379 thousand; and
 - Energoprojekt Sunnyville in the amount of RSD 3,188 thousand from leasing garages and shops in the residential - business complex Sunnyville in Belgrade.

- **Income from the rent on foreign market** in the amount of RSD 73,795 thousand was predominantly generated by the following companies of the system Energoprojekt:
 - Dom 12 S.A.L., Lebanon in the amount of RSD 21,533 thousand, based based on the rental of office building in Moscow;
 - Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 31,570 thousand, based on the rents of several properties in Lusaka, Zambia;
 - Energoprojekt Niskogradnja in the amount of RSD 6,670 thousand, predominantly for the rental of a part of the office building Cruz del Sur in Lima, Peru: RSD 6,587 thousand; and
 - Energo (Private) Limited, Zimbabwe in the amount of RSD 6,447 thousand, based on the rents of several properties in Harare, Zimbabwe.
- **Other operating income** in the amount of RSD 111,536 thousand was mostly generated in the following companies of the system Energoprojekt:
 - Energoprojekt Holding in the amount of RSD 91,786 thousand was predominantly generated based on pre-invoiced costs of property tax, fees for usage of construction land, preparation of a part of the urbanistic project for the construction of residential and commercial buildings in Block 26 and other several payments in the previous years to the company Trinity Capital Ltd.: RSD 91,703 thousand based on Annex II of the Contract on joint construction of building in Block 26, New Belgrade.
 - Energoprojekt Niskogradnja in the amount of RSD 11,461 thousand, primarily on the basis of pre-invoiced costs to the subcontractor Bauwesen Ltd. on the project Patrijarha Pavla (for the purchased gravel and curbs in order to ensure that the dynamics of the works would not be endangered), as well as on the project TPS Zemun (on the basis of insurance) in the total amount of RSD 8,304 thousand, pre-invoiced costs to the foreign supplier Caf Rail, from whom equipment was purchased for the project TPS Zemun (the supplier hasn't sent appropriate documentation for the exemption from customs duties, so that Energoprojekt Niskogradnja had to pay these costs) in the amount of RSD 1,519 thousand and pre-invoiced costs to the to the investor Colas Rail on the project Railroad Jajinci - Mala Krsna (on the basis of insurance of facilities) in the amount of RSD 1,247 thousand; and
 - Energoprojekt Visokogradnja in the amount of RSD 7,882 thousand, predominantly from income generated under contractual agreements with subcontractors on Delta Headquarters projects: RSD 3,269 thousand and other operating income in the company Energoprojekt Ghana: RSD 1,490 thousand.

11.6. Income from Impairment of Assets (except financial)

Structure of income from impairment of assets (except financial)	<i>In RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Income from impairment of property, plants and equipment	18.394	49.859
Income from impairment of other assets	772	
TOTAL	19.166	49.859

- **Income from impairment of property, plants and equipment** in the amount of RSD 18,394 thousand was recorded on the basis of reducing the value of investment property to fair value at the balance sheet date, in accordance with IFRS 40 - Investment property, in the following companies of the Energoprojekt system:
 - Dom 12 S.A.L., Lebanon in the amount of RSD 7,112 thousand (business building in Moscow),

- Energoprojekt Niskogradnja in the amount of RSD 10,926 thousand (part of business building “Cruz del Sur” in Peru, which is intended for renting) and
- Energoprojekt Industrija in the amount of RSD 353 thousand (property in Toše Jovanovića Str. in Belgrade).

12. COST PRICE OF GOODS SOLD

Structure of of cost price of goods sold	<i>In RSD thousand</i>	
	<i>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Cost price of goods sold:		
a) Cost price of goods sold to parent, subsidiary and other related parties	8	1.934
b) Cost price of goods sold on the domestic market	27.275	44.785
c) Cost price of goods sold on the foreign market	42.483	18.289
TOTAL	69.766	65.008

● **Cost price of goods sold to parent, subsidiary and other related parties on local market** in the amount of RSD 8 thousand, entirely relates to Energoprojekt Industrija for procurement of materials for the company CC Napred Plc.

● **Cost price of goods sold on local market** in the amount of RSD 27,275 thousand predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 11,959 thousand, for purchase of inventory of material, with the aim to provide the subconstructor 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 14,393 thousand, for purchasing of finished lock-patent delivered for further sales.

● **Cost price of goods sold on foreign market** in the amount of RSD 42,483 thousand dominantly relates to Energoprojekt Niskogradnja in the amount of RSD 42,470 thousand (for inventory costs sold as per agreements to subcontractors for projects in Uganda: RSD 42,226 thousand and in Peru: RSD 244 thousand, in order to ensure smooth performance of works).

13. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Costs of materials used in production	1.681.130	2.577.570
Costs of other materials (overhead)	157.180	193.852
Fuel and energy costs:		
a) Fuel costs	495.090	455.939
b) Costs of electrical energy and heating	158.941	168.342
<i>Total - Fuel and energy costs</i>	<i>654.031</i>	<i>624.281</i>
Costs of spare parts	123.549	177.820
Costs of one-time amortization of tools and inventory	77.009	100.941
TOTAL	2.692.899	3.674.464

• **Cost of materials used in production** in the amount of RSD 1,681,130 thousand relate, primarily, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja, in the amount of RSD 985,969 thousand, of which RSD 389,102 thousand relate to costs on projects in the country (primarily on the projects: Delta Headquarters: RSD 27,460 thousand, Smatsa Flight Control: RSD 286,747 thousand, Bežanijska kosa, Block 24: RSD 17,791 thousand and Chinese Cultural Center: RSD 10,918 thousand), while RSD 596,867 thousand refer to abroad (primarily, on the projects: Z-114 Syktyvkar Stadium, Russia: RSD 83,086 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 465,717 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 46,135 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 422,660 thousand, of which RSD 138,331 thousand relates to costs on projects abroad (in Uganda: RSD 127,195 thousand and Peru: RSD 11,136 thousand), whereas RSD 284,329 thousand relates to the project in the country; and

- Energoplast in the amount of RSD 221,635 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 157,180 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 106,098 thousand, Energoprojekt Entel, in the amount of RSD 31,419 thousand, Energoprojekt Visokogradnja in the amount of RSD 5,264 thousand and Energoprojekt Holding in RSD 4,959 thousand.

• The largest share in **fuel and energy costs** amounting to RSD 654,031 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 437,090 thousand, which were predominantly incurred abroad, of Energoprojekt Visokogradnja in the amount of RSD 70.850 thousand and Energoprojekt Entel in the amount of RSD 78,706 thousand.

• **Costs of spare parts** in the amount of RSD 123,549 thousand relate, dominantly, to Energoprojekt Niskogradnja in the amount of RSD 113,955 thousand and to Energoprojekt Visokogradnja in the amount of RSD 6,916 thousand.

• **Costs of one-off write-off of tools and inventory** in the amount of RSD 77,009 thousand relate

predominantly to Energoprojekt Niskogradnja in the amount of RSD 68,201 thousand and Energoprojekt Visokogradnja in the amount of RSD 7,409 thousand.

14. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Expenses of wages and fringe benefits (gross)	4.519.528	5.186.166
Taxes and contributions on wages and contributions on wages payable by employer	454.840	509.744
Other personnel expenses and benefits:		
Service agreements contributions	12.669	9.580
Copyright agreements contributions	19.650	27.133
Costs of contributions for contract fees for temporary and periodical engagement	111.580	102.300
Considerations to physical persons based on other agreements	23.055	21.364
Considerations to General Manager and/or Management and Supervisory Board members	33.625	34.851
Employment of employees over agencies and unions	16.843	7.537
Other personnel expenses and fringe benefits	248.937	268.366
Total - Other personnel expenses and fringe benefits	466.359	471.131
TOTAL	5.440.727	6.167.041

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** in the total amount of RSD 4,974,368 thousand relate primarily to Energoprojekt Entel in the amount of RSD 2,344,926 thousand, Energoprojekt Visokogradnja in the amount of RSD 995,298 thousand, Energoprojekt Niskogradnja in the amount of RSD 820,454 thousand, Energoprojekt Hidroinženjering in the amount of RSD 296,849 thousand.

- **Copyright agreements contributions** in the amount of RSD 19,650 thousand relate, primarily, to the following companies of the system Energoprojekt:

- Energoprojekt Industrija in the amount of RSD 6,642, predominantly in the country due to the lack of professionally qualified workers; and

- Energoprojekt Hidroinženjering in the amount of RSD 11,439 thousand, in the country in the amount of RSD 5,682 thousand and abroad in RSD 5,757 thousand due to increased work and lack of manpower with appropriate qualification structures in certain fields.

- **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 111,580 thousand were predominantly incurred in following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 87,861 thousand (predominantly abroad: RSD 87,150 thousand, primarily in Uganda: RSD 85,174 thousand) 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 18,107 thousand, in the country, primarily in the Samacki hotel: RSD 1,592 thousand, on the project Smatsa Flight Control: RSD 7,006 thousand and in restaurant within the business building Energoprojekt: RSD 4,865 thousand;

- Energoprojekt Hidroinženjering of RSD 3,733 thousand for projects in the country (primarily Drinsko Limske Hydroelectric Power Plant Bajina Bašta, Hydroelectric Power Plant Elektro-Morava, Hydroelectric Power Plant Limske, RHE Zvornik, Trebišnjica Dam and others).

• **Other personnel expenses and fringe benefits** amounting to RSD 248,937 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 87,128 thousand, in the country RSD 15,112 thousand (primarily, based on costs of transportation to the work and from the work: RSD 13,656 thousand) and abroad: RSD 72,016 thousand (projects abroad: RSD 61,037 thousand - mostly accommodation and food costs in the field and in Energoprojekt Ghana, Accra, Ghana: RSD 10,979 thousand - primarily airfare and food costs);

- Energoprojekt Niskogradnja amounting to RSD 65,856 thousand, in the country: RSD 24,188 thousand (of which RSD 13,085 thousand refer to severance pay due to solving the problem of technological redundancies, and costs of transportation of employees to the work and from the work: RSD 9,103 thousand) and abroad: RSD 41,668 thousand (primarily food and accommodation costs in the field and transportation costs: RSD 29,514 thousand);

- Energoprojekt Entel in the amount of RSD 49,695 thousand (primarily for reimbursement of expenses and expenses of food and stay in the field: RSD 27,685 thousand and business travel expenses: RSD 13,537 thousand);

15. DEPRECIATION EXPENSES

Structure of depreciation expenses	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Depreciation of intangible assets	15.598	17.928
Depreciation of property, plant and equipment	413.947	468.874
TOTAL	429.545	486.802

• 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 2021.

Effects of the change in the accounting valuation impact the change in **amortisation expenses** for 2021, and thus, consequently, the change in the booking value of assets as at 31 December 2021.

16. EXPENSES FROM IMPAIRMENT OF ASSETS (EXCEPT FINANCIAL)

Structure of expenses from impairment of assets (except financial)	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Expenses from impairment of property, plants and equipment	1.287	71.890
Expenses from impairment of inventories	2.549	
Expenses from impairment of other assets	9.411	
TOTAL	13.247	71.890

Expenses from impairment of property, plants and equipment in the amount of RSD 1,287 thousand relates to the adjustment of the fair value of the building complex “Samački hotel”.

Expenses from impairment of stocks in the amount of RSD 2,549 thousand has been done on proposal of the Inventory commission in Energoprojekt Oprema.

Expenses from impairment of other equipment in the amount of RSD 9,411 thousand relates to impairment of finished products (2 apartments) in Energoprojekt Sunnyville.

17. PRODUCTION SERVICE COSTS

Structure of costs of production services	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Production service costs	7.838.934	11.757.494
Transportation service costs	194.731	205.371
Repairs and maintenance services' costs	79.613	74.998
Rental costs	342.698	438.440
Fair costs	7.720	0
Advertising costs	189.383	12.945
Research costs	4.253	3.895
Costs of other services	144.622	193.473
TOTAL	8.801.954	12.686.616

• **Production service costs** in the amount of RSD 7,838,934 thousand are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 4,932,008 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 2,510,407 thousand (primarily on projects: Delta Headquarters: RSD 1,450,449 thousand, Smatsa Flight Control: RSD 805,231 thousand and Energopet: RSD 135,537 thousand) and abroad in the amount of RSD 2,421,601 thousand (primarily on the projects: Z-112 Rostov 2 Hayatt: RSD 2,024,647 thousand and Z- 114 Syktyvkar Stadium 302,909 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 44,066 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 1,899,075 thousand for the costs primarily based on subcontracting agreements incurred within projects in the country amounting to RSD 1,590,071 thousand

(mostly on the projects Modernization of TPS Zemun: RSD 758,927 thousand, Railway Jajinci - Mala Krsna: RSD 249,826 thousand and Patrijarha Pavla: RSD 247,630 thousand) and abroad: RSD 309,004 thousand (predominantly on the projects in Uganda: RSD 304,549 thousand, primarily on the projects Z-045 Mityana Mubende, Uganda: RSD 125,317 thousand and Z-047 KCCA Bulabira, Uganda: RSD 70,954 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 373,486 thousand relate to costs of subcontractors and partners on projects in the country (primarily, Vinca landfill: RSD 130,559 thousand and TPS Zemun: RSD 237,309 thousand);

- Energoprojekt Entel, in the amount of RSD 465,424 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 115,491 thousand, while abroad: RSD 349,933 thousand (primarily in UAE: RSD 170,144 thousand and Qatar: RSD 132,511 thousand); and

• **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, postage expenses, etc. These costs amount to RSD 194,731 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 145,529 thousand (abroad: primarily, cost of air tickets for employees and rent-a-cars costs, predominantly in Qatar and UAE), Energoprojekt Niskogradnja in the amount of RSD 19,575 thousand and Energoprojekt Visokogradnja in the amount of RSD 16,076 thousand.

• **Repair and maintenance services' costs** amounting to RSD 79,613 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 28,269 thousand, in Energoprojekt Entel in the amount of RSD 20,544 thousand, in Energoprojekt Visokogradnja in the amount of RSD 6,863 thousand, Energoprojekt Holding in the amount of RSD 5,967 thousand and in Energoplast in RSD 4,669 thousand. These costs were predominantly incurred for regular equipment maintenance.

• **Rental costs** amount to RSD 342,698 thousand and are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 177,005 thousand were recorded due to renting apartments and business spaces in the company's companies abroad (predominantly in Qatar: RSD 120,253 thousand and UAE: RSD 41,519 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 126,800 thousand, comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad (abroad: RSD 104,102 thousand and in the country: RSD 22,698 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 33,364 thousand are predominantly relate to the rental costs on WUs, amounting to RSD 8,943 thousand (of which the largest part refers to lease of machines, cranes and other in the amount of RSD 4,005 thousand), rent in the company Energoprojekt Ghana Ltd., Accra, Ghana, in the amount of RSD 2,727 thousand, primarily on for lease of houses), and lease of machinery and equipment in the country from the company Napred Plc. in the amount of RSD 10,819 thousand.

• **Trade fair expenses** in the amount of RSD 7,720 thousand entirely relate to Energoprojekt Entel in the company Energoconsult L.L.C., Abu Dhabi, UAE.

- **Advertising costs** amounting to RSD 189,383 thousand relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 176,467 thousand (predominantly abroad based on costs of sponsorship in order to be awarded with new works), Energoprojekt Entel in the amount of RSD 6,160 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.), and Energoprojekt Holding in the amount of RSD 4,462 thousand (predominantly for costs of the celebration of 70 years of Energoprojekt – purchase of media space for a TV campaign, making of a new corporate film, advertising in magazines and newspapers, etc.).

- **Costs of other services** in the amount of RSD 144,622 thousand were primarily incurred in the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 47,286 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, sanitation on projects, geodetic services, etc.;

- Energoprojekt Visokogradnja in the amount of RSD 51,435 thousand primarily based on cost of public utility services, personal protection at work, registration of vehicles and photocopying costs;

- Energoprojekt Entel in the amount of RSD 14,870 thousand, primarily from costs of procurement of tender documents, costs of licenses and photocopying.

- Energoprojekt Holding in the amount of RSD 9,519 thousand, primarily for costs of licences, public utility services, etc.

18. PROVISION EXPENSES

Structure of provision expenses	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Warranty period provisions' expenses	5.886	105.822
Provisions for contributions and other personnel benefits	48.748	53.287
Other provisions expenses	6.171	14.375
TOTAL	60.805	173.484

- **Warranty period provisions' expenses** amount to RSD 5,886 thousand entirely refer to Energoprojekt Visokogradnja for the project Delta Headquarters.

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 48,748 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 39,612 thousand (which are carried out with the company Energoprojekt Entel LTD., Qatar: RSD 18,973 thousand and Energoprojekt Entel L.L.C Muscat, Sultanate of Oman: RSD 18,394 thousand, while the provisions costs in the country amount to RSD 2,245 thousand) and Energoprojekt Visokogradnja in the amount of RSD 5,432 thousand.

In 2021, the companies in the Energoprojekt system recorded provision costs for employee expenses and

other benefits based on actuarial calculation (Note 38).

• **Other provisions expenses** in the amount of RSD 6,171 thousand entirely relate to Energoprojekt Niskogradnja, whose expert departments, based on the analysis of current lawsuits and their status as at 31.12.2020, estimated the future expenses for legal costs and gave an order to perform record provisions for legal costs in the above mentioned amount (Note 38).

19. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01.01.-31.12.2021</i>	<i>01.01.-31.12.2020</i>
Intangible expenses	668.639	558.674
Expense account	30.020	31.132
Insurance premiums expenses	123.560	150.860
Payment operations' expenses	242.395	294.113
Membership fee expenses	9.309	22.856
Tax duties	78.956	102.105
Contributions paid	175	1.232
Other non-operating expenses	163.330	101.606
TOTAL	1.316.384	1.262.578

• **Intangible expenses** in the amount of RSD 668,639 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 299,694 thousand primarily abroad: RSD 286,306 thousand (mostly incurred in the company Energoprojekt Entel LTD., Doha, Qatar: RSD 252,156 thousand, for sponsor's and agents expenses paid for conclusion of the largest contracts with the state investor "Kahramaa." Specifically, 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 13,388 thousand (primarily, based on costs of cleaning of business spaces and costs of employee training);

- Energoprojekt Niskogradnja in the amount of RSD 118,045 thousand, abroad: RSD 63,604 thousand (Uganda: RSD 33,906 thousand and Peru: RSD 29,698 thousand), based on costs of securing construction sites, costs of attorney services in Peru, costs of work permits in Uganda, healthcare services, etc.) and in the country: RSD 54,441 thousand (primarily securing construction sites for projects in the country);

- Energoprojekt Visokogradnju in the amount of RSD 102,460 thousand, in the country: RSD 19,043 thousand (primarily, based on costs of securing construction sites) and abroad: RSD 83,417 thousand (primarily on WUs in the amount of RSD 78,705 thousand - predominantly based on costs of securing construction sites: RSD 14,332 thousand and costs of consultancy services on the project Z-114 Siktivakar Stadium: RSD 53,195 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana in the amount of RSD 4,533 thousand - primarily, based on costs of healthcare services: RSD 1,723

thousand and costs of the audit of financial statements: RSD 1,341 thousand);

- Energoprojekt Oprema in the amount of RSD 87,693 thousand, predominantly based on costs of attorney services in the amount of RSD 85,673 thousand (predominantly abroad: RSD 78,012 thousand) and

- Energoprojekt Holding in the amount of RSD 24,220 thousand, mostly legal advisory and intellectual service, costs of audit of the financial statements and cleaning services, etc.

• **Insurance premium expenses** amounting to RSD 123,560 thousand were incurred based on the insurance of works, property and persons, specifically: primarily in the Energoprojekt Niskogradnja in the amount of RSD 54,109 thousand, in Energoprojekt Entel in the amount of RSD 51,864 thousand, in Energoprojekt Visokogradnja in the amount of RSD 8,280 thousand, Energoprojekt Urbanizam I arhitektura in the amount of RSD 3,943 thousand.

• **Payment operation expenses** in the amount of RSD 242.395 thousand predominantly relate to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja amounting to RSD 161,502 thousand, abroad: RSD 109,542 thousand (in Uganda: RSD 57,749 thousand and Peru: RSD 51,793 thousand) and in the country: RSD 51,960 thousand, primarily for costs of bank fees for issued guarantees,

- Energoprojekt Visokogradnja amounting to RSD 22,630 thousand, abroad: RSD 5,236 thousand (on WUs 3,129 thousand and in foreign companies: RSD 2,107 thousand) and in the country: RSD 17.394 thousand (primarily, based on the costs of issuing bank guarantees: RSD 11.948 thousand);

- Energoprojekt Entel amounting RSD 31,919 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 20,415 thousand and cost of payment transactions: RSD 11,504 thousand (which were predominantly realized within Energoprojekt Entel LTD., Qatar: RSD 20,422 thousand); and

- Energoprojekt Hidroinženjering amounting RSD 17,221 thousand, primarily costs of issuing bank guarantees: RSD 15,577 thousand (primarily on supervision and designs works performed in Algeria) and cost of payment transactions: RSD 1,644 thousand.

• **Tax and fee duties** in the amount of RSD 78,956 thousand consist of the property tax, utility duties, income tax in foreign countries according to the local regulations, etc. Tax duties are primarily related to the following companies of Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 21,400 thousand, in the country: RSD 13,209 thousand (mostly, based on property tax: RSD 10,560 thousand) and abroad: RSD 8,191 thousand (dominately, based on tax on construction land with the company Energoprojekt Montenegro: RSD 3,648 thousand);

- Energoprojekt Entel in the amount of RSD 21,566 thousand, abroad: RSD 19,089 thousand (primarily paid taxes for local workers in Oman), in the country: RSD 2,477 thousand (mostly, based on property tax: RSD 2,104 thousand);

- Energoprojekt Holding in the amount of RSD 8,826 thousand, in the country, dominantly based on property tax: RSD 8,355 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 8,422 thousand, abroad: RSD 2,359 thousand (Peru:

RSD 2,305 thousand and Uganda: RSD 54 thousand) and in the country: RSD 6,063 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 163,330 thousand, the most significant part relates to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 95,713 thousand, in the country: RSD 84,849 thousand (predominantly on the project of own investment in the construction of a property in Belgrade, Bežanijska Kosa, Block 24) and abroad: RSD 10,864 thousand (of which in the company Energoprojekt Ghana: RSD 3,944 thousand, mostly based on costs of work visas),
- Energoprojekt Entel in the amount of RSD 31,662 thousand, abroad: RSD 27,872 thousand and in the country: RSD 3,790 thousand), and
- Energoprojekt Niskogradnja in the amount of RSD 20,339 thousand (in the country: RSD 3,510 thousand abroad 16,829 thousand).

20. FINANCIAL INCOME AND FINANCIAL EXPENSE

20.1. Financial Income

Structure of financial income	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Financial income from parent, affiliated companies and other related parties:		
Finansijski income from other related parties	4.652	4.821
Total - Financial income from parent, affiliated companies and other related parties	4.652	4.821
Interest income (from third parties)	175.048	100.756
• Exchange rate gains and positive currency clauses effects	658.334	482.315
Other financial income (income from share in profits of affiliated companies and joint ventures and other financial income):		
Income from share in profits of affiliated companies and joint ventures	57.781	55.120
Other financial income:		
a) Dividend income	189	8.478
b) Other financial income	41.076	56.229
Total - Other financial income	41.265	64.707
Total - Other financial income (income from share in profits of affiliated companies and joint ventures and other financial income)	99.046	119.827
TOTAL	937.080	707.719

Financial income from other related parties in the amount of RSD 4,652 thousand dominant, refer to Energoprojekt Holding in the amount of RSD 4,639 thousand from interest income computed on loan granted by

joint venture Enjub Ltd., RSD 4,560 thousand and positive outcomes of the currency clause: RSD 79 thousand: (predominantly for (paid) liabilities under the loan granted by Napred Razvoj Plc.: RSD 76 thousand).

- **Interest income (third party)** in the amount of RSD 175,048 thousand predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 140,494 thousand, predominantly for default interest, from University Clinical Center of Serbia, after a final and executive verdict of the Commercial Court in Belgrade no. 22 P.6230/2017, in the amount of RSD 140,431 thousand,

- Energoprojekt Visokogradnja, in the amount of RSD 16,475 thousand, primarily based on term time deposits with commercial banks, mostly incurred abroad: RSD 16,014 thousand (Z-114 Syktyvkar Stadium project, Russia: RSD 12,615 thousand and Z-112 Hotel Hyatt Rostov: RSD 3,399 thousand).

- Energoprojekt Entel in the amount of RSD 13.609 thousand, primarily for short-term time deposits with commercial banks (primarily in Qatar: RSD 12.365 thousand).

- **Exchange rate gains and positive currency clauses effects** amounted to RSD 658,334 thousand dinars, while exchange rate losses and negative currency clause effects amounted to RSD 552,869 thousand, so that in the reporting period recorded net exchange rate gains and positive currency clauses effects were recorded in the amount of 105,465 thousand.

From the beginning of the year until 31 December 2021, RSD was depreciated to EUR by 0.002% (in 2020: appreciated by 0.01%), to USD by 8.64% (in 2020: appreciated by 8.82%), and to RUB by 9.21% (in 2020: appreciated by 24.63%).

- **Income from the profit participation in affiliated companies and joint ventures** in the amount of RSD 57,781 thousand relate to realized net result in the reporting period of the affiliated company Energopet Ltd. (33.33%).

The affiliated company Energopet Ltd. is included with the share method (equity method) through first-grade consolidation in the consolidated financial statements of the subsidiary Energoprojekt Industrija, and therefore also in the consolidated financial statements of Energoprojekt Holding (Note 28.2).

20.2. Financial Expense

Structure of financial expenses	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Financial expenses from transactions with parent, affiliated companies and other related parties:		
Financial expenses from transactions with other related parties	21.703	72.127
Total - Financial expenses from transactions with parent, affiliated companies and other related parties	21.703	72.127
Interest expenses (by third parties)	184.536	151.644
Foreign exchange losses and negative currency clause effects	552.869	1.034.517
Other financial expenses:		
Expenses from participation in losses of affiliated companies and joint ventures	6.448	6.976
Other financial expenses:	176	973
Total - Other financial expenses	6.624	7.949
TOTAL	765.732	1.266.237

- **Financial expense from transactions with other related parties** in the amount of RSD 21,703 thousand were mostly recorded within Energoprojekt Holding in the amount of RSD 21,331 thousand and relate to the company Napred Razvoj Plc., predominantly based on costs of interest on the taken loan in the amount of RSD 21,329 thousand.
- **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 184,536 thousand relate predominantly to the companies within system Energoprojekt:
 - Energoprojekt Holding in the amount of RSD 125,940 thousand, predominantly relate to interest on issued long-term corporate bonds of the company for the reporting period (payment of the fourth coupon of the bonds to the Central Securities Register in accordance with the Prospectus on the long-term bonds and issues of the company) in the amount of RSD 125,773 thousand,
 - Energoprojekt Niskogradnja in the amount of RSD 28,534 thousand (in the country: RSD 12,800 thousand and abroad: RSD 15,734 thousand), primarily based on interest expenses on the loans taken from commercial banks and interest expenses based on lease contracts,
 - Energoprojekt Visokogradnja in the amount of RSD 16,495 thousand, dominant in the country: RSD 16,488 thousand (primarily interest on borrowings: RSD 10,658 thousand);
 - Energoprojekt Oprema in the amount of RSD 12,394 thousand, mostly from interest on loans from commercial banks in the country for the project Energocentar Minsk, Belarus in the amount of RSD 10,896 thousand; and
- **Expenses from the loss of affiliated companies and joint ventures** in the amount of RSD 6,448 thousand relate to realized net result of the joint venture Enjub Ltd. (50.00%) incurred in reporting period which is included in the consolidated financial statements of Energoprojekt Holding by the equity method.

21. INCOME AND EXPENSES FROM IMPAIRMENT OF FINANCIAL ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT AND OTHER INCOME AND EXPENSES

21.1. Income from Impairment of Financial Assets Disclosed at Fair Value through Income Statement

Structure of income from impairment of financial assets disclosed at fair value through the income statement	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Income from impairment of long-term financial investments and securities disclosed at fair value through Other total result	19.333	
Income from impairment of receivables and short-term financial investments	234.498	406.664
TOTAL	253.831	406.664

- **Income from impairment of long-term financial investments and securities disclosed at fair value through Other comprehensive result** in the amount of RSD 19,333 thousand entirely relates to abolishing the impairment of long-term receivables for non-invoiced income as at the balance sheet date in Energoprojekt Holding, in accordance with the established *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9* (Note 7.15).
- **Income from impairment of receivables and short-term financial investments** in the amount of RSD 234,498 thousand predominantly relate to impairment of financial instruments previously impaired using IFRS in accordance with the established *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, predominantly in Energoprojekt Hidroinženjering in the amount of RSD 107,147 thousand (on receivables from sales and receivables for non-invoiced income) and Energoprojekt Oprema in the amount of RSD 75,782 thousand (predominantly on receivables from sales).

21.2. Expenses from Impairment of Financial Assets Disclosed at Fair Value through Income Statement

Structure of expenses from impairment of financial assets disclosed at fair value through income statement	in RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Expenses from impairment of receivables and short-term financial investments	366.200	253.187
TOTAL	366.200	253.187

- **Expenses from impairment of receivables and short-term financial investments** in the amount of RSD 366,200 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* predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja: RSD 316,715 thousand (from impairment of receivables from sales: RSD 262,752 thousand (in Uganda – individual approach and impairment of 55% based on decision by the Management: RSD 118,726 thousand and in the country - group approach: RSD 144,026 thousand) and receivables for non-invoiced income: RSD 53,963 thousand (in the country and Peru based on the impairment rate for basic receivables, and in Uganda based on an individual approach),

- Energoprojekt Visokogradnja: RSD 28,509 thousand, of which odnosi RSD 27,782 thousand refer to expense from impairment of receivables and short-term investments applying IFRS 9, for impairment of receivables from sales: RSD 23,148 thousand, receivables for non-invoiced income: RSD 4,113 thousand, receivables for short-term loans and borrowings abroad: RSD 379 thousand, long-term receivables: RSD 78 thousand and other short-term investments: RSD 64 thousand, and

- Energoprojekt Hidroinženjering: RSD 9,849 thousand from impairment of trade receivables: RSD 9,666 thousand, receivables for non-invoiced income: RSD 51 thousand and other receivables: RSD 132 thousand.

22. OTHER INCOME AND OTHER EXPENSE

22.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>01.01-01.12.2021</i>	<i>01.01-31.12.2020</i>
Gains on sale of intangible assets, property, plant and equipment	205.340	630.153
Gains on sale of material	1.080	2.910
Surpluses	954	2.420
Collected previously written-off receivables	21.009	11.438
Income from effects of agreed risk protection, which cannot be disclosed under other comprehensive result	2.001	17
Income from reduction in liabilities	58.859	251.645
Income from reversal of long and short-term provisions	114.313	51.984
Other income not posted elsewhere	227.384	108.168
TOTAL	630.940	1.058.735

• **Gains on sale of intangibles assets, property, plant and equipment** in the amount of RSD 205,340 thousand relate mostly to the following companies of Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 190,672 thousand, predominantly from sales of equipment and machinery in Peru: RSD 182,692 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 9,135 thousand, abroad, primarily based on expropriation of land for the purpose of the construction of the main road in favor of Montenegro, Ministry of Traffic and Maritime Affairs, in the company Energoprojekt Montenegro d.o.o, Montenegro in the amount of RSD 7,550 thousand,

Energoprojekt Holding in the amount of RSD 4,010 thousand, from the sale of buildings held for sale, specifically: apartments and garage spaces in the building K1G in Rakovica, in Belgrade (Note 31).

- **Collected written-off receivables** in the amount of RSD 21,009 thousand predominantly relate to Energoprojekt Entel in the amount of RSD 20,947 thousand - collection of written-off receivables in the company Energoprojekt Entel LTD., Doha, Qatar.
- **Income from reduction of liabilities** in the amount of RSD 58,859 thousand were predominantly recorded in Energoprojekt Visokogradnja in the amount of RSD 54,784 thousand, predominantly incurred within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 52,665 thousand due to the adjustment of liabilities with the suppliers.
- **Income from reversal of long-term and short-term provisions** in the amount of RSD 114,313 thousand dominantly refer to the reversal of provisions for costs in the warranty period in the amount of RSD 106,171 thousand, which were entirely recorded celosti in Energoprojekt Entel, specifically: in the country: RSD 35,274 thousand and abroad: RSD 70,897 thousand, on the project Phase 11 in Qatar (Note 38).
- **Other income not posted elsewhere** in the amount of RSD 227,384 thousand, predominantly relate to income from the Settlement Contract of Energoprojekt Holding with the Central African Republic (CAR), by which the collection of receivables from previous periods is regulated, and the Protocol of Energoprojekt Holding with subsidiaries on the distribution of funds from the collection of receivables from CAR in the amount of RSD 60,712 thousand (in Energoprojekt Holding: RSD 4,900 thousand, Energoprojekt Visokogradnja: RSD 22,723 thousand, Energoprojekt Niskogradnja: RSD 28,850 thousand and Energoprojekt Oprema: RSD 4,239 thousand). Besides the above mentioned income, significant income was recorded in Energoprojekt Oprema based on the collection of damage from the Clinical Center of Serbia: RSD 108,550 thousand, Energoprojekt Visokogradnja based on the permanently retained deposit of Euro Bravo Ltd. (project Belgrade Waterfront): RSD 7,354 thousand and compensation for damages on the project Delta Headquarters: RSD 9,351 thousand and Energoprojekt Holding from sales of land in Zimbabwe: RSD 14,950 thousand.

22.2. Other Expense

Structure of other expenses	In RSD thousand	
	01.01-31.12.2021	01.01-31.12.2020
Losses from sales of intangible assets, property, plant and equipment	102.198	30.228
Losses from sales of material	3.803	18.281
Shortages	14.419	11.099
Expense from direct write-off of receivables	32.686	54.966
Expense from disposal of inventory of material and goods	2.931	5.337
Other not mentioned expense	204.750	322.835
TOTAL	360.787	442.746

- **Losses from sales of intangible assets, property, plant and equipment** in the amount of RSD 102,198 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 91,667 thousand, predominantly from sales of machinery in Peru: RSD 91,317 thousand; and
- Energoprojekt Visokogradnja in the amount of RSD 6,536 thousand, predominantly abroad in the amount of RSD 5,932 thousand (based on the expenditure of fixed assets: RSD 5,064 thousand and losses from sale of fixed assets: RSD 868 thousand).
- **Losses from sale of material** in the amount of RSD 3,803 thousand entirely relate to Energoprojekt Visokogradnja, primarily on the project Z-103 Talan Towers: RSD 3,293 thousand.

- **Shortages** in the amount of RSD 14,419 thousand, mostly relate to Energoprojekt Niskogradnja u iznosu 14,419 thousand (dominantly due to theft of equipment purchased to be installed on the project Modernization of TPS Zemun), Energoprojekt Oprema in the amount of RSD 1,976 thousand and Energoprojekt Visokogradnja in the amount of RSD 1,736 thousand.

- **Expenses from direct write-off of receivables** in the amount of RSD 32,686 thousand relate, mostly, to the following companies of system Energoprojekt:
 - Energoprojekt Entel in the amount of RSD 26,723 thousand, entirely abroad, in the company Energoprojekt Entel LTD., Doha, Qatar; and
 - Energoprojekt Industrija in the amount of RSD 4,320 thousand, predominantly on direct write-off of receivables for non-invoiced income from Aviation Service of the Government of the Republic of Serbia based on the termination of the contract in the amount of RSD 3,680 thousand.

- **Other not mentioned expenses** in the amount of RSD 204,750 thousand predominantly relate to the following companies of the system Energoprojekt:
 - Energoprojekt Oprema in the amount of RSD 95,358 thousand, primarily for penalties for non-calculated VAT: RSD 71,640 thousand and income tax: RSD 23,287 thousand on the project Energocentar Minsk, Belarus in the total amount of RSD 94,927 thousand, based on Inspection of the Ministry of Taxes and Fees, Pervomajsk region of the City of Minsk (Resolution no. 3-2-9/12561-1 of 16.11.2021), which came to the conclusion during the control that the Decision of the Court of Arbitration of the Institute of the Stockholm Chamber of Commerce of 24.04.2019 is considered the moment to consider the works on the delivery fulfilled (so that tax liabilities for VAT and income tax were determined).
 - Energoprojekt Visokogradnja in the amount of RSD 61,313 thousand, predominantly in the company Energoprojekt Ghana Ltd. in the amount of RSD 29,987 thousand, primarily due to subsequently determined tax (several kinds of taxes from 2018 and 2019: RSD 29,094 thousand) and on the project Belgrade Waterfront: RSD 13,812 thousand (on the basis of permanently retained warranty deposit by the investor), and
 - Energoprojekt Entel in the amount of RSD 17,940 thousand, primarily, based on costs of tuition fees abroad.

23. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS, CHANGE IN ACCOUNTING POLICIES AND ADJUSTMENTS OF ERRORS FROM PREVIOUS PERIODS

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>01.01-31.12.2021</i>	<i>01.01-31.12.2020</i>
Net profit from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods		
Net loss from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods	18.635	6.285
UKUPNO	<i>(18.635)</i>	<i>(6.285)</i>

- **Net loss from discontinued operations, effects of changes in accounting policies and adjustments of errors from previous years** in the amount of RSD 18,635 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 Niskogradnja: RSD 8,164 thousand, Energo (Private) Limited, Zimbabwe: RSD 5,486 thousand, Energoprojekt Park 11: RSD 1,950 thousand, Energoprojekt Hidroinženjering: RSD 1,267 thousand and Energoplast: RSD 1,047 thousand.

24. PROFIT (LOSS) BEFORE TAX AND NET PROFIT (LOSS)

Group of accounts	Structure of profit (loss) before tax and net profit (loss)	In RSD thousand	
		01.01-31.12.2021	01.01-31.12.2020
60 do 65 and 68 except 683, 685 and 686	Operating income	19.801.705	25.772.716
50 do 55 and 58 except 583, 585 and 586	Operating expenses	18.825.327	24.587.883
	<i>Operating result</i>	976.378	1.184.833
66	Financial income	937.080	707.719
56	Financial expenses	765.732	1.266.237
	<i>Financial result</i>	171.348	(558.518)
683, 685 and 686	Income from impairment of other assets at fair value through profit or loss	253.831	406.664
67	Other income	630.940	1.058.735
583, 585 and 586	Expenses from impairment of other assets at fair value through profit or loss	366.200	253.187
57	Other expenses	360.787	442.746
	<i>Profit (loss) from other income and expenses and income and expenses from the impairment of financial assets disclosed at fair value through the income statement</i>	157.784	769.466
6 except 69-59	TOTAL INCOME	21.623.556	27.945.834
5 except 59-69	TOTAL EXPENSES	20.318.046	26.550.053
	<i>Result from ordinary activities before taxes</i>	1.305.510	1.395.781
69-59	Net profit from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods		
59-69	Net loss from discontinued operations, effects of change in accounting policies and adjustment of errors from previous periods	18.635	6.285
	PROFIT (LOSS) BEFORE TAX	1.286.875	1.389.496
721	Tax expense of the period	350.801	331.420
722 (bal. liabilities)	Deferred tax expense of the period	71.203	36.062
722 (bal. receivables)	Deferred tax income of the period		
	NET PROFIT (LOSS)	864.871	1.022.014
6 with 69-59	TOTAL INCOME	21.623.556	27.945.834
5 with 59-69	TOTAL EXPENSES	20.336.681	26.556.338

Energoprojekt system's incurred **profit before tax (gross profit)** in the reporting year amounted to RSD 1,286,875 thousand and is, first of all the result of:

- Incurred operating profit in the amount of RSD 976,378 thousand, primarily within Energoprojekt Park 11, Energoprojekt Entel, Energoprojekt Visokogradnja and Energoprojekt Oprema;
- Incurred financial profit in the amount of RSD 171,348 thousand, primarily based on net exchange rate gains and positive effects of currency clauses in the amount of RSD 105,465 thousand (primarily, in Energoprojekt Niskogradnja and Energoprojekt Oprema) and share in the profit of the affiliate company Energojet Ltd. (33,33%) in the amount of RSD 57,781 thousand; and
- Incurred profit from other activities in the amount of RSD 157,784 thousand, primarily from:
 - on the one hand,
 - income from the reversal of long-term and short-term provisions: RSD 114,313 thousand (predominantly in Entel based on the reversal of provisions for costs in the warranty period: RSD 106,171 thousand – Note 22.1.),
 - *net* profit from sales of equipment: RSD 103,142 thousand (predominantly in Energoprojekt Niskogradnja: RSD 99,005 thousand - primarily in Peru) (Note 22.1. and Note 22.2.)
 - *net* profit based on recording of other incomes and expenses not stated before: RSD 22,634 thousand (in detail in Note 22.1. and Note 22.2.)
 - and, on the other hand,
 - *net* loss from impairment of financial assets disclosed at fair value in the income statement: RSD 112,369 thousand (predominantly due to the effects of applying IFRS 9 and creating the impairment of financial assets as at the balance sheet date, in accordance with the established *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*) (Note 21), and
 - expenses based on direct write-off of receivables: RSD 32,686 thousand, primarily, in Energoprojekt Entel: RSD 26,723 thousand, entirely in the company Energoprojekt Entel LTD., Doha, Qatar

25. EARNINGS PER SHARE

Indicator	In RSD thousand	
	01.01.- 31.12.2021	01.01.- 31.12.2020
Net-profit pertaining to parent company shareholders (in RSD thousand)	622.125	1.110.515
The weighted average number of shares during the year	10.833.592	10.833.592
Earnings / (loss) per share (in RSD)	57,43	102,51

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

26. INTANGIBLES ASSETS

in RSD thousand

Structure of intangible assets	Concessions, patents, licenses, trademarks and service marks, software and other intangible assets	Leased intangible assets and intangible assets in preparation	Advance for intangible assets	Total
<i>Cost or valuation</i>				
Opening balance as of 1 January 2021	255.567		404	255.971
Additions	14.516			14.516
Transfers from				
Other transfers from / to	404		(404)	
Disposals				
Exchange differences	3.325			3.325
Other increases / (decreases)				
As of 31 December 2021	273.812			273.812
<i>Accumulated depreciation</i>				
Opening balance as of 1 January 2021	207.036			207.036
Charges in the year	15.598			15.598
Disposals				
Other transfers from / to				
Exchange differences	3.346			3.346
Other increases / (decreases)	1.025			1.025
As of 31 December 2021	227.005			227.005
<i>Net book value</i>				
As of 31 December 2020	48.531		404	48.935
As of 31 December 2021	46.807			46.807

Intangible assets as at 31 December 2021 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 14,516 thousand predominantly refer to Energoprojekt Entel in the amount of RSD 9,484 thousand and Energoprojekt Hidroinženjering in the amount of RSD 4,939 thousand.

27. PROPERTY, PLANT AND EQUIPMENT

	In RSD thousand							
Structure of property, plant and equipment	Land and buildings	Plant and equipment	Investment property	Nekretnine, postrojenja i oprema uzeta u lizing i nekretnine, postrojenja i oprema u pripremi	Property, plant and equipment i oprema and investment on third party property, plant and equipment	Advances for PPE in the country	Advances for PPE abroad	Total
<i>Cost or valuation</i>								
Opening balance as of 01.01.2021	7.494.322	8.752.335	2.402.012	1.658	197.209	44.664	171	18.892.371
Additions	5.862	333.941		97.002	77.118			513.923
Transfer from investment in preparation		122		(122)				
Transfer of inventories - non-current assets held for sale		(281)						(281)
Other transfers from / to - from the advance, etc.		171					(171)	
Disposals	(4.736)	(2.125.046)			(5.359)			(2.135.141)
Gains / (losses) included in "Other result" (acc. 330)	23.739							23.739
Gains / (losses) included in the Income Statement			17.107					17.107
FX differences	78.248	116.833	276.350					471.431
Other increases / (decreases) (application of IFRS 16 and others)	(2.723)	(114)		43.199	112			40.474
As of 31.12.2021	7.594.713	7.077.961	2.695.469	141.737	269.080	44.664		17.823.624
<i>Accumulated depreciation</i>								
Opening balance as of 01.01.2021	217.520	6.734.014			108.297			7.059.831
Charges in the year	72.391	317.598		10.542	13.416			413.947
Disposals		(1.864.458)			(5.112)			(1.869.570)
FX differences	9.453	84.817						94.270
Other increases / (decreases)	(1.363)							(1.363)
As of 31.12.2021	298.001	5.271.971		10.542	116.601			5.697.115
<i>Net book value</i>								
As of 31.12.2020	7.276.802	2.018.321	2.402.012	1.658	88.912	44.664	171	11.832.540
As of 31.12.2021	7.296.712	1.805.990	2.695.469	131.195	152.479	44.664		12.126.509

• **Land and buildings**

In RSD thousand

Changes on land and buildings	Land	Buildings	Total
<i>Cost or valuation</i>			
Opening balance as of 01.01.2021	632.863	6.861.459	7.494.322
Additions	5.862		5.862
Disposals	(4.736)		(4.736)
Gains / (losses) included in "Other result" (acc. 330)		23.739	23.739
FX differences	651	77.597	78.248
Other increases / (decreases)		(2.723)	(2.723)
As of 31.12.2021	634.640	6.960.073	7.594.713
<i>Accumulated depreciation</i>			
Opening balance as of 01.01.2021		217.520	217.520
Charges in the year		72.391	72.391
FX differences		9.453	9.453
Other increases / (decreases)		(1.363)	(1.363)
As of 31.12.2021		298.001	298.001
<i>Net book value</i>			
As of 31.12.2020	632.863	6.643.939	7.276.802
As of 31.12.2021	634.640	6.662.072	7.296.712

Value of **land** of the system Energoprojekt amounting to RSD 634,640 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517,306 (land owned by Energoprojekt Ghana Ltd. in Ghana, land in Syktyvkar, Russia and in the country – land in Ub and in Stara Pazova) and Energoprojekt Niskogradnja in the amount of RSD 99,807 (land in Peru and in the country – in Stara Pazova and Gornji Milanovac - Šarani).

• **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 2021, the residual value and remaining useful life of buildings was appraised, which resulted in change of depreciation costs for the year 2021.

In the Energoprojekt system, the value of the buildings in the amount of RSD 6,662,072 thousand predominantly relates to the “Energoprojekt” business building in Bulevar Mihail Pupin, New Belgrade, in the amount of RSD 4,501,850 thousand. In accordance with the relevant provisions of IFRS 16, since the changes in the fair value of the buildings in question are insignificant, there was no need to estimate its fair value at the balance sheet date.

Besides the “Energoprojekt” business building, the most important buildings on the level of system Energoprojekt are as follows:

- 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 2021, 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 2021, and, consequently, the carrying value of assets as of 31 December 2021.

The largest purchases of plant and equipment in the reporting period in the amount of RSD 333,941 thousand are recorded in the following companies:

- Energoprojekt Niskogradnja in the amount of RSD 301,416 thousand (predominantly in Uganda),
- Energoprojekt Entel in the amount of RSD 12,896 thousand (in the country: RSD 9,157 thousand and abroad: RSD 3,739 thousand, predominantly in the company in Qatar), and
- Energoprojekt Hidroinženjering in the amount of RSD 5,785 thousand (in the country).

• **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 2021 in the amount of RSD 2,695,469 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 81,579 thousand, primarily from renting several properties in Lussaka, Zambia (in the company Zambia Engineering and Contracting Company Limited, Zambia): RSD 31,570 thousand, business building in Moscow, Dom 12 (in the company Dom 12 S.A.L, Lebanon): RSD 21,533 thousand, part of the building complex “Samački hotel” (in Energoprojekt Holding): RSD 7,737 thousand, property in Ub and Višnjička Banja: RSD 6,704 thousand (in Energoprojekt Visokogradnja), part of the business building “Cruz del Sur” in Peru (in Energoprojekt Niskogradnja): RSD 6,587 thousand and several properties in Harare, Zimbabwe (in the company Energo (Private) Limited, Zimbabwe): RSD 5,731 thousand.

Information on mortgages on the system Energoprojekt properties is presented in detail in Note 48.2.

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

28. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES

Structure of long-term financial investments and long-term receivables	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Share investment pravnih lica (except share investment valued by the equity method) (Note 28.1.)	157.039	(130.708)	26.331	157.040	(125.000)	32.040
Share investment valued by the equity method (Note 28.2.)	785.113		785.113	734.267		734.267
Other long-term financial investments and long-term receivables (Note 28.3.)	2.055.679	(185.200)	1.870.479	1.618.064	(102.727)	1.515.337
TOTAL	2.997.831	(315.908)	2.681.923	2.509.371	(227.727)	2.281.644

28.1. Share Investments in Companies (except for Share Investments Valued by the Equity Method)

Structure of share investments in Companies (except for share investments valued by the equity method) in the amount of RSD 26,331 thousand is shown in the following table.

Share investments (except share investments valued by the equity method)	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
<i>Share investment in other companies and long-term securities disclosed at fair-value through the Other comprehensive result:</i>						
Banks and financial organizations	128.300	(111.203)	17.097	128.301	(105.495)	22.806
Other companies	21.821	(12.607)	9.214	21.821	(12.607)	9.214
Other securities disposable for sale	6.918	(6.898)	20	6.918	(6.898)	20
TOTAL	157.039	(130.708)	26.331	157.040	(125.000)	32.040

Share investments in other companies and long-term securities disclosed at fair value through Other Result in the *gross* amount of RSD 157,039 thousand primarily relate to Energoprojekt Holding in the amount of RSD 126,097 thousand (primarily, Alta bank Plc., Dunav osiguranje Plc. and Belgrade Stock Exchange Plc.) and Energoprojekt Oprema in the amount of RSD 28,737 thousand (primarily, Energo Nigeria Ltd., Lagos, Nigeria, Bačkatrans Vrbas in bankruptcy and Privredna banka Plc. Beograd).

Share investment in banks, financial organizations and other companies and other securities that are available for sale are disclosed at their market (fair) value, if it can be determined.

Net decrease in share investments in other companies and long-term securities disclosed at fair value through Other Result compared to 31.12. of the previous year in the amount of RSD 5,709 thousand was recorded primarily in Energoprojekt Holding: RSD 5,662 thousand for negative effect of impairment of

securities in the portfolio of securities, with their fair value on the secondary securities market on the date of preparation of the financial statements (Alta bank Plc. and Dunav osiguranje Plc.).

28.2. Share Investments Valued by the Equity Method

Structure of **share investments valued by the equity method** in the amount of RSD 785,113 thousand is shown in the following table.

Share investment valued by the equity method	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Energopet Ltd., Belgrade	764.505		764.505	707.211		707.211
Enjub Ltd., Belgrade	20.608		20.608	27.056		27.056
TOTAL	785.113	-	785.113	734.267	-	734.267

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	In RSD thousand	
	31.12.2021	31.12.2020
Fixed assets	593.434	528.162
Current assets	609.548	552.076
Assets	1.202.982	1.080.238
Liabilities	438.476	373.027
Capital	764.506	707.211
Income	1.132.291	944.821
Net profit (loss) of the current period	57.782	55.120

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	In RSD thousand	
	31.12.2021	31.12.2020
Fixed assets	128.927	128.927
Current assets	107.176	107.316
Assets	236.103	236.243
Liabilities	215.495	209.187
Capital	20.608	27.056
Income	6.362	3.778
Net profit (loss) of the current period	(6.448)	(6.976)

28.3. Other Long-Term Financial Investments and Other Long-Term Receivables

Structure of **other long-term financial investments and other long-term receivables** in the amount of RSD 1,870,479 thousand are shown in the following table.

Other other long-term financial investments and other long-term receivables	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Other long-term financial investments:						
a) Long-term housing loans given to employees	34.004	(20.306)	13.698	29.354	(11.230)	18.124
b) Other long-term financial investments	295.827	(164.813)	131.014	205.373	(91.497)	113.876
Total - Other long-term financial investments	329.831	(185.119)	144.712	234.727	(102.727)	132.000
Receivables from sales on merchandise credit	24.725		24.725			-
Receivables from guarantees	2.400		2.400	2.400		2.400
Other long-term receivables	1.698.723	(81)	1.698.642	1.380.937		1.380.937
TOTAL	2.055.679	(185.200)	1.870.479	1.618.064	(102.727)	1.515.337

- **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 34.004 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 25.728 thousand, Energoprojekt Oprema in the amount of RSD 4.867 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,176 thousand and Energoprojekt Industrija in the amount of RSD 1.003 thousand.

- **Other Long-Term Financial Investments** in the gross amount of RSD 295,827 thousand predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 164,813 thousand, relate to tourist complex building Crni Vrh (which is not finished), in which the Company has ownership rights of 5% based on co-financing (which has been entirely impaired in the previous period) and

- Energoprojekt Entel in the amount of RSD 127,562 thousand, which relate to:

- a) bank deposits for guarantees in the amount of RSD 123,308 thousand (in the companies Energoconsult L.L.C., Abu Dhabi, UAE: RSD 97,253 thousand and Energoprojekt Entel LTD., Doha, Qatar: RSD 26,055 thousand) and

- b) deposits for apartments abroad in the amount of RSD 4,255 thousand (primarily in the companies Energoconsult L.L.C., Abu Dhabi, UAE: RSD 1,477 thousand and Energoprojekt Entel LTD., Doha, Qatar: RSD 1,921 thousand).

- **Receivables from sales on merchandise credit** in the amount of RSD 24,725 thousand relate to Energoprojekt Sunnyville based on sold garage spaces to individuals, with repayment period of 60 months in the residential and business complex Sunnyville in Belgrade.

- **Other long-term financial investments** gross in the amount of RSD 1.698.723 thousand mainly relate to the following Companies of the system Energoprojekt:

- Energoprojekt Entel in RSD 1,417,543 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 1,066,256 thousand (for projects re. Qatar General Electricity & Water Corporation "Kahramaa"), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 265,327 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 85,960 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 278,741 thousand for cash collaterals given to the bank on the project Reconstruction of Vinča Landfill: RSD 138,905 thousand (in 2020 for advance warranty: RSD 128,973 thousand and in 2021 as a special-purpose deposit for the security under the advance guarantee: RSD 9,932 thousand). The release of the cash collateral was agreed proportionally to the the dynamics of justifying the advance payments, with the final maturity of 2023. A long-term collateral was paid abroad based on the advance warranty for the project Z-045 Mitzana Mubende, Uganda: RSD 139,836 thousand, and

- Energoprojekt Visokogradnja in the amount of RSD 2,439 thousand for long-term receivables for warranty deposit in the company Energoprojekt Ghana Ltd., Accra, Ghana (on the project Law House).

Net increase in other long-term receivables compared to 31.12. of the previous year in the amount of RSD 317,705 thousand primarily relates to Energoprojekt Entel: RSD 165,579 thousand (primarily for long-term receivables for guarantee deposit in the company Energoprojekt Entel LTD., Doha, Qatar) and Energoprojekt Niskogradnja: RSD 149,768 thousand (predominantly for the paid long-term collateral for the advance guarantee for the project Z-045 Reconstruction of Mityana Mubende Road, Uganda).

Impairment of other long-term financial investments and other long-term receivables in the amount of RSD 185,200 thousand relates to impairment of housing loans granted to employees: RSD 20,306 thousand (predominantly in Energoprojekt Visokogradnja: RSD 19,303 thousand) and other financial investments: RSD 164,813 thousand (entirely in Energoprojekt Visokogradnja for the investment in the touristic complex Crni Vrh), which was predominantly made in accordance with the requirements of IFRS 9 in the previous period, in accordance with the adopted *Methodology for calculating the impairment of financial instruments in accordance with IFRS 9*.

