ENERGOPROJEKT ENTEL A.D., BEOGRAD

Consolidated Financial Statements for 2024 in accordance with accounting regulations prevailing in the Republic of Serbia and

Independent auditor's report

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Translation of the Auditors' Report issued in the Serbian language

Independent auditor's report

To the Board of directors and Assembly of Energoprojekt Entel a.d. Beograd

Opinion

We have audited the consolidated financial statements of Energoprojekt Entel a.d. Beograd and its subsidiaries (hereinafter: the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit and loss, consolidated statement of other comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with accounting regulations prevailing in the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with auditing standards applicable in the Republic of Serbia and the Law on Auditing 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Group's management is responsible for other information. Other information includes the Consolidated Annual Business Report for the year ended 31 December 2024. Our opinion on the consolidated financial statements does not apply to other information and we do not express any form of conclusion that provides assurance about them.

In connection with our audit of the consolidated financial statements, it is our responsibility to read other information and consider whether there is a material inconsistency between them and the consolidated financial statements or our comprehension gained during the audit, or otherwise, material misstatements.

Based on the work we performed during the audit of the consolidated financial statements, in our opinion the Consolidated Annual Business Report for 2024, which include non-financial information in accordance with the requirements of Article 38 of the Law on Accounting, was prepared in accordance with the requirements based on the Law on Accounting ("Službeni glasnik" of RS no. 73/2019 and 44/2021) and information that are disclosed in the Consolidated Annual Business Report for 2024 are, in all material matters, harmonized with the consolidated financial statements for the same business year.

In addition, if, based on the work we have done, we conclude that there is a material misstatement of other information, we are required to disclose that fact in a report. In that sense, there is nothing that we should say in the report.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting, 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, 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.

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 auditing standards applicable in the Republic of Serbia 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 auditing standards applicable in the Republic of Serbia, we exercise professional judgment and maintain professional scepticism throughout 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 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 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 management, 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.

Belgrade, April 30, 2025

RSM Serbia d.o.o.
Beograd-Novi Beograd
RSM

Stanimirka Svičević, Certified Auditor

Energoprojekt Entel - Beograd

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31.12.2024

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount		
				Current year	Previous year	
					Ending balance on 31.12.2023.	Opening balance on 01.01.2023.
1	2	3	4	5	6	7
	ASSETS					
0	**A. UNPAID SUBSCRIBED CAPITAL**	0001				
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	0002		2.277.137	2.293.984	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	26	2.759	3.922	
010	1. Investment in development	0004				
011, 012 and 014	2. Concessions, patents, licenses, similar rights, software and other rights	0005	26	2.759	3.922	
013	3. Goodwill	0006				
015 and 016	4. Intangible assets leased and Intangible assets in development	0007				
017	5. Advance payments for acquisition of intangible assets	0008				
02	II. PROPERTY, PLANT and EQUIPMENT (0010 + 0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009		1.148.690	1.154.226	
020, 021 and 022	1. Land and buildings	0010	27	796.935	810.715	
023	2. Plant and equipment	0011	27	92.081	89.075	
024	3. Investment property	0012				
025 and 027	4. Property, plant and equipment under constructio leased and property, plant and equipment under construction	0013	27	259.385	254.147	
026 and 028	5. Other property, plant and equipment and investment in PPE owned by third parties	0014	27	289	289	
029 (p.o.)	6. Advance payments for property, plant and equipment in the country	0015				
029 (p.o.)	7. Advance payments for property, plant and equipment in the abroad	0016				
03	III. BIOLOGICAL ASSETS	0017				
04 and 05	IV. LONG TERM FINANCIAL INVESTMENTS AND LONG TERM RECEIVABLES (0019 + 0020 + 0021 + 0022 + 0023 + 0024 + 0025 + 0026 + 0027)	0018	28	1.120.579	1.133.680	
040 (p.o.), 041 (p.o.) and 042 (p.o.)	1. Investments in legal entities (excluding equity participations that are valued using the equity method)	0019				
040 (p.o.), 041 (p.o.), 042 (p.o.)	2. Investments that are valued using the equity method	0020	28	94.995	100.377	
043, 050 (p.o.) and 051 (p.o.)	3. Long-term loans to parent companies, subsidiaries, other associated companies and long-term receivables on these persons in the country	0021				
044, 050 (p.o.), 051 (p.o.)	4. Long-term loans to parent companies, subsidiaries, other associated companies and long-term receivables on these persons in the abroad	0022				
045 (p.o.) and 053 (p.o.)	5. Long-term loans (given loans and borrowings) - domestic	0023				
045 (p.o.) and 053 (p.o.)	6. Long-term loans (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 and 056	9. Other long term investmenti and other long term receivables	0027	28	1.025.584	1.033.303	
28 (p.o.), except 288	V. LONG TERM PREPAYMENTS AND ACCURED INCOME	0028	29	5.109	2.156	
288	**VI. DEFFERED TAX ASSETS**	0029				

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31.12.2024

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount		
				Current year	Previous year	
					Ending balance on 31.12.2023.	Opening balance on 01.01.2023.
1	2	3	4	5	6	7
	G. CURRENT ASSETS (0031 + 0037 + 0038 + 0044 + 0048 + 0057+ 0058)	0030		3.627.699	3.580.896	
Class 1 (except 14)	I. INVENTORIES (0032 + 0033 + 0034 + 0035 + 0036)	0031		18.526	21.757	
10	1. Material, spare parts, tools and small inventory	0032				
11 and 12	2. Work in progress and finished products	0033				
13	3. Merchandise	0034				
150, 152 and 154	4. Advance payaments for inventories and services - domestic	0035	30	11.610	15.617	
151, 153 and 155	5. Advance payaments for inventories and services - foreign	0036	30	6.916	6.140	
14	II Non-current assets held for trading	0037				
20	III. TRADE RECEIVABLES (0039 + 0040 + 0041 + 0042 + 0043)	0038		713.752	1.080.610	
204	1. Trade receivables- domestic third party	0039	31	153.771	142.303	
205	2. Trade receivables- foreign third party	0040	31	559.952	938.284	
200 and 202	3. Trade receivables- domestic parent companies, subsidiaries and other associated entities	0041	31	29	23	
201 and 203	4. Trade receivables- foreign parent companies, subsidiaries and other associated entities	0042				
206	5. Other trade receivables	0043				
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	32	154.223	136.411	
21, 22 except (223 and 224) and 27	1. Other receivables	0045	32	154.223	136.411	
223	2. Receivables for overpaid income tax	0046				
224	3. Receivables from overpaid other taxes and contributions	0047				
23	VI. SHORT-TERM FINANCIAL INVESTMENTS (0049 + 0050 + 0051 + 0052 + 0053 + 0054 + 0055 + 0056)	0048	33	1.124.165	1.269.080	
230	1. hort-term loans and investments in parent companies and subsidiaries	0049				
231	2. Short-term loans and investments in other related parties	0050				
232, 234 (p.o.)	3. Short term loans and placements - domestic	0051				
233, 234 (p.o.)	4. Short term loans and placements - foreign	0052				
235	5. Securities valued at depreciated value	0053				
236 (p.o.)	6. Financial assets at fair value through Statement of comprehensive income	0054				
237	7. Repurchased own shares	0055				
236 (p.o.), 238 and 239	8. Other short term investments	0056	33	1.124.165	1.269.080	
24	VI. CASH AND CASH EQUIVALENTS	0057	34	672.192	501.026	
28 (p.o.) except 288	VII. SHORT-TERMS PREPAYMENTS AND ACCURED INCOME	0058	35	944.841	572.012	
	D. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029 + 0030)	0059		5.904.836	5.874.880	
88	**Đ. OFF BALANCE ASSETS**	0060	50	1.831.503	1.821.190	

Energoprojekt Entel - Beograd

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31.12.2024

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount		
				Current year	Previous year	
					Ending balance on 31.12.2023.	Opening balance on 01.01.2023.
1	2	3	4	5	6	7
	EQUITY AND LIABILITIES					
	A. EQUITY (0402 + 0403 + 0404 + 0405 + 0406 - 0407 + 0408 + 0411 - 0412) ≥ 0	0401	36	4.314.909	4.165.692	
30, except 306	I. BASIC CAPITAL	0402	36.1	173.223	173.223	
31	II. UNPAID SUBSCRIBED CAPITAL	0403				
306	III. SHARE PREMIUMS	0404				
32	IV. RESERVES	0405	36.2	24.034	23.959	
330 and demand balance 331, 332, 333, 334, 335, 336 and 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0406	36.3	473.509	445.033	
debt balance 331, 332, 333, 334, 335, 336 and 337	VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0407	36.3	475		
34	VIII. RETAINED PROFIT (0409+ 0410)	0408		3.644.618	3.523.477	
340	1. Retained profit from previous years	0409	36.4	3.443.077	3.197.311	
341	2. Retained profit from current year	0410	36.4	201.541	326.166	
	VIII. NON-CONTROLING INTEREST	0411				
35	IX. LOSS (0413 + 0414)	0412				
350	1. Previous year's losses	0413				
351	2. Current year loss	0414				
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416 + 0420 + 0428)	0415		619.285	676.520	
40	I. LONG- TERM PROVISIONS (0417 + 0418 + 0419)	0416	37	413.337	489.836	
404	1. Provisions for employees benefits	0417	37	278.424	267.083	
400	2. Provisions for costs incurred during the warranty period	0418	37	134.913	222.753	
40, except 400 and 404	3. Other long-term provisions	0419				
41	II. LONG- TERM LIABILITIES (0421 + 0422 + 0423 + 0424 + 0425 + 0426 + 0427)	0420	38	157.269	149.295	
410	1. Liabilities that can be converted into capital	0421				
411 (p.o.) and 412 (p.o.)	2. Long-term loans and other long-term liabilities to parent, subsidiaries and other related parties - domestic	0422				
411 (p.o.) and 412 (p.o.)	3. Long-term loans and other long-term liabilities to parent, subsidiaries and other related parties - foreign	0423				
414 and 416 (p.o.)	4. Long-term loans and liabilities for leasing - domestic	0424				
415 and 416 (p.o.)	5. Long-term loans and liabilities for leasing - foreign	0425	38	157.269	149.295	
413	6. Liabilities based on issued securities	0426				
419	7. Other long-term liabilities	0427				
49 (p.o.), except 498 and 495 (p.o.)	III. LONG-TERM ACCRUALS AND DEFFERED INCOME	0428	39	48.679	37.389	
498	**V. DEFFERED TAX LIABILITIES**	0429	40	58.896	64.303	
495 (p.o.)	**G. LONG - TERM DEFERRED INCOME AND DONATIONS RECEIVED**	0430				
	D. SHORT - TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432 + 0433 + 0441 + 0442 + 0449 + 0453 + 0454)	0431		911.746	968.365	
467	I. SHORT - TERM PROVISIONS	0432				

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31.12.2024

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount		
				Current year	Previous year	
					Ending balance on 31.12.2023.	Opening balance on 01.01.2023.
1	2	3	4	5	6	7
42, except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0433	41	80.398	81.768	
420 (p.o.) and 421 (p.o.)	1. Liabilities for loans to parent companies, subsidiaries and other related parties - domestic	0434				
420 (p.o.) and 421 (p.o.)	2. Liabilities for loans to parent companies, subsidiaries and other related parties - foreign	0435				
422 (p.o.), 424 (p.o.), 425 (p.o.), and 429 (p.o.)	3. Liabilities for loans and borrowings from persons other than domestic banks	0436				
422 (p.o.), 424 (p.o.), 425 (p.o.) and 429 (p.o.)	4. Liabilities for loans from domestic banks	0437				
423, 424 (p.o.), 425 (p.o.) and 429 (p.o.)	5. Loans, borrowings and liabilities - foreign	0438	41	80.398	81.768	
426	6. Liabilities for short-term securities	0439				
428	7. Liabilities for financial derivatives	0440				
430	III. RECEIVED ADVANCES PAYMENTS, DEPOSITS AND BAILS	0441	42	61.117	66.943	
43 except 430	III. LIABILITIES FROM BUSINESS OPERATIONS (0443 + 0444 + 0445 + 0446 + 0447 + 0448)	0442	43	461.417	479.639	
431 and 433	1. Liabilities to suppliers - parent companies, subsidiaries and other related parties - domestic	0443	43	8.936	5.896	
432 and 434	2. Liabilities to suppliers - parent companies, subsidiaries and other related parties - foreign	0444				
435	3. Liabilities to suppliers - domestic	0445	43	10.290	8.626	
436	4. Liabilities to suppliers - foreign	0446	43	441.462	464.144	
439 (p.o.)	5. Liabilities for bill of exchange	0447				
439 (p.o.)	6. Other liabilities from business operations	0448	43	729	973	
44,45,46, except 467, 47 and 48	V. OTHER SHORT-TERM LIABILITIES (0450 + 0451 + 0452)	0449		308.814	331.683	
44, 45 and 46 except 467	1. Other short-term liabilities	0450	44	254.281	267.420	
47, 48 except 481	2. Liabilities for value added tax and other public revenue	0451	45	31.720	44.176	
481	3. Liabilities for income tax	0452	46	22.813	20.087	
427	VI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS FROM DISCONTINUED OPERATIONS	0453				
49 (p.o.) except 498	VII. SHORT-TERM ACCRUALS AND DEFFERED INCOME	0454	47		8.332	
	Đ. LOSS OVER CAPITAL (0415 + 0429 + 0430 + 0431 - 0059) ≥ 0 = 0407 + 0412 - 0402 - 0403 - 0404 - 0405 - 0406 - 0408 - 0411) ≥ 0	0455				
	E. TOTAL EQUITY AND LIABILITIES (0401 + 0415 + 0429 + 0430 + 0431 - 0455)	0456		5.904.836	5.874.880	
89	Ž. OFF BALANCE LIABILITIES	0457	50	1.831.503	1.821.190	

*Notes refer to individual positions and they are presented as notes to the Consolidated Financial Statements

These consolidated financial statements were approved for publication on 02.04.2025. I and were signed by the legal representative Energoprojekt Entel - Beograd.

Mladen Simović

Director

ENERGOPROJEKT ENTEL BEOGRAD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period between 01.01.2024. and 31.12.2024.

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005 + 1008 + 1009 - 1010 + 1011 + 1012)	1001		3.435.339	3.794.044
60	I. INCOME FROM THE SALE OF MERCHANDISE (1003 + 1004)	1002			
600, 602 and 604	1. Sales of merchandise to domestic customers	1003			
601, 603 and 605	2. Sales of merchandise to foreign customers	1004			
61	II. INCOME FROM SALES OF PRODUCTS AND SERVICE RENDERED (1006 + 1007)	1005	11	3.431.271	3.793.861
610, 612 and 614	1. Sales of finished goods and services rendered to domestic customers	1006	11	679.012	777.584
611, 613 and 615	2. Sales of finished goods and services rendered to foreign customers	1007	11	2.752.259	3.016.277
62	III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008			
630	IV. INCREASE OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS	1009			
631	V. DECREASE OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS	1010			
64 and 65	VI. OTHER OPERATING INCOME	1011			
68, except 683, 685 and 686	VII.INCOME FROM ASSETS VALUE ADJUSTMENT (EXCEPT FINANCIAL)	1012	12	4.068	183
	B. OPERATING EXPENSES (1014 + 1015 + 1016 + 1020 + 1021 + 1022 + 1023 + 1024)	1013		3.264.325	3.590.264
50	I. COST OF GOODS SOLD - COGS	1014			
51	II. COST OF MATERIAL, FUEL AND ENERGY	1015	13	97.703	109.279
52	III. COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES (1017 + 1018 + 1019)	1016	14	1.837.326	2.235.121
520	1. Costs of salarie and fringe benefits	1017	14	1.690.471	2.085.862
521	2. Costs of tax,earnings contributions and fringe benefits	1018	14	57.698	62.105
52 except 520 and 521	3. Other personal expenses and indemnity	1019	14	89.157	87.154
540	IV. DEPRECIATION COSTS	1020	15	114.867	120.431
58, except 583, 585 and 586	V. EXPENSES FROM PROPERTY VALUE ADJUSTMENT (EXCEPT FINANCIAL)	1021	16	4.462	2.603
53	VI. COSTS OF PRODUCTION SERVICES	1022	17	634.428	641.476
54, except 540	VII. PROVISIONS COSTS	1023	18	39.165	64.621
55	VIII. NON-PRODUCTION COSTS	1024	19	536.374	416.733
	V. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		171.014	203.780
	G. OPERATING LOSS (1013 - 1001) ≥ 0	1026			
	D. FINANCIAL INCOME (1028 + 1029 + 1030 + 1031)	1027	20.1	99.172	114.598
660 and 661	I. FINANCIAL INCOME FROM RELATIONS WITH PARENTS COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	20.1	8	8
662	II. INCOME FROM INTEREST	1029	20.1	59.528	76.052
663 and 664	III. FX GAINS AND INCOME FOR THE EFFECTS OF CURRENCY CLAUSE	1030	20.1	881	1.443
665 and 669	IV. OTHER FINANCIAL INCOME	1031	20.1	38.755	37.095
	Đ. FINANCIAL EXPENSES (1033 + 1034 + 1035 + 1036)	1032	20.2	15.989	18.335
560 and 561	I. FINANCIAL EXPENSES FROM RELATIONS WITH PARENTS COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	20.2	8	1
562	II. COSTS OF INTERESTS	1034	20.2	14.196	14.570
563 and 564	III. FX LOSSES AND LOSSES FOR CURRENCY CLAUSE EFFECTS	1035	20.2	1.785	3.764

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period between 01.01.2024. and 31.12.2024.

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount	
				Current year	Previous year
1	2	3	4	5	6
565 and 569	IV. OTHER FINANCIAL EXPENSES	1036			
	E. FINANCIAL PROFIT (1027 - 1032) ≥ 0	1037		83.183	96.263
	Ž. FINANCIAL LOSS (1032 - 1027) ≥ 0	1038			
683, 685 and 686	**Z. INCOME FROM FINANCIAL ASSETS VALUATION ADJUSTMENTS VALUED AT FAIR VALUE**	1039			
583, 585 and 586	**I.EXPENSES FROM FINANCIAL ASSETS VALUATION ADJUSTMENTS VALUED AT FAIR VALUE**	1040			
67	**J. OTHER INCOME**	1041	21	50.284	110.969
57	**K. OTHER EXPENSES**	1042	21.1	76.293	65.943
	L. TOTAL INCOME (1001 + 1027 + 1039 + 1041)	1043		3.584.795	4.019.611
	LJ. TOTAL EXPENSES (1013 + 1032 + 1040 + 1042)	1044		3.356.607	3.674.542
	M. PROFIT FROM OPERATIONS BEFORE TAXATION (1043 - 1044) ≥ 0	1045	22	228.188	345.069
	N. LOSS FROM OPERATIONS BEFORE TAXATION (1044 - 1043) ≥ 0	1046			
69 minus 59	**NJ. NET OPERATING PROFIT FROM DISCONTINUED OPERATIONS**	1047	22	18	1.613
59 minus 69	**O. NET OPERATING LOSS FROM DISCONTINUED OPERATIONS**	1048			
	P. ROFIT BEFORE TAXATION (1045 - 1046 + 1047 - 1048) ≥ 0	1049	22	228.206	346.682
	R. LOSS BEFORE TAXATION (1046 - 1045 + 1048 - 1047) ≥ 0	1050			
	S. POREZ NA DOBITAK				
721	I. TAX EXPENSES FOR THE PERIOD	1051	24	30.563	25.782
722 debt balance	II. DEFERRED TAX COSTS FOR THE PERIOD	1052			
722 demand balance	III. DEFERRED TAX INCOME FOR THE PERIOD	1053	24	3.898	5.266
723	**T. EMPLOYER`S EARNINGS PAID OUT**	1054			
	Ć. NET PROFIT (1049 - 1050 -1051 - 1052 + 1053 - 1054) ≥ 0	1055	24	201.541	326.166
	U. NET LOSS (1050 - 1049 + 1051 + 1052 - 1053 + 1054) ≥ 0	1056			
	I. NET PROFIT ATTRIBUTABLE TO SHARES WITHOUT CONTROL RIGHTS	1057			
	II. NET PROFIT ATTRIBUTABLE TO PARENT LEGAL ENTITY	1058	24	201.541	326.166
	III. NET LOSS ATTRIBUTABLE TO SHARES WITHOUT CONTROL RIGHTS	1059			
	IV. NET LOSS ATTRIBUTABLE TO PARENT LEGAL ENTITY	1060			
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061	25	477	772
	2. Diluted earnings per share	1062			

*Notes refer to individual positions and they are presented as notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the period between 01.01.2024. and 31.12.2024.

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET RESULT FROM OPERATIONS				
	I. NET PROFIT (AOP 1055)	2001		201.541	326.166
	II. NET LOSS (AOP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified subsequently to profit or loss				
330	1.Revaluation of intangibles and PPE				
	a) increase in revaluation reserves	2003			86.305
	b) decrease in revaluation reserves	2004		3.660	19
331	2. Actuarial gains (losses) on defined benefit plans				
	a) gains	2005			7
	b) losses	2006		482	
333	3. Gains or losses on interests in other comprehensive income or loss of associates				
	a) gains	2007			
	b) losses	2008			
	b) Items that will not be reclassified subsequently to profit or loss				
332	1. Gains or losses on investments in equity instruments				
	a) gains	2009			
	b) losses	2010			
334	2. Gains or losses on translation of financial statements of foreign operations				
	a) gains	2011		31.121	
	b) losses	2012			16.094
335	3. Gains and losses on hedge of investment in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	4. Cash flow hedges				
	a) gains	2015			
	b) losses	2016			
337	5. Gains or losses on securities measured at fair value through profit or loss				
	a) gains	2017			
	b) losses	2018			
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		26.979	70.199
	II. OTHER COMPREHENSIVE GROSS LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020			

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the period between 01.01.2024. and 31.12.2024.

(in thousand Dinar)

Account group, account	POSITION	AOP	Notes*	Amount	
				Current year	Previous year
1	2	3	4	5	6
	III. DEFERRED TAX EXPENSE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			
	IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022			
	V. OTHER COMPREHENSIVE NET PROFIT (2019 - 2020 - 2021 + 2022) ≥ 0	2023		26.979	70.199
	VI. OTHER COMPREHENSIVE NET LOSS (2020 - 2019 + 2021 - 2022) ≥ 0	2024			
	V. TOTAL COMPREHENSIVE NET RESULT FOR THE PERIOD				
	I. TOTAL COMPREHENSIVE NET PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0	2025		228.520	396.365
	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		228.520	396.365
	1. Attributable to parent legal entity	2028		228.520	396.365
	2. Attributable to participations without the right of control	2029			

*Notes refer to individual positions and they are presented as notes to the Consolidated Financial Statements

Energoprojekt Entel - Beograd

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 01.01.2024. to 31.12.2024.

