

"ENERGOPROJEKT ENTEL" Plc., BELGRADE

Summary Consolidated Financial Statement
for the Year ended 31 December 2020
and
Independent Auditor's Report



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To the Management of „Energoprojekt Entel“ Plc. Belgrade

The accompanying summary consolidated financial statements of the parent company "Energoprojekt Entel" Plc. Belgrade (hereinafter: "the Parent Company") and its subsidiaries and associated company (hereinafter: "the Group"), stated in thousand of USD, which comprise the summary consolidated balance sheet as at 31 December 2020 and the corresponding summary consolidated income statement for the year then ended, are derived from the audited consolidated financial statements of the Group for the year ended 31 December 2020.

Our report dated 23 April 2021, expressed an unmodified opinion on the Group's consolidated financial statements for the year 2020.

Independent Auditor's Report issued on audited consolidated financial statements of the Group for the year ended 31 December 2020 is attached.

Belgrade, 05 July 2021

„MOORE STEPHENS
Revizija i Računovodstvo“ d.o.o., Beograd

*Jelena Beljkaš
Authorised Auditor*

„MOORE STEPHENS
Revizija i Računovodstvo“ d.o.o., Beograd

*Bogoljub Aleksić
Managing Partner*



	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
ASSETS					
Non-Current Assets					
Intangible assets	20	39	51	69	91
Property, plant and equipment	9,696	9,547	10,066	10,690	9,870
Investment property	0	0	0	19	16
Long-term financial investments	15,341	14,846	13,785	10,914	7,975
Total non-current assets	25,056	24,433	23,902	21,692	17,952
Current Assets					
Inventories	148	97	99	284	65
Non-current assets held for sale	0	0	0	-	-
Receivables	27,967	30,891	33,073	29,719	29,863
Cash and cash equivalents	3,585	3,185	3,867	9,009	8,023
Total current assets	31,701	34,173	37,039	39,012	37,951
Deferred tax assets	-	-	-	-	-
TOTAL ASSETS	56,757	58,606	60,941	60,704	55,903
Off-Balance Sheet Items	20,961	26,636	27,183	24,513	18,611
EQUITY AND LIABILITIES					
Equity					
Equity capital	1,811	1,651	1,675	2,343	2,343
Reserves	249	228	232	241	206
Revaluation reserves	3,704	3,638	3,942	2,370	2,630
Retained earnings	33,764	33,017	29,808	30,501	26,880
Total equity	39,528	38,534	34,917	35,455	32,059
Long-term provisions	7,079	7,858	6,840	7,306	4,951
Other long-term liabilities	0	7	17	45	65
Short-term financial liabilities	7	9	27	43	84
Trade payables	9,525	11,628	18,554	17,238	18,221
Deferred tax liabilities	618	569	586	617	523
Total liabilities	17,229	20,072	26,024	25,249	23,884
TOTAL EQUITY AND LIABILITIES	56,757	58,606	60,941	60,704	55,903
Off-Balance Sheet Items	20,961	26,636	27,183	24,513	18,611

Note: Dinar amounts are translated into US Dollars at the exchange rate ruling on 31 December. The exchange rates of the respective years are shown below:

Year 2020 - 1 USD = RSD 95.6637;

Year 2019 - 1 USD = RSD 104.9186;

Year 2018 - 1 USD = RSD 103.3893;

Year 2017 - 1 USD = RSD 99.1155; and

Year 2016 - 1 USD = RSD 117.1353.

The figure of equity capital was shown at the historical exchange rate ruling on 31 December 2017, and from 31 December 2018 it was also translated at the exchange rate ruling on 31 December.

SUMMARY CONSOLIDATED BALANCE SHEET
As of 31 December 2020, 2019, 2018, 2017 and 2016
In thousand of USD

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Operating Income					
Sales	43,115	53,879	51,642	56,337	55,433
Other operating income	-	-	-	-	-
Total operating income	43,115	53,879	51,642	56,337	55,433
Operating Expenses					
Costs of goods sold	0	0	0	-	9
Cost of materials and energy	1,080	1,341	1,407	1,292	1,156
Cost of salaries, fringe benefits and other personal expenses	26,408	31,570	30,812	32,328	33,723
Depreciation and provisions	977	2,745	1,138	3,194	2,806
Other operating expenses	11,596	14,797	13,998	14,461	13,679
Total operating expenses	40,060	50,453	47,355	51,275	51,373
Profit/(loss) from operating activities	3,055	3,427	4,287	5,062	4,060
Finance income/(expenses), net	1,030	767	889	831	672
Other income/(expenses), net	131	60	204	5	1,442
Profit before tax	4,216	4,254	5,380	5,898	6,174
Income tax	259	297	473	320	248
Deferred tax expense and income for period	6	8	(279)	1	(1)
Net profit	3,963	3,964	4,628	5,579	5,925

Note: Dinar amounts are translated into US Dollars at the average exchange rate for the years as follows:

Year 2020 - 1 USD = RSD 103.0272;

Year 2019 - 1 USD = RSD 105.2762;

Year 2018 - 1 USD = RSD 100.2784;

Year 2017 - 1 USD = RSD 107.4987; and

Year 2016 - 1 USD = RSD 111.2903.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Entel" Plc., Belgrade

Opinion

We have audited the accompanying annual consolidated financial statements of parent company "Energoprojekt Entel" Plc., Belgrade (the "Parent company") and its subsidiaries and associated company, (the "Group") which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statements, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and of consolidated financial performances and consolidated cash flows for the year then ended in accordance with the current accounting regulations in effect in the Republic of Serbia and accounting policies disclosed in the notes to the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law on Audit of the Republic of Serbia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Serbia, and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the current accounting regulations in effect in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Persons authorized for management are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Entel" Plc., Belgrade (Continued)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;*
- Conclude on the appropriateness of the Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;*
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;*

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Entel" Plc., Belgrade (Continued)

Other Information

Compliance of the 2020 Annual Business Report with the Consolidated Financial Statements

Management is responsible for other information. Other information is all information provided in the 2020 Annual Business Report, other than the consolidated financial statements and the Auditor's Report. Our opinion on the consolidated financial statements does not cover other information and we do not provide assurance thereon.

Pursuant to the requirements of the Law on Auditing of the Republic of Serbia and Rulebook on Conditions for Auditing Financial Statements of Public Enterprises, we have checked the compliance of the Annual Business Report and the consolidated Financial Statements of the Group.

In conjunction with our audit, it is our responsibility, in accordance with the International Standards on Auditing 720 - Auditor's Responsibility Relating to Other Information, to read this other information and to assess whether based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Belgrade, 23 April 2021

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Bogoljub Aleksić
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