29. LONG-TERM ACCRUED INCOME AND DEFERRED EXPENSES

Structure of long-term accrued income and deferred expenses	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Long-term prepaid expenses (Note 29.1.)	152.148		152.148	53.787		53.787
Long-term receivables for non-invoiced income (Note 29.2.)	2.609.233	(100.045)	2.509.188	4.308.257	(273.208)	4.035.049
Other long-term accrued income and deferred expenses (Note 29.3.)	831		831	831		831
TOTAL	2.762.212	(100.045)	2.662.167	4.362.875	(273.208)	4.089.667

29.1. Long-term prepaid expenses

Structure of long-term prepaid expenses	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Long-term prepaid expenses for subscriptions for professional publications	191		191			0
Long-term prepaid expenses for rent	25.123		25.123	10.633		10.633
Long-term prepaid expenses for insurance premiums	46.889		46.889	23.440		23.440
Other long-term prepaid expenses	79.945		79.945	19.714		19.714
TOTAL	152.148	0	152.148	53.787	0	53.787

- **Long-term prepaid expenses for rent** in the amount of RSD 25,123 thousand relate to Energoprojekt Niskogradnja based on renting costs of quarries, land and the cost of renting accommodation for workers.
- **Long-term prepaid expenses for insurance premiums** in the amount of RSD 46,889 thousand predominantly relate to Energoprojekt Niskogradnja in the amount of RSD 46,476 thousand based on costs of insurance of works, property and people in the country and abroad.
- **Other long-term prepaid expenses** in the amount of RSD 79,945 thousand relate to Energoprojekt Niskogradnja, based on paid costs of bank guarantees (primarily for protest guarantees on the project Z-039 Kanal Via Cienegullio, Peru: RSD 30,913 thousand), licences and others.

29.2. Long-term receivables for non-invoiced income

Structure of receivables for non-invoiced income	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Long-term receivables for non-invoiced income - other companies	2.609.233	(100.045)	2.509.188	4.308.257	(273.208)	4.035.049
TOTAL	2.609.233	(100.045)	2.509.188	4.308.257	(273.208)	4.035.049

• **Long-term receivables for non-invoiced income** in the *gross* amount of RSD 2,609,233 thousand relate to:

- Energoprojekt Niskogradnja in the amount of RSD 2,236,233 thousand, predominantly abroad in the amount of RSD 1,584,239 thousand (in Uganda: RSD 1,369,157 thousand and in Peru: RSD 215,082 thousand) and in the country: RSD 651,994 thousand, primarily for certified pre-situations for finished works in 2021 on the following projects:

- Z-045 Reconstruction of Mityana Mubende Road, Uganda: RSD 639,685 thousand,
- Reconstruction of Vinča Landfill: RSD 498,833 thousand,
- Z-047 KCCA Bulabira, Uganda: RSD 324,341 thousand,
- Civil Works for Periodic Maintenance of Kampala-Jinja, Uganda: RSD 236,514 thousand,
- Z-046 Reconstruction of Kasubi Crossroad, Uganda: RSD 116,994 thousand,
- Z-016 Reconstruction of Chavimochic Water Intake Structure, Peru: RSD 102,532 thousand,
- Modernization of TPS Zemun: RSD 77,225 thousand,
- Reconstruction of Karadorđeva Street: RSD 65,263 thousand, and
- Z-040 Irrigation System San Antonio, Peru: RSD 58,485 thousand; and

- Energoprojekt Holding in the amount of RSD 373,000 thousand, for the realization of the Contract on the Construction of the Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, “turnkey”, on the cadastral parcel no. 313, entered in the Real Estate Register of the Cadastral Zone A00.

Impairment of long-term receivables for non-invoiced income – other companies in the amount of RSD 100,045 thousand relates to effects of the application of IFRS 9 – Financial Instruments in Energoprojekt Niskogradnja: RSD 77,912 thousand (in the country, Peru and Uganda) and Energoprojekt Holding: RSD 22,133 thousand (receivables for non-invoiced income from the Republic of Serbia for the construction of the Embassy of the Republic of Serbia in Abuja, Nigeria).

Decrease in the net amount of the long-term receivables for non-invoiced income in the amount of RSD 1,525,861 thousand predominantly relates to decrease in Energoprojekt Oprema in the amount of RSD 1,711,108 thousand (gross amount: RSD 1,919,938 thousand and impairment: RSD 208,830 thousand), which entirely relates to the project Energocentar Minsk, Belarus, based on the transfer to other items of the assets (Buyers abroad and Other short-term receivables) (more detailed within Note 32).

29.3. Other long-term accrued income and deferred expenses

Structure of other long-term accrued income and deferred expenses	<i>In RSD thousand</i>					
	31.12.2021			31.12.2020		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Other long-term accrued income and deferred expenses - external	831		831	831		831
TOTAL	831	0	831	831	0	831

• **Other long-term accrued income and deferred expenses** in the amount of RSD 831 thousand entirely relate to Energoprojekt Holding for the location development of Block 45, building C and Block 70, building C (the treatment of these payments will be regulated in the next period).

30. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>					
	31.12.2021			31.12.2020		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Materials, spare parts, tools and small inventory	1.619.764	(69.964)	1.549.800	1.324.558	(75.112)	1.249.446
Work in progress and finished products	1.625.167		1.625.167	2.655.233		2.655.233
Goods	115.220	(12.220)	103.000	72.444	(12.232)	60.212
Advances paid for inventories and services in the country:						
a) Advances paid to other companies for materials, spare parts and small inventory in the country - external	116.467	(296)	116.171	222.385		222.385
b) Advances paid to other companies for goods and fixed assets that are purchased in order to be sold in the country - external	126		126	600		600
c) Advances paid to other companies for services in the country - external	252.433	(4.556)	247.877	461.087	(4.786)	456.301
Total - Advances paid for inventories and services in the country	369.026	(4.852)	364.174	684.072	(4.786)	679.286
Advances paid for inventories and services abroad:						
a) Advances paid to other companies for materials, spare parts and small inventory abroad - external	148.326		148.326	130.832		130.832
c) Advances paid to other companies for services abroad - external	412.025		412.025	429.279		429.279
Total - Advances paid for inventories and services abroad	560.351	0	560.351	560.111	0	560.111
TOTAL	4.289.528	(87.036)	4.202.492	5.296.418	(92.130)	5.204.288

- **Material, parts, tools and small inventories** in the net amount of RSD 1,549,800 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 1,179,967 thousand, of which inventories abroad amount to RSD 511,513 thousand (Uganda: RSD 411,474 thousand and Peru: RSD 100,039 thousand), whereas inventories in the country amount to RSD 668,454 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 131,069 thousand, out of which inventories in the country amount to RSD 74,728 thousand (primarily projects Bežanijska kosa, Block 24: RSD 8,865 thousand and SMATSA Air Traffic Control: RSD 31,916 thousand), while abroad amounted to RSD 56,341 thousand (primarily projects: Z-112 Hyatt Hotel Rostov: RSD 45,592 thousand, and in the company Energoprojekt Ghana Ltd., Accra, Ghana in RSD 5,248 thousand);

- Energoplast in the amount of RSD 106,150 thousand, out of which material inventories amount to RSD 81,454 thousand, parts inventories amount to RSD 23,932 thousand and tools inventories amount to RSD 764 thousand; and

- Energoprojekt Oprema in the amount of RSD 130,301 thousand, of which RSD 127,752 thousand refer to inventories of material (Central warehouse: RSD 40,977 thousand, warehouse for TPS Zemun Modernization project: RSD 86,312 thousand and warehouse for Smatsa Air Traffic Control project: RSD 463 thousand), while tools and small inventory amount to RSD 2,549 thousand (Central Warehouse).

Increase in net amount of inventories of materials, spare parts, tools and small inventory compared to last year on given date by RSD 300,354 thousand is the result, on the one hand, of increases in Energoprojekt Niskogradnja: RSD 320,595 thousand (intensity and type of works as well as the possibility of timely procurement in the regions of work (primarily, in the country: RSD 236,951 thousand) and Energoprojekt Oprema: RSD 45,407 thousand (primarily, inventories of materials in the warehouse for the project Modernization of TPS Zemun), and on the other hand, reductions in Energoprojekt Visokogradnja: RSD 30,166 thousand based on consumption, ie installation through works in the reporting period) and Energoplast: RSD 30,190 thousand (predominantly for decrease in inventory of materials: RSD 29,194 thousand).

- **Work in progress and finished products** in the amount of RSD 1,625,167 thousand primarily relate to following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 954,792 thousand, of which RSD 937,282 thousand refers to unfinished production in the country (in the country 420,333 thousand - own investments in Belgrade, in Knez Danilova Street: RSD 81,337 thousand, in Bežanijska Kosa: RSD 228.352 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 inventories of finished products RSD 17,510 thousand (based on built and unsold business space in Bežanijska Kosa in Belgrade,

- Energoprojekt Niskogradnja in the amount of RSD 227,615 thousand predominantly relates to produced material (crushed stone, prefabricated concrete curbs and pipes) on projects abroad: RSD 214,614 thousand (in Uganda: RSD 212,958 thousand and Peru: RSD 1,656 thousand),

- Energoprojekt Park 11 u iznosu od 284.689 hiljada dinara, po osnovu završene izgradnje poslovno - stambenog kompleksa Park 11 u Bloku 11a na Novom Beogradu i

- Energoprojekt Sunnyville u iznosu od 110.051 hiljada dinara, po osnovu izgrađenih i neprodatih nekretnina u stambeno - poslovnom kompleksu Sunnyville u Beogradu.

Decrease in inventories of work in progress and finished products compared to last year on given date in the amount of RSD 1,030,066 thousand predominantly refers to, on the one hand, decrease in Energoprojekt Park 11 in the amount of RSD 1,142,369 thousand from the sale of a part of the property in the business-residential complex Park 11 in Block 11a in New Belgrade and Energoprojekt Sunnyville in the amount of RSD 111,904 thousand, from the sale of a part of the property in the business-residential complex Sunnyville in Belgrade, and on the other hand, increase in Energoprojekt Visokogradnja in the amount of RSD 179,978 thousand for work in progress in Bežanijska Kosa, Block 24.

- The total value of inventories of **goods** in the *gross* amount of RSD 115,220 thousand mostly refers to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 98,433 thousand, in the country: RSD 43,907 thousand and abroad: RSD 54,526 thousand (primarily on the projects in Uganda: RSD 53,794 thousand) and

- Energoprojekt Visokogradnja in the amount of RSD 14,653 thousand (predominantly relates to goods in the warehouse: RSD 14,645 thousand, which were impaired in the amount of RSD 12,217 thousand, since it is a specific stone).

- **Advances paid to other companies for material, spare parts and small inventory in the country** in the *gross* amount of RSD 116,467 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoplast in the amount of RSD 62,203 thousand, primarily, for advances paid for raw materials to the company Pegasus: RSD 56,311 thousand and for packaging to the company Smurfit Kappa: RSD 4,429 thousand, and

- Energoprojekt Visokogradnja in the amount of RSD 45,364 thousand predominantly relates to the project Smatsa Flight Control in the amount of RSD 40,009 thousand.

Decrease in the *gross* amount of advances paid to other companies for materials, spare parts and small inventory in the country in the amount of RSD 105,918 thousand, primarily relates to, on the one hand, decrease in Energoprojekt Visokogradnja: RSD 123,517 thousand for the completion of the projects: Chinese Cultural Center, Delta Headquarters and Park 11, and Energoprojekt Niskogradnja: RSD 34,269 thousand, primarily, on the project Modernization of TPS Zemun, and on the other hand, increase in Energoplast: RSD 60,033 thousand, primarily for the advance paid for raw materials.

- **Advances paid to other companies for services in the country** in the *gross* amount of RSD 252,433 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 213,694 thousand, primarily, on the projects Modernization of TPS Zemun and Reconstruction of Vinča Landfill, and

- Energoprojekt Oprema in the amount of RSD 22,983 thousand, primarily on the project Modernization of TPS Zemun: RSD 20,176 thousand.

Decrease in the *gross* amount of advances paid to other companies for services in the country in the amount of RSD 208,654 thousand, primarily relates to Energoprojekt Niskogradnja: RSD 155,482 thousand, predominantly on the project Modernization of TPS Zemun and Energoprojekt Oprema: RSD 51,844 thousand, primarily for advances paid to the suppliers Sauter Ltd.: RSD 21,773 thousand and Kodar Elektromontaža: RSD 13,574 thousand.

• **Advances paid to other companies for materials, spare parts and small inventory abroad** in the amount of RSD 148,326 thousand, predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 99,871 thousand, primarily on the project Z-045 Reconstruction of Mityana Mubende Road, Uganda,
- Energoprojekt Visokogradnja in the amount of RSD 46,810 thousand, predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 34,596 thousand (primarily, on the project Ecobank), as well as on the project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 10,043 thousand.

Decrease in advances paid to other companies for materials, spare parts and small inventory abroad in the amount of RSD 17,494 thousand, is primarily the result of the net effect of the decrease in Energoprojekt Visokogradnja: RSD 33,356 thousand for the completion of the works on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia and the increase in Energoprojekt Niskogradnja: RSD 51,788 thousand,

• **Advances paid to other companies for services abroad** in the amount of RSD 412,025 thousand, predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 163,769 thousand predominantly for advances paid to the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 121,904 thousand,
- Energoprojekt Niskogradnja in the amount of RSD 111,236 thousand, primarily in Uganda (on the projects Z-045 Reconstruction of Mityana Mubende Road, Uganda and Z-042 Repair of Mpigi Road, Butambala and Gomba Town Roads), and
- Energoprojekt Visokogradnja in the amount of RSD 88,880 thousand predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 39,576 thousand (primarily on the project Ecobank and Ernest Chemist factory) and on the project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 38,068 thousand.

Decrease in advances paid to other companies for services abroad in the amount of RSD 17,254 thousand, primarily relates to Energoprojekt Visokogradnja: RSD 148,250 thousand for the completion of the works on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia.

31. FIXED ASSETS HELD FOR SALE AND TERMINATION OF BUSINESS

Structure of fixed assets held for sale and termination of business	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Land held for sale	4.066		4.066	4.066		4.066
Buildings held for sale	11.859		11.859	46.345		46.345
Plant and equipment held for sale	169.225		169.225	169.759		169.759
TOTAL	185.150	0	185.150	220.170	0	220.170

• **Land held for sale** in the amount of RSD 4,066 thousand relates to Energoprojekt Niskogradnja, specifically the land in Mombasa Road, Najrobi, Kenya, area of 12,140.55 m².

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.

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

• **Buildings held for sale** in the amount of RSD 11,859 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of RSD 6,111 thousand for the remaining unsold properties in the building K1G in Rakovica, Belgrade, as shown in the following table:

in RSD thousand										
No	Item	Address	No.	Area in m ²	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			696	
2	Two and half bedroom apartment	Petra Konjovića 14	Lamella 1, III floor, no.16	78	9.234	241			1.057	
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			815	
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			1.262	
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			45	
16	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.10	12	531	12			45	
17	Garage place	Petra Konjovića 14a	Lamella 2, basement 2, no.11	12	531	12			45	
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			45	
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	5.096	4.010	6.111

Pursuant to the Decision made on 146th session of the Executive Board of the Company from 2019, 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 Company 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. In period from 2019 until now, Company sold most of real estate, and during the reporting period, the Company achieved a net profit on the sale of properties intended for sale in the amount of RSD 4,010 thousand.

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

- Energoprojekt Niskogradnja in the amount of RSD 5,748 thousand for business spaces in Buenos Aires, Argentina, area of 86.30 m².

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.

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

Decrease in buildings held for sale compared to 31.12. of the previous year in the amount of RSD 34,486 thousand entirely relates to Energoprojekt Holding, due to sales of properties in the building K1G in Rakovica, Belgrade.

• **Plant and equipment held for sale** in the amount of RSD 169,225 thousand relate to Energoprojekt Niskogradnja.

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 is a part of the assets sold both in 2020 and in the reporting period, so that the remaining stock amounts to RSD 169,226 thousand.

The company continues to undertake activities in order to sell of the remaining reclassified assets held for sale.

Decrease in plant and equipment held for sale compared to 31.12. of the previous year in the amount of RSD 534 thousand is primarily the result of the sale of machinery in Energoprojekt Niskogradnja in the amount of RSD 444 thousand.

32. RECEIVABLES FROM SALES

Structure of receivables from sales	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Domestic buyers	2.239.951	(311.016)	1.928.935	2.171.454	(159.827)	2.011.627
Foreign buyers	6.916.024	(1.526.372)	5.389.652	5.208.567	(1.341.442)	3.867.125
Receivables from parent, subsidiary companies and other related parties in the country:						
a) Domestic buyers - parent, subsidiary companies			0			0
b) Domestic buyers - other related parties	6.940	(2.814)	4.126	6.052	(2.812)	3.240
Total - Receivables from parent, subsidiary companies and other related parties in the country	6.940	(2.814)	4.126	6.052	(2.812)	3.240
TOTAL	9.162.915	(1.840.202)	7.322.713	7.386.073	(1.504.081)	5.881.992

The gross amounts of receivables from sales will be explained below, whereas the receivables from sales predominantly refer to the effects of the application of IFRS 9.

- **Gross receivables from domestic buyers** amount to RSD 2,239,951 thousand and primarily relate to receivables in Energoprojekt Visokogradnja: RSD 860,126 thousand, Energoprojekt Niskogradnja: RSD 729,292 thousand, Energoprojekt Entel: RSD 248,302 thousand and Energoprojekt Oprema: RSD 177,666 thousand.

The following table shows the structure of receivables from domestic buyers as at the balance sheet date in the companies in the Energoprojekt system, which have the most significant amounts of the respective receivables.

Structure of receivables from domestic buyers	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
<i>Energoprojekt Visokogradnja:</i>		
Delta House/NBGP Properties (project Delta Headquarters)	505.704	480.602
Smatsa Ltd. Flight Control (project Smatsa Flight Control)	220.702	13.319
Empiret Ltd. (project Chinese Cultural Center)	107.280	319.013
Belgrade Waterfront Ltd. (project Belgrade Waterfront)	12.029	70.092
GP Seven Ltd. (project Navigator 2 Business Center)		184.747
Other	14.411	21.635
Gross	860.126	1.089.408
<i>Impairment</i>	<i>(10.783)</i>	<i>(13.064)</i>
Total	849.343	1.076.344
<i>Energoprojekt Niskogradnja:</i>		
Beo Čista energija (Reconstruction of Vinča Landfill)	204.064	88.859
Srbija Voz (Modernization of TPS Zemun)	271.646	186.708
Infrastruktura Železnice Srbije (Railroad Jajinci-Mala Krsna)	188.896	176.633
City of Belgrade (Zeleni bulevar)	21.741	39.719
Other	42.945	81.382
Gross	729.292	573.301
<i>Impairment</i>	<i>(190.975)</i>	<i>(46.949)</i>
Total	538.317	526.352
<i>Energoprojekt Entel:</i>		
Public Company Elektroprivreda Srbije (several projects)	168.490	134.158
Construction Industrielles de la mediterrabee - CNIM S.A. - Branch SRB Belgrade (several projects)	22.355	18.590
Beo Čista Energija Ltd. (several projects)	9.832	13.025
Vetrozelena Ltd. (several projects)	6.949	
Other	40.676	14.743
Gross	248.302	180.516
<i>Impairment</i>		
Total	248.302	180.516

Gross increase in receivables from domestic buyers compared to 31.12. of the previous year in the amount of RSD 68,497 thousand is predominantly the result of, on the one hand, increase in Energoprojekt Niskogradnja: RSD 155,991 thousand (primarily, on the projects Modernization of TPS Zemun and Vinča Landfill) and Energoprojekt Oprema: RSD 106,642 thousand (primarily from the Clinical Center of Serbia on the project Power Facility in the Clinical Center of Serbia) and, on the other hand, decrease in Energoprojekt Visokogradnja: RSD 229,282 thousand (primarily from the company GP Seven Ltd. on the project Navigator 2 Business Center and from the company Empiret Ltd. on the project Chinese Cultural Center).

• **Gross receivables from foreign buyers** in the amount of RSD 6,916,024 thousand, primarily relate to Energoprojekt Oprema in the amount of RSD 2,517,433 thousand, Energoprojekt Niskogradnja in the

amount of RSD 2,286,554 thousand, Energoprojekt Entel in the amount of RSD 1,166,084 thousand, and Energoprojekt Visokogradnja in the amount of RSD 507,235 thousand.

The following table shows the structure of receivables from foreign buyers as at the balance sheet date in the companies of the Energoprojekt system, which have the most significant amounts of the respective receivables.

Structure of receivables from foreign buyers	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
<i>Energoprojekt Oprema:</i>		
Gasprom Transgas Belarus (project Energoentar Minsk)	1.956.324	
Energoprojekt Nigeria Ltd., Lagos, Nigeria	561.109	561.100
Gross	2.517.433	561.100
<i>Impairment</i>	<i>(196.287)</i>	<i>(79.759)</i>
UKUPNO	2.321.146	481.341
<i>Energoprojekt Niskogradnja:</i>		
Uganda National Road Authority (UNRA) - several projects	1.282.335	1.569.382
Ministry of Works and Transport Z-010	456.836	415.597
Centro comercial Eco Plaza SAC	273.305	621.814
Consorcio Energoprojekt-CCEQO Z-040	62.534	93.789
Uganda Kampala Capital City Authority Z-046	36.074	-
Other	175.470	97.787
Gross	2.286.554	2.798.369
<i>Impairment</i>	<i>(954.174)</i>	<i>(851.207)</i>
TOTAL	1.332.380	1.947.162
<i>Energoprojekt Entel:</i>		
In the company Energoprojekt Entel L.L.C., Doha, Qatar	378.886	392.068
In the company Energoconsult L.L.C., Abu Dhabi, UAE	633.926	422.666
In the company Energoprojekt Entel L.L.C., Muskat, Sultanate of Oman	153.272	181.648
Gross	1.166.084	996.382
<i>Impairment</i>		
TOTAL	1.166.084	996.382
<i>Energoprojekt Visokogradnja:</i>		
MKC- RosEvroDevelopment (Z-112 Hotel Hyatt Rostov 2, Russia)	184.188	121.776
Wonda World - Petronia City, Ghana	99.310	91.414
Ecobank, Ghana	68.375	62.930
Ernest Chemist Ghana	61.967	61.647
Ministry of Justice, Ghana	27.440	7.120
Asikes Ventures Limited, Ghana	17.843	17.120
Other	48.112	40.365
Gross	507.235	402.372
<i>Impairment</i>	<i>(183.993)</i>	<i>(157.776)</i>
TOTAL	323.242	244.596

The highest amount of receivables from foreign buyers relates to receivables of Energoprojekt Oprema Plc. from Gasprom Transgas Belarus Plc. in the amount of RSD 1,956,324 thousand, which were recorded on the item Long-Term Receivables for Non-Invoiced Income - Other Companies. Based on the Arbitration Verdict from 24.04.2021 and the Decision on the Recognition and Execution of the foreign arbitration decision by the Commercial Court in Minsk from 18.11.2021, the Long-Term Receivables for Non-Invoiced Income were reclassified to the account 205 – Foreign Buyers and account 228 – Other Short-Term Receivables.

In 2021, the Inspection of the Ministry of Taxes and Fees, Pervomajsk region of the City of Minsk brought the Resolution no. 3-2-9/12561-1 of 16.11.2021 based on the Protocol on additional control no. 3-2-9/426 of 11.11.2021, which relates to Energoprojekt Oprema Plc. within the area of work of the branch of Energoprojekt Oprema Plc. in the Republic of Belarus. It was decided to collect from the controlled subject, Energoprojekt Oprema Plc., within the area of work through the permanent branch in the Republic of Belarus, a total of BYN 13,444,942.10 (Belarusian rubles), of which taxes amount to BYN 11,192,657.29 (VAT: BYN 8,448,478.28 and income tax: BYN 2,742,799.34) and penalties BYN 2,252,284.81 (penalty for non-calculated VAT: BYN 1,669,760.98 and penalty for income tax: BYN 552,523.83), since it was concluded during the control that the Decision of the Court of Arbitration of the Institute of the Stockholm Chamber of Commerce of 24.04.2019 is considered the moment to consider the works on the delivery of equipment fulfilled (so that tax liabilities for 2019 were determined as specified).

On 17.11.2021, the debt to the state was collected in the amount of BYN 13,446,163.48, which according to the exchange rate of the National Bank of Belarus on that day amounted to USD 5,448,423.15.

In that context, the amount of money that is subject to collection in accordance with the Arbitration Decision should, during its execution, be reduced by USD 5,448,423.15.

Based on the above mentioned, having in mind the ZOPPP law of the Republic of Belarus, the court brought the resolution to partially accept the request of the tax office, specifically as follows:

To recognize and execute the Decision of the Court of Arbitration of 24.04.2019 on the acceptance that unilateral termination of the Contract by Gasprom Transgas Belarus Plc. was unlawful, to recognize that the Contract was terminated unilaterally by Gasprom Transgas Belarus Plc. at their own discretion, and to collect from Gasprom Transgas Belarus Plc. the following amounts in favour of Energoprojekt Oprema Plc.:

- USD 22,714,239.31 value of equipment delivered by Energoprojekt Oprema Plc., along with interest at the rate of 1% annually, calculated from 22 December 2017, until they are entirely paid;
- USD 5,005,528.19 amount of bank guarantee, along with interest at the rate of 1% annually, calculated from 10 November 2017, until they are entirely paid;
- USD 603,233.60 for project works for phase "A", along with interest at the rate of 1% annually, calculated from 22 December 2017, until they are entirely paid;
- USD 955,119.87 for project works for phase "S", along with interest at the rate of 1% annually, calculated from 22 December 2017, until they are entirely paid;
- USD 786,433.56 costs Energoprojekt Oprema Plc. had in the arbitration procedure;
- USD 172,182.85 arbitration costs,

reduced by the amount of debt of Energoprojekt Oprema Plc. to the state budget of the Republic of Belarus in the amount of USD 5,448,423.15, for which the Ministry of Taxes and Fees of the City of Minsk executed an enforced collection from Gasprom Transgas Belarus Plc. on 17.11.2021 by a cession.

Based on the above mentioned, corresponding bookings were made on 17.11.2021, by creating a new balance Receivables based on Arbitration Verdict - Decision (USD 24,788,314.23), resulting as the difference between the shown balance according to the verdict and the balance in the business books of Energoprojekt Oprema Plc. until that moment. Receivables from Gazproma reclassified to the account 205 – Foreign Buyers in the gross amount of RSD 1,956,324 thousand (value of equipment, project works for phase "A" and project works for phase "S" in the amount of USD 18,824,169.63) and the account 228 – Other Short-Term Receivables in the gross amount of RSD 619,831 thousand (for the

amount of the bank guarantee and the other costs Energoprojekt Oprama had in the arbitration procedure in the amount of USD 5,964,144.60) (Note 29.2.).

Gross increase in receivables from foreign buyers compared to 31.12. of the previous year in the amount of RSD 1,707,457 thousand is predominantly the result of, on the one hand, increase in Energoprojekt Oprema: RSD 1,954,975 thousand (predominantly, due to receivables from Gasprom Transgas Belarus on the project Energocentar Minsk, with the transfer from the item Long-Term Receivables for Non-Invoiced Income – Other Companies as explained above) and Energoprojekt Entel: RSD 169,702 thousand (primarily, in the company Energoconsult L.L.C., Abu Dhabi, UAE) and, on the other hand, decrease in Energoprojekt Niskogradnja: RSD 511,815 thousand (primarily, on the project Z-042 Reconstruction of Mpigi Road, Butambala and Gomba Town Roads, Uganda and from the company Centro comercial Eco Plaza SAC, Peru).

• ***Gross receivables from domestic buyers - other related parties*** in the amount of RSD 6,940 thousand primarily relate to receivables from the related party Napred Plc.: RSD 2,826 thousand (primarily in Energoprojekt Visokogradnja: RSD 2,428 thousand) and receivables from the joint venture Enjub Ltd.: RSD 3,515 thousand (primarily, in Energoprojekt Visokogradnja: RSD 2,121 thousand, which have been entirely impaired based on the effects of the application of IFRS 9 – Financial Instruments) and Energoprojekt Urbanizam i arhitektura: RSD 1,393 thousand).

Impairment of receivables from sales of in the amount of RSD 1,840.202 thousand predominantly relates to effects of the application of IFRS 9 calculated in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, predominantly in Energoprojekt Niskogradnja (in the country and Peru – group approach and in Uganda – individual approach, and impairment of the total receivables in the amount of RSD 55% in accordance with the decision of the Management of Energoprojekt Niskogradnja) and Energoprojekt Visokogradnja, whereas the remaining impairment relates to impairments created in the previous period.

33. OTHER SHORT-TERM RECEIVABLES

Structure of other short-term receivables	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Other receivables (Note 33.1.)	1.205.986	(162.324)	1.043.662	529.273	(115.835)	413.438
Receivables for Overpaid Income Tax (Note 33.2.)	83.088		83.088	21.236		21.236
Receivables for Overpaid Other Taxes and Contributions (Note 33.3.)	5.781		5.781	5.615		5.615
TOTAL	1.294.855	(162.324)	1.132.531	556.124	(115.835)	440.289

33.1. Other receivables

Structure of other receivables	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Receivables from specific transactions (Note 33.1.1.)	138.406	(86.953)	51.453	138.597	(89.645)	48.952
Other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions) (Note 33.1.2.)	981.945	(75.371)	906.574	290.183	(26.190)	263.993
Value added tax (Note 33.1.3.)	85.635		85.635	100.493		100.493
TOTAL	1.205.986	(162.324)	1.043.662	529.273	(115.835)	413.438

33.1.1. Receivables from specific transactions

Structure of receivables from specific transactions	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Receivables from specific transactions from other related companies	6.433		6.433	6.431		6.431
Receivables from specific transactions from other companies	131.973	(86.953)	45.020	132.166	(89.645)	42.521
TOTAL	138.406	(86.953)	51.453	138.597	(89.645)	48.952

● **Receivables from specific transactions from other related parties** in the amount of RSD 6,433 thousand relate to Energoprojekt Holding for pre-invoiced costs to the joint venture Enjub Ltd.

● *Gross* amount of **receivables from specific transactions from other companies** in the amount of RSD 131,973 thousand predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 83,315 thousand for receivables from the company Intermost a.d, Belgrade in bankruptcy (which were entirely impaired in the previous period) and

- Energoprojekt Oprema in the amount of RSD 48,658 thousand for receivables from the company Energo Nigeria Ltd., Lagos, Nigeria. In accordance with the requirement of IFRS 9, the receivables of the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 3,638 thousand were impaired.

Impairment of receivables from specific transactions from other companies in the amount of RSD 86,953 thousand relates to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja: RSD 83,315 thousand for entirely impaired receivables (in the previous period) from the company Intermost Plc., Belgrade in bankruptcy, and

- Energoprojekt Oprema: RSD 3,638 thousand, for impairment of receivables from the company Energo Nigeria Ltd., Lagos, Nigeria, which was calculated in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9* (Note 7.15).

33.1.2. Other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions)

Structure of other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions)	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Receivables for interest and dividends:						
a) Receivables for interest and dividends from other related companies	89.814		89.814	85.252		85.252
b) Receivables for contracted and default interest from other companies (externo)	14.783	(12.577)	2.206	12.920	(12.577)	343
Total - receivables for interest and dividends	104.597	(12.577)	92.020	98.172	(12.577)	85.595
Receivables from employees	123.910		123.910	88.876		88.876
Receivables from state authorities and organizations	7		7			0
Potrazivanja za naknade zarada koje se refundiraju	10.970	(1.928)	9.042	10.296	(1.928)	8.368
Receivables for refundable wage benefits	1.611	(1.611)	0	2.219	(1.611)	608
Other short-term receivables	740.850	(59.255)	681.595	90.620	(10.074)	80.546
TOTAL	981.945	(75.371)	906.574	290.183	(26.190)	263.993

- **Receivables for interest and dividends from other related parties** in the amount of RSD 89,814 thousand entirely relate to Energoprojekt Holding, based on interest receivables for loans granted to the joining venture Enjub Ltd.

- **Receivables for contracted and default interest from other companies** in the *gross* amount of RSD 14,783 thousand, primarily relate to Energoprojekt Industriju in the amount of RSD 12,577 thousand for receivables from the company Jugoremedija Fabrika lekova Plc., Zrenjanin – in bankruptcy (receivables entirely impaired in the previous period).

- **Receivables from employees** in the amount of RSD 123,910 thousand predominantly relate to Energoprojekt Entel in the amount of RSD 115,804 thousand (for severance paid in advance in the companies Energoprojekt Entel LTD., Doha, Qatar: RSD 72,175 and Energoprojekt Entel LLC Oman, Oman: RSD 43,629 thousand, in accordance with the local laws), as well as unjustified advance payments for going to work abroad, loans given to employees etc., namely: primarily in Energoprojekt Niskogradnja in the amount of RSD 3,441 thousand and Energoprojekt Visokogradnja in the amount of RSD 2,565 thousand.

Increase in receivables from employees compared to 31.12. of the previous year in the amount of RSD 35,402 thousand predominantly relates to Energoprojekt Entel in the amount of RSD 32,991 thousand (for severance paid in advance in companies in Qatar and Oman).

- *Gross* amount of **receivables for refundable wage benefits** (sick leave over 30 days, maternity leave, etc.) in the amount of RSD 10,970 thousand, primarily relates to Energoprojekt Visokogradnja in the amount of RSD 5,177 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,837 thousand, Energoprojekt Holding in the amount of RSD 990 thousand.

- *Gross* iznos **receivables for compensation for damages** in the amount of RSD 1,611 thousand entirely relates to Energoprojekt Visokogradnja for compensation for damages from the company Eurologistic on the project Z-089 Aktau Hospital, Kazakhstan (receivables entirely impaired in the previous period).

- *Gross* amount of **other short-term receivables in the amount of RSD 740,850 thousand** predominantly relates to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 619,813 thousand, for receivables from Gasprom Transgas Belarus for the project Energocentar Minsk for the amount of the protested bank warranty and other costs the company had in the Arbitration procedure that was concluded on 24.04.2019 in favor of the company, as well as the Decision on the recognition and execution of the foreign arbitration decision by the Commercial Court in Minsk of 18.11.2021 (Note 32), and

- Energoprojekt Hidroinzenjering, in the amount of RSD 55,653 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 42,392 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);

Increase in *gross* amounts of other short-term receivables in the amount of RSD 650,230 thousand, predominantly relates to Energoprojekt Oprema in the amount of RSD 619,823 thousand, predominantly based on receivables from Gasprom Transgas Belarus (project Energoentar Minsk).

Impairment of other receivables (except receivables for overpaid income tax and receivables for overpaid other taxes and contributions) in the amount of RSD 75,371 thousand predominantly 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,

- impairment of receivables for refundable wage benefits (receivables for the disabled) in Energoprojekt Visokogradnja in the amount of RSD 1,928 thousand,

- impairment of receivables for compensation for damages from the company Eurologistic on the project Z-089 Aktau Hospital, Kazakhstan in Energoprojekt Visokogradnja in the amount of RSD 1,611 thousand, and

- impairment of other short-term receivables in accordance with the requirements of IFRS calculated in the previous period in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, predominantly in Energoprojekt Oprema in the amount of RSD 48,516 thousand (Note 29.2.).

whereas the remaining impairment relates to impairments created in the previous period.

33.1.3. Value Added Tax

Structure of value added tax	In RSD thousand	
	31.12.2021	31.12.2020
Value added tax	85.635	100.493
TOTAL	85.635	100.493

- **Receivables for value added tax** in the amount of RSD 85,635 thousand relate to the difference between the calculated tax and the pretax, specifically: primarily in Energoprojekt Niskogradnja in the amount of RSD 43,481 thousand, Energoprojekt Visokogradnja in the amount of RSD 25,597 thousand and Energoplast in the amount of RSD 7,785 thousand.

Decrease in receivables for value added tax compared to 31.12. of the previous year in the amount of RSD 14,858 thousand, primarily relates to decreases in Energoprojekt Niskogradnja in the amount of RSD 10,513 thousand and Energoprojekt Visokogradnja in the amount of RSD 3,684 thousand.

33.2. Receivables for Overpaid Income Tax

Structure of receivables for overpaid income tax	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Receivables for overpaid income tax	83.088	21.236
<i>Impairment</i>		
TOTAL	83.088	21.236

• **Receivables for overpaid income tax** in the amount of RSD 83,088 thousand predominantly refer to Energoprojekt Niskogradnja: RSD 40,484 thousand, Energoprojekt Visokogradnja: RSD 22,169 thousand and Energoprojekt Park 11: RSD 10,997 thousand.

Increase in receivables for overpaid income tax compared to 31.12. of the previous year in the amount of RSD 61,852 thousand predominantly relates to Energoprojekt Niskogradnja in the amount of RSD 40,484 thousand and Energoprojekt Visokogradnja in the amount of RSD 22,161 thousand.

33.3. Receivables for Overpaid Other Taxes and Contributions

Structure of receivables for overpaid other taxes and contributions	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Receivables for overpaid other taxes and contributions	5.781	5.615
<i>Impairment</i>		
TOTAL	5.781	5.615

• **Receivables for overpaid other taxes and contributions** amount to RSD 5,781 thousand and predominantly relate to Zambia Engineering and Contracting Company Limited in the amount of RSD 3,453 thousand, Energoprojekt Industrija in the amount of RSD 631 thousand and Energoprojekt Oprema in the amount of RSD 534 thousand.

34. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial placements	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term loans and investments - other related parties (Note 34.1.)	76.515		76.515	76.513		76.513
Short-term loans, borrowings and investments in the country (Note 34.2.)	655	(411)	244	727	(411)	316
Short-term loans, borrowings and investments abroad (Note 34.3.)	125.298	(379)	124.919	1.335		1.335
Purchased own shares and own shares (Note 34.4.)	49.827		49.827	49.827		49.827
Other short-term financial investments (Note 34.5.):						
Short-term time deposits	969.107		969.107	1.213.935		1.213.935
Other short-term financial investments	42.378	(104)	42.274	68.345	(41)	68.304
Total - Other short-term financial investments	1.011.485	(104)	1.011.381	1.282.280	(41)	1.282.239
TOTAL	1.263.780	(894)	1.262.886	1.410.682	(452)	1.410.230

34.1. Short-Term Loans and Investments – Other Related Parties

Structure of short-term loans and investments – other related parties	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Enjub Ltd.	76.515		76.515	76.513		76.513
TOTAL	76.515	0	76.515	76.513	0	76.513

Short-term loans and investments - other related parties in the amount of RSD 76,515 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 48.2).

34.2. Short-Term Loans, Borrowings and Investments in the Country

Structure of short-term credits, borrowings and investments in the country	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Short-term loans and borrowings in the country:						
a) Short-term loans and borrowings to companies in the country	411	(411)	0	411	(411)	0
b) Short-term loans and borrowings to individuals in the country	110		110	136		136
Total - Short-term loans and borrowings in the country	521	(411)	110	547	(411)	136
Part of long-term financial investments with maturity up to one year in the country:						
Part of long-term financial investments (loans and borrowings) to other companies with maturity up to one year	134		134	180		180
Total - Part of long-term financial investments with maturity up to one year in the country	134	0	134	180	0	180
TOTAL	655	(411)	244	727	(411)	316

34.3. Short-Term Loans, Borrowings and Investments Abroad

Structure of short-term loans, borrowings and investments abroad	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term loans and borrowings to companies abroad	125.298	(379)	124.919	1.335		1.335
TOTAL	125.298	(379)	124.919	1.335	0	1.335

• **Gross amount of Short-Term Loans and Borrowings to Foreign Companies** in the amount of RSD 125,298 thousand entirely relate to Energoprojekt Visokogradnja, predominantly for a loan given to the company Alfa Stroi, Russia in the amount of RSD 123,932 thousand.

34.4. Purchased Own Shares and Own Shares

Structure of purchased own shares and own shares	In RSD thousand	
	31.12.2021	31.12.2020
Purchased own shares and own shares	49.827	49.827
TOTAL	49.827	49.827

• Pursuant to Decision on Acquiring own shares on regulated market, made by Supervisory Board, on February 13, 2017, being active on Belgrade Stock exchange the Company has acquired 97,700 own shares (representing 0.89376% of total shares with the right to vote), with nominal value of RSD 49,827 thousand. (Note 37.2.).

34.5. Short-Term Financial Investments

Structure of other short-term financial investments	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Other short-term financial investments:						
a) Short-term time deposits	969.107		969.107	1.213.935		1.213.935
b) Other short-term financial investments	42.378	(104)	42.274	68.345	(41)	68.304
Total - Other short-term financial investments	1.011.485	(104)	1.011.381	1.282.280	(41)	1.282.239
TOTAL	1.011.485	(104)	1.011.381	1.282.280	(41)	1.282.239

● **Short-term time deposits** in the amount of RSD 969,107 thousand, predominantly, relate to the following companies in the Energoprojekt system:

- Energoprojekt Entel in the amount of RSD 934,294 thousand, for deposited funds with commercial banks in the company Energoprojekt Entel Qatar: RSD 889,694 thousand (in QAR – Qatari Riyal, at an interest rate of 1.1% annually) and deposited funds with commercial banks in Serbia: RSD 44,600 thousand (u RSD, at an interest rate of 0.9% annually), which can not be disposed of at all times,
- Energoprojekt Visokogradnja in the amount of RSD 34,813 thousand, for short-term money with commercial banks in the country.

Decrease in short-term time deposits compared to 31.12. of the previous year in the amount of RSD 244,828 thousand, relates to Energoprojekt Entel in the amount of RSD 175,338 thousand (primarily in the company Energo Consult LLC Abu Dhabi, UAE) and Energoprojekt Visokogradnja in the amount of RSD 69,490 thousand (on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia).

● *Gross* amount of **other short-term financial investments** in the amount of RSD 42,378 thousand, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 21,293 thousand, primarily for warranty deposit retained by the investor on the project Z-114 Reconstruction of Syktyvkar Stadium in the amount of RSD 20,887 thousand, and
- Energoprojekt Niskogradnja in the amount of RSD 21,082 thousand, predominantly for a deposit given to the insurance company as a guarantee - in favor of the investor, on the project Z-044 Reka Ika, Peru: RSD 10,282 thousand, deposits given to banks as a guarantee in favor of the investor in Peru (on the project Z-034 Puerto Bermudez Road, Peru): RSD 8,196 thousand and deposited funds in Uganda in accordance with local provisions for the issuance of work permits to persons who are not citizens of the Republic of Uganda: RSD 2,229 thousand.

Impairment of short-term financial investments in the amount of RSD 104 thousand relates to Energoprojekt Niskogradnja in the amount of RSD 40 thousand for the correction of the financial investment given to the company Intermost Plc. Beograd - in bankruptcy, which was performed in previous years, and Energoprojekt Visokogradnja in the amount of RSD 64 thousand.

Gross decrease in short-term financial investments in the amount of RSD 25,967 thousand, is predominantly the result of a decrease in Energoprojekt Niskogradnja in the amount of RSD 40,374 thousand (primarily due to the release of the warranty deposit given to the insurance company Secrex Seguros, Peru, in favor of the investor for the issuance of a bid guarantee on the foreign point Peru: RSD 23,856 thousand, and deposit given to the insurance company Avla, Peru, for the issuance of a guarantee in favor of the investor on the project Z-039 Via Cienguillo Canal, Peru: RSD 14,260 thousand), and increase in Energoprojekt Visokogradnja in the amount of RSD 14,407 thousand (due to retained guarantee deposit by the investor on the project Z-114 Reconstruction of Syktyvkar Stadium).

35. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>					
	<i>31.12.2021</i>			<i>31.12.2020</i>		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Current (business) account	206.167		206.167	238.974		238.974
Earmarked cash and letters of credit			0	1		1
Petty cash	951		951	653		653
Foreign currency account	1.546.384		1.546.384	1.418.719		1.418.719
Foreign currency petty cash	43.040		43.040	23.088		23.088
Other cash						
Short term time deposits	397.928		397.928	1.224.322		1.224.322
Other cash	1.807		1.807	871		871
Total - Other cash	399.735	0	399.735	1.225.193	0	1.225.193
Value-impaired or restricted cash	4.250	(487)	3.763	5.349		5.349
TOTAL	2.200.527	(487)	2.200.040	2.911.977	0	2.911.977

- **Current (business) account** of the system Energoprojekt in the amount of RSD 206,167 thousand mostly refers to the current accounts of the following companies in Energoprojekt system: Energoprojekt Niskogradnja in the amount of RSD 51,243 thousand, Energoprojekt Holding in the amount of RSD 33,436 thousand, Energoprojekt Oprema in the amount of RSD 32,870 thousand, Energoprojekt Urbanizam i Arhitektura in the amount of RSD 23,620 thousand, Energoprojekt Entel in the amount of RSD 21,159 thousand, and Energoprojekt Hidroinženjering in the amount of RSD 16,865 thousand.

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

- **Foreign currency account** in the amount of RSD 1,546,384 thousand predominantly refer to the foreign currency accounts of the following companies in the system Energoprojekt: Energoprojekt Entel in the amount of RSD 514,359 thousand, Energoprojekt Niskogradnja in the amount of RSD 335,095 thousand, Energoprojekt Hidroinženjering in the amount of RSD 237,426 thousand, Energoprojekt Holding in the amount of RSD 169,067 thousand, Energoprojekt Park 11 in the amount of RSD 163,196 thousand, and Energoprojekt Visokogradnja in the amount of RSD 48,784 thousand.

- **Foreign currency petty cash** in the amount of RSD 43,040 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 26,495 thousand, Energoprojekt Niskogradnja in the amount of RSD 12,445 thousand and Energoprojekt Hidroinženjering in the amount of RSD 2,322 thousand.

- **Short term time deposits** in the amount of RSD 397,928 thousand are recorded in Energoprojekt Visokogradnja in the amount of RSD 288,447 thousand (abroad, on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 11,836 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 235,611 thousand and in the country: RSD 41,000 thousand), Energoprojekt Holding in the amount of RSD 80,000 thousand (in the country, Addiko bank), Energoprojekt Industrija in the amount of RSD 26,000 thousand (in the country, Erste bank) and Dom 12 SAL, Lebanon: RSD 3,481 thousand.

- **Value-impaired or restricted cash** in the amount of RSD 3,763 thousand mostly relate to the Energoprojekt Hidroinženjering in the amount of RSD 3,763 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.

36. SHORT-TERM ACCRUED INCOME AND DEFERRED EXPENSES

Structure of short-term accrued income and deferred expenses	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term prepaid costs (Note 36.1.)	82.406		82.406	85.077		85.077
Short-term receivables for non-invoiced income (Note 36.2.)	1.022.824	(279.105)	743.719	1.074.782	(317.288)	757.494
Other short-term accrued income and deferred expenses (Note 36.3.)	67.376		67.376	69.585		69.585
TOTAL	1.172.606	(279.105)	893.501	1.229.444	(317.288)	912.156

36.1. Short-Term Prepaid Expenses

Structure of short-term prepaid costs	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term prepaid subscriptions to professional publications	835		835	894		894
Short-term prepaid costs for rent	34.001		34.001	40.320		40.320
Short-term unapred prepaid insurance premiums	34.085		34.085	28.494		28.494
Short-term prepaid costs for advertising and propaganda	10		10	142		142
Other short-term prepaid costs	13.475		13.475	15.227		15.227
TOTAL	82.406	0	82.406	85.077	0	85.077

- **Short-term prepaid expenses for rent** in the amount of RSD 34,001 thousand, predominantly, relate to Energoprojekt Entel in the amount of RSD 32,306 thousand, for renting business spaces and renting apartments for the accomodation of workers in the Energoprojekt companies abroad, specifically in Qatar: RSD 16,201 thousand, UAE: RSD 12,499 thousand and Oman (only for rental of apartments):

RSD 3,606 thousand. The rent agreements are concluded for several years, with rent payments for one year in advance and they are mostly paid on a quarterly basis.

- **Short-term prepaid insurance premiums** in the amount of RSD 34,085 thousand, predominantly relate to Energoprojekt Entel in the amount of RSD 29,894 thousand (primarily in UAE: RSD 14,772 thousand and in the country: RSD 6,167 thousand).

- **Other short-term prepaid expenses** in the amount of RSD 13,475 thousand, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Entel in the amount of RSD 8,216 thousand, in the country in the amount of RSD 4,114 thousand (primarily for prepaid licences) and abroad in the amount of RSD 4,102 thousand (for prepaid tuitions and subscriptions to professional magazines),
- Energoprojekt Visokogradnja in the amount of RSD 1,928 thousand, and
- Energoprojekt Hidroinženjering in the amount of RSD 1,084 thousand.

36.2. Short-Term Receivables for Non-Invoiced Income

Structure of short-term receivables for non-invoiced income	In RSD thousand					
	31.12.2021			31.12.2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Short-term receivables for non-invoiced income - other related companies	22.583		22.583	23.938	(4)	23.934
Short-term receivables for non-invoiced income - druga companies - external	1.000.241	(279.105)	721.136	1.050.844	(317.284)	733.560
TOTAL	1.022.824	(279.105)	743.719	1.074.782	(317.288)	757.494

- **Short-term receivables for non-invoiced income - other related companies** in the amount of RSD 22,583 thousand relate to calculated costs for performed works (that are not certified) to the company CC Napred Plc. in Energoprojekt Urbanizam i arhitektura.

- **Gross amount of short-term receivables for non-invoiced income - other companies** in the amount of RSD 1,000,241 thousand, relate to income of the current period that could not be invoiced, and for which costs incurred in the current period, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 469,469 thousand, for situations handed over to the investor for certification, but which have not been certified until the balance sheet date, specifically:
 - in abroad in the amount of RSD 295.619 thousand, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 172.244 hiljthousand (mostly on projects Law house Gana: RSD 75.039 hiljada thousand – totally impaired by the first application of IFRS 9, Wonda World: RSD 40.139 thousand – impaired by the first application of IFRS 9 in amount of RSD 27.255 thousand) and projects projektima Z-112 Hotel Hayatt Rostov 2, Russia: RSD 98.683 thousand i Z-109 Projektovanje Rostov, Russia: RSD 24.692 thousand and

◦ in country: 173.850 hiljada dinara, 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 18,592 thousand.

Asset-related amounts based on contracts (non-invoiced incomes) are balances owed by buyers based on contracts on the construction of residential and non-residential buildings, which incur when the Company charges amounts from buyers in accordance with a series of performance-based milestones. The company previously recognizes the assets from the contracts for any performed works, which do not meet all the conditions to be included in the milestones, but which are confirmed by the buyers or another supervisory body appointed by the contracting parties. Any amount previously recognized as a contractual asset is reclassified to Receivables from buyers when it is invoiced to the buyer.

- Energoprojekt Entel in the amount of RSD 285,569 thousand, for works performed in 2021, which were invoiced in 2022, abroad: RSD 264,688 thousand (in the company Energoprojekt Entel LTD., Doha, Qatar) and in the country: RSD 20,881 thousand.

- Energoprojekt Hidroinženjering in the amount of RSD 156,534 thousand, predominantly for invoices for performed works, which have not been certified until the submission date of the balance sheet, on the following projects:

- Algeria, in the total amount: RSD 73,691 thousand (predominantly on the project Beli Slimane: RSD 48,952 thousand);
- Hydroelectric Power Plant Komarnica, Montenegro: RSD 52,994 thousand,
- Project 20001- Reconstruction of Hydroelectric Power Plant Đerdap: RSD 22,201 thousand,
- Project Karuma, Uganda: RSD 3,784 thousand,
- Project 19025 BP HPP Đerdap: RSD 2,408 thousand i
- Regulation of Bistrica River, Montenegro: RSD 868 thousand.

- Mentioning other companies of Energoprojekt Group, receivables for accrued non-invoiced income were recorded at Energoprojekt Urbanizam i arhitektura: RSD 60,329 thousand, Energoprojekt Industrija: RSD 28,190 thousand and Energoprojekt Holding: RSD 150 thousand.

Gross decrease in short-term receivables for non-invoiced income - other companies compared to 31.12. of the previous year in the amount of RSD 50,603 thousand is predominantly the result of, on the one hand, decrease in Energoprojekt Visokogradnja in the amount of RSD 106,090 thousand (primarily, on the projects Navigator 2 Business Center and Smatsa Flight Control in the country, and on the project Z-112 Hotel Hayatt Rostov 2, Russia) and, on the other hand, increase in Energoprojekt Entel in the amount of RSD 57,982 thousand (primarily in the company Energoprojekt Entel Ltd., Doha, Qatar).

Impairment of short-term receivables for non-invoiced income - other companies in the amount of RSD 279,105 thousand was predominantly recorded in Energoprojekt Visokogradnja in the amount of RSD 278,743 thousand (primarily, in the company in Ghana, as well as on the project Prokop in the country), primarily due to the effect of the application of IFRS 9, calculated in accordance with the determined *Methodology for Calculating the Impairment of Financial Instruments in accordance with IFRS 9*, dok se manji deo odnosi na formirane ispravke vrednosti u godinama pre primene IFRS 9.

36.3. Other Short-Term Accrued Income and Deferred Expenses

Structure of other short-term accrued income and deferred expenses	<i>In RSD thousand</i>					
	31.12.2021			31.12.2020		
	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>	<i>Gross value</i>	<i>Impairment</i>	<i>Net value</i>
Accrued value added tax	60.238		60.238	64.749		64.749
Other short-term accrued income and deferred expenses - related companies	9		9			0
Other short-term accrued income and deferred expenses - external	7.129		7.129	4.836		4.836
TOTAL	67.376	0	67.376	69.585	0	69.585

• **Accrued value added tax (VAT)** in the amount of RSD 60,238 thousand encompasses the VAT disclosed in the received invoices which relate to the reporting year, and the right to deduct the pretax incurs i the next calculation period, because the incoming invoices were received after the tax return for December of that year was prepared. The most significant amount of accrued VAT was recorded in Energoprojekt Visokogradnja in the amount of RSD 37,009 thousand and Energoprojekt Niskogradnja in the amount of RSD 12,694 thousand.

• **Other accrued income and deferred expenses** in the amount of RSD 7,129 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of RSD 2,959 thousand, predominantly relates to a fee for a commercial bank (which will be which will be re-invoiced to subsidiaries in the next period) in the amount of RSD 1,159 thousand and accrued costs of licences in the amount of RSD 1,409 thousand.
- Energoprojekt Urbanizam i Arhitektura in the amount of RSD 2,063 thousand, for accrued insurance costs for the project Plot 19.1 – Belgrade Waterfrond.
- Energoprojekt Industrija in the amount of RSD 1,272 thousand, for accrued costs of prepaid licences.

37. CAPITAL

Structure of capital	In RSD thousand	
	31.12.2021	31.12.2020
Equity capital (Note 37.1.) (reduced for non-controlling interest in equity capital)	5.626.811	5.628.154
Issuing premium (Note 37.2.)	162.693	162.693
Reserves (Note 37.3.)	318.710	318.617
Positive revaluation reserves and unrealized gains from securities and other components of other comprehensive result - <i>positive equity item</i> (Note 37.4.)	6.198.828	5.771.613
Unrealized losses from securities and other components of other comprehensive result - <i>positive equity item</i> (Note 37.5.)	31.053	25.346
Retained earnings (Note 37.6.)	6.926.606	5.932.247
Non-controlling interest in equity capital	94.616	94.616
TOTAL	19.297.211	17.882.594

37.1. Equity Capital

Structure of equity capital	In RSD thousand	
	31.12.2021	31.12.2020
Share capital (external) - total	5.651.380	5.651.380
Non-controlling interest - in share capital	(76.421)	(76.421)
<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	12.747
Non-controlling interest - in limited liability companies	(12.747)	(12.747)
<i>Total - Stakes in limited liability companies</i>		
Other share capital - total	57.300	58.643
Non-controlling interest in other share capital	(5.448)	(5.448)
<i>Total - Other share capital</i>	<i>51.852</i>	<i>53.195</i>
TOTAL	5.626.811	5.628.154

- **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.