(in thousand Dinar)

POSITION	AOP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 4)	3001	3.789.144	4.508.015
1. Sales and advance payments received - domestic	3002	753.556	990.972
2. Sales and advance payments received - foreign	3003	2.995.387	3.464.494
3. Received interests from operating activities	3004	1.047	28.504
4. Other inflows from operating activities	3005	39.154	24.045
II. Cash outflows from operating activities (1 to 8)	3006	3.573.605	3.786.791
1. Payments to suppliers and advance prepayments - domestic	3007	316.798	289.305
2. Payments to suppliers and advance prepayments - foreign	3008	1.023.990	1.067.869
3. Wages, salaries and other personal costs	3009	1.990.593	2.182.177
4. Paid interests - domestic	3010	10	2
5. Paid interests - foreign	3011	30	
6. Corporate income tax	3012	39.297	41.159
7. Other payments to tax authorities	3013	196.330	197.777
8. Other outflows from operating activities	3014	6.557	8.502
III. Net cash inflow from operating activities (I-II)	3015	215.539	721.224
IV. Net cash outflow from operating activities (II-I)	3016		
B. CASH FLOW FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 till 5)	3017	2.635.720	2.003.139
1. Sale of shares and stakes	3018		
2. Sale of intangible assets, property, plant, equipment and biological assets	3019	4.002	826
3. Other financial investments	3020	2.562.501	1.948.019
4. Interests received from investing activities	3021	54.822	44.898
5. Dividends received	3022	14.395	9.396
II. Cash outflows from investing activities (1 till 3)	3023	2.388.408	2.404.472
1. Purchase of shares and stakes	3024		
2. Purchase of intangible investments, property, plant, equipment and biological assets	3025	22.897	14.175
3. Other financial investments	3026	2.365.511	2.390.297
III. Net cash inflow from investing activities (I-II)	3027	247.312	
IV. Net cash outflow from investing activities (II-I)	3028		401.333
V. CASH INFLOW FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 till 7)	3029		1.925
1. Increase of basic capital	3030		
2. Long-term loans - domestic	3031		
3. Long-term loans - foreign	3032		
4. Short-term loans - domestic	3033		
5. Short-term loans - foreign	3034		
6. Other long-term liabilities	3035		

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 01.01.2024. to 31.12.2024.

(in thousand Dinar)

POSITION	AOP	Amount	
		Current year	Previous year
1	2	3	4
7. Other short-term liabilities	3036		1.925
I. Cash outflows from financing activities (1 till 8)	3037	313.187	311.372
1. Purchase of own shares and stakes	3038		
2. Long-term liabilities - domestic	3039		
3. Long-term liabilities - foreign	3040		
4. Short-term loans liabilities - domestic	3041		
5. Short-term loans liabilities - foreign	3042		
6. Other liabilities	3043	76.590	74.775
7. Financial lease	3044		
8. Paid dividends	3045	236.597	236.597
III. Net cash inflows from financing activities (I-II)	3046		
IV. Net cash outflows from financing activities (II-I)	3047	313.187	309.447
G. Total cash inflows (3001 + 3017 + 3029)	3048	6.424.864	6.513.079
D. Total cash outflows (3006 + 3023 + 3037)	3049	6.275.200	6.502.635
Đ. Net cash inflows (3048 - 3049)≥0	3050	149.664	10.444
E. Net cash outflows (3049 - 3048)≥0	3051		
Ž. Cash at the beginning of the calculation period	3052	501.026	504.020
Z. Positive exchange rate differences due to calculation of cash	3053	21.502	801
I. Negative exchange rate differences due to calculation of cash	3054		14.239
J. Cash at the end of reporting period (3050 - 3051 + 3052 + 3053 - 3054)	3055	672.192	501.026

Energoprojekt Entel - Beograd

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2024. to 31.12.2024.

(in thousand Dinar)

Position	DESCRIPTIONS	AOP	**Basic capital** (group 30 except 306 and 309)	AOP	**Other basic capital** (309)	AOP	**Subscribed unpaid capital** (group 31)	AOP	**Issue premium and reserves** (306 and group 32)	AOP	**Revaluation reserves and unrealized earnings and loss** (group 33)	AOP	**Retained profit** (group 34)	AOP	**Loss** (group 35)	AOP	**Participations without the right of control** (corresponds to the position AOP 0411)	AOP	**Total** (corresponds to the position AOP 0401) (kol. 2+3+4+5+6+7-8+9) ≥0	AOP	**Loss exceeding the amount of capital** (corresponds to the position AOP 0455) (kol 2+3+4+5+6+7-8+9) <0
	1		2		3		4		5		6		7		8		9		10		11
1	**Balance as at 01.01.2023**	4001	173.223	4010		4019		4028	24.008	4037	375.496	4046	3.561.102	4055		4064		4073	4.133.829	4082	
2	Effects of retroactive correction of material errors and changes in accounting policies	4002		4011		4020		4029		4038		4047		4056		4065		4074		4083	
3	Adjusted opening balance as at 01.01.2023	4003	173.223	4012		4021		4030	24.008	4039	375.496	4048	3.561.102	4057		4066		4075	4.133.829	4084	
4	**Net changes in 2023.**	4004		4013		4022		4031	-49	4040	69.537	4049	-37.625	4058		4067		4076		4085	
5	Balance as at 31.12.2023	4005	173.223	4014		4023		4032	23.959	4041	445.033	4050	3.523.477	4059		4068		4077	4.165.692	4086	
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 01.01.2024**	4007	173.223	4016		4025		4034	23.959	4043	445.033	4052	3.523.477	4061		4070		4079	4.165.692	4088	
8	Net changes in 2024.	4008		4017		4026		4035	75	4044	28.001	4053	121.141	4062		4071		4080		4089	
9	Balance as at 31.12.2024	4009	173.223	4018		4027		4036	24.034	4045	473.034	4054	3.644.618	4063		4072		4081	4.314.909	4090	

NOTES TO THE 2024 CONSOLIDATED FINANCIAL STATEMENTS

Belgrade, 2025

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1. GENERAL INFORMATION ABOUT THE COMPANY

Registered seat	**Belgrade, 12, Bulevar Mihaila Pupina**
Company Identification Number	07470975
Code and name of activity	7112
Tax Identification Number	100389086

The subsidiaries of the Parent Company abroad are as follows:

- ENERGOPROJEKT QATAR
- ENERGOPROJEKT ENTEL OMAN LLC
- ENERGO CONSULT UAE LLC
- ENERGOPROJEKT BAHRAIN

The above companies form a group:

- **Energoprojekt Entel**

The percentage of ownership of the Parent Company in the listed subsidiaries and associated companies is shown in the table below.

Equity interest in subsidiaries and other related legal entities and associated legal entities	
Name of the subsidiary	***% ownership***
ENERGOPROJEKT QATAR	100
ENERGOPROJEKT ENTEL OMAN L.L.C	100
ENERGO CONSULT UAE LLC	100
ENERGOPROJEKT BAHRAIN	100
AFFILIATED ENTITY	
ENERGOPLAST DOO	20

According to the criteria specified in the Law on Accounting, the Parent Company is classified as a medium-sized legal entity.

The shares of the Parent Company were removed from the Stock Exchange based on the decision on the exclusion of shares from the Open Market, i.e., Open Market market segment, share number 01/1-5833/19, because all the Issuer's shares were bought out in the process of compulsory share buyback, as well as the decision regarding the withdrawal of the Issuer's shares from the market and the termination of the status of a public company made by the votes of shareholders who acquired 100% of the equity interest in the Issuer through joint action in the procedure above. The rules of the Stock Exchange provide that the Stock Exchange excludes securities from the Open Market at the request of the Issuer whose status as a public company ceases under the provisions of Article 70 and Article 122, paragraph 2, item 2 of the Law on the Capital Market.

The consolidated financial statements for the year 2024 consist of the financial statements of the Company and subsidiaries and were approved by the BOARD OF DIRECTORS OF ENERGOPROJEKT ENTEL on April 2, 2025, at the 10th session of the Board of Directors. The approved consolidated financial statements may subsequently be amended in accordance with applicable regulations.

Comparative data and initial balances consist of the data contained in the consolidated financial statements for the year 2023, which were audited by an external auditor.

The average number of employees in the Company, based on the balance at the end of each month, amounted to:

- 375 in 2024, and
- 473 in 2023

2. MANAGEMENT STRUCTURE

The Parent Company is managed by the Board of Directors:

Mladen Simović	Executive Director
Milan Mamula	Chairman of the Board of Directors, non-executive director
Dobroslav Bojović	Non-executive director

The organizational structure of Entel consists of:

GORDANA LISOV	Finance Director
JAROSLAV UROŠEVIĆ	Project and Marketing Director
JELICA JERKOVIĆ	Director of Planning, Analysis and General Affairs

3. OWNERSHIP STRUCTURE

According to the records of the Central Registry of Securities, the registered state of ownership of shares of Energoprojekt Entel ad as of December 31, 2024, is as follows:

Energoprojekt Holding a.d. is the 100% owner.

4. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The Company's financial statements were prepared in accordance with the Law on Accounting ("Official Journal of the RS" Nos. 73/2019 and 44/2021 - other law - hereinafter: the Law).

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

- 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 Committee for the Interpretation of Accounting Standards, subsequent amendments to those standards and related interpretations, approved by the International Accounting Standards Board, the translation of which was determined and published by the ministry responsible for financial affairs.

The Company's financial statements are presented in the form and content specified by the Rulebook on the Contents and Form of Financial Statements and the Contents and Form of Statistical Report for Companies, Cooperatives and Entrepreneurs ("Official Journal of the RS" No. 89/2020). This Rulebook, among other things, prescribes the form and contents of items in the forms of Balance Sheet, Income Statement, Statement of Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements. According to the aforementioned Rulebook, amounts are entered in thousands of dinars in the forms.

The Chart of Accounts and contents of accounts in the Chart of Accounts are prescribed by the Rulebook on the Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs ("Official Journal of the RS" No. 89/2020).

When preparing the Company's financial statements, among others, the following laws and by-laws were taken into account:

- Law on Corporate Income Tax ("Official Journal of the RS" Nos. 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, 118/2021 and 94/2024),

- Law on Value Added Tax ("Official Journal of the RS" Nos. 84/2004, 86/2004 - correction, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - other law, 142/2014, 83/2015, 108/2016, 113/2017, 30/2018, 72/2019, 153/2020, 138/2022 and 94/2024),
- Rulebook on the Contents of the Tax Balance Sheet and Other Issues Relevant for the Method of Determining Corporate Income Tax ("Official Journal of the RS" Nos. 20/2014, 41/2015, 101/2016, 8/2019, 94/2019, 159/2020 and 97/2021),
- Rulebook on the Contents of the Tax Return for the Calculation of Corporate Income Tax ("Official Journal of the RS" Nos. 30/2015, 101/2016, 44/2018 - other law, 8/2019, 94/2019, 159/2020 and 97/2021),
- Rulebook on the Method of Classifying Fixed Assets By Group and the Method of Determining Depreciation for Tax Purposes ("Official Journal of the RS" Nos. 116/2004, 99/2010, 104/2018 and 8/2019),
- Rulebook on Transfer Prices and Methods Applied According to the "Arm's Length" Principle When Determining the Price of Transactions between Related Parties ("Official Journal of the RS" Nos. 61/2013, 8/2014, 94/2019 and 95/2021) and others.

As for the legal acts that represent the internal regulation of the Company, the Rulebook on Accounting in the Company, adopted on November 30, 2020, by the Executive Board of the Company, the Rulebook on Amendments and Supplements to the Rulebook on Accounting in the Company, adopted on November 29, 2021, by the Executive Board of the Company and the Rulebook on Accounting Policies in the Company, adopted on December 23, 2020, by the Supervisory Board of the Company were used when compiling the Company's financial statements. In addition to the above, other internal acts of the Company were also used, such as, for example, the Collective Agreement of Energoprojekt Holding a.d. for work in the country.

The principal accounting policies applied in the preparation of these financial statements are set out in Note 5.

The Law on the Capital Market ("Official Journal of the RS" No. 129/2021) prescribes what information should be contained in the annual, semi-annual and quarterly reports of public companies whose securities are traded on the regulated market.

Please note that in some cases, when preparing the Company's financial statements, all relevant provisions of the IFRS and Interpretations were not fully respected.

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

- Financial statements in the Republic of Serbia for the reporting period, in accordance with the Law on Accounting ("Official Journal of the RS" Nos. 73/2019 and 44/2021 - other law) are presented in the format prescribed by the Rulebook on the Contents and Form of Financial Statements and the Contents and Form of the Statistical Report for Companies, Cooperatives and Entrepreneurs, which deviates from the presentation and name of individual financial statements of general purpose, as well as from the method of presenting some balance sheet items as provided by IAS 1 - "Presentation of Financial Statements" and

- Off-balance sheet assets and off-balance sheet liabilities are shown on the balance sheet form. According to the definition of the IFRS, these items represent neither assets nor liabilities.

In addition to the above, deviations also arise as a result of the time difference between the publication of Standards and Interpretations, which are subject to continuous changes, and the moment when those Standards and Interpretations become valid in the Republic of Serbia. Thus, for example, deviations from the Standards arise as a consequence of the fact that the published Standards and Interpretations, which have entered into force, have not yet been officially translated and adopted in the Republic of Serbia; as a consequence of the fact that the published Standards and Interpretations have not yet entered into force; or as a consequence of other reasons beyond the Company’s control, which has no significant impact on the Company's financial position nor the results of its operations.

Published standards and interpretations that have not yet entered into force

As of the date of issuance of these financial statements, the following standards, their amendments, and interpretations have been published, but have not yet entered into force:

- Amendments to IAS 21 "Effects of Changes in Exchange Rates" - "Lack of Substitutability" - date of application January 1, 2025.
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments - Disclosures" - "Changes in the Classification and Measurement of Financial Instruments" - date of application January 1, 2026.
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments - Disclosures" - "Contracts Referencing Nature-Dependent Electricity" - date of application January 1, 2026.
- IFRS 18 "Presentation and Disclosure in Financial Statements" - date of application January 1, 2027.
- IFRS 19 "Subsidiaries Without Public Accountability: Disclosures" - date of application January 1, 2027.

5. CONSOLIDATION

Consolidated financial statements are financial statements of a group that are presented as statements of a single economic entity.

Consolidated financial statements are prepared using uniform accounting policies for similar transactions and events in similar circumstances. In the event that a member of the group, which makes up the Parent Company with all its subsidiaries, for similar transactions and events in similar circumstances uses accounting policies different from those adopted in the consolidated financial statements, appropriate corrections are made to its financial statements (in accordance with the provisions of the Rulebook on Accounting and Accounting Policies of the Company) when compiling the consolidated financial statements.

Subsidiaries

Subsidiary parent company shall mean a company under the control of the Company (Parent Company).

The Parent Company controls the investee if and only if it has all of the following:

- power over the investee (the current ability to direct relevant activities, i.e. activities that significantly affect the returns of the investee);
- exposure, or rights to variable returns based on its participation in the investee, and
- the ability to use its power over the investee to influence the amount of return for the investor.

The applied consolidation method for these companies in accordance with the IFRS 10 - Consolidated Financial Statements is the full consolidation method. All internal relationships and transactions within the consolidation group are eliminated in the consolidation process. Participations without controlling rights are shown separately.

Affiliated companies

Affiliated parent company is the parent company over which the Group has significant influence, but not control, that is, in which it owns ownership and voting rights between 20% and 50%.

The applied method of consolidation for affiliated companies in accordance with the IAS 28 - Investments in Associates and Joint Ventures is the equity method. By applying this method, equity interests are adjusted for the realised profit or loss of the current year to reflect the participation of the parent company in the net assets of the affiliated companies. If the accumulated loss exceeds the equity level, equity interest is reduced to zero, and only exceptionally, if there are irrevocable contractual obligations to cover the loss, the difference of the greater loss against the equity is recognised as an expense in the parent company.

An overview of subsidiaries and affiliated companies that, together with the Parent Company, Energoprojekt Entel a.d. constitute the Consolidation Group, is shown in Note 1.

6. ACCOUNTING PRINCIPLES

When compiling the financial statements of the Parent Company, the following principles were taken into account:

- The Going-Concern Principle;
- The Consistency Principle;
- The Prudence Principle;
- The Principle of Substance Over Form;
- The Principle of Causality of Income and Expenditure; and
- The Principle of Individual Assessment.

Respecting the **going-concern principle**, the financial statements are prepared under the assumption that the property, financial and profitability position of the Parent Company, as well as the economic policy of the country and the economic conditions in the environment, enable business in an unlimited long term ("Going-Concern" Principle).

The **consistency principle** implies that the method of assessing the condition and changes in assets, liabilities, capital, income, expenses and the result of operations, that is, the method of assessing the balance items of the Parent Company does not change for a long period. If, for example, due to compliance with legal regulations, a change does occur, the reason for the change is explained, and the effect of change is reported in accordance with the requirements of the professional regulation related to the change in the assessment method.

The **prudence principle** implies the inclusion of a specific level of prudence when compiling the Parent Company's financial statements, which should result in assets and income not being overstated, and liabilities and expenses not being understated. However, respect for the prudence principle should not be understood as a conscious, unrealistic reduction of income and capital of the Parent Company; that is, a conscious, unrealistic increase in expenses and liabilities of the Parent Company. Namely, the Framework for the Preparation and Presentation of Financial Statements emphasizes that respect for the principle of prudence must not result in significant creation of hidden reserves, intentional reduction of assets or income, or intentional exaggeration of liabilities or expenses, because in that case the financial statements would not be neutral and, therefore, would not be reliable.

The **principle of substance over form** implies that when recording transactions of the Parent Company, and thus, consequently, when compiling financial statements, accounting should be done in accordance with the substance of transactions and their economic reality, and not only based on their legal form. Respecting the **principle of causality of income and expenses**, the recognition of the effects of transactions and other events in the Company is not related to the moment when cash or cash equivalents, based on those transactions and events, are received or paid out, but to the moment when they occur. With such an approach, it is possible to inform the users of financial statements not only about the past transactions of the Parent Company that caused the payment and receipt of cash, but also about the obligations of the Parent Company to pay cash in the future, as well as about the resources representing cash that the Company will receive in the future.

In other words, by respecting the principle of causality of income and expenses, information about past transactions and other events is provided in a way that is most useful for users when making economic decisions.

The principle of individual assessment implies that possible group assessments of different balance sheet items of the Parent Company (for example, assets or liabilities), for the sake of rationalisation, result from their individual assessment.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied to prepare these financial statements are listed below. Unless otherwise noted, these policies have been applied consistently to all years presented.

The significant accounting policies applied to the Parent Company's financial statements that are the subject matter of these Notes, which are set out below, are primarily based on the Rulebook on Accounting and Accounting Policies of the Parent Company. Unless the Rulebook clearly specifies certain accounting aspects, the applied accounting policies are based on valid legal, professional and internal regulations.

From the general data, please note that, in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates, the functional and presentation currency in the Parent Company's financial statements is the dinar.

When compiling the financial statements, the relevant provisions of IAS 10 - Events After the Reporting Period, which refer to events that occur from the date of the balance sheet to the date when the financial statements are approved for publication, were taken into account. More precisely, for the effects of events that provide evidence of the circumstances that existed on the balance sheet date, the amounts already recognised in the financial statements of the Parent Company were adjusted to reflect corrective events after the reporting period; and for the effects of events that indicate circumstances that arose after the balance sheet date, no adjustments were made to recognised amounts, rather, if there were any, the nature of the events and the assessment of their financial effects are disclosed in these Notes or, if it is impracticable to assess their financial effects, it is disclosed that such an assessment cannot be made.

7.1 Estimates

The preparation and presentation of financial statements, in line with the requirements of the applicable legislation in the Republic of Serbia, requires the management of the Parent Company to use the best possible estimates and reasonable assumptions. Although, understandably, actual future results may differ, estimates and assumptions are based on information available at the balance sheet date.

The most significant estimates pertain to assessing the impairment of both financial and non-financial assets and defining the assumptions necessary for the actuarial calculation of long-term benefits to employees based on severance pay. In this context, the Parent Company's business policy states that if the fair value significantly differs from the book value, it will disclose information regarding the fair value of assets and liabilities. In the Republic of Serbia, there is a common challenge with reliably estimating the fair value of assets and liabilities due to an underdeveloped financial market, as well as a lack of stability and liquidity in the buying and selling of financial assets and liabilities, and because market information is not always accessible. Despite these challenges, the Company does not overlook this issue; management continuously makes estimates, considering the risks involved, and when they determine that the recoverable (fair or usable) value of assets on the books of the Parent Company is overestimated, an adjustment in value is made.

7.2 Effects of Changes in Exchange Rates

Transactions conducted in foreign currency at the time of initial recognition are recorded in the equivalent amount in dinars, using the official mid-exchange rate applicable on the transaction date.

According to IAS 21 - Effects of Changes in Exchange Rates, on each balance sheet date, monetary items in foreign currency (including foreign currency assets, receivables, and liabilities) must be recalculated using the current exchange rate. This rate refers to the official mid-exchange rate applicable on the balance sheet date.

Exchange rate differences resulting from foreign currency transactions (except for exchange rate differences arising on monetary items that constitute part of the Parent Company's net investment in foreign operations, which are included in accordance with the requirements of IAS 21) are recognized as income or expense by the Parent Company in the period during which the exchange rate differences arose.

The official mid-exchange rates of the National Bank of Serbia on the balance sheet date, for foreign currencies utilized to convert monetary items into dinar equivalents, are presented in the following table.

Official mid-exchange rates of the National Bank of Serbia

Currency	*31/12/2024*	*31/12/2023*
	Amount in dinars	
EUR 1	117.0149	117.1737
USD 1	112.4386	105.8671
QAR 1	30.8897	29.0843
OMR 1	292.0339	274.9673
AED 1	30.6105	28.8137
BHD 1	299.0388	281.5614

7.3 Revenue

Revenue results from the normal activities of the Parent Company and includes various types of income (excluding those based on lease agreements, such as leasing).

Revenue consists only of gross inflows of economic benefits that the Company has received or expects to receive for its own account. Amounts collected on behalf of third parties, such as sales taxes and value-added tax, do not constitute an inflow of economic benefits for the Company and therefore do not contribute to an increase in capital. These amounts are excluded from revenue.

A performance obligation is a promise (or set of promises) that goods or services will be delivered to the customer.

When the performance obligation is fulfilled (or while it is being fulfilled), the Company recognizes revenue equal to the transaction price allocated to that performance obligation. Assets under the contract are recognized if the corresponding revenue from fulfilling the contractual performance obligation is recorded before the customer has paid the fee or before there are invoicing requirements, along with the requirements for recognizing accounts receivable. A contractual obligation is recognized when the customer has paid the fee or when accounts receivable are due before the Company has fulfilled the contractual performance obligation. At the contract level with the customer, the contractual obligations are offset against the contracted assets.