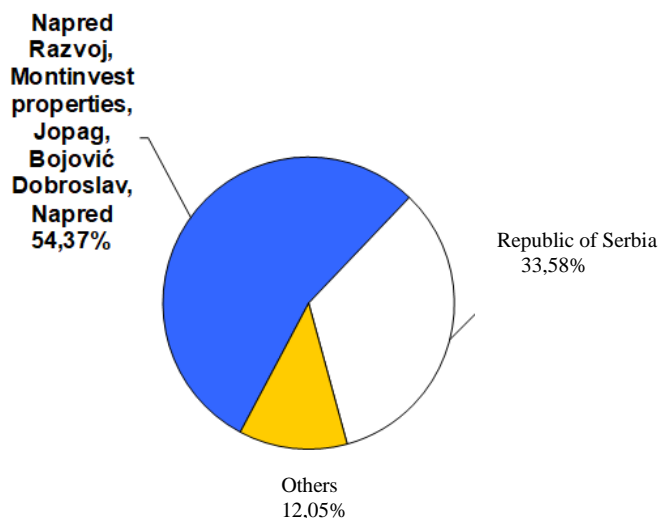
According to the records of the Central Securities Register, the current shareholder structure of Energoprojekt Holding as at 31.12.2021 was as follows:

	No. of shares	% of total issue
Shares owned by physical persons	728,179	6.66
Shares owned by legal persons	9,843,377	89.97
- Republic of Serbia	3,671,205	33.58
- Other legal entities	6,163,172	56.38
Aggregate (custody) account	368,736	3.37
Total no. of shares	10,931,292	100

No. of shareholders with equity investments	No. of persons			No. of shares			% of total issue		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
Up to 5%	3,565	160	3,725	1,329,494	44,165	1,373,659	12.16%	0.40%	12.56%
5% to 10%	1	1	2	564,699	560,731	1,125,430	5.17%	5.13%	10.30%
More than 10% to 25%	0	0	0	0	0	0	0.00%	0%	0.00%
More than 25% to 33%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 33% to 50%	2	0	2	8,432,203	0	8,432,203	77.14%	0.00%	77.14%
More than 50% to 66%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 66% to 75%	0	0	0	0	0	0	0.00%	0.00%	0.00%
More than 75%	0	0	0	0	0	0	0.00%	0.00%	0.00%
Total no.	3,568	161	3,729	10,326,396	604,896	10,931,292	94.47%	5.53%	100.00%

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

Name	No. of shares	% of total issue
Napred Razvoj Plc Novi Beograd	4,760,998	43.55%
Republic of Serbia	3,671,205	33.58%
Montinvest Properties I.l.c.	564,699	5.17%
Jopag AG	560,731	5.13%
Tezoro broker PLC – summery account	264,917	2.42%
Energoprojekt Holding PLC	97,700	0.89%
Tezoro broker PLC	75,750	0.69%
Bojović Dobroslav	47,004	0.43%
OTP Banka Srbija -summ.account	43,007	0.39%
Grujić Sava	31,301	0.29%



37.2 Issuing premium

Issuing premium	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Issuing premium	162.693	162.693
TOTAL	162.693	162.693

- **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 34.4).

37.3. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Legal reserves	194.758	194.758
Statutory and other reserves	123.952	123.859
Additional payments increasing the capital		
TOTAL	318.710	318.617

- **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.

37.4. Positive Revaluation Reserves and Unrealized Gains from Securities and Other Components of Other Comprehensive Result

Structure of positive revaluation reserves and unrealized gains from securities and other components of other comprehensive result	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Revaluation reserves:		
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	1.008.842	959.806
<i>Total - Revaluation reserves from revaluation of property</i>	<i>4.060.988</i>	<i>4.011.952</i>
Revaluation reserves from revaluation of investment property	1.662.770	1.488.656
Revaluation reserves from revaluation of plant and equipment	213.152	218.269
Total - revaluation reserves	5.936.910	5.718.877
Gains on restatement of financial statements of foreign operations	261.918	52.736
TOTAL	6.198.828	5.771.613

- **Revaluation reserves from revaluation of property** in the amount of RSD 4,060,988 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 1,008,842 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 332,094 thousand (hotel Spintex in Akra, Ghana and buildings in Belgrade - in Vozdovac and in Stara Pazova);
 - Energoprojekt Industrija: RSD 107,907 thousand (real estate of the affiliated company Energopet Ltd. (33.33%): RSD 92,509 thousand and solidarity apartments in Belgrade: RSD 15,398 thousand),
 - Energo (Private) Limited, Zimbabwe: RSD 75,660 thousand (business and residential buildings in Harare, Zimbabwe); and
 - Zambia Engineering and Contracting Company Limited, Zambia: RSD 52,997 thousand (business and residential buildings in Lusaka, Zambia).
- **Revaluation reserves from revaluation of investment property** in the amount of RSD 1,662,770 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 564,095 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 170,920 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).
- **Gains gains on transactions of financial statements for international operations** in the amount of RSD 261,918 thousand primarily relate to na Dom 12 S.A.L., Lebanon, I.N.E.C. Engineering Company Limited, United Kingdom, Energoprojekt Entel and Energoprojekt Visokogradnja.

37.5. Unrealized Losses from Securities and Other Components of Other Comprehensive Result

Structure of Unrealized losses on securities disclosed at fair value through the other comprehensive result	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Losses on securities disclosed at fair value through the other comprehensive result	31.053	25.346
TOTAL	31.053	25.346

- **Unrealized losses on securities disclosed at fair value through the other comprehensive result** in the amount of RSD 31,053 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).

37.6 Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Retained earnings from previous years:		
a) Balance as at 01 January	5.932.247	5.259.056
b) Changes	125.025	(351.543)
<i>Total</i>	<i>6.057.272</i>	<i>4.907.513</i>
Retained earnings from the current year	869.334	1.024.734
TOTAL	6.926.606	5.932.247

Change in **retained earnings** from previous years in the amount of RSD 125,025 thousand net is primarily the result of increase caused by appeared exchange rate differences applied on opening balance of retained earnings in foreign companies: RSD 211,268 thousand (predominantly in Energoprojekt Entel, primarily in the company Energoprojekt Entel LTD., Doha, Qatar) and decrease due to distribution of undistributed result of Energoplast Ltd. to the shareholder Chartered Oil Inc (40%): RSD 16,460 thousand and taxation of incurred profit: RSD 24,286 thousand (primarily in Qatar and Oman).

37.7. Non-Controlling Interest

Non-controlling interest	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Non-controlling interest - in equity capital	94.616	94.616
TOTAL	94.616	94.616

Non-controlling interest was determined on the share capital of the companies in which minority shareholders have shares.

The structure of the capital in which non-controlling interest are determined each equity item of the companies with the shares of minority shareholders is shown in the following table.

Structure of non-controlling interest for each capital item of the Companies with shares of minority shareholders	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Equity capital	5.721.427	5.722.770
Non-controlling interest - in equity capital	(94.616)	(94.616)
<i>Total - Equity capital</i>	<i>5.626.811</i>	<i>5.628.154</i>
Issuing premium	162.693	162.693
Non-controlling interest - purchased own shares		
<i>Total - Issuing premium</i>	<i>162.693</i>	<i>162.693</i>
Reserves	318.710	318.617
Non-controlling interest - in reserves	(17.996)	(17.996)
<i>Total - Reserves</i>	<i>300.714</i>	<i>300.621</i>
Positive revaluation reserves and unrealized gains from financial assets and other components of the Other comprehensive result	6.198.828	5.771.613
Non-controlling interest - in revaluation reserves and unrealized gains	(280.983)	(273.754)
<i>Total - Positive revaluation reserves and unrealized gains from financial assets and other components of the Other comprehensive result</i>	<i>5.917.845</i>	<i>5.497.859</i>
Unrealized losses from financial assets and other components of the Other comprehensive result	31.053	25.346
Non-controlling interest - in unrealized losses	(27)	(27)
<i>Total - Unrealized losses from financial assets and other components of the Other comprehensive result</i>	<i>31.026</i>	<i>25.319</i>
Retained earnings from previous year	6.057.272	4.907.513
Non-controlling interest - in retained earnings from previous year	(261.232)	(366.130)
<i>Total - Retained earnings from previous year</i>	<i>5.796.040</i>	<i>4.541.383</i>
Retained earnings from current year	869.334	1.024.734
Non-controlling interest - in retained earnings from current year	(242.746)	88.501
<i>Total - Retained earnings from current year</i>	<i>626.588</i>	<i>1.113.235</i>
Total capital of the companies with shares of majority sharehold	18.399.665	17.218.626
Non-controlling interest - in total capital	(897.546)	(663.968)
TOTAL CAPITAL	19.297.211	17.882.594

The structure of non-controlling interest - in the retained result of the current year by the companies in the Energoprojekt system is given in the following table.

Structure of non-controlling interest - in the retained earnings of the current year	% share of minority shareholders	In RSD thousand	
		31.12.2021	31.12.2020
Energoprojekt Industrija Plc.	37,23%	(2.800)	18.529
Energoprojekt Oprema Plc.	32,13%	225.898	(125.536)
Energoplast Ltd.	54,89%	19.648	18.506
TOTAL		242.746	(88.501)

38. LONG-TERM PROVISIONS

Structure of long-term provisions	In RSD thousand	
	31.12.2021	31.12.2020
Provisions for wages and other employee benefits	280.735	262.890
Provisions for warranty period costs	497.490	579.499
Provision for legal costs	17.674	14.399
<i>Total</i>	0	0
TOTAL	795.899	856.788

Provisions for wages and other employee benefits (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation made on 31 December 2021.

In the projection of provision calculation 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 (by 14.96%) in the balance sheet as at 31.12.2021 in comparison to the retirement bonus values in the balance sheet as at 31.12.2020, 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 9.66%) and the decrease of the difference between the discount rate and the assumed income increase); 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 19.39% and reduction the average years of service in the Company to 2.35% and increased expected employee fluctuation).

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 54 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 **4.0%** 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 07.09.2021 was 3.24%. 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 **4.0%**.

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 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. Although it has been significantly higher in 2021 (approx. 7.5%), the past years it has been 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 assume inflation on the target level.

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 4.0% and long-term annual discount rate of 4.0%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 78 of IAS 19.

• **Provisions for warranty period costs** in the amount of RSD 497,490 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 391,300 thousand disclosed based on the provisions from prior periods within Energoprojekt Entel LTD., Qatar in RSD 331,192 thousand based on project Phase 12: RSD 91,364 thousand, Phase 13: RSD 216,987 thousand, and Mega Reservoirs: RSD 22,841 thousand, that are done for Qatar General Electricity and Water Corporation "KAHRAMAA" and in the country in the amount of RSD 60,108 thousand, entirely for the project Incinerator in Vinča - Preparation of project documentation.

Calculation of 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 77,275 thousand is a result of abolition of unused provisions in the amount of RSD 106,171 thousand (in the country on the projects: Development of technical documentation and permitting consulting services TE-TO Pančevo: RSD 17,637 thousand and activities of the Construction Manager (FIDIC engineer) on the construction of a new block of the hydroelectric power plant Kostolac B3: RSD 17,637 thousand and in the company Energoprojekt Entel LTD., Qatar for Phase 11: RSD 70,897 thousand), and recorded foreign exchange gains in the amount of RSD 28,896 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 2,737 thousand, based on remaining amount of provision from 2017, for the project Power line Pančevo - Romanian border.

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 2,365 thousand is in its entire amount result of utilised provisions for projects: Transmission line Pancevo - Romanian border: RSD 2,350 thousand, and Transmission line Belgrade Pancevo: RSD 15 thousand.

- Energoprojekt Visokogradnja in the amount of RSD 103,453 thousand, which were recorded for provisions from the previous years on the project: Z-107 Radiology Hospital Syktyvkar, Russia in the amount of RSD 88,185 thousand, remaining provisions from 2020 for the project Chinese Cultural Center in the amount of RSD 9,382 thousand and provisions in the reporting year for the project Delta House in the amount of RSD 5,886 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.

Compared to the previous year, decrease in the respective provisions in the amount of RSD 2,369 thousand is the result of used provisions for the project Chinese Cultural Center: RSD 8,255 thousand and provisions in the reporting year for the project Delta House in the amount of RSD 5,886 thousand.

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 2020	606.134
Additional provision booked	105.822
Used in the year	(45.519)
Abolishing of unused provision	(49.660)
FX differences	(37.278)
As of 01 January 2021	579.499
Additional provision booked (Note 18)	5.886
Used in the year	(10.620)
Abolishing of unused provision (Note 21.1)	(106.171)
FX differences	28.896
As of 31 December 2021	497.490

• **Provision for legal costs** in the amount of RSD 17,674 thousand entirely relates to Energoprojekt Niskogradnja.

The change in structure of long-term provisions for legal costs is shown in the table below.

Structure of provision for legal costs	<i>In RSD thousand</i>
As of 01 January 2020	2.320
Additional provision booked	14.375
Used in the year	(1.926)
Abolishing of unused provision	(370)
As of 01 January 2021	14.399
Additional provision booked	6.171
Used in the year	(2.896)
Abolishing of unused provision	
As of 31 December 2021	17.674

39. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Long-term loans and other long-term liabilities to the parent company, subsidiaries and other related parties in the country (Note 39.1)		730.472
Long-term loans, borrowings and liabilities for lease in the country (Note 39.2)	258.629	74.125
Long-term loans, borrowings and liabilities for lease abroad (Note 39.3)	1.340	
Liabilities for issued securities (Note 39.4)	3.300.000	3.300.000
Other long-term liabilities (Note 39.5)	252.514	452.453
TOTAL	3.812.483	4.557.050
Part of long-term liabilities with maturity up to one year (Note 42.1; 42.2. and 42.3)	352.670	78.145

39.1. Long-Term Loans and Other Long-Term Liabilities to the Parent Company, Subsidiaries and Other Related Parties in the Country

Structure of long-term loans and other long-term liabilities to the parent company, subsidiaries and other related parties in the country	In RSD thousand	
	31.12.2021	31.12.2020
<i>Napred Razvoj Plc.</i>		
Long-term loan		726.175
Long-term liability for interest on loan whose payment is deferred		4.297
TOTAL	0	730.472

The amount of the initial balance of liabilities to the company Napred Razvoj Plc in the amount of RSD 730,472 thousand (6,213 hiljada EUR) was transferred to: part of long-term credits and loans to other related parties in the country with maturity up to one year - for the amount of the principal: EUR 6,176 thousand, which was fully repaid in July 2021 and liability based on interest and financing costs in the country – other related parties: EUR 37 thousand, which were repaid in July and August 2021.

39.2. Long-Term Loans, Borrowings and Liabilities for Lease in the Country

Structure of long-term loans, borrowings and liabilities for lease in the country	In RSD thousand	
	31.12.2021	31.12.2020
Long term loans from banks in the country:		
a) Unicredit bank Plc.	171.823	
b) Alta bank Plc.	39.194	
Total - Long term loans from banks in the country	211.017	
Long-term liabilities for lease in the country	47.612	74.125
TOTAL	258.629	74.125

• **Liabilities for long-term loans from domestic banks** in the amount of RSD 211,017 thousand relate to the following companies in the Energoprojekt system, as shown in the following table.

Creditor	Original currency	Remaining debt in original currency	Remaining debt in RSD thousand	Payment method and due date
Unicredit bank Plc.	EUR	1.461	171.823	monthly, until 30.11.2023
Alta bank Plc.	EUR	333	39.194	monthly, until 03.06.2023
TOTAL			211.017	

Based on the long-term loan from Unicredit bank, as a means of securing payment, bills of exchange and sureties of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema were provided, as well as bills of exchange of Energoprojekt Visokogradnja; a mortgage was established on the Energoprojekt business building and a pledge on the receivables of Energoprojekt Oprema on the project Energocentar Minsk, Belarus (Note 48.2).

Based on the long-term loan from Alta bank, as a means of securing payment, bills of exchange and sureties of Energoprojekt Holding and Energoprojekt Visokogradnja were provided, as well as bills of exchange of Energoprojekt Niskogradnja.

The following table shows liabilities for long-term loans in the country, stated in RSD, as at 31.12.2021, broken down to liabilities up to one year (which are disclosed within short-term liabilities) and liabilities over one year (which are disclosed within long-term liabilities).

Creditor	In RSD thousand		
	Long-term liability	Short-term liability	Total liability
<i>In Energoprojekt Visokogradnja:</i>			
Unicredit bank a.d.	171.823	187.443	359.266
<i>In Energoprojekt Visokogradnja - total</i>	<i>171.823</i>	<i>187.443</i>	<i>359.266</i>
<i>In Energoprojekt Niskogradnja:</i>			
Alta bank a.d.	39.194	71.856	111.050
<i>In Energoprojekt Niskogradnja - total</i>	<i>39.194</i>	<i>71.856</i>	<i>111.050</i>
TOTAL	211.017	259.299	470.316

• **Long-term liabilities for lease in the country** in the amount of RSD 47,612 thousand relate to Energoprojekt Visokogradnja in the amount of RSD 12,123 thousand and Energoprojekt Niskogradnja in the amount of RSD 35,489 thousand.

More detailed information on the total liabilities (long-term and short-term) for lease in the country is presented in the following table.

Creditor	Original currency	Remaining liability in original currency (in 000)	Remaining liability in RSD thousand	Payment method and due date
<i>Liabilities for lease in the country:</i>				
<i>In Energoprojekt Visokogradnja:</i>				
OTP Leasing	EUR	19	2.264	monthly, until 15.04.2025
Real Estate Direction of RS (rent of land for Block 24, Bežanijska kosa)	RSD	20.061	20.061	monthly, until 23.12.2023
<i>In Energoprojekt Visokogradnja - total</i>			<i>22.325</i>	
<i>In Energoprojekt Niskogradnja:</i>				
OTP Leasing	EUR	598	70.379	monthly, until 15.08.2023
Other (rent of apartments)	RSD and EUR		11.897	monthly, until 31.08.2023 / until 01.07.2029
<i>In Energoprojekt Niskogradnja - total</i>			<i>82.276</i>	
TOTAL			104.601	

The following table shows liabilities for lease in the country, stated in RSD, as at 31.12.2021, broken down to liabilities up to one year (which are disclosed within short-term liabilities) and liabilities over one year (which are disclosed within long-term liabilities).

Creditor	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liability</i>
In Energoprojekt Visokogradnja:			
OTP Leasing	1.583	681	2.264
Real Estate Direction (rent of land for Block 24, Bežanijska kosa)	10.540	9.521	20.061
In Energoprojekt Visokogradnja - total	12.123	10.202	22.325
In Energoprojekt Niskogradnja:			
OTP Leasing	26.266	44.113	70.379
Other (rent of apartments)	9.223	2.674	11.897
In Energoprojekt Niskogradnja - total	35.489	46.787	82.276
In other companies of Energoprojekt system:			
Liabilities for financial lease		1.661	1.661
In other companies of Energoprojekt system - total	-	1.661	1.661
TOTAL	47.612	58.650	106.262
<i>Total - Liabilities for financial lease in the country:</i>			
Liabilities for financial lease	38.389	55.976	94.365
Liabilities for other lease	9.223	2.674	11.897
TOTAL	47.612	58.650	106.262

39.3. Long-Term Loans, Borrowings and Liabilities for Lease Abroad

Structure of long-term loans, borrowings and liabilities for lease abroad	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Long-term loans, borrowings and liabilities for lease abroad	1.340	
TOTAL	1.340	

Detailed information on total liabilities (long-term and short-term) for lease abroad is presented in the following table.

Creditor	Original currency	Remaining liab. in original curr. (in 000)	Remaining liability in RSD thousand	Payment method and due date
<i>Liabilities for leasing abroad:</i>				
<i>In Energoprojekt Hidroinženjering:</i>				
Rent of apartment (Algeria)	AD (Algerian dinar)	1.374	1.024	annually/31.12.2025
Rent of apartment (Republic of Srpska)	KM (Convertible mark)	5	316	monthly/31.12.2025
TOTAL			1.340	

The following table shows liabilities for lease abroad, stated in RSD, as at 31.12.2021, broken down to liabilities up to one year (which are disclosed within short-term liabilities) and liabilities over one year (which are disclosed within long-term liabilities).

Creditor	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liability</i>
<i>In Energoprojekt Hidroinženjering:</i>			
Rent of apartment (Algeria)	1.024	312	1.336
Rent of apartment (Republic of Srpska)	316	93	409
TOTAL	1.340	405	1.745

39.4. Liabilities for Issued Securities

Structure of liabilities for issued securities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for issued securities	3.300.000	3.300.000
TOTAL	3.300.000	3.300.000

• **Liabilities for issued long-term securities in a period longer than one year** in the amount of RSD 3,300,000 thousand entirely relate to Energoprojekt Holding for issued long-term corporate bonds on 30.12.2020, specifically 330,000 bonds of individual nominal value of RSD 10,000,00 (based on the Decision of the Assembly of the Company of 23.07.2020 on the issuance of corporate bonds of the company through a public offering and the Decision of the Supervisory Body of the company of 25.11.2020 on the first issuance of corporate bonds), with maturity on 30.12.2025 and quarterly calculated and paid interest.

39.5. Other Long-Term Liabilities

Structure of other long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Ostale long-term liabilities of other companies and individuals in the country (external)	31.936	328.914
Ostale long-term liabilities of other companies and individuals abroad (external)	220.578	123.539
TOTAL	252.514	452.453

• **Other long-term liabilities from other companies and individuals in the country** in the amount of RSD 31,936 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of RSD 20,920 thousand for:
 - long-term advance received from the company Jerry catering service Ltd., in the amount of RSD 20,075 thousand (EUR 170 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 845 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 10,141 thousand. The figure is recorded within the item – Liabilities for loans and borrowings from entities that are not domestic banks - Note 42.1); and
- Energoprojekt Visokogradnja in the amount of RSD 5,053 thousand for liabilities for retained guarantee deposit of subcontractors, primarily on the project Chinese Cultural Center (from several companies) in the amount of RSD 4,217 thousand.

• **Other long-term liabilities from other companies and individuals abroad** in the amount of RSD 220,578 thousand, predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 158,314 thousand, relate to the obligation for retained guarantee deposit of subcontractors on the project Z-112 Hotel Hyatt Rostov 2, Russia;
- Energoplast in the amount of RSD 62,264 thousand - distribution of retained earnings to the shareholder Chartered Oil Inc. originated from:
 - 2013 and 2017 in the amount of RSD 44,627 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 2023 to 2025 (a total of RSD 35,259 thousand) and RSD 9,368 thousand in 2026.

Short-term liability for dividends to be paid by the end of 2022 amounts to RSD 39,967 thousand,

and consists of unpaid liability according to the above mentioned decision in the amount of RSD 23,506 thousand (RSD 11,753 thousand each for za 2022 and 2023), which will be paid until the end of 2022 according to the decision) and unpaid liability based on the decision on the distribution of the profit from 2021: RSD 16,461 thousand (which will be paid until 15.06.2022 according to the decision) - Note 45.1., 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);

40. LONG-TERM ACCRUED EXPENSES AND DEFERRED INCOME (except Long-Term Deferred Income and Received Donations)

Structure of long-term accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Long-term costs calculated in advance:		
a) Long-term costs calculated in advance - parent, subsidiary and other related companies	54	38
b) Long-term costs calculated in advance - other companies	410.047	377.514
<i>Total - Long-term costs calculated in advance</i>	<i>410.101</i>	<i>377.552</i>
Long-term income collected in advance:		
Long-term income collected in advance - other companies	326.432	245.930
<i>Total - Long-term income collected in advance</i>	<i>326.432</i>	<i>245.930</i>
Other accrued expenses and deferred income	58.890	120.077
TOTAL	795.423	743.559

- **Costs calculated in advance - other companies** in the amount of RSD 410,047 thousand predominantly relate to na Energoprojekt Niskogradnja in the amount of RSD 401,851 thousand (on projects in Serbia: RSD 139,869 thousand, in Peru: RSD 67,969 thousand and Uganda: RSD 194,013 thousand). These costs primarily incurred as a result of performed but not certified works of subcontractors on active projects, primarily on projects in Serbia and foreign points in Uganda, as well as invoices of suppliers for different services performed in December 2021, which were issued in 2022 (costs for lease of equipment, securing the construction site, attorney's fees, commissions for guarantees, etc.)

- **Income collected in advance - other companies** in the amount of RSD 326,432 thousand, entirely relate to Energoprojekt Niskogradnja and are recorded for the realization in advance by the investor for works which have not been performed in 2021, on the projects Modernization of TPS Zemun: RSD 270,472 thousand and Railroad Jajinci - Mala Krsna: RSD 55,960 thousand.

41. SHORT-TERM PROVISIONS

Structure of short-term provisions	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term provisions for compensations and other employee benefits		5.794
TOTAL	0	5.794

• Liabilities for **short-term provisions for compensations and other employee benefits** in the amount of RSD 5,794 thousand that were recorded in 2020 in Energoprojekt Energodati were paid in the reporting year.

42. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for loans and borrowings from entities that are not domestic banks (Note 42.1.)	92.966	77.597
Liabilities for loans from domestic banks (Note 42.2.)	388.709	782.626
Loans, borrowings, and liabilities from abroad (Note 42.3.)	14.491	150.734
TOTAL	496.166	1.010.957

42.1. Liabilities for Loans and Borrowings from Entities that are not Domestic Banks

Structure of liabilities for loans and borrowings from entities that are not domestic banks	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Part of other long-term liabilities with maturity up to one year in the country:		
a) Liabilities for financial lease with maturity up to one year in the country	55.976	45.570
b) Other long-term liabilities of other companies and individuals with maturity up to one year in the country	36.990	31.909
Total - Part of other long-term liabilities with maturity up to one year in the country	92.966	77.479
Other short-term financial liabilities in the country:		
Other short-term financial liabilities to other entities that are not banks in the country		118
Total - Other short-term financial liabilities in the country	-	118
TOTAL	92.966	77.597

- **Liabilities for financial lease with maturity up to one year in the country** in the amount of RSD 55,976 thousand, predominantly relate to Energoprojekt Niskogradnja in the amount of RSD 44,113 thousand and Energoprojekt Visokogradnja in the amount of RSD 10,202 thousand (Note 39.2.).

- **Ostale long-term liabilities of other companies and individuals with maturity up to one year in the country** in the amount of RSD 36,990 thousand, relate to liabilities for taxes and contributions on wages with maturity in 2022, according to the Decree on the procedure and manner of deferral of payment of due taxes and contributions in order to mitigate the economic consequences caused by the disease COVID-19, primarily in Energoprojekt Hidroinženjering: RSD 14,266 thousand, Energoprojekt Holding in the amount of RSD 10,141 thousand and Energoprojekt Industrija: RSD 9,909 thousand.

42.2. Liabilities for Loans from Domestic Banks

Structure of liabilities for loans from domestic banks	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term loans from banks in the country	129.340	782.626
Part of long-term loans and borrowings from domestic banks with maturity up to one year	259.299	
Other short-term financial liabilities to banks in the country	70	
TOTAL	388.709	782.626

- **Short-term loans from domestic banks** in the amount of RSD 129,340 thousand, entirely relate to Energoprojekt Oprema as shown in the following table.

Bank	Curr.	Remaining liability in the currency	Remaining liability in RSD thousand	Payment method and due date
Addiko bank	EUR	1.100.000	129.340	31.12.2022.
TOTAL			129.340	

For the short-term loan from Addiko bank, a surety and bills of exchange Energoprojekt Oprema, Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Visokogradnja were provided as a means of securing payment.

Decrease in short-term loans from banks in the country in the amount of RSD 653,286 thousand relates to Energoprojekt Visokogradnja in the amount of RSD 433,670 thousand (part of the loan from Unicredit bank is repaid (EUR 500 thousand), whereas the remaining part of the loan was converted into a long-term loan) and Energoprojekt Oprema in the amount of RSD 219,616 thousand (due to repayment of a part of the loan from Addiko bank).

- **Part of long-term loans and borrowings from domestic banks with maturity up to one year** in the amount of RSD 259,299 thousand relates to Energoprojekt Visokogradnja in the amount of RSD 187,443 thousand (with Unicredit bank) and Energoprojekt Niskogradnja in the amount of RSD 71,856 thousand (with Alta bank).

42.3. Loans, Borrowings, and Liabilities from Abroad

Structure of loans, borrowings, and liabilities from abroad	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term loans and borrowings abroad:		
a) Short-term loans from banks abroad	14.078	150.068
b) Short-term loans and borrowings from other companies and individuals abroad	8	
Total - Short-term loans and borrowings abroad	14.086	150.068
Part of other long-term liabilities with maturity up to one year abroad:		
a) Liabilities for financial lease with maturity up to one year abroad	405	666
b) Other long-term liabilities of other companies and individuals with maturity up to one year abroad		
Total – Part of long-term loans, borrowings, and other liabilities with maturity up to one year abroad	405	666
TOTAL	14.491	150.734

• **Liabilities for short-term loans from foreign banks** in the amount of RSD 14,078 thousand entirely relate to Energoprojekt Niskogradnja as shown in the following table.

Bank	Curr.	Remaining liability in the currency	Remaining liability in RSD thousand	Payment method and due date
AVLA, Peru	PEN	619.239	14.078	15.04.2022. jednokratno
TOTAL			14.078	

Decrease in short-term foreign loans compared to 31.12. of the previous year in the amount of RSD 135,982 thousand predominantly relates to Energoprojekt Niskogradnja in the amount of RSD 135,987 thousand due to the repayment of the loan in Peru.

43. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Advances received from other related parties	8.498	941
Advances received from other companies and individuals in the country	1.520.036	3.109.384
Advances received from other companies and individuals abroad	1.797.373	802.604
Received deposits and bonds	6.936	3.624
TOTAL	3.332.843	3.916.553

- **Liabilities for Advances received from other related parties** in the amount of RSD 8,498 thousand relate to liabilities to Napred Plc. in the amount of RSD 7,830 thousand and Enjub Ltd. in the amount of RSD 668 thousand, which were recorded in Energoprojekt Urbanizam i arhitektura.

- **Liabilities for advances received from other legal entities and physical bodies in the country** in the amount of RSD 1,520,036 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 1,344,704 thousand, primarily from the investor Public Company Srbija Voz for the project Modernization of TPS Zemun: RSD 649,625 thousand and Beo Čista Energija Ltd. for the project Reconstruction of Vinča Landfill: RSD 693,540 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 54,262 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 53,910 thousand.

- Energoprojekt Entel in the amount of RSD 43,691 thousand, predominantly for advances received from Power Construction Corporation of China – branch Beograd in the amount of RSD 29,529 thousand.

Decrease in liabilities for advances received from other companies and individuals in the country compared to 31.12. of the previous year in the amount of RSD 1,589,348 thousand is predominantly the result of decrease in Energoprojekt Park 11 in the amount of RSD 988,143 thousand (due to justification of advances during the handing over of the property), in Energoprojekt Visokogradnja in the amount of RSD 342,443 thousand (primarily, on the project Smatsa Flight Control: RSD 270,288 thousand) and Energoprojekt Niskogradnja in the amount of RSD 323,851 thousand (primarily, due to decrease on the projects Modernization of TPS Zemun: RSD 430,635 thousand and Railroad Jajinci - Mala Krsna: RSD 70,344 thousand and increase on the project Reconstruction of Vinča Landfill: RSD 178,017 thousand).

- **Advances received from other legal entities and physical bodies, abroad** in the amount of RSD 1,797,373 thousand primarily refer to the following companies of the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 1,606,691 thousand, for advances received in Uganda: RSD 1,238,556 thousand (primarily on the project Z-045, Mityana Mubende, Uganda: RSD 1,144,308 thousand) and in Peru: RSD 368,135 thousand (primarily on the project Z-044 Overflow Control of Ika River, Peru: RSD 354,314 thousand).

- Energoprojekt Visokogradnja in the amount of RSD 117,127 thousand, predominantly for advances received on the project Z-112 Hotel Hyatt Rostov 2, Russia: RSD 35,982 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 65,073 thousand (primarily, from the company Agams Group: RSD 23,119 thousand and Asikes Ventures Limited: RSD 31,252 thousand), and

- Energoprojekt Oprema in the amount of RSD 35,324 thousand, predominantly for liabilities for the advance received from the company Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 33,132 thousand.

Increase in liabilities for advances received from other companies and individuals abroad compared to 31.12. of the previous year in the amount of RSD 994,769 thousand, primarily relates to, on the one hand, increase in advances received in Energoprojekt Niskogradnja in the amount of RSD 1,209,378 thousand (predominantly on the project Z-045 Mityana Mubende, Uganda in the amount of RSD 1,144,308 thousand), and, on the other hand, decrease in Energoprojekt Visokogradnja in the amount of RSD 205,710 thousand (predominantly, on the project Z-112 Hotel Hyatt Rostov 2, Russia in the amount of RSD 225,529 thousand).

• **Liabilities for advances received and deposits** in the amount of RSD 6,936 thousand predominantly relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 2,218 thousand (for deposits received for renting apartments in the building “Cruz del Sur“, Peru),
- Dom 12 S.A.L., Lebanon (for deposits received for renting business spaces in the business building in Moscow) in the amount of RSD 1,844 thousand, and
- Energoprojekt Holding in the amount of RSD 1,219 thousand for deposits received for renting business spaces in the Energoprojekt business building.

44. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities to suppliers - parent, subsidiary companies and other related parties in the country:		
Liabilities to suppliers - other related companies in the country	41.207	80.950
Total - liabilities to suppliers - parent, subsidiary companies and other related parties in the country	41.207	80.950
Suppliers in the country	2.264.541	2.458.210
Suppliers abroad	1.854.439	1.428.432
Other operating liabilities	20.157	12.836
TOTAL	4.180.344	3.980.428

• **Suppliers – other related parties, in the country** in the amount of RSD 41,207 thousand relate to liabilities to the company Napred Plc. that were recorded in Energoprojekt Visokogradnja (primarily, on the project Bežanijska kosa, Blovk 24: RSD 14,393 thousand) and Energoprojekt Niskogradnja in the amount of RSD 25,838 thousand (on the project Reconstruction of Vinča Landfill for the purchase of materials).

• **Suppliers, in the country** in the amount of RSD 2,264,541 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 1,047,424 thousand, Energoprojekt Niskogradnja in the amount of RSD 804,958 thousand and Energoprojekt Oprema in the amount of RSD 352,350 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 liabilities to suppliers in the country	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
<i>Energoprojekt Visokogradnja:</i>		
Cscod-sh Ltd.	156.877	31.186
Rasina Ltd.	125.692	64.109
DMA Koping Ltd.	93.431	112.154
Jedinstvo Plc. Užice	72.027	141.398
Chuang Yi Arspire Ltd.	64.249	19.159
Almont Ltd.	40.959	27.126
Maestral SZR Gavrilović Marko	34.761	15.591
Energy Net Solution Ltd.	30.028	31.261
Koving Ltd.	24.766	7.916
Termomont Ltd.	21.442	25.832
Other	383.192	574.559
Total	1.047.424	1.050.291
<i>Energoprojekt Niskogradnja:</i>		
Bauwesen Ltd.	154.508	139.789
Ogranak Colas Rail SA Belgrade	113.121	131.859
Nukleus Ltd.	49.313	
Opticus Ltd.	36.517	63.004
Telefonkabl Plc.	33.261	31.234
Baumeister Ltd.	32.551	60.488
Ingrap Omni Ltd.	29.758	59.783
Other	355.929	508.087
Total	804.958	994.244
<i>Energoprojekt Oprema:</i>		
Nimax	55.205	-
GP Planum Plc.	38.056	38.056
Roaming smart solution Ltd.	37.756	15.950
Kodar Energomontaža Ltd.	28.569	28.569
Energotehnika Južna Bačka Ltd.	27.532	27.532
Elite steel	18.729	-
Telekomunikacija Ltd.	17.828	-
ABB Ltd.	14.124	407
Institute Mihailo Pupin	10.758	2.002
Ful Elektro Ltd.	5.545	23.385
Other	98.248	173.198
Total	352.350	309.099

- Decrease in liabilities to suppliers in the country compared to 31.12. of the previous year in the amount of RSD 193,669 thousand is predominantly the result of decrease in Energoprojekt Niskogradnja in the amount of RSD 189,286 thousand, primarily due to settlement of liabilities to subcontractors, primarily, on the projects Modernization of TPS Zemun and Reconstruction of Vinča Landfill.

- **Suppliers, abroad** in the amount of RSD 1,854,439 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 774,028 thousand, primarily in Peru: RSD 185,837 thousand and in Uganda: RSD 365,699 thousand),

- Energoprojekt Entel in the amount of RSD 692,102 thousand (in the company Energoprojekt Entel LTD., Doha, Qatar: RSD 581,480 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 63,831 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 46,791 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 322,674 thousand (predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana and on the project Z-112 Hotel Hyatt Rostov 2, Russia).

- Increase in liabilities to suppliers abroad compared to 31.12. of the previous year in the amount of RSD 426,007 thousand, is primarily the result of increase in Energoprojekt Niskogradnja in the amount of RSD 202,257 thousand (primarily in Uganda) and Energoprojekt Entel: RSD 184,682 thousand (in the companies Energoprojekt Entel LTD., Doha, Qatar: RSD 154,328 thousand, Energo Consult LLC Abu Dhabi, UAE: RSD 2,288 thousand and Energoprojekt Entel LLC Oman, Oman: RSD 28,066 thousand)

- **Other operating liabilities** in the amount of RSD 20,157 thousand primarily refer to Energoprojekt Niskogradnja in the amount of RSD 11,282 thousand, for issued checks to suppliers in Peru for the settlement of liabilities, which were not realized on 31.12.2021, and to Energoprojekt Visokogradnja in the amount of RSD 8,641 thousand, primarily for issued checks in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 7,010 thousand.

45. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Other short-term liabilities (Note 45.1.)	772.132	841.429
Liabilities for value added tax and other fees payable (Note 45.2.)	172.958	260.677
Liabilities for income tax (Note 45.3.)	59.171	182.843
TOTAL	1.004.261	1.284.949

45.1. Other Short-Term Liabilities

Structure of other short-term liabilities	In RSD thousand	
	31.12.2021	31.12.2020
Liabilities from special transaction:		
Liabilities from special transactions - other legal entities	13	8.415
Total - Liabilities from special transaction	13	8.415
Liabilities for wages, fringe benefits and compensations	609.383	653.270
Other liabilities:		
a) Liabilities for interest and financing costs	5.071	21.762
b) Liabilities for dividends	73.750	57.338
c) Liabilities to employees	23.275	34.462
d) Liabilities to General Manager, members of the management and the Supervisory Board	2.187	2.298
e) Liabilities to individuals for contractual compensations	2.204	6.599
f) Other liabilities	56.249	57.285
Total - Other liabilities	162.736	179.744
TOTAL	772.132	841.429

- **Decrease in liabilities from specific transactions – other companies** in the amount of RSD 8,402 thousand, predominantly relate to the liability of Energoprojekt Holding to Erste bank Plc. Novi Sad, which was commissioned as the Issue Agent when the Company issued the corporate bonds, in the amount of RSD 8,415 thousand. The fee was calculated in the amount of RSD 0.3% on the value of the issued corporate bonds.

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 609,383 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, etc.) relate predominantly to Energoprojekt Entel in the amount of RSD 293,011 thousand (abroad: RSD 251,700 thousand, in the country: RSD 41,311 thousand), Energoprojekt Niskogradnja in the amount of RSD 137,291 thousand (abroad: RSD 71,094 thousand, in the country: RSD 66,197 thousand), Energoprojekt Visokogradnja in the amount of RSD 104,969 thousand (abroad: RSD 34,516 thousand, in the country: RSD 70,453 thousand), Energoprojekt Hidroinženjering in the amount of RSD 36,823 thousand (abroad: RSD 7,891 thousand, in the country: RSD 28,932 thousand).

- **Liabilities for interest and financing costs** in the amount of RSD 5,071 thousand predominantly relate to Energoprojekt Holding in the amount of RSD 4,297 thousand based on deferred liability from loan granted by Napred Razvoj Plc. for the period March – June 2020 (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 31.03.2022 (Note 39.1).

- **Liabilities for dividends** in the amount of RSD 73,750 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoplast in the amount of RSD 39,967 thousand, relate to unpaid dividends to the founders – shareholder Chartered Oil Inc. (Note 39.5);

- Energoprojekt Holding in the amount of RSD 20,317 thousand, dividend liabilities from 2018: RSD 4,448 thousand and from previous years: RSD 15,869 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;
 - Energoprojekt Entel in the amount of RSD 6,907 thousand liabilities from 2017: RSD 1,645 thousand and from previous years: RSD 5,262 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.
- **Other liabilities** in the amount of RSD 56,249 thousand primarily refer to the following companies of the system Energoprojekt:
- Energoprojekt Holding in the amount of RSD 32,300 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 of the Company 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 11,443 thousand, in the country 8,488 thousand (predominantly for calculated but unpaid quarterly bank guarantee fees) and abroad RSD 2,955 thousand; and
 - Energoprojekt Urbanizam i arhitektura Plc. in the amount of RSD 8,417 thousand relate to liabilities for suspensions from the salaries of employees.

45.2. Liabilities for Value Added Tax and Other Fees Payable

Structure of - liabilities for for value added tax and other fees payable	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for value added tax	122.725	215.787
Liabilities for other fees payable	50.233	44.890
TOTAL	172.958	260.677

- **Liabilities for value added tax** in the amount of RSD 122,725 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 90,988 thousand (entirely abroad, on WUs abroad: RSD 63,592 thousand, in Energoprojekt Ghana Ltd., Accra: RSD 27,338 thousand and in Energoprojekt Montenegro, Montenegro: RSD 58 thousand), Energoprojekt Entel in the amount of RSD 20,365 thousand and Energoprojekt Urbanizam and arhitektura Plc. in the amount of RSD 3,853 thousand.
- **Liabilities for other fees payable** in the amount of RSD 50,233 thousand predominantly relate to the following companies in the Energoprojekt system:
 - Energoprojekt Niskogradnja in the amount of RSD 25,836 thousand, predominantly abroad: RSD 25,217 thousand, and
 - Energoprojekt Visokogradnja in the amount of RSD 9,868 thousand, whereby liabilities for fees payable in the country amount to RSD 9,224 thousand and on WUs RSD 644 thousand.

45.3. Liabilities for Income Tax

Structure of liabilities for income tax	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Liabilities for income tax	59.171	182.843
TOTAL	59.171	182.843

• **Liabilities for income tax** in the amount of RSD 59,171 thousand, predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 29,807 thousand, which relate to liabilities abroad, predominantly for unpaid estimated liability based on income tax on the project Z-112 Hotel Hyatt Rostov on Don (RSD 29,396 thousand).

Decrease in liabilities from income tax compared to 31.12. of the previous year in the amount of RSD 123,672 thousand predominantly is the result of decrease in Energoprojekt Park 11 in the amount of RSD 100,921 thousand.

46. SHORT-TERM ACCRUED EXPENSES AND DEFERRED INCOME

Structure of short-term accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Short-term costs calculated in advance:		
Short-term costs calculated in advance - other companies	215.000	246.752
<i>Total - short-term costs calculated in advance</i>	<i>215.000</i>	<i>246.752</i>
Short-term income collected in advance:		
Short-term income collected in advance - other companies	81.032	144.238
<i>Total - long-term income collected in advance</i>	<i>81.032</i>	<i>144.238</i>
Other accrued expenses and deferred income	129.627	113.755
TOTAL	425.659	504.745

• **Short-term costs calculated in advance - other companies** in the amount of RSD 215,000 thousand predominantly relate to to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 64,159 thousand, calculated during the realization for the investors, which have not been invoiced by the supplier and subcontractor until the balance sheet date. These costs amount in the country to RSD 62,217 thousand (predominantly on the projects Delta house: RSD 11,866 thousand, Smatska Flight Control: RSD 50,331 thousand), and abroad: RSD 1,942 thousand (primarily on the projects Z-108 Narhoz, Russia: RSD 560 thousand and Z-114 Syktyvkar Stadium, Russia: RSD 209 thousand as well as in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 1,010 thousand).

- Energoprojekt Sunnyville in the amount of RSD 52,566 thousand, correction of the land price

according to the Contract on the purchase of property (urban construction land).

- Energoprojekt Hidroinženjering in the amount of RSD 50,190 thousand, for calculated costs of subcontractors, primarily on the projects Electroenergetic Coordination Center: RSD 9,800 thousand, Yaraskay Peru: RSD 7,056 thousand, Đerdap 2: RSD 6,012 thousand, Komarnica Montenegro: RSD 5,798 thousand, Seklafa Sosapal-Algeria: RSD 4,583 thousand, Mačva: RSD 3,024 thousand, Gornja Drina, Republic of Srpska: RSD 2,822 thousand, Hydroelectric Power Plant Đerdap and Ship Lock: RSD 1,355 thousand and Karuma Uganda: RSD 1,185 thousand, and
- Energoprojekt Oprema in the amount of RSD 22,476 thousand, primarily, for calculated costs of subcontractors a on the project TPS Zemun: RSD 19,480 thousand.

Decrease in costs calculated in advance - other companies compared to 31.12. of the previous year in the amount of RSD 31,752 thousand, predominantly relates to, on the one hand, decrease in Energoprojekt Oprema in the amount of RSD 21,075 thousand (primarily on the projects Modernization of TPS Zemun and RTB Bor) and Energoprojekt Visokogradnja in the amount of RSD 20,782 thousand (primarily on the project Z-114 Syktyvkar Stadium, Russia) and, on the other hand, increase in Energoprojekt Industrija in the amount of RSD 10,266 thousand (on the project Heineken Water Treatment Plant).

- **Income collected in advance - other companies** in the amount of RSD 81,032 thousand, entirely relates to Energoprojekt Entel.

Decrease in income collected in advance - other companies compared to 31.12. of the previous year in the amount of RSD 63,206 thousand, relates to, on the one hand, decrease in Energoprojekt Visokogradnja: RSD 144,238 thousand (on the projects Chinese Cultural Center: RSD 66,267 thousand, Smatsa Flight Control: RSD 25,491 thousand and Z-114 Syktyvkar Stadium: RSD 52,480 thousand), and on the other hand, increase in Energoprojekt Entel: RSD 81,032 thousand.

- **Other accrued expenses and deferred income** in the amount of RSD 129,627 thousand predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 110,383 thousand, for accrued liabilities for value added tax in the country: RSD 34,416 thousand and abroad: RSD 75,967 thousand (predominantly in the company in Ghana: RSD 44,888 thousand).

47. DEFERRED TAX LIABILITIES

Net effect of deferred tax assets and liabilities	<i>In RSD thousand</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>
Deferred tax assets	3.263	9.008
Deferred tax liabilities	579.693	499.479
Net effects of deferred tax assets / (liabilities)	(576.430)	(490.471)

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>31.12.2021</i>	<i>31.12.2020</i>
Balance of deferred tax liabilities at the end of the previous year	490.471	476.867
Balance of deferred tax liabilities at the end of the current year	576.430	490.471
Changes in balance of deferred tax liabilities	85.959	13.604

Based on the change in the balance of deferred tax assets and deferred tax liabilities in 2021, 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 85,959 thousand and recorded as:

- charged to net results for 2021 (deferred tax expense for the period) in the amount of RSD 71,203 thousand (Note 24); and
- charged to equity (retained earnings of the previous year and revaluation reserves) in the amount of RSD 14,756 thousand, based on the correction of deferred tax assets and deferred tax liabilities from the previous period, as well as effects of revaluation of properties.

48. OFF BALANCE SHEET ASSETS AND LIABILITIES, MORTGAGES REGISTERED IN FAVOUR AND AGAINST THE COMPANY AND ADJUSTMENTS OF RECEIVABLES AND LIABILITIES

48.1. 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>31.12.2021.</i>	<i>31.12.2020.</i>
Issued and received guarantees and letters of credit	12.132.914	12.148.280
Construction land use rights	114.044	3.124.618
Other off balance sheet assets/liabilities	304.071	324.061
TOTAL	12.551.029	15.596.959

48.2. Mortgages 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 1,453,734 thousand (USD 13,988,134), 107.53% 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

independent, authorized appraiser “PROVALUA S.A.” according to the Reports: PAR 481-12/21, PAR 479-12/21 and PAR 478-12/20 of 31.12.2021.

- in order to secure a credit line granted by the Banco Pichincha Peru, property was mortgaged in 2016 for the amount of RSD 860,872 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, authorized 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.

In progress is the complete release of the mortgage in favor of the bank Banco Pichincha, for the last remaining liability of Energoprojekt Niskogradnja S.A. to the bank, which is guaranteed by the mortgage, which refers to the guarantees issued in favor of the investor PROYECTO ESPECIAL CHAVIMOCHIC, released in March 2022 and returned by Energoprojekt Niskogradnja S.A. Suc. Peru to the issuing bank on 17 March 2022.

The mortgage in favour of the Company will be released after the collection of the entire agreed price.

Mortgage registered against Energoprojekt Niskogradnja is presented in the table below:

Property	Area in m2	Carrying amount	Estimated value	Estimated value	Date of appraisal
		In RSD 000	In USD	In RSD 000	
Mortgage 1 - Scotiabank, Peru					
Land - Camp Primavera, Sullana, Peru	95.907,47	29.479	5.537.750	575.517	31.12.2021
Office space 16-18. floor, Lima, Peru	427,73	81.952	810.258	84.207	31.12.2021
Building Cruz Del Sur, Lima, Peru	4.295,38	697.877	6.660.904	692.242	31.12.2021
<i>Total (100%)</i>		809.308	13.008.912	1.351.967	
Total (107.53%)			13.988.134	1.453.734	
Mortgage 2 - Banco Pichincha, Peru					
Land - Santa Clara, Peru	23.009,70		8.986.011	933.882	31.12.2020
<i>Total (100%)</i>		0	8.986.011	933.882	
Total (92,18%)			8.283.492	860.872	
Total Mortgage (101.26%)			22.271.626	2.314.605	0

Mortgage registered against property – Office Building of Energoprojekt, based on bank arrangements with:

- Erste Bank Plc. Novi Sad in the amount of EUR 27,000,000.00 under Annex no. 2 to 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);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 3,188,287.47 under Annex no. 3 to the Agreement on Short-Term Loan no. RL 0029/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema);
- OTP Bank Serbia in the amount of EUR 6,782,000.00 under Annex no. 4 to the Framework Agreement on the Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2818/21 - now OL2021/202, with following Annexes (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering); and
- OTP Bank Serbia Novi Sad in the amount of EUR 3,218,000.00 under Annex no. 4 to the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2820/21 - now OL2021/457, with following Annexes (debtor Energoprojekt Hidroinženjering, mortgage borrower Energoprojekt Holding and joint debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema).

based on which on 30.12.2021, 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 27.12.2021.

- Mortgage registered against property - Complex Stara Pazova, based on bank arrangements with:

- OTP Banka Srbija Plc. under Annex 4 of the Framework Agreement on the Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2819/21 – now OL2021/365 – EUR 6,300,000.00 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), based on which on 7 July 2021 an executive out-of-court mortgage was constituted on the land and facilities of the Stara Pazova Complex was registered in the list of real estate number 10503 CM Stara Pazova in favor of the respective creditors. The Line Statement of the Energoprojekt Visokogradnja Plc. was certified by competent authority and in line with the Serbian Mortgage Law.

- Pledge on receivables of Energoprojekt Oprema on the project Energoentar Minsk, Belarus, based on bank arrangements with:

- Unicredit Bank Srbija Plc. Beograd in the amount of EUR 3,188,287.47 EUR under Annex no. 3 of the Agreement on Short-Term Loan no. RL 0029/20 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema); a pledge was established on the receivables of Energoprojekt Oprema Plc. from OAO “Gasprom transgas Belarus” for delivered equipment, according to the Arbitration Decision for the project Energoentar Minsk, Belarus in the amount of USD 18,928,532.76. The agreement on the pledge on receivables was registered in the Pledge Register for Movable and Rights, with the Decision no. 821/2020 of 05.02.2020 and its last change/amendment no. 821-4/2020 of 28.12.2021.

• **Mortgages registered in favor of companies within system Energoprojekt**

Energoprojekt Holding:

- as collateral to secure the repayment of loan pursuant to the Annex No. 14 of the Loan Agreement No. 367, in the amount of RSD 16,168 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. 10 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,347 thousand (EUR 513 thousand), with the Resolution no. 952-02-1973/2012, an 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).

48.3. Adjustment of receivables and liabilities

The major part of the unadjusted receivables and liabilities was recorded in the following companies in the Energoprojekt system, as specified below.

- In Energoprojekt Oprema:

Because there are no certified statements of open items, the total unadjusted receivables and liabilities in Energoprojekt Oprema in the amount of RSD 1,325,180 thousand — relate to the following balance items:

- Advances paid for inventories and services: RSD 190,815 thousand (primarily, with the company Energo Nigeria Ltd., Lagos, Nigeria: RSD 121,905 thousand),
- Domestic buyers: RSD 177,835 thousand,
- Foreign buyers: RSD 561,109 thousand (entirely with the company Energo Nigeria Ltd., Lagos, Nigeria),
- Advances received, deposits and bonds: RSD 43,071 thousand, and
- Suppliers in the country: RSD 352,350 thousand.

- In Energoprojekt Hidroinženjering:

According to the legal obligation, Energoprojekt Hidroinženjering has sent requests to adjust liabilities and receivables to its foreign buyers. However, they haven't responded to these requests. The total amount of the respective receivables amounts to RSD 151,216 thousand and entirely relates to Agence Nationale des Barrages et Transferts, Algeria (National Agency for Dams and Water Transfer), specifically according to the following contracts: Seklafa: RSD 53,537 thousand, Soubela: RSD 25,122 thousand, Djedra: RSD 11,959 thousand, Sidi Naceur: RSD 9,609 thousand, etc. We notice that a huge part of the respective receivables was already collected until the date of the issuance of this financial statement.

- In Energoprojekt Visokogradnja:

Unadjusted receivables from domestic buyers in the amount of RSD 106,029 thousand relate to the investor on the project Smatsa Flight Control, who did not disclose in its books in the reporting period the situation for December 2021, as it was certified on 03.02.2022.

Unadjusted liabilities for advances received in the amount of RSD 26,480 thousand, relate to the investor on the project Smatsa Flight Control, who did not disclose the justification of the advance for the situation for December 2021, as it was certified on 03.02.2022, and the investor on the project Z-112 Hotel Hayatt Rostov, Russia, who did not disclose in its books the justification of the advance for the situation for December 2021, as it was certified in February 2022.

Unadjusted liabilities to suppliers in the country in the amount of RSD 17,900 thousand relates to subcontractors, who did not book in their books the situations for December 2021, as these were certified in 2022.

- In Energoprojekt Entel:

Elektroprivreda Srbije (EPS) has unfoundedly disputed the amount of RSD 48,938 thousand. For this amount, the first-instance court decision was in favour of Energoprojekt Entel. EPS appealed and now the case is at the Court of Appeals. In 2021, there was not a single hearing – both due to illness of the judge and Covid 19 (we hope that the verdict will be in 2022).

- In Energoprojekt Holding:

Of the total amount of unadjusted receivables and liabilities, the major part relates to unadjusted balances with the company Jerry catering service Ltd. in the total amount of RSD 7,200 thousand, which incurred due to a different way of converting advance payments. Specifically, the company Jerry catering hasn't converted advance payments, whereas Energoprojekt Holding converted the advance payments until 31.12.2017, and since 01.01.2018, in accordance with IFRAC 22, advance payments are not converted any more.

49. 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 2021, 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 ongoing phase
1.	EP Holding Plc.	Republic of Serbia, EPS Srbije, Epsturs Ltd. and Rep. 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, Nikšić	2022	Grounded First-instance court accepted the claim. In appeal procedure upon Defendants' appeal. Second-instance proceedings due to bankruptcy of Epsturs Ltd. Bankruptcy Trustee submitted proposal to continue the procedure.
2.	EP Holding Plc.	Gradimir Cvetković	Compensation for damages – unjustified travel orders	RSD 285,470.62	3rd Basic Court in Belgrade	2022	Grounded First-instance proceedings
3.	EP Holding Plc.	City of Belgrade, and Bg Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606,10 on behalf of principal debt	Commercial Court in Belgrade	2022	Grounded The claim of Hala BG Hala 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 ongoing.
4.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is rejected right to vote in EP Oprema Plc.	Without any value	Administrative court	2022	Uncertain. Administrative dispute. Second-instance proceedings. Procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed.
5.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is rejected right to vote in EP Industrija Plc.	Without any value	Administrative court	2022	Uncertain Administrative dispute. Second-instance proceedings. Procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
6.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to EP Holding is rejected right to vote in EP Oprema Plc.	Without any value	Administrative court	2022	Uncertain Administrative dispute. Second-instance proceedings. Procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed.
7.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to EP Holding is rejected right to vote in EP Industrija Plc.	Without any value	Administrative court	2022	Uncertain Administrative dispute. Second-instance proceedings. 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 final Commission's decision 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	2022	Uncertain Administrative dispute.
9.	EP Holding Plc.	Ringier Axel Springer Ltd. Belgrade	Determination of nullity of the contract and return of paid advance	18,000,000.00 RSD	Commercial Court in Belgrade	2022	Uncertain Second-instance verdict confirms first-instance verdict. Revision filed.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
10.	EP Holding Plc.	EP Oprema ad Jadran Ltd. Viacom VS Ltd.	Determination of nullity of the contract	EUR 700,000.00	Commercial Court in Belgrade	2022	Uncertain. Claim rejected. Appeal of HLD rejected and first-instance verdict confirmed with verdict of Commercial Court of Appeals of 08.03.2022.
11.	EP Holding Plc.	Public company EPS	Unjustified collection of performance guarantee	RSD 1,980,000.00	Commercial Court in Belgrade	2022	Grounded First-instance proceedings
12.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bežanija)	Ungrounded	1st Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings suspended until the completion of the restitution procedure
13.	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	2022	Ungrounded in relation to EP Holding Plc. First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
14.	Nikola Malbaša, Marko Martinoli and other small shareholders of EP Industrija Plc.	Montinvest properties Ltd., Napred razvoj Plc., CC Napred Plc. Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Industrija Plc. shares	RSD 280,427,106.40	Commercial Court in Belgrade	2022	Ungrounded in relation to EP Holding Plc. First-instance proceedings
15.	Dekada Export-Import KFT Budapest	1)Vivand BT Budapest, 2)EP Holding Plc.	Determination of the nullity of the contract on assignment of claim of EP Holding Plc. to Vivand BT and Optional Sale&Purchase Agreement on sale of Real Estate	Ungrounded	Court of City of Budapest, Commercial Department	2022	Uncertain. Our revision against the final judgments of lower courts was adopted, therefore earlier decisions were canceled and the case was remanded for new proceedings. In new proceedings court adopted claim. Appeal was filed against verdict. First-instance decision was confirmed in second-instance proceedings.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
16.	Edmond Gašpar Gojko Babić Petar Rajačić	EP Holding Plc. Napred razvoj Plc.	Forced purchase of shares of EP Industrija Plc.	<p>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</p> <p>2. the amount of RSD 2,110,531.50 with DI from 09.03.2018 until payment - 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 - 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>	Commercial Court in Belgrade	2022	<p>Ungrounded in relation to EP Holding Plc. First-instance court accepted the claim. Appeal filed. Second-instance decision received on 10.02.2022 Confirmed first-instance decision, paid.</p>
17.	Zoran Petrović	EP Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2022	<p>Uncertain Claim was adopted. Appeal filed, awaiting second-instance decision.</p>

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
18.	Zoran Petrović	EP Holding Plc.	Compensation for damages for to harassment at work	RSD 900,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
19.	Alco Investments Holding LTD. Cyprus	Genesis capital Ltd., CC Napred Plc. and EP Holding Plc.	Determination of nullity of Annex 1 of the Joint Construction Agreement (Block 26)	Without any value	Commercial Court in Belgrade	2022	Ungrounded in relation to EP Holding Plc. Proceedings suspended due to opening of bankruptcy procedure over Genesis capital Ltd.
20.	Alco Investments Holding LTD. Cyprus	CC Napred EP Holding Plc.	Fulfilment of contractual agreements	EUR 15,571,615.00	Commercial Court in Belgrade	2022	Ungrounded First-instance court accepted the claim. Filed appeal was adopted. The claim was rejected in the new first-instance procedure. Second-instance decision rejects Plaintiff's appeal and confirms first-instance verdict.
21.	Proinvestments Plc.	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of shares of EP Visokogradnja Plc.	RSD 3,234,201.39	Commercial Court in Belgrade	2022	Uncertain First-instance verdict adopted claim, based on which the principal with interest was paid. Plaintiff filed appeal in relation to the costs of the proceedings, therefore the verdict is not final in that part. Awaiting second-instance decision for the costs.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
22.	Dmitrović Jelena and others	EP Holding Plc. EP Visokogradnja Plc.	Payment of the difference in price of redeemed shares of EP VG Plc.	RSD 983,453.70	Commercial Court in Belgrade	2022	Uncertain First-instance proceedings
23.	Vladimir Milovanović	EP Holding Plc.	Debt	RSD 38,277,924.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
24.	Dimitraki Zipovski	EP Holding Plc.	Debt	RSD 10,000,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
25.	Jovan Nikčević	EP Holding Plc.	Debt	RSD 8,705,623.60	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
26.	Svetlana Stevović	EP Holding Plc.	Payment of the difference in price of redeemed shares of EP VG Plc.	RSD 654,934.98	Commercial Court in Belgrade	2022	Uncertain Second-instance decision reversed first-instance verdict and claim was rejected. Plaintiff filed appeal.
27.	Vesna Prodanović	EP Holding Plc.	Debt	RSD 9,000,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
28.	Ranko Ljubojević	EP Holding Plc.	Expropriation	RSD 32,370,000.00	Higher Court in Belgrade	2022	Grounded Final judgment in favor of Plaintiff. Revision filed, which was rejected on 05.01.2022.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
29	Alco Investments Holding LTD. Cyprus	CC Napred EP Holding Plc.	Compensation for damages	RSD 1,763,775,000.00	Commercial Court in Belgrade	2022	Ungrounded 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	2022	Uncertain. Claim was adopted Second-instance proceedings upon appeal
31.	Ali Hojeij, attorney	EP Holding Plc.	Debt - services	EUR 75,000.00	Higher Court in Belgrade	2022	Uncertain First-instance proceedings
32.	Miloš Milinović EP Holding Plc.	EP Holding Plc. Miloš Milinović	Annulment of the decision of the Board of Directors and payment of the difference in salary Counterclaim – unjustified travel orders	RSD 100,000.00 RSD 123,074.18	3rd Basic Court in Belgrade	2022	Uncertain Grounded First-instance proceedings
33.	Miloš Milinović	EP Holding Plc.	Annulment of the decision on termination of employment service contract and compensation for damages	RSD 2,988,486.00	3rd Basic Court in Belgrade	2022	<i>Ungrounded First-instance proceedings</i>
34.	Zvonko Radovanović	EP Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
35.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667,104.25	Commercial Court in Belgrade	Completed	Final judgment approved the claim. Enforced collection must be carried out in Bosnia and Herzegovina.
36.	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
37.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271,813.90	Commercial Court in Belgrade	2022	We suggested to continue the execution procedure against the founder of the legal entity
38.	EP Visokogradnja Plc.	Veso Romić	Unfounded acquisition	RSD 35,301,780.00	Commercial Court in Belgrade	Completed	Grounded In the process of enforced collection

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
39.	EP Visokogradnja Plc.	Public Company Železnice, Beočvor	Debt (Prokop)	RSD 290,385,390.00	Commercial Court in Belgrade	2022	Grounded Proceedings suspended
40.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bankruptcy	Debt	RSD 1,340,520.00	Commercial Court, Valjevo	Uncertain	Receivables recognized in bankruptcy procedure
41.	EP Visokogradnja Plc.	City of Belgrade, BG Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606,10 RSD on behalf of principal debt	Commercial Court in Belgrade	2022	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. Expertise is ongoing.
42.	EP Visokogradnja Plc.	PIK Zemun in bankruptcy	Debt	RSD 33,705.46	Commercial Court in Belgrade	Uncertain	Declared receivables in bankruptcy

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
43.	EP Visokogradnja Plc.	GZR Krstić, owner Krstić Radomir	Debt	RSD 115,776.00	Commercial Court in Belgrade	Uncertain	Uncertain Enforced collection is ongoing
44.	EP Visokogradnja Plc.	SZR Kvirin, owner Tanasković Milan	Debt	RSD 31,642.40	Commercial Court in Belgrade	Uncertain	Grounded Enforced collection is ongoing
45.	EP Visokogradnja Plc.	Utva silosi Plc. Kovin in reorganization	Debt	-	Commercial Court in Pančevo	Uncertain	Receivables grounded, but payment depends on restructuring plan
46.	EP Visokogradnja Plc.	Amiga Ltd. Kraljevo in reorganization	Debt	RSD 114,425.00	Commercial Court in Kraljevo	Uncertain	Receivables grounded, but payment depends on restructuring plan
47.	EP Visokogradnja Plc.	Бон-Апеттит ООО, Ростов, РФ	Debt based on loan	RUB 5,048,082.19	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
48.	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
49.	EP Visokogradnja	PD Anticor Ltd.	Debt for accommodation services	RSD 16,732.40	Commercial Court in Belgrade	Uncertain	Uncertain Execution procedure is ongoing
50.	EP Visokogradnja	Stroj RU Inženjering Ltd.	Debt for accommodation services	RSD 139,239.02	Commercial Court in Belgrade	2022	Grounded. Proposed continuation of execution against the founder. Decision on continuation was made.
51.	EP Visokogradnja	B Gips plus Niš	Debt for accommodation services	RSD 1,128,770.46	Commercial Court in Niš	Uncertain	Uncertain Execution procedure.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
52.	EP Visokogradnja	BankPro Ltd.	Debt for accommodation services	RSD 47,489.89	Commercial Court in Belgrade	Uncertain	Uncertain Enforced collection is ongoing.
53.	EP Visokogradnja	Kosmaj mermer Plc.	Debt for unfounded 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 costs of the procedure	Commercial Court in Belgrade	2022	EP Visokogradnja activated mortgage for the collection, but the bankruptcy proceedings against the debtor was initiated and thus activation of mortgage was canceled. In the meantime, the Restructuring Plan was adopted and its application expired so the conditions for repeated activation are met.
54.	EP Visokogradnja Plc.	Mitrović Invest Ltd. Krupanj	Debt for accommodation services	RSD 213,351.24	Commercial Court in Valjevo	2022	Grounded In collection procedure
55.	EP Visokogradnja Plc.	Beogradska banka Plc. Beograd in bankruptcy	Registration of receivables	RSD 67,926,673.24	Commercial Court in Belgrade	2022	Grounded First-instance verdict rejected claim Upon our appeal case is in the Court of Appeals.
56.	EP Visokogradnja Plc.	Jugobanka Plc. Beograd in bankruptcy	Registration of receivables	RSD 568,646,437.96	Commercial Court in Belgrade	Uncertain	Grounded First-instance proceedings
57.	EP Visokogradnja	LUX GROUP 89 LTD.	Debt	RSD 447,827.43	Commercial Court in Belgrade	Uncertain	Grounded Proceedings suspended due to deletion of the company from the Business Registers Agency

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
58.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 153,674,990.16	Commercial Court in Belgrade	2022	Grounded Proceedings suspended
59.	EP Visokogradnja Plc.	Jusuf Ziberi PR	Debt – Samački hotel	RSD 742,782.50	Commercial Court in Belgrade	2022	Grounded Execution procedure initiated
60.	EP Visokogradnja Plc.	Vese and Darinka Romić	Determining the co-ownership shares of the spouses	-	Higher Court in Belgrade	2022	Uncertain First-instance proceedings ongoing
61.	Milan Branković	EP Visokogradnja Plc.	Annulment of the limited time employment contract		1st Basic Court in Belgrade	Uncertain	Ungrounded Proceedings suspended until the completion of the proceedings 17.P1.11640/10 on the lawsuit of the same plaintiff against Enjub Ltd.
62.	Nataša Milojević	EP Visokogradnja Plc.	Ownership title to be determined		3rd Basic Court in Belgrade	Court decision in 2016; revision filed	Claim was adopted by final judgement. Appeal filed against the decision.
63.	Aleksandar Petrović	EP Visokogradnja Plc.	Annulment of contract and compensation for damages	RSD 3,500,000.00	3rd Basic Court in Belgrade	2022	The court issued a decision declaring it incompetent for acting in this proceeding. The prosecutor filed an appeal. A second instance decision is pending.
64.	Ljiljana Damjano	EP Visokogradnja Plc.	Performance and compensation for damages	RSD 350,000.00	3rd Basic Court in Belgrade	2022	Claim was adopted by first-instance decision Appeal filed Awaiting second-instance decision.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
65.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, MFA	RSD 438,530.00	Commercial Court in Belgrade	Uncertain	Partly grounded Proceedings suspended due to Plaintiff's bankruptcy
66.	Residential building 10e, Bul. Mihaila Pupina	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2,000,000.00	3rd Basic Court in Belgrade	Uncertain	Uncertain Proceedings suspended
67.	Kojić Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1,130.00	3rd Basic Court in Belgrade	2022	Claim was rejected by first-instance decision. Plaintiff filed an appeal.
68.	Husein Smailović	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59,000.00 monthly starting from January 2010 and ongoing	3rd Basic Court in Belgrade	2022	A decision was adopted bringing the claim to be revoked. Plaintiff appealrf against this decision. Second-instance proceedings.
69.	Naim Hajdari	EP Visokogradnja Plc.	Determination of monthly rent for damage compensation	RSD 15,000.00 monthly starting from 21 January 1989 and ongoing	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
70.	Dragan Petrović	EP Visokogradnja Plc.	Annulment of termination of employment contract		3rd Basic Court in Belgrade	Uncertain	Claim was rejected by first-instance verdict. Second-instance proceedings. Returned to first-instance proceedings.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
71.	Residential building 10G, Bul. Mihaila Pupina	EP Visokogradnja Plc. and Stevanović Milinko	Determination of nullity of the contract		Higher Court in Belgrade	Uncertain	Uncertain First-instance proceedings
72.	Residential building 10G, Bul. Mihaila Pupina	EP Visokogradnja Plc. Omni Promet Ltd.	Determination of nullity of the contract		3rd Basic Court in Belgrade	Uncertain	Uncertain, Proceedings suspended.
73.	Dević Ljubinko	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	2022	Grounded First-instance proceedings
74.	Milorad Vasić	EP Visokogradnja Plc.	Compensation for damages (Block 12)	25,732,877,55 RSD	Higher Court in Belgrade	2022	First-instance verdict rejected claim. Plaintiff filed an appeal.
75.	JP ViK Stara Pazova	EP Visokogradnja	Debt	167,162,40 RSD and 33,558,94 RSD	Commercial Court in Sremska Mitrovica	-	Claim was adopted. Final. Debt paid on 09.07.2021
76.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	1,269,860.00 RSD	Commercial Court in Belgrade	Uncertain	Partly collected, approx. RSD 160,000.00. Proceedings suspended for remaining debt. 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 ongoing phase
77.	Vidojević Vladan and Radoš Nenad	EP Visokogradnja Plc.	Compensation for damages due to unpaid salaries and differences from overtime and performance	EUR 4,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
78.	Alen Vasić	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 600,000.00	3rd Basic Court in Belgrade	2022	Grounded First-instance proceed. concluded. Main hearing concluded. Claim was partly adopted by verdict.
79.	Predrag Radeka	EP Visokogradnja Plc.	Compensation for damages due to unpaid salaries and differences from overtime and performance	RSD 50,000 per lawsuit, but real value is much higher	3rd Basic Court in Belgrade	Uncertain	Claim was adopted. Court of Appeals rejected our appeal and confirmed first-instance verdict. Debt by verdict paid on 14.02.2022.
80.	Miloje Živanović	EP Visokogradnja Plc.	Compensation for damages for unpaid salaries	RSD 39,000.00	3rd Basic Court in Belgrade	2022	Principal and interest paid in full. Decision on costs reverted – they are still not paid.
81.	Rajko Vasiljević	EP Visokogradnja	Compensation for damages on behalf of less paid overtime	EUR 2,500.00	3rd Basic Court in Belgrade	Uncertain	First-instance proceedings terminated due to Plaintiff's death.
82.	Topalović Igor	EP Visokogradnja	Compensation for damages on behalf of less paid overtime and payment of interest on delayed payment of salaries	EUR 2,084.28	3rd Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
83.	Miloje Živanović	EP Visokogradnja	Compensation for damages on behalf of excess of overtime and individual performance	RSD 420,000.00	3rd Basic Court in Belgrade	Uncertain	Second-instance proceedings
84.	Šerbedžija Đorđe	EP Visokogradnja	Compensation for damages on behalf of excess of overtime and individual performance	EUR 1,500.00	3rd Basic Court in Belgrade	2022	Grounded. Upon our appeal case is in the Court of Appeals. Second-instance proceed. ongoing.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
85.	Pavlović Vladimir	EP Visokogradnja	Comp. for damages due to delays in construction	RSD 2,628,897.70	3rd Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
86.	Pavić Biljana	EP Visokogradnja	Compensation for damages due to overtime and payment of interest on delay in payment of salaries	RSD 1,750,643.65	3rd Basic Court in Belgrade	Uncertain.	Claim was partly adopted by first-instance decision. Appeal was filed.
87.	Miroslav Jovičić	EP Visokogradnja	Salary payment for the period from 1.1.2009 to september 2017	RSD 50,000.00 (claim amount specified in lawsuit), but value is much higher	3rd Basic Court in Belgrade	Uncertain	Uncertain. First-instance proceedings.
88.	Jovanović Miroslav	EP Visokogradnja Plc.	Compensation for damages on behalf of less paid overtime	1,000.00 EUR	3rd Basic Court in Belgrade	2022	Paid according to the first instance verdict.
89.	Dušanka Čobanović	EP Visokogradnja Plc.	Compensation for damages for injury	1,050,000.00 RSD	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
90.	Miroslav Jovičić	EP Visokogradnja	Compens. for damages for differences in earnings for the period from 01.01.2015 to 31.12.2015	Plaintiff determined claim amount of RSD 50,000 per lawsuit. Real amount is much higher.	3rd Basic Court in Belgrade	2022	First-instance court accepted the claim. Appeal was filed.
91.	Slavoljub Kodžopeljčić	Maht Savabien Ltd. EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 999,000.00	Basic Court in Ivanjica	2022	Uncertain Adoption verdict was passed, appeal was filed
92.	Rešid Pobrić	EP Visokogradnja Plc.	Determination of property rights	EUR 54,000.00	Higher Court in Belgrade	2022	Decision on withdrawal of lawsuit due to the absence of the Plaintiff from the hearing.
93.	Glušćević Radoslav	EP Visokogradnja Plc.	Determination of property rights	EUR 49,000.00	Higher Court in Belgrade	Uncertain	Uncertain Upon appeals before second-instance court.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
94.	Pobrić Carinka	EP Visokogradnja Plc.	Determination of property rights	EUR 54,000.00	Higher Court in Belgrade	Uncertain	Uncertain Upon appeals before second-instance court.
95.	Nerac Mitar	EP Visokogradnja Plc.	Determination of property rights	EUR 50,000.00	Higher Court in Belgrade	Uncertain	Our counterclaim was rejected. Returned to the first-instance court to pass a new decision on the claim
96.	Vidaković Bogdan	EP Visokogradnja Plc.	Determination of property rights	EUR 61,000.00	Higher Court in Belgrade	Uncertain	Uncertain Upon appeals before second-instance court
97.	Krsmanović Milan	EP Visokogradnja Plc.	Determination of property rights	EUR 49,000.00	Higher Court in Belgrade	Uncertain.	Uncertain First-instance proceedings
98.	Biljana Stjepić	EP Visokogradnja Plc.	Determination of property rights	EUR 54,000.00	Higher Court in Belgrade	Uncertain.	Uncertain Claim was rejected in the first instance. The plaintiff filed an appeal. Appeal was adopted and case was returned to first-instance proceedings.
99.	Jakovljević Ana	EP Visokogradnja Plc.	Determination of property rights	EUR 50,000.00	Higher Court in Belgrade	Uncertain	Uncertain. Claim was rejected. Plaintiff filed an appeal. Case was returned to first-instance proceedings. Plaintiff's appeal was adopted.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
100.	Popović Milovan	EP Visokogradnja Plc.	Determination of property rights	RSD 6,780,000.00	Higher Court in Belgrade	Uncertain	Uncertain. Lawsuit and Counterclaim rejected by final judgement. Plaintiff filed revision.
101.	Vlajko Bosanac	EP Visokogradnja Plc.	Determination of property rights Stari Merkator		Higher Court in Belgrade	Uncertain	Grounded First-instance proceedings
102.	Petković Vladan	EP Visokogradnja Plc.	Determination of property rights	RSD 4,000,000.00	1st Basic Court in Belgrade	Uncertain	Uncertain Claim was adopted in the first instance, we filed an appeal
103.	Marčeta Momčilo	EP Visokogradnja Plc.	Compensation for damages	RSD 27,000.00	3rd Basic Court in Belgrade	2022	Claim was adopted. Verdict is final. Debt paid on 01.04.2021.
104.	Radoš Lončar	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 650,000.00	3rd Basic Court	Uncertain	Grounded First-instance proceedings
105.	Milošević Marko	EP Visokogradnja Plc.	Compensation for damages for stray dog bite	RSD 100,000.00	Basic Court in Stara Pazova	2022	Uncertain First-instance proceedings
106.	Igor Topalović	EP Visokogradnja Plc.	Compensation for damages for termination of employment contract	RSD 500,000.00	3rd Basic Court in Belgrade	Uncertain	Partly grounded. First-instance proceedings
107.	Boško Pražić	EP Visokogradnja Plc.	Annulment of the decision on dismissal and unpaid severance	RSD 55,166.00	3rd Basic Court in Belgrade	Uncertain	Ungrounded First-instance proceedings suspended by court decision.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
108.	Slavoljub Simjanović	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 1,200,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
109.	Blažo Radović	EP Visokogradnja Plc.	Determination of property rights	RSD 90,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
110.	Đunisijević Vladan	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 1,700,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
111.	Danijel Vasiljević	EP Visokogradnja Plc.	Compensation for damages for injury at work	RSD 2,000,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
112.	Dragan Katić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 172,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
113.	Zoran Marković and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 87,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
114.	Goran Miljanić and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 174,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded First-instance proceedings
115.	Miodrag Vasiljević and others	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 209,000.00	3rd Basic Court in Belgrade	Uncertain	Grounded, First-instance proceedings
116.	Gordana Todorović	EP Visokogradnja Plc.	Determination of property rights		3rd Basic Court in Belgrade	2022	Grounded First-instance proceedings – claim was adopted
117.	Dragoslav Gurešić, Zoran Perić	EP Visokogradnja Plc.	Compensation for damages arising from employment	RSD 120,000.00	Third Basic Court in Belgrade	Uncertain	Grounded, first-instance proceedings
118.	Tripković family and Nada Tomašević	Municipality of Herceg Novi EP Visokogradnja Plc. EP Montenegro Ltd.	Determination		Basic Court in Herceg Novi	2022	First-instance proceedings Is being handled by an external lawyer.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
119.	Crna trava gradnja Ltd.	EP Visokogradnja Plc.	Debt	EUR 51,367.94	Commercial Court in Belgrade	2022	Grounded Our appeal was withdrawn
120.	DE Company Ltd.	EP Visokogradnja Plc.	Debt	RSD 1,023,164.36	Commercial Court in Belgrade	2022	Paid according to the first instance verdict
121.	Radomir Jovišić	EP Visokogradnja Plc.	Severance payment	RSD 168,402.00	3rd Basic Court in Belgrade	2022	Partly grounded. First-instance proceedings
122.	Marko Blagotić and others	Ep Visokogradnja Plc.	Determination of condominium rights		Basic Court in Herceg Novi	Uncertain	First-instance proceedings, claim was adopted
123.	Miloš Tijanić	EP Visokogradnja Plc. Park 11	Compensation for non-material damage	RSD 2,200,000.00	Basic Court in Kruševac	2022	First-instance proceedings
124.	New Company Ltd.	EP Visokogradnja Plc. Agroosiguranje	Determination of property rights		Commercial Court in Belgrade	2022	Adoption verdict Claim was adopted
125.	Stošić Aleksandar	EP Visokogradnja Plc.	Compensation for damages	RSD 2,910,000.00	3rd Basic Court	Uncertain	First-instance proceedings
126.	Rešid Pobrić	EP Visokogradnja Plc.	Determination of property rights on the basis of maintenance		Higher Court in Belgrade	Uncertain	Uncertain. First-instance proceedings
127.	CMC Group Ltd.	EP Visokogradnja Plc.	Debt - bills	RSD 5,613,903.00	Commercial Court in Belgrade	2022	Grounded. Objection filed against the decision on execution.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
128.	Aquaeductus co Ltd.	EP Visokogradnja	Debt - bills	RSD 803,326.12	Commercial Court in Belgrade	2022	Grounded Paid
129.	Tamara Vukadinović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal and payment of lost salaries	Based on first-instance verdict, in the part for lost salaries that were canceled, RSD 817,651.99 + default interest for the individual monthly amounts + contributions for Pension and Retirement Funds, health insurance and unemployment insurance + costs of procedure were awarded. Since the verdict in that part was canceled, the claim amount will remain unknown until the final verdict.	3rd Basic Court in Belgrade	Uncertain	In favor of the Plaintiff. Annulment was canceled and that part of the verdict is final, and the part concerning the amount of lost salaries was returned to first-instance proceedings.
130.	Jelena Davidović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal and payment of lost salaries	Based on first-instance verdict, which is not final because of the Plaintiff's appeal, the claim amount for lost salaries in the amount of RSD 485,651.99 + default interest for the individual monthly amounts + contributions for Pension and Retirement Funds, unpaid vacation recourse + costs of procedure were rejected. Since the verdict is not final, the claim amount is unknown.	3rd Basic Court in Belgrade	Uncertain	Uncertain. The claim was rejected for the second time. Awaiting decision of the Court of Appeals on the Plaintiff's appeal

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
131.	Veljković Novica	EP Urbanizam i arhitektura Plc.	Annulment of Appendix 3 of employment contract	-	3rd Basic Court in Belgrade	Uncertain Proceedings suspended	Proceedings suspended
132.	EP Oprema Plc. and EP Holding Plc.	Municipality of Medveđa	Return	RSD 120,000,000.00	Commercial Court in Leskovac	Uncertain Proceedings suspended	Uncertain First-instance proceedings
133.	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	2022	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 proceedings, ongoing expertise
134.	EP Oprema Plc.	DGP Zlatibor	Payment of performed works	RSD 42,000,000.00	Commercial Court in Belgrade	Completed	Grounded, difficult collection, debtor in bankruptcy
135.	EP Oprema Plc.	Graditelj Leskovac	Works performed in accordance with contracts	RSD 71,129,042.82	Commercial Court in Leskovac	Completed	Grounded, difficult collection, debtor in bankruptcy

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
136.	EP Oprema	Green Trafo Ltd.	Compensation for damages and return of advance	EUR 138,995.28	Commercial Court in Belgrade	2022	Grounded Proceedings suspended until the completion of procedure no. 12.
137.	EP Oprema	GP Rad in bankruptcy	Debt	USD 1,100,000.00	Commercial Court	Grounded	Established claim in the bankruptcy proceedings
138.	EP Oprema Plc.	Clinical Center of Serbia	Compensation for damages	EUR 1,559,000.00	Commercial Court in Belgrade	2022	Claim was adopted by first-instance decision. Second-instance decision confirmed. ongoing payment according to agreement.
139.	Marinković Staniša	EP Oprema Plc.-intervener	Compensation for damages	RSD 304,000.00	Basic Court in Vranje	2022	Partly grounded. Claim for amount of RSD 223,125.00 was rejected by first-instance decision. Amount of RSD 54,718.50 was accepted Awaiting second-instance decision on the appeal.
140.	Ristić Čedomir	EP Oprema Plc.-intervener	Compensation for damages	RSD 385,302.00	Basic Court in Vranje	2022	Partly grounded; claim for RSD 385,302.00 was accepted, and rejected for RSD 385,302.00. Decision was confirmed by the second instance court. EMS did not respond to this court decision
141.	Cvetković Milan	EP Oprema Plc. and JP EMS	Compensation for damages	RSD 1,381,278.00	Basic Court in Vranje	2022	Second-instance decision adopted the claim for RSD 324,000.00 RSD and rejected for the execution of works on the land and for RSD 706,350.00 and RSD 333,900.00 RSD. Plaintiff filed a revision.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
142.	Stanković Vladan	EP Oprema Plc.	Compensation for damages in form of monthly rent	RSD 8,000.00 monthly, starting from 14 March 2016, ongoing	Basic Court in Bor	2022	The second-instance court reversed the first-instance verdict on our appeal and awarded the amount of RSD 582,000.00 and the monthly rent in the amount of RSD 8,200.00. Awarded amount was paid, rental payment ongoing.
143.	Green Trafo Ltd.	EP Oprema	Payment of debt for performed work	EUR 43,952.00	Commercial Court in Belgrade	2022	Uncertain. First-instance court accepted the claim. Filed appeal was adopted. Returned to first-instance proceedings.
144.	Đorđević Goran	EP Oprema	Interference with possession		Basic Court in Kruševac	2022	Uncertain
145.	CCE Svetovanje in inženiring Ltd.	EP Oprema	Debt - bills	EUR 148,652.29	Commercial Court in Belgrade	2022	Grounded, awaiting second-instance decision on our appeal

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
146.	Power Quality Company Ltd.	EP Oprema	Debt – guarantee deposit	RSD 1,260,752.72	Commercial Court in Belgrade	2022	Awaiting second-instance decision on our appeal
147.	Elektrovolt Ltd.	EP Oprema	Debt - bills	EUR 5,728.63	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 29.04.2022
148.	Mišped Ltd.	EP Oprema	Debt - bills	RSD 366,414.70	Commercial Court in Belgrade	2022	First-instance proceedings
149.	Srđan Pojić PR Geobild	EP Oprema	Debt - bills	RSD 684,000.00	Commercial Court in Belgrade	2022	First-instance proceedings
150.	Sidek Inženjering Ltd.	EP Oprema	Debt - bills	RSD 1,998,438.40	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 12.08.2022
151.	Teh nolink Ltd.	EP Oprema	Debt - bills	RSD 639,802.62	Commercial Court in Belgrade	2022	First-instance proceedings
152.	Vilmat-Net Ltd.	EP Oprema	Debt - bills	RSD 693,830.55	Commercial Court in Belgrade	2022	First-instance proceedings
153.	Uniprom Ltd.	EP Oprema	Debt - bills	RSD 667,858.42	Commercial Court in Belgrade	2022	First-instance proceedings
154.	Protech Integra Ltd.	EP Oprema	Debt - bills	RSD 999,442.75	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 15.03.2022

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
155.	Smart Building Technologies Ltd.	EP Oprema	Debt - bills	RSD 2,965,221.44	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 12.05.2022
156.	Eurometal Ltd.	EP Oprema	Debt - bills	RSD 1,260,600.00	Commercial Court in Belgrade	2022	First-instance proceedings
157.	Novomak Export Ltd.	EP Oprema	Debt - bills	RSD 12,200.82	Commercial Court in Belgrade	2022	First-instance proceedings Principal paid
158.	Nimax Ltd.	EP Oprema	Debt - bills	RSD 1,381,577,11.00	Commercial Court in Belgrade	2022	First-instance proceedings
159.	Novomak Marijana Tomašević PR	EP Oprema	Debt - bills	RSD 8,000.00	Commercial Court in Belgrade	2022	First-instance proceedings
160.	PTR Roki Roknić Milan PR Putinci	EP Oprema	Debt - bills	RSD 375,813.60	Commercial Court in Belgrade	2022	First-instance proceedings
161.	OBO Bettermann Ltd.	EP Oprema	Depreciation of bill of exchange		Basic Court in Stara Pazova	2022	First-instance proceedings
162.	LAYHER Ltd.	EP Oprema	Debt - bills	RSD 565,160.34	Commercial Court in Belgrade	2022	First-instance proceedings
163.	BUCK Ltd.	EP Oprema	Debt - bills	RSD 500,000.00	Commercial Court in Belgrade	2022	First-instance proceedings
164.	ALBO Ltd.	EP Oprema	Debt - bills	RSD 147,831.20	Commercial Court in Belgrade	2022	First-instance proceedings
165.	Elite Steel Construction Ltd.	EP Oprema	Debt - bills	RSD 12,001,328.93	Commercial Court in Belgrade	2022	First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
166.	Grappa Ltd.	EP Oprema	Debt - bills	RSD 3,597,957.18	Commercial Court in Belgrade	2022	Court settlement concluded Last installment on 16.06.2022
167.	RS CAT Ltd.	EP Oprema	Guarantee deposit	RSD 910,619.97	Commercial Court in Belgrade	2022	First-instance proceedings
168.	PR Instaltim	EP Oprema	Debt - bills	RSD 1,555,543.72	Commercial Court in Belgrade	2022	First-instance proceedings
169.	Elmark Ltd.	EP Oprema	Debt - bills	EUR 2,188.99	Commercial Court in Belgrade	2022	First-instance proceedings
170.	Procodex	EP Oprema	Debt - bills	RSD 1,579,383.89	Commercial Court in Belgrade	2022	First-instance proceedings
171.	Nimax Ltd.	EP Oprema	Debt - bills	RSD 25,757,005.40	Commercial Court in Belgrade	2022	First-instance proceedings
172.	GR Elta	EP Oprema	Debt - bills	RSD 2,112,402.50	Commercial Court in Belgrade	2022	First-instance proceedings
173.	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
174.	Slobodan Čubrilović	EP Industrija Plc.	Determination of value of shares		Commercial Court in Belgrade	2022	Request of the proposer was rejected by second-instance decision. Proposer 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 ongoing phase
175.	EP Industrija Plc.	Jugobanka Plc. in bankruptcy	Claims registration	RSD 1,539,835.21	Commercial Court in Belgrade	2022	Uncertain. First-instance verdict in our favor. Our claim in the amount of RSD 825,442.84 was adopted. Defendant filed an appeal, which was adopted and the proceedings were returned to first instance.
176.	EP Entel Plc.	JP EPS (RB Kolubara)	Debt payment on different invoices	RSD 48,937,500.00	Commercial Court in Belgrade	2022	Uncertain. First-instance verdict in our favor. EPS filed an appeal.
177.	Paripović Duško	EP Entel Plc., as second defendant from a total of four defendants	Compensation for damages - work injury	RSD 1,300,000.00	Basic Court in Požarevac	Uncertain	Uncertain; proceedings suspended First-instance proceedings
178.	Siniša Kisić and others	EP Entel Plc.	Compensation for damages	RSD 66,488,842,92	Commercial Court in Belgrade	2022	Ungrounded First-instance proceedings
179.	EP Niskogradnja Plc.	Internacional CG in bankruptcy	Debt	RSD 474,718.82	Commercial Court in Belgrade	Uncertain	Recognized receivable in bankruptcy proceedings, difficult collection
180.	EP Niskogradnja Plc.	JIK Banka Plc. in bankruptcy	Claims registration	USD 218,000.00	Commercial Court in Belgrade	Uncertain	Grounded, difficult collection
181.	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
182.	EP Niskogradnja Plc.	Jugobanka Plc. in bankruptcy	Lawsuit	RSD 39,850,154,59	Commercial Court in Belgrade	2022	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
183.	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
184.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Lawsuit	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
185.	EP Niskogradnja Plc.	Jasmina Marinković	Compensation for damages	RSD 249,572.17	Basic Court in Gornji Milanovac	2022	First instance verdict adopted the claim. Executive procedure is ongoing
186.	EP Niskogradnja Plc.	Intermost Ltd. in bankruptcy	Debt for performed works (Novi Sad)	RSD 62,505,042.00	Commercial Court in Belgrade	2022	Claim of EP Niskogradnja was adopted with the second-instance verdict, request to change the list of bankruptcy trustee was submitted to Commercial Court. In the procedure after the revision of Intermost, it was returned to the second-instance procedure. On 13.11.2020, the Commercial Court of Appeals rejected the Counterclaim. Defendant filed a revision.
	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	2022	
187.	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
188.	EP Niskogradnja Plc.	Radislav Nestorović	Debt from housing loan granted	RSD 342,567.62	Basic Court in Pančevo	2022	Grounded. Executive procedure is ongoing

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
189.	EP Niskogradnja Plc.	Jovanka Kunarac-Prelić	Debt from housing loan granted	RSD 188,253.07	2nd Basic Court in Belgrade	2022	Grounded. Executive procedure is ongoing.
190.	EP Niskogradnja Plc.	Dejan Vujić PR Dey trade Vreoci	Unjust enrichment	RSD 275,999.90	Commercial Court in Belgrade	Completed	Enforced collection is ongoing
191.	EP Niskogradnja Plc.	ITALIANA COSTRUZIONI Branch Belgrade	Debt - bills	RSD 3,179,510.78	Commercial Court in Belgrade	2022	First-instance court accepted the claim
192.	EP Niskogradnja Plc.	Borovica transport Ltd. in bankruptcy	Debt by invoices	RSD 570,013.06	Commercial Court in Sremska Mitrovica	2022	Grounded. Recognized claims in bankruptcy procedure.
193.	EP Niskogradnja Plc.	Hidrotehnika – Hidroenergetika Plc.	Debt by invoices	RSD 2,489,813.62	Commercial Court in Belgrade	2022	Grounded Execution procedure initiated
194.	EP Niskogradnja Plc.	Aleksandar Prlinčević	Return of given payment	RSD 127,500.00	2nd Basic Court	2022	Claim was adopted by first-instance decision. Awaiting to receive clauses
195.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Lawsuit	RSD 191,003.87	Commercial Court in Belgrade	2022	Grounded

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
196.	EP Niskogradnja Plc.	Milan Blagojević – Minerva Ltd.	Depreciation of bill of exchange		3rd Basic Court in Belgrade	2022	Grounded
197.	EP Niskogradnja Plc.	EVCON Ltd.	Depreciation of bill of exchange		3rd Basic Court in Belgrade	2022	Grounded
198.	EP Niskogradnja Plc.	Jugobanka and Unikredit banka	Depreciation of bill of exchange		3rd Basic Court in Belgrade	2022	Grounded
199.	Jovan Cvokić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 20,145.11	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
200.	Aleksandar Babić and others	EP Niskogradnja Plc.	Payment of bonus	EUR 40,906.00	3rd Basic Court in Belgrade	2022	Ungrounded Claim was rejected by first-instance decision, second-instance decision confirmed
201.	Tanić Dušan	EP Niskogradnja Plc.	Annulment of the decision on the amount of salary		3rd Basic Court in Belgrade	Uncertain	Ungrounded; proceedings suspended First-instance proceedings
202.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt arising from work carried out in Yemen Compensation protest	Claim: USD 17,604,299.00 Compensation protest: USD 17,390,380.06	Commercial Court in Belgrade	2022	Breakdown of receivables in the amount of USD 4,691,598,31 each was performed by the first-instance decision, without right to interest. Plaintiff filed an appeal that was rejected, Plaintiff and intervener 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 ongoing phase
203.	Stanišić Tomo	EP Niskogradnja Plc.	Compensation for damages	RSD 244,413.97	3rd Basic Court in Belgrade	2022	Uncertain Claim was adopted by first-instance decision, appeal filed
204.	Matković Ljubiša, Milostiva and Gordana	Koridori Srbije, Azvirt, EP Niskogradnja Plc.	Compensation for damages	RSD 290,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings suspended due to attempt to settle
205.	Matković Milan, Mirjana, Dragana and Marko	Koridori Srbije, Azvirt, EP Niskogradnja Plc.	Compensation for damages	RSD 380,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings suspended due to attempt to settle
206.	RF PIO Filijala Beograd	EP Niskogradnja Plc.	Recourse lawsuit (accident in the Straževica tunnel)	RSD 419,600.10	Commercial Court in Belgrade	Uncertain	Uncertain Proceedings until the conclusion of the criminal proceedings First-instance proceedings
207.	Vladimir Marinković	EP Niskogradnja Plc.	Overtime, Peru	USD 5,552.84	3rd Basic Court in Belgrade	2022	Ungrounded First-instance proceedings
208.	Jovanović Vojislav, Mirjana, Dragana and Jovana	Koridori Srbije, Azvirt and EP Niskogradnja Plc.	Compensation for damages	RSD 380,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings suspended due to attempt to settle
209.	Radislav Živković	Evro gradnja 2000 and EP Niskogradnja Plc.	Compensation for damages for injury at work	RSD 560,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
210.	Živanović Marko	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 76,844.00	3rd Basic Court	2022	Uncertain First-instance proceedings
211.	Živanović Miloš	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 361,233.88	3rd Basic Court	2022	Uncertain First-instance proceedings
212.	Stepanović Ivan	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 190,612.00	3rd Basic Court	2022	Uncertain First-instance proceedings
213.	JP Putevi Srbije	EP Niskogradnja Plc.	Recourse lawsuit	RSD 2,136,944.06	Commercial Court in Belgrade	2022	Claim was partly adopted (1,068,472,03 RSD) Appeal filed. Second-instance decision confirmed. Special revision was filed.
214.	Miladin Radović	EP Niskogradnja Plc.	Overtime work and transportation costs	RSD 990,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
215.	Vladimir Muškinja	EP Niskogradnja Plc.	Payment of travel expenses	RSD 109,152.00	3rd Basic Court	2022	Uncertain First-instance proceedings
216.	Dejan Jaredić	EP Niskogradnja Plc.	Transformation of employment into work for an indefinite period of time		3rd Basic Court	2022	Uncertain First-instance proceedings
217.	Bojan Šićarević	EP Niskogradnja Plc.	Payment of travel expenses	RSD 117,792.00	3rd Basic Court	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
218.	Bojan Šićarević	EP Niskogradnja Plc.	Annulment of termination of employment contract		3rd Basic Court	2022	Uncertain First-instance proceedings
219.	Živan Erski	EP Niskogradnja Plc.	Payment of travel expenses	RSD 173,520.00	3rd Basic Court	2022	Uncertain First-instance proceedings
220.	Marko Radovanović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 60,112.00	3rd Basic Court	2022	Uncertain First-instance proceedings
221.	Dejan Jaredić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 112,032.00	3rd Basic Court	2022	Uncertain First-instance proceedings
222.	Danijela Dostanić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	3rd Basic Court	2022	Uncertain First-instance proceedings
223.	Goran Marković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 143,712.00	3rd Basic Court	2022	Uncertain First-instance proceedings
224.	Goran Petrović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 83,232.00	3rd Basic Court	2022	Uncertain First-instance proceedings
225.	Dejan Jaredić	EP Niskogradnja Plc.	Illegal dismissal and return to work		3rd Basic Court	2022	Uncertain First-instance proceedings
226.	Goran Marković	EP Niskogradnja Plc.	Illegal dismissal		3rd Basic Court	2022	Uncertain First-instance proceedings
227.	Miloš Jeremić	EP Niskogradnja Plc.	Illegal dismissal		3rd Basic Court	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
228.	Milan Bursać	EP Niskogradnja Plc.	Compensation of salary	RSD 570,000.00	3rd Basic Court	2022	Uncertain First-instance proceedings
229.	Predrag Vojinović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2022	Claim was partly adopted by the first-instance verdict. Second-instance decision confirmed.
230.	Milan Perović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
231.	Radosav Milić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
232.	Dragan Kozoder	EP Niskogradnja Plc.	Payment of travel expenses	RSD 95,000.00	Basic Court in Gornji Milanovac	2022	Claim was adopted by the first-instance decision Appeal filed
233.	Dejan Bošnjaković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
234.	Dražen Potpara	EP Niskogradnja Plc.	Payment of travel expenses	RSD 178,784.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
235.	Jelena Šljivar	EP Niskogradnja Plc. Sava neživotno osiguranje Plc.	Determination and compensation for damages	RSD 600,000.00	1st Basic Court in Belgrade	2022	Uncertain First-instance proceedings
236.	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	Claim was adopted by first-instance decision Appeal filed Returned to first-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
237.	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
238.	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
239.	Prole Dragan	EP Niskogradnja Plc.	Annulment of the decision on termination of employment service contract		Third Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
240.	Nenad Sparović	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
241.	Slađan Lapčević	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
242.	Petar Radojičić	EP Niskogradnja Plc.	Determining the nullity of the decision on termination of the employment contract and salary compensation	RSD 55,985.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
243.	Milija Neradović	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
244.	Vladan Milošević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
245.	Aleksandar Dragović	EP Niskogradnja Plc.	Transportation costs	RSD 100,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
246.	Radoje Milenković	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
247.	Miroslav Luković	EP Niskogradnja Plc.	Transportation costs	RSD 10,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
248.	Miodrag Janićijević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
249.	Tomislav Kovačević	EP Niskogradnja Plc.	Transportation costs and overtime work	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
250.	Vesko Obradović	EP Niskogradnja Plc.	Transportation costs	RSD 73,160.00	3rd Basic Court in Belgrade	2022	Uncertain First-instance proceedings
251.	Željko Petrović	EP Niskogradnja Plc.	Transportation costs	RSD 126,432.00	3rd Basic Court in Belgrade	2022	Uncertain
252.	Tomislav Kovačević	EP Niskogradnja Plc.	Overtime work, work at night, Transportation costs	RSD 50,000.00	3rd Basic Court in Belgrade	2022	First-instance proceedings
253.	Miodrag Janićijević	EP Niskogradnja Plc.	Overtime work, work at night, Transportation costs	RSD 50,000.00	3rd Basic Court in Belgrade	2022	Uncertain

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
254.	Jovan Alempijević	EP Niskogradnja Plc.	Compensation for damages – lease of land and restoration to initial state	RSD 1,585,032.00	Basic Court in Mionica	2022	First-instance proceedings Uncertain
255.	Milovan Alempijević	EP Niskogradnja Plc.	Compensation for damages – lease of land and restoration to initial state	RSD 1,527,616.00	Basic Court in Mionica	2022	Uncertain First-instance proceedings
256.	Ljubinko Janković	EP Niskogradnja Plc.	Compensation for damages – lease of land and restoration to initial state	RSD 935,000.00	Basic Court in Mionica	2022	Uncertain First-instance proceedings
257.	Andrija Novaković	EP Niskogradnja Plc.	Transportation costs	RSD 95,000.00	Basic Court in Gornji Milanovac	2022	Uncertain First-instance proceedings
258.	PUC Beogradski vodovod i kanalizacija	EP Niskogradnja Plc. Colas Rail SAS	Compensation for damages	RSD 3,254,691,34.00	Commercial Court in Belgrade	2022	Uncertain First-instance proceedings
259.	Novica Stojiljković	EP Niskogradnja Plc.	Compensation for damages	RSD 400,000.00	3rd Basic Court	2022	Uncertain

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
260.	Simo Marić	EP Niskogradnja Plc.	Determination of annulment and compensation for damages	RSD 450,000.00	3rd Basic Court	2022	First-instance proceedings
261.	P. Stanišić and J. Blagojević	EP Hidroinženjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	3rd Basic Court in Belgrade		<p style="text-align: center;">Favourable</p> <p>The first instance verdict was in our favour. Court did not deliver the first-instance verdict to the Plaintiff P. Stanišić. Appeal was filed by second Plaintiff J. Blagojević. It was returned to the Third Court to supplement the procedure by the decision of the Court of Appeals. Plaintiff P. Stanišić died on 23.06.2021 and we notified the court about that immediately. Therefore, it should be expected that the Court will determine in the coming period that the proceedings are suspended and will be continued when the heirs take over the proceedings, or when the court summons them to do that on the Defendant's proposal.</p> <p>In the meantime, the judicial function of the acting judge has ceased, and a new judge has not been appointed yet.</p>

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
262.	Z. Crnobrnja	EP Hidroinženjering Plc.	Fortifications of existence of 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		Uncertain Main hearing was held. Decision was adopted, by which the lawsuit was rejected in one part of the claim as untimely, and it in the other part of the claim due to the incompetence of the Court. Plaintiff filed an appeal. The High Court revoked the decision and returned the case files to the first-instance court for retrial.
263.	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	RSD 48,260,861.11 (USD 464,376.27) RSD 22,678,462.55 (USD 218,216.99)	Arbitration Court in TACNA, Peru	Enforcement procedure initiated	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/. 302,786.44 and S/. 783,661.60 are returned to EPHI, the contract is terminated to the detriment of the Client, thus there is no preparation of the Final Liquidation. All claims for damages were 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 costs.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
264.	State of Peru	EP Hidroinženjering Plc.	<p>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...</p>	<p>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 impossibility of collection from those against whom criminal proceedings were initiated.</p>	Criminal Court in Tacna	Ongoing	<p>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 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.</p>

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
265.	EP Hidroinženjering Plc.	Beogradska banka Plc. in bankruptcy	Lawsuit for determination. Regarding the submitted Conclusion on the list of determined and disputed claims in the bankruptcy proceedings against the bankruptcy debtor BEOBANKA Plc. in bankruptcy. Defendant disputes the claim in its entirety as ungrounded. Presentation of evidence by expertise is scheduled. Expert submitted his findings.	RSD 2,153,727.15	Commercial Court in Belgrade		First-instance proceedings Grounded
266.	EP Hidroinženjering Plc.	Jugobanka Plc. Beograd in bankruptcy	Lawsuit for determination. Regarding the submitted Conclusion on the list of determined and disputed claims in the bankruptcy proceedings against the bankruptcy debtor BEOBANKA Plc. in bankruptcy. Defendant disputes the claim in its entirety as ungrounded. Presentation of evidence by expertise is scheduled. Expert submitted his findings.	RSD 117,048,753.52	Commercial Court in Belgrade		First-instance proceedings Grounded
267.	EP Energodata Montenegro	Milan Grbić	Unjust enrichment	EUR 34,035.00	Basic Court in Podgorica	2022	Uncertain First-instance proceedings
268.	EP Energodata Montenegro	1.Milan Grbić 2. Crnogorska komercijalna banka	Determination of partial nullity of contract	EUR 10,000.00	Commercial Court of Montenegro	2022	Uncertain Second-instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
269.	EP Oprema Plc.	Attorney (external)	2017	»GTB« MINSK BELARUS	Acceptance and execution of the arbitration decision of the Institute for Arbitration of the Stockholm Chamber of Commerce from 24 April 2019, in case no. V2017/201	Principal amounts to USD 30,236,737.38 (17.11.2021. Forced collection executed by Ministry of Taxes and Fees of Belarus in the amount of USD 5,448,423.15 (for VAT and profit tax obligations of the company), and the remaining debt amounts to USD 24,788,314.23 + interest that will be calculated as of the day of payment kamata	Supreme Court (instance of cassation) of the Republic of Belarus (VSKI), which acts on the appeal of the Defendant against the decision of the first-instance court (Commercial Court of City of Minsk), by which the execution of the remaining debt in the amount of USD 24,788,314,23 USD plus interest was recognized.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
270.	EP Oprema Plc. Counter-plaint.: ENERGOTEHNIKA JUŽNA BAČKA	ENERGOTEHIKA JUŽNA BAČKA Counter-defendant: EP Oprema Plc.	Debt	Claim value: RSD 5,887,493,91 Counterclaim value: EUR 226,465,28	Commercial Court in Novi sad	2022	First-instance proceedings Claim is grounded Counterclaim is uncertain
271.	EP Oprema Plc.	Energoprojekt Nigeria Ltd.	Determination of nullity of Appendix 3 of Subcontracting agreement and unjust enrichment	RSD 149,163,881,69	Commercial Court in Belgrade	2023/2024	Hard to predict Proceedings are in initial phase (lawsuit has not yet been submitted to the defendant for response)
272.	EP Oprema Plc. Counter-plaint.: Energoprojekt Nigeria Ltd.	Energoprojekt Nigeria Ltd. Counter-defendant: EP Oprema Plc.	Guarantee deposit	Claims in the amount of USD 2,571,083 Counterclaims and compensation claims in the amount of USD 4,532,062	ICC arbitration	2022/2023	The Arbitration Committee tribunal has not yet ruled on the counterclaims. Despite submitted counterclaims, it is reasonable to expect a success in the major part.
273.	EP Oprema Plc.	Energoprojekt Nigeria Ltd. and Energoprojekt Nigeria FZE	Guarantee deposit and performed works	Claims in the amount of USD 2,268,922 Compensation claims in the amount of USD 847,656 (in the last submission, Defendant additionally waived the compensation claim in the amount of approx. EUR 370,000, but this is still not reflected in the financial documents)	ICC arbitration	2022/2023	The Arbitration Committee tribunal has not yet ruled on the counterclaims. Despite submitted counterclaims, it is reasonable to expect a success in the major part.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
274.	KODAR LTD.	EP Oprema Plc.	Guarantee deposit from contract for the performance of works	EUR 242,969.01	Commercial Court in Belgrade	2022/2023	First-instance proceedings 50% 50%
275.	SIJARINA LTD.	EP Oprema Plc.	Compensation for damages	RSD 489,669,500.00	Commercial Court in Belgrade	2022/2023	100% success EPO
276.	Pavle Tomašević	EP Oprema Plc.	Claim of agreed one-time cash fee	RSD 8,910,128.40	Higher Court in Belgrade P1 29/19	2022/2023	First-instance verdict revoked on our appeal. Hearing scheduled on 24.03.2022
277.	Predrag Aleksić	EP Oprema Plc.	Annulment of the decision on termination of employment service contract, compensation for damages for lost salaries	RSD 5,820,500.00	3rd Basic Court in Belgrade P1 309/19	2022/2023	Hearing scheduled on 09.07.2021 was postponed because the judge was prevented to appear. NEXT HEARING SCHEDULED ON 05.04.2022 ON 11:00 h.
278.	Stevan Došen	EP Oprema Plc.	Annulment of Appendix No. 13 of employment contract	Lawsuit has no value because there is no claim for compensation for damages	3rd Basic Court in Belgrade P1 359/19		CONCLUDED – Partial verdict: annulment of Appendix 13, return to work and payment of costs
279.	Svetlana Tolić	EP Oprema Plc.	Compensation for damages	RSD 415,612.00	3rd Basic Court in Belgrade P1 287/20	2022/2023	PREPARATORY HEARING SCHEDULED ON 24.05.2022 ON 14:30 h.
280.	Stevan Došen	EP Oprema Plc.	Annulment of Appendix No. 14 of employment contract	Lawsuit has no value because there is no claim for compensation for damages	3rd Basic Court in Belgrade P1 131/20	2022/2023	HEARING SCHEDULED ON 17.05.2022.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
281.	Dušan Anastasijević	EP Oprema Plc.	Debt	RSD 2,122,542.00	3rd Basic Court P1 7/20	2022/2023	HEARING SCHEDULED ON 11.02.2022 ON 12:00 h.
282.	Svetlana Tolić	EP Oprema Plc.	Annulment of Appendix No. 10 of employment contract	Lawsuit has no value because there is no claim for compensation for damages	3rd Basic Court in Belgrade P1 423/20	2022/2023	HEARING SCHEDULED ON 23.05.2022 ON 11:30 h.
283.	Svetlana Tolić	EP Oprema Plc.	Debt	RSD 1,992,264.00	Treci Basic Court u Beogradu P1 230/20	2022/2023	Plaintiff was interrogated on 10.01.2022. WE EXPECT A FIRST-INSTANCE VERDICT
284.	Nikola Ljubojević	EP Oprema Plc.	Debt	RSD 9,600.00	3rd Basic Court in Belgrade P1 383/20	2022/2023	LAWSUIT WAS JOINED WITH P1 391/20 TATJANA KOZOMORA
285.	Nikola Ljubojević	EP Oprema Plc.	Debt	RSD 1,920.00	3rd Basic Court in Belgrade P1 390/20	2022/2023	HEARING – 04.07.2022 ON 11:30 h.
286.	Tatjana Kozomora and Nikola Ljubojević	EP Oprema Plc.	Debt	RSD 16,800.00	3rd Basic Court in Belgrade P1 391/20	2022/2023	HEARING - 08.02.2022 ON 15:00 h.
287.	Tatjana Kozomora	EP Oprema Plc.	Debt	RSD 9,240.00	3rd Basic Court in Belgrade P1 392/20	2022/2023	HEARING SCHEDULED ON 17.02.2022 ON 09:00 h.