The fundamental principle of the customer revenue standard is that the Company recognizes revenue to reflect the transfer of promised goods or services to customers in an amount that represents the consideration the Company expects to receive in exchange for those goods or services.

The transaction price is the compensation the Company expects to receive for transferring the promised goods or services to the customer. The compensation outlined in the contract with the customer may include fixed amounts, variable amounts, or both.

The usual measurement of sales revenue relies on all available reliable information and considers potential price changes at the time of final contracting, as well as experiences from previous periods, particularly regarding the significance of deviations between actual inflows and recognized normal revenues from prior periods.

The primary sales activities of the Parent Company include the design, consulting, and engineering of thermal energy, nuclear, electric power, and telecommunication facilities, where revenue from sales is recognized over time.

Income from design, consulting, and engineering

The Company provides design, consulting, and engineering services (collectively referred to as "design services and consulting services") based on contracts with customers. These contracts are established prior to the commencement of the design and consulting services, and according to the terms of the contract, the Company is contractually restricted from transferring property to another buyer and retains an enforceable right to payment for the work completed. Income from design services and consulting services is therefore recognized over time using the output method, which is based on reports of services performed up to a specified date, confirmed by the customer and/or a supervisory or control authority designated by the contracting parties. The Company believes that this output method is an appropriate measure of progress toward full compliance with the performance obligations under IFRS 15.

The Company is authorized to invoice customers for design and consulting services based on the achievement of a series of performance-related milestones (interim (payment) certificates). When a specific milestone is reached, the customer receives a relevant report on the completed work, signed by the customer or another supervisory body appointed by the contracting parties. The Company will recognize contract assets (as accruals) for any work performed. Any amount previously recognized as an asset, within accruals, as a contract asset is reclassified to accounts receivable once the conditions for invoicing the customer are met.

If the inflows exceed the income recognized up to the reporting date according to the output method, the Company recognizes obligations from the contract for the excess of inflows over the recognized income, recorded within accruals. The Company believes there is no significant financing component within the contract with customers, as the period between revenue recognition and performance-related milestone payments is less than a year. Moreover, management believes that contracts with customers for design and consulting services do not have a significant financing component, considering that the difference between the promised fee and the selling price of the service in cash arises from reasons unrelated to the transfer of financial resources to either the customer or the entity. Additionally, the difference between these amounts is proportional to the reasons for that difference.

Income from sales is recognized after deducting excise duties, value-added tax (VAT), and other similar mandatory charges. The duty amount is included in the gross sales revenue recognized in the consolidated statement of comprehensive income.

Within the scope of operating income, the most significant components are income from the sale of goods, products, and services. Other income may include: income from the own use of products, services, and merchandise; increases in finished goods; work in progress; and services in progress (if the mentioned inventory was reduced during the year, the total operating revenue is diminished by the amount of the reduction); income from premiums, subsidies, grants, donations, and other operating income.

7.4 Financial income

Financial income encompasses income from related legal entities, foreign exchange gains, interest income, and other forms of financial income.

Income from dividends is recognized when the entitlement to receive the dividend is established.

7.5 Other income

Within other income—which includes income from the adjustment of the value of other assets valued at fair value through the Income Statement—profits that may or may not arise from the usual activities of the Parent Company are reported. Profits signify increases in the Parent Company's economic benefits and, as such, are inherently no different from other income. Profits include, for example, those on the sale of property, plant, and equipment at a value exceeding the book value at the time of sale.

As part of the profit from discontinued operations, the effects of changes in accounting policy, corrections of prior period errors, and transfers of income are reported according to the account names of this group, and the total income transfer at the end of the period is shown in the net effect for financial reporting purposes, after deducting the corresponding expenses.

7.6 Expenses

Expenses represent outflows of economic benefits during a given period that lead to a reduction in the Parent Company's capital, except for reductions related to profit distributions to owners or those resulting from the owner's withdrawal of part of the capital from the business. Expenses are reflected through asset outflows, decreases in asset values, or increases in liabilities.

Expenses include operating expenses, financial expenses, other expenses (including those based on the impairment of other assets valued at fair value through the Income Statement), losses from discontinued operations, the effects of changes in accounting policies, corrections of prior period errors, and the transfer of expenses.

Operating expenses include costs such as merchandise sold, materials, salaries, production services, intangible assets, depreciation, and provisioning costs, among others.

For the purposes of financial reporting, the Income Statement includes an adjustment of operating expenses to account for income derived from the own use of products, services, and merchandise, as well as income resulting from changes in the value of inventories of work in progress and finished products (which covers both increases and decreases in the value of inventories of finished goods, work in progress, and services in progress).

Financial expenses consist of costs from related legal entities, foreign exchange losses, interest expenses, and other financial charges.

As part of other expenses (which include expenses based on impairment of other assets valued at fair value through the Income Statement), losses that may or may not arise from the usual activities of the Parent Company are reported. Losses (for example, shortfalls or losses arising from the sale of assets at less than book value) represent a reduction in economic benefits and, by their nature, are no different from other expenses.

As part of the loss from discontinued operations, the effects of the change in accounting policy and the correction of prior period errors are reported according to the account names of this group and the transfer of total expenses at the end of the accounting period, which for financial reporting purposes are shown in the net effect after offsetting against the corresponding income.

7.7 Income Tax

Income tax is recorded in accounting as the sum of:

- current tax; and
- deferred tax.

Current tax is the amount of liability for payable (or refundable) income tax related to taxable profit (or tax loss) for the period. In other words, current tax is the amount of tax payable on the profit determined in the tax return for income tax, according to tax regulations.

Deferred tax is represented by:

- deferred tax assets; or
- deferred tax liabilities.

Deferred tax is recorded in accounting based on the relevant provisions of IAS 12 - Income Taxes, which, among other things, specify that *deferred tax assets and deferred tax liabilities are not discounted*.

Deferred tax assets are amounts of income tax recoverable in future periods relating to:

- deductible temporary differences;
- unused tax losses carried over to the next period; and
- unused tax credit carried over to the next period.

A deductible temporary difference arises when the Parent Company's balance sheets have already recorded an expense that will be recognized for tax purposes in future periods. Typical situations leading to deductible temporary differences include: the tax value of depreciable assets being greater than their book value; certain provisions (like IAS 19, issued guarantees, and other sureties), as well as impairments of assets (goods, materials, etc.) and investment properties, not being recognized from the tax perspective; and expenses related to unpaid public revenues that are independent of operating results, as well as losses from securities valued at fair value, which are reported in the income statement, not being recognized for tax purposes.

For depreciable assets, deferred tax assets are recognized for any deductible temporary differences between the book value of the depreciable assets and their tax bases (values assigned to those assets for tax purposes). A deductible temporary difference exists when the book value of the assets is less than their tax basis.

In that case, deferred tax assets are recognized, provided that it is estimated that it is likely there will be a taxable profit in future periods, which the Company can utilize to reduce the deferred tax assets.

The amount of the deferred tax asset is determined by applying the prescribed (or announced) corporate income tax rate of the Parent Company to the deductible temporary difference identified on the balance sheet date.

If, at the end of the previous year, the temporary difference was deductible, leading to the recognition of deferred tax assets, and at the end of the current year, based on the same assets, the temporary difference is taxable, the previously established deferred tax assets are entirely cancelled, simultaneously recognizing deferred tax liabilities based on the amount determined on the balance sheet date.

Deferred tax assets arising from unused tax losses are recognized only if the Company's management can reliably estimate that the Company will have taxable profit in the upcoming periods, which can be reduced by unused tax losses.

A deferred tax asset based on an unused tax credit for investments in fixed assets is recognized only up to the amount for which it is probable that a taxable profit will be realized in future periods in the tax balance, i.e., a calculated profit tax reduction for which the unused tax credit can be utilized, provided that this type of tax credit can legally be applied.

Deferred tax assets can also be recognized on other grounds if the Company determines that the amounts of income tax will be recoverable in future periods (for example, for provisions for unpaid severance pay during regular retirement, which are determined according to the relevant provisions of IAS 19 – Employee Benefits).

Deferred tax liabilities represent amounts of income tax payable in future periods related to taxable temporary differences. A taxable temporary difference arises when a particular expenditure is recognized for tax purposes, while it is recorded in the business books of the Parent Company only in subsequent periods from an accounting perspective.

For depreciable assets, deferred tax liabilities are recognized whenever there is a taxable temporary difference between the book value of those assets and their tax base. A taxable temporary difference occurs when the book value of assets exceeds their tax base.

The amount of the deferred tax liability is determined by applying the prescribed (or expected) corporate income tax rate of the Parent Company to the taxable temporary difference identified on the balance sheet date.

At each balance sheet date, deferred tax liabilities are adjusted to reflect the amount determined based on the temporary difference as of that date. If, at the end of the previous year, the temporary difference was taxable, leading to the recognition of deferred tax liabilities, 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 entirely cancelled, simultaneously recognizing deferred tax assets of the Parent Company based on the amount determined on the balance sheet date.

Deferred tax liabilities may also be recognized on other grounds if the Company determines that income tax amounts will be payable in future periods related to taxable temporary differences.

7.8 Intangible Assets

Intangible assets are assets without physical substance that can be identified, such as software, licenses, concessions, patents, investments in development, trademarks, and more. An asset qualifies as identifiable if it is either separable—meaning it can be separated from the Parent Company and sold, transferred, licensed, leased, or exchanged, either individually or alongside a related contract, asset, or liability—or arises based on contractual or other legal rights, regardless of whether these rights are transferable or separable from the Parent Company or from other rights or obligations.

For intangible assets to be recognized, they must meet the requirements set forth by IAS 38 - Intangible Assets, specifically:

- it is probable that future economic benefits will arise from the asset;
- the Company has the ability to control that asset; and
- the purchase value (cost price) can be reliably measured.

If any of these requirements are not met, expenses related to intangible assets are recognized against expenses in the period in which they were incurred.

Accounting for internally generated intangible assets depends on assessing whether they result from:

- the research phase; or
- the development phase.

Intangible assets resulting from research, or the research phase of an internal project, are not recognized as intangible assets. Research expenditures, or expenses incurred during the research phase of an internal project, are recognized as an expense in the period in which they are incurred.

The cost of internally generated intangible assets originating from development (or from the development phase of an internal project) includes all directly attributable costs necessary to create, manufacture, and prepare the asset for its intended functioning as determined by the management of the Parent Company.

The initial measurement of intangible assets is carried out at purchase value (cost price).

Subsequent measurement of intangible assets, after initial recognition, is based on purchase value (cost price) less accumulated depreciation and accumulated impairment losses, in accordance with the relevant provisions of IAS 36 - Impairment of Assets.

7.9 Property, plant and equipment

Property, plant, and equipment are tangible assets that are used in production and for the delivery of goods.

The stated general principle for the recognition of property, plant, and equipment does not apply only in cases involving the recognition of assets of lesser value (for example, spare parts and equipment for servicing), which are reported in inventory. By putting these assets to use, their entire value is transferred to period costs.

Property, plant, and equipment are recognized as assets when it is probable that future economic benefits associated with these assets will flow to the Company and when the purchase value (cost price) of the assets can be measured reliably.

The initial measurement of property, plant, and equipment is recorded **at purchase value (cost price), which includes the purchase price and all associated procurement costs, specifically all directly attributable costs related to bringing the asset to a state of functional readiness.**

For subsequent measurement of the property, plant, and equipment, the following groups are made:

- land;
- buildings;
- plant and equipment; and
- other.

The subsequent measurement of the "Buildings" group is performed at fair value, which means the market value, i.e., the most probable value that can realistically be obtained on the market on the balance sheet date. The fair value is determined by an estimate performed by a professionally qualified appraiser, based on market evidence. When there is no evidence of fair market value due to the specific nature of the building and because such items are rarely sold, except as part of a continuing business, it may be necessary for the Company to estimate fair value using the yield approach or the amortized replacement cost approach. Changes in the fair value of buildings are generally recognized in total capital within the revaluation reserve item.

The subsequent measurement of all other groups within the "Property, plant and equipment" item, except for buildings, is conducted at purchase value (cost price) less accumulated depreciation and accumulated losses due to impairment (in accordance with IAS 36).

Measurement of subsequent expenditures in property, plant, and equipment occurs when:

- it involves investments that extend the useful life of assets;
- the capacity is increased;
- the asset is improved thus product quality is upgraded; or
- production costs are reduced compared to pre-investment costs.

The costs associated with servicing, technical maintenance, minor repairs, etc., do not increase the value of the asset; rather, they represent the period's expenditures.

Investments in the property, plant, and equipment of others are reported and recognized in a separate account if it is likely that future economic benefits related to those assets will flow to the Company. The depreciation of investments in the property, plant, and equipment of others is determined based on the estimated useful life of those assets, which may be equal to or shorter than the lease agreement's term.

7.10 Depreciation of intangible assets, property, plant, and equipment

With depreciation, the value of assets (intangible assets, property, plant, and equipment) that are depreciated over time is distributed across their useful life.

The useful life of an asset is determined by the company using the time method, meaning it can be understood as the duration during which the asset is expected to be available for the company's use.

The amount to be depreciated, i.e., the purchase price or another value that replaces it in the parent company's financial statements, less the residual value, is systematically allocated over the useful life of the assets.

Residual value is the estimated amount that the Company would receive today if it disposed of the asset, after deducting estimated disposal costs and assuming that the asset is at the end of its useful life, and in the condition expected at the end of the useful life.

The residual value of an intangible asset is always assumed to be zero, except in the following cases:

- when there is an obligation of a third party to purchase the intangible asset at the end of its useful life or
- when there is an active market for intangible assets, assuming that such a market will exist at the end of the asset's useful life, when the residual value can be determined by referring to that market.

The residual value and remaining useful life of the assets are assessed at the end of each financial year by qualified appraisers. If the new estimates differ from the previous ones, the change is classified as a change in accounting estimate. It is accounted for in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

As a result of the estimate, the residual value for an individual asset can be increased to an amount equal to or greater than the book value of that asset. In that situation, the depreciation expense will be zero over the remaining useful life of that asset, unless, due to subsequent estimates, the residual value is reduced to an amount lower than the book value.

The depreciation of assets is conducted using the straight-line depreciation method (proportional method), and the calculation for depreciation begins at the start of the following month after the asset becomes available for use; that is, when it is situated in a location and condition ready for business as specified by the Company.

The depreciation of intangible assets depends on an assessment of whether their useful life is unlimited or limited. An intangible asset is not subject to depreciation if it is deemed that the useful life is indefinite. Specifically, if an analysis of all relevant factors indicates that the end of the period in which the intangible asset is expected to produce net cash inflows for the Company cannot be predicted, depreciation is not calculated for assets that do not lose value over time (such as works of art) or for assets with an indefinite useful life (for instance, land).

For an asset acquired through financial leasing, depreciation is calculated similarly to other assets, except in cases where it is uncertain whether the Company will gain ownership of that asset, when the asset is fully depreciated in a shorter duration than the lease term, or its useful life.

Depreciation calculation ceases when the asset is written off (no longer recognized as an asset) or when it is reclassified as a fixed asset intended for sale, or as part of a discontinued business. Consequently, depreciation is calculated even if the asset is not actively used, provided it has not been reclassified as a fixed asset intended for sale or as part of a business that is being discontinued.

For the purpose of compiling the tax balance sheet, that is, for tax purposes, the calculation of asset depreciation is conducted in accordance with the applicable legal regulations.

Assets classified as intended for sale, according to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, are reported on the balance sheet date as current assets and evaluated at a lower value than the book value and the fair value less the costs of sale.

7.11 Impairment of intangible assets, property, plant, and equipment

On each balance sheet date, qualified individuals, from within or outside the Parent Company, verify whether there are signs that the book value of an asset (intangible assets, property, plant, and equipment) is impaired; in other words, whether the book value exceeds the asset's recoverable amount.

If indications of impairment are present, in accordance with the relevant provisions of IAS 36, an estimate is made of the recoverable amount of that asset.

The recoverable amount is the greater of the following two:

- fair value, less selling costs; and
- value in use.

Fair value less sales costs represents the expected net selling price of that asset. Specifically, it refers to the amount attainable through the sale of an asset in an independent transaction between knowledgeable and willing parties, minus any disposal costs.

Value in use is the present value of estimated future cash flows expected to arise from the continued use of the asset throughout its useful life and its sale at the end of that period. The discount rate used to determine the present value reflects current market estimates of the time value of money, along with the specific risks associated with that asset.

The recoverable amount is estimated for each individual asset or, if that is not feasible, for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that produces cash inflows largely independent of the cash inflows of other assets or groups of assets.

If an impairment is determined, the book value is reduced to the recoverable amount. The impairment loss is accounted for as follows:

- If a revaluation reserve was previously established for the asset, it is reduced from the revaluation reserves; and

- If a revaluation reserve was not established for the asset, it is recorded as an expense of the period.

7.12 Impairment of intangible assets, property, plant, and equipment

On each balance sheet date, qualified individuals, from within or outside the Parent Company, verify whether there are signs that the book value of an asset (intangible assets, property, plant, and equipment) is impaired; in other words, whether the book value exceeds the asset's recoverable amount.

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- value in use.

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Value in use is the present value of estimated future cash flows expected to arise from the continued use of the asset throughout its useful life and its sale at the end of that period. The discount rate used to determine the present value reflects current market estimates of the time value of money, along with the specific risks associated with that asset.

The recoverable amount is estimated for each individual asset or, if that is not feasible, for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that produces cash inflows largely independent of the cash inflows of other assets or groups of assets.

If an impairment is determined, the book value is reduced to the recoverable amount. The impairment loss is accounted for as follows:

- If a revaluation reserve was previously established for the asset, it is reduced from the revaluation reserves; and
- If a revaluation reserve was not established for the asset, it is recorded as an expense of the period.

7.13 Financial instruments

Financial assets

Classification

The Company categorizes financial assets based on the method of subsequent measurement, as follows:

1 financial assets at amortized cost,

2 financial assets at fair value through other comprehensive income, and
3 financial assets at fair value through the income statement.

Additionally, this classification is based on:

a) the Parent Company's business model for managing financial assets, and
b) the characteristics of the financial asset's contracted cash flows.

A financial asset is classified as measured at amortized cost (AC) if both of the following conditions are satisfied:

a) the financial asset is held within a business model aimed at collecting contracted cash flows, and
b) the terms agreed upon for the financial asset on a specific date yield cash flows that consist solely of the payment of the principal and interest on the unpaid portion of the principal.

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

a) the financial asset is held within a business model whose goal is achieved through both the collection of contracted cash flows and the sale of financial assets; and
b) according to the agreed terms of the financial asset on a specific date, cash flows arise that consist only of the payment of the principal and interest on the unpaid portion of the principal.

If none of the above criteria for classification are met, the financial asset is classified as an asset at fair value through profit and loss (FVTPL) and measured at fair value, with the effects of changes in fair value recognized in the profit and loss account.

Measurement at Amortized Cost

The amortized cost of a financial asset is the amount at which the asset is measured upon initial recognition, minus the principal repayments made, and increased or decreased by the cumulative depreciation calculated using the effective interest rate method or by any difference between the initial amount and the amount at maturity, taking into account any value adjustment.

Effective Interest Rate Method

The effective interest rate method is used to calculate the amortized cost of a debt instrument and allocate interest income during the relevant period. The effective interest rate is the rate that precisely discounts the expected future cash receipts (including all fees and amounts exchanged between two contracting parties that are integral to the effective interest rate, transaction costs, and any other costs or discounts) over the expected life of the financial instrument or, where applicable, over a shorter period to the net book value of the financial asset.

For financial assets, the effective interest rate is applied to the gross book value (without deductions for expected credit losses). If the credit risk of a specific financial asset increases significantly to the point where the asset is deemed credit-impaired, the effective interest rate is applied to the net book value (i.e., gross book value less the value adjustment).

Financial Assets At Fair Value Through Other Comprehensive Income (FVTOCI)

Gains or losses from a financial asset measured at fair value through other comprehensive income are recognized in other income, except for gains or losses due to impairment and foreign exchange gains or losses, until the financial asset is derecognized or reclassified. Interest income on such an asset is calculated using the effective interest rate method.

Equity instruments

The Company subsequently measures all equity instruments at fair value. If the management of the Parent Company has chosen to record gains and losses based on changes in the fair value of investments in equity instruments as part of other income, those gains and losses cannot be reclassified to the income statement after the investment is derecognized. However, any reserve amounts on this basis are reclassified to retained earnings. The Group's policy allows for the designation of equity instruments as assets valued at FVTOCI when they are held for strategic purposes and not solely for yield. The Company recognizes dividends received from these investments in the income statement under other income when the Parent Company's right to receive the dividend is established.

Changes in the fair value of financial assets according to FVTOCI are recognized in other gains or losses in the consolidated statement of profit or loss and other income. Impairment losses (and reversals of impairment losses) for equity instruments measured at FVTOCI are not presented separately from other changes in fair value.

Loans and Receivables

Loans and receivables encompass short-term receivables, short-term financial investments, and long-term financial investments. Short-term receivables consist of amounts owed from the sale of products, goods, and services to affiliated companies as well as other legal and individual entities both domestically and internationally. This also includes receivables from various sources, such as interest receivables, receivables from employees, receivables from state authorities and organizations, and other receivables expected to be realized within twelve months from the balance sheet date.

Short-term financial investments include loans, securities, and other financial instruments with a maturity date, specifically sales up to one year from the balance sheet date.

A portion of long-term loans granted by the Parent Company, which are expected to be collected within one year from the balance sheet date, is included in short-term financial investments.

Various types of investments are categorized under long-term financial investments, including equity interests, available-for-sale securities, long-term loans, long-term securities held to maturity, repurchased shares, and other long-term financial investments.

At initial recognition, all loans and receivables are measured at fair value (which is usually equal to the transaction price, i.e., the invoiced amount minus amounts charged for and on behalf of third parties, such as sales taxes). After the initial valuation, loans and receivables are valued at amortized (discounted) cost using the effective interest rate, less any value adjustment. Income and expenses arising from the derecognition of the asset valued at amortized cost, depreciation, or impairment are included in the income or expenses in the Statement of Other Comprehensive Income of the Parent Company. The Company applies a group assessment for calculating value adjustments to measure credit losses, which includes value adjustments for receivables from third parties, such as accounts receivable both domestically and internationally, long-term receivables—retention, as well as accruals that fall under the category of financial assets (assets based on contracts in accordance with IFRS 15). This includes receivables based on non-invoiced income with these parties, which are not subject to individual assessment, along with lease receivables.