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and ongoing phase
288.	Predrag Palavestrić	EP Oprema Plc.	Annulment of termination of employment contract	RSD 31,200.00	3rd Basic Court in Belgrade P1 409/20	2022/2023	WE ARE AWAITING A CALL FOR A PREPARATORY HEARING
289.	Ivan Robović	EP Oprema Plc.	Debt	RSD 1,990,034.00	3rd Basic Court in Belgrade P1 438/20	2022/2023	HEARING WILL BE SCHEDULED IN WRITING.
290.	Svetlana Tolić	EP Oprema Plc.	Annulment of Appendix No. 11 of employment contract	RSD 10,000.00	3rd Basic Court P1 482/20	2022/2023	HEARING - 20.05.2022 ON 9:00 h.
291.	Svetlana Novaković	EP Oprema Plc.	Debt	RSD 578,805.00	3rd Basic Court P1 75/21	2022/2023	HEARING - 20.05.2022 ON 9:00 h.
292.	Milan Gagić	EP Oprema Plc.	Salary payment and payment of contributions	RSD 96,750.00 RSD	3rd Basic Court in Belgrade, P1 1022/21	2022/2023	PREPARATORY HEARING NOT SCHEDULED

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 CC 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 CC 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.

50. POST BALANCE SHEET EVENTS

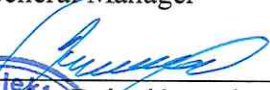
After the balance sheet date, there were no subsequent events that would significantly affect the credibility of the reported financial statements.

As the Energoprojekt system is doing business on the soil of the Russian Federation (Energoprojekt Visokogradnja) and has uncollected significant receivables upon the Arbitration Verdict in the Republic of Belarus (Energoprojekt Oprema), at the time of the preparation of these consolidated financial statements, the Management can not predict what effects the war in Ukraine and the economic measures that are taken as a consequence of these events (sanctions to the Russian Federation, etc.) will have on the operations of the Energoprojekt system. The Management takes all measures to ensure that the conditions for a the smooth continuation of business are not called into question.


Belgrade,

13 May 2022

General Manager


Dobroslav Bojović, graduate economist


Executive Director for Finances,
Accounting and Planning


Siniša Tekić, graduate economist

SCHEDULE

ENERGOPROJEKT NISKOGRADNJA AD

OVERVIEW OF THE MOST SIGNIFICANT LITIGATIONS IN THE COUNTRY AND ABROAD AS AT 31ST DECEMBER 2021

2. OVERVIEW OF THE MOST SIGNIFICANT LITIGATIONS ABROAD (IC, IZ)

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
1	EP NG	Bertha Talledo Carrazco- Building 'Cruz del Sur' apartment 304	Request for eviction from the apartment due to non-compliance with the terms of the lease agreement and collection of debts from USS 12,960 based on the protocol of determination of debts for the apartment lease		5. Misdemeanor Court, Surco Center-San Soda		<p>Pursuant to Regulation No. 1 of the said procedure from 8th January 2019 and received on 15th January 2019, a case file was accepted with request for eviction, and subsequently a lawsuit was accepted for processing. Defendant received the Decision no. 1 from 26th March 2019 and it is expected that the Court notifies our side on whether the Defendant has responded and the next steps will therefore be taken accordingly.</p> <p>As the Defendant failed to present his defence within the prescribed period, we sent a request to the relevant judge on April 17 to issue an appropriate order to prevent eviction. Following a repeated request for the issuance of an eviction order filed on 19th July 2019, the competent court rendered a decision ordering eviction from the apartment. After that, our lawyer submitted a letter to the court urging the eviction; however, the court has not declared its decision so far. In the meantime, the tenant appeared, under the pretext of a long absence from the country, and settled a good part of his previous debts. An agreement was reached on the payment plan regarding the remaining harmonized debt and on the contract signing to regulate and formalize the tenant's status. Due to the declaration of a state of emergency arising from the Covid-19 pandemic on the 16th March, it was not possible to implement the agreement and sign the protocol with the notary public and pay off the agreed debt plan, as well as the corresponding contract. Following the abolition of the state of emergency, the agreement reached will be implemented, after which the lawsuit will be withdrawn. Due to belonging to the group of risky staff and the conditions of the pandemic, the agreement is still not implemented. At the end of 2021, the protocol on the current debt (USD 15075) and repayment plan.</p>
2	NG	Mercedes Blanco Ulfe- Building 'Cruz del Sur' apartment 306	Request for eviction from the apartment due to non-compliance with the terms of the lease contract		37. Civil Court in Lima		<p>Based on the Decision no. 1 from 3rd January 2019, received on 21st January 2019, the lawsuit was accepted for processing. It is expected that the Defendant receives the notification on the Decision no. 1 on the case after which the Defendant has a deadline of 5 days to appeal.</p> <p>The appropriate decision was delivered to the Defendant, but the same failed to respond so far (the time deadline to respond to the lawsuit charges has expired). Appeal has been filed and confrontation has been demanded. A favorable outcome is likely. The disadvantage is the impossibility of vacating the apartment until the process is over. Lawsuit was initiated before the relevant court on 26th January 2020 requesting the execution of a debt recognition protocol. On the 9th September 2020, the relevant court defined the confrontation date through its Decision no. 4, as 16th December 2020 via video conference. For the time being, the notification thereto has arrived solely via a virtual platform, while direct delivery of the said Decision is still being expected.</p> <p>Due to technical problems of the Court, the hearing was not held, and new one is being requested. At the end of 2021, we changed our legal representative and submitted a new request to define the hearing date with the subject of eviction from the apartment; also, a request to collect the debt incurred by the end of 2018 (26000 S) was repeated and additionally a notarial letter for debt actualization has been submitted, which represents the standard procedure prior to initiating a new lawsuit for actualized debt (USD 42000). A favorable outcome is certain according to the EP NG; sluggishness of the judicial bodies represents a major problem.</p>

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
3	EP NG	Luis Gonzalez Orbegoso - Building 'Cruz del Sur' apartment 101	Request for eviction from the apartment due to non-compliance with the terms of the lease agreement and due to the expiration of the agreement on 31 st December 2018.				On 17 th April 2019 a request for eviction was issued due to failure to comply with contractual conditions and settlement of monthly obligations, as well as due to non-settlement of obligations according to the protocol signed in June 2018 when the program of repayment of the additional debt was established. Enforcement of the eviction decision has been insisted on. The second lawsuit was also accepted regarding the failure to fulfill the obligation to pay the debt according to the programmed plan. Only upon receipt of the lawsuits, the Defendant and his lawyer appeared before the competent judge with evidence of the payments made, which later turned out to have been made in 2019, the period when the Defendant received the lawsuits. Currently, a hearing is expected to be held to determine the status of the debt. Our lawyer re-submitted the petitions insisting on eviction. Favourable outcome is expected. The disadvantage remains in the inability to vacate the apartment until the process is complete. A lawsuit was filed with the competent court requesting the execution of the protocol on debt recognition. A request was submitted to the competent court to establish a temporary measure, i.e. blocking of the signatory's account at the time of the apartment rental. Awaiting the Court to send a Decision regarding the acceptance of our requests contained in the lawsuit for the enforcement of the established debt's payment; this is followed by the issuance of an order to comply with the payment of USD 8000 plus legal interest, taxes and costs of the process. At the end of 2021, we changed our legal representative. In the meantime, the tenant has been mostly regularly settling his obligations, the actual debt is currently being reconciled, and the eviction process is being stopped. Reaching a debt payment agreement is certain.
4	EP NG	Maria del Carmen Gonzales Orbegoso - Building 'Cruz del Sur' apartment 302 (previously used)	Debt settlement lawsuit under a consented agreement				In September 2019, the sued party was notified of the initiated dispute: the party did not make a statement regarding the same within the stipulated period of 5 working days. In the same month, the competent court adopted the present lawsuit and ordered enforcement in the relevant case. There are no changes regarding the case. The respondent does not have the property or funds to enforce the interim measure and collect the debt. Uncertain outcome. At the end of 2021, we changed our legal representative. Activities related to the collection of the debt confirmed by the court decision, in the amount of USD 7,400, will be intensified.
5	EP NG	Directorate for Labour Inspection "Cajamarca "	Request for cancellation of fine according to the decision made during the administrative process by Decision no. 054-2018-GR-CAJ-DRTPE, which ordered a fine for ENERGOPROJEKT NISKOGRADNJA S.A. SUCURSAL PERU, to the amount of S/19,000.00 and also a request for annulment of the Decision confirming the fine.	PEN 19,000.00	Administrative Court "Cajamarca"		On 18 th March 2019, a lawsuit was filed before the Administrative Court in <i>Cajamarca</i> , with the request to annul the Decision no. 054-2018-GR-CAJ-DRTPE dated 14 th October 2018. The mentioned penalty is related to the case from 15 th July 2014, when a report of the Labour Law violation was made through the inspection order number 143-2014. In the period from 2014 an administrative procedure was conducted and on several occasions an appeal was filed with a request to annul, which postponed the decision. By decision no. 054-2018-GR-CAJ-DRTPE dated 14 th October 2018, which was received on 19 th December 2018, a decision was rendered confirming the penalty. Consequently, the administrative procedure was exhausted, a lawsuit was filed for annulment of the administrative penalty with the corresponding decision. We were informed that the lawsuit was accepted, after which a request was submitted for the establishment of an interim measure to prevent the administrative penalty, and its annulment was requested. In the last quarter of 2020, the request for an interim measure submitted in 2019 was accepted, followed by a decision annulling the case under the statute of limitations. The case was resolved in favour of EP NG.

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
6	EP NG	Directorate for Labour Inspection "Cajamarca "	Request for cancellation of fine according to the decision made during the administrative process by Decision no. 053-2018-GR-CAJ-DRTPE/DPSC, which ordered a fine for ENERGOPROJEKT NISKOGRADNJA S.A. SUCURSAL PERU, to the amount of S/19,000.00 and also a request for annulment of the Decision confirming the fine.	PEN 19,000.00	Administrative Court "Cajamarca"		<p>On 18th March 2019, a lawsuit was filed before the Administrative Court in <i>Cajamarca</i>, with the request to annul the Decision no. 063-2018-GR-CAJ-DRTPE dated 14th October 2018. The said judgement is also related to the case of 15th July 2014, when a violation of the Labour Law was reported through the inspection order, number 144-2014. In the period from 2014, an administrative procedure was conducted and on several occasions an appeal was filed with a request for annulment, which postponed the decision. By decision no. 063-2018-GR-CAJ-DRTPE from 14th October 2018, received on 19th December 2018, a decision was rendered confirming the penalty. Due to the exhaustion of the administrative procedure, a request for the penalty and the Decision annulment was submitted and it is still not accepted. We were informed that the lawsuit was accepted, after which a request was submitted for the establishment of an interim measure to prevent the administrative penalty collection, and its annulment was requested. On the 4th August 2020, a judgement was issued declaring as ungrounded the request of the EP NG filed against the Regional Directorate for Labour and Employment Promotion in Cajamarca and the Directorate for Prevention and Resolution of Conflicts of the Cajamarca Regional Government, on the complete nullity of the administrative decision. An appeal was immediately lodged against the judgment in question, but it was declared inadmissible by Resolution No. 4 of 21st August 2020. On 11th September 2020 an appeal was lodged against non-acceptance of the complaint as well as non-acceptance of the establishment of an interim measure. Possible adverse outcome. By decision no. 01 from 3rd March 2021, our objection to the reconsideration of the judgment as well as the request for an interim measure was adopted.</p> <p>A hearing is scheduled for 22nd June 2022 on our objection to unfavorable court decisions. As for our request for the establishment of a temporary measure and the suspension of the fine collection, it was rejected and a timely appeal was filed; a deadline for defining a decision on the appeal is expected.</p>

7	EP NG	Directorate for Labour Inspection "Cajamarca "	Request for cancellation of fine according to the decision made during the administrative process by Decision no. 045-2018-GR-CAJ-DRTPE/DPSC, which ordered a fine for ENERGOPROJEKT NISKOGRADNJA S.A. SUCURSAL PERU, to the amount of S/106,400.00 and also a request for annulment of the Decision confirming the fine.	PEN 106,400.00	Administrative Court "Cajamarca"		<p>On 18th March 2019, a lawsuit was filed before the Administrative Court in <i>Cajamarca</i>, with the request to annul Decision no. 016-2019-GR-CAJ-GRDS dated 15th January 2019. The mentioned penalty is related to the case of 26th May 2014, when a violation of the Labour Law was reported through the inspection order, number 238-2014. By decision no. 45-2015-GR-DRTPE / DPSC, from 3rd August 2015, a decision on a fine of S/304,000.00 was brought. In the period from 2015, an administrative procedure was conducted and an appeal was filed on several occasions with a request for annulment, which thus postponed the decision. After one of the complaints from 19th April 2018, Decision no. 016-2019-GR-CAJ-GRDS was brought on 15th January 2019, on the reduction of the fine by almost S /200,000.00 from the amount of S/304,000.00 to S/106,400.00. Considering that the administrative procedure was exhausted, a request for annulment of the penalty and the Decision was submitted and has not yet been accepted. We were informed that the lawsuit was accepted, after which a request was submitted for the establishment of an interim measure to prevent collection of the administrative penalty; its annulment was also requested. A judgment rendering the request for annulment of the administrative decision was declared ungrounded. On the 8th May 2020, an appeal against the judgement was filed within the legal deadline and a request was also submitted for the establishment of an interim measure, at the request of which a statement is expected to be issued in early October. On 30th September, a statement was ordered requesting clarification regarding the establishment of an interim measure. The competent chamber failed to send a response within the deadline, which expired on the 5th October. A major classification of the current situation by the competent chamber remains pending. A hearing on the appeal is scheduled for April 2022.</p>
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ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
8	Prima AFP vs. Consorcio Energoprojekt NG SA - Bartos	EP NG	Compensation for unfulfilled obligations	PEN 121,397.30			The judgement against the EP was overturned at the highest instance as unfounded and returned to the basic court. A positive outcome for the EP is expected. No changes.
9	AFP Habitat	EP NG	Compensation for unfulfilled obligations	PEN 2,206.53			The AFP's request was declared as founded, and our appeal to a higher instance is in the process
10	Prima AFP	EP NG	Compensation for unfulfilled obligations	PEN 10,469.12			Process in progress, outcome uncertain
11	AFP Integra	EP NG	Compensation for unfulfilled obligations	PEN 14,674.85			Process in progress, outcome uncertain
12	Jorge Luis Garcia Roque	EP NG	Compensation for unfulfilled obligations	PEN 400,000.00			On 4 th May 2018, a judgement was passed declaring the claim unfounded, i.e. in favour of EP NG, and the worker therefore shall not be able to collect any damages. However, according to this judgement, it is possible to file an appeal, and the higher instance can decide in a different way or confirm the decision under the same conditions, which is very certain. On 11 th May 2018, the judgement was challenged, and on 16 th May 2018 and Resolution 04, the appeal was declared inadmissible and the employee was given a period of 3 days to pay the court fee in the amount of S/249.00, which has not been fulfilled to date; if payment is made, the file will be sent to the appropriate labour chamber so that the complaint can be considered. The Claimant is still failing to pay the appropriate amount in order for the complaint in question to be taken into account. To date, there is no procedural act regarding this process. Considering that the process has remained in an unchanged status for a long time, a petition was submitted to the competent court on 17 th June 2019, requesting that the judgement in favour of EP NG which was the sued party be formalised, and that the case be definitively closed. The competent court, by Decision no. 05, dated 9 th July 2019, confirmed the decision according to the Ruling no. 04, dated 16 th May 2018, by which the claim was declared unfounded and as such definitively archived, stating that the process was successfully concluded in favor of EP NG.

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
13	Reinaldo Romero Infante	EP NG	Compensation for unfulfilled obligations	PEN 191,693.95			<p>EP NG did not accept direct settlement, considering that the request was unfounded. A positive outcome is expected for the EP NG. With the resolution issued on 17th July 2018, the current Court is declared incompetent and the case is transferred to the jurisdiction of the Special Labour Relations Court in Lima; the interested parties will be notified about the hearings in the following period. The case has not yet been transferred to the Special Labour Court in Lima. To date, there is no procedural act regarding this proceeding. The status of the process is the same compared to the previous period.</p> <p>Notification dated 3rd September 2019 of a lawsuit against the EP NG was received by the Nineteenth Labour Court in Lima (case no. 21160-2018), and a hearing was scheduled for 6th December 2019.</p> <p>The hearing was not held and was postponed to January 2020. Our lawyer turned out at the scheduled hearing (29th January 2020), but the it was not held and was postponed for 1st September 2020. The hearing was held on 29th December 2020. The Decision of the Trial Chamber was issued on 21st January 2021 with the following conclusions: 1) The Defendant is ordered (EP NG) to pay the amount of S/58,000.00 for compensation of unpaid salaries, as well as consequential and moral damages. 2) The Defendant is ordered (EP NG) to pay all costs of the proceedings. An appeal against the decision was filed within the appropriate deadline. On 9th July 2021, the appeal was accepted, and on 27th September 2021, the procedure was sent to the Second Permanent Labour Council, which will subsequently define the date of the hearing on the appeal in question, of which the parties will be notified. A date has been set for the hearing on the case, which will be on 8th April 2022 at 3.30 pm, where a decision on the appeal should be made.</p>
14	Miriam Elsa Gambini Jaramillo	EP NG	Personal loss compensation	PEN 100,000.00			<p>EP NG did not accept the direct settlement, considering that the company was not responsible for the personal loss. A judgement of acquittal is expected. On 23rd October 2018, a hearing was held where all parties presented oral statements on the case and exchanged relevant issues. It was concluded that all parties will be informed regarding the next hearing within the legal deadline and that they will speed up the process. The Higher Court declared all proceedings invalid and ordered a new qualification of the lawsuit. On the 23rd April, a re-declaration was requested in the given case, which, on our part, was performed within the required deadline. On 23rd May, it was established that a letter had been submitted to the EP NG to comment on the case within the deadline. The meeting date of the opposing parties has not been defined yet.</p> <p>Compared to the previous period, a hearing was held on the case in question and a decision was made to acquit EP NG of the claims under the lawsuit, after which the opposing party lodged an appeal with the second instance body within the appropriate period of time. The superior court chamber has not yet submitted the said appeal so that it could be answered.</p>

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
<i>PERU</i>							
15	Eduardo William Lujan Soto	EP NG	Compensation for unfulfilled obligations	PEN 95,750.00			Eduardo William Lujan Soto filed a lawsuit for the total amount of S/95,750.18. This amount corresponds to the amount requested by the Claimant, plus legal interests, to be defined, i.e. calculated at the end of the court proceedings, for the concept of denaturalization of contracts and payment of social benefits. This request is being processed in the Tenth Labour Court in Lima. The Defendant was informed and a date was set - 28 th January 2019, for the consideration (hearing) of the lawsuit. The outcome is uncertain. The hearing scheduled for 21 st March 2019 was not held again (our lawyer was present) and we will be notified of the next date. A new hearing on the case was scheduled for 25 th July 2019. At the hearing scheduled for 25 th July 2019, our lawyer was absent because he was present at another hearing, but he informed the competent court thereof in a timely manner and requested a postponement. However, the hearing was held without the presence of our lawyer. Our representative demanded the annulment of the hearing, and the competent court has not yet decided on that. The request of our lawyer was then accepted and the annulled hearing was held without his presence. A new hearing was scheduled via video conference for 9 th November 2020. The hearing was held and a decision was rendered on the next hearing scheduled for 8 th April 2021. After the hearing, a decision was brought against EP NG with a payment order in the amount of PEN 77,297.64. An appeal was filed within the deadline pursuant to the court's decision. On 21 st September 2021, the Second Permanent Chamber determined that the hearing on the appeal would be held on 14 th March 2022.
16	Gabriela Leon Meza	EP NG	Compensation for unpaid social benefits.	PEN 65,806.68			On 5 th April 2019, Gabriela Leon Meza requested payment of the amount of S/65,806.68 by EP NG SA SUCURSAL PERU. This requested amount, as stated in the lawsuit, corresponds to the payment of social security benefits for overtime work, in the time period from 2013 to 2018, and on the grounds of the unpaid amount for 2.30 hours of overtime work for each working day in the aforementioned period. The dispute will be conducted before the Thirteenth Court of Labor in Lima in case no. 07296-2019. The first statement in the case is scheduled for 9 th July 2019 at 11.45 am. The said hearing was held according to plan, and on that occasion the opposing parties presented their evidence and declared themselves on the subject. The next hearing was scheduled for 10 th October 2019, where the case should be discussed orally and a decision on the lawsuit made. The said hearing was not held and was postponed to 29 th November 2019, which was also not held, but everything is postponed to January 2020. Multiple times postponed hearing was held on 17 th January 2020 and after that the competent court issued a decision on 31 st January 2020, accepting in part the request of Mr. Leon and according to which the EP NG payment in the amount of 11,797.41 soles is ordered as compensation for overtime hours in the period 2013-2018. An appeal was filed against the mentioned decision within the appropriate deadline, i.e. 2 nd July 2020. The hearing scheduled for 14 th January 2021 was held according to the plan and on 21 st January 2021 a decision was brought where the following was ordered: 1) the Defendant shall pay (EP NG) the amount of S/8,299,35 as compensation for overtime work, for the period 2013-2014-2015-2017-2018; 2) the claim for compensation for the period 2016 is rejected; 3) the Defendant shall pay all the costs of the court proceedings according to the current rules. An appropriate appeal was filed within the time limit. At this time, there is no court ruling on the appeal.

ORDINAL NUMB	CLAIMANT	DEFENDANT	DISPUTE GROUNDS	DISPUTE VALUE	RELEVANT COURT	THE EXPECTED DEADLINE FOR THE END OF THE DISPUTE	DISPUTE OUTCOME FORECAST
PERU							
17	Artidoro Alarcón Guivar, José Antonio, María Isabel, Flor Celina Alarcón Alarcón	EP NG	Non-contractual liability compensation.	PEN 150,000.00			During the month of June 2019, we learned about a case that has been pending against EP NG before the competent court ever since the period of work execution on the Cota project, without our side being duly informed of any legal provision in this regard due to the fact that the notice was sent to an inappropriate address. On 28 th June 2019, a letter was submitted to the competent judge urging a decision to be brought on the invalidity of the notice, as well as the annulment of the decisions made without the presence of the Defendant. The grounds of the case is, in fact, a death that occurred as a result of a landslide in the Lajas district, where Rosalina Alarcon and Victoria Silva Medina got killed; this zone was the work zone where EP NG carried out the execution of works. A copy of the complete previous case was requested. In October, it was noted that our lawyer had submitted a letter of authorization entitling him to conduct the case on behalf of EP NG. The competent judge issued a decision rejecting the request for the judgement annulment. The appeal against the judgement was filed on 3 rd July 2020, and it is certain that in the second instance proceedings the judge's ruling will be corrected and everything that was done in the main proceedings will be declared null and void without us being informed, and where we will get the right to defence in the present process. No changes.
18	EDUARDOS RIOS Y ASSOCIADOS SAC	EP NG	Supplier's lawsuit for non-payment on our part.	US \$ 12,153.00			On 15 th November 2021, we have received a notification from the competent court that the supplier Eduardo Rios initiated court proceedings for failure to settle the debt balance for the delivered material. In addition to the settlement request for the debt balance with interest, the settlement of all costs and fees of the court proceedings is also required.
19	INTERNET SERVICES AND CO SAC SEINCO	EP NG	Supplier's lawsuit for non-payment on our part.	US \$ 1,500.00			On 14 th December 2021, we have received a notification from the competent court that the Internet service provider has initiated legal proceedings for failure to settle the debt balance for the service provided. In addition to the settlement request for the debt balance with interest, the settlement of all costs and fees of the court proceedings is also required.
20	AFP PRIMA	EP NG	The lawsuit of the Pension Fund for non-payment on our part.	PEN 74,214.00			On 4 th January 2022, we have received a notification from the competent court that the AFP PRIMA Pension Fund has initiated court proceedings for failure to settle the obligations in the period February-September 2021. In addition to the settlement request for the debt balance with interest, the settlement of all costs and fees of the court proceedings is also required.
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8

B.E. A. Dimitrijević
(Signature)

Our reference: PBA / ENE / 66/02

Date: 31st Dec 2021

Managing Director,
Energoprojekt Niskogradnja joint stock company

Re: **ENERGOPROJEKT NISKOGRADNJA JOINT STOCK COMPANY**

Court proceedings, mediations and threatened civil proceedings for the period until 31st December 2021

A. COURT PROCEEDINGS

1. Civil litigation before the Higher Court no. 226/10 **Abamwe Transporters Ltd in proceedings against Energoprojekt**
2. Civil litigation before the Higher Court no. 186 of the year 2009 **Foreman Kasirye Gwanga in proceedings against Energoprojekt**
3. Civil litigation before the court in Kasangati no. 68 of the year 2010 **Kawooya Livingstone in proceedings against Energo Project Ltd**
4. Civil litigation before the court in Kasangati no. 22 of the year 2011 **Kitimbo Thomas in proceedings against Energoprojekt Ltd and 4 other companies**
5. Civil litigation before the Supreme Court no. 348 of the year 2010 **Mary Kiggundu in proceedings against Energoprojekt**
6. Civil litigation no. 102/2015 **Kalyesubula Brian Kigongo in proceedings against Energoprojekt.**
7. Civil litigation no.163 / 2016 **Atna technologies ltd in proceedings against Energoprojekt**
8. Civil litigation no. 76 of the year 2017 **Kasaliko Herman in proceedings against Energoprojekt**
9. **Suuna Fredrick in the lawsuit against Energoprojekt**
10. Civil litigation no. 93 of the year 2021 **Registered creditors of the Anglican Church of Uganda in proceedings against Energoprojekt**
11. Civil litigation no. 61 of the year 2021 **Atto Julius in proceedings against Tumuhairwe Ssozi Mosses and Energoprojekt**

B. LIST OF CASES FOR MEDIATION

1. Civil litigation no. 040/2014 **Busulwa Monday in proceedings against Energoprojekt**
2. Civil litigation no.443 / 2015 **Denis Rwentungamo in proceedings against Energoprojekt.**
3. Civil litigation no. 023/2015 **Baseke Tendo Christina in proceedings against Energoprojekt**
4. **Turyatunga Wahab & 7 other persons in proceedings against Energoprojekt.**
5. Civil litigation no. 2/2017 **Kasule David in proceedings against Energoprojekt and UNRA**
6. Civil litigation no. 0014/2016 **Salvatori Odinga and others in the proceedings against the company Energoprojekt**
7. Appeal based on labour relations No. KCC / CEN / LC / 131/2017 **Moses Semuli in proceedings against Energoprojekt**
8. Civil litigation no. 160 of the year 2020 **Yoel Shalom in proceedings against Energoprojekt**

C. LIST OF POSSIBLE PENALTY MEASURES

1. Safina Nakibirango v. Energoprojekt
2. Kabanyolo High School against Energoprojekt
3. Lugoba Schools Ltd v. Energoprojekt
4. Kiyambu Wilson v. Energoprojekt
5. Nakiwewa Jalia v. Energoprojekt
6. Tumusiime Wesley v. Energoprojekt
7. Lubowa Lawrence v. Energoprojekt
8. Godfrey Walungama v. Energoprojekt
9. Nakamanya Jamia v. Energoprojekt
10. Namaganda Edith v. Energoprojekt
11. Collin Newky v. Energoprojekt
12. Charles Mubiru Mwangi v. Energoprojekt
13. Nduhukyeire Innocent v. Energoprojekt
14. Hyatt Sarah Kasuya and 9 others v. Energoprojekt.
15. Muhumuza Moses and Kugonza Sylvester v. Energoprojekt
16. Moses Mpomba Bugembe v. Energoprojekt
17. Icodat Komugisha Igytonic v. Energoprojekt
18. Madungha Christopher v. Energoprojekt
19. Sonko Samuel v. Energoprojekt
20. Kasoma Denis and 2 other persons against the company Energoprojekt
21. Ayibako Peter and others v. Energoprojekt
22. Musinguzi Edison v. Energoprojekt
23. Beatrice K. Baruga v. Energoprojekt
24. Father Charles Ocul and 26 others v. Energoprojekt
25. Andihaihi and Kabura Leonard v. Energoprojekt.
26. Senyondwa Siraje v. Energoprojekt
27. Solomon Bukenya v. Energoprojekt
28. Samuel Kawesa v. Energoprojekt
29. Sevume Yisirayiri Waswa and Others v. Energoprojekt
30. Adiga Kizito v. Energoprojekt
31. East African Roofings v. Energoprojekt.
32. Zimbe Hamis v. Energoprojekt
33. Francis R. Baliruno v. Energoprojekt
34. Nsasira Denis v. Energoprojekt
35. St Appollo Kivebulaya Church v. Energoprojekt
36. Nakasongola School Parents School v. Energoprojekt.
37. Mayambala Simon and others v. Energoprojekt
38. Florence Mukalazi v. Energoprojekt
39. Sekitoleku Edward v. Energoprojekt
40. Muguluma Musa v. Energoprojekt
41. Sengoma Abdul v. Energoprojekt
42. Commission of Inquiry, reference code LI/524/2018 Energoprojekt
43. Badru Tomusange v. Energoprojekt

44. Nakiyaga Ruth v. Energoprojekt
45. St Peters Technologies Ltd v. Energoprojekt
46. Fred Kigundu v. Energoprojekt
47. Bbale Mugeru Robert v. Energoprojekt
48. Noah Sebuliba v. Energoprojekt

A detailed description of all the above indicated procedures is given below.

A. LIST OF COURT PROCEEDINGS

1. Civil litigation before the Higher Court no. 226/10

Abamwe Transporters Ltd. in proceedings against Energoprojekt

This proceeding is conducted on the grounds of a claim for damages in the amount of 155,942,500/= UGX, filed for damage inflicted to the truck caused by it falling into an open culvert along the Kawempe-Luwero road, which was under construction by Energoprojekt. The judgement was passed on 14th July 2015, and it was ruled that the company Energoprojekt bears 60% responsibility for the accident. Energoprojekt has initiated an appeal procedure. An appeal is likely to have little chance of success.

2. Civil litigation before the Higher Court no. 186 of the year 2009 Foreman Kasirve

Gwang in the lawsuit against Energoprojekt

The Claimant claims to own the Kungu quarry. The judgement was passed on 21st January 2013 in favour of Energoprojekt. The Claimant appealed. A hearing date is expected.

3. Kasangati civil litigation no. 68 of the year 2010

Kawooya Livingstone in proceedings against Energoprojekt Ltd.

Kawooya Livingstone has filed a lawsuit in the Kasangati City Court against Energo Project Ltd. due to the degradation of his land in Namulonge Nabalanga, the Gayaza road Ziobwe. According to the judgement, he received compensation in the amount of 35,015,000/= UGX. He executed the judgment against the company **Energoprojekt Niskogradnja Jscs** and collected 20,000,000./= UGX. The Higher Court overturned this judgment and ordered the recovery of 20,000,000./= UGX. Kawooya was ordered to suspend the execution of the judgement and filed a request to reinstate the judgement. No hearing has been scheduled so far.

4. Kasangati civil litigation no. 22 of the year 2011

Kitimbo Thomas in the proceedings against Energoprojekt Ltd. and 4 other companies

Thomas is seeking damages in the amount of 3,949,500/= UGX for destruction of crops and trespassing (unauthorized entry into the property). The case has not yet been resolved before the court.

5. Civil litigation before the High Court no. 348 of 2010 to Mary Kiggundu in proceedings against Energoprojekt

This proceeding is conducted on the grounds of a claim for special damages in the amount of 209,822,560/=UGX and general damage caused by unauthorized land use. Energoprojekt allegedly extracted laterite from the owner's land without her permission, for the needs of the Kampala-Gayaza-Ziobwe road construction. The judgement was passed in favour of the Claimant, and she was paid compensation in the amount of 56,016,000 with interest of 21 percent per year, calculated from the date of the judgement to the date of the full amount payment. The costs of the proceedings will be determined.

6. Civil litigation no. 102/2015

Kalvesubula Brian Kigongo in the proceedings against Energoprojekt

The claimant seeks damages of 37,600,000 / = UGX (thirty-seven million six hundred thousand) in the name of inconvenience. He claims that his house was damaged due to the activities in the quarry. The probability that the judgement will be passed in favor of the claimant is minimal. The total exposure of Energoprojekt in the case of initiating court proceedings is reduced to the payment of compensation, which should not exceed 37,600,000 / = especially if the claimant does not prove the existence of special damage he alleges. All documents have been submitted to the court, and the date of the hearing is expected to be defined.

7. Civil litigation no. 163 / 2016-04-13

Atna technologies ltd in proceedings against Energoprojekt

The claimant company seeks payment of the amount of 10,514,493 / = UGX pursuant to the contract concluded with Energoprojekt. Energoprojekt has paid this amount to the company representative, of which the company was informed. This issue is being discussed.

8. Civil litigation no. 76 of 2017

Casalico Hermann in the proceedings against UNRA and Energoprojekt

The Claimant claims that he is on the road Mpigi during the Works-Kanoni the earth material was removed from the registered road which forms the border between the mentioned road and the fishpond on his land. Due to heavy rains, the fish disappeared from the pond, which caused a loss. He seeks payment of the total amount of 87,902,500 / = in the name of special monetary compensation for the loss of fish, increased by interest on the amount of special compensation. Energoprojekt denies any responsibility, given that the earth material was removed in accordance with UNRA's road projects, as well as that such works were carried out on a registered road. A hearing date is expected to be specified.

9. Suuna Fredrick in the proceedings against Energoprojekt

Threatened procedure. The claimant claims that the company Energoprojekt entered into the possession of his land without authorization and extracted laterite, just as it extracted laterite from the neighboring land. The land is located in Mpigi. The claimant is seeking 540,622,000 / = UGX as compensation for unauthorized entry to the land. This case is in the process of mediation. Awaiting date.

10. Civil litigation no. 93 of 2021.

Registered creditors of the Anglican Church of Uganda in the proceedings against Energoprojekt

The claimant claims that the Anglican Church in Mabandi developed cracks in the construction of the church, which made it necessary to build a completely new church. They claim that it was caused by Energoprojekt's excavation of laterite on the church land. They demand the reconstruction of the church and 100,000,000 = UGX as compensation. The company Energoprojekt obtained a license with the church for the excavation of laterite and a solid defense was submitted. Awaiting hearing date.

11. Civil litigation no. 61 of 2021.

Atto Julius Lazarus in proceedings against Tumuhairwe Ssozi Mosses and Energoprojekt

The claimant claims that his brother was knocked down and killed by an Energoprojekt vehicle in Wobulenza. He is asking for 60,000,000 = as compensation for the loss of life. A solid defense has been filed. Awaiting hearing date.

B. ISSUES FOR MEDIATION

12. Civil litigation no. 040/2014

Busulwa Monday in the proceedings against Energoprojekt

Busulwa is seeking damages in the amount of 19,347,000 / = UGX in the name of the destruction of his house by Energoprojekt. The documents have been submitted to the court, and the defining date of the hearing is expected.

13. Civil litigation no. 443/20155

Denis Rwentungamo in the proceedings against Energoprojekt

This is a claim for damages against KCCA (Kampala Capital Administration) and the company Energoprojekt worth 22,000,000 / = UGX (twenty-two million Ugandan shillings) in the name of destroying the perimeter wall during construction work on the Weregga road, Najjjanankimbi. All documents were submitted to the court. The date of the hearing is expected to resolve this issue.

14. Civil litigation no. 023/2015

Baseke Tendo Christina in the proceedings against Energoprojekt

The claimant seeks payment of 1,000,000 / = UGX (one million shillings) in the name of outstanding rent, monetary damages, interest and court costs. Chances are the judgement to be passed in favor of the claimant is great. The total exposure of Energoprojekt is reduced to the payment of unpaid rent, increased by monetary compensation and court costs, which should not exceed 10,000,000 / =. All documents have been submitted to the court, and the date of the hearing is expected to be defined. It is advisable to resolve this issue amicably as soon as possible.

- 15. Turyatunga Wahab and 7 other persons in the proceedings against Energoprojekt** This case is discussed before the official in charge of labor KCCA. All the aforementioned persons are former employees of the company Energoprojekt who were fired together without paying severance pay due to suspicion of theft. The case has been handed over to the police and sentencing by the criminal court is expected. The evidence against certain individuals is weak, and Energoprojekt is likely to lose the case.

16. Civil litigation no. 2 from 2017

Kasule David in the proceedings against Energoprojekt and UNRA (National Roads Agency of Uganda)

It is a claim for damages in the amount of 84,702,000 UGX for alleged damage to his house and damage to his property. This claim for damages was filed against UNRA and Energoprojekt. Energoprojekt disclaims any responsibility, in view of the fact that all road works are performed on registered roads on the basis of orders and UNRA road projects.

17. Civil litigation no. 0014/2016

Salvengers Odinga and others in the proceedings against the company Energoprojekt

Claimants (more than 409 of them) claim to have health problems and that their property was damaged due to the extraction of stone in the Kiryandongo quarry. They demand payment of a fee in the form of monetary damages the amount of which has not been determined. Energoprojekt disclaims any responsibility, as the activities in the quarry were carried out in accordance with NEMA guidelines and in accordance with the law. All documents have been submitted to the court, and the date of the hearing is expected.

18. Employment complaint No. KCC / CEN / LC / 131/2017

Moses Semuli in proceedings against Energoprojekt

The claimant was employed by Energoprojekt on occasional and temporary jobs. During his engagement, he allegedly suffered an injury in September 2014. He and several other employees were later fired due to redundancies. He seeks payment of compensation for the injury suffered and compensation for the allegedly unjust and unlawful termination of employment in the amount of 23,270,000 / = UGX. The case was forwarded to the insurance company for payment of compensation from the insurance for the alleged injury, and a response is expected. In addition, Energoprojekt denies allegations of unfair and illegal termination of employment.

19. Civil litigation no. 160 from 2020

Yoel Shalom in the proceedings against against Energoprojekt

The claimant claims that he was injured in a fall on an unpaved road from a laterite that the company Energoprojekt negligently left unprotected during the works on the road Kanyaya -Waligo - Kawempe. He seeks payment of special compensation in the amount of 53,550,000 / = UGX plus monetary and special compensation. Energoprojekt denies the alleged negligence, and an appropriate defense has been filed. A hearing date is expected.

20. Civil litigation no. 323 of 2020

Mujuni Samuel in proceedings against Bivinzika Poultry International and Energoprojekt

The claimant claims that he was seriously injured in an accident involving a motor vehicle in which the claimant was driving as a passenger and a motor vehicle owned by Energoprojekt. He asks for payment of damages in the total amount of 47,117,000 / = UGX plus monetary and punitive damages, as well as all costs. The company Energoprojekt denies the allegations and claims that the accident occurred due to the mistake of the driver of the motor vehicle in which the claimant was driving. A hearing date is expected.

C. POSSIBLE PENALTY MEASURESS

21. Safina Nakibirango in the proceedings against Energoprojekt

Possible procedure. Safina Nakibirango is seeking the payment of 10,000,000 / = UGX in compensation for Energoprojekt allegedly extracting stone material and thus destroying ancestral graves located on her land in Kung. The last announcement was submitted on April 26, 2011 when Energoprojekt was asked to confirm the claim for damages in order to avoid any sudden judicial action.

22. Kabanyolo High School in the proceedings against Energoprojekt

Possible litigation on the basis of a claim in the amount of 18,700,000 / = UGX in the name of alleged damage to the perimeter wall, water pipes and gates during the construction works on the Gayza - Zirobwe road. Energoprojekt disclaims any responsibility.

23. Lugoba Schools Ltd. in proceedings against Energoprojekt

Prevented court proceedings in order to stop the activities of quarrying in the quarry that is performed by Energoprojekt in Kigoogwa LCI, Wakiso County.

24. Kiyambu Wilson in proceedings against Energoprojekt

Possible court proceedings in order to collect the amount of 33,000,000 / = UGX in the name of illegal entry into the land during the works on the road Gayaza-Zirobwe.

25. Nakiwewa Jalia in proceedings against Energoprojekt

Possible lawsuit. Nakiwewa Jalia claims that the deposited material from the Kungu quarry was spilled on her land, which is right next to the Energoprojekt quarry. She tried to force Energoprojekt to lease the land in question. She filed a complaint with the State House, asking them to take the necessary measures. The company Energoprojekt paid the amount of 1,100,000 shillings under pressure and stated that it was not interested in the given land. She continues to insist that Energoprojekt should lease the land in question.

26. Tumusiime Wesley in proceedings against Energoprojekt

Possible lawsuit. Tumusiime Wesley reported to police that Energo Uganda Co.Ltd. illegally used his land (plot 184 along the Gayaza-Zirobwe road) and extracted laterite. Energo Uganda Co. Ltd. did not carry out any activities in this area. Energoprojekt extracted laterite from plots 191, 188, 192 and 193. If Energoprojekt accidentally entered plot 184, it may lose this case. We submitted the last announcement on July 6, 2010, and there was no response from Tumusiime.

27. Lobowa Lawrence in the proceedings against against Energoprojekt

Possible lawsuit. Lobowa Lawrence represents about 32 former workers. The workers in question were fired, and they were paid severance pay in accordance with the Collective Agreement, which has expired. They want severance pay in accordance with the valid contract. This issue needs to be resolved.

28. Godfrey Walungama in proceedings against Energoprojekt

Possible lawsuit. In this case it is stated that along the road Gayaza-Zirobwe, garbage was deposited on the claimant's land, as well as damage to property. Compensation is sought. The amount has not been defined. We have not yet received notice of intent to file a lawsuit.

29. Nakamaya Jamia in proceedings against Energoprojekt

Possible lawsuit. Nakamaya seeks damages in the amount of 50,000,000 / = UGX in respect of damages inflicted on her facility during the construction of the Gayaza-Zirobwe road. She was reminded that her family was officially paid compensation by the competent authority. She probably will not win this case. The last announcement was submitted on March 15, 2011 when Jamia was informed that the case was under investigation.

30. Namaganda Edith in proceedings against Energoprojekt

Possible lawsuit. Namaganda claims that she is threatened by eviction from the Kungu quarry area. She filed a complaint with the State House, asking it to take the necessary measures. The Seller of the land was asked to reply regarding this issue. The last statement was delivered to Edith's lawyers on Aug. 2, 2011 when they were asked to provide information on whether compensation had been paid to Edith. No feedback has been received from the lawyer or Edith on this issue.

31. Collin Newki in proceedings against Energoprojekt

Possible lawsuit. Collin claims that Energoprojekt uses his land for the purpose of depositing, retaining and processing excavated rubble. He suggested to the company Energoprojekt to buy the land if it is interested, and if the company does not want to do that, he asks to vacate the plot. Amounts of fees for the use and sale of land have not been submitted.

32. Charles Mubiru Mwangi in proceedings against Energoprojekt

Possible lawsuit. The car of Lucy Kathendu (worker of Charles Mwangi) was damaged during water pipe bursts. She claims that due to negligence, the company Energoprojekt dug water pipes during the works on the sanitation of the road and never replaced them in a safe way, which led to the bursting. She seeks damages in the amount of 15,000,000 / = UGX for the damage caused to her motor vehicle. This amount is increasing daily. She was advised to claim damages from the National Water and Sewerage Company (which is responsible for water pipes). Further communication is awaited from her.

33. Nduhukyeire Innocent in proceedings against Energoprojekt

This is a claim for payment of insurance. The district official in charge of labor relations assessed the fee for Innocent in the amount of 9,971,800 / = UGX. The insurance company (Vital Insurance Services Ltd) approved the payment of 1,451,500 / = UGX. Innocent requests payment of the balance up to the estimated

amount from the company Energoprojekt. We requested an explanation from the insurance company regarding their compensation. We are still waiting for an answer from the insurance company.

- 34. Hayati Sarah Kasuja and 9 other people in proceedings against Energoprojekt** Possible lawsuit. Claimants allegedly claim that the company Energoprojekt built a culvert in the proximity of their property through which drainage water reaches their properties and causes damage. They were informed that the company Energoprojekt had never performed works on the construction of that culvert and that it was not responsible in this case. An answer is still expected from them.
- 35. Muhumuza Moses and Kugonza Sylvester in proceedings against Energoprojekt** Possible lawsuit. This procedure is conducted on the basis of a claim in the amount of 40,000,000 / = UGX for damage caused by environmental pollution caused by a large amount of earth, dust and noise due to motor vehicles used during the works on the Jinja road. Energoprojekt does not accept any responsibility, and if any proceedings are initiated before the court in connection with this issue, there is a high chance that the proceedings will fail.
- 36. Moses Mpomba Bugembe in proceedings against Energoprojekt** Possible lawsuit based on loan agreement. Moses demands the return of the humus layer on the loan, as defined by the agreement. Also claims compensation in the amount of 15,000,000 / = UGX (fifteen million shillings).
- 37. Icodat Komugisha Igytonic in proceedings against Energoprojekt** Possible lawsuit. This is a claim for damages in the amount of 15,000,000 / = UGX (fifteen million shillings) in the name of destruction of property by the company Energoprojekt. Energoprojekt disclaims any responsibility.
- 38. Madungha Christopher in the proceedings against Energoprojekt** Possible lawsuit. Christopher claims that his employment was terminated illegally by Energoprojekt. He requires a return to work or payment of compensation for the period until the expiration of the contract. We are still waiting for an answer from the company Energoprojekt.
- 39. Sonko Samuel in the case against Energoprojekt** Possible lawsuit. This is about determining the ownership of a piece of land owned by Energoprojekt. On May 6, 2014, the claimant was advised to refer his request to the owner, not Energoprojekt. No response has been received since then.
- 40. Kasoma Denis and 2 other persons in the proceedings against the company Energoprojekt** Possible lawsuit. This is a claim for damages in the amount of 600,000,000 / = UGX in the name of illegal land use. Claimants allegedly claim that Energoprojekt uses their land and conducts commercial activities on it. Energoprojekt denies any responsibility, given that the land was purchased from NARO (National Organization for Agricultural Research) and asks NARO to clarify these third party claims. A response from NARO is expected.
- 41. Ayibako Peter and other persons in the proceedings against Energoprojekt** Possible lawsuit. Peter seeks compensation in the amount of 60,000,000 / = UGX in the name of death of his brother caused by M/V UAS 665Y owned by Energoprojekt.
- 42. Musunguzi Edison in proceedings against Energoprojekt** Possible lawsuit. This is a claim in the amount of 20,000,000 / = UGX in the name of damage to the motor vehicle caused by a canal excavated on the road during the construction works by the company Energoprojekt. On Aug. 20, 2014 we asked the claimant to provide more precise information regarding his claim for damages, and to this date we have not received any answer.

43. Beatrice K. Baruga in proceedings against Energoprojekt

Possible lawsuit. Beatrice claims that her house was damaged due to the quarrying activities in the quarry carried out by the company Energoprojekt. She claims that the company Energoprojekt agreed to renovate the house, but that it only delivered 2 bags of cement and a truckload of stone in March 2011 and that nothing else has been done since then. From April 11, 2014 she did not file any other complaint.

44. Father Charles Ocul in 26 other people in proceedings against Energoprojekt

Claimants allege they lost property and suffered mental anguish as a result of the blasting carried out by Energoprojekt in Kiryadongo County. They asked for a meeting to be held in order to resolve this issue amicably, as well that Energoprojekt suspend all activities related to rock blasting until this issue is resolved. On Dec. 24, 2014 we asked for details about all the injured persons so that we can suggest organizing a meeting. However, we have not received any response since then.

45. Andihaihi and Kabura Leonard in proceedings against Energoprojekt

Possible lawsuit. Both are former Energoprojekt employees seeking severance pay. They were fired together on suspicion of theft, and their severance pay could not be paid under the Collective Agreement. This case was forwarded to criminal court, but the charge was later dropped. We have submitted a request to reopen the proceedings in this case and the date of the hearing is currently expected. If acquitted, Energoprojekt will be obliged to pay them severance pay. The evidence against them is weak, and there is a high probability that they will be acquitted. It is advisable to resolve this case amicably.

46. Senyondwa Siraje in the proceedings against against Energoprojekt

Possible lawsuit. Siraje was suspended indefinitely on suspicion of theft. After the police investigation, it was concluded that there is no real or convincing evidence accusing him of theft. Siraje reported this case to the Foundation to launch an initiative for human rights (FHRI). Energoprojekt is proposed to resolve this case amicably. The FHRI did not take any action.

47. Solomon Bukenya in proceedings against Energoprojekt

Possible penalty measures. It is a request for the repair of the claimant's motor vehicle, which was damaged during strike about the omission allegedly committed by the company Energoprojekt on the road Mpigi - Butambala without any warning signs. Energoprojekt disclaims any responsibility.

48. Samuel Kawesa in proceedings against Energoprojekt

Possible penalty measures. This is a claim for damages in the amount of 300,000,000 UGX for the alleged damage caused to the claimant's house due to the quarrying activities in the quarry carried out by the company Energoprojekt. Energoprojekt denies any responsibility, in view of the fact that the activities in the quarry were carried out in accordance with NEMA guidelines and in accordance with the law. A claimant's response is expected.

49. Sevume Yisiraviri Wasawa and Others in the proceedings against Energoprojekt Possible penalty measure. It is a request for payment of compensation in the name of alleged damage caused to the property of the claimants and crops due to the blasting of the rock mass on the road Mpigi-Kibibi. The amount of the fee has not been defined. Energoprojekt disclaims any responsibility. There were no further announcements from claimants.

50. Adiga Kizito in proceedings against Energoprojekt

Possible penalty measures. This is a claim for damages in the amount of 60,000,000 UGX for the alleged illegal termination of employment. The claimant claims that the company Energoprojekt terminated his employment relationship without any explanation and that it did not pay him severance pay. Energoprojekt terminated the claimant's employment due to redundancy, and the claimant was informed that he could take over his severance

pay, which he refused to do. These data were submitted to the claimant, and since May 2016, no response has been received.

51. East African Roofings in the proceedings against against Energoprojekt

Possible penalty measures. The director of the claimant claims that his motor vehicle participated in a traffic accident in which the vehicle of the company Energoprojekt also participated. He requires repair of the motor vehicle and reimbursement of costs incurred due to finding alternative transportation during the repair of the vehicle. This case was submitted to the insurance company that offered to repair the damaged vehicle, but not the payment of the costs of alternative transportation. The claimant is now seeking payment of 20,250,000 / = for the costs of alternative transportation he had to find. The last announcement was submitted on October 13, 2016.

52. Zimbe Hamis in proceedings against Energoprojekt

Possible penalty measures. It is a request for payment of compensation due to an accident caused by an employee of the company Energoprojekt. The claimant alleges that his motor vehicle was damaged and that the passengers were hospitalized as a result of the accident. The case was submitted to the insurance company, which on December 6, 2016 offered the payment of compensation in the amount of 10,000,000 / =. The claimant has yet to accept the settlement.

53. Francis R Baliruno in proceedings against Energoprojekt

Possible penalty measures. Francis claims that Energoprojekt illegally entered his property in September 2016 and installed traffic signalization machines during the reconstruction of the Mackay road. Energoprojekt denies these allegations. The claimant has not sent any announcement since March 2017.

54. Nsasira Denis in proceedings against Energoprojekt

Possible penalty measures. The claimant states that he was suspended from work for an indefinite period of time by Energoprojekt, and therefore, requires severance pay. The company Energoprojekt denies that it suspended him and advises him to stop avoiding coming to work and fulfilling work obligations. Otherwise, if he wants to terminate his employment with Energoprojekt, he should submit his resignation. He has not submitted any announcement since July 2017.

55. Church of St. Appollo Kivebulaya Church in the proceedings against against Energoprojekt Possible penalty measures. Claimants claim that the mass mining was carried out by the company Energoprojekt and caused damage to the church. They demand that the company Energoprojekt renovate the church as well as pay the amount of 100,000,000 / = in the name of compensation. Energoprojekt denies that it caused the destruction, however, in the spirit of an amicable solution, Energoprojekt offered to carry out repairs to the church after an assessment of the alleged damage was made. As of March 2017, no response has been submitted to our offer.

56. Nakasongola Parents School in the proceedings against Energoprojekt Possible penalty measures. Claimants claim that the blasting of the rock mass by the company Energoprojekt caused damage to their facilities. They further claim that the company Energoprojekt made a culvert that leads the atmospheric water to the school premises, which causes flooding during the rainy season. The amount of the fee has not been defined. The company Energoprojekt denies these allegations, but in the spirit of an amicable solution, it offered to repair the damage after the assessment is performed. The process is still ongoing. In addition, the construction of the culvert was carried out in accordance with UNRA's road projects. Compensation for such damages should therefore be sought from UNRA.

57. Mayambala Simon and others in proceedings against Energoprojekt

Possible penalty measures. Claimants allege that the activities of extracting the stone caused damage to their property. The amount of their claim for damages has not been precisely defined. Energoprojekt denies responsibility given that the activities in the quarry were carried out in accordance with the law. An answer is expected from them.

58. Florence Mukalazi in proceedings against Energoprojekt

Possible penalty measures. The claimant states that during the construction of the Mpigi road -Kanoni a culvert was made that leads the water to the property of the claimant. No amount of compensation has been defined. Company Energoprojekt denies responsibility, in view of the fact that the omissions made on the road were in line with UNRA projects. An answer is expected from them.

59. Muguluma Musa v. Energoprojekt

Possible penalty measures. The claimant claims that Energoprojekt illegally entered his land in Gomba district during gravel removal. He requires the payment of a fee of 230,000,000 / = UGX. Energoprojekt does not accept any responsibility, and demanded from the claimant to submit proof of ownership, which has not been submitted to date.

60. Sengoma Abdul v. Energoprojekt

The claimant claims that the company Energoprojekt owes him 2,560,420 / = UGX on the basis of a contract for renting his motor vehicle. Energoprojekt does not accept this claim. The claimant was asked to provide evidence for his allegations.

61. Investigation Committee, reference number LI / 524/2018

Energoprojekt

The claimant claims that the company Energoprojekt took over his land. The aforementioned land was the subject of a civil litigation before the High Court no. 186 from 2009.- **Foreman Kasirye Gwanga in proceedings against Energoprojekt**, which was won by Energoprojekt when it was granted rights over the land. The Committee has been informed about that, and an answer is expected.

62. Badru Tomusange v. Energoprojekt

The claimant alleges that the company Energoprojekt destroyed the access road leading to his facilities during the works on the Mpigi- Kanoni road. He claims that because of that, he is not able to access his property. The claimant asks Energoprojekt to carry out works on the repair of the access road. A response was sent to the claimant asking him to provide a copy of his title deed so that the said access route could be identified. To date, no response has been received.

63. Nakiyaga Ruth v. Energoprojekt

The claimant claims that her house was damaged due to the activities of Energoprojekt in the quarry in Kigogwa. She claims that damage in the amount of 48,209,250 / = UGX was made to her house. Energoprojekt denies that any damage was done, but, in the spirit of an amicable solution, Energoprojekt is willing to repair the damage. A settlement was reached, and the claimant agreed to conclude this case in accordance with the final decision. The settlement was submitted to the court.

64. St Peters Technologies Ltd v. Energoprojekt

This is a request for payment of compensation of 36,000,000 / = UGX under a subcontract between the company St. Peters and Energoprojekt. The company St. Peters claims the money was never paid to it. However, Energoprojekt claims that this amount was paid to St. Peters through a recognized agent who signed a subcontract. This claim was communicated to the company Energoprojekt, and a response is expected.

65. Fred Kigundu v. Energoprojekt

This is a claim for damages in the amount of 80,000,000 / = UGX. The Applicant claims that he suffered injuries while recklessly driving a bitumen truck belonging to the company Energoprojekt, which on that occasion was left without its bitumen tank. It happened in place Kibibi Mpigi. The claim for damages was forwarded to the insurance company for resolution.

66. Bbale Mugeru Robert v. Energoprojekt

This is a claim for damages in the amount of 8,750,000 / = UGX in the name of compensation for medical expenses and payment of back wages. The Applicant claims that he participated in a traffic accident that occurred due to negligence of Energoprojekt employees. The incident happened in Kabasanda Butambala. The company Energoprojekt claims that the accident was due to the negligence of Robert himself. However, compensation for medical expenses was paid together with severance pay. He was informed about that, and a response is expected.

67. Noah Sebuliba v. Energoprojekt

The claimant claims that his property was damaged due to vibrations caused by the use of heavy machinery during the construction works on the road Mpigi- Kanoni. He also claims that for the same reason, the access road leading to his property is impassable. He filed a complaint with UNRA and now claims that according to the instructions of UNRA, he is seeking compensation from Energoprojekt. We have been looking for evidence for previous allegations and are awaiting a response.

Sincerely,

Signature illegible

ON BEHALF OF LAWYER PAUL BYARUHANGA ADVOCATES

**ANNUAL BUSINESS REPORT
ENERGOPROJEKT HOLDING A.D. FOR 2021**

- General data;
- Short overview of business activities and organizational structure;
- Display of development, financial position and results of companies business operations, including relevant financial and non-financial indicators, as well as information on staff-related matters;
- Description of expected company development in the upcoming period, change in company's business policies and main differences and threats company's business operations are facing;
- Relevant important events occurred after the end of reporting business year;
- More relevant operations with affiliates;
- Company activities in the field of research and development;
- Information on investment aimed at environmental protection;
- Data on purchasing own shares;
- Existence of branch offices;
- Relevant financial instruments used for evaluation of financial position and business operations success;
- Goals and policies related to financial risk management and protection policy for each significant type of planned transaction for which the protection is being used. Exposure to price risk, credit risk, liquidity risk and money flow risk, risk management strategy for the respective risks and evaluation of their efficiency;
- **Corporate management report;**
- **Non-financial report**

NOTE:

In accordance with Article 41 of the Accounting Law and Article 37 of the Rulebook on Accounting in Energoprojekt Holding a.d., the Annual Business Report and Consolidated Annual Business Report of Energoprojekt Holding a.d. for 2021 are shown as one report containing information relevant for economic whole.

General data

Business name: Energoprojekt Holding a.d., Shareholder Company for holding business, Belgrade

Head office and address: Belgrade, Bulevar Mihaila Pupina 12

Registration number: 07023014

TIN: 100001513

Website and e-mail address: www.energoprojekt.rs; ep@energoprojekt.rs

Number and date for Ruling on registration into Register of Business entities: BD 8020/2005

Activity (code and description): 06420- Holding Business

Number of employees (average number in 2021): 69

Business name, head office, business address for Audit House: RSM Serbia d.o.o. Belgrade, with head office in Belgrade, Bulevar Mihaila Pupina 10B/1

Number of shareholder (on 31/12/2021): 3.729

Ten biggest shareholders (on 31/12/2021):

No.	First Name and Last name (business name)	number of shares	participation in share capital
1.	Napred Razvoj a.d. Novi Beograd	4.760.998	43,55%
2.	Republika Srbija	3.671.205	33,58%
3.	Montinvest Properties d.o.o.	564.699	5,17%
4.	Jopag AG	560.731	5,13%
5.	Tezoro broker a.d.-omnibus account	264.917	2,42%
6.	Energoprojekt Holding a.d.	97.700	0,89%
7.	Tezoro broker a.d.	75.750	0,69%
8.	Bojović Dobroslov	47.004	0,43%
9.	OTP Banka Srbija- omnibus account	43.007	0,39%
10.	Grujić Sava	31.301	0,29%

Share capital value: Share capital 5.574.958.920 RSD

Number of issued shares: 10.931.292 ordinary shares

Nominal share value: 510 RSD

ISIN number: RSHOLDE58279

CIF code: ESVUFR

Share price in the reporting period:

- Last price: 312 RSD/share (on 31/12/2021)
- Highest price: 430 RSD/share (on 14/04/2021)
- Lowest price: 301 RSD/share (on 19/07/2021)

Market capitalization: 3.410.563.104 RSD (on 31/12/2021)

Name of the organized market where shares are involved: Belgrade Stock Exchange, Novi Beograd, Omladinskih brigada 1

Energoprojekt Holding a.d. is public shareholder company. Shares of Energoprojekt Holding a.d. are ranked at the Belgrade Stock Exchange and they are traded at the regulated market – “Prime Listing” of Belgrade Stock Exchange. Other subsidiaries and connected companies do not have the status of public enterprises.

Short overview of business activities and organizational structure

“Energoprojekt System” consists of Energoprojekt Holding a.d. in the capacity of control-Mother Company, as well as its subsidiaries (in the country and abroad) and joint company (in the country). Companies within the Energoprojekt System are mutually connected by participation in the share capital.

Energoprojekt Holding a.d. is a control-Mother Company, with activity of financing and managing subsidiaries. Apart from the energy and water management, activity of the Energoprojekt System comprises designing and construction of industrial facilities, public and residential compounds, telecommunication systems, services in the field of urbanism and environmental protection, information technologies, commerce and real estate.

According to the amount of accomplished income of the Energoprojekt System, apart from national market, the most important ones are the markets in African countries (Uganda, Ghana, and Algeria), Russia, Middle East (Qatar, UAE and Oman), Latin America (Peru) and markets of the regional countries.

Energoprojekt Holding a.d. is a company with two-tier management organization and it comprises the following management authorities: Shareholders Assembly, Supervisory Board and the Executive Board.

Shareholders Assembly of Energoprojekt Holding a.d. is the highest management and decision-making authority/

Bodies of Holding operate within the scope of jurisdictions envisaged by the Law and the Statute/

Data on company management:

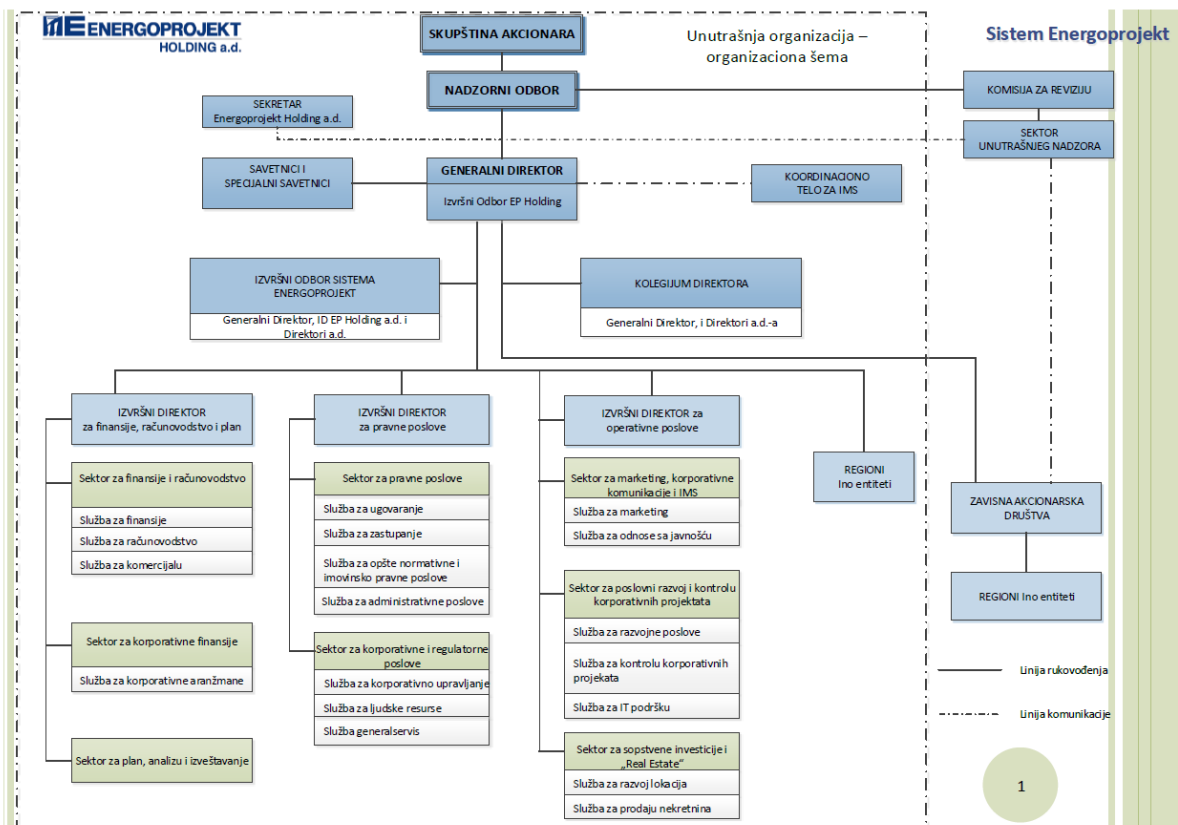
Members of the Supervisory Board (on 31/12/2021):

First Name and Last Name	Education	number of ENHL shares
1. Miodrag Zečević, President	VIII level, electrical engineer	7.254
2. Dragan Ugrčić, Member	VII level, economist (MA)	0
3. Aleksandar Šćekić, Member	VII level, bachelor of laws	0
4. Nada Bojović, Independen Member	VII level, work organization engineer	0

Members of the Executive Board (on 31/12/2021):

First Name and Last Name	Education	number of ENHL shares
1. Dobroslav Bojović Chief Executive Officer	VII level, economist	47.004
2. Siniša Tekić Chief Financial Officer, Accounting and Plan	VII level, economist	0
3. Momčilo Jevtić Legal Affairs Executive Officer	VII level, bachelor of laws	0
4. Ilijana Stamenković Operational Affairs Executive Officer	VII level, economist	0

Organizational structure of Energoprojekt Holding a.d. (Mother Company):



According to the allocation criteria from the Law on Accounting (the “Official Gazette of the RS number 73/2019 and 44/2021) Mother Company is allocated among medium-sized legal entity.

Management system is based on organization of the Energoprojekt System and legal status of the company within the Energoprojekt System, in accordance with the Law, Mother Company Statute and Statutes of subsidiaries.

Subsidiaries are legal entities, controlled by the Mother Company. Mother Company has control over legal entity in which it has capital share, when there is exposure or right to variable profits based on its capital share and when nit has to possibility to affect those incomes by its power over legal entity that has been invested into.

Display of development, financial position and results of companies business operations, including relevant financial and non-financial indicators, as well as information on staff-related matters

Energoprojekt Holding a.d. Belgrade is a public shareholder company whose main activity is 6420- holding company activity.

The Company is a Mother Company which comprises several subsidiaries in the country and abroad, as well as a Joint Venture Company and affiliate company in the country.

Subsidiaries in the country are the following:

- Energoprojekt Visokogradnja a.d.,
- Energoprojekt Niskogradnja a.d.,
- Energoprojekt Oprema a.d.,
- Energoprojekt Hidroinženjering a.d.,
- Energoprojekt Urbanizam i arhitektura a.d.,
- Energoprojekt Industrija a.d.,
- Energoprojekt Entel a.d.,
- Energoprojekt Sunnyville d.o.o. i
- Energoprojekt Park 11 d.o.o.

By the Ruling of the Business Registers Agency of Serbia BD 54170/2021 as of 28/6/2021, a status change of merging company Energoprojekt Energodata a.d. as a transferor company (hereinafter the Transferor Company) to company Energoprojekt Holding a.d. as a Transferee Company (hereinafter the Transferee Company) was registered.

By the Ruling of the Business Registers Agency of Serbia BD 54177/2021 as of 28/06/2021, the Transferor Company Energoprojekt Energodata a.d. ceased to exist due to merging, and as a merging consequence, the entire asset of the Transferor Company was transferred to the Transferee Company, with no exceptions and limitations, all the debts, liabilities and other responsibilities of the Transferor Company towards any third party, including also accompanying fiscal liabilities of the Transferor Company owed to any trustee with public authorizations, securities issued by the Transferor Company.

The date when all business activities of the Transferor Company ceased to exist is 28/06/2021, as a registration date for a status change of merging with the Transferee Company, i.e. the date of erasure from the BRA Register.

By the Ruling of the Business Registers Agency of Serbia BDSL 6489/2021 as of 15/07/2021 Energoprojekt Promet d.o.o. was erased from the business entities registry, having in mind that the subject company did not deliver to the register in charge annual financial statements for 2017 and 2018, by the end of 2019, and all in accordance with Article 547, Paragraph 2 of the Company Law and Article 546, Paragraph 1, Item 10) and Article 547b of the respective Law.

Subsidiaries abroad- foreign companies are the following:

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

The Company acquired a share in foreign company Energoprojekt Energodata Montenegro d.o.o. by status change of merging Energoprojekt Energodata a.d. (previously, explained in details in this mote), which was registered by the Ruling of the Central Registry of Business Entities of Income and Customs Administration in Podgorica no. 5-0297614/009 as of 02/09/2021 and Notification as of 14/09/2021.

Joint venture company in the country is the following:

- Enjub d.o.o.

Ownership percentage of the Company on 31/12/2021 in the aforementioned subsidiaries is shown in the table below.

<i>Capital share of subsidiaries</i>	
<i>Name of the subsidiary</i>	<i>ownership %</i>
<i>In the country:</i>	
Energoprojekt Visokogradnja a.d.	100,00
Energoprojekt Niskogradnja a.d.	100,00
Energoprojekt Oprema a.d.	67,87
Energoprojekt Hidroinženjering a.d.	100,00
Energoprojekt Urbanizam i arhitektura a.d.	100,00
Energoprojekt Industrija a.d.	62,77
Energoprojekt Entel a.d.	100,00
Energoprojekt Sunnyville d.o.o.	100,00
Energoprojekt Park 11 d.o.o.	100,00
<i>Abroad:</i>	
Zambia Engineering and Contracting Company Limited, Zambia	100,00
Energoprojekt Holding Guinea S.A, Guinea	100,00

I.N.E.C. Engineering Company Limited, Great Britain	100,00
Dom 12 S.A.L, Lebanon	100,00
Energo (private) Limited, Zimbabwe	100,00
Energo Kaz d.o.o., Kazahstan	100,00
Energoprojekt Energodata Montenegro d.o.o.	100,00

Ownership percentage of the Company in other related legal entities in the country is displayed in the table below.

<i>Capital share in other related legal entities in the country</i>	
<i>Name of the joint venture</i>	<i>ownership %</i>
Enjub d.o.o.	50,00

Apart from the aforementioned subsidiaries and other related legal entities, the Company has its representation office in Bagdad, Iraq, which is in dormant status as of 2015.

Company, in accordance with the criteria set in the Law on Accounting, was allocated to **medium-sized legal entity**.

Average number of employees in the Company, within th0e reporting period, based on the state of play at the end of every month is 69 (73 on 31/12/2020).

Company shares are listed and they are being traded at the regulated market – “Prime Listing” of the Belgrade Stock Exchange.

Achieved trading price (on the last day of the reporting period – 31 December 2021) of the Mother Company Energoprojekt Holding a.d. was 312 dinars per share (during 2021 share price was within the interval between 301 and 430 dinars), which was equivalent to the market capitalization of the Company in the amount of 3.410.563.104 dinars. Ratio of market and bookkeeping (accounting) prize (P/B) was 0.34. Total turnover of Energoprojekt Holding a.d. shares in 2021 was 7.670.921 dinars. Average turnover was 30.561 dinars. Average trading price achieved was 347 dinars per share.

Authentic display of business development and results, as well as financial state of play and data relevant for the property state of play evaluation, are given in details within the “Note added to financial statements of Energoprojekt Holding a.d. for 2021”.

Consolidated financial statements of Energoprojekt Holding a.d., beside the shareholder company “Energoprojekt Holding” a.d. Belgrade (hereinafter: Energorpojekt Holding or the Company) involve the following:

- 10 subsidiaries in the country, out of which 9 subsidiaries are direct subsidiaries (7 shareholder companies and 2 limited liability companies) and 1 subsidiary indirectly through other subsidiaries (1 limited liability company),
- 1 joint venture, hereinafter joint venture company (1 limited liability company(where capital share is 50% and
- 6 direct subsidiaries abroad.

There are organized units for investment works and representing offices abroad (totally 108) within subsidiaries, as well as companies in the country and abroad (11 subsidiaries abroad and 1 affiliate in the country), which all together deal with construction, designing, equipping, creation of studies, programming of investment facilities and systems, trade of goods and services etc.).

According to the business activity, companies within the Energoporjekt were organized in the following manner within the reporting period:

Activity	Number of companies in the country	Number of units for	
		Investment works and Representation offices abroad	Number of companies abroad
Designing and research	4	54	5
Cinstruction and equipping	6	54	10
Holding	1		
Other	2		2
Totally	13	108	17

Head office of the Mother Company and subsidiaries is in Bulevar Mihaila Pupina street number 12, Novi Beograd.

Total average number of employees in the companies that make group for consolidation of Energoporjekt Holding a.d. (hereinafter Energoporjekt System) in 2021, based on the state of play at the end of each month, not counting local labor force of foreign entities, is 1.247 (1.476 in 2020).

On 31 December 2021, the Mother Company employed 73 employees (76 employees on 31 December 2020). Labor force fluctuation was conditioned by retirements, employment termination by agreement, new hiring of the employees from the labor market and/or internal takeover within the Energoporjekt System. Regarding qualification structure of the employees, the biggest participation in total number of employees was by the employees with university education (59%), with college education (11%), with high school education (27%) and others (3%). Employees have appropriate knowledge, qualifications and experience for works at their respective jobs, in accordance with the Rulebook on organization of jobs. Human Resources sector is in charge of staff-related matters.

On 31 December 2021, the Group (Energorprojekt System) had 1118 employees (1383 employees on 31 December 2020). Labor force fluctuation was conditioned by retirements, employment agreements termination, employment termination by agreement, new hiring of the employees from the labor market and/or internal takeover within the Energorprojekt System. Regarding qualification structure of the employees, the biggest participation in total number of employees was by the employees with university education (50%), with college education (7%), with high school education (20%) highly qualified and qualified employees (21%) and others (2%). Employees have appropriate knowledge, qualifications and experience for works at their respective jobs, in accordance with the Rulebook on organization of jobs. Human Resources sector is in charge of staff-related matters.

Group for consolidation of Energorprojekt Holding a.d. (hereinafter the Energorprojekt System) consists of Mother Company Energorprojekt Holding and below listed subsidiaries, joint ventures and affiliates in the country, as well as subsidiaries abroad – foreign companies:

Subsidiaries, joint ventures and affiliates in the country

No.	N a m e	Ownership %
<i>Subsidiaries</i>		
<i>Construction and equipping</i>		
1.	Energorprojekt Visokogradnja a.d.	100,00
2.	Energorprojekt Niskogradnja a.d.	100,00
3.	Energorprojekt Oprema a.d.	67,87
4.	Energorprojekt Sunnyville d.o.o.	100,00
5.	Energorprojekt Park 11 d.o.o.	100,00
<i>Designing and research</i>		
6.	Energorprojekt Urbanizam i arhitektura a.d.	100,00
7.	Energorprojekt Industrija a.d.	62,77
8.	Energorprojekt Entel a.d.	100,00
9.	Energorprojekt Hidroinženjering a.d.	100,00

Other

10. Energoplast d.o.o.	45,11
(Energoprojekt Industrija a.d. 40,00% and Energoprojekt Entel a.d. 20,00%)	

Joint ventures

Construction and equipping

11. Enjub d.o.o.	50,00
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Subsidiary Energoplast d.o.o. was included into consolidated financial statements of Energoprojekt Holding a.d., by method of full consolidation, whereby his involvement was elimination by equity method, through first-instance consolidation into financial statements of Energoprojekt Industrija (40,00%) and Energoprojekt Entel (20,00%). Even though Energoprojekt Holding has (indirect) capital share of 45,11% in named company, consolidated financial statements of Energoprojekt Holding a.d. include it by method of full consolidation, having in mind a fact that Energoprojekt Holding, indirectly, has power control over Energoplast (even though it does not have majority ownership).

While involving joint venture Enjub d.o.o. into consolidated reports of Energoprojekt Holding a.d., in accordance with MSFI 11- Joint arrangements, equity method was applied.

Subsidiaries abroad – foreign companies

No.	Name	Ownership %
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Subsidiaries

Construction and equipping

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 d.o.o., Kazakhstan	100,00

Other

5.	I.N.E.C. Engineering Company Limited, Great Britain	100,00
6.	Dom 12 S.A.L, Lebanon	100,00

Based on the decision of the Executive Board of Energorprojekt Holding, the consolidation exempts Energoprojekt Energodata Montenegro d.o.o., Montenegro (100%), in accordance with the Provisions of Article 32, of the Law on Accounting.

Subsidiary abroad, Energo Kaz d.o.o., Kazakhstan, is registered within the ownership of Energoprojekt Holding, but it is being coordinated and managed by subsidiary Energoprojekt Visokogradnja a.d.

Out of the aforementioned subsidiaries in the country and abroad, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Entel, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Zambia Engineering and Contracting Company Limited, Zambia are companies who make consolidated financial statements themselves, based on organizational chart adopted by the Board of Directors or management of the aforementioned companies, so that their subsidiaries and affiliates named in the table below are involved through the first-instance consolidation.

No.	Name	Involved through the first-instance consolidation
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Abroad

Subsidiaries abroad – foreign companies

Construction and equipping

1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja a.d.
2.	Energoprojekt Montenegro d.o.o., Montenegro	EP Visokogradnja a.d.
3.	Energoprojekt Rus d.o.o., Moscow, Russia	EP Visokogradnja a.d.
4.	Energo Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja a.d.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja a.d.

6.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
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Designing and research

7.	Energoprojekt Entel L.L.C., Muscate, the Sultanate of Oman	EP Entel a.d.
8.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel a.d.
9.	Energoprojekt Entel L.L.C., Abu Dhabi, UAE	EP Entel a.d.
10.	Energoprojekt Entel kompanija, Bahrein	EP Entel a.d.
11.	Enhisa S.A., Lima, Peru	EP Hidroinženjering a.d.

in the country

Affiliates in the country

Other

12.	Energopet d.o.o. (33,33 %)	EP Industrija a.d.
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Based on the decision of the Board of Directors of Energoprojekt Oprema, starting from 31/12/2020, Energoprojekt Oprema is exempted from the liability of making, delivering and publishing consolidated financial reports, having in mind that in accordance with Provisions of Article 32, Paragraph 6 and 7 of the Law on Accounting the following companies are exempted from consolidation:

- Energo Nigeria Ltd., Lagos, Nigeria (24,92%) i
- Energoprojekt Oprema Crna Gora d.o.o., Podgorica, Montenegro (100%).

Having in mind that Energo Nigeria Ltd., Lagos, Nigeria no longer enters the Group for consolidation of Energoprojekt Holding a.d., all mutual relations with the subject company, starting from financial statements for 2020, are transferred from positions of relations with subsidiaries to external positions of balance sheet and income statement.

Management of the Company estimates that companies that make the Group for consolidation of Energoprojekt Holding a.d. keep doing their business for an indefinite period of time and they do not expect any significant changes in doing business, and according to such an

evaluation, consolidated financial statements of Energoprojekt Holding a.d. for 2021 were made in accordance with the going concern.

Authentic display of development and results of business operation of the Energoprojekt System, as well as financial state of play and data relevant for evaluation of the property state of play of the Energoprojekt System, are shown in details and explained within the “Note added to financial statements of Energoprojekt Holding a.d. for 2021”.

Please find below some of the relevant parameters of business operation of the Mother Company (Energoprojekt Holding a.d.) and Energoprojekt System, which are relevant for proper understanding of the named subject.

The structure of total business operation result of Energoprojekt Holding a.d. (Mother Company) in 2021

Account Group	Structure of profit/(loss) prior taxation and net profit/(loss)	u 000 dinars	
		01/01-31/12/21	01.01-31.12.20.
60 to 65 and 68 except for 683, 685 and 686	Business income	378.856	275.815
50 to 55 and 58 except for 583, 585 and 586	Business expenditure	336.152	318.773
	<i>Business profit/(loss)</i>	<i>42.704</i>	<i>-42.958</i>
66	Financial income	1.020.644	408.583
56	Financial expenditure	151.606	90.907
	<i>Profit/(loss) from financing</i>	<i>869.038</i>	<i>317.676</i>
683, 685 and 686	Income from harmonizing value of financial asset shown per fair value through Balance sheet	63.013	28.415
67	Other income	26.521	2.832
583, 585 and 586	Expenditures from harmonizing value of financial asset shown per fair value through Balance sheet	11.925	18.090
57	Other expenditures	4.582	18.271
	<i>Profit/(loss) based on other income and expenditures and income and expenditures from harmonizing value of financial asset shown per fair value through Balance sheet</i>	<i>73.027</i>	<i>-5.114</i>
6 except for 69-59	TOTAL INCOME	1.489.034	715.645
5 except for 59-69	TOTAL EXPENDITURE	504.265	446.041
	<i>Profit/(loss) from regular business operation prior taxation</i>	<i>984.769</i>	<i>269.604</i>
69-59	Positive net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods		276
59-69	Negative net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods	1.062	
	PROFIT/(LOSS) PRIOR TAXATION	983.707	269.880
721	Tax expenditures for the period		
722 (ows. saldo)	Postponed tax expenditures for the period (Note 43)	10.910	6.602
722 (demands. saldo)	Postponed tax income for the period		
	NET PROFIT/(LOSS)	972.797	263.278
6 from 69-59	TOTAL INCOME	1.489.034	715.921
5 from 59-69	UKUPNI RASHODI	505.327	446.041

In relation to the comparative period from the previous year, increase of gross results of the Company in the amount of 713.827 thousand RSD, is first of all a result of increase of profit from financing in the amount of 551.362 thousand RSD, due to higher profit achieved based on dividend from subsidiary legal entities in the amount of 513.239 thousand RSD and higher interest rate income from subsidiary legal entities in the amount of 93.250 thousand RSD.

Profit per share

Profit (loss) per share is calculated in a manner that net profit/(loss) meant for ordinary shareholders is divided with average pondered number of ordinary shares which are in turnover for the period.

The table below shows the most significant indicators for business operations of the Company in 2021, as follows:

- General liquidity ratio (quotient of working assets and short-term liabilities), showing the coverage of each dinar of short-term liabilities by dinars of working assets,
- Rigorous liquidity ratio (quotient of liquidity assets, which mean total working assets reduced by supplies and short-term obligations), showing the coverage of each dinar of short-term liabilities by dinars of liquidity assets,
- Cash liquidity ratio (quotient of cash increased by cash equivalents and short-term liabilities), showing the coverage of each dinar of short-term liabilities by dinars of cash assets,
- Net working assets (value difference between working assets and short-term liabilities).

Making conclusions on liquidity indicators, obtained based on ratio analysis, among other things, mean their comparison with general satisfactory standards, which are, also, given in the table below.

Liquidity indicators	General satisfactory standards	<i>2021</i>	<i>2020</i>
General liquidity ratio	2:1	3,50:1	20,90:1
Rigorous liquidity ratio	1:1	3,49:1	20,89:1
Cash liquidity ratio		0,59:1	3,10:1
Net working assets (in 000 RSD)	Positive value	1,200,719	3,128,570

Results of ratio analysis show that during 2021 the Company was liquid, i.e. that it did not have any difficulties to pay due liabilities, with maintenance of required scope and structure of working assets and preservation of good credit worthiness.

The best indicator of **profitability** is *income rate for average own capital*, showing the income that the Company achieves per one dinar of averagely engaged own assets. While calculating this indicator of profitability, average own capital is determined as an weighted average of asset value at the beginning and at the end of a year.

Profitability indicators	in 000 dinars	
	2021	2020
Net profit/(loss)	972,797	263,278
Average asset		
a) Asset at the beginning of a year	9,233,531	8,978,471
b) Asset at the end of a year	10,090,845	9,233,531
Total	9,662,188	9,106,001
Income rate to average own asset at the end of a year	10.07%	2.89%

Appropriateness of the financial structure is reflected in the amount and feature of indebtedness.

The following tables show the most important indicators of a financial structure of the Company, as follows:

- Share of borrowed assets in total asset sources, showing financing of one dinar of Company assets from borrowed sources; and
- Share of long-term assets in total asset sources, showing financing of one dinar of Company assets from long-term sources.

Financial structure indicators	in 000 dinars	
	31/12/2021	31/12/2020
Liabilities	4.019.425	4.394.324
Total assets	14.110.270	13.627.855
Sahre of borrowed assets in total asset sources	0,28 : 1	0,32 : 1
Long-term assets:		
a) Capital	10.090.845	9.233.531
b) Long-term reservations and long-term liabilities (including also postponed tax liabilities)	3.538.954	4.237.075
Total	13.629.799	13.470.606
Total assets	14.110.270	13.627.855
Sahre of long-term assets in total asset sources	0,97 : 1	0,99 : 1

Net debt ratio showing the coverage of each dinar of the Company's net debt by Company's capital.

Net debt means the difference between:

- Total Company liabilities (total passive assets reduced by capital and increased by the loss above the capital amount) and
- Cash and cash equivalents.

Parameters for calculating net debt ratio to total capital	<i>in 000 dinars</i>	
	<i>31/12/2021</i>	<i>31/12/2020</i>
Net debt:		
a) Liabilities	4,019,425	4,394,324
b) Cash and cash equivalents	282,516	487,598
<i>Total</i>	<i>3,736,909</i>	<i>3,906,726</i>
Capital	10,090,845	9,233,531
Net debt ratio to total capital	1 : 2.70	1 : 2.36

Structure of total consolidated business operation result of Energoprojekt System in 2021

Account Group	Structure of profit/(loss) prior taxation and net profit/(loss)	u 000 dinara	
		01.01-31.12.21.	01.01-31.12.20.
60 to 65 and 66 except for 683, 5085 and 5086	Business income	19,801,705	25,772,716
5085 and 5086 except for 583, 585 and 586	Business expenditure	18,825,327	24,587,883
	<i>Business profit/(loss)</i>	976,378	1,184,833
66	Financial income	937,080	707,719
56	Financial expenditure	765,732	1,266,237
	<i>Profit/(loss) from financing</i>	171,348	(558,518)
683, 685 and 686	Income from harmonizing value of financial asset shown per fair value through Balance sheet	253,831	406,664
67	Other income	630,940	1,058,735
583, 585 and 586	Expenditures from harmonizing value of financial asset shown per fair value through Balance sheet	366,200	253,187
57	Other expenditures	360,787	442,746
	<i>Profit/(loss) based on other income and expenditures and income and expenditures from harmonizing value of financial asset shown per fair value through Balance sheet</i>	157,784	769,466
6 except for 69-59	TOTAL INCOME	21,623,556	27,945,834
5 except for 59-69	TOTAL EXPENDITURE	20,318,046	26,550,053
	<i>Profit/(loss) from regular business operation prior taxation</i>	1,305,510	1,395,781
69-59	Positive net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods		
59-69	Negative net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods	18,635	6,285
	PROFIT/(LOSS) PRIOR TAXATION	1,286,875	1,389,496
721	Tax expenditures for the period	350,801	331,420
722 (ows. saldo)	Postponed tax expenditures for the period (Note 43)	71,203	36,062
722 (demands. saldo)	Postponed tax income for the period		
	NET PROFIT/(LOSS)	864,871	1,022,014
6 from 69-59	TOTAL INCOME	21,623,556	27,945,834
5 from 59-69	TOTAL EXPENDITURE	20,336,681	26,556,338

Achieved **profit prior to taxation (gross profit)** of Energoprojekt System in the reporting year in the amount of 1.286.875 thousand dinars is, first of all, the result of the achieved:

- Business profit in the amount of 976.378 thousand dinars, first of all in Energoprojekt Park 11, Energoprojekt Entel, Energoprojekt Visokogradnja and Energoprojekt Oprema;
- Financial profit in the amount of 171.348 thousand dinars, first of all, based on net positive exchange rate differences and positive effects of currency clauses in the amount of 105.465 thousand dinars (first of all in Energoprojekt Niskogradnja and Energoprojekt Oprema) and participation in the profit of affiliate Energopet d.o.o. (33,33%) in the amount of 57.781 thousand dinars; and
- Profit from other activities in the amount of 157.784 thousand dinars, first of all based on the following:

On one side:

- Income from abolishing long-term and short-term reservations: 114.313 thousand dinars (dominantly in Entel based on abolishment of reservations for costs within the guarantee deadline: 106.171 thousand dinars- (Note 22.1.)
- *Net* profit based on sale of equipment: 103.142 thousand dinars (dominantly in Energoprojekt Niskogradnja: 99.005 thousand dinars- first of all in Peru) (Note 22.1 and Note 22.2)
- *Net* profit based on noting other unmentioned incomes and expenditures: 22.634 thousand dinars (elaborated in Note 22.1 and Note 22.2);

And on the other side:

- *Net* loss based on harmonizing values of financial assets shown per fair value though income balance: 112.369 thousand dinars (dominantly, based on effects of MSFI9 implementation and on forming of value correction of financial assets on the balance date and in accordance with the established *Methodology for Calculating Devaluation of Financial Instruments in accordance with MSFI 9 (Note 21) and*
- Expenditures based on direct sign-offs of claims: 32.686 thousand dinars, first of all in Energoprojekt Entel: 26.723 thousand dinars, entirely in Energoprojekt Entel LTD, Doha, Qatar.

Profit per share

Indicator	01/01-31/12/21.	01/01-31/12/20.
Net profit belonging to the Mother Company shareholders (in 000 dinars)	622.125	1.110.515
Average pondered number of ordinary shares during the period	10.833.592	10.833.592
Profit per share (in dinars)	57,43	102,51

Net gain per share is calculated in a manner that gain that is allocated to shareholders is divided by pondered average number of shares in emission during the year, which do not involve ordinary shares that the Company (Companies in the System) purchased and that they hold as their own shares.

Some o relevant financial business operation parameters of Energoprojekt System from annual consolidated financial reports are the following:

	31/12/2021	31/12/2020	Border values
General liquidity ratio	1.82	1.59	(2:1)
Rigorous liquidity ratio	1.38	1.10	(1:1)
Cash liquidity ratio	0.23	0.27	(1:1)
Equity ratio-the level of independence (capital share in total passive assets)	55.58%	50.75%	(as close as possible to 100%)
Debt ratio (coverage of permanent assets by long-term sources of financing)	44.42%	49.25%	(as less as possible to 100%)
Credit ability (coverage of permanent assets with long-term sources of financing)	144.30%	134.39%	(equal to or more than 100%)
ROA-Return on Assets (Net profit rate to total business assets)	3.29%	3.85%	(the more the better)
ROE-Return on Equity (Profit rate to own business assets)	4.65%	5.73%	(the more the better)

Description of expected company development in the upcoming period, change in company's business policies and main differences and threats company's business operations are facing

Starting from strategic commitment for lasting and sustainable development of Energoprojekt System oriented towards continuous increase of profitability, doing business on traditional markets (in the country and abroad), economically profitable engagement of resources as well as global macroeconomic flows, the following business tasks are planned for 2022:

Priority tasks:

- Contracting new jobs and securing continuous work of the companies within the Energoprojekt System;
- Securing liquidity- activities on collection of claims and optimization of credit debt of the companies within the Energoprojekt System, as well as regular payment of due coupons of issued emission of long-term corporate bonds;
- Activities on designing promotion of common application center for accounting and bookkeeping of Energoprojekt System (Microsoft Dynamics 365 Business Central);
- Securing appropriate prerequisites for realization of business activities of the companies within Energoprojekt System.

Other business tasks:

- Health protection for employees;
- Realization of ongoing jobs with adequate resolving of contracting problems, with imperative goal to achieve satisfactory profit on each project;
- Adapting marketing activities and creation of business conditions for new investment and maximum engagement of existing capacities;
- Business operations rationalization, more quality planning and control followed by technological and organizational development;
- Involvement of all resources and property of the Company into business processes;
- Locations development and investing into own investment;
- Strengthening business cooperation between companies through designing and functional cooperation, accompanied by strengthening of corporate positions;
- Reviewing possible organizational changes aimed at adapting to market business conditions;
- Transparency of business operations and presentation of Energoprojekt in the public, through provision of relevant information through Stock Exchange and regular communication with investors, partners and professional public in the country and abroad.

The most significant threats and dangers the Company is actively exposed to are the following: Extending and deepening global pandemic and economic crisis; Competition by foreign companies from most populous countries with cheap labor force; Competition of foreign

enterprises with more available cheaper financial assets; Institutional changes on national and selected foreign markets; Dependence of business operations on political stability of the market where Energoprojekt implements projects and similar.

Business operations in the country and on foreign markets requires establishment of a system for timely business risk identification and management which should be a constituent part of all executive positions, and one of the basic functions of internal company audit. Intensive and planned work will be carried out on development of risk management strategy in the upcoming period, in accordance with determined annual plan of sector for internal monitoring of Energoprojekt Holding a.d. for 2022.

Relevant important events occurred after the end of reporting business year

After balance sheet date there were no events that would have relevant impact on authenticity of shown financial reports.

Relevant business news on relevant events are regularly published on website of Energoprojekt Holding a.d. (<http://www.energoprojekt.rs>) and Belgrade Stock Exchange (both in Serbian and in English language), within liabilities related to ranking of Prime Listing of the Belgrade Stock Exchange.

More relevant operations with affiliates

Subject to requirements from MRS 24 – Publishing affiliates, what follows is publishing of relations, transactions etc., between the Company and affiliates.

From the aspect of **affiliated legal entities**, the following two tables show transactions that result in shown profit and expenditures in income statement and shown liabilities and claims (under which we included, for the purpose of publishing relations with affiliates, all saldos in Company's net assets) in balance sheet.

Income and expenditures from affiliated legal entities	in 000 dinars	
	2021	2020
<i>Income:</i>		
a) EP Visokogradnja a.d.	188.145	118.729
b) EP Niskogradnja a.d.	101.565	73.110
c) EP Hidroinženjering a.d.	15.904	12.957
d) EP Entel a.d.	336.847	386.374
e) EP Energodata a.d.	2.582	8.396
f) EP Industrija a.d.	7.996	7.749
g) EP Urbanizam i arhitektura a.d.	4.470	4.528
h) EP Oprema a.d.	74.759	29.545
i) EP Sunnyville d.o.o.	4.777	11.950
j) EP Park 11 d.o.o.	580.322	20.708
k) I.N.E.C. Engineering Company Limited, Velika Britanija	6	
l) Dom 12 S.A.L.		
m) Zambia Engineering and Contracting Company Limited, Zambija	27	3
n) Enjub d.o.o.	4.563	4.657
o) Napred Razvoj a.d.	76	100
p) EP Ghana Ltd, Akra, Gana		3
Total	1.322.039	678.809
<i>Rashodi:</i>		
a) EP Visokogradnja a.d.	34.165	21.540
b) EP Niskogradnja a.d.	4.633	8.380
c) EP Hidroinženjering a.d.		155
d) EP Entel a.d.	182	176
e) EP Energodata a.d.	1.737	6.930
f) EP Industrija a.d.	3.872	3.031
g) EP Urbanizam i arhitektura a.d.	1.808	3
h) EP Oprema a.d.	1.647	16.343
i) EP Sunnyville d.o.o.	3	58
j) EP Park 11 d.o.o.	3.521	5
k) I.N.E.C. Engineering Company Limited, Great Britain		5
l) Dom 12 S.A.L.		
m) Zambia Engineering and Contracting Company Limited, Zambia		31
n) Enjub d.o.o.		16
o) Napred Razvoj a.d.	21.331	72.093
Total	72.899	128.766

Financial assets from affiliated legal entities	in 000 dinars					
	31/12/2021			31/12/2020		
	Gross	value correction	Net	Gross	Value correction	Net
a) EP Visokogradnja a.d.	2.183.898	52.159	2.131.739	2.087.587	85.384	2.002.203
b) EP Niskogradnja a.d.	1.201.920	3.207	1.198.713	1.103.864	3.174	1.100.690
c) EP Hidroinženjering a.d.	50.278	149	50.129	50.386	154	50.232
d) EP Entel a.d.	4.520		4.520	3.895		3.895
e) EP Energodata a.d.			-	172.594		172.594
f) EP Industrija a.d.	4.038		4.038	1.049		1.049
g) EP Urbanizam i arhitektura a.d.	26.518	52	26.466	21.914	52	21.862
h) EP Oprema a.d.	1.897.419	5.726	1.891.693	1.301.155	4.088	1.297.067
i) EP Sunnyville d.o.o.	93.381	283	93.098	153.807	479	153.328
j) EP Park 11 d.o.o.	2.024		2.024			-
k) I.N.E.C. Engineering Company Limited, Great Britain	364		364	357		357
l) Dom 12 S.A.L.			-			-
m) Enjub d.o.o.	172.763	1	172.762	168.196		168.196
n) Zambia Engineering and Contracting Company Limited, Zambia	1.503		1.503	1.475		1.475
o) Napred Razvoj a.d.			-			-
Total	5.638.626	61.577	5.577.049	5.066.279	93.331	4.972.948

Financial liabilities towards affiliated legal entities	in 000 dinars	
	2021	2020
a) EP Visokogradnja a.d.	140	393
b) EP Niskogradnja a.d.	2.350	3.618
c) EP Hidroinženjering a.d.	3.043	4.427
d) EP Entel a.d.	2.369	10.073
e) EP Energodata a.d.		245
f) EP Industrija a.d.	2.350	4.554
g) EP Urbanizam i arhitektura a.d.	1.404	2.623
h) EP Oprema a.d.	26.041	25.071
i) EP Sunnyville d.o.o.	606	397
j) EP Park 11 d.o.o.	356.222	3.910
k) Dom 12 S.A.L.		
l) Enjub d.o.o.		
m) Zambia Engineering and Contracting Company Limited, Zambia		
n) Napred Razvoj a.d.	4.287	754.241
Total	398.812	809.552

Claims from affiliated legal entities usually originate from the transaction of services sale and they are due as of 15 days as of the invoice date.

Liabilities towards affiliated legal entities usually originate from the purchased transactions and they are due in the span from 5 to latest 30 days upon the purchasing date. Liabilities do not contain the interest.

The Company does not have given security payment instruments on behalf of the liabilities towards affiliated legal entities.

Company activities in the field of research and development

Research and development are not main activity of the Mother Company and its affiliates.

There are ongoing activities on further development and implementation of appropriate business and information system, adapted to current scope and planned business operations growth, as well as activities in relation with full implementation of integrated Document Management System.

Energoprojekt Holding a.d. harmonizes its business operations also with the demands of standards for management quality in accordance with ISO 9001, environmental protection management according to ISO 14001 and security and occupational health management according to BS OHSAS 18001 i.e. new ISO 45001 standard. Harmonization with the named standards was certified by Energoprojekt Holding a.d. as follows: since 2010 according to ISO 9001 standard, i.e. since 2013 according to ISO 14001, BS OHSAS 18001 standards/ i.e. new ISO 45001. These certificates are maintained by Energoprojekt Holding a.d. through regular, annual verifications by the renowned external accredited verifier – Lloyd's Register. Top Energoprojekt Holding a.d. management passed and it reexamines on a regular basis the "IMS (Integrated Management System) Policy of Energoprojekt Holding a.d. The Policy has been published recently and it is available to interested stakeholders on web presentation (<http://www.energoprojekt.rs/odrzivost/>).

Information on investment aimed at environmental protection

All external suppliers/ partners/ associates of Energoprojekt Holding a.d. are familiar with the IMS Policy. They are bind by the contract to observe, during the realization, commitments of Energoprojekt Holding a.d. defined by policies, procedures and other documents in domain of environmental protection and occupational health safety.

On regular basis, and at least once a year, Companies from the Energoprojekt System follow the realization of set goals, which, among other things, comprise also goals/key success indicators related to reduction of natural resources use, pollution decrease, injury prevention, professional diseases, care for employees.

Business activities are regularly harmonized with applicable requirements of positive legislation in the segment of environmental protection and adequate environmental protection programs are being determined. Named programs are implemented through analysis and

valuing impact i.e. risk in the field of environmental protection, as well as through appropriate technical-technological solutions and instructions for removal and/or decrease of harmful impacts on environment. In that regard, Energoprojekt management organizes and keeps monitoring, reexamining and directing activities of all organizational parts, services and individuals in order to make this IMS policy fully achievable.

Company's activities on environmental protection are integrated and they are being implemented in accordance with business philosophy and through common activities at the level of Energoprojekt System. For example, one could mention the "Waste Management Projekt", which is implemented in a coordinate manner, in accordance with the "Rulebook on Waste Management in Energoprojekt Office Building". Participation of representatives of each company within Energoprojekt System in the Waste Management Task Force is a guarantee that all planned activities will be implemented in a cheapest and the most efficient manner, for example, selection of various office material (used paper, used batteries, electrical and electronic devices that are out of use), recycling of the respective, as well as its disposal in accordance with envisaged standards, etc.

Data on purchasing own shares

Based on the Decision on acquiring own shares on a regulated market, made by the Supervisory Board on 13/02/2017, the Company acquired, by purchasing at the Belgrade Stock Exchange, 97.700 own shares (which is 0.89376% out of total share number).

During 2021 there were no annulments, buy-off or sale of own shares of Energoprojekt Holding a.d.. Additionally, there were no buy-off of own shares, that is a share by the member of the group of consolidated legal entities.

Existence of branch offices

Energoprojekt Holding a.d. has no registered branch offices in Serbia.

Head office of the Mother Company and subsidiaries is in Bulevar Mihaila Pupina number 12, Novi Beograd.

Detailed overview and comments on business operation of (foreign) entities of the Energoprojekt System are shown within the notes accompanying financial statements of Energoprojekt Holding a.d. and notes accompanying financial statements of subsidiaries.

Relevant financial instruments used for evaluation of financial position and business operations success

Financial instruments involve financial assets and liabilities noted in the Company's balance sheet, starting from the moment when the Company becomes related to a financial instrument by contractual obligations, and finally with loss of control over rights resulting from a financial asset (by realization, advertising, assignment etc.), i.e. by settling, abolition or advertising financial obligation.

Financial assets

According to MSFI 9- Financial instruments, financial asset is recognized once the Company becomes one of the parties referring to contractual provisions (rights) of financial instrument. Purchasing or sale of financial asset is noted by use of accounting comprehension on the settlement date (date when the asset is being delivered to the entity or a date when the entity delivers the asset).

The Company seizes to acknowledge financial asset:

- When contractual rights to cash flows from the financial asset seize to be valid, or
- When it transfers the financial asset and the respective transfer, due to significantly transferred risk is use by the financial asset, is qualified as a termination of acknowledgment.

Financial assets are initially measured by their fair value, increased or reduced, in case of a financial asset that is not measured per fair value through income balance, for transaction costs that can be directly assigned to acquisition or emission of financial instrument. In reference to the aforementioned, the difference is in that the initial acknowledgment with claims from sale is measured per transaction price (except in the case when the sales contains significant financing component).

At additional measuring of financial assets, relevant group is the one in which the Company classified financial assets, and which is conditioned by the following:

- Company's business model for financial assets managements and
- Features of contractual cash flows of the financial asset ("SPPI" test-Solely Payemnts of Principal and Interest).

From the aspect of additional valuation, financial asset can be classified in three following groups:

- Financial asset measured per mortised value;
- Financial value measured per fair valued through other total result and
- Financial asset measured per fair value through income balance.

The asset qualified in the category per amortized value should meet both following criteria:

- Business model: the financial asset is kept for generation of agreed money flows;
- SPPI test: whether contractual terms give right to money flows that are only payment of the principal and the interest.

The asset qualified in the category per fair value through total other result should meet both following criteria:

- Business model: the financial asset is kept for generation of agreed money flows and sale;
- SPPI test: whether contractual terms give right to money flows that are only payment of the principal and the interest.

Financial asset measured per fair value through income balance comprises assets that are not classified in previous two groups. Valuing effects and realized losses and gains are acknowledged in the income balance in the period when they occurred.

All derivatives comprised by MSFI 9 are measured per fair value. All changes are acknowledged through income balance.

Dividend, as a financial asset, is recognized in the income balance when:

- The Company's right to being paid dividend has been established,
- When it is likely that future economic benefits related to dividend will spill over to the Company and
- When the dividend amount can be reliably measured.

Value is reduced to a financial asset when there is one or more occurrences that have harmful effect on evaluated future cash flows of the respective financial assets.

In reference to the assets measured per amortized value (loans and claims) and per fair value through other total result, the Company should acknowledge value reduction, i.e. to acknowledge reservation for **expected credit losses**.

On each reporting date:

- If the credit risk is significantly increased since the initial acknowledgement, the Company should measure reservations for losses for financial asset per amount that is equal to expected credit losses during the period of asset duration: and
- If the credit risk is significantly increased since the initial acknowledgement, the Company should measure reservations for losses for financial asset per amount that is equal to twelve-month expected credit losses.

On each reporting date, the Company should evaluate whether the credit risk of certain financial assets increase significantly since the beginning of acknowledgement, which, *inter alia*, means measuring of expected losses form financial asset in a way that reflects the following:

- Unambiguous amount and the amount that is pondered by the probability, which is determined by valuing the set of possible outcomes,
- Money tome frame and
- Reasonable, plausible information available without unnecessary costs of efforts on the reporting date on previous occurrences, current terms and forecasts of future economic terms.

Financial liabilities

A financial liability is each liability which is:

- Contractual right:
 - Supply of cash or other financial asset to the other company; or
 - Exchange of financial assets or financial liabilities with other company, according to terms that are possibly unfavorable for the Company; or

- A contract that will be or can be settled by instruments of own capital of the Company and which is:
 - Non-derivative, for the Company is or can be obliged to deliver variable number of instruments of the Company's own capital; or
 - Derivative, which will be or can be settled in a different manner from exchange of fixed amount or other financial asset for the fixed number of instruments of the Company's own capital.

According to MSFI 9- Financial instruments, financial liability is acknowledged when the Company becomes one of the parties that refer to contractual provisions of the financial instrument.

The Company ceases to acknowledge financial liability (or part of the financial liability) when it is terminated, i.e. when contractual obligation is met, cancelled or expired.

The exchange of debt instruments between existing Borrower and Lender, with significantly different terms should be comprised, accounting-wise as a termination of the original financial liability and acknowledgment of a new one. Similar to the aforementioned, significant change of terms of the existing (or part of) financial liability should be comprised accounting-wise as a termination of the original financial liability and acknowledgement of a new one.

Difference between bookkeeping value of the financial liability (or part of it) which is terminated or transferred to the other party and paid compensation, including also and all transferred non-cash assets or taken liabilities, should be acknowledged in the income balance.

Financial liability is initially measured by their fair value, increased or reduced, in case of a financial liability that is not measured by fair value through income balance, for transaction costs that may be directly assigned to acquisition or emission of financial instrument.

From the aspect of additional valuing, with minor exemptions (derivatives, financial guarantees etc.), financial liabilities are measured by amortized value, by implementing a method of effective interest rate. By implementing this method, the Company identifies compensations that are the constituent part of the effective interest rate of the financial liability (all the aforementioned is applicable also to the financial asset). Compensations that are the constituent part of the effective interest rate comprise starting compensations (service costs, costs for processing credit application, pledge registration, costs for the attorney-at-law etc.), commissions etc.

The Company can, at the initial acknowledgement (reclassification of the financial liability is not done during time), classify financial liability as a measured one by fair value through income balance: if thereby accounting non-harmonization is prevented due to measuring assets, liabilities, income and/or expenditures per various basis, and if the group of financial assets and liabilities is managed and their performances are valued based on the fair value, in accordance with documented risk or investment strategy.

Financial assets value reduction:

MSFI 9 introduces revised model of devaluation of financial assets, which is based on the expected credit loss, and not on previous losses.

Model of the incurred loss from MRS 39 acknowledged the loss per financial instrument only when an objective evidence on financial instrument value reduction appears, like, for example, delay in payment of obligations, financial difficulties of the debtor, opening of pre-bankruptcy/bankruptcy procedure, liquidation of the debtor etc. This approach resulted in a quite late acknowledgement of loss in financial reports. Contrary to that, model of expected credit losses requires evaluation of possible losses from financial instrument value reduction, prior worsening of financial and credit ability of the debtor, i.e. that value compatibility is acknowledged before the occurred losses.

In accordance with the *Methodology for Calculating Devaluation of Financial Instruments in accordance with the MSFI 9*, devaluation calculation is done in accordance with the model of expected losses on the occasion of evaluation of devaluation of financial assets valued by amortized value or by fair value through other result (except for the share in capital), as well as to contractual assets (contractual financial assets in accordance with the MSFI 15).

The Company evaluates devaluation on two levels: individual and a group one.

The Company implements individual evaluation of the calculation of value corrections in cases where key initiators of the credit risk can be followed on a basis of an individual instrument, where the Company follows them with no need for additional joint evaluation.

Individual evaluation of the value correction is implemented by the Company to claims from subsidiary legal entities; to claims from the state, and which do not refer to commercial relations where the state is the investor; to financial placements and given deposits; securities and cash and cash equivalents.

For the requirements of the individual evaluation, the Companies rely on data on unsettled liabilities (PD) from external resources, i.e. data published by the renowned rating agencies. The other parameter in calculation, LGD (Loss Given Default), which means the amount of loss in case of unsettled liability, is based on the Basel LGD of 45%. Exposure in case of unsettlement of liabilities (EAD) in this case is the amount of claim on the reporting date. Discount factor will depend on the effective interest rate determined at the initial acknowledgement and maturity of instrument. If a collection of claims is expected within 12 months, the discount factor is 1.

Group evaluation of the calculation of value corrections is implemented by the Company for the requirements of measuring credit losses, i.e. value corrections at claims from third persons (including claims from the state, state-owned companies and public authorities, where the state is major investor), which comprise claims from buyers in the country and abroad, as well as active time delimitations that have the category of a financial asset, and other claims, including also contractual financial assets in accordance with MSFI 15, i.e. claims based on non-invoiced incomes with the respective entities, and which are not the subject of the scope of individual evaluation, as well as claims for lease which result from transactions within the MSFI 16.

Calculation of parameters that will be implemented in the Energoprojekt System is done based on the data on historical collection by the biggest companies that do their business within Energoprojekt, Energoprojekt Visokogradnja a.d., Energoprojekt Niskogradnja a.d., Energoprojekt Entel a.d. and Energoprojekt Oprema a.d.

Access to PD calculation is founded on creation of patterns of reservation, based on age intervals (14 intervals, based on default date in the following manner: “0” undue claims; “1”- 0-30 delay days, “2” – 31-60 default days.... “13”- 330-360 default days; “14” – more than 360 default days) and rates on uncollected claims (“roll-rate”) between observed intervals.

Loss rate in the case of debt unsettlement of liabilities, LGD, is calculated by observation of claim collection in the “worst” observed interval during the period 2017-2019, i.e. 2017-2020, in a manner that claim amount on 31/12/2019 was put to ratio in the worst interval increased by cut-offs during the observed period and total amount of registered claims, i.e. invoice in the works interval during the observed period. In some cases, due to existence of the first-class (deposit, guarantee etc.) or adequate security (pledge, mortgage), the Company can – prior to LGD implementation, reduce the exposure itself by the amount of collateral with previous implementation of appropriate reduction factor of the respective value (haircut). In cases of claims dating from before 2017, apart from specific claims which need to be appropriately documented, it is assumed that it is about claims that are devaluated and for which the approach of devaluation calculation for instruments for which objective devaluation proof is identified (the way it was explained below).

While approaching the calculation of value correction for financial instruments where objective devaluation proof was identified, need for changing current approach has not been identified in accordance with MRS 39, and the treatment and method for calculation value correction remains unchanged also in accordance with MRS 39 and it is based on the ratio of loss measured as a difference between exposure and current value of future expected money flows, discounted by effective interest rate.

In case of existence of the need for establishing discount factor, i.e. effective interest rate for the requirements of calculation of the expected credit loss (for certain financial instruments which are not measured by simplified approach and assessed in the level 3, which are measured individually), the Company will implement effective interest rate of the given instrument, i.e. in the case of non-existence of the respective, as the next approximation, publicly available data will be used, depending on currency, maturity etc. (NBS statistics, the eminent publicly available sources of information, legal default interest rate, etc.).

The Company does not apply simplified approach for claiming agreed assets from the buyers (subsidiaries of third persons), which result from transactions within MSFI 15 and claims for leasing, which result from transactions within MRS17/MSFI 16. Simplified approach means that life expected credit loss is calculated for the given claim, regardless of whether significant credit risk from the buyer took place, contracted assets and claims based on the lease and reservation measure for losses in the amount equal to the expected credit losses during the entire life expectancy.