For the receivables mentioned above, the Company has chosen to apply a simplified approach, which ensures that the expected credit loss is always calculated over the entire lifetime of the financial instrument, considering the short maturity of this type of financial asset. The Company calculates the lifetime expected credit losses under the simplified approach as the product of the probability of default (PD), the loss amount in the event of default (LGD), the exposure at default (EAD), and a discount factor (equal to 1 if collection of receivables is expected within 12 months). The Company derives the expected credit losses for these items using a transition matrix from the observed period, which illustrates the monthly movement of individual receivables among the delinquency intervals throughout the observed period.

When calculating the probability of default (PD), we segment customers based on common credit risk characteristics, prepare monthly age structures for each segment over a period of three years or more, and apply transition matrices during the observed period. These matrices illustrate the monthly movement of individual receivables between defined delinquency intervals throughout the observed timeframe. Depending on the type of receivables, a threshold of 180 days for external customers and 360 days for related legal entities is used as the criterion for default.

For other categories of financial assets (receivables from related legal entities, the government, state-owned companies, and state bodies where the state primarily acts as an investor, cash and cash equivalents, financial investments, and securities), the Company applies a general approach. Indicators of a significant increase in credit risk—that is, indicators that necessitate the calculation of the expected credit loss for the entire life of the financial instrument—include data on a decline in the external credit rating, delays in the repayment of obligations, and other qualitative criteria that may suggest a significant increase in credit risk. To identify impairment indicators—that is, the criterion for calculating expected credit losses necessary for assets classified as level 3 in accordance with IFRS 9—the Company applies:

- A defined default threshold for the given category of financial assets;
- Other objective evidence of impairment as required by IFRS 9.

The Company conducts an individual assessment of the calculation of value adjustments in situations where the key credit risk drivers can be monitored on a per instrument basis, allowing the entity to track them without needing an additional joint assessment. During the individual assessment of expected credit losses, the calculation is performed using the following formula:

ECL = Probability of Default (PD) x Loss Given Default (LGD) x Exposure at Default (EAD) x Discount Factor

For individual assessments, the Company relies on probability of default (PD) data from external sources, such as information published by reputable rating agencies or the ratings of the countries in which the debtor operates. LGD refers to the loss rate in the event of default, where the Company uses the Basel LGD or calculates it as the ratio of the receivables amount at the end of the observed period in the worst age interval (adjusted for write-offs during the observed period) to the total amount of registered receivables, which are invoices in the worst age interval throughout the observed period.

Exposure at Default (EAD) in this case refers to the amount of receivables on the reporting date. The discount factor is based on the effective interest rate determined during the initial recognition and maturity of the instrument. If the receivables are expected to be collected within 12 months, the discount factor is 1.

Cash and cash equivalents

The most liquid forms of financial assets for the Parent Company are **cash and cash equivalents**, which are valued at nominal value, meaning at fair value. Cash and cash equivalents of the Parent Company include: securities, assets in dinar and foreign currency, funds in dinar and foreign currency accounts with banks, funds set aside for open letters of credit within the country, foreign currency letters of credit, and short-term highly liquid investments that can be quickly converted into known amounts of cash without significant risk of value decrease, as well as funds with limited use or reduced value, etc.

The criteria for classifying the assets of the Parent Company as cash and cash equivalents are specified by the relevant provisions of IAS 7 - Statement of Cash Flows, which state that:

- cash includes cash and demand deposits, and
- cash equivalents are short-term, highly liquid investments that can be quickly converted into known amounts of cash and are not subject to significant risk of change in value, meaning these are investments with a short maturity of three months or less.

Cash and cash equivalents encompass cash balances and short-term deposits with banks that have an initial maturity of three months or less, but do not include approved current account overdrafts.

When calculating the value adjustment, the Company considered the banks' credit ratings in determining the probability of loss (PD) and the rate of loss given default (LGD). It was established that the book value of these assets is approximately equal to their fair value.

An investment (such as a deposit with a commercial bank) qualifies as a cash equivalent:

- if it can be quickly converted into known amounts of cash;
- if it is subject to an insignificant risk of change in value; and

- if it is due in a short period, specifically up to three months from the date of acquisition.

Deposits with a maturity of over three months but not exceeding one year are classified as short-term financial assets, while deposits with a maturity of more than one year are classified as long-term financial assets. Interest on term funds (deposits) is credited to the term amount.

Cash and cash equivalents expressed in a foreign currency (a currency different from the functional currency) are recorded in the Group's functional currency by applying the exchange rate used on the reporting date to the amount in the foreign currency. The result of the translation is classified as an exchange rate difference in the consolidated statement of other comprehensive income.

The Company applies the general approach and 12-month expected credit losses for financial assets that do not have a significant financing component. When calculating expected credit losses for cash and cash equivalents, the Company conducts an individual assessment to determine value adjustments in situations where key drivers of credit risk can be monitored for each individual instrument, allowing the entity to track them without needing an additional joint assessment.

Impairment of financial assets

Once a year, the Company analyses whether there is objective evidence of impairment of financial assets and whether any impairment, meaning a decrease in value, affects the estimated future cash flows associated with the given asset, while recognizing expected credit losses. The Company reflects potential impairment losses in the consolidated statement of other comprehensive income. The Company does not recognize losses that it anticipates based on future events.

The Company measures expected credit losses in a manner that reflects:

a) an unbiased and probability-weighted estimate of the amount, determined by evaluating the full range of possible outcomes;
b) the time value of money; and
c) reasonable corroborating information available to the Company at the reporting date, without incurring undue costs or effort, based on past events, current conditions, and forecasts of future economic conditions.

Factors considered by the Company in determining whether a financial asset is impaired include the delinquency status and the marketability of any collateral. The Company also applies the criteria below to assess whether there is objective evidence of an impairment loss:

- Any part or instalment of the repayment is in arrears, and the delay in honouring the obligation by the debtor cannot be attributed to issues arising from the collection systems;
- A decline in the credit rating of the contracted party, the parent company of the contracted party, as well as a decrease in the external credit rating;
- Other qualitative criteria that may indicate a significant increase in credit risk (e.g., the debtor is facing substantial financial difficulties, bankruptcy proceedings have been initiated, or the debtor is undergoing financial reorganization, etc.);
- The value of the collateral, if any, has significantly decreased due to deteriorating market conditions;
- Other objective evidence of impairment in accordance with IFRS 9.

The only category of financial assets not subject to impairment testing is financial assets at fair value through profit or loss, as any decrease in their fair value is recognized in the income statement.

Derecognition of Financial Assets

The Company ceases to recognize a financial asset when the contractual rights related to that asset expire or when the Company loses control over the contractual rights that constitute the financial asset. Upon derecognition, the difference between the asset's book value and the amount received for it is recognized in the income statement for the relevant period.

Classification of Financial Liability or Equity

Issued debt and equity instruments are classified as either financial liabilities or equity items based on the substance of the contractual arrangements and the definitions of financial liability and equity.

Equity Instruments

An equity instrument refers to any contract that represents the residual interest in a person's assets after all obligations are deducted. Equity instruments issued by the Group are recognized as inflows minus direct issuance costs.

Financial liabilities

Initial Recognition and Measurement

The Company recognizes a financial liability when, and only when, a Group member company becomes one of the parties to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value, which represents the transaction price (i.e., the inflow received upon issuance). All transaction costs directly attributable to debt issuance are deducted from the liability's fair value to determine its initial book value.

The Company includes transaction costs in the calculation of the initial book value of the liability when these costs constitute a significant portion of the liability amount. Otherwise, transaction costs are recorded as expenses in the consolidated statement of other comprehensive income of the Group in the period in which they are incurred.

Classification of Financial Liabilities

According to IFRS 9, all financial liabilities are classified as liabilities subsequently measured at amortized cost, except:

a. *financial liabilities at fair value through profit or loss (FVTPL)* (these liabilities, including *derivatives* that are liabilities, are subsequently measured at fair value);
b. financial liabilities that arise when the transfer of a financial asset does not meet the criteria for derecognition or when there is continuous participation;
c. *contracts on financial guarantees*;

d. contingent consideration recognized by the acquirer in a business combination to which IFRS 3 applies (such contingent consideration is subsequently measured at fair value, with changes in fair value recognized in the income statement).

Subsequent Valuation of Financial Liabilities

After initial recognition, the Company values all financial liabilities at amortized cost using the effective interest rate. Interest expenses on financial liabilities are recognized based on the effective interest rate.

Financial Liabilities At Fair Value Through Profit Or Loss (FVTPL)

Financial liabilities at fair value through profit or loss (FVTPL) are classified as such when they (i) represent the potential consideration of the acquirer in a business combination, (ii) are intended for trading, or (iii) are designated as a financial liability at FVTPL.

A financial liability is classified as held for sale in the following cases:

- if it was primarily acquired for the purpose of redemption in the near future; or
- if, during the initial recognition, it is part of the portfolio of identified financial instruments jointly managed by the Company, and there is evidence of a recent trend of short-term gains; or
- if it represents a derivative that is not a financial guarantee contract and is not designated as a hedging instrument.

A financial liability that is not held for trading and is not a potential consideration of the acquirer in a business combination may be designated as a financial liability at FVTPL upon initial recognition if:

- such designation removes or significantly reduces the accounting discrepancy that would otherwise arise; or
- a financial liability represents a group of financial assets, financial liabilities, or both assets and liabilities that is managed and whose financial result is estimated based on fair value, in accordance with the documented investment strategy of the Parent Company or the risk management strategy, with information about the grouping also based on fair value; or
- a financial liability is part of a contract that contains one or more embedded derivatives, and IFRS 9 allows the entire contract to be designated for FVTPL valuation.

Financial liabilities at FVTPL are measured at fair value, and all gains or losses resulting from changes in fair value are recognized in the profit and loss statement, provided that they are not part of the specified hedging relationship. Additionally, the net gain or loss recognized in the statement of profit and loss includes the interest paid on the financial liability, which is also included in the profit or loss for the period.

However, for liabilities designated as liabilities at FVTPL, the change in the fair value of the financial liability attributable to credit risk changes is recognized in other income, unless such recognition causes or increases an accounting mismatch in the statement of profit or loss. The remaining portion of the changes in fair value is recognized in the statement of profit or loss. Fair value changes related to the credit risk of a financial liability that are recognized in other income cannot be reclassified to the statement of profit or loss; they are instead transferred to retained earnings upon derecognition of the financial liability.

Profits and losses based on financial guarantee contracts issued by the Parent Company that are designated as instruments at fair value through profit and loss (income statement) are recognized in the income statement.

Derecognition of Financial Liabilities

A financial liability is no longer recognized when the Company fulfills the obligation or when the payment obligation outlined in the contract is cancelled or has expired. The difference between the book value of the financial liability that is written off and the compensation that has been paid or claimed is recorded in the income statement.

7.14 Share in subsidiaries and other affiliated companies

Shares in associated legal entities and joint ventures are accounted for in the Company using the cost method. However, if it is determined in accordance with IAS 36 - Impairment of Assets that the recoverable value of the share is less than its cost (book) value, the Company will reduce the share's value to the recoverable amount. This impairment is then reported as an expense in the period in which the impairment is identified.

7.15 Provisions, Contingent Liabilities and Contingent Assets

A provision, according to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, represents an obligation of uncertain maturity or amount.

The Company recognizes the provision only if the following three conditions are met:

- when the Company has a present obligation (legal or derived) as a result of a past event,
- when it is likely that an outflow of resources representing economic benefits will be required to settle the obligation, and
- when a reliable estimate of the liability amount can be made.

The essence of the provision is that it is established solely for liabilities arising from past events, which exist independently of the future actions of the Parent Company. Therefore, provisions are not recognized for future business losses.

To recognize a provision, it is considered probable that the required settlement of the liabilities of the Parent Company will cause an outflow of resources representing economic benefits, when it is more probable that the outflow of resources will occur, that is, the probability that the settlement of those liabilities of the Parent Company will cause an outflow of resources is more likely than not.

Provisions can be established on various bases, including costs incurred during the warranty period, expenses for restoring natural resources, retained deposits, restructuring costs, employee compensation and benefits, court dispute costs, and other grounds.

When measuring a provision, the amount recognized as a provision is the best estimate of the Parent Company's expenditures necessary to settle the present liability at the balance sheet date. In other words, it is the amount that the Company would pay on the balance sheet date to resolve the liability or transfer that liability to a third party.

Provisions for costs and risks are categorized by type, assessed at each balance sheet date, and adjusted to reflect the best current estimate. If it becomes unlikely that an outflow of resources will be needed to settle the liability, the provision is reversed. Reversals of provisions are recognized as income.

When the effect of the time value of money is significant, the amount of the provision represents the present value of the expenditure expected to settle the liability. Discount rates are used when calculating the present value—specifically, pre-tax rates that reflect current market assessments of the time value of money and risks specific to the liability.

A contingent liability is:

- a possible liability that arises from past events, with its existence confirmed only by the occurrence or non-occurrence of uncertain future events that are not fully under the control of the Parent Company; or
- a present obligation resulting from past events, not recognized because it is unlikely that the outflow of resources representing the economic benefits of the Parent Company will be necessary for settling the liability, or because the amount of the liability cannot be reliably estimated.

The contingent liability is not recognized in the Parent Company's financial statements. However, if the outflow of economic benefits is possible and the likelihood of resource outflow is not negligible, this liability is disclosed.

The contingent liability is constantly reassessed, at least at the balance sheet date. When an outflow of economic benefits associated with contingent liabilities becomes probable, a provision and an expense are recognized in the financial statements of the Parent Company during the period in which the change in probability occurs, except in rare circumstances when a reliable estimate cannot be made.

Contingent assets are potential assets that arise from past events, with their existence confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully under the control of the Parent Company.

Contingent assets are not recognized in the Parent Company's financial statements; however, if the inflow of economic benefits is probable, they are disclosed.

Contingent assets are continually revalued (at least at the balance sheet date) to ensure that the financial statements accurately reflect the progress of the relevant event. If it becomes certain that an inflow of economic benefits from the contingent asset will occur, the asset and associated income are recognized in the financial statements of the Parent Company during the period in which the change takes place.

7.16 Employee Benefits

Regarding taxes and contributions for mandatory social insurance, according to the regulations in the Republic of Serbia, the Company must pay contributions to various state funds for social security. These obligations include contributions from both employees and the employer, calculated using the prescribed rates. The Company is legally required to withhold the calculated contributions from the employees' gross earnings and transfer the withheld funds to the appropriate state funds on their behalf.

Contributions made by employees and the employer are recorded as expenses for the Parent Company in the relevant period. After the employees retire, the Company has no obligation to provide them with any benefits.

The relevant provisions of IAS 19 - Employee Benefits are used to assess provisions based on compensation and other employee benefits. Provisions for compensation and other employee benefits include, for example, provisions for unpaid severance pay upon regular retirement and provisions for severance payments resulting from the Parent Company's decision to terminate an employee's employment before their normal retirement date or the employee's choice to voluntarily accept redundancy in exchange for such benefits.

When assessing liabilities upon termination of employment, as per the relevant provisions of IAS 19, the rate used for discounting is typically determined according to market yields on the balance sheet date for high-quality corporate bonds. Alternatively, as also specified in IAS 19, until there is a developed market for corporate bonds in the Republic of Serbia, the market yields (on the balance sheet date) of government bonds will be used (for the discount rate) to evaluate the Parent Company's obligations upon termination of employment. The currency and maturity of corporate or government bonds should align with the currency and the estimated maturity of post-employment benefit obligations. If, due to an underdeveloped government bond market, the Company uses the yield on government bonds with a maturity date shorter than the estimated maturity date of payments based on the related income as a "benchmark," the discount rate is determined by estimating the yield on the "benchmark" securities for longer maturities.

Severance payments upon retirement are made by the Company to employees according to the new provisions of the Collective Agreement.

8. PRINCIPAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATE UNCERTAINTY

The presentation of financial statements requires the management of the Parent Company to utilize the most appropriate estimates and reasonable assumptions, which affect the reported values of assets and liabilities, as well as the disclosure of contingent receivables and liabilities at the time of preparing the financial statements, along with income and expenses during the reporting period. These estimates and assumptions are grounded in information available at the date of the financial statements.

The key assumptions related to future uncertainties and other assessments at the balance sheet date are presented below, highlighting significant risks for material adjustments to balance sheet amounts in the upcoming financial year.

Key estimates in the application of accounting policies

What follows are the key judgments, except for those involving estimates, that the management of the Parent Company makes in the process of applying the Company's accounting policies, and which most affect the amounts recognized in the financial statements.

A method for measuring progress towards the full fulfilment of the obligation to perform

A true representation of the execution of the contract for the performance of design services and consulting services is achieved by recognizing revenues in the reports detailing the services performed by a specific date, which are confirmed by the customer and/or the supervisory or control authority designated by the contracting parties. During this process, management also considers the completion of the physical scope of the contracted works based on expert reports. The Directors of the Parent Company believe that this output method provides an appropriate measure of progress towards full compliance with the performance obligations under IFRS 15.

Business Model Analysis

The classification and measurement of financial assets depend on the results of the so-called SPPI test (i.e., checking whether the contracted cash flows of the financial asset represent only repayments of the principal and interest payments on the unpaid part of the principal) and the business model test. The Company establishes a business model at a level that reflects how groups of financial assets are managed to achieve a specific business goal. This analysis involves judgment based on all relevant evidence, including the methods of measuring and evaluating the performance of financial assets, the management of financial assets, and the compensation of those who manage these assets.

The Company monitors financial assets measured at amortized cost or fair value through other income, whose recognition ceases before their maturity, to understand the reasons for their disposal, and whether these reasons align with the business objectives for which the Company held the funds. Monitoring is part of the ongoing analysis and assessment by the Parent Company regarding whether the business model within which the remaining, unalienated assets are maintained is still appropriate. If it is not appropriate, the Company assesses whether there has been a change in the business model and consequently a prospective change in the classification of those assets. During the period shown in the attached consolidated financial statements, it was unnecessary for the Company to implement such changes.

Key sources of estimation uncertainty

The following outlines the key assumptions pertaining to future events and other sources of uncertainty assessed at the balance sheet date, which pose a significant risk for material adjustments to the amounts of balance sheet items in the upcoming financial year.

Value adjustment of receivables and short-term financial investments

As explained in note 7.13, the Company employs the general approach and considers expected credit losses over the lifetime of the instruments, i.e., 12-month expected credit losses for financial assets that do not include a significant financing component. To assess indicators of a significant increase in credit risk, the Company takes the following into account:

- A drop in the external credit rating used to calculate the value adjustment;
- A delay in liability repayment of 30 days (if related to third parties), or 90 days if concerning related legal entities;
- Other qualitative criteria that may indicate a significant increase in credit risk.

For the purposes of identifying impairment indicators, i.e., the criteria for calculating expected credit losses required for assets classified as level 3 in accordance with the requirements of IFRS 9, the Company applies:

- A defined default threshold applicable to a specific category of financial assets;
- Other objective evidence of impairment in accordance with IFRS 9.

IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of the asset has significantly increased, the Company considers both qualitative and quantitative information that is reasonable and well-supported, relating to future conditions.

Discount Rate for Calculating Provisions for Bonuses and Other Employee Benefits

Determining the Parent Company's obligation regarding long-term employee benefits relies on certain assumptions, including the choice of discount rate. This rate is set based on market returns at the end of the reporting period on high-quality corporate bonds. Given that the financial market in Serbia is underdeveloped, the most realistic benchmark for determining the discount rate on the balance sheet date is the annual return achieved by investing in government securities guaranteed by the Republic of Serbia. Therefore, the discount rate is determined by considering the annual yield on longer-term government securities issued by the Public Debt Administration of the Ministry of Finance of the Republic of Serbia, realized during the relevant period, with adjustments disclosed in note 31 due to the fact that the average maturity of the repurchased securities is shorter than the average maturity of the subject receipts.

These assumptions are viewed as a key source of estimation uncertainty, as even small changes in the assumptions can significantly impact the amount of employee benefits. Additional information on the discount rate and employee benefits is provided in note 31.

Fair Value

The fair value of financial instruments without an active market is determined by applying suitable valuation methods. The Company exercises professional judgment in selecting the appropriate methods and assumptions.

The Parent Company's business policy is to disclose information about the fair value of assets and liabilities when official market information is available and when the fair value differs significantly from the book value. In the Republic of Serbia, there is insufficient market experience, along with a lack of stability and liquidity in the buying and selling of receivables and other financial assets and liabilities, as official market information is not always accessible.

Therefore, fair value cannot be reliably determined in the absence of an active market. The management of the Parent Company conducts a risk assessment and, when it is determined that the values at which the assets are recorded in the business books will not be realized, makes a value adjustment. In the opinion of the Parent Company's management, the amounts in these financial statements reflect the value that, under the circumstances, is the most reliable and useful for reporting purposes.

9. FINANCIAL RISKS AND FINANCIAL RISK MANAGEMENT IN THE PARENT COMPANY

Uncertainty about future events is a fundamental aspect of business in a market economic environment, reflected in several potential outcomes. Because of this uncertainty, stemming from a lack of knowledge about which potential events will actually occur, legal entities face various business risks that may affect their future market position.

From the Parent Company's perspective, there are many potential risks that, to varying degrees, can negatively impact the Parent Company's condition and operations.

Certain specific risks are influenced by internal factors, including: concentration risk, which may manifest in the Parent Company as exposure to one or a small group of customers or suppliers; operational risk, which can result in negative effects from intentional or unintentional omissions in employee performance, inadequate internal procedures and processes, and insufficient management of the Company's information systems; reputational risk, referring to the potential deterioration of the Parent Company's market position due to loss of trust, that is, the creation of a negative public image from state institutions, suppliers, customers, etc.; legal risk, which occurs from potential negative consequences such as penalties and sanctions arising from court disputes over non-fulfilment of contractual or legal obligations; etc.

As with most of these risks, along with certain other unmentioned risks, they are addressed in other sections of the Notes or internal documents of the Parent Company. For example, the minimization of operational risk, performed through established procedures and work instructions, is covered in the Rulebook on Accounting and Accounting Policies of the Parent Company. The focus below will be on considering financial risks, which primarily include:

- **credit risk,**
- **market risk, and**
- **liquidity risk.**

Financial risks are significantly influenced by external factors that are not directly controlled by the Parent Company. In this context, the level of financial risk is heavily impacted by the Parent Company's environment, which is shaped not only by the economic landscape but also by legal, financial, and other pertinent aspects that contribute to systemic risks.

Generally, compared to the markets of developed economies, parent companies operating in markets with insufficient economic development and macroeconomic stability, as well as high illiquidity—such as the Republic of Serbia—are significantly exposed to financial risks. Moreover, the inadequate development of the financial market hinders the use of a wide range of hedging instruments that are typical in developed markets. Thus, for instance, parent companies operating in the Republic of Serbia lack access to a substantial number of derivative financial instruments for risk management because such instruments are not widely utilized and there is no organized continuous market for financial instruments.

Financial risk management is a comprehensive and reliable system designed to minimize potential negative impacts on the Parent Company's financial condition and operations amid the unpredictability of the financial market.

Recognizing the limitations in financial risk management typical of business operations in the Serbian market, there is a clear need for a suitable approach to this issue, which is also acknowledged by the management of the Parent Company. Essentially, financial risk management within the Company should ensure that the risk profile of the Parent Company consistently aligns with its risk appetite, meaning it conforms to the acceptable structure and level of risk that the Company intends to pursue to achieve its business strategy and goals.

By analysing the operations of the Parent Company during the previous period, as well as the structure of items on the balance sheet and income statement, we can conclude that the Company is significantly exposed to various types of risks.

The following text will outline:

- the Parent Company's financial risk profile, which assesses the structure and level of financial risks that the Parent Company faces in its operations;
- measures for managing the recognized financial risks of the Parent Company; and
- capital risk management, which, although not categorized as one of the individual types of financial risks, significantly impacts the level of each of the considered types of risks.

9.1 Credit risk

Credit risk refers to the potential negative impact on the company's financial results and capital resulting from a debtor's failure to meet its obligations to the company within the designated deadlines.

Credit risk encompasses not only debtor-creditor relationships that result from sales of the Company's products but also those risks associated with other financial instruments, such as the Company's receivables from long-term and short-term financial investments.

The Company faces a significant concentration of credit risk in the collection of accounts receivable, resulting in an extended credit period due to the insufficient liquidity of these accounts.

The valid framework for the assessment and ranking of the Group's credit risk includes the following categories:

Category	Description	Recognition of expected credit losses (ECL)
Income-generating assets	Not due or overdue by less than 180 days for external customers and 360 days for related parties	12-month ECL
Non-income-generating assets *(Level 3, in accordance with the requirements of IFRS 9 - individual assessment of impairment)*	Receivables overdue for more than 180 days for external customers and 360 days for related parties	ECL throughout the life of the instrument
Non-income-generating assets *(Level 3 – group impairment assessment)*	Receivables overdue for more than 180 days for external customers and 360 days for related parties	ECL throughout the life of the instrument
Write-off	There is evidence that the debtor is in serious financial difficulties and the Group has no realistic prospects of collecting the receivables	The amount is written off

The following tables present:

- The structure of short-term receivables without impairment,
- The age structure of short-term receivables without impairment,
- The structure of short-term receivables with recorded impairment.

The Company has no payment security instruments.

The structure of short-term receivables without impairment	*in thousands of dinars*	
	2024	**2023**
Receivables from sales:		
TRADE RECEIVABLES - DOMESTIC		
TRADE RECEIVABLES - ASSOCIATED ENTITIES	29	23
EPS	136,301	118,190
TEPSCO	480	4,292
Beočista energija	6,038	18,696
others in SERBIA	10,952	1,125

TRADE RECEIVABLES - FOREIGN	5,335	
TRADE RECEIVABLES IN OMAN		
OETC	3,933	23,999
PAEW	8,602	4,487
others	2,444	3,605
TRADE RECEIVABLES IN QATAR		
KAHRAMAA QATAR	90,876	197,729
OTHERS IN QATAR	266,160	207,540
TRADE RECEIVABLES IN BAHRAIN		
EVA	23,923	
TRADE RECEIVABLES IN THE UAE		
DUBAI		
DEWA Contracts DUBAI	25,709	351,004
MERAAS DUBAI	0	69,328
OTHERS INDUBAI	76,988	46,733
ABU DHABI	0	0
TRANSCO ABU DHABI	43,972	13,293
OTHERS IN ABU DHABI	12,010	20,565
Total	***713,752***	***1,080,610***

The Parent Company has no payment security instruments.

Starosna struktura kratkoročnih potraživanja za koje nije izvršeno umanjenje vrednosti	*u 000 dinara*	
	2023	**2022**
Povezana pravna lica:		
a) Tekuća	23	429
Svega	***23***	***429***
Kupci u zemlji:		
a) Tekuća	129.452	153.159
b) Do 30 dana	12.851	29.213
c) 30 - 60 dana	-	62.193
d) 90 - 365 dana	-	2.840
e) 90 - 365 dana	-	-

f) Preko 365 dana	-	48.938
Svega	***142.303***	***296.343***
Kupci u inostranstvu:		
a) Tekuća	461.985	310.989
b) Do 30 dana	59.515	80.835
c) 30 - 60 dana	115.965	50.280
d) 60 - 90 dana	16.818	66.992
e) 90 - 365 dana	206.671	173.109
f) Preko 365 dana	77.329	115.438
Svega	***938.284***	***797.643***
UKUPNO	***1.080.610***	***1.094.415***

The age structure of short-term receivables without impairment	*in thousands of dinars*	
	2024	**2023**
Associated entities:		
a) Current	29	23
Total	***29***	***23***
Trade receivables - domestic:		
a) Current	150,554	129,452
b) Up to 30 days	2,914	12,851
c) 30 - 60 days	-	-
d) 90 - 365 days	61	-
e) 90 - 365 days	122	-
f) More than 365 days	122	-
Total	***153,771***	***142,303***
Trade receivables - foreign:		
a) Current	252,660	461,985

b) Up to 30 days	87,892	59,515
c) 30 - 60 days	60,580	115,965
d) 90 - 365 days	37,285	16,818
e) 90 - 365 days	105,905	206,671
f) More than 365 days	15,630	77,329
Total	***559,952***	***938,284***
TOTAL	***713,752***	***1,080,610***

STRUCTURE OF OTHER SHORT-TERM RECEIVABLES

Other short-term receivables	*in thousands of dinars*	
	2024	**2023**
Receivables from employees	140,814	124,356
Receivables from Perl Garden	12,356	11,634
Receivables for wages refunded	1,053	421
Total	**154,223**	**136,411**
Value added tax in received invoices at the general rate (except paid advances)	0	0
TOTAL:	**154,223**	**136,411**

The table below displays the credit quality of the Parent Company's financial assets and its maximum exposure to credit risk based on credit ratings:

December 31, 2024	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross book value
Long-term financial investments	27	n/a	income-generating	12-month ECL	94,995
Long-term receivables	27	from A- to AAA	income-generating	12-month ECL	1,025,584
Sales receivables	29	n/a	income-generating	lifetime ECL	713,752
Other receivables	30	n/a	income-generating	12-month ECL	154,223
Short-term financial investments	31	AAA	income-generating	12-month ECL	1,124,165
Cash	32	from A- to BBB-	from A- to BBB-	12-month ECL	672,192

For trade receivables, long-term receivables, retention, and assets based on the contract, such as receivables based on un-invoiced income (accruals), the Company applied a simplified approach to calculate impairment for credit losses in accordance with IFRS 9, utilizing lifetime expected credit losses. The Company determines the expected credit losses for these items by using the transition matrix during the observed period, which displays the monthly movement of individual receivables between delinquency intervals. Consequently, the credit risk profile of these assets is presented based on their maturity status as indicated by the transition matrix.

Based on the applied approach, the Company did not identify any materially significant amounts for the impairment of the aforementioned receivables and assets under the contract.

9.2 Market risk

Market risk refers to the potential adverse effects on the company's financial results and capital due to losses in balance sheet items, stemming from unfavourable movements in market prices and other relevant financial parameters. Market risk encompasses three types of risks:

- currency risk;
- interest rate risk; and
- price risk.

9.3 Currency risk

Currency risk, also known as foreign exchange risk or exchange rate risk, refers to the potential for fluctuations in the fair value or future cash flows of a financial instrument caused by changes in exchange rates. Currency risk arises with financial instruments denominated in a foreign currency—specifically, in a currency different from the functional currency used in the financial statements for measurement purposes.

The Group operates within an international framework and is exposed to the risks associated with fluctuations in foreign currency exchange rates due to engaging in business with different currencies, primarily the US dollar.

The sensitivity analysis presented below indicates that a negative shift in exchange rates would significantly impact the Group's results, leading to the conclusion that the Group is considerably exposed to currency risk.

The following table presents the book value of monetary assets and liabilities based on data from the foreign exchange sub-balance sheet.

Sredstva u USD		Obaveze u USD	
2022.	**2023.**	**2022**	**2023.**
2.357.212	2.602.140	1.435.626	1.720.438

Assets in USD		Liabilities in USD	
2023	**2024**	**2023**	**2024**
2,357,212	3,982,860	1,435,626	1,375,625

Assets in USD encompass all receivables and cash equivalents (which pertain to convertible currency) that the Group includes in its consolidated statements.

Liabilities in USD encompass all debts (which pertain to convertible currency) that the Entel Group includes in its consolidated statements.

Given the reported differences in the foreign exchange sub-balances, a sensitivity analysis of the Group is presented in the following table, reflecting a nominal increase of 10% in the dinar exchange rate relative to foreign currencies. A sensitivity rate of 10% represents an estimate of reasonably expected fluctuations in foreign exchange rates. The sensitivity analysis encompasses only cash, receivables, and payables that are denominated in foreign currency, adjusting their translation at the end of the period for potential depreciation or appreciation of the functional currency against the foreign currency.

Although the Group views currency risk as encompassing various currencies (an analysis of the Group's foreign exchange sub-balance reveals that it is most sensitive to fluctuations in the USD, while changes in the EUR also have a significant impact), the sensitivity analysis was conducted in a manner that assumes identical fluctuations across all currencies relevant to the Group.

With other variables unchanged, the appreciation of the national currency would positively impact the results of the current period due to the favourable effects of net exchange rate differences between foreign currency assets and liabilities. Similarly, with other variables unchanged, the depreciation of the national currency would negatively impact the results of the current period due to the unfavourable effects of net exchange rate differences between foreign currency assets and liabilities.

Analysis of the sensitivity of the results in case of depreciation of the national currency by 10%	in thousands of dinars	
	2024	**2023**
NET EFFECT ON THE RESULT OF THE CURRENT PERIOD	28,641	9,334

Note: The net effect on the result for the current period is calculated as follows: (Foreign currency assets in USD - Foreign currency liabilities in USD) x 10% x the average USD exchange rate on the balance sheet date.

9.4 Interest rate risk

Interest rate risk refers to the possibility of negative impacts on the results and capital of the Parent Company due to unfavourable changes in interest rates. The Parent Company is exposed to this risk through financial liabilities from loans taken with potentially variable interest rates (Belibor, Euribor), as well as through the assessment of default interest due to delayed payments.

The table below lists the most significant suppliers based on the balance of liabilities as of the Parent Company's balance sheet date.

The Company has no payment security instruments.

The structure of trade payables	*in thousands of dinars*	
	2024	**2023**
Trade payables - domestic (affiliated and other legal entities):		
ENERGOPROJEKT HOLDING	5,641	1,162
ENERGOPROJEKT INDUSTRIJA	901	1,234
ENERGOPROJEKT HIDROINZENJERING	2,394	3,500
OTHER RELATED LEGAL ENTITIES	-	-
AUTORSKI BIRO	-	-
Others - domestic	10,290	8,626
Total	**19,226**	**14,522**
COUNTRY		
AF CONSULTANT	-	271
QATAR		
AGENT RES. OPTIMUM	123,559	162,872
SPONSOR QATAR	236,659	236,845
CONSULTANT	31,476	13,025
OTHERS IN QATAR	29,943	22,777
OMAN		
SPONSOR OMAN	7,638	6,154
OTHERS IN OMAN	4,539	11,675
UAE		

UAE - RENTS		
UAE - CONSULTANTS	5,025	1,548
OTHERS IN THE UAE	2,623	8,977
UAE - SPONSOR		
Total	**441,462**	**464,144**

The Parent Company has no payment security instruments.

Age structure of trade payables	*in thousands of dinars*	
	2024	**2023**
Associated entities:		
a) Current	7,435	6,869
b) Up to 30 days	1,093	-
c) 30 - 60 days	885	-
d) 60 - 90 days	252	-
e) 90 - 365 days		-
Total	**9,665**	**6,869**
Trade payables - domestic:		
a) Current	10,290	8,626
Total	**10,290**	**8,626**
Trade payables - foreign:		
a) Current	441,462	464,144
Total	**441,462**	**464,144**
TOTAL	***461,417***	***479,639***

9.5 Price risk

Price risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate due to changes in market prices (excluding those stemming from interest rate or currency risk). These fluctuations can arise from factors specific to an individual financial instrument or its issuer, or from factors that impact all similar financial instruments traded in the market.

9.6 Liquidity risk

Liquidity risk is the risk that the Parent Company will have difficulties settling due liabilities, while maintaining the necessary volume and structure of working capital and a good credit rating.

The following table presents the key liquidity indicators of the Parent Company, specifically:

- General liquidity ratio (the ratio of current assets to short-term liabilities), which indicates how many dinars of current assets are available to cover each dinar of short-term liabilities;
- Rigorous liquidity ratio (the ratio of liquid assets, defined as total working capital minus inventories and accruals, to short-term liabilities), which indicates how many dinars of liquid assets are available to cover each dinar of short-term liabilities;
- Cash liquidity ratio (the quotient of cash plus cash equivalents divided by short-term liabilities), which shows how many dinars of cash assets cover each dinar of short-term liabilities; and
- Net current assets (the value difference between current assets and short-term liabilities).

Drawing conclusions about liquidity indicators derived from ratio analysis, among other factors, requires comparing them to acceptable general standards, which are also presented in the following table.

Liquidity indicators	**Satisfactory general standards**	**2024**	**2023**
General liquidity ratio	2 : 1	3.98 : 1	3.70 : 1
Rigorous liquidity ratio	1 : 1	2.92 : 1	3.68 : 1
Cash liquidity ratio		0.74 : 1	0.52 : 1
Net current assets (in thousands of dinars)		**2,715,953**	**2,612,531**

9.7 Capital Risk Management

The objective of capital risk management is for the Parent Company to retain the capacity to operate indefinitely, in order to provide the owners of the Parent Company with a satisfactory return (profit), while maintaining an adequate funding structure, i.e., a good credit rating.

While several criteria can inform conclusions about the Parent Company’s potential for long-term existence, it is clear that profitable operations and a satisfactory financial structure are fundamental aspects.

The best measure of **profitability** is *the rate of return on average equity*, which indicates how much return the Parent Company achieves on one dinar of average equity capital employed. To calculate this profitability indicator, average equity capital is determined as the arithmetic mean of the capital value at the beginning and end of the year.

Profitability indicators	*in thousands of dinars*	
	2024	**2023**
Net profit/loss	201,541	326,166
Average capital		
Capital at the beginning of the year	4,165,692	4,133,829
Capital at the end of the year	4,314,909	4,165,692
Total - average capital	**4,240,301**	**4,149,761**
Rate of return on equity	**4.75%**	**7.86%**

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

The following tables present the key indicators of the Parent Company's financial structure, including:

- The proportion of borrowed funds in the total sources of funds, which indicates how much of one dinar of the Parent Company's assets is financed by borrowed sources; and
- The proportion of long-term funds within the total sources of funds, indicating how much of one dinar of the Parent Company's funds is financed by long-term sources.

Financial structure indicators	*in thousands of dinars*	
	2024	**2023**
Liabilities	1,589,928	1,709,188
Total assets	5,904,836	5,874,880
The proportion of borrowed funds in the total sources of funds	**0.27 : 1**	**0.29 : 1**
Long-term assets		
Capital	4,314,909	4,165,692
Long-term provisions and long-term liabilities	678,181	740,823
Total - Long-term assets	**4,993,090**	**4,906,515**
Total assets	5,904,836	5,874,880
The proportion of long-term funds within the total sources of funds	**0.85 : 1**	**0.84 : 1**

The **net debt ratio** indicates how much each dinar of the Parent Company's net debt is supported by the Parent Company's capital.

Net debt refers to the difference between:

- the total financial liabilities (both long-term and short-term) of the Parent Company (which includes total liabilities minus capital, long-term provisions, and deferred tax liabilities, plus any losses exceeding the capital amount); and
- cash and cash equivalents.

Parameters for calculating the net debt-to-capital ratio	*in thousands of dinars*	
	2024	**2023**
Net debt		
Liabilities	1,589,928	1,709,188
Cash and cash equivalents	672,192	501,026
Total - Net debt	**917,736**	**1,208,162**
Capital	4,314,909	4,165,692
Net debt-to-capital ratio	**1 : 4.70**	**1 : 3.45**

10. PRIOR PERIOD ERRORS, ERROR MATERIALITY, AND RESTATEMENT

Prior period errors are omitted or inaccurately stated data from the Company's financial statements for one or more periods, resulting from the failure to use or the incorrect use of reliable information that was available when the financial statements for the periods were authorized for issuance, and that could reasonably have been obtained and considered in the preparation and presentation of those financial statements.

A material error found in the current period that relates to a previous period is one that materially impacts the financial statements of one or more prior periods, rendering those financial statements unreliable.

The Parent Company makes a retrospective correction of *material errors* in the first set of financial statements approved for publication after discovering those errors, restating the comparative amounts for the earlier period(s) in which the errors occurred; or, if the error took place before the earliest prior period presented, restating the opening balances of assets, liabilities, and equity for the earliest prior period presented.

If determining the effect of an error from a specific period on the comparative information for one or more previously presented periods is impractical, the Parent Company restates the opening balances of assets, liabilities, and capital for the earliest period where retrospective restitution of data is possible (which may be the current period).

Errors that are subsequently identified as immaterial are corrected at the expense of expenses, meaning they are reflected in the income for the period in which the errors were recognized.

The **materiality of the error** is evaluated according to the relevant provisions of the Framework for the Preparation and Presentation of Financial Statements, which indicates that the omission or incorrect accounting of a business transaction may influence the economic decisions of users based on financial statements.

In the Company, materiality is determined based on the size of the error relative to the total income. A material error is defined as an error that, whether individually or cumulatively with other errors, **exceeds 1.5% of the Company's total income from the previous year**.

INCOME STATEMENT

11. OPERATING INCOME

Income from the sale of products and services

Structure of income from sales of products and services	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Income from the sale of goods on the domestic market:		
Income from the sale of products and services to the parent company and subsidiaries on the domestic market	232	223
Income from the sale of products and services to other related parties on the domestic market	1,356	2,210
Income from the sale of products and services on the domestic market	677,424	775,151
Total - Income from the sale of goods on the domestic market	**679,012**	**777,584**
Income from the sale of goods on the foreign market:		
Income from the sale of products and services on the foreign market	2,752,259	3,016,277
Total - Income from the sale of goods on the foreign market	**2,752,259**	**3,016,277**
TOTAL:	**3,431,271**	**3,793,861**

Struktura prihoda od prodaje proizvoda i usluga	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
Prihodi od prodaje robe na domaćem tržištu:		
Prihodi od prodaje proizvoda i usluga matičnom i zavisnim pravnim licima na domaćem tržištu	223	201
Prihodi od prodaje proizvoda i usluga ostalim povezanim licima na domaćem tržištu	2.210	2.109
Prihodi od prodaje proizvoda i usluga na domaćem tržištu	775.151	695.300
Svega - prihodi od prodaje robe na domaćem tržištu	**777.584**	**697.610**
Prihodi od prodaje robe na inostranom tržištu:		
Prihodi od prodaje proizvoda i usluga na inostranom tržištu	3.016.277	3.306.508
Svega - prihodi od prodaje robe na inostranom tržištu	**3.016.277**	**3.306.508**
U K U P N O:	**3.793.861**	**4.004.118**

All revenues of the Company pertain to revenues based on contracts with customers.
Revenues from design, consulting, and engineering services recognized over time for the year ending December 31, 2024, total 3,431,271 thousand dinars.

As of December 31, 2024, the total transaction price of non-completed (or partially unfulfilled) performance obligations related to the performance of design, consulting, and engineering services is 7,740,462 thousand dinars and will be realized during the remaining term of the concluded service contracts. Management anticipates that 39% of the transaction price allocated to non-completed (or partially unfulfilled) performance obligations at the end of 2024, or 3,018,780 thousand dinars, will be recognized as income during the next reporting period. The remaining 61%, or 4,721,682 thousand dinars, will be acknowledged in the subsequent financial years.

The total income from the seven largest customers, each contributing more than 10% of the Company's income for the year 2024, is 1,803,378 thousand dinars (2023: three customers with income of 1,742,124 thousand dinars).