The Company applies general approach for other categories of financial property (cash and cash equivalents, financial placements, securities).

Using Methodology for Calculating Financial Instruments Value Correction and in accordance with MSFI 9, the Company defined indicators of significant credit risk increase. In reference to the aforementioned, the following is considered as indicators of significant credit risk increase, i.e. indicators that certain type of financial asset requires calculation of the expected credit loss for the entire period/duration of the respective:

- The drop of external credit rating which is used for the needs of value correction calculation;
- Delay in paying liabilities towards the Company, within 30 days (if the third persons are involved), i.e. 90 days if subsidiary legal entities are involved;
- The second qualitative criteria that can lead to a conclusion that significant credit risk occurred.

For the requirements of identification of devaluation indicators, i.e. criterion that calculation of expected credit loss for the assets being placed in the level 3 is expected, and in accordance with the requirements of MSFI 9, the Companies apply:

- Defined threshold for unsettling liabilities which is applicable to the subject Company and subject category of financial assets;
- Other objective devaluation proofs in accordance with MSFI 9.

Approach to value correction at financial guarantees is founded on the historical losses that Energoprojekt had on this basis.

In reference to the aforementioned, Based on the Methodology for Calculating Financial Instruments Devaluation in accordance with MSFI 9, the Company calculated effects of implementation of MSFI 9 on 01/01/2020 in the amount of 145.136 thousand RSD (acknowledged within the assets), on 31/12/2020 in the amount of 10.339 thousand RSD (income) and on 31/12/2021 in the amount of 51.086 thousand RSD (income), which resulted in value correction of financial instruments in the amount of 83.711 thousand RSD ON 31/12/2021.

The following table shows effects of implementation of MSFI 9 on 31/12/2021, which were noted through results of the current year (increase of gross results in the amount of 51.086 thousand RSD).

In RSD thousand

Financial instrument	Financial instrument state of play on 31/12/2021 Gross	Conto of corrected value	Initial state of play of value correction 01.01.2021 .	Transfer (on conto 0439)/from conto 2309 and 2349	Expenditure (conto 58)	Income (conto 68)	Exchange rate differences	Total impact on income balance in 2021	Final state of play of value correction 31.12.2021.	Financial instrument state of play on 31/12/2021 Net
1	2	3	4	5	6	7	8	9=6+7+8	10=4+5+9	11=2+10
Buyers in the country - Mother Company and subsidiary legal entites (conto 2000 and 2001) - EP Visokogradnja (Note 29)	888.497	kto 2009	-81.401		-10.163	43.322	-1	33.158	-48.244	840.253
Short-term clean placements - Mother Company and subsidiary legal entites (conto 2300) (Note 31.1.)	92.596	kto 23090	-545	66		196	0	196	-283	92.313
Part of long-term financial placement to Mother Company and subsidiaries that becomes due up to 1 year in the country (conto 2340) (Note 31.3)		kto 23490	-4.192	4.192				0	0	0
Long-term claims for non-invoiced income - other legal entites (conto 28102) (Note 26)	373.000	kto 28182	-41.465			19.332	-1	19.332	-22.133	350.867
Long-term placements to Mother Company and subsidiary legal entites in the country (conto 04300) without 5.000 RSD interest (Note 25.3.)	4.264.783	kto 04390	-7.193	-4.258	-1.762	163	-0	-1.599	-13.050	4.251.733
TOTAL	5.618.876		-134.797	0	-11.925	63.013	-2	51.086	-83.711	5.535.165

In accordance with the implemented Methodology for Calculating Devaluation of Financial Instruments in accordance with MSFI 9, it was established that short-term financial placement given to Enjub d.o.o. are fully covered by pledge on real estate of the subject company, so there is no the amount to be devaluated in accordance with MSFI 9 (Note 45).

Additionally, impacts of MSFI implementation, due to material insignificance, are not noted at the following financial assets: Claims based on sales (apart from claims form Energorprojekt Visokogradnja with due payment date of beyond one year), Claims from specific businesses, Other claims and Cash equivalents and cash.

Effects of the first MSFI 9 implementation on 01/01/2020, in accordance with the provisions of Article 25a of the Law on Corporate Income Tax and provisions of MRS 12, affected increase of deferred tax assets of the Company in the amount 21.770 thousand RSD (15% of total impact of MSFI 9 implementation on 01/01/2020) in the amount of 145.136 thousand RSD, noted through increase of non-allocated profit from previous years), while on 31/12/2020 and 31/12/2021 deferred tax assets were reduce by 4.354 thousand RSD each (by 1/5 each, of the amount of deferred tax assets acknowledged on 01/01/2020 in the amount of 21.770 thousand RSD (Notes 43).

In accordance with the adopted Methodology for Calculating Value Correction of Financial Instruments in accordance with MSFI 9, the Company adopted the existence of objective devaluation proof at following financial instruments:

- Claims based on sales to Energoprojekt Visokogradnja with due payment date beyond 360 days, and
- Claims for non-invoiced income from the Republic of Serbia based on constructed Embassy of the Republic of Serbia in Abuja, Nigeria.

While making projections for net money flows, starting point was the assumption on collection of the abovenamed claims in total, as follows:

- Within 3 (three) years- for claims for non-invoiced income and majority of claims based on sales to Energoprojekt Visokogradnja where on 01/01/2020 it was assumed that they would be collected within 5 (five) years, while starting point for the remaining subject claims from Energoprojekt Visokogradnja was the assumption on collection within 2 (two) and 1 (one) year.
- Within 4 (four years) for claims where on 31/12/2020 it was assumed to be collected within 5 (five) years,
- i.e. within 5 (five) years- for claims that on 31/12/2021 went beyond level of 3.

While discounting values of net money flow, in accordance with adopted Methodology for Calculating Value Correction of Financial Instruments in accordance with MSFI 9, interest rate published at the NBS website for loans approved to non-financial sector in the amount of 2,06% for EUR claims was used.

Please find below the overview of financial assets with identified objective devaluation proof with the data on bookkeeping value of claims and discounted value of net money flow for 31/12/2021.

State of play on 31/12/2021

in 000 RSD

Financial instrument with identified objective devaluation proof	State of play of financial instrument 31/12/2021	Discounted value of net money flow 31/12/2021	Value correction 31/12/2021
Buyers in the country – Mother Company and subsidiary legal entities (conto 200) - EP Visokogradnja (claims with maturity date beyond 360 days)	764,726	716,482	(48,244)
Long-term claims for non-invoiced income – other legal entities (conto 28102)	373,000	350,866	(22,133)
TOTAL	1,137,726	1,067,349	(70,377)

For other financial assets with unidentified objective devaluation proof.

Short-term loans and placements- mother companies and subsidiary legal entities and Long-term placements to mother companies and subsidiary legal entities in the country), in accordance with adopted Methodology for Calculating Value Correction of Financial Instruments in accordance with MSFI 9, rate of 0.68% was established as an average (for the observation period from 1981-2020) for BB credit rating which was published by the renowned Standard&Poors agency as a probability of unsettling liabilities (PD) at claims where the second contracting party is a legal entity, while Basel LGD (Loss Given Default) in the amount of 45% was used as a second parameter in LGD calculation, which means the amount of loss in case of unsettling liabilities.

Relevant financial instruments used for evaluation of financial position and success of business operations of the group, i.e. Energoprojekt System, are described in more details within the note accompanying consolidated annual financial statements.

Goals and policies related to financial risk management and protection policy for each significant type of planned transaction for which the protection is being used. Exposure to price risk, credit risk, liquidity risk and money flow risk, risk management strategy for the respective risks and evaluation of their efficiency

Uncertainty regarding future developments is one of the basic features of business operations in terms of market economic environment, which is reflected in several possible, i.e. potential outcomes. Due to uncertainty, i.e. due to unknowing and insecurity which of potential developments will actually take place, legal entities are exposed to various risks in their business operations, and the respective risks might impact their future market position.

From the Company's aspect, there is a big number of potential risks that in different intensity might have negative impact on the business operation of the Company.

Some (specific) risks are conditioned by internal factors, such as, for example: *concentration risk*, which in case of the Company can be displayed as an exposure to one or smaller group of buyers or suppliers; *operational risk*, which is displayed as a possibility of occurrence of negative effects due to unintentional or intentional omissions in the work of employees, inappropriate internal procedures and processes, inappropriate information system management in the Company etc.; *reputation risk*, which means possibility of the Company's market position worsening due to loss of trust, i.e. negative public image (state institutions, suppliers, buyers etc.) on the Company's business operations; *legal risk*, which is demonstrated in the possibility of occurrence of negative effects due to fines and sanctions resulting from court disputes due to unmet contractual of legal obligations, etc.

Since the majority of these, as well as some other unmentioned risks, are the subject of the parts of Notes or other Company's internal documents (for example minimizing of operational risk through adopted procedures and working instructions, *inter alia*, is the subject of a Rulebook on Accounting and Accounting Policies of the Company), the text that follows will focus on considering **financial risks**, which first of all refer to the following:

- credit risk
- market risk and
- liquidity risk.

Financial risks are significantly conditioned by (extreme) factors which are not directly under the Company's control. In that regard, the amount of financial risk is significantly affected by the condition of the Company's environment, which is not determined only by the development of the economic environment, but also by legal, financial and other relevant aspects that determine system risks level.

Generally speaking, comparatively observed with markets in developed economies, companies which operate on markets, both with insufficient economic development and macroeconomic stability, and likewise with high non-liquidity, such as the Republic of Serbia, are significantly exposed to financial risks. Apart from the aforementioned, the insufficient development of financial market disables the use of broad spectrum of hedging instruments, the developed markets are known for. In that way, for example, companies that have business operations in the Republic of Serbia do not have the possibility to use bigger number of derivative financial instruments in financial risks management, because such instruments are not in a broad use, nor there is organized continuous financial instruments market.

Financial risk management is a comprehensive and reliable management system, directed to minimizing potential negative impacts on financial state of play and Company's business operations, in term of financial market unpredictability.

Respecting limitations in financial risk managements, related to doing business in Serbia's market, there is a clear necessity to approach appropriately to these problems, which is recognized also by the Company's management. Basically, financial risk management in the Company should provide that *Company's risky profit* is always in accordance with the *Company's affinity to risks*, i.e. in accordance with acceptable structure and risk level that the Company intends to take over for the needs of achieving its business strategies and goals.

Credit risks

Credit risk is a risk from the possibility of occurrence of negative effects for the Company's financial result and capital due to unfinished debtors liabilities for the Company, within defined deadlines.

Credit risk does not mean only debtor-trustee relationship that result from the sale of the Company's product, but also those credit risks that result from other financial instruments, such as, for example, Company's claims based on long-term and short-term financial placements.

Company has significant concentrations of claim collection credit risk from some buyers, which have very long crediting period by the Company, due to their insufficient liquidity.

Market risk

Market risk is the risk from the possibility of negative effect occurrence on the financial result and capital of the Company, due to losses within the balance positions, occurred as a consequence of negative market price movements and other relevant financial parameters.

Market risk is composed of:

- currency risk;
- interest risk; and
- price change risk.

- **Currency risk** which is also called foreign currency risk or exchange rate change risk is a risk from invoicing fair values or future cash flows of the financial instrument due to a change of foreign currency exchange rate. Currency risk is manifested at financial instruments that are marked in foreign currency, i.e. in a currency different from the (functional) currency with measured financial reports.

The Company does business in international frameworks and it is exposed to a foreign currency exchange rate change which results from business operations in different currencies, mainly EUR.

Sensitivity analysis, which was carried out, shows that the change of exchange rate would impact more significantly to the Company's results change, so it can be concluded that the Company is significantly exposed to currency risk.

- **Interest risk** is a risk from possibility of occurrence of negative effects on the Company's result and capital, due to unfavorable changes of interest rates. The Company is exposed to this type of risk through positions of financial liabilities for loans with potentially changeable interest rates (Euribor).

Feasibility Analysis that was carried out shows that the Company is exposed to the interest risk.

- **Price change risk** is a risk that the fair value and future cash flows of financial instrument will fluctuate due to change of market prices (which are not the ones that occur due to interest or currency risk), whether those changes are caused by factors specific for individual financial instruments or its issuer, or those factors impact all similar financial instruments traded on the market.

This type of risk is not visible in the Company.

Liquidity risk

Liquidity risk is a risk that the Company will have difficulties in settling due obligations, while maintaining required scope and structure of working assets and preserving credit worthiness.

Ratio Analysis result show that the Company had satisfactory liquidity level during the year, i.e. it did not have any difficulties in settling due obligations, with maintaining required scope and structure of working assets and preservation of god credit worthiness.

We underline the following in reference to the aforementioned:

- While respecting dynamic nature of the Company's business operations, finance department strives to maintain financing flexibility, which, among other thigs, mean availability of the existing credit lines, as well as the extension of the respective; and
- Management caries out continuous monitoring over Company's liquidity reserves, which comprise available unused credit lines, cash and cash equivalents, as well as liquid potentials in accordance with expected money flows.

Problems in question are defined and implemented in accordance with adopted internal documents of the Company:

- *“The Rulebook on Foundation of the Internal Control System and Risk Management in Energoprojekt Holding a.d.”;*
- *“The Rulebook on Work of Internal Monitoring Sector of Energoprojekt Holding a.d.”;*
- *“The Rulebook on Accounting in Energoprojekt Holding a.d.”;*
- *“The Rulebook on Accounting Policies in Energoprojekt Holding a.d.”.*

All companies within the Energoprojekt System have adopted and implement all individual documents, which address the aforementioned subject.

The majority of named, as well as other unmentioned risks, are the subject of Note accompanying financial statements (focusing, first of all, on considering financial risks: credit risk, market risk and liquidity risk) and/or other Company's internal documents.

CORPORATE MANAGEMENT REPORT

Energoprojekt Holding a.d. implement its own Corporate Management Code (which was adopted on the 11th session of Energoprojekt Holding a.d. Board of Directors, as of 26/01/2012). The respective is publically available on the Company's webpage on the following link: <http://www.energoprojekt.rs/wp-content/uploads//2018/10/kodeks.pdf>.

Company Subsidiaries from the Energoprojekt System apply their own Codes of corporate management, which regulated the aforementioned subject.

Corporate Management Code of Energoprojekt Holding a.d. establish principles of corporative practice and organizational structure in accordance with which behave corporate management holders of Energoprojekt Holding a.d., and in particular in reference with shareholders' rights, framework and method of actions of corporate management holders, public and business operations transparency. Basic goal of the Code is to introduce due diligence in domain of corporate managements, which should enable balance of impacts of its holders, consistency of control system and strengthening trust of shareholders and investors in Company, and all aimed at long-term business development of the Company.

The Company bodies invest efforts in more detailed elaborated principles within other general documents of the Company, established by the Code, once there is a need for the respective. There are no significant deviations from the rules of Corporate Management Code in the implementation itself.

In accordance with the "Rulebook on Belgrade Stock Exchange Listing", Energoprojekt Holding a.d. regularly delivers and publishes every year (simultaneously with annual business report) filled "Questionnaire on Corporate Management Practice" (which contains all relevant information on corporate management rules the Company is subject to, according to the national legislation requirements., i.e. corporate management rules/practice which the Company voluntarily decided to implement if they go beyond national legislation requirements) and it agrees to have the respective published on the website of the Belgrade Stock Exchange: <https://www.bwlwx.rs/>.

During 2021 there was no need for takeover by Energoprojekt Holding a.d. or its subsidiaries, when a company is the subject of implementation of regulations that arrange takeover of companies.

Management system is based on organizational arrangement of the Energoprojekt System and legal status of Companies within the Energoprojekt System, in accordance with the Law, Statue of the Mother Company and Statutes of Subsidiaries.

Energoprojekt System consists of Energoprojekt Holding a.d. in the capacity of a control, Mother Company, as well as other affiliates in the country and abroad. Energoprojekt Holding a.d. indirectly or directly has ownership control over all Companies in the System.

Energoprojekt Holding a.d. is a company with two-tier management organization and it comprises the following management authorities: Shareholders Assembly, Supervisory Board and the Executive Board. Subsidiaries from Energoprojekt System are organized as a single-tier and they have their own management bodies: Shareholders' Assemblies and Boards of Directors.

Shareholders Assembly of Energoprojekt Holding a.d. is the highest management and decision-making authority.

Members of the Supervisory Board are appointed by Energoprojekt Holding a.s. Assembly. Energoprojekt Holding a.s. Supervisory Boards currently has four members, out of which one is independent from the Company.

Energoprojekt Holding a.d. Supervisory Board consists of:

Miodrag Zečević – the Chairman

Dragan Ugrčić –member

Aleksandar Šćekić – member

Nada Bojović – independent member

Energoprojekt Holding a.d. Supervisory Board appoints the CEO and Executive Officers.

Energoprojekt Holding a.d. Supervisory Board currently has four members and it consists of the Chief Executive Officer and three Executive Officers (Executive Officer for Finance, Accounting and Plan; Executive Officer for Legal Affairs and Executive Officer for Operational Affairs). CEO represents the Company, and coordinates the work of Executive Directors and organized Company's business operations.

Energoprojekt Holding Executive Board consist of:

Dobroslav Bojović - Chief Executive Officer

Siniša Tekić - Executive Officer for Finance, Accounting and Plan

Momčilo Jevtić - Executive Officer for Legal Affairs

Ilijana Stamenković - Executive Officer for Operational Affairs

CVs of all members of the Supervisory and Executive Board of Energoprojekt Holdingn a.d. are available on issuer's webpage on the following link: <http://www.energoprojekt.rs/organizacija/>.

In reference to the selection of management bodies. Energoprojekt Holding a.d. is trying to apply optimally (to the extent reasonable at the given moment) appropriate diversification policy, respecting thereby aspects such as, for example, gender, age, or education and profession. Aim of diversification policy is, among other things, equal treatment of all potential candidates while selecting, i.e. holding some of the management positions, without the existence of any discriminatory rules, provisions or limitations. There are no significant deviations in reference to the set goals in implementation of the diversification policy itself.

In accordance with the Law and Provisions of the Company Statute, Supervisory Board formed and appointed Auditing Committee on Energoprojekt Holding a.d. . Beside legally binding Auditing Committee, no other committees or advisory bodies were formed.

There is an appointed person in the Company on the position of internal affairs and internal audit. Internal supervision and internal audit affairs in the Company are arranged by the “Rulebook on the Work of Internal Supervision Sector” and “Rulebook on Internal Affairs System and Risk Management Process in Energoprojekt Holding a.d.”.

The “Rulebook on Internal Affairs System and Risk Management Process in Energoprojekt Holding a.d.” defines the process of risk management, methodologies with criteria for risk evaluation and appropriateness of control activities for avoiding and mitigating risks, monitoring effect of measures defined for risk reduction/management in business operations and other risks (risks related to the procedure of financial and other reporting, harmonization with positive regulations, human resources management risks, occupational security and protection of employees, environmental protection etc.). In the context of internal affairs, the Company particularly recognizes and systematizes the information and communication in relation with financial reporting, which need to be identified, generated and processed in a way suitable for use at different levels of the Company, and distributed in a form and timeframe that needs to be adequate for set goals and requirements. The Company established control activities in relation with planning and delivering key processes, activities and procedures that are integrated into the system, with the aim of providing higher efficiency of business process and risk management. Risk identification of the Company is carried out in the context of the Company’s Mission and Vision, adopted Strategy (Midterm Plan, Annual Plan and other adopted documents was done, by reviewing quarterly reports and business analysis, which comprise the most important business parameters (Financial and Economic Indicators of Business Operations; Business Profitability; Market Trends; Key Jobs and Business Events relevant for business operations and liquidity etc.). The Company continuously deals with education of employees in the field of risk management, raising level of knowledge and awareness of the respective, improves adequate preventive and corrective measures aimed at risk exposure reduction.

Through risk management process, the Company provides system for identification, analysis and evaluation of a risk it is exposed to in doing business, as well as the respective risks management in a way that the exposure is being kept on a level that will not jeopardize Company’s property or business operations, i.e. that will provide accomplishing goals, plans and legality of its work. In reference to strategic commitments, adopted plans and Company goals, Energoprojekt Holding a.d. Executive Board/Boards of Directors of the Companies within the Energoprojekt System adopt the level of risk acceptable for the Company.

NON-FINANCIAL REPORT

Energoprojekt System is internationally recognized designing-consulting, engineering and contracting group that takes significant position in the fields of energy, infrastructure, water management and environmental protection, civil engineering high-rise and industry.

Energoprojekt is the only group in the region that is listed by the renowned American magazine "Engineering News Report" among 225 biggest international designing and 250 biggest international contracting companies, which are ranked by total income they made on the international market.

Energoprojekt System consists of Energoprojekt Holding a.d. in the capacity of control, Mother Company, as well as of other Subsidiaries in the country and abroad. Energoprojekt Holding a.d. directly or indirectly has ownership control over all companies in the System.

Main activity of Energoprojekt Holding a.d. is Holdong Companies Activity-6420.

Energoprojekt Holding a.d. is a control-Mother Company, whose activity is to finance and manage subsidiaries.

Seven Subsidiaries are dealing with the basic activities: Energoprojekt Visokogradnja a.d., Energoprojekt Niskogradnja a.d., Energoprojekt Oprema a.d., Energoprojekt Entel a.d., Energoprojekt Hidroinženjering a.d., Energoprojekt Industrija a.d. and Energoprojekt Urbanizam i arhitektura a.d.. Two companies are founded with the aim of implementing concrete projects of residential-office construction: Energoprojekt Sunnyville d.o.o. and Energoprojekt Park 11 d.o.o..

Energoprojekt System is operating in four continents today, covering thereby about 20 countries.

Energoprojekt Holding a.d. and all Subsidiaries within the Energoprojekt System carry out their business operations in accordance with positive regulations in the Republic of Serbia and other countries where they have their activities.

Companies within the Energoprojekt System plan their business operations and follow implementation of adopted annual plans and mid-term plan within defined timeframes, and, if necessary, take required measures aimed and providing continuity and development of business operations, taking thereby into account all relevant factors that impact the business operations. These processes are defined by a set of internal normative documents, written procedures and other adopted documents, among which the most important are the following: Energoprojekt System Rulebook on Planning, EPH-09P procedures Strategic Planning, EPH-09P-10 Annual Plan Creation. In accordance with positive regulations of the Republic of Serbia, the most important normative documents of Energoprojekt Holding a.d. are the following: the Memorandum of Association, the Statute, Corporate Management Code and the Rules of Procedure of the Assembly/ Information on the members of the Supervisory and the Executive Boards of Energoprojekt Holding a.d., Reports from the Shareholders Assembly of Energoprojekt Holding a.d., important Decisions by Energoprojekt Holding a.d. Assembly, Quarterly and Annual Financial Statements and other relevant information from Belgrade Stock Exchange are publically available at web presentation of Energoprojekt (<http://www.energoprojekt.rs/investitori/>).

All other relevant documents of Energoprojekt Holding a.d. as well as of the Companies within the Energoprojekt System are regularly updated and in accordance with the business commitments of individual Companies, they are available electronically to employees and external verifiers (auditors, inspections etc.) on internet portals of the companies.

Energoprojekt Holding a.d. harmonizes its business operations with the requirements of standards for management quality according to ISO 9001, environmental protection management in accordance with ISO 14001 and occupational health and safety management in accordance with ISO 45001 standard. Harmonization with the aforementioned standards was certified by Energoprojekt Holding a.d. as follows: since 2010 according to ISO 9001 standard, i.e. since 2013 according to ISO 14001 and BS OHSAS 18001 standards. According to transfer of BS OHSAS 18001 to ISO 45001, Energoprojekt Holding a.d. carried out transition in 2020 and certified business operations in accordance with the requirements of a new standard ISO45001. Business operations harmonization with the aforementioned standards of Energoprojekt Holding a.d. is maintained through regular, annual internal verifications, as well as regular annual external verifications by the renowned external accredited verifier- Lloyd's Register. Valid Certificat No. 10279187 issued on 01/07/2020 by the mentioned company Lloyd's Register is publically available to all interested stakeholders on web presentation (<http://www.energoprojekt.rs/odrzivost/>).

Top management of Energoprojekt Holding a,d, passed and reviews on a regular basis the "IMS (Integrated Management Systems) Policy of Energoprojekt Holding a,d, The IMS Policy is publically available to all interested stakeholders on web presentation (<http://www.energoprojekt.rs/odrzivost/>).

All Subsidiaries within the Energoprojekt System have defined certified business operations, in the same manner, and in accordance with three standards: ISO 9001, ISO 14001, ISO 45001. Apart from the aforementioned, Energoprojekt Entel a.d. and Energoprojekt Hidroinženjering a.d. harmonized and certified their business operations in accordance with requirements of safety standard ISO 27001, information security management, and Energoprojekt Entel a.d. and Energoprojekt Industrija a.d. certified their business operations also in accordance with requirements of standards for energy management ISO 5001. All Companies adopted IMS Policies and certificates that are publically available to interested stakeholders on web presentations of each Company.

All external suppliers/partners/ associates of Energoprojekt Holding a.d. are familiar with the IMS Policy. During implementation of the agreed activities, they are contractually bind to observe Energoprojekt Holding a.d. commitment defined by policies, procedures and other documents, particularly in the field of environmental protection and occupational safety and security.

Energoprojekt Holding a.d. and all Subsidiaries transparently defined social, staffing and issued regarding respect for human rights Companies within Energoprojekt System define - by internal normative acts and written procedures in a transparent manner and according to clear criteria, activities of selecting and allocating employees to appropriate jobs, their assignments, rights and obligations, rewarding method, training process etc. The following document of Energoprojekt Holding a.d. define this area: the Rulebook on Internal Organization and Systematization at Energoprojekt Holding a.d; Rulebook on Earnings Policy at Energoprojekt Holding a.d; Rulebook on Work of Employees abroad at Energoprojekt Holding a.d; Rulebook on Per Diems for Service Travels at Energoprojekt Holding a.d; Rulebook on Education and Professional Qualification of Employees at Energoprojekt Holding a.d; Rulebook on Internal Whistleblowing Procedure at Energoprojekt Holding a.d; Decision on Determining Person Authorized for Receiving Information and Running Procedure related to Internal Whistleblowing; EPH-09P-16 procedure- Human Resources Management etc. All Subsidiaries within Energoprojekt System apply documents that define the aforementioned areas, which were adopted by the management of each Company.

Regularly, and at least once a year, Companies from Energoprojekt System monitor the implementation of set goals that, among other things, comprise also goals/key indicators of successes related to achieving business results (reduction of use of natural resources, pollution reduction), safety and health of the employees (injury prevention, professional diseases, care for employees). In reference to the care for employees, for more than 10 Energoprojekt Holding a.d. has been providing annual checkups/preventive medical checkups for all employees, aimed at early detection of diseases and at taking adequate treatment measures. Such checkup examinations are provided to employees also by other Companies within Energoprojekt System in a dynamic compatible with the needs and possibilities of each individual company.

Energoprojekt Holding a.d;. and all Subsidiaries within the Energoprojekt System developed risk management system and they defined control activities. Normative documents defining this process at Energoprojekt Holding a.d; are the following: Rulebook on Basis of Internal Affairs System and Risk Management and Rulebook on the Work of Internal Surveillance Sector at Energoprojekt Holding a.d. Other Subsidiaries within Energoprojekt System implement documents of the same kind, adopted by their respective management. These documents define risk management processes, risk evaluation and control activities methodology, monitoring effects of measures defined for business risk reduction/management. All described activities involve - apart from business risks- the risks related to issues of human resources management, environmental protection management, occupational safety and protection, ethical issues (bribery, corruption...) and other issues relevant for sustainability and development of Energoprojekt Holding a.d business operations and business operations of individual Subsidiaries within the Energoprojekt System. Evaluation and risk consideration are carried out by the Companies' management and Energoprojekt Holding a.d management at regular intervals, following defined normative documents related, and least once a year.

Besides planning and monitoring business result, as described above, the Executive Board of Energoprojekt Holding a.d reviews once a year the achievement of set key indicators of success, risk evaluation and defined control activities.

Energoprojekt Holding a.d
Executive Officer for Finance, Accounting and Plan


Siniša Tekić, B.Sc.Ecc



Energoprojekt Holding a.d;
Chief Executive Officer

Dobroslav Bojović, B.Sc.Ecc



3. ANNUAL BUSINESS REPORT ENERGOPROJEKT HOLDING A.D.
FOR 2021

**ANNUAL BUSINESS REPORT
ENERGOPROJEKT HOLDING A.D. FOR 2021**

- General data;
- Short overview of business activities and organizational structure;
- Display of development, financial position and results of companies business operations, including relevant financial and non-financial indicators, as well as information on staff-related matters;
- Description of expected company development in the upcoming period, change in company's business policies and main differences and threats company's business operations are facing;
- Relevant important events occurred after the end of reporting business year;
- More relevant operations with affiliates;
- Company activities in the field of research and development;
- Information on investment aimed at environmental protection;
- Data on purchasing own shares;
- Existence of branch offices;
- Relevant financial instruments used for evaluation of financial position and business operations success;
- Goals and policies related to financial risk management and protection policy for each significant type of planned transaction for which the protection is being used. Exposure to price risk, credit risk, liquidity risk and money flow risk, risk management strategy for the respective risks and evaluation of their efficiency;
- **Corporate management report;**
- **Non-financial report**

NOTE:

In accordance with Article 41 of the Accounting Law and Article 37 of the Rulebook on Accounting in Energoprojekt Holding a.d., the Annual Business Report and Consolidated Annual Business Report of Energoprojekt Holding a.d. for 2021 are shown as one report containing information relevant for economic whole.

General data

Business name: Energoprojekt Holding a.d., Shareholder Company for holding business, Belgrade

Head office and address: Belgrade, Bulevar Mihaila Pupina 12

Registration number: 07023014

TIN: 100001513

Website and e-mail address: www.energoprojekt.rs; ep@energoprojekt.rs

Number and date for Ruling on registration into Register of Business entities: BD 8020/2005

Activity (code and description): 06420- Holding Business

Number of employees (average number in 2021): 69

Business name, head office, business address for Audit House: RSM Serbia d.o.o. Belgrade, with head office in Belgrade, Bulevar Mihaila Pupina 10B/1

Number of shareholder (on 31/12/2021): 3.729

Ten biggest shareholders (on 31/12/2021):

No.	First Name and Last name (business name)	number of shares	participation in share capital
1.	Napred Razvoj a.d. Novi Beograd	4.760.998	43,55%
2.	Republika Srbija	3.671.205	33,58%
3.	Montinvest Properties d.o.o.	564.699	5,17%
4.	Jopag AG	560.731	5,13%
5.	Tezoro broker a.d.-omnibus account	264.917	2,42%
6.	Energoprojekt Holding a.d.	97.700	0,89%
7.	Tezoro broker a.d.	75.750	0,69%
8.	Bojović Dobroslov	47.004	0,43%
9.	OTP Banka Srbija- omnibus account	43.007	0,39%
10.	Grujić Sava	31.301	0,29%

Share capital value: Share capital 5.574.958.920 RSD

Number of issued shares: 10.931.292 ordinary shares

Nominal share value: 510 RSD

ISIN number: RSHOLDE58279

CIF code: ESVUFR

Share price in the reporting period:

- Last price: 312 RSD/share (on 31/12/2021)
- Highest price: 430 RSD/share (on 14/04/2021)
- Lowest price: 301 RSD/share (on 19/07/2021)

Market capitalization: 3.410.563.104 RSD (on 31/12/2021)

Name of the organized market where shares are involved: Belgrade Stock Exchange, Novi Beograd, Omladinskih brigada 1

Energoprojekt Holding a.d. is public shareholder company. Shares of Energoprojekt Holding a.d. are ranked at the Belgrade Stock Exchange and they are traded at the regulated market – “Prime Listing” of Belgrade Stock Exchange. Other subsidiaries and connected companies do not have the status of public enterprises.

Short overview of business activities and organizational structure

“Energoprojekt System” consists of Energoprojekt Holding a.d. in the capacity of control-Mother Company, as well as its subsidiaries (in the country and abroad) and joint company (in the country). Companies within the Energoprojekt System are mutually connected by participation in the share capital.

Energoprojekt Holding a.d. is a control-Mother Company, with activity of financing and managing subsidiaries. Apart from the energy and water management, activity of the Energoprojekt System comprises designing and construction of industrial facilities, public and residential compounds, telecommunication systems, services in the field of urbanism and environmental protection, information technologies, commerce and real estate.

According to the amount of accomplished income of the Energoprojekt System, apart from national market, the most important ones are the markets in African countries (Uganda, Ghana, and Algeria), Russia, Middle East (Qatar, UAE and Oman), Latin America (Peru) and markets of the regional countries.

Energoprojekt Holding a.d. is a company with two-tier management organization and it comprises the following management authorities: Shareholders Assembly, Supervisory Board and the Executive Board.

Shareholders Assembly of Energoprojekt Holding a.d. is the highest management and decision-making authority/

Bodies of Holding operate within the scope of jurisdictions envisaged by the Law and the Statute/

Data on company management:

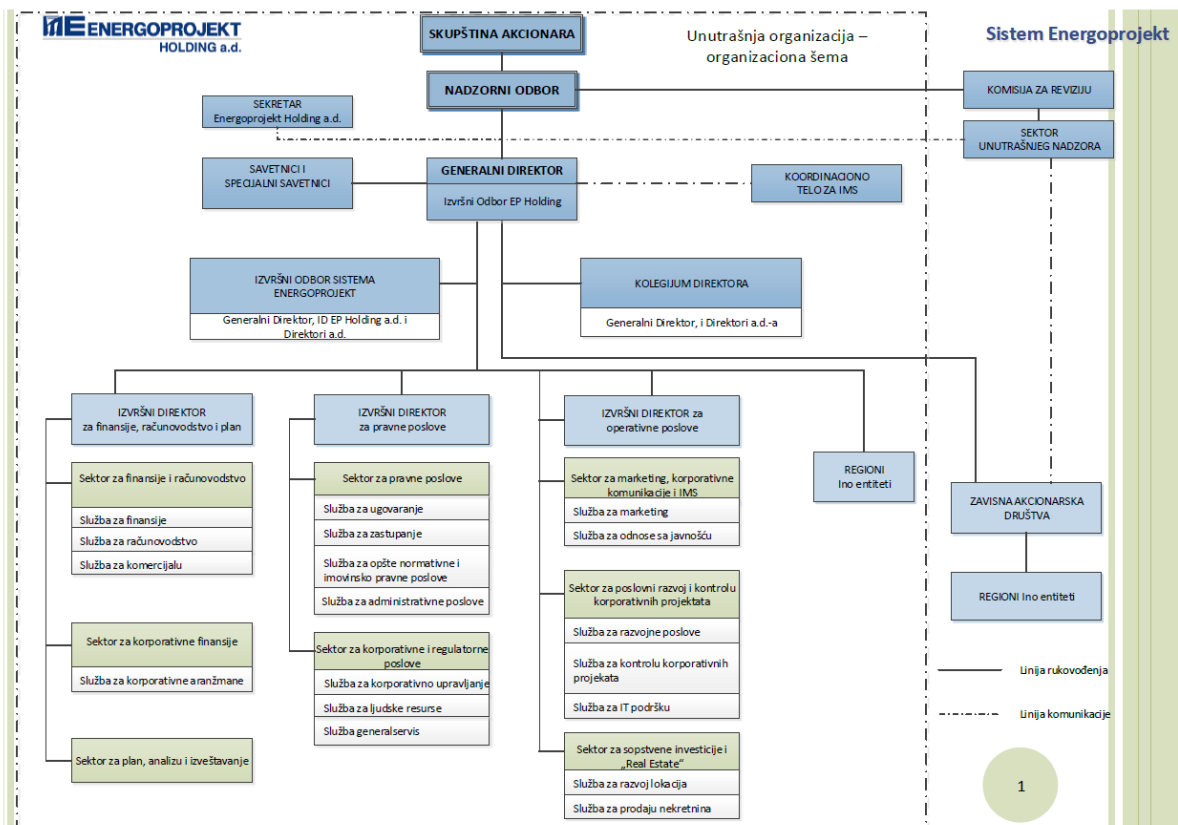
Members of the Supervisory Board (on 31/12/2021):

First Name and Last Name	Education	number of ENHL shares
1. Miodrag Zečević, President	VIII level, electrical engineer	7.254
2. Dragan Ugrčić, Member	VII level, economist (MA)	0
3. Aleksandar Šćekić, Member	VII level, bachelor of laws	0
4. Nada Bojović, Independen Member	VII level, work organization engineer	0

Members of the Executive Board (on 31/12/2021):

First Name and Last Name	Education	number of ENHL shares
1. Dobroslav Bojović Chief Executive Officer	VII level, economist	47.004
2. Siniša Tekić Chief Financial Officer, Accounting and Plan	VII level, economist	0
3. Momčilo Jevtić Legal Affairs Executive Officer	VII level, bachelor of laws	0
4. Ilijana Stamenković Operational Affairs Executive Officer	VII level, economist	0

Organizational structure of Energoprojekt Holding a.d. (Mother Company):



According to the allocation criteria from the Law on Accounting (the “Official Gazette of the RS number 73/2019 and 44/2021) Mother Company is allocated among medium-sized legal entity.

Management system is based on organization of the Energoprojekt System and legal status of the company within the Energoprojekt System, in accordance with the Law, Mother Company Statute and Statutes of subsidiaries.

Subsidiaries are legal entities, controlled by the Mother Company. Mother Company has control over legal entity in which it has capital share, when there is exposure or right to variable profits based on its capital share and when nit has to possibility to affect those incomes by its power over legal entity that has been invested into.

Display of development, financial position and results of companies business operations, including relevant financial and non-financial indicators, as well as information on staff-related matters

Energoprojekt Holding a.d. Belgrade is a public shareholder company whose main activity is 6420- holding company activity.

The Company is a Mother Company which comprises several subsidiaries in the country and abroad, as well as a Joint Venture Company and affiliate company in the country.

Subsidiaries in the country are the following:

- Energoprojekt Visokogradnja a.d.,
- Energoprojekt Niskogradnja a.d.,
- Energoprojekt Oprema a.d.,
- Energoprojekt Hidroinženjering a.d.,
- Energoprojekt Urbanizam i arhitektura a.d.,
- Energoprojekt Industrija a.d.,
- Energoprojekt Entel a.d.,
- Energoprojekt Sunnyville d.o.o. i
- Energoprojekt Park 11 d.o.o.

By the Ruling of the Business Registers Agency of Serbia BD 54170/2021 as of 28/6/2021, a status change of merging company Energoprojekt Energodata a.d. as a transferor company (hereinafter the Transferor Company) to company Energoprojekt Holding a.d. as a Transferee Company (hereinafter the Transferee Company) was registered.

By the Ruling of the Business Registers Agency of Serbia BD 54177/2021 as of 28/06/2021, the Transferor Company Energoprojekt Energodata a.d. ceased to exist due to merging, and as a merging consequence, the entire asset of the Transferor Company was transferred to the Transferee Company, with no exceptions and limitations, all the debts, liabilities and other responsibilities of the Transferor Company towards any third party, including also accompanying fiscal liabilities of the Transferor Company owed to any trustee with public authorizations, securities issued by the Transferor Company.

The date when all business activities of the Transferor Company ceased to exist is 28/06/2021, as a registration date for a status change of merging with the Transferee Company, i.e. the date of erasure from the BRA Register.

By the Ruling of the Business Registers Agency of Serbia BDSL 6489/2021 as of 15/07/2021 Energoprojekt Promet d.o.o. was erased from the business entities registry, having in mind that the subject company did not deliver to the register in charge annual financial statements for 2017 and 2018, by the end of 2019, and all in accordance with Article 547, Paragraph 2 of the Company Law and Article 546, Paragraph 1, Item 10) and Article 547b of the respective Law.

Subsidiaries abroad- foreign companies are the following:

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

The Company acquired a share in foreign company Energoprojekt Energodata Montenegro d.o.o. by status change of merging Energoprojekt Energodata a.d. (previously, explained in details in this mote), which was registered by the Ruling of the Central Registry of Business Entities of Income and Customs Administration in Podgorica no. 5-0297614/009 as of 02/09/2021 and Notification as of 14/09/2021.

Joint venture company in the country is the following:

- Enjub d.o.o.

Ownership percentage of the Company on 31/12/2021 in the aforementioned subsidiaries is shown in the table below.

<i>Capital share of subsidiaries</i>	
<i>Name of the subsidiary</i>	<i>ownership %</i>
<i>In the country:</i>	
Energoprojekt Visokogradnja a.d.	100,00
Energoprojekt Niskogradnja a.d.	100,00
Energoprojekt Oprema a.d.	67,87
Energoprojekt Hidroinženjering a.d.	100,00
Energoprojekt Urbanizam i arhitektura a.d.	100,00
Energoprojekt Industrija a.d.	62,77
Energoprojekt Entel a.d.	100,00
Energoprojekt Sunnyville d.o.o.	100,00
Energoprojekt Park 11 d.o.o.	100,00
<i>Abroad:</i>	
Zambia Engineering and Contracting Company Limited, Zambia	100,00
Energoprojekt Holding Guinea S.A, Guinea	100,00

I.N.E.C. Engineering Company Limited, Great Britain	100,00
Dom 12 S.A.L, Lebanon	100,00
Energo (private) Limited, Zimbabwe	100,00
Energo Kaz d.o.o., Kazahstan	100,00
Energoprojekt Energodata Montenegro d.o.o.	100,00

Ownership percentage of the Company in other related legal entities in the country is displayed in the table below.

<i>Capital share in other related legal entities in the country</i>	
<i>Name of the joint venture</i>	<i>ownership %</i>
Enjub d.o.o.	50,00

Apart from the aforementioned subsidiaries and other related legal entities, the Company has its representation office in Bagdad, Iraq, which is in dormant status as of 2015.

Company, in accordance with the criteria set in the Law on Accounting, was allocated to **medium-sized legal entity**.

Average number of employees in the Company, within the reporting period, based on the state of play at the end of every month is 69 (73 on 31/12/2020).

Company shares are listed and they are being traded at the regulated market – “Prime Listing” of the Belgrade Stock Exchange.

Achieved trading price (on the last day of the reporting period – 31 December 2021) of the Mother Company Energoprojekt Holding a.d. was 312 dinars per share (during 2021 share price was within the interval between 301 and 403 dinars), which was equivalent to the market capitalization of the Company in the amount of 3.410.563.104 dinars. Ratio of market and bookkeeping (accounting) price (P/B) was 0.34. Total turnover of Energoprojekt Holding a.d. shares in 2021 was 7.670.921 dinars. Average turnover was 30.561 dinars. Average trading price achieved was 347 dinars per share.

Authentic display of business development and results, as well as financial state of play and data relevant for the property state of play evaluation, are given in details within the “Note added to financial statements of Energoprojekt Holding a.d. for 2021”.

Consolidated financial statements of Energoprojekt Holding a.d., beside the shareholder company “Energoprojekt Holding” a.d. Belgrade (hereinafter: Energoprojekt Holding or the Company) involve the following:

- 10 subsidiaries in the country, out of which 9 subsidiaries are direct subsidiaries (7 shareholder companies and 2 limited liability companies) and 1 subsidiary indirectly through other subsidiaries (1 limited liability company),
- 1 joint venture, hereinafter joint venture company (1 limited liability company(where capital share is 50% and
- 6 direct subsidiaries abroad.

There are organized units for investment works and representing offices abroad (totally 108) within subsidiaries, as well as companies in the country and abroad (11 subsidiaries abroad and 1 affiliate in the country), which all together deal with construction, designing, equipping, creation of studies, programming of investment facilities and systems, trade of goods and services etc.).

According to the business activity, companies within the Energoporjekt were organized in the following manner within the reporting period:

Activity	Number of companies in the country	Number of units for	
		Investment works and Representation offices abroad	Number of companies abroad
Designing and research	4	54	5
Cinstruction and equipping	6	54	10
Holding	1		
Other	2		2
Totally	13	108	17

Head office of the Mother Company and subsidiaries is in Bulevar Mihaila Pupina street number 12, Novi Beograd.

Total average number of employees in the companies that make group for consolidation of Energoporjekt Holding a.d. (hereinafter Energoporjekt System) in 2021, based on the state of play at the end of each month, not counting local labor force of foreign entities, is 1.247 (1.476 in 2020).

On 31 December 2021, the Mother Company employed 73 employees (76 employees on 31 December 2020). Labor force fluctuation was conditioned by retirements, employment termination by agreement, new hiring of the employees from the labor market and/or internal takeover within the Energoporjekt System. Regarding qualification structure of the employees, the biggest participation in total number of employees was by the employees with university education (59%), with college education (11%), with high school education (27%) and others (3%). Employees have appropriate knowledge, qualifications and experience for works at their respective jobs, in accordance with the Rulebook on organization of jobs. Human Resources sector is in charge of staff-related matters.

On 31 December 2021, the Group (Energorprojekt System) had 1118 employees (1383 employees on 31 December 2020). Labor force fluctuation was conditioned by retirements, employment agreements termination, employment termination by agreement, new hiring of the employees from the labor market and/or internal takeover within the Energorprojekt System. Regarding qualification structure of the employees, the biggest participation in total number of employees was by the employees with university education (50%), with college education (7%), with high school education (20%) highly qualified and qualified employees (21%) and others (2%). Employees have appropriate knowledge, qualifications and experience for works at their respective jobs, in accordance with the Rulebook on organization of jobs. Human Resources sector is in charge of staff-related matters.

Group for consolidation of Energorprojekt Holding a.d. (hereinafter the Energorprojekt System) consists of Mother Company Energorprojekt Holding and below listed subsidiaries, joint ventures and affiliates in the country, as well as subsidiaries abroad – foreign companies:

Subsidiaries, joint ventures and affiliates in the country

No.	N a m e	Ownership %
<i>Subsidiaries</i>		
<i>Construction and equipping</i>		
1.	Energorprojekt Visokogradnja a.d.	100,00
2.	Energorprojekt Niskogradnja a.d.	100,00
3.	Energorprojekt Oprema a.d.	67,87
4.	Energorprojekt Sunnyville d.o.o.	100,00
5.	Energorprojekt Park 11 d.o.o.	100,00
<i>Designing and research</i>		
6.	Energorprojekt Urbanizam i arhitektura a.d.	100,00
7.	Energorprojekt Industrija a.d.	62,77
8.	Energorprojekt Entel a.d.	100,00
9.	Energorprojekt Hidroinženjering a.d.	100,00

Other

10. Energoplast d.o.o.	45,11
(Energoprojekt Industrija a.d. 40,00% and Energoprojekt Entel a.d. 20,00%)	

Joint ventures

Construction and equipping

11. Enjub d.o.o.	50,00
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Subsidiary Energoplast d.o.o. was included into consolidated financial statements of Energoprojekt Holding a.d., by method of full consolidation, whereby his involvement was elimination by equity method, through first-instance consolidation into financial statements of Energoprojekt Industrija (40,00%) and Energoprojekt Entel (20,00%). Even though Energoprojekt Holding has (indirect) capital share of 45,11% in named company, consolidated financial statements of Energoprojekt Holding a.d. include it by method of full consolidation, having in mind a fact that Energoprojekt Holding, indirectly, has power control over Energoplast (even though it does not have majority ownership).

While involving joint venture Enjub d.o.o. into consolidated reports of Energoprojekt Holding a.d., in accordance with MSFI 11- Joint arrangements, equity method was applied.

Subsidiaries abroad – foreign companies

No.	Name	Ownership %
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Subsidiaries

Construction and equipping

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 d.o.o., Kazakhstan	100,00

Other

5.	I.N.E.C. Engineering Company Limited, Great Britain	100,00
6.	Dom 12 S.A.L, Lebanon	100,00

Based on the decision of the Executive Board of Energorprojekt Holding, the consolidation exempts Energoprojekt Energodata Montenegro d.o.o., Montenegro (100%), in accordance with the Provisions of Article 32, of the Law on Accounting.

Subsidiary abroad, Energo Kaz d.o.o., Kazakhstan, is registered within the ownership of Energoprojekt Holding, but it is being coordinated and managed by subsidiary Energoprojekt Visokogradnja a.d.

Out of the aforementioned subsidiaries in the country and abroad, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Entel, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Zambia Engineering and Contracting Company Limited, Zambia are companies who make consolidated financial statements themselves, based on organizational chart adopted by the Board of Directors or management of the aforementioned companies, so that their subsidiaries and affiliates named in the table below are involved through the first-instance consolidation.

No.	Name	Involved through the first-instance consolidation
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Abroad

Subsidiaries abroad – foreign companies

Construction and equipping

1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja a.d.
2.	Energoprojekt Montenegro d.o.o., Montenegro	EP Visokogradnja a.d.
3.	Energoprojekt Rus d.o.o., Moscow, Russia	EP Visokogradnja a.d.
4.	Energo Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja a.d.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja a.d.

6.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
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Designing and research

7.	Energoprojekt Entel L.L.C., Muscate, the Sultanate of Oman	EP Entel a.d.
8.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel a.d.
9.	Energoprojekt Entel L.L.C., Abu Dhabi, UAE	EP Entel a.d.
10.	Energoprojekt Entel kompanija, Bahrein	EP Entel a.d.
11.	Enhisa S.A., Lima, Peru	EP Hidroinženjering a.d.

in the country

Affiliates in the country

Other

12.	Energopet d.o.o. (33,33 %)	EP Industrija a.d.
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Based on the decision of the Board of Directors of Energoprojekt Oprema, starting from 31/12/2020, Energoprojekt Oprema is exempted from the liability of making, delivering and publishing consolidated financial reports, having in mind that in accordance with Provisions of Article 32, Paragraph 6 and 7 of the Law on Accounting the following companies are exempted from consolidation:

- Energo Nigeria Ltd., Lagos, Nigeria (24,92%) i
- Energoprojekt Oprema Crna Gora d.o.o., Podgorica, Montenegro (100%).

Having in mind that Energo Nigeria Ltd., Lagos, Nigeria no longer enters the Group for consolidation of Energoprojekt Holding a.d., all mutual relations with the subject company, starting from financial statements for 2020, are transferred from positions of relations with subsidiaries to external positions of balance sheet and income statement.

Management of the Company estimates that companies that make the Group for consolidation of Energoprojekt Holding a.d. keep doing their business for an indefinite period of time and they do not expect any significant changes in doing business, and according to such an

evaluation, consolidated financial statements of Energoprojekt Holding a.d. for 2021 were made in accordance with the going concern.

Authentic display of development and results of business operation of the Energoprojekt System, as well as financial state of play and data relevant for evaluation of the property state of play of the Energoprojekt System, are shown in details and explained within the “Note added to financial statements of Energoprojekt Holding a.d. for 2021”.

Please find below some of the relevant parameters of business operation of the Mother Company (Energoprojekt Holding a.d.) and Energoprojekt System, which are relevant for proper understanding of the named subject.

The structure of total business operation result of Energoprojekt Holding a.d. (Mother Company) in 2021

Account Group	Structure of profit/(loss) prior taxation and net profit/(loss)	u 000 dinars	
		01/01-31/12/21	01.01-31.12.20.
60 to 65 and 68 except for 683, 685 and 686	Business income	378.856	275.815
50 to 55 and 58 except for 583, 585 and 586	Business expenditure	336.152	318.773
	<i>Business profit/(loss)</i>	<i>42.704</i>	<i>-42.958</i>
66	Financial income	1.020.644	408.583
56	Financial expenditure	151.606	90.907
	<i>Profit/(loss) from financing</i>	<i>869.038</i>	<i>317.676</i>
683, 685 and 686	Income from harmonizing value of financial asset shown per fair value through Balance sheet	63.013	28.415
67	Other income	26.521	2.832
583, 585 and 586	Expenditures from harmonizing value of financial asset shown per fair value through Balance sheet	11.925	18.090
57	Other expenditures	4.582	18.271
	<i>Profit/(loss) based on other income and expenditures and income and expenditures from harmonizing value of financial asset shown per fair value through Balance sheet</i>	<i>73.027</i>	<i>-5.114</i>
6 except for 69-59	TOTAL INCOME	1.489.034	715.645
5 except for 59-69	TOTAL EXPENDITURE	504.265	446.041
	<i>Profit/(loss) from regular business operation prior taxation</i>	<i>984.769</i>	<i>269.604</i>
69-59	Positive net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods		276
59-69	Negative net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods	1.062	
	PROFIT/(LOSS) PRIOR TAXATION	983.707	269.880
721	Tax expenditures for the period		
722 (ows. saldo)	Postponed tax expenditures for the period (Note 43)	10.910	6.602
722 (demands. saldo)	Postponed tax income for the period		
	NET PROFIT/(LOSS)	972.797	263.278
6 from 69-59	TOTAL INCOME	1.489.034	715.921
5 from 59-69	UKUPNI RASHODI	505.327	446.041

In relation to the comparative period from the previous year, increase of gross results of the Company in the amount of 713.827 thousand RSD, is first of all a result of increase of profit from financing in the amount of 551.362 thousand RSD, due to higher profit achieved based on dividend from subsidiary legal entities in the amount of 513.239 thousand RSD and higher interest rate income from subsidiary legal entities in the amount of 93.250 thousand RSD.

Profit per share

Profit (loss) per share is calculated in a manner that net profit/(loss) meant for ordinary shareholders is divided with average pondered number of ordinary shares which are in turnover for the period.

The table below shows the most significant indicators for business operations of the Company in 2021, as follows:

- General liquidity ratio (quotient of working assets and short-term liabilities), showing the coverage of each dinar of short-term liabilities by dinars of working assets,
- Rigorous liquidity ratio (quotient of liquidity assets, which mean total working assets reduced by supplies and short-term obligations), showing the coverage of each dinar of short-term liabilities by dinars of liquidity assets,
- Cash liquidity ratio (quotient of cash increased by cash equivalents and short-term liabilities), showing the coverage of each dinar of short-term liabilities by dinars of cash assets,
- Net working assets (value difference between working assets and short-term liabilities).

Making conclusions on liquidity indicators, obtained based on ratio analysis, among other things, mean their comparison with general satisfactory standards, which are, also, given in the table below.

Liquidity indicators	General satisfactory standards	<i>2021</i>	<i>2020</i>
General liquidity ratio	2:1	3,50:1	20,90:1
Rigorous liquidity ratio	1:1	3,49:1	20,89:1
Cash liquidity ratio		0,59:1	3,10:1
Net working assets (in 000 RSD)	Positive value	1,200,719	3,128,570

Results of ratio analysis show that during 2021 the Company was liquid, i.e. that it did not have any difficulties to pay due liabilities, with maintenance of required scope and structure of working assets and preservation of good credit worthiness.

The best indicator of **profitability** is *income rate for average own capital*, showing the income that the Company achieves per one dinar of averagely engaged own assets. While calculating this indicator of profitability, average own capital is determined as an weighted average of asset value at the beginning and at the end of a year.

Profitability indicators	in 000 dinars	
	2021	2020
Net profit/(loss)	972,797	263,278
Average asset		
a) Asset at the beginning of a year	9,233,531	8,978,471
b) Asset at the end of a year	10,090,845	9,233,531
Total	9,662,188	9,106,001
Income rate to average own asset at the end of a year	10.07%	2.89%

Appropriateness of the financial structure is reflected in the amount and feature of indebtedness.

The following tables show the most important indicators of a financial structure of the Company, as follows:

- Share of borrowed assets in total asset sources, showing financing of one dinar of Company assets from borrowed sources; and
- Share of long-term assets in total asset sources, showing financing of one dinar of Company assets from long-term sources.

Financial structure indicators	in 000 dinars	
	31/12/2021	31/12/2020
Liabilities	4.019.425	4.394.324
Total assets	14.110.270	13.627.855
Sahre of borrowed assets in total asset sources	0,28 : 1	0,32 : 1
Long-term assets:		
a) Capital	10.090.845	9.233.531
b) Long-term reservations and long-term liabilities (including also postponed tax liabilities)	3.538.954	4.237.075
Total	13.629.799	13.470.606
Total assets	14.110.270	13.627.855
Sahre of long-term assets in total asset sources	0,97 : 1	0,99 : 1

Net debt ratio showing the coverage of each dinar of the Company's net debt by Company's capital.