The representation of realized income by company is shown in the table below:

NAZIV	**PRIHODI OD PRODAJE USLUGA**
SRBIJA	
Povezana lica	
EPS	
Ostali	
Beo čista doo	
SHANGHAI ELECTRIC GROUP	
Prihod iz inostranstva	
TOTAL SRBIJA	
KATAR	
Kahrama	
Ostali	
OMAN	
OETC	
PAEW	
Ostali	
EMIRATI	
DEWA	
Ostali	
TRANSCO	
Ostali	
INOSTRANSTVO	
TOTAL:	

NAME	INCOME FROM THE SALE OF SERVICES
SERBIA	
Associated entities	1,588
EPS	470,572
Others	92,197
MILLENNIUM TEAM DO0	75,756
ČIBUK 2 WIND ENERGY D.O.O	38,899
Income from abroad	5,334
TOTAL SERBIA	**684,346**
QATAR	
Kahrama	489,871
Others	714,496
OMAN	
OETC	131,564
PAEW	180,367
Others	34,108
UAE	
DEWA	204,341
Others	659,276
TRANSCO	326,663
Others	6,239
TOTAL ABROAD	**2,746,925**
TOTAL:	**3,431,271**

12. OTHER OPERATING INCOME

Other operating income	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
INCOME FROM ADJUSTMENT OF ASSET VALUE	4,068	183
TOTAL:	**4,068**	**183**

	u 000 dinara

Ostali poslovni prihodi	01.01.-31.12.23.	01.01.-31.12.22.
PRIHODI OD USKLAĐIVANJA VREDNOSTI IMOVINE	183	0
U K U P N O:	**183**	**0**

13. COSTS OF MATERIALS, FUEL AND ENERGY

Material, fuel and energy cost structure	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
COSTS OF MATERIALS AND ENERGY		
Costs of office supplies - external	15,904	15,536
Costs of office supplies - EP - analytical	1,385	1,070
Costs of other overhead materials	12,515	11,877
Costs of other materials (overhead)	**29,804**	**28,483**
Costs of fuel	43,351	52,646
Costs of electricity and heating	23,783	25,027
Costs of fuel and energy	**67,134**	**77,673**
Costs of spare parts	-	-
Costs of one-time write-off of tools and inventory	765	3,123
TOTAL:	**97,703**	**109,279**

Struktura troškova materijala, goriva i energije	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
TROŠKOVI MATERIJALA I ENERGIJE		
Troškovi kancelarijskog materijala - eksterni	15.536	16.184
Troškovi kancelarijskog materijala - EP - analitički	1.070	743
Troškovi ostalog režijskog materija	11.877	13.238
Troškovi ostalog materijala (režijskog)	**28.483**	**30.165**
Troškovi goriva	52.646	66.813

Troškovi električne i toplotne energije	25.027	27.633
Troškovi goriva i energije	**77.673**	**94.446**
Troškovi rezervnih delova	-	-
Troškovi jednokratnog otpisa alata i inventara	3.123	898
UKUPNO:	**109.279**	**125.509**

The costs distributed by the companies where the cost was incurred are as follows:

EMIRATI
ENTEL
KATAR
OMAN

UAE	**20,511**
ENTEL	**23,015**
QATAR	**42,421**
OMAN	**11,756**
	97,703

14. COSTS OF SALARIES, WAGES AND OTHER PERSONAL EXPENSES

Structure of costs of salaries, wages and other personal expenses	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Earnings of employees at work - gross	1,690,471	2,085,862
The costs of taxes and contributions on salaries and wages borne by the employer	57,698	62,105
Other personal expenses and remunerations:		
Costs of remunerations according to author's contracts	1,304	1,651

Costs of remunerations to individuals according to other contracts	728	864
Costs of remuneration to the director or members of Management Board and Supervisory Board	1,111	1,111
Costs of hiring employees through agencies and cooperatives	1,504	4,209
Other personal expenses and remunerations	84,510	79,319
Total other personal expenses and remunerations:	89,157	87,154
TOTAL:	**1,837,326**	**2,235,121**

Costs allocated by costing companies are as follows:

BAHRAIN	**1,957**
UAE	**618,833**
ENTEL	**448,005**
QATAR	**586,572**
OMAN	**181,960**
	1,837,327

Other personal expenses of RSD 89,157 thousand refer to:

52300

52500

52600

52800

52900

52910

52911

52920

52941

52942

52943

52944

52960

52990

52991

52999

52300	COSTS OF REMUNERATION ACCORDING TO THE AUTHOR'S CONTRACTS	1,304.00

52500	COSTS OF REMUNERATIONS TO INDIVIDUALS ACCORDING TO OTHER CONTRACTS	728.00
52600	COSTS OF REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS	1,111.00
52800	STUDENT COOPERATIVES	1,504.00
52900	COSTS OF EMPLOYEE COMMUTE	10,309.00
52910	MEAL ALLOWANCE	18,351.00
52911	EMPLOYEE ACCOMMODATION COSTS (REIMBURSEMENT)	6,569.00
52920	TERMINATION SEVERANCE /incentives/	15,906.00
52941	REIMBURSEMENT OF TRANSPORTATION COSTS ON BUSINESS TRIPS	159.00
52942	REIMBURSEMENT OF COSTS ON BUSINESS TRIPS - ACCOMMODATION COSTS (HOTEL)	5,790.00
52943	REIMBURSEMENT OF COSTS ON BUSINESS TRIPS - DAILY ALLOWANCES	25,149.00
52944	REIMBURSEMENT OF COSTS ON BUSINESS TRIPS - OTHER COSTS	24.00
52990	GRANTS AND LOANS TO PUPILS AND STUDENTS	750.00
52991	SOLIDARITY ASSISTANCE FOR CHILDBIRTH, MATERNITY	642.00
52999	OTHER REMUNERATIONS, A GIFT FOR MARCH 8, THE BIRTH OF A CHILD...	861.00

15. COSTS OF DEPRECIATION

Struktura troškova amortizacije	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
Amortizacija nematerijalnih ulaganja	3.244	3.710
Amortizacija nekretnina, postrojenja i opreme	117.187	125.684
UKUPNO:	**120.431**	**129.394**

Structure of depreciation costs	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Depreciation of intangible assets	3,201	3,244
Depreciation of property, plant and, equipment	111,666	117,187
TOTAL:	**114,867**	**120,431**

Before assessing the property value, annual depreciation was calculated. On December 31, 2024, an assessment of the residual value and the remaining useful life for property and equipment with higher book value was conducted. In 2024, IFRS 16 was implemented for property leased with the right of use. We have that type of property in a foreign entity in Qatar and the UAE. In Oman, we have our own office building, as we do in Serbia, so in those locations, there were no conditions for the application of the aforementioned standard.

Depreciation costs by company are:

BAHRAIN	**5**
UAE	**17,424**
ENTEL	**16,003**
QATAR	**63,621**
OMAN	**17,814**
	114,867

The costs of depreciation of intangible assets by company are:

ENTEL	**1,842**
QATAR	**1,352**
OMAN	**7**
	3,201

The costs of depreciation of property, plant and, equipment by company are:

EMIRATI
ENTEL
KATAR
OMAN

BAHRAIN	**5**
UAE	**2,972**
ENTEL	**14,161**
QATAR	**5,276**
OMAN	**17,807**
	40,221

The depreciation costs for real estate leased with the right of use, broken down by company, are as follows:

EMIRATI

KATAR

UAE	**14,452**
QATAR	**56,993**
	71,445

16. EXPENSES FROM THE ADJUSTMENT OF ASSET VALUE

Structure of expenses from the adjustment of asset value	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Expenses from the adjustment of asset value	4,462	2,603
TOTAL:	**4,462**	**2,603**

Struktura rashoda uskladjvanja vredosti imovine	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
Rashod uskladjvanja vredosti imovine	2.603	-
UKUPNO:	**2.603**	**0**

17. COSTS OF PRODUCTION SERVICES

The costs of services used in the production process associated with capitalized costs pertain to subcontractors we hire for tasks that we cannot perform with our own personnel or for specialized jobs that can only be completed by specific companies.

The costs by company are as follows:

	01.01.-31.12.23.	**01.01.-31.12.22.**
Rashod uskladjvanja vredosti imovine	2.603	-
UKUPNO:	**2.603**	**0**

Struktura proizvodnih troškova	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
Troškovi usluga na izradi učinaka	391.743	339.929

Troškovi transportnih usluga	131.582	161.956
Troškovi usluga održavanja	23.345	20.550
Troškovi zakupnina	62.831	82.429

Structure of production costs	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Costs of services used in production process of own costs capitalized	400,268	391,743
Transport services costs	112,078	131,582
Maintenance costs	30,409	23,345
Rental costs	57,205	62,831
Fairs exhibit costs	8,423	5,945
Advertising costs	6,710	6,312
Costs of other services	19,335	19,718
TOTAL:	**634,428**	**641,476**

The costs of services used in production process of own costs capitalized by company are:

EMIRATI

ENTEL
KATAR
OMAN

BAHRAIN	**11,519**
UAE	**164,850**
ENTEL	**120,614**
QATAR	**62,826**
OMAN	**40,459**
	400,268

Transport services costs by company are:

EMIRATI

ENTEL
KATAR
OMAN

BAHRAIN	**57**
UAE	**40,604**
ENTEL	**13,083**
QATAR	**52,076**
OMAN	**6,258**
	112,078

Maintenance costs by company are:

EMIRATI
ENTEL
KATAR
OMAN

BAHRAIN	**71**
UAE	**1,607**
ENTEL	**8,115**
QATAR	**15,898**
OMAN	**4,718**
	30,409

Rental costs primarily refer to the rental of apartments in our foreign companies.

These costs by company are as follows:

EMIRATI	**17.081**
ENTEL	**84**
KATAR	**43.761**
OMAN	**1.904**
	62.831

Fairs exhibit costs refer to:

EMIRATI	**5.618**
ENTEL	**327**
KATAR	**0**
	5.945

Advertising costs refer to: promotion costs, advertising costs, including market research costs, as well as the costs of producing prospectuses and publications.

Advertising costs by company are as follows:

UAE	**340**
ENTEL	**6,370**
	6,710

Within the costs of other services, the most significant part refers to: costs of procurement of tenders, costs of copying and costs of licenses.
Other costs by company are as follows:

UAE	**3,094**
ENTEL	**15,870**
OMAN	**371**
	19,335

EMIRATI

ENTEL
OMAN

18. COSTS OF PROVISIONS

Provision cost structure	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Costs of provisions for compensation and other employee benefits	39,165	64,621
TOTAL:	**39,165**	**64,621**

Struktura troškova rezervisanja	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
Troskovi rezervisanja za naknade i druge beneficije zaposlenih	64.621	56.275
UKUPNO:	**64.621**	**56.275**

In terms of provisions for compensation and other employee benefits, a provision has been made in accordance with the legal regulations of the countries where we operate.

These costs by company are as follows:

EMIRATI	**25.794**
KATAR	**17.536**
OMAN	**21.291**

64.621

19. NON-PRODUCTION COSTS

Structure of non-production costs	in thousands of dinars	
	01/01-31/12/2024	**01/01-31/12/2023**
Costs of non-production services	307,846	222,992
Representation costs	21,805	17,587
Costs of insurance premiums	48,782	43,591
Costs of payment operations	36,375	26,025
Costs of membership fees	1,744	1,381
Tax and contribution costs	23,044	21,808
Other non-production costs	96,778	83,349
TOTAL:	**536,374**	**416,733**

The costs of **non-production services** include: professional training for employees, healthcare services, legal services, consulting services, auditing of annual accounts, and more.

These costs by company are as follows:

EMIRATI	**11.812**
ENTEL	**14.046**
KATAR	**181.337**
OMAN	**15.797**
	222.992

Representation costs refer to catering services, gifts to business partners, costs of advertising samples, etc.

These costs by company are as follows:

EMIRATI

ENTEL

KATAR

OMAN

BAHRAIN	**253**
UAE	**7,517**

ENTEL	**9,878**
QATAR	**3,555**
OMAN	**602**
	21,805

The most significant part of **insurance premium costs** refers to property and personal insurance costs.. These costs by company are as follows:

BAHRAIN	**490**
UAE	**37,364**
ENTEL	**1,721**
QATAR	**5,586**
OMAN	**3,621**
	48,782

EMIRATI

ENTEL
KATAR
OMAN

Among the total reported **costs of payment transactions and banking services**, the most significant expense in 2024 is RSD 25,467 thousand, which pertains to the costs of issuing guarantees. The total costs for 2024 amount to RSD 36,375 thousand.

These costs by company are as follows:

BAHRAIN	**1,405**
UAE	**8,261**
ENTEL	**3,662**
QATAR	**22,728**
OMAN	**319**
	36,375

EMIRATI

ENTEL
KATAR
OMAN

Membership fees totalling RSD 1,744 thousand are expenses incurred in Serbia and pertain to the fees for membership in the Serbian Chamber of Engineers.

In terms of **tax expenses,** the following costs are listed: property tax, fees for the use of city construction land, and so on. The largest portion of these expenses is related to property tax in 2024, amounting to RSD 1,933 thousand.
In the Oman company, these costs pertain to the tax paid for the services of the local workforce in accordance with domicile regulations, as well as the transaction tax for payments made to companies whose headquarters are located outside Oman.

These costs by company are as follows:

ENTEL

OMAN

UAE	**382**
ENTEL	**2,629**
QATAR	**306**
OMAN	**19,727**
	23,044

Other non-production costs include administrative and court fees, expenses for professional literature, advertisement and tender costs, and costs associated with the Holding.
These costs by company are as follows:

4830

EMIRATI
KATAR

BAHRAIN	**116**
UAE	**20,075**
ENTEL	**59,394**
QATAR	**12,157**
OMAN	**5,036**
	96,778

20. FINANCIAL INCOME AND EXPENSES

20.1 Financial income

Troškovi poreza i naknada	21.808	24.876

Ostali nematerijalni troškovi	83.349	91.495
UKUPNO:	**416.733**	**507.306**

Struktura finansijskih prihoda	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
Finansijski prihodi iz odnosa sa matičnim, zavisnim i ostalim povezanim licima:		
Finansijski prihodi od matičnog i zavisnih pravnih lica:		
Efekti valutne klauzule i kursne razlike iz odnosa sa matičnim i zavisnim pravnim licima	8	18
Svega - finansijski prihodi iz odnosa sa matičnim i zavisnim pravnim licima	8	18
Prihodi od kamata (od trećih lica)	76.052	12.616
Pozitivne kursne razlike i pozitivni efekti valutne klauzule	1.443	6.293
Ostali finansijski prihodi (prihodi od učešća u dobitku pridruženih pravnih lica i zajedničkih poduhvata i ostali finansijski prihodi):		
Prihodi od učešća u dobitku pridruženih pravnih lica i zajedničkih poduhvata	7.330	9.173
Ostali finansijski prihodi:		

Structure of financial income	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Effects of the currency clause and exchange rate differences from relations with the parent company and subsidiaries	8	8
Total - financial income from relations with the parent company and subsidiaries	8	8
Interest income (from third parties)	59,528	76,052
Foreign exchange gains and the positive effects of the currency clause	881	1,443
Other financial income (income from participation in the profit of associated legal entities and joint ventures and other financial income):		
Income from participation in the profits of associated legal entities and joint ventures	9,008	7,330
Other financial income:		
b) Other financial income	29,747	29,765
Total - other financial income	*29,747*	*29,765*
Total - Other financial income (income from participation in the profit of associated legal entities and joint ventures and other financial income)	**38,755**	**37,095**
TOTAL:	**99,172**	**114,598**

The most significant part of the income from interest accrued from third parties comes from bank interest on funds in accounts and invested funds.

Income from participation in the profits of subsidiaries in 2024 amounts to RSD 9,008 thousand, derived from the corresponding profit for the year 2024 based on a 20% share of ENERGOPLAST DOO.

Other financial income for 2024, totalling RSD 29,747 thousand, represents revenue from renting out villas in Qatar. These villas are rented out in the name and on behalf of their owners by the Pearl Garden company.

20.2 *Financial expenses*

b) Ostali finansijski prihodi	29.765	38.939
Svega - ostali finansijski prihodi	*29.765*	*38.939*
Ukupno - Ostali finansijski prihodi(prihodi od učešća u dobitku pridruženih pravnih lica i zajedničkih poduhvata i ostali finansijski prihodi)	**37.095**	**48.112**
UKUPNO:	**114.598**	**67.039**

Struktura finansijskih rashoda	*u 000 dinara*	
	01.01.-31.12.23.	**01.01.-31.12.22.**
Finansijski rashodi iz odnosa sa matičnim, zavisnim i ostalim povezanim licima:		
Finansijski rashodi iz odnosa sa ostalim povezanim pravniim licima	0	1
Svega - Finansijski rashodi iz odnosa sa matičnim, zavisnim i ostalim povezanim licim	0	1
Rashodi kamata (od trećih lica)	14.570	14.996
Negativne kursne razlike i negativni efekti valutne klauzule	3.764	9.814

Structure of financial expenses	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Financial expenses from relations with other related legal entities	8	1
Total - Financial expenses from relations with the parent company, subsidiaries and other related parties	8	1
Interest expenses (from third parties)	14,196	14,570
Foreign exchange losses and the negative effects of the currency clause	1,785	3,764
TOTAL:	**15,989**	**18,335**

The most significant portion of **expenses related to exchange rate differences and the effects of currency clauses** pertains to negative impacts associated with invoices for foreign customers as well as those with currency clauses. Additionally, there are costs associated with applying IFRS 16 for property leased under the right of use, resulting in interest amounts totalling RSD 14,196 thousand.

21. OTHER INCOME AND EXPENSES

Other income

Structure of other income	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Profit from the sale of intangible assets, property, plant and equipment	1,230	311
Surplus	2	16
Collected written-off receivables	41,809	18,610
Income from cancellation of long-term and short-term provisions	-	83,972
Other income	7,243	8,060
TOTAL:	**50,284**	**110,969**

The highest revenues of this item are collected written-off receivables in the amount of 41,809 thousand entities in Qatar.

21.1 Other expenses

Structure of other expenses	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Losses based on the disposal and sale of tangible assets, property, plant, and equipment	-	138
Expenses based on direct write-offs of receivables	64,236	49,232
Other expenses	12,057	16,573
TOTAL	**76,293**	**65,943**

21.2

UKUPNO:	**110.969**	**129.303**

Struktura ostalih rashoda	*u 000 dinara*	
	01.01.-31.12.23.	01.01.-31.12.22.
Gubici po osnovu rashodovanja i prodaje namaterijalne imovine, nekretnina, postrojenja i opreme	138	111
Rashodi po osnovu direktnih otpisa potraživanja	49.232	25.518

Expenses resulting from direct write-offs to receivables totalling RSD 64,236 thousand are associated with the Qatar entity and were incurred by writing off receivables that are older than three years.

The most significant part of **other unmentioned expenses** pertains to humanitarian, cultural, and health services in 2024, totalling 10,933 thousand RSD, and donations of 950 thousand.

22. NET OPERATING PROFIT

Net profit from discontinued operations	*in thousands of dinars*	
	01/01-31/12/2024	01/01-31/12/2023
Net profit from discontinued operations	18	1.613
Net loss from discontinued operations	-	-
TOTAL	**18**	**1.613**

23. PROFIT BEFORE TAX

Structure of the gross profit or loss	*in thousands of dinars*	
	01/01-31/12/2024	01/01-31/12/2023
Operating income	3,435,339	3,794,044
Operating expenses	3,264,325	3,590,264
Operating profit or loss	**171,014**	**203,780**
Financial income	99,172	114,598

Financial expenses	15,989	18,335
Financial profit or loss	**83,183**	**96,263**
Other income	50,302	112,582
Other expenses	76,293	65,943
Other income and expenses	**(25,991)**	**46,639**
TOTAL INCOME	**3,584,813**	**4,021,224**
TOTAL EXPENSES	**3,356,607**	**3,674,542**
PROFIT/LOSS BEFORE TAX	**228,206**	**346,682**

24. INCOME TAX AND NET PROFIT

Structure of income tax and net profit	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Profit/(loss) before tax	228,206	346,682
Adjustment and correction of income/(expenses) in the tax balance	-24	31,421
Taxable profit/(loss)	**228,182**	**378,103**
Tax base	**228,182**	**378,103**
Calculated tax (15% of the tax base)	34,227	56,715
Total reduction of calculated tax	(23,410)	(25,782)
Calculated tax after deduction	**57,637**	**82,497**
Profit/loss before tax	228,206	346,682
Tax expense for the period	30,563	25,782
Deferred tax expense/income of the period	3,898	5,266
Net profit/(loss)	**201,541**	**326,166**

25. EARNINGS PER SHARE

Indicator	*in thousands of dinars*

	01/01-31/12/2024	01/01-31/12/2023
Net profit	201,541	326,166
Average number of shares during the year	422,495	422,495
Earnings per share (in dinars)	**477**	**772**

Earnings per share is calculated by dividing the earnings attributable to common stockholders by the weighted average number of common shares outstanding for the period.

The weighted average number of shares for 2024 is 422,495, which means the earnings per share is RSD 477.

BALANCE SHEET
ASSETS

26. INTANGIBLE ASSETS

DESCRIPTION	Investment in development	Concessions, patents, licenses, software, and similar rights	Goodwill	Intangible assets leased	Advances for intangible assets	Total intangible assets
	Account (010)	Account (011+012)	Account (013)	Account (015)	Account (017)	Group 01
COST						
Opening balance as at January 1	-	72,421	-	-	-	72,421
New acquisitions during the year		2,009				2,009
Impairments						-
Exchange rate differences		3,066				3,066
Closing balance as at December 31	**-**	**77,496**	**-**	**-**	**-**	**77,496**
VALUE ADJUSTMENT						
Opening balance as at January 1	-	68,499	-	-	-	68,499
Depreciation for the current year		3,201				3,201
Impairments						-
Exchange rate differences		**3,037**				3,037
Closing balance as at December 31	**-**	**74,737**	**-**	**-**	**-**	**74,737**
PRESENT VALUE	**-**	**2,759**	**-**	**-**	**-**	**2,759**

27. PROPERTY, PLANT, AND EQUIPMENT

27.1 Property, plant, and equipment excluding investment property

DESCRIPTION	Land	Buildings	Plant and equipment	Other property, plant, and equipment	Property, plant, and equipment leased with the right to use for more than one year	Property, plant, and equipment under construction	Total fixed assets
	Account (020+021)	Account (022)	Account (023)	Account (026)	Account (025)	Account (027)	Group 02
COST							
Opening balance as at January 1	119,957	834,290	339,562	289	365,628	34,338	1,694,064
New acquisitions during the year			22,193				22,193
Disposal			(20,879)				(20,879)
Profit/(losses) included in "Other profit or loss" (Account 330)		(12,679)					(12,679)
Profit/(losses) included in the Income Statement							-
Impairments							-
Exchange rate differences		24,747	14,307		22,721		61,775
Other increases / (decreases)					59,266		59,266
Closing balance as at December 31	**119,957**	**846,358**	**355,183**	**289**	**447,615**	**34,338**	**1,803,740**
Opening balance as at January 1	-	143,532	250,487	-	145,819	-	539,838
Depreciation for the current year		21,696	18,524		71,446		111,666
Disposal (enter with a minus sign)							-
Exchange rate differences		9,533	12,091		9,059		30,683
Other increases / (decreases)		(5,381)	(18,000)		(3,756)		(27,137)
Closing balance as at December 31	**-**	**169,380**	**263,102**	**-**	**222,568**	**-**	**655,050**
PRESENT VALUE	**119,957**	**676,978**	**92,081**	**289**	**225,047**	**34,338**	**1,148,690**

The fair value of "buildings" is typically assessed by independent qualified appraisers using market evidence. Generally, the fair value of the buildings aligns with their market value as determined through appraisal.

When there is no evidence of fair value in the market due to the unique nature of the building and the rarity of such items being sold, the Company estimates fair value using the yield approach or the amortized replacement cost approach.

The Company has a registered building in its business records—the Energoprojekt office building, which is listed at the revalued cost from the day of appraisal.

On December 31, 2024, an external independent qualified appraiser assessed the Energoprojekt office building, evaluating both the building's value and the land's value, which were recorded separately in the Company's business books in compliance with legal regulations. The entire property (the building and the land beneath it) was valued using the yield method. The estimated value was then allocated according to SPV 2 (National Standard for Valuation), which involves determining the amortized cost of replacing the buildings and subtracting that amount from the total property value (the building and the land beneath it). The amount remaining after the subtraction represents the value of the land.

The office building in Oman is not appraised according to domicile regulations; its useful life is 25 years, and it is considered that its residual value after that duration will be 0.

The value of that building on December 31, 2024, is 254,069 thousand RSD, and the annual depreciation is 25,847 thousand RSD.

New acquisitions totaling RSD 22,193 thousand relate to procurement:

in Serbia of RSD 1,814 thousand:

- computers for 534 thousand RSD
- furniture for 414 thousand RSD
- other assets for 866 thousand RSD and

procurement in companies, specifically:

In Qatar, 3,910 thousand RSD:

- computers in the amount of 2,761 thousand RSD and
- other assets in the amount of RSD 1,149 thousand

In the UAE, 15,926 thousand RSD, consisting of:

- cars totaling RSD 12,168 thousand
- furniture totaling RSD 789 thousand
- computers totaling RSD 2,810 thousand
- other assets totaling RSD 159 thousand

In Oman, 130,000 RSD, specifically:

- computers totaling 130,000 RSD

In Bahrain, RSD 413 thousand, namely:

- other assets in the amount of RSD 413 thousand

The disposal of plant and equipment totaling 18,000 refers to:

Serbia

- computers valued at RSD 2,676 thousand and
- other assets amounting to RSD 1,111 thousand;

Qatar

- cars worth RSD 6,930 thousand and
- computers amounting to RSD 1,741 thousand.

The UAE

- for cars in the amount of RSD 5,542 thousand

28. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	*in thousands of dinars*	
	2024	**2023**
Equity interests in associated legal entities and joint ventures	94,995	100,377
Total	**94,995**	**100,377**
Long-term time deposits	125,491	107,283
Other long-term financial placements	4,006	3,580
Long-term retention (external)	896,087	922,440
Total	*1,025,584*	*1,033,303*
TOTAL:	**1,120,579**	**1,133,680**

Equity interests

Equity interests in associated legal entities and joint ventures are valued using the cost method. The Parent Company recognizes income only to the extent that it obtains the right to receive its share from the distribution of the undistributed net profit of the investment's beneficiary, which occurs after the date on which the Parent Company acquired it.

The Parent Company has a 20% share in Energoplast d.o.o. which amounts to RSD 94,995 thousand.

Other long-term financial investments

Other long-term investments abroad refer to:

- deposits for guarantees
- deposits for worker visas
- deposits for rented apartments

When broken down by companies, it appears as follows:

BAHRAIN	**15,290**
UAE	**95,369**
QATAR	**18,838**
	129,497

Deposits for bank guarantees totalling RSD 125,491 thousand relate to a company in Qatar for RSD 16,759 thousand, a company in Bahrain for RSD 14,934 thousand, and Energoconsult L.L.C. for RSD 93,798 thousand.

Other long-term financial investments refer to deposits for apartments rented by companies. The total of RSD 4,006 thousand per company pertains to deposits for apartments, specifically Qatar for RSD 2,079 thousand, Bahrain for RSD 356 thousand, and Energoconsult L.L.C for RSD 1,571 thousand.

Long-term receivables for retention include accounts receivable for retention, typically amounting to 10% of the invoiced value. This amount can only be charged after the completion of all work on the specific project it relates to.

The structure of receivables for retention as of December 31, 2024, amounting to RSD 896,087,000 by company is as follows:

UAE	**199,441**
QATAR	**593,990**
OMAN	**102,656**
	896,087

Qatar – RSD 593,990,000

When broken down by accounts, it appears as follows:

KAHRAMA	**569,936**
OTHERS QATAR	**24,054**
	593,990

KAHRAMA

OSTALI KATAR

Oman – RSD 102,656,000

When broken down by accounts, it appears as follows:

OETC	**.**
PAEW	**48,472**

OTHERS OMAN	**1,236**
	102,656

OETC

PAEW
OSTALI OMAN

ENERGOCONSULT L.L.C. - RSD 199,441,000

When broken down by accounts, it appears as follows:

OTHERS UAE	**127,689**
TRANSCO	**21,937**
DEWA	**49,815**
	199,441

OSTALI EMIRATI

TRANSCO
MERASS
DEWA

29. LONG-TERM PREPAYMENTS AND ACCRUED INCOME

DUGOROČNA AKTIVNA VREMENSKA RAZGRANIČENJA	*u 000 dinara*	
	2023.	**2022.**
Dugoročne unapred plaćene premije osiguranja	2.156	3.676
UKUPNO:	**2.156**	**3.676**

Long-term prepayments and accrued income	*in thousands of dinars*	
	2024	**2023**
Long-term prepaid insurance premiums	5,109	2,156
TOTAL:	**5,109**	**2,156**

30. INVENTORIES

Structure of inventories	*in thousands of dinars*	
	2024	**2023**
Fixed assets intended for sale	-	-

Advances paid for supplies and services in the country:		
a) Advances paid for supplies and services to the parent company and subsidiaries	47	815
b) Advances paid for supplies and services to other related entities	-	1,881
c) Advances paid to other legal entities for services in the country - externally	11,563	12,921
Total	**11,610**	**15,617**
Advances paid to other legal entities for services abroad - externally	6,916	6,140
TOTAL:	**18,526**	**21,757**

An overview of the advances paid is given in the table below.

BAHRAIN	**326**
ENTEL	**11,609**
QATAR	**6,436**
OMAN	**154**
	18,526

EP HOLDING	47
JP PARKING SERVIS BEOGRAD	11
BET BALKAN ENERGY TEAM	5,996
MESSER TEHNOGAS AD	174
RSM SRBIJA DOO	609
OTHERS	542
INSTITUT MIHAJLO PUPIN AUTOMATIKA	4,230
VARIOUS SUPPLIERS, QATAR	6,436
VARIOUS SUPPLIERS, OMAN	155
VARIOUS SUPPLIERS, BAHRAIN	326
	18,526

31. RECEIVABLES FROM SALES

Receivables from sales	*in thousands of dinars*	
	2024	**2023**

Trade receivables - domestic - Parent company and subsidiaries	24	23
Trade receivables - domestic - other associated entities - analytical	5	-
Trade receivables - domestic	153,771	142,303
Trade receivables - foreign	559,952	938,284
TOTAL:	**713,752**	**1,080,610**

The book value of sales receivables classified as receivables and loans reflects their fair value.

The Parent Company does not hold any collateral for sales receivables.

The Company does not possess any collateral for sales receivables.

The average credit period for design, consulting, and engineering sales services is 90 days. Interest is not charged on outstanding accounts receivable.

There was no change in valuation techniques or significant assumptions made during the current reporting period. As stated in note 7.13., for the calculation of impairment of receivables from related legal entities and other receivables (note 30), the Company employs the general approach and recognizes expected credit losses over the lifetime of the instruments, specifically, 12-month expected credit losses for financial assets that do not have a significant financing component. To identify impairment indicators, such as the criteria that require the calculation of expected credit losses for assets classified as level 3, the Company adopts a default threshold of 180 days for external customers and 360 days for related legal entities, in accordance with the requirements of IFRS 9.

The Company applies a group assessment of the calculation of allowances for the purposes of measuring credit losses, i.e., allowances for receivables from third parties (including receivables from the government, state companies and state authorities, where the state mainly plays the role of an investor), which includes accounts receivable in the country, abroad, as well as accruals that have the category of financial assets and long-term receivables - retention (note 26), including contractual financial assets in accordance with IFRS 15, i.e., receivables based on uninvoiced income with these persons, which are not subject to individual assessment. The calculation of the parameters that are applied at the level of the Company was performed on the basis of data on historical collection by the largest companies that operate within the Energoproejkt. The applied parameters (PD and LGD) were calculated on the basis of data on the Company's historical collection.

Based on the analysis conducted according to the methodology for calculating impairment of financial instruments under IFRS 9, the Company did not identify materially significant amounts of impairment for accounts receivable, other receivables, long-term and short-term financial investments, and deferred income.

The age structure of receivables is given in detail in Note 9.1.

The balances of this account by company are as follows:

EMIRATI

ENTEL
KATAR
OMAN

BAHRAIN	**23,923**
UAE	**158,678**
ENTEL	**159,135**
QATAR	**357,036**
OMAN	**14,979**
	713,752

In Energoconsult L.L.C., the balance is RSD 158,678,000, and the most important accounts are:

DEWA Contracts DUBAI	351.004
MERAAS DUBAI	69.328
OSTALI DUBAI	46.733
TRANSCO ABU DHABI	13.293
OSTALI ABU DHABI	20.565
	500.923

In Energoprojekt Entel L.L.C., Oman, the balance is RSD 14,979,000, and the most important accounts are:

OETC	23.999
PAEW	4.487
OSTALI	3.605
	32.092

In Qatar company, the balance is RSD 357,036,000, and the most important accounts are:

KAHRAMA	197.729
OSTALI	207.540
	405.269

The company in Serbia has receivables amounting to RSD 159,135 thousand, and the most important accounts are:

EPS	136,301
TEPSCO	480
Beočista energija	6,038
OTHERS SERBIA	16,287

Related parties	29
	159,135

EPS

TEPSCO
Beočista energija
ostali SRBIJA
Povezana lica

32. OTHER RECEIVABLES

Ostala kratkoročna potraživanja	*u 000 dinara*	
	2023.	**2022.**
Potraživanja od zaposlenih	124.356	150.729
Potraživanja od državnih organa i organizacija		
Potraživanja za više plaćen porez na dobitak		-
Potraživanja po osnovu preplaćenih ostalih poreza i doprinosa	11.634	0
Potrazivanja za naknade zarada koje se refunfiraju	421	673
Svega	**136.411**	**151.402**
Porez na dodatu vrednost u primljenim fakturama po opštoj stopi (osim plaćenih avansa)	-	1.230
UKUPNO:	**136.411**	**152.632**

Other short-term receivables	*in thousands of dinars*	
	2024	**2023**
Receivables from employees	140,814	124,356
Receivables from government bodies and organizations		
Receivables for overpaid income tax		
Receivables based on overpaid other taxes and contributions	12,356	11,634

Receivables for refundable wages	1,053	421
Total	**154,223**	**136,411**
TOTAL:	**154,223**	**136,411**

In the receivables from employees section, severance pay in the amount of RSD 140,814 thousand was paid in advance to freelancers in accordance with local regulations. The account balances by company are as follows:

UAE	**30,804**
QATAR	**92,906**
OMAN	**17,104**
	140,814

33. SHORT-TERM FINANCIAL INVESTMENTS

Kratkoročni finansijski plasmani:	*u 000 dinara*	
	2023.	**2022.**
Ostali kratkoročni finansijski plasmani		
b) Ostali kratkoročni finansijski plasmani	1.269.080	835.620
UKUPNO:	**1.269.080**	**835.620**

Short-term financial investments:	*in thousands of dinars*	
	2024	**2023**
Other short-term financial investments		
b) Other short-term financial investments	1,124,165	1,269,080
TOTAL:	**1,124,165**	**1,269,080**

Other short-term financial investments include funds deposited with commercial banks, totalling 1,124,165 thousand dinars. This amount is comprised of funds in Serbia totalling RSD 65,000,000 at an interest rate of 5.15%, as well as 1,059,165 thousand dinars deposited with Energoprojekt Entel Qatar, which has an interest rate of 4.05% per annum.

34. CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	*in thousands of dinars*	
	2024	**2023**
In dinars:		
Current accounts	10,992	9,837
Cash-in-hand	361	528
Total	**11,353**	**10,365**
In foreign exchange:		
Foreign currency accounts with banks in the country	8,489	22,915
Foreign currency accounts abroad	651,232	467,261
Foreign exchange cash-in-hand	1,118	485
Total	660,839	490,661
TOTAL:	**672,192**	**501,026**

GOTOVINSKI EKVIVALENTI I GOTOVINA	*u 000 dinara*	
	2023.	**2022.**
U dinarima:		
Tekući računi	9.837	2.229
Blagajna	528	422
Svega	**10.365**	**2.651**
U stranoj valuti:		
Devizni računi kod banaka u zemlji	22.915	17.946
Devizni računi u inostranstvu	467.261	483.254
Devizna blagajna	485	169
Svega	490.661	501.369
UKUPNO:	**501.026**	**504.020**

Cash and cash equivalents are allocated to banks with S&P long-term credit ratings, as follows:

Although cash and cash equivalents are also subject to impairment requirements under IFRS 9, the identified impairment loss is not significant.

Within the **current dinar and foreign currency accounts** of the Parent Company, funds are shown: in commercial banks in Serbia (Raiffeisen bank, Eurodirektna banka, Mirabanka, and Erste banka)

in foreign currency accounts (Doha Bank, ADCB Bank Dubai and Abu Dhabi, Bank Oman, and Ahli United Bank in Bahrain).

The balance of this account by company is as follows:

BAHREIN

EMIRATI
ENTEL
KATAR
OMAN

BAHRAIN	**10,297**
UAE	**336,692**
ENTEL	**19,404**
QATAR	**127,912**
OMAN	**177,887**
	672,192

35. PREPAYMENTS AND ACCRUED INCOME

Struktura aktivnih vremenskih razgraničenja	*u 000 dinara*	
	2023.	**2022.**
Unapred plaćeni troškovi:		
Kratkoročni unapred plaćeni troškovi - matično i zavisna pravna lica - analitički	422	115
Unapred plaćeni troškovi - ostala povezana pravna lica	-	-
Unapred plaćene pretplate na stručne publikacije	-	445
Kratkoročni unapred plaćeni troškovi zakupnine	10.043	6.970
Kratkoročne unapred plaćene premije osiguranja	9.044	12.144
f) Unapred plaćeni troškovi reklame i propagande	-	-
Ostali unapred plaćeni troškovi	5.456	6.455
Svega	***24.965***	***26.129***

Potraživanja za nefakturisani prihod:		
Kratkoročna potraživanja za nefakturisani prihod - druga pravna lica - eksterno	546.485	590.677
b) Potraživanja za nefakturisani prihod - ostala povezana pravna lica		-
c) Potraživanja za nefakturisani prihod - ostala pravna lica		
Svega	***546.485***	***590.677***
Razgraničeni troškovi po osnovu obaveza	-	-
Ostala aktivna vremenska razgraničenja:	-	-
a) Razgraničeni porez na dodatu vrednost	562	202
Ostala aktivna vremenska razgraničenja	-	-
Svega	***562***	***202***
UKUPNO:	**572.012**	**617.008**

Structure of prepayments and accrued income	*in thousands of dinars*	
	2024	**2023**
Prepayments:		
Short-term prepaid expenses – parent company and subsidiaries - analytical	378	422
Prepaid subscriptions to professional publications	192	-
Short-term prepaid rent expenses	11,103	10,043
Short-term prepaid insurance premiums	6,857	9,044
Other prepayments	4,754	5,456
Total	***23,284***	***24,965***
Receivables for uninvoiced income:		
Short-term receivables for uninvoiced income - other legal entities - external	921,123	546,485
Total	***921,123***	***546,485***
Other accruals:	-	-
a) Accrued value added tax	434	562
Total	***434***	***562***
TOTAL:	**944,841**	**572,012**

When broken down by companies, these costs are as follows:

BAHRAIN	**674**
UAE	**696,753**
ENTEL	**101,882**
QATAR	**102,174**
OMAN	**43,358**
	944,841

Prepaid rent expenses in this account indicate prepaid rent expenses. They pertain to the rental of commercial spaces for offices and apartments designated for our employees within our companies. Lease agreements are typically multi-year, with rent payments made one year in advance and generally paid on a quarterly basis. In Qatar and the UAE, there are payments for office space, while in Oman, there is no office space leasing.

The balances of this account by company are as follows:

UAE	**7,875**
QATAR	**3,228**
	11,103

Prepaid insurance premiums in this account are prepaid insurance costs:

EMIRATI	**4.762**
ENTEL	**68**
KATAR	**3.123**
	9.044

Other prepaid expenses in the amount of 4,754 relate to prepaid grants and prepaid magazine subscriptions.

The balances of this account by company are as follows:

BAHRAIN	**32**
UAE	**30**
ENTEL	**2,149**
QATAR	**2,253**
OMAN	**290**
	4,754

Receivables for uninvoiced income refer to revenues that were invoiced in 2024, and works are in accordance with IFRS 15. Revenues by company are as follows:

The balances of this account by company are as follows:

UAE	**687,412**
ENTEL	**99,049**

QATAR	**93,488**
OMAN	**41,174**
	921,123

BALANCE SHEET
LIABILITIES

36. CAPITAL

DESCRIPTION	Equity	Reserves	Revaluation reserves	Retained earnings	TOTAL
Opening balance as at January 1, 2023	*173,223*	*24,008*	*375,496*	*3,561,102*	*4,133,829*
Net profit for the year				326,166	326,166
Other comprehensive income:					0
Total - Other comprehensive income	0	0	0	0	0
Other comprehensive income for 2023	173,223	24,008	375,496	3,887,268	4,459,995
Adjustments		(49)	69,537	(127,194)	(57,706)
Profit distribution		0		(236,597)	(236,597)
Closing balance as at December 31, 2023	***173,223***	***23,959***	***445,033***	***3,523,477***	***4,165,692***
Net profit for the year				201,541	201,541
c) Other - current value levelling, IAS 12 and others.				(33,373)	(33,373)
Total - Other comprehensive income				(33,373)	(33,373)
Other comprehensive income for 2024	173,223	23,959	445,033	3,691,645	4,333,860
Adjustments		0	0	189,570	189,570
Increase in share capital	0	75	28,001		28,076
Profit distribution		0		(236,597)	(236,597)
Closing balance as at December 31, 2024	***173,223***	***24,034***	***473,034***	***3,644,618***	***4,314,909***

36.1 Equity

The registered amount of equity of the Parent Company with the Business Registers Agency (registration number 8049/2005 dated March 30, 2005) totals RSD 173,223 thousand.

According to the records of the Central Registry of Securities, ISIN RSEPEN41315, the registered ownership status of ENERGOPROJKET ENTEL AD shares as of December 31, 2024, is detailed in the following table.

Structure of equity	*in thousands of dinars*	
	2024	**2023**
Share capital:	173,223	173,223
a) Share capital of the parent company, subsidiaries and other affiliated legal entities ENERGOPROJEKT HOLDING 100%	173,223	173,223
TOTAL:	**173,223**	**173,223**

The share capital comprises 422,495 ordinary shares, each with a nominal value of RSD 173,223 thousand, and an individual book value of RSD 410.00.

Share capital - ordinary shares include founding shares and, during the course of business, issued shares that grant control, the right to participate in the profits of the Parent Company, and a portion of the bankruptcy estate according to the act of incorporation, which is the decision on the issue of shares.

The shares of the Company were removed from the Stock Exchange based on the decision on the exclusion of shares from the Open Market, i.e., Open Market market segment, share number 01/1-5833/19, because all the Issuer's shares were bought out in the process of compulsory share buyback, as well as the decision regarding the withdrawal of the Issuer's shares from the market and the termination of the status of a public company made by the votes of shareholders who acquired 100% of the equity interest in the Issuer through joint action in the procedure above. The rules of the Stock Exchange provide that the Stock Exchange excludes securities from the Open Market at the request of the Issuer whose status as a public company ceases under the provisions of Article 70 and Article 122, paragraph 2, item 2 of the Law on the Capital Market.

36.2 Reserves

Structure of reserves	*in thousands of dinars*	
	2024	**2023**
Legal reserves	22,744	22,744
Statutory and other reserves	1,290	1,215
TOTAL:	**24,034**	**23,959**

Legal reserves were formed until 2004, so that every year at least 5% of the profit was entered until the reserves reached at least 10% of the basic capital, and after that they were formed on the basis of the general act of the Company.

Other reserves were formed in the Oman company based on domicile regulations.

36.3 Positive revaluation reserves and unrealized gains based on financial assets and other results

Structure of positive revaluation reserves and unrealized gains based on financial assets and other results	*in thousands of dinars*	
	2024	**2023**
a) Revaluation reserves based on property revaluation - Energoprojekt office building	329,898	332,541
b) Revaluation reserves based on the revaluation of other property	0	0
Total	329,898	332,541
Revaluation reserves based on plant and equipment revaluation		
Other revaluation reserves	110,995	110,988
Total	110,995	110,988
Profits based on the conversion of the financial statements of foreign operations	32,616	1,504
Losses based on conversion of the financial statements of foreign operations	-475	
Total	32,141	1,504
TOTAL:	**473,034**	**445,033**

Struktura pozitivnih revalorizacionih rezervi i neralizovanih dobitaka po osnovu finansijskih sredstava i drugih rezultata	*u 000 dinara*	
	2023.	**2022.**
a) Revalorizacione rezerve po osnovu revalorizacije nekretnina - poslovna zgrada Energoprojekt	332.541	350.160
b) Revalorizacione rezerve po osnovu revalorizacije ostalih nekretnina	0	0
Svega	332.541	350.160

Revalorizacione rezerve po osnovu revalorizacije postrojenja i opreme		
Ostale revalorizacione rezerve	110.988	7.746
Svega	110.988	7.746
Dobici po osnovu preračuna finansijskih izveštaja inostranog poslovanja	1.504	17.590
Gubici po osnovu preračuna finansijskih izveštaja inostranog poslovanja		
Svega	1.504	17.590
UKUPNO:	**445.033**	**375.496**

Profits or losses based on the conversion of the financial statements arise as exchange rate differences due to the application of different exchange rates in the companies in the income statement (average) and balance sheet (closing rate), as well as in the mutual relations between the Parent Company and subsidiaries.

36.4 Retained Earnings

Structure of retained earnings	*in thousands of dinars*	
	2024	**2023**
Retained earnings of previous years:		
a) Balance as of January 1	3,523,477	3,561,102
b) Correction of profit based on income tax	-33,373	-15,721
c) Other adjustments (IAS 12, etc.)		-
d) Exchange rate differences	189,570	-111,473
Energoplast	0	0
e) Distribution of profit	-236,597	-236,597
Total	3,443,077	3,197,311
Retained earnings of the current year	201,541	326,166
TOTAL:	**3,644,618**	**3,523,477**

37. LONG-TERM PROVISIONS

Structure of long-term provisions	Costs within the warranty period	Compensation and other employee benefits	Total
Balance as of January 1 of the previous year	313,505	311,621	625,126
Additional provisions		64,621	64,621
Exchange rate differences	- 6,780	- 15,391	- 22,171
Used during the year		- 93,768	- 93,768
Cancellation of unused amounts	- 83,972		- 83,972
Balance as of December 31 of the previous year	**222,753**	**267,083**	**489,836**
Additional provisions		57,579	57,579
Exchange rate differences	11,555	16,227	27,782
Used during the year	- 99,395	- 62,465	- 161,860
Cancellation of unused amounts	-		-
Balance as of the reporting date	**134,913**	**278,424**	**413,337**

Provisions for compensation and other employee benefits

Provisions for compensation and other employee benefits, including unpaid severance pay upon retirement, are based on actuarial calculations performed on December 31, 2024.

The following assumptions were used to calculate provisions for compensation and other employee benefits as of December 31, 2024.

Assumptions used when calculating on December 31, 2024	
Discount rate	5,5%
The rate of wage growth in the Republic of Serbia	12,0%
Turnover rate	16,0%

The actuarial loss in the company was primarily due to the widespread increase in average wages throughout the Republic of Serbia and the decline in market interest rates.

The assumptions used in calculating provisions for compensation and other employee benefits as of December 31, 2023, are outlined below.

Assumptions used when calculating on December 31, 2023	
Discount rate	6,1%

The rate of wage growth in the Republic of Serbia	9,0%
Turnover rate	14,0%

The amounts of provisions for severance pay upon retirement are shown below if the actuarial assumptions change by +/- 1 percentage point.