Net debt means the difference between:

- Total Company liabilities (total passive assets reduced by capital and increased by the loss above the capital amount) and
- Cash and cash equivalents.

Parameters for calculating net debt ratio to total capital	<i>in 000 dinars</i>	
	<i>31/12/2021</i>	<i>31/12/2020</i>
Net debt:		
a) Liabilities	4,019,425	4,394,324
b) Cash and cash equivalents	282,516	487,598
<i>Total</i>	<i>3,736,909</i>	<i>3,906,726</i>
Capital	10,090,845	9,233,531
Net debt ratio to total capital	1 : 2.70	1 : 2.36

Structure of total consolidated business operation result of Energoprojekt System in 2021

Account Group	Structure of profit/(loss) prior taxation and net profit/(loss)	u 000 dinara	
		01.01-31.12.21.	01.01-31.12.20.
60 to 65 and 66 except for 683, 5085 and 5086	Business income	19,801,705	25,772,716
5085 and 5086 except for 583, 585 and 586	Business expenditure	18,825,327	24,587,883
	<i>Business profit/(loss)</i>	976,378	1,184,833
66	Financial income	937,080	707,719
56	Financial expenditure	765,732	1,266,237
	<i>Profit/(loss) from financing</i>	171,348	(558,518)
683, 685 and 686	Income from harmonizing value of financial asset shown per fair value through Balance sheet	253,831	406,664
67	Other income	630,940	1,058,735
583, 585 and 586	Expenditures from harmonizing value of financial asset shown per fair value through Balance sheet	366,200	253,187
57	Other expenditures	360,787	442,746
	<i>Profit/(loss) based on other income and expenditures and income and expenditures from harmonizing value of financial asset shown per fair value through Balance sheet</i>	157,784	769,466
6 except for 69-59	TOTAL INCOME	21,623,556	27,945,834
5 except for 59-69	TOTAL EXPENDITURE	20,318,046	26,550,053
	<i>Profit/(loss) from regular business operation prior taxation</i>	1,305,510	1,395,781
69-59	Positive net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods		
59-69	Negative net effect on result per business operation profit which is terminated, change of accounting policies and correction of mistakes from previous periods	18,635	6,285
	PROFIT/(LOSS) PRIOR TAXATION	1,286,875	1,389,496
721	Tax expenditures for the period	350,801	331,420
722 (ows. saldo)	Postponed tax expenditures for the period (Note 43)	71,203	36,062
722 (demands. saldo)	Postponed tax income for the period		
	NET PROFIT/(LOSS)	864,871	1,022,014
6 from 69-59	TOTAL INCOME	21,623,556	27,945,834
5 from 59-69	TOTAL EXPENDITURE	20,336,681	26,556,338

Achieved **profit prior to taxation (gross profit)** of Energoprojekt System in the reporting year in the amount of 1.286.875 thousand dinars is, first of all, the result of the achieved:

- Business profit in the amount of 976.378 thousand dinars, first of all in Energoprojekt Park 11, Energoprojekt Entel, Energoprojekt Visokogradnja and Energoprojekt Oprema;
- Financial profit in the amount of 171.348 thousand dinars, first of all, based on net positive exchange rate differences and positive effects of currency clauses in the amount of 105.465 thousand dinars (first of all in Energoprojekt Niskogradnja and Energoprojekt Oprema) and participation in the profit of affiliate Energopet d.o.o. (33,33%) in the amount of 57.781 thousand dinars; and
- Profit from other activities in the amount of 157.784 thousand dinars, first of all based on the following:

On one side:

- Income from abolishing long-term and short-term reservations: 114.313 thousand dinars (dominantly in Entel based on abolishment of reservations for costs within the guarantee deadline: 106.171 thousand dinars- (Note 22.1.)
- *Net* profit based on sale of equipment: 103.142 thousand dinars (dominantly in Energoprojekt Niskogradnja: 99.005 thousand dinars- first of all in Peru) (Note 22.1 and Note 22.2)
- *Net* profit based on noting other unmentioned incomes and expenditures: 22.634 thousand dinars (elaborated in Note 22.1 and Note 22.2);

And on the other side:

- *Net* loss based on harmonizing values of financial assets shown per fair value though income balance: 112.369 thousand dinars (dominantly, based on effects of MSFI9 implementation and on forming of value correction of financial assets on the balance date and in accordance with the established *Methodology for Calculating Devaluation of Financial Instruments in accordance with MSFI 9 (Note 21) and*
- Expenditures based on direct sign-offs of claims: 32.686 thousand dinars, first of all in Energoprojekt Entel: 26.723 thousand dinars, entirely in Energoprojekt Entel LTD, Doha, Qatar.

Profit per share

Indicator	01/01-31/12/21.	01/01-31/12/20.
Net profit belonging to the Mother Company shareholders (in 000 dinars)	622.125	1.110.515
Average pondered number of ordinary shares during the period	10.833.592	10.833.592
Profit per share (in dinars)	57,43	102,51

Net gain per share is calculated in a manner that gain that is allocated to shareholders is divided by pondered average number of shares in emission during the year, which do not involve ordinary shares that the Company (Companies in the System) purchased and that they hold as their own shares.

Some o relevant financial business operation parameters of Energoprojekt System from annual consolidated financial reports are the following:

	31/12/2021	31/12/2020	Border values
General liquidity ratio	1.82	1.59	(2:1)
Rigorous liquidity ratio	1.38	1.10	(1:1)
Cash liquidity ratio	0.23	0.27	(1:1)
Equity ratio-the level of independence (capital share in total passive assets)	55.58%	50.75%	(as close as possible to 100%)
Debt ratio (coverage of permanent assets by long-term sources of financing)	44.42%	49.25%	(as less as possible to 100%)
Credit ability (coverage of permanent assets with long-term sources of financing)	144.30%	134.39%	(equal to or more than 100%)
ROA-Return on Assets (Net profit rate to total business assets)	3.29%	3.85%	(the more the better)
ROE-Return on Equity (Profit rate to own business assets)	4.65%	5.73%	(the more the better)

Description of expected company development in the upcoming period, change in company's business policies and main differences and threats company's business operations are facing

Starting from strategic commitment for lasting and sustainable development of Energoprojekt System oriented towards continuous increase of profitability, doing business on traditional markets (in the country and abroad), economically profitable engagement of resources as well as global macroeconomic flows, the following business tasks are planned for 2022:

Priority tasks:

- Contracting new jobs and securing continuous work of the companies within the Energoprojekt System;
- Securing liquidity- activities on collection of claims and optimization of credit debt of the companies within the Energoprojekt System, as well as regular payment of due coupons of issued emission of long-term corporate bonds;
- Activities on designing promotion of common application center for accounting and bookkeeping of Energoprojekt System (Microsoft Dynamics 365 Business Central);
- Securing appropriate prerequisites for realization of business activities of the companies within Energoprojekt System.

Other business tasks:

- Health protection for employees;
- Realization of ongoing jobs with adequate resolving of contracting problems, with imperative goal to achieve satisfactory profit on each project;
- Adapting marketing activities and creation of business conditions for new investment and maximum engagement of existing capacities;
- Business operations rationalization, more quality planning and control followed by technological and organizational development;
- Involvement of all resources and property of the Company into business processes;
- Locations development and investing into own investment;
- Strengthening business cooperation between companies through designing and functional cooperation, accompanied by strengthening of corporate positions;
- Reviewing possible organizational changes aimed at adapting to market business conditions;
- Transparency of business operations and presentation of Energoprojekt in the public, through provision of relevant information through Stock Exchange and regular communication with investors, partners and professional public in the country and abroad.

The most significant threats and dangers the Company is actively exposed to are the following: Extending and deepening global pandemic and economic crisis; Competition by foreign companies from most populous countries with cheap labor force; Competition of foreign

enterprises with more available cheaper financial assets; Institutional changes on national and selected foreign markets; Dependence of business operations on political stability of the market where Energoprojekt implements projects and similar.

Business operations in the country and on foreign markets requires establishment of a system for timely business risk identification and management which should be a constituent part of all executive positions, and one of the basic functions of internal company audit. Intensive and planned work will be carried out on development of risk management strategy in the upcoming period, in accordance with determined annual plan of sector for internal monitoring of Energoprojekt Holding a.d. for 2022.

Relevant important events occurred after the end of reporting business year

After balance sheet date there were no events that would have relevant impact on authenticity of shown financial reports.

Relevant business news on relevant events are regularly published on website of Energoprojekt Holding a.d. (<http://www.energoprojekt.rs>) and Belgrade Stock Exchange (both in Serbian and in English language), within liabilities related to ranking of Prime Listing of the Belgrade Stock Exchange.

More relevant operations with affiliates

Subject to requirements from MRS 24 – Publishing affiliates, what follows is publishing of relations, transactions etc., between the Company and affiliates.

From the aspect of **affiliated legal entities**, the following two tables show transactions that result in shown profit and expenditures in income statement and shown liabilities and claims (under which we included, for the purpose of publishing relations with affiliates, all saldos in Company's net assets) in balance sheet.

Income and expenditures from affiliated legal entities	in 000 dinars	
	2021	2020
<i>Income:</i>		
a) EP Visokogradnja a.d.	188.145	118.729
b) EP Niskogradnja a.d.	101.565	73.110
c) EP Hidroinženjering a.d.	15.904	12.957
d) EP Entel a.d.	336.847	386.374
e) EP Energodata a.d.	2.582	8.396
f) EP Industrija a.d.	7.996	7.749
g) EP Urbanizam i arhitektura a.d.	4.470	4.528
h) EP Oprema a.d.	74.759	29.545
i) EP Sunnyville d.o.o.	4.777	11.950
j) EP Park 11 d.o.o.	580.322	20.708
k) I.N.E.C. Engineering Company Limited, Velika Britanija	6	
l) Dom 12 S.A.L.		
m) Zambia Engineering and Contracting Company Limited, Zambija	27	3
n) Enjub d.o.o.	4.563	4.657
o) Napred Razvoj a.d.	76	100
p) EP Ghana Ltd, Akra, Gana		3
Total	1.322.039	678.809
<i>Rashodi:</i>		
a) EP Visokogradnja a.d.	34.165	21.540
b) EP Niskogradnja a.d.	4.633	8.380
c) EP Hidroinženjering a.d.		155
d) EP Entel a.d.	182	176
e) EP Energodata a.d.	1.737	6.930
f) EP Industrija a.d.	3.872	3.031
g) EP Urbanizam i arhitektura a.d.	1.808	3
h) EP Oprema a.d.	1.647	16.343
i) EP Sunnyville d.o.o.	3	58
j) EP Park 11 d.o.o.	3.521	5
k) I.N.E.C. Engineering Company Limited, Great Britain		5
l) Dom 12 S.A.L.		
m) Zambia Engineering and Contracting Company Limited, Zambia		31
n) Enjub d.o.o.		16
o) Napred Razvoj a.d.	21.331	72.093
Total	72.899	128.766

Financial assets from affiliated legal entities	in 000 dinars					
	31/12/2021			31/12/2020		
	Gross	value correction	Net	Gross	Value correction	Net
a) EP Visokogradnja a.d.	2.183.898	52.159	2.131.739	2.087.587	85.384	2.002.203
b) EP Niskogradnja a.d.	1.201.920	3.207	1.198.713	1.103.864	3.174	1.100.690
c) EP Hidroinženjering a.d.	50.278	149	50.129	50.386	154	50.232
d) EP Entel a.d.	4.520		4.520	3.895		3.895
e) EP Energodata a.d.			-	172.594		172.594
f) EP Industrija a.d.	4.038		4.038	1.049		1.049
g) EP Urbanizam i arhitektura a.d.	26.518	52	26.466	21.914	52	21.862
h) EP Oprema a.d.	1.897.419	5.726	1.891.693	1.301.155	4.088	1.297.067
i) EP Sunnyville d.o.o.	93.381	283	93.098	153.807	479	153.328
j) EP Park 11 d.o.o.	2.024		2.024			-
k) I.N.E.C. Engineering Company Limited, Great Britain	364		364	357		357
l) Dom 12 S.A.L.			-			-
m) Enjub d.o.o.	172.763	1	172.762	168.196		168.196
n) Zambia Engineering and Contracting Company Limited, Zambia	1.503		1.503	1.475		1.475
o) Napred Razvoj a.d.			-			-
Total	5.638.626	61.577	5.577.049	5.066.279	93.331	4.972.948

Financial liabilities towards affiliated legal entities	in 000 dinars	
	2021	2020
a) EP Visokogradnja a.d.	140	393
b) EP Niskogradnja a.d.	2.350	3.618
c) EP Hidroinženjering a.d.	3.043	4.427
d) EP Entel a.d.	2.369	10.073
e) EP Energodata a.d.		245
f) EP Industrija a.d.	2.350	4.554
g) EP Urbanizam i arhitektura a.d.	1.404	2.623
h) EP Oprema a.d.	26.041	25.071
i) EP Sunnyville d.o.o.	606	397
j) EP Park 11 d.o.o.	356.222	3.910
k) Dom 12 S.A.L.		
l) Enjub d.o.o.		
m) Zambia Engineering and Contracting Company Limited, Zambia		
n) Napred Razvoj a.d.	4.287	754.241
Total	398.812	809.552

Claims from affiliated legal entities usually originate from the transaction of services sale and they are due as of 15 days as of the invoice date.

Liabilities towards affiliated legal entities usually originate from the purchased transactions and they are due in the span from 5 to latest 30 days upon the purchasing date. Liabilities do not contain the interest.

The Company does not have given security payment instruments on behalf of the liabilities towards affiliated legal entities.

Company activities in the field of research and development

Research and development are not main activity of the Mother Company and its affiliates.

There are ongoing activities on further development and implementation of appropriate business and information system, adapted to current scope and planned business operations growth, as well as activities in relation with full implementation of integrated Document Management System.

Energoprojekt Holding a.d. harmonizes its business operations also with the demands of standards for management quality in accordance with ISO 9001, environmental protection management according to ISO 14001 and security and occupational health management according to BS OHSAS 18001 i.e. new ISO 45001 standard. Harmonization with the named standards was certified by Energoprojekt Holding a.d. as follows: since 2010 according to ISO 9001 standard, i.e. since 2013 according to ISO 14001, BS OHSAS 18001 standards/ i.e. new ISO 45001. These certificates are maintained by Energoprojekt Holding a.d. through regular, annual verifications by the renowned external accredited verifier – Lloyd's Register. Top Energoprojekt Holding a.d. management passed and it reexamines on a regular basis the "IMS (Integrated Management System) Policy of Energoprojekt Holding a.d. The Policy has been published recently and it is available to interested stakeholders on web presentation (<http://www.energoprojekt.rs/odrzivost/>).

Information on investment aimed at environmental protection

All external suppliers/ partners/ associates of Energoprojekt Holding a.d. are familiar with the IMS Policy. They are bind by the contract to observe, during the realization, commitments of Energoprojekt Holding a.d. defined by policies, procedures and other documents in domain of environmental protection and occupational health safety.

On regular basis, and at least once a year, Companies from the Energoprojekt System follow the realization of set goals, which, among other things, comprise also goals/key success indicators related to reduction of natural resources use, pollution decrease, injury prevention, professional diseases, care for employees.

Business activities are regularly harmonized with applicable requirements of positive legislation in the segment of environmental protection and adequate environmental protection programs are being determined. Named programs are implemented through analysis and

valuing impact i.e. risk in the field of environmental protection, as well as through appropriate technical-technological solutions and instructions for removal and/or decrease of harmful impacts on environment. In that regard, Energoprojekt management organizes and keeps monitoring, reexamining and directing activities of all organizational parts, services and individuals in order to make this IMS policy fully achievable.

Company's activities on environmental protection are integrated and they are being implemented in accordance with business philosophy and through common activities at the level of Energoprojekt System. For example, one could mention the "Waste Management Projekt", which is implemented in a coordinate manner, in accordance with the "Rulebook on Waste Management in Energoprojekt Office Building". Participation of representatives of each company within Energoprojekt System in the Waste Management Task Force is a guarantee that all planned activities will be implemented in a cheapest and the most efficient manner, for example, selection of various office material (used paper, used batteries, electrical and electronic devices that are out of use), recycling of the respective, as well as its disposal in accordance with envisaged standards, etc.

Data on purchasing own shares

Based on the Decision on acquiring own shares on a regulated market, made by the Supervisory Board on 13/02/2017, the Company acquired, by purchasing at the Belgrade Stock Exchange, 97.700 own shares (which is 0.89376% out of total share number).

During 2021 there were no annulments, buy-off or sale of own shares of Energoprojekt Holding a.d.. Additionally, there were no buy-off of own shares, that is a share by the member of the group of consolidated legal entities.

Existence of branch offices

Energoprojekt Holding a.d. has no registered branch offices in Serbia.

Head office of the Mother Company and subsidiaries is in Bulevar Mihaila Pupina number 12, Novi Beograd.

Detailed overview and comments on business operation of (foreign) entities of the Energoprojekt System are shown within the notes accompanying financial statements of Energoprojekt Holding a.d. and notes accompanying financial statements of subsidiaries.

Relevant financial instruments used for evaluation of financial position and business operations success

Financial instruments involve financial assets and liabilities noted in the Company's balance sheet, starting from the moment when the Company becomes related to a financial instrument by contractual obligations, and finally with loss of control over rights resulting from a financial asset (by realization, advertising, assignment etc.), i.e. by settling, abolition or advertising financial obligation.

Financial assets

According to MSFI 9- Financial instruments, financial asset is recognized once the Company becomes one of the parties referring to contractual provisions (rights) of financial instrument. Purchasing or sale of financial asset is noted by use of accounting comprehension on the settlement date (date when the asset is being delivered to the entity or a date when the entity delivers the asset).

The Company seizes to acknowledge financial asset:

- When contractual rights to cash flows from the financial asset seize to be valid, or
- When it transfers the financial asset and the respective transfer, due to significantly transferred risk is use by the financial asset, is qualified as a termination of acknowledgment.

Financial assets are initially measured by their fair value, increased or reduced, in case of a financial asset that is not measured per fair value through income balance, for transaction costs that can be directly assigned to acquisition or emission of financial instrument. In reference to the aforementioned, the difference is in that the initial acknowledgment with claims from sale is measured per transaction price (except in the case when the sales contains significant financing component).

At additional measuring of financial assets, relevant group is the one in which the Company classified financial assets, and which is conditioned by the following:

- Company's business model for financial assets managements and
- Features of contractual cash flows of the financial asset ("SPPI" test-Solely Payemnts of Principal and Interest).

From the aspect of additional valuation, financial asset can be classified in three following groups:

- Financial asset measured per mortised value;
- Financial value measured per fair valued through other total result and
- Financial asset measured per fair value through income balance.

The asset qualified in the category per amortized value should meet both following criteria:

- Business model: the financial asset is kept for generation of agreed money flows;
- SPPI test: whether contractual terms give right to money flows that are only payment of the principal and the interest.

The asset qualified in the category per fair value through total other result should meet both following criteria:

- Business model: the financial asset is kept for generation of agreed money flows and sale;
- SPPI test: whether contractual terms give right to money flows that are only payment of the principal and the interest.

Financial asset measured per fair value through income balance comprises assets that are not classified in previous two groups. Valuing effects and realized losses and gains are acknowledged in the income balance in the period when they occurred.

All derivatives comprised by MSFI 9 are measured per fair value. All changes are acknowledged through income balance.

Dividend, as a financial asset, is recognized in the income balance when:

- The Company's right to being paid dividend has been established,
- When it is likely that future economic benefits related to dividend will spill over to the Company and
- When the dividend amount can be reliably measured.

Value is reduced to a financial asset when there is one or more occurrences that have harmful effect on evaluated future cash flows of the respective financial assets.

In reference to the assets measured per amortized value (loans and claims) and per fair value through other total result, the Company should acknowledge value reduction, i.e. to acknowledge reservation for **expected credit losses**.

On each reporting date:

- If the credit risk is significantly increased since the initial acknowledgement, the Company should measure reservations for losses for financial asset per amount that is equal to expected credit losses during the period of asset duration: and
- If the credit risk is significantly increased since the initial acknowledgement, the Company should measure reservations for losses for financial asset per amount that is equal to twelve-month expected credit losses.

On each reporting date, the Company should evaluate whether the credit risk of certain financial assets increase significantly since the beginning of acknowledgement, which, *inter alia*, means measuring of expected losses form financial asset in a way that reflects the following:

- Unambiguous amount and the amount that is pondered by the probability, which is determined by valuing the set of possible outcomes,
- Money tome frame and
- Reasonable, plausible information available without unnecessary costs of efforts on the reporting date on previous occurrences, current terms and forecasts of future economic terms.

Financial liabilities

A financial liability is each liability which is:

- Contractual right:
 - Supply of cash or other financial asset to the other company; or
 - Exchange of financial assets or financial liabilities with other company, according to terms that are possibly unfavorable for the Company; or

- A contract that will be or can be settled by instruments of own capital of the Company and which is:
 - Non-derivative, for the Company is or can be obliged to deliver variable number of instruments of the Company's own capital; or
 - Derivative, which will be or can be settled in a different manner from exchange of fixed amount or other financial asset for the fixed number of instruments of the Company's own capital.

According to MSFI 9- Financial instruments, financial liability is acknowledged when the Company becomes one of the parties that refer to contractual provisions of the financial instrument.

The Company ceases to acknowledge financial liability (or part of the financial liability) when it is terminated, i.e. when contractual obligation is met, cancelled or expired.

The exchange of debt instruments between existing Borrower and Lender, with significantly different terms should be comprised, accounting-wise as a termination of the original financial liability and acknowledgment of a new one. Similar to the aforementioned, significant change of terms of the existing (or part of) financial liability should be comprised accounting-wise as a termination of the original financial liability and acknowledgement of a new one.

Difference between bookkeeping value of the financial liability (or part of it) which is terminated or transferred to the other party and paid compensation, including also and all transferred non-cash assets or taken liabilities, should be acknowledged in the income balance.

Financial liability is initially measured by their fair value, increased or reduced, in case of a financial liability that is not measured by fair value through income balance, for transaction costs that may be directly assigned to acquisition or emission of financial instrument.

From the aspect of additional valuing, with minor exemptions (derivatives, financial guarantees etc.), financial liabilities are measured by amortized value, by implementing a method of effective interest rate. By implementing this method, the Company identifies compensations that are the constituent part of the effective interest rate of the financial liability (all the aforementioned is applicable also to the financial asset). Compensations that are the constituent part of the effective interest rate comprise starting compensations (service costs, costs for processing credit application, pledge registration, costs for the attorney-at-law etc.), commissions etc.

The Company can, at the initial acknowledgement (reclassification of the financial liability is not done during time), classify financial liability as a measured one by fair value through income balance: if thereby accounting non-harmonization is prevented due to measuring assets, liabilities, income and/or expenditures per various basis, and if the group of financial assets and liabilities is managed and their performances are valued based on the fair value, in accordance with documented risk or investment strategy.

Financial assets value reduction:

MSFI 9 introduces revised model of devaluation of financial assets, which is based on the expected credit loss, and not on previous losses.

Model of the incurred loss from MRS 39 acknowledged the loss per financial instrument only when an objective evidence on financial instrument value reduction appears, like, for example, delay in payment of obligations, financial difficulties of the debtor, opening of pre-bankruptcy/bankruptcy procedure, liquidation of the debtor etc. This approach resulted in a quite late acknowledgement of loss in financial reports. Contrary to that, model of expected credit losses requires evaluation of possible losses from financial instrument value reduction, prior worsening of financial and credit ability of the debtor, i.e. that value compatibility is acknowledged before the occurred losses.

In accordance with the *Methodology for Calculating Devaluation of Financial Instruments in accordance with the MSFI 9*, devaluation calculation is done in accordance with the model of expected losses on the occasion of evaluation of devaluation of financial assets valued by amortized value or by fair value through other result (except for the share in capital), as well as to contractual assets (contractual financial assets in accordance with the MSFI 15).

The Company evaluates devaluation on two levels: individual and a group one.

The Company implements individual evaluation of the calculation of value corrections in cases where key initiators of the credit risk can be followed on a basis of an individual instrument, where the Company follows them with no need for additional joint evaluation.

Individual evaluation of the value correction is implemented by the Company to claims from subsidiary legal entities; to claims from the state, and which do not refer to commercial relations where the state is the investor; to financial placements and given deposits; securities and cash and cash equivalents.

For the requirements of the individual evaluation, the Companies rely on data on unsettled liabilities (PD) from external resources, i.e. data published by the renowned rating agencies. The other parameter in calculation, LGD (Loss Given Default), which means the amount of loss in case of unsettled liability, is based on the Basel LGD of 45%. Exposure in case of unsettlement of liabilities (EAD) in this case is the amount of claim on the reporting date. Discount factor will depend on the effective interest rate determined at the initial acknowledgement and maturity of instrument. If a collection of claims is expected within 12 months, the discount factor is 1.

Group evaluation of the calculation of value corrections is implemented by the Company for the requirements of measuring credit losses, i.e. value corrections at claims from third persons (including claims from the state, state-owned companies and public authorities, where the state is major investor), which comprise claims from buyers in the country and abroad, as well as active time delimitations that have the category of a financial asset, and other claims, including also contractual financial assets in accordance with MSFI 15, i.e. claims based on non-invoiced incomes with the respective entities, and which are not the subject of the scope of individual evaluation, as well as claims for lease which result from transactions within the MSFI 16.

Calculation of parameters that will be implemented in the Energoprojekt System is done based on the data on historical collection by the biggest companies that do their business within Energoprojekt, Energoprojekt Visokogradnja a.d., Energoprojekt Niskogradnja a.d., Energoprojekt Entel a.d. and Energoprojekt Oprema a.d.

Access to PD calculation is founded on creation of patterns of reservation, based on age intervals (14 intervals, based on default date in the following manner: “0” undue claims; “1”- 0-30 delay days, “2” – 31-60 default days.... “13”- 330-360 default days; “14” – more than 360 default days) and rates on uncollected claims (“roll-rate”) between observed intervals.

Loss rate in the case of debt unsettlement of liabilities, LGD, is calculated by observation of claim collection in the “worst” observed interval during the period 2017-2019, i.e. 2017-2020, in a manner that claim amount on 31/12/2019 was put to ratio in the worst interval increased by cut-offs during the observed period and total amount of registered claims, i.e. invoice in the works interval during the observed period. In some cases, due to existence of the first-class (deposit, guarantee etc.) or adequate security (pledge, mortgage), the Company can – prior to LGD implementation, reduce the exposure itself by the amount of collateral with previous implementation of appropriate reduction factor of the respective value (haircut). In cases of claims dating from before 2017, apart from specific claims which need to be appropriately documented, it is assumed that it is about claims that are devaluated and for which the approach of devaluation calculation for instruments for which objective devaluation proof is identified (the way it was explained below).

While approaching the calculation of value correction for financial instruments where objective devaluation proof was identified, need for changing current approach has not been identified in accordance with MRS 39, and the treatment and method for calculation value correction remains unchanged also in accordance with MRS 39 and it is based on the ratio of loss measured as a difference between exposure and current value of future expected money flows, discounted by effective interest rate.

In case of existence of the need for establishing discount factor, i.e. effective interest rate for the requirements of calculation of the expected credit loss (for certain financial instruments which are not measured by simplified approach and assessed in the level 3, which are measured individually), the Company will implement effective interest rate of the given instrument, i.e. in the case of non-existence of the respective, as the next approximation, publicly available data will be used, depending on currency, maturity etc. (NBS statistics, the eminent publicly available sources of information, legal default interest rate, etc.).

The Company does not apply simplified approach for claiming agreed assets from the buyers (subsidiaries of third persons), which result from transactions within MSFI 15 and claims for leasing, which result from transactions within MRS17/MSFI 16. Simplified approach means that life expected credit loss is calculated for the given claim, regardless of whether significant credit risk from the buyer took place, contracted assets and claims based on the lease and reservation measure for losses in the amount equal to the expected credit losses during the entire life expectancy.

The Company applies general approach for other categories of financial property (cash and cash equivalents, financial placements, securities).

Using Methodology for Calculating Financial Instruments Value Correction and in accordance with MSFI 9, the Company defined indicators of significant credit risk increase. In reference to the aforementioned, the following is considered as indicators of significant credit risk increase, i.e. indicators that certain type of financial asset requires calculation of the expected credit loss for the entire period/duration of the respective:

- The drop of external credit rating which is used for the needs of value correction calculation;
- Delay in paying liabilities towards the Company, within 30 days (if the third persons are involved), i.e. 90 days if subsidiary legal entities are involved;
- The second qualitative criteria that can lead to a conclusion that significant credit risk occurred.

For the requirements of identification of devaluation indicators, i.e. criterion that calculation of expected credit loss for the assets being placed in the level 3 is expected, and in accordance with the requirements of MSFI 9, the Companies apply:

- Defined threshold for unsettling liabilities which is applicable to the subject Company and subject category of financial assets;
- Other objective devaluation proofs in accordance with MSFI 9.

Approach to value correction at financial guarantees is founded on the historical losses that Energoprojekt had on this basis.

In reference to the aforementioned, Based on the Methodology for Calculating Financial Instruments Devaluation in accordance with MSFI 9, the Company calculated effects of implementation of MSFI 9 on 01/01/2020 in the amount of 145.136 thousand RSD (acknowledged within the assets), on 31/12/2020 in the amount of 10.339 thousand RSD (income) and on 31/12/2021 in the amount of 51.086 thousand RSD (income), which resulted in value correction of financial instruments in the amount of 83.711 thousand RSD ON 31/12/2021.

The following table shows effects of implementation of MSFI 9 on 31/12/2021, which were noted through results of the current year (increase of gross results in the amount of 51.086 thousand RSD).

Financial instrument	Financial instrument state of play on 31/12/2021 Gross	Conto of corrected value	Initial state of play of value correction 01.01.2021	Transfer (on conto 0439)/from conto 2309 and 2349	Expenditure (conto 58)	Income (conto 68)	Exchange rate differences	Total impact on income balance in 2021	Final state of play of value correction 31.12.2021.	Financial instrument state of play on 31/12/2021 Net
1	2	3	4	5	6	7	8	9=6+7+8	10=4+5+9	11=2+10
Buyers in the country - Mother Company and subsidiary legal entities (conto 2000 and 2001) - EP Visokogradnja (Napomena 29)	888.497	kto 2009	-81.401		-10.163	43.322	-1	33.158	-48.244	840.253
Short-term loan placements - Mother Company and subsidiary legal entities (conto 2300) (Note 31.1)	92.596	kto 23090	-545	66		196	0	196	-283	92.313
Part of long-term financial placement to Mother Company and subsidiaries that becomes due up to 1 year in the country (conto 2340) (Note 31.3)		kto 23490	-4.192	4.192				0	0	0
Long-term claims for non-invoiced income - other legal entities (conto 28102) (Napomena 26)	373.000	kto 28182	-41.465			19.332	-1	19.332	-22.133	350.867
Long-term placements to Mother Company and subsidiary legal entities in the country (conto 04300) without 5.000 RSD interest (Note 31.1)	4.264.783	kto 04390	-7.193	-4.258	-1.762	163	-0	-1.599	-13.050	4.251.733
TOTAL	5.618.876		-134.797	0	-11.925	63.013	-2	51.086	-83.711	5.535.165

In accordance with the implemented Methodology for Calculating Devaluation of Financial Instruments in accordance with MSFI 9, it was established that short-term financial placement given to Enjub d.o.o. are fully covered by pledge on real estate of the subject company, so there is no the amount to be devaluated in accordance with MSFI 9 (Note 45).

Additionally, impacts of MSFI implementation, due to material insignificance, are not noted at the following financial assets: Claims based on sales (apart from claims form Energorprojekt Visokogradnja with due payment date of beyond one year), Claims from specific businesses, Other claims and Cash equivalents and cash.

Effects of the first MSFI 9 implementation on 01/01/2020, in accordance with the provisions of Article 25a of the Law on Corporate Income Tax and provisions of MRS 12, affected increase of deferred tax assets of the Company in the amount 27.770 thousand RSD (15% of total impact of MSFI 9 implementation on 01/01/2020) in the amount of 145.136 thousand RSD, noted through increase of non-allocated profit from previous years), while on 31/12/2020 and 31/12/2021 deferred tax assets were reduce by 4.354 thousand RSD each (by 1/5 each, of the amount of deferred tax assets acknowledged on 01/01/2020 in the amount of 21.770 thousand RSD (Notes 43).

In accordance with the adopted Methodology for Calculating Value Correction of Financial Instruments in accordance with MSFI 9, the Company adopted the existence of objective devaluation proof at following financial instruments:

- Claims based on sales to Energoprojekt Visokogradnja with due payment date beyond 360 days, and
- Claims for non-invoiced income from the Republic of Serbia based on constructed Embassy of the Republic of Serbia in Abuja, Nigeria.

While making projections for net money flows, starting point was the assumption on collection of the abovenamed claims in total, as follows:

- Within 3 (three) years- for claims for non-invoiced income and majority of claims based on sales to Energoprojekt Visokogradnja where on 01/01/2020 it was assumed that they would be collected within 5 (five) years, while starting point for the remaining subject claims from Energoprojekt Visokogradnja was the assumption on collection within 2 (two) and 1 (one) year.
- Within 4 (four years) for claims where on 31/12/2020 it was assumed to be collected within 5 (five) years,
- i.e. within 5 (five) years- for claims that on 31/12/2021 went beyond level of 3.

While discounting values of net money flow, in accordance with adopted Methodology for Calculating Value Correction of Financial Instruments in accordance with MSFI 9, interest rate published at the NBS website for loans approved to non-financial sector in the amount of 2,06% for EUR claims was used.

Please find below the overview of financial assets with identified objective devaluation proof with the data on bookkeeping value of claims and discounted value of net money flow for 31/12/2021.

State of play on 31/12/2021

in 000 RSD

Financial instrument with identified objective devaluation proof	State of play of financial instrument 31/12/2021	Discounted value of net money flow 31/12/2021	Value correction 31/12/2021
Buyers in the country – Mother Company and subsidiary legal entities (conto 200) - EP Visokogradnja (claims with maturity date beyond 360 days)	764,726	716,482	(48,244)
Long-term claims for non-invoiced income – other legal entities (conto 28102)	373,000	350,866	(22,133)
TOTAL	1,137,726	1,067,349	(70,377)

For other financial assets with unidentified objective devaluation proof.

Short-term loans and placements- mother companies and subsidiary legal entities and Long-term placements to mother companies and subsidiary legal entities in the country), in accordance with adopted Methodology for Calculating Value Correction of Financial Instruments in accordance with MSFI 9, rate of 0.68% was established as an average (for the observation period from 1981-2020) for BB credit rating which was published by the renowned Standard&Poors agency as a probability of unsettling liabilities (PD) at claims where the second contracting party is a legal entity, while Basel LGD (Loss Given Default) in the amount of 45% was used as a second parameter in LGD calculation, which means the amount of loss in case of unsettling liabilities.

Relevant financial instruments used for evaluation of financial position and success of business operations of the group, i.e. Energoprojekt System, are described in more details within the note accompanying consolidated annual financial statements.

Goals and policies related to financial risk management and protection policy for each significant type of planned transaction for which the protection is being used. Exposure to price risk, credit risk, liquidity risk and money flow risk, risk management strategy for the respective risks and evaluation of their efficiency

Uncertainty regarding future developments is one of the basic features of business operations in terms of market economic environment, which is reflected in several possible, i.e. potential outcomes. Due to uncertainty, i.e. due to unknowing and insecurity which of potential developments will actually take place, legal entities are exposed to various risks in their business operations, and the respective risks might impact their future market position.

From the Company's aspect, there is a big number of potential risks that in different intensity might have negative impact on the business operation of the Company.

Some (specific) risks are conditioned by internal factors, such as, for example: *concentration risk*, which in case of the Company can be displayed as an exposure to one or smaller group of buyers or suppliers; *operational risk*, which is displayed as a possibility of occurrence of negative effects due to unintentional or intentional omissions in the work of employees, inappropriate internal procedures and processes, inappropriate information system management in the Company etc.; *reputation risk*, which means possibility of the Company's market position worsening due to loss of trust, i.e. negative public image (state institutions, suppliers, buyers etc.) on the Company's business operations; *legal risk*, which is demonstrated in the possibility of occurrence of negative effects due to fines and sanctions resulting from court disputes due to unmet contractual of legal obligations, etc.

Since the majority of these, as well as some other unmentioned risks, are the subject of the parts of Notes or other Company's internal documents (for example minimizing of operational risk through adopted procedures and working instructions, *inter alia*, is the subject of a Rulebook on Accounting and Accounting Policies of the Company), the text that follows will focus on considering **financial risks**, which first of all refer to the following:

- credit risk
- market risk and
- liquidity risk.

Financial risks are significantly conditioned by (extreme) factors which are not directly under the Company's control. In that regard, the amount of financial risk is significantly affected by the condition of the Company's environment, which is not determined only by the development of the economic environment, but also by legal, financial and other relevant aspects that determine system risks level.

Generally speaking, comparatively observed with markets in developed economies, companies which operate on markets, both with insufficient economic development and macroeconomic stability, and likewise with high non-liquidity, such as the Republic of Serbia, are significantly exposed to financial risks. Apart from the aforementioned, the insufficient development of financial market disables the use of broad spectrum of hedging instruments, the developed markets are known for. In that way, for example, companies that have business operations in the Republic of Serbia do not have the possibility to use bigger number of derivative financial instruments in financial risks management, because such instruments are not in a broad use, nor there is organized continuous financial instruments market.

Financial risk management is a comprehensive and reliable management system, directed to minimizing potential negative impacts on financial state of play and Company's business operations, in term of financial market unpredictability.

Respecting limitations in financial risk managements, related to doing business in Serbia's market, there is a clear necessity to approach appropriately to these problems, which is recognized also by the Company's management. Basically, financial risk management in the Company should provide that *Company's risky profit* is always in accordance with the *Company's affinity to risks*, i.e. in accordance with acceptable structure and risk level that the Company intends to take over for the needs of achieving its business strategies and goals.

Credit risks

Credit risk is a risk from the possibility of occurrence of negative effects for the Company's financial result and capital due to unfinished debtors liabilities for the Company, within defined deadlines.

Credit risk does not mean only debtor-trustee relationship that result from the sale of the Company's product, but also those credit risks that result from other financial instruments, such as, for example, Company's claims based on long-term and short-term financial placements.

Company has significant concentrations of claim collection credit risk from some buyers, which have very long crediting period by the Company, due to their insufficient liquidity.

Market risk

Market risk is the risk from the possibility of negative effect occurrence on the financial result and capital of the Company, due to losses within the balance positions, occurred as a consequence of negative market price movements and other relevant financial parameters.

Market risk is composed of:

- currency risk;
- interest risk; and
- price change risk.

- **Currency risk** which is also called foreign currency risk or exchange rate change risk is a risk from invoicing fair values or future cash flows of the financial instrument due to a change of foreign currency exchange rate. Currency risk is manifested at financial instruments that are marked in foreign currency, i.e. in a currency different from the (functional) currency with measured financial reports.

The Company does business in international frameworks and it is exposed to a foreign currency exchange rate change which results from business operations in different currencies, mainly EUR.

Sensitivity analysis, which was carried out, shows that the change of exchange rate would impact more significantly to the Company's results change, so it can be concluded that the Company is significantly exposed to currency risk.

- **Interest risk** is a risk from possibility of occurrence of negative effects on the Company's result and capital, due to unfavorable changes of interest rates. The Company is exposed to this type of risk through positions of financial liabilities for loans with potentially changeable interest rates (Euribor).

Feasibility Analysis that was carried out shows that the Company is exposed to the interest risk.

- **Price change risk** is a risk that the fair value and future cash flows of financial instrument will fluctuate due to change of market prices (which are not the ones that occur due to interest or currency risk), whether those changes are caused by factors specific for individual financial instruments or its issuer, or those factors impact all similar financial instruments traded on the market.

This type of risk is not visible in the Company.

Liquidity risk

Liquidity risk is a risk that the Company will have difficulties in settling due obligations, while maintaining required scope and structure of working assets and preserving credit worthiness.

Ratio Analysis result show that the Company had satisfactory liquidity level during the year, i.e. it did not have any difficulties in settling due obligations, with maintaining required scope and structure of working assets and preservation of god credit worthiness.

We underline the following in reference to the aforementioned:

- While respecting dynamic nature of the Company's business operations, finance department strives to maintain financing flexibility, which, among other thigs, mean availability of the existing credit lines, as well as the extension of the respective; and
- Management caries out continuous monitoring over Company's liquidity reserves, which comprise available unused credit lines, cash and cash equivalents, as well as liquid potentials in accordance with expected money flows.

Problems in question are defined and implemented in accordance with adopted internal documents of the Company:

- *“The Rulebook on Foundation of the Internal Control System and Risk Management in Energoprojekt Holding a.d.”;*
- *“The Rulebook on Work of Internal Monitoring Sector of Energoprojekt Holding a.d.”;*
- *“The Rulebook on Accounting in Energoprojekt Holding a.d.”;*
- *“The Rulebook on Accounting Policies in Energoprojekt Holding a.d.”.*

All companies within the Energoprojekt System have adopted and implement all individual documents, which address the aforementioned subject.

The majority of named, as well as other unmentioned risks, are the subject of Note accompanying financial statements (focusing, first of all, on considering financial risks: credit risk, market risk and liquidity risk) and/or other Company's internal documents.

CORPORATE MANAGEMENT REPORT

Energoprojekt Holding a.d. implement its own Corporate Management Code (which was adopted on the 11th session of Energoprojekt Holding a.d. Board of Directors, as of 26/01/2012). The respective is publically available on the Company's webpage on the following link: <http://www.energoprojekt.rs/wp-content/uploads//2018/10/kodeks.pdf>.

Company Subsidiaries from the Energoprojekt System apply their own Codes of corporate management, which regulated the aforementioned subject.

Corporate Management Code of Energoprojekt Holding a.d. establish principles of corporative practice and organizational structure in accordance with which behave corporate management holders of Energoprojekt Holding a.d., and in particular in reference with shareholders' rights, framework and method of actions of corporate management holders, public and business operations transparency. Basic goal of the Code is to introduce due diligence in domain of corporate managements, which should enable balance of impacts of its holders, consistency of control system and strengthening trust of shareholders and investors in Company, and all aimed at long-term business development of the Company.

The Company bodies invest efforts in more detailed elaborated principles within other general documents of the Company, established by the Code, once there is a need for the respective. There are no significant deviations from the rules of Corporate Management Code in the implementation itself.

In accordance with the "Rulebook on Belgrade Stock Exchange Listing", Energoprojekt Holding a.d. regularly delivers and publishes every year (simultaneously with annual business report) filled "Questionnaire on Corporate Management Practice" (which contains all relevant information on corporate management rules the Company is subject to, according to the national legislation requirements., i.e. corporate management rules/practice which the Company voluntarily decided to implement if they go beyond national legislation requirements) and it agrees to have the respective published on the website of the Belgrade Stock Exchange: <https://www.bwlwx.rs/>.

During 2021 there was no need for takeover by Energoprojekt Holding a.d. or its subsidiaries, when a company is the subject of implementation of regulations that arrange takeover of companies.

Management system is based on organizational arrangement of the Energoprojekt System and legal status of Companies within the Energoprojekt System, in accordance with the Law, Statue of the Mother Company and Statutes of Subsidiaries.

Energoprojekt System consists of Energoprojekt Holding a.d. in the capacity of a control, Mother Company, as well as other affiliates in the country and abroad. Energoprojekt Holding a.d. indirectly or directly has ownership control over all Companies in the System.

Energoprojekt Holding a.d. is a company with two-tier management organization and it comprises the following management authorities: Shareholders Assembly, Supervisory Board and the Executive Board. Subsidiaries from Energoprojekt System are organized as a single-tier and they have their own management bodies: Shareholders' Assemblies and Boards of Directors.

Shareholders Assembly of Energoprojekt Holding a.d. is the highest management and decision-making authority.

Members of the Supervisory Board are appointed by Energoprojekt Holding a.s. Assembly. Energoprojekt Holding a.s. Supervisory Boards currently has four members, out of which one is independent from the Company.

Energoprojekt Holding a.d. Supervisory Board consists of:

Miodrag Zečević – the Chairman

Dragan Ugrčić –member

Aleksandar Šćekić – member

Nada Bojović – independent member

Energoprojekt Holding a.d. Supervisory Board appoints the CEO and Executive Officers.

Energoprojekt Holding a.d. Supervisory Board currently has four members and it consists of the Chief Executive Officer and three Executive Officers (Executive Officer for Finance, Accounting and Plan; Executive Officer for Legal Affairs and Executive Officer for Operational Affairs). CEO represents the Company, and coordinates the work of Executive Directors and organized Company's business operations.

Energoprojekt Holding Executive Board consist of:

Dobroslav Bojović - Chief Executive Officer

Siniša Tekić - Executive Officer for Finance, Accounting and Plan

Momčilo Jevtić - Executive Officer for Legal Affairs

Ilijana Stamenković - Executive Officer for Operational Affairs

CVs of all members of the Supervisory and Executive Board of Energoprojekt Holdingn a.d. are available on issuer's webpage on the following link: <http://www.energoprojekt.rs/organizacija/>.

In reference to the selection of management bodies. Energoprojekt Holding a.d. is trying to apply optimally (to the extent reasonable at the given moment) appropriate diversification policy, respecting thereby aspects such as, for example, gender, age, or education and profession. Aim of diversification policy is, among other things, equal treatment of all potential candidates while selecting, i.e. holding some of the management positions, without the existence of any discriminatory rules, provisions or limitations. There are no significant deviations in reference to the set goals in implementation of the diversification policy itself.

In accordance with the Law and Provisions of the Company Statute, Supervisory Board formed and appointed Auditing Committee on Energoprojekt Holding a.d. . Beside legally binding Auditing Committee, no other committees or advisory bodies were formed.

There is an appointed person in the Company on the position of internal affairs and internal audit. Internal supervision and internal audit affairs in the Company are arranged by the “Rulebook on the Work of Internal Supervision Sector” and “Rulebook on Internal Affairs System and Risk Management Process in Energoprojekt Holding a.d.”.

The “Rulebook on Internal Affairs System and Risk Management Process in Energoprojekt Holding a.d.” defines the process of risk management, methodologies with criteria for risk evaluation and appropriateness of control activities for avoiding and mitigating risks, monitoring effect of measures defined for risk reduction/management in business operations and other risks (risks related to the procedure of financial and other reporting, harmonization with positive regulations, human resources management risks, occupational security and protection of employees, environmental protection etc.). In the context of internal affairs, the Company particularly recognizes and systematizes the information and communication in relation with financial reporting, which need to be identified, generated and processed in a way suitable for use at different levels of the Company, and distributed in a form and timeframe that needs to be adequate for set goals and requirements. The Company established control activities in relation with planning and delivering key processes, activities and procedures that are integrated into the system, with the aim of providing higher efficiency of business process and risk management. Risk identification of the Company is carried out in the context of the Company’s Mission and Vision, adopted Strategy (Midterm Plan, Annual Plan and other adopted documents was done, by reviewing quarterly reports and business analysis, which comprise the most important business parameters (Financial and Economic Indicators of Business Operations; Business Profitability; Market Trends; Key Jobs and Business Events relevant for business operations and liquidity etc.). The Company continuously deals with education of employees in the field of risk management, raising level of knowledge and awareness of the respective, improves adequate preventive and corrective measures aimed at risk exposure reduction.

Through risk management process, the Company provides system for identification, analysis and evaluation of a risk it is exposed to in doing business, as well as the respective risks management in a way that the exposure is being kept on a level that will not jeopardize Company’s property or business operations, i.e. that will provide accomplishing goals, plans and legality of its work. In reference to strategic commitments, adopted plans and Company goals, Energoprojekt Holding a.d. Executive Board/Boards of Directors of the Companies within the Energoprojekt System adopt the level of risk acceptable for the Company.

NON-FINANCIAL REPORT

Energoprojekt System is internationally recognized designing-consulting, engineering and contracting group that takes significant position in the fields of energy, infrastructure, water management and environmental protection, civil engineering high-rise and industry.

Energoprojekt is the only group in the region that is listed by the renowned American magazine "Engineering News Report" among 225 biggest international designing and 250 biggest international contracting companies, which are ranked by total income they made on the international market.

Energoprojekt System consists of Energoprojekt Holding a.d. in the capacity of control, Mother Company, as well as of other Subsidiaries in the country and abroad. Energoprojekt Holding a.d. directly or indirectly has ownership control over all companies in the System.

Main activity of Energoprojekt Holding a.d. is Holdong Companies Activity-6420.

Energoprojekt Holding a.d. is a control-Mother Company, whose activity is to finance and manage subsidiaries.

Seven Subsidiaries are dealing with the basic activities: Energoprojekt Visokogradnja a.d., Energoprojekt Niskogradnja a.d., Energoprojekt Oprema a.d., Energoprojekt Entel a.d., Energoprojekt Hidroinženjering a.d., Energoprojekt Industrija a.d. and Energoprojekt Urbanizam i arhitektura a.d.. Two companies are founded with the aim of implementing concrete projects of residential-office construction: Energoprojekt Sunnyville d.o.o. and Energoprojekt Park 11 d.o.o..

Energoprojekt System is operating in four continents today, covering thereby about 20 countries.

Energoprojekt Holding a.d. and all Subsidiaries within the Energoprojekt System carry out their business operations in accordance with positive regulations in the Republic of Serbia and other countries where they have their activities.

Companies within the Energoprojekt System plan their business operations and follow implementation of adopted annual plans and mid-term plan within defined timeframes, and, if necessary, take required measures aimed and providing continuity and development of business operations, taking thereby into account all relevant factors that impact the business operations. These processes are defined by a set of internal normative documents, written procedures and other adopted documents, among which the most important are the following: Energoprojekt System Rulebook on Planning, EPH-09P procedures Strategic Planning, EPH-09P-10 Annual Plan Creation. In accordance with positive regulations of the Republic of Serbia, the most important normative documents of Energoprojekt Holding a.d. are the following: the Memorandum of Association, the Statute, Corporate Management Code and the Rules of Procedure of the Assembly/ Information on the members of the Supervisory and the Executive Boards of Energoprojekt Holding a.d., Reports from the Shareholders Assembly of Energoprojekt Holding a.d., important Decisions by Energoprojekt Holding a.d. Assembly, Quarterly and Annual Financial Statements and other relevant information from Belgrade Stock Exchange are publically available at web presentation of Energoprojekt (<http://www.energoprojekt.rs/investitori/>).

All other relevant documents of Energoprojekt Holding a.d. as well as of the Companies within the Energoprojekt System are regularly updated and in accordance with the business commitments of individual Companies, they are available electronically to employees and external verifiers (auditors, inspections etc.) on internet portals of the companies.

Energoprojekt Holding a.d. harmonizes its business operations with the requirements of standards for management quality according to ISO 9001, environmental protection management in accordance with ISO 14001 and occupational health and safety management in accordance with ISO 45001 standard. Harmonization with the aforementioned standards was certified by Energoprojekt Holding a.d. as follows: since 2010 according to ISO 9001 standard, i.e. since 2013 according to ISO 14001 and BS OHSAS 18001 standards. According to transfer of BS OHSAS 18001 to ISO 45001, Energoprojekt Holding a.d. carried out transition in 2020 and certified business operations in accordance with the requirements of a new standard ISO45001. Business operations harmonization with the aforementioned standards of Energoprojekt Holding a.d. is maintained through regular, annual internal verifications, as well as regular annual external verifications by the renowned external accredited verifier- Lloyd's Register. Valid Certificat No. 10279187 issued on 01/07/2020 by the mentioned company Lloyd's Register is publically available to all interested stakeholders on web presentation (<http://www.energoprojekt.rs/odrzivost/>).

Top management of Energoprojekt Holding a,d, passed and reviews on a regular basis the "IMS (Integrated Management Systems) Policy of Energoprojekt Holding a,d, The IMS Policy is publically available to all interested stakeholders on web presentation (<http://www.energoprojekt.rs/odrzivost/>).

All Subsidiaries within the Energoprojekt System have defined certified business operations, in the same manner, and in accordance with three standards: ISO 9001, ISO 14001, ISO 45001. Apart from the aforementioned, Energoprojekt Entel a.d. and Energoprojekt Hidroinženjering a.d. harmonized and certified their business operations in accordance with requirements of safety standard ISO 27001, information security management, and Energoprojekt Entel a.d. and Energoprojekt Industrija a.d. certified their business operations also in accordance with requirements of standards for energy management ISO 5001. All Companies adopted IMS Policies and certificates that are publically available to interested stakeholders on web presentations of each Company.

All external suppliers/partners/ associates of Energoprojekt Holding a.d. are familiar with the IMS Policy. During implementation of the agreed activities, they are contractually bind to observe Energoprojekt Holding a.d. commitment defined by policies, procedures and other documents, particularly in the field of environmental protection and occupational safety and security.

Energoprojekt Holding a.d. and all Subsidiaries transparently defined social, staffing and issued regarding respect for human rights Companies within Energoprojekt System define - by internal normative acts and written procedures in a transparent manner and according to clear criteria, activities of selecting and allocating employees to appropriate jobs, their assignments, rights and obligations, rewarding method, training process etc. The following document of Energoprojekt Holding a.d. define this area: the Rulebook on Internal Organization and Systematization at Energoprojekt Holding a.d; Rulebook on Earnings Policy at Energoprojekt Holding a.d; Rulebook on Work of Employees abroad at Energoprojekt Holding a.d; Rulebook on Per Diems for Service Travels at Energoprojekt Holding a.d; Rulebook on Education and Professional Qualification of Employees at Energoprojekt Holding a.d; Rulebook on Internal Whistleblowing Procedure at Energoprojekt Holding a.d; Decision on Determining Person Authorized for Receiving Information and Running Procedure related to Internal Whistleblowing; EPH-09P-16 procedure- Human Resources Management etc. All Subsidiaries within Energoprojekt System apply documents that define the aforementioned areas, which were adopted by the management of each Company.

Regularly, and at least once a year, Companies from Energoprojekt System monitor the implementation of set goals that, among other things, comprise also goals/key indicators of successes related to achieving business results (reduction of use of natural resources, pollution reduction), safety and health of the employees (injury prevention, professional diseases, care for employees). In reference to the care for employees, for more than 10 Energoprojekt Holding a.d. has been providing annual checkups/preventive medical checkups for all employees, aimed at early detection of diseases and at taking adequate treatment measures. Such checkup examinations are provided to employees also by other Companies within Energoprojekt System in a dynamic compatible with the needs and possibilities of each individual company.

Energoprojekt Holding a.d;. and all Subsidiaries within the Energoprojekt System developed risk management system and they defined control activities. Normative documents defining this process at Energoprojekt Holding a.d; are the following: Rulebook on Basis of Internal Affairs System and Risk Management and Rulebook on the Work of Internal Surveillance Sector at Energoprojekt Holding a.d. Other Subsidiaries within Energoprojekt System implement documents of the same kind, adopted by their respective management. These documents define risk management processes, risk evaluation and control activities methodology, monitoring effects of measures defined for business risk reduction/management. All described activities involve - apart from business risks- the risks related to issues of human resources management, environmental protection management, occupational safety and protection, ethical issues (bribery, corruption...) and other issues relevant for sustainability and development of Energoprojekt Holding a.d business operations and business operations of individual Subsidiaries within the Energoprojekt System. Evaluation and risk consideration are carried out by the Companies' management and Energoprojekt Holding a.d management at regular intervals, following defined normative documents related, and least once a year.

Besides planning and monitoring business result, as described above, the Executive Board of Energoprojekt Holding a.d reviews once a year the achievement of set key indicators of success, risk evaluation and defined control activities.


Energoprojekt Holding a.d
Executive Officer for Finance, Accounting and Plan


Siniša Tekić, B.Sc.Ecc



Energoprojekt Holding a.d;
Chief Executive Officer

Dobroslav Bojović, B.Sc.Ecc



4. STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Annual Financial Statements of the Energoprojekt Holding Plc. for 2021 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.



Siniša Tekić, B.Sc.Ecc.



Legal Representative:

Chief Executive Officer

Energoprojekt Holding Plc.


Dobroslav Bojović, B.Sc.Ecc.