Actuarial assumptions	Percentages	Amount in 000 RSD
Discount rate		
increase	-2.8%	8,219
decrease	3.2%	8,727
The rate of wage growth in the Republic of Serbia		
increase	2.9%	8,708
decrease	-2.7%	8,230
Turnover rate		
increase – amount	-3.2%	8,185
decrease – amount	3.7%	8,769

Aktuarske pretpostavke	Procenti	IZNOS U 000 RSD
Diskontna **stopa**		
povecanje	-2.8%	8.219
smanjenje	3.2%	8.727
Stopa rasta zarada na republickom nivou		
povecanje	2.9%	8.708
smanjenje	-2.7%	8.230
Stopa fluktuaciie		
povec':anje - iznos	-3.2%	8.185
smanjenje • iznos	3.7%	8.769

37.1 Long-term provisions for costs in the warranty period

Provisions for warranty period costs are calculated based on management's best judgment and past experience, and they are expected to be payable in less than five years. The final amount of liabilities to be paid may differ from the reserved amount depending on future developments. These provisions are not discounted because the impact of discounting is not materially significant.

During 2024, there was a cancellation, meaning the utilization of provisions in Serbia amounted to 36,614 thousand RSD and in Qatar to 62,781 thousand RSD. These provisions were allocated for the waste incinerator project in Vinča.

38. LONG-TERM LIABILITIES

Structure of long-term liabilities	*in thousands of dinars*	
	2024	**2023**
Long-term credits, loans and liabilities based on leasing abroad	157,269	149,295
TOTAL	**157,269**	**149,295**

This item refers to the application of IFRS 16 and to the item of renting office space abroad for a long period.

The balances of this account by company are as follows:

UAE	**57,448**
QATAR	**99,821**
	157,269

39. LONG-TERM ACCRUALS AND DEFERRED INCOME

LONG-TERM ACCRUALS AND DEFERRED INCOME	*in thousands of dinars*	
	2024	**2023**
LONG-TERM ACCRUALS AND DEFERRED INCOME	48,679	37,389
TOTAL:	**48,679**	**37,389**

DUGOROČNA PASIVNA VREMENSKA RAZGRANIČENJA	*u 000 dinara*	
	2023.	**2022.**
DUGOROČNA PASIVNA VREMENSKA RAZGRANIČENJA	37.389	69.667
UKUPNO:	**37.389**	**69.667**

Long-term deferred accruals total RSD 48,679 thousand in liabilities for the retention of our subcontractor for the Mega Tanks project in Qatar.

40. DEFERRED TAX ASSETS AND LIABILITIES

DEFERRED TAX LIABILITIES	*in thousands of dinars*	
	2024	**2023**

Deferred tax liabilities	58,896	64,303
TOTAL:	**58,896**	**64,303**

ODLOŽENE PORESKE OBAVEZE	*u 000 dinara*	
	2023.	**2022.**
Odložene poreske obaveze	64.303	59.760
UKUPNO:	**64.303**	**59.760**

Deferred tax liabilities reported on December 31 pertain to taxable temporary differences between the book value of assets undergoing depreciation and their tax base. This discrepancy arises from the different provisions determining accounting depreciation in the Company (following the guidelines of professional regulations, IAS/IFSI, etc.) and the provisions governing tax depreciation (according to the Law on Corporate Income Tax). Consequently, the Parent Company will pay a higher income tax in the future than it would have if the actual book depreciation were acknowledged by tax legislation. For this reason, the Parent Company recognizes a deferred tax liability, which represents the income tax that will be due when the Parent Company "recovers" the book value of the assets.

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

Based on changes in the balance of deferred tax assets and liabilities in 2024, it can be concluded that there was a net reduction in deferred tax liabilities of RSD 5,407 thousand compared to the previous year.

41. SHORT-TERM FINANCIAL LIABILITIES

SHORT-TERM FINANCIAL LIABILITIES	*in thousands of dinars*	
	2024	**2023**
Liabilities on the basis of financial leasing that mature up to one year abroad	80,398	81,768
TOTAL:	**80,398**	**81,768**

This item refers to the application of IFRS 16 and to the item of renting office space abroad for a longer period.

The balances of this account by company are as follows:

UAE	**18,106**
QATAR	**62,292**
	80,398

EMIRATI

KATAR

42. ADVANCES, RETAINED DEPOSITS, AND CAUTION MONEY RECEIVED

Structure of advances, retained deposits, and caution money received	*in thousands of dinars*	
	2024	**2023**
Advances received from other legal entities in the country	54,581	60,908
Advances received from other legal entities abroad	6,536	6,035
TOTAL:	**61,117**	**66,943**

The balances of this account by company are as follows:

UAE	**6,536**
ENTEL	**54,581**
	61,117

An overview of received advances is given in the table below.

MILLENNIUM TEAM	**54,581**
DEWA	**6,536**

43. OPERATING LIABILITIES

Operating liabilities	*in thousands of dinars*	
	2024	**2023**
1. Trade payables - Parent company and subsidiaries in the country	5,641	1,162
3. Trade payables - Other affiliated legal entities in the country	3,295	4,734
5. Trade payables - domestic	10,290	8,626
6. Trade payables - foreign	441,462	464,144
7. Other liabilities from business operations	729	973
TOTAL:	**461,417**	**479,639**

Trade payables do not carry interest.

The management of the Parent Company believes that the stated value of liabilities from business operations reflects their fair value on the reporting date.

The age structure of trade payables is given in Note 9.4.

The balances of this account by company are as follows:

UAE	**7,648**
ENTEL	**19,496**
QATAR	**421,600**
OMAN	**12,673**
	461,417

44. OTHER SHORT-TERM LIABILITIES

Structure of others short-term liabilities	*in thousands of dinars*	
	2024	**2023**
a) Liabilities for wages and salaries	246,722	253,906
b) Liabilities for dividends	5,458	6,213
d) Liabilities to employees	2,033	7,241
e) Liabilities to the director or members of Management Board and Supervisory Board	60	60
f) Liabilities to natural persons for fees under contracts	8	0
Total	*254,281*	*267,420*
TOTAL:	**254,281**	**267,420**

Liabilities based on earnings and other unmentioned liabilities primarily relate to net liabilities (taxes and contributions) for the December earnings, which were paid by the Parent Company in January of the following year.

The balances of this account by company are as follows:

UAE	**92,259**
ENTEL	**44,304**
QATAR	**109,828**

OMAN	**7,890**
	254,281

Liabilities for unpaid dividends totalling RSD 5,458 thousand (reason: shareholders did not open accounts for their securities). Of this amount, RSD 1,733 thousand pertains to the unpaid dividend for 2017, while the remainder corresponds to all other years during which dividends were paid.

The management of the Parent Company believes that the stated value of other short-term liabilities corresponds to their fair value as of the balance sheet date.

45. LIABILITIES BASED ON VALUE ADDED TAX AND OTHER PUBLIC REVENUES

Liabilities based on value added tax and other public revenues	*in thousands of dinars*	
	2024	**2023**
Liabilities for value added tax based on the difference between the accrued value added tax and the input tax	29,734	37,025
Other liabilities for other taxes, contributions and other duties	1,986	7,151
TOTAL:	**31,720**	**44,176**

46. LIABILITIES BASED ON INCOME TAX

Liabilities based on income tax	*in thousands of dinars*	
	2024	**2023**
Liabilities based on income tax	22,813	20,087
TOTAL:	**22,813**	20,087

47. SHORT-TERM ACCRUALS AND DEFERRED INCOME

Short-term accruals and deferred income	*in thousands of dinars*	
	2024	**2023**

Short-term prepaid income - other legal entities	-	8,332
TOTAL:	**0**	**8,332**

"Other deferred accruals refer to contractual obligations related to design, consulting, and engineering contracts and represent the balance of obligations to customers under the specified contracts. They arise when certain milestone payments exceed the revenue recognized to date according to the exit method. Besides the above, there were no significant changes in contractual obligations."

48. RECONCILIATION OF RECEIVABLES AND LIABILITIES

The Parent Company reconciled receivables and liabilities with the balance as of December 31, 2024

49. MORTGAGES PERFECTED AS ENCUMBRANCES TO AND IN FAVOUR OF THE DOHA BANK GROUP

The subsidiary of "Energoprojekt Entel" in Doha, Qatar, has the right of disposal and usufruct on real estate, which encompasses a total residential area of 4,488 m², situated on cadastral plots numbered 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589, and 65590. This area totals 10,736 m² and is located in Doha, Qatar, Zone 44, East Al Naija, Al Mumtaza Street. The property is owned by a local natural person.

The registered owner placed a mortgage on the property with Doha Bank under contract number 52973, using it as collateral to obtain bid and performance guarantees in favour of Energoprojekt Entel Doha.

- Real estate mortgage - Energoprojekt office building, based on banking arrangements with:

- Erste Bank a.d. Novi Sad in the amount of EUR 27,000,000.00 based on the Agreement on multi-purpose framework limit no. OVLC003/20 along with all associated Annexes (mortgage debtor: Energoprojekt Holding; debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Urbanizam i arhitektura, Energoprojekt Industrija, and Energoprojekt Hidroinženjering),

- OTP banka Srbija a.d. Novi Sad in the amount of EUR 3,218,000.00 according to the Framework Agreement on Bank Guarantees, Letters Of Credit, and Binding Letters of Intent no. OUG 2820/21 - now OL2021/457 with all associated Annexes (debtor: Energoprojekt Hidroinženjering; mortgage debtor: Energoprojekt Holding; joint debtor: Energoprojekt Visokogradnja);

on which an enforceable out-of-court mortgage was registered on March 10, 2022, against the Energoprojekt office building, in real estate folio number 2652 CM Novi Beograd, in favour of the relevant creditors, based on the pledge statement of Energoprojekt Holding a.d.

50. OFF-BALANCE SHEET ASSETS AND OFF-BALANCE SHEET LIABILITIES

In accordance with the legal provisions (Rulebook on the Contents and Form of Financial Statements for Companies, Cooperatives, Other Legal Entities and Entrepreneurs), the Parent Company reports off-balance sheet assets and off-balance sheet liabilities in its financial statements. The items presented under off-balance sheet assets and liabilities, as outlined in the following table, do not represent the Parent Company's assets or liabilities but primarily serve the informative needs of users of these financial statements.

The structure of off-balance sheet assets and liabilities is detailed in the following table.

Struktura vanbilansne aktive i pasive	*u 000 dinara*	
	2023.	**2022.**
Data jemstva, garancije i druga prava	1.821.190	1.909.895
Ukupno	**1.821.190**	**1.909.895**

The amount of RSD 1,831,503 thousand represents the total for the bid guarantees and performance guarantees associated with ENTEL companies in Qatar, Oman, the UAE, and Serbia.

The amounts by company are as follows:

UAE	**465,788**
ENTEL	**320,673**
QATAR	**1,025,676**
OMAN	**19,367**
	1,831,503

EMIRATI

ENTEL
KATAR **1**
OMAN

1

51. RELATED PARTY TRANSACTIONS

In accordance with the requirements of IAS 24 - Related Party Disclosures, below is the disclosure of relationships, transactions, and other pertinent information between the Company and related parties. Related parties, from the Company's perspective, include **subsidiaries and key management personnel** (those individuals who have the authority and responsibility for planning, directing, and controlling the entity's activities, whether directly or indirectly, including all directors, regardless of whether they are executive or not) and their close family members.

From the perspective of **related companies**, the following two tables present transactions that lead to reported income and expenses on the income statement, as well as reported liabilities and receivables on the balance sheet.

Receivables from related legal entities arise from services rendered and are due 90 days after the date services were performed. They are unsecured and do not carry interest.

Receivables from related legal entities originate from services performed and are due 90 days after the date services were performed, are not secured, and do not accrue interest.

Receivables and liabilities from related legal entities	*in thousands of dinars*	
	2024	**2023**
Receivables:		
Parent company and subsidiaries		
EP HOLDING	449	1,078
Other affiliated legal entities		
EP VISOKOGRADNJA	-	-
EP HIDROINŽENJERING	5	1,881
EP NISKOGRADNJA	-	-
ENERGOPLAST	13,227	27,623
Total	**13,681**	**30,582**
TOTAL RECEIVABLES	**13,681**	**30,582**
Liabilities:		
Parent company and subsidiaries		
· EP HOLDING	5,641	1,162
Other affiliated legal entities		
· EP INDUSTRIJA	901	1,234
· EP HIDROINŽENJERING	2,394	7,504
Total	**8,936**	**9,900**
TOTAL LIABILITIES	**8,936**	**9,900**

	in thousands of dinars

Income from related legal entities	**2024**	**2023**
Income:		
Parent company and subsidiaries		
· EP HOLDING	232	223
Financial income		
Other affiliated legal entities		
· OTHERS		
· EP INDUSTRIJA	725	1,134
· EP HIDROINŽENJERING	499	675
· EP NISKOGRADNJA	0	117
· EP VISOKOGRADNJA	140	292
Total income	**1,596**	**2,441**

Expenses from related legal entities	*in thousands of dinars*	
	2024	**2023**
Expenses:		
Parent company and subsidiaries		
· EP HOLDING	55,765	47,685
Other affiliated legal entities		
· EP INDUSTRIJA	4,296	5,588
· EP VISOKOGRADNJA	525	678
· EP HIDROINŽENJERING	10,327	16,411
Total expenses	**70,913**	**70,362**

52. LITIGATIONS

Report on court cases of Energoprojekt Entel a.d. on December 31, 2024

No.	Plaintiff	Legal representative	Start of dispute (year)	Defendant	Basis of dispute	Value in dispute	Competent court	Expected date of termination of the dispute	Forecast of the outcome of the dispute
	P D	attorney-at-law	2016	EP Entel a.d., as the second defendant out of a total of four defendants	Compensation for damages - injury at work	RSD 1,300,000.00	Local Court, Požarevac	Uncertain	Uncertain; the proceedings are suspended First instance proceedings
3.	Lj G, attorney-at-law	attorney-at-law	2024	Ep Entel a.d. Beograd	debt	RSD 240,000.00	Third Local Court of Belgrade	Uncertain	First instance proceedings
4.	M M, Activist Activeast ltd.	attorney-at-law	2017	Montinvest properties d.o.o., Napred razvoj a.d., D B, EP Holding a.d. EP Entel a.d.	Compulsory buyout of shares of EP Entel	RSD 176,744,730.15	Commercial Court, Belgrade		
5.	S K et al.	attorney-at-law	2020	EP Entel a.d	Compensation for damages	RSD 66,488,842.92	Commercial Court, Belgrade		

53. EVENTS AFTER THE REPORTING PERIOD

After the reporting period, there were no events that would significantly affect the credibility of the presented financial statements.

54. GOING-CONCERN

During the preparation of the financial statements, the management assessed that the Company is capable of continuing to operate for an indefinite period of time, in accordance with the going-concern principle.

The financial statements have been prepared in accordance with the going-concern principle.

Given that the Company's operations in the past 20 years have been profitable, and financial resources are easily available, it can be concluded that the Company, even without a detailed analysis, reasonably performed accounting based on the going-concern principle.

In Belgrade,

March 23, 2025

Person responsible for preparing the statements

ENERGOPROJEKT ENTEL BEOGRAD * A.D. *

Director

ENERGOPROJEKT
ENTEL a.d.

2024 Annual Business Report for Energoprojekt Entel a.d.

Belgrade, April 2025

Energoprojekt Entel a.d. from Belgrade, Company Identification Number: 07470975, publishes its:

2024 ANNUAL REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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I 1. 2024 FINANCIAL STATEMENTS OF ENERGOPROJEKT ENTEL A.D.

(Balance Sheet, Income Statement, Statement of Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity, Statistical Report, Notes to the Financial Statements)

I.2. INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2024

II. ANNUAL BUSINESS REPORT OF THE COMPANY

- General information;
- Brief description of business activities and organisational structure;
- Presentation of the development, financial position and performance of the Company, including relevant financial and non-financial indicators as well as information on personnel matters;
- Description of the expected development of the Company in the coming period, changes in the Company's business policies and the main risks and threats to which the Company's operations are exposed;
- Relevant significant events that occurred after the end of the business year for which the report was prepared;
- More significant transactions with related parties;
- Activities of the Company in the field of research and development;
- Information on investments aimed at environmental protection;
- Existence of branch offices;
- Used financial instruments relevant for assessing the financial position and business performance;
- Objectives and policies related to financial risk management and protection policy of each significant type of planned transaction for which protection is used; Exposure to price risk, credit risk, liquidity risk and cash flow risk, strategy for managing these risks and evaluation of their effectiveness;
- Statement on the implementation of the corporate governance code.

General information

Business name: Energoprojekt Entel a.d.
Seat and address: Belgrade, 12, Bulevar Mihaila Pupina
Company Identification Number: 07470975
TIN: 100389086

Website and e-mail address: www.ep-entel.com; office@ep-entel.com

Number and date of the decision on registration in the Register of Business Entities: BD 8049, dated March 29, 2005

Activity (code and description): 7112. The main activity of the Company is ENGINEERING ACTIVITIES AND RELATED TECHNICAL CONSULTANCY

Number of employees (average number in 2024): 158/(375)

Energoprojekt Holding a.d. is the 100% owner.

Value of the capital assets (in kRSD): Share capital - RSD 173,223
Number of shares issued - ordinary: 422,495 ordinary shares, the nominal value of the share is RSD 410.
ISIN number: RSEPENE41315
CIF code: ESVUFR

The shares of the Company were removed from the Stock Exchange based on the decision on the exclusion of shares from the Open Market, i.e., Open Market market segment, share number 01/1-5833/19, because all the Issuer's shares were bought out in the process of compulsory share buyback, as well as the decision regarding the withdrawal of the Issuer's shares from the market and the termination of the status of a public company made by the votes of shareholders who acquired 100% of the equity interest in the Issuer through joint action in the procedure above. The rules of the Stock Exchange provide that the Stock Exchange excludes securities from the Open Market at the request of the Issuer whose status as a public company ceases under the provisions of Article 70 and Article 122, paragraph 2, item 2 of the Law on the Capital Market.

Business name, seat and business address of the audit firm:
RSM Serbia d.o.o. Beograd
10 b/I, Bul. Mihajla Pupina, 11070 Novi Beograd, Serbia

Information about the Company's management

Members of the Board of Directors of Energoprojekt Entel (current situation)

Mladen Simović	Executive Director
Milan Mamula	Chairman of the Board of Directors, non-executive director
Dobroslav Bojović	Non-executive director

Members of the Supervisory Board (as of December 31, 2024):

1. Prof. Miodrag Zečević, PhD, Bachelor of Electrical Engineering, President
2. Dragan Ugrčić, Bachelor of Economics, member
3. Prof. Ismail Musabegović, PhD, member
4. Nada Bojović, PhD, Bachelor Organizational work, independent member

Presentation of the development, financial position and performance of the Company, including relevant financial and non-financial indicators as well as information on personnel matters

Energoprojekt Entel a.d. Beograd consists of the parent joint stock company - Energoprojekt Entel a.d. Beograd and three subsidiaries. The Company's original activity, thermal power plant design, has been represented in the operations of Energoprojekt since its foundation in 1951. During the years of its development, the Company (ENTEL since 1990) has completed and expanded its service so that today it covers the provision of design and consulting services in areas related to energy, water, telecommunications and environmental protection, as well as managed implementation of projects in these areas.

Alongside the work on thermal facilities, the activity of designing and consulting during the construction of switchgear, substations, and transmission lines was initially developed locally. Over the last twenty years, the Company has successfully implemented projects in Nigeria, Qatar, Oman, the UAE, and Jordan.

ENTEL participated in the realisation of projects of thermal facilities with conventional, new and renewable energy sources, management of complex energy systems and appropriate environmental protection, treating all sources of air, soil and water pollution from energy systems. In the last few years, ENTEL has also had several projects on renewable sources of electricity (solar and wind power plants).

A credible presentation of the development and performance of the Company, financial position and data relevant for the valuation of the Company’s assets

A credible presentation of the development and performance of the Company, the financial position and data relevant for the valuation of the Company’s assets is given and explained in detail in the "Notes to the 2024 financial statements of Energoprojekt Entel a.d." (within Section 1 of the Annual Report). Only some of the relevant business parameters are shown below, which are important for a proper understanding of the mentioned matter.

The structure of the total generated profit or loss of Energoprojekt Entel a.d. on a consolidated basis in 2024, was as follows:

Gross profit or loss structure	*in thousands of dinars*	
	01/01-31/12/2024	**01/01-31/12/2023**
Business income	3,435,339	3,794,044
Business expenses	3,264,325	3,590,264
Business profit or loss	**171,014**	**203,780**
Financial income	99,172	114,598
Financial expenses	15,989	18,335
Financial profit or loss	**83,183**	**96,263**
Other income	50,302	112,582
Other expenses	76,293	65,943
Profit or loss from other income and expenses	**(25,991)**	**46,639**
TOTAL INCOME	**3,584,813**	**4,021,224**
TOTAL EXPENSES	**3,356,607**	**3,674,542**

PROFIT/LOSS BEFORE TAX	228,206	346,682

The structure of the total generated business profit or loss of Energoprojekt Entela a.d. from the 2024 individual financial statement was as follows:

Gross profit or loss structure	*in thousands of dinars*	
	01/01-31/12/2024	01/01-31/12/2023
Business income	753,365	813,481
Business expenses	749,544	766,773
Business profit or loss	**3,821**	**46,708**
Financial income	362,550	270,665
Financial expenses	1,473	3,019
Financial profit or loss	**361,077**	**267,646**
Other income	10	2,141
Other expenses	5,063	4,035
Profit or loss from other income and expenses	**(5,053)**	**(1,894)**
TOTAL INCOME	**1,115,925**	**1,086,287**
TOTAL EXPENSES	**756,080**	**773,827**
PROFIT/LOSS BEFORE TAX	**359,845**	**312,460**

Consolidated net earnings per share

Indicator	*in thousands of dinars*	
	01/01-31/12/2024	01/01-31/12/2023
Net profit	201,541	326,166
Average number of shares during the year	422,495	422,495
Earnings per share (in dinars)	**477**	**772**

Net profit per share from the 2024 individual financial statement

Indicator	*in thousands of dinars*	
	01/01-31/12/2024	01/01-31/12/2023
Net profit	333,180	291,944
Average number of shares during the year	422,495	422,495
Earnings per share (in dinars)	**788**	**691**

Drawing conclusions about liquidity indicators, obtained based on ratio analysis, among other things, implies comparing them with satisfactory general standards, which are also shown in the following table.

Consolidated data

Liquidity indicators	**Satisfactory general standards**	**2024**	**2023**
General liquidity ratio	2 : 1	3.98 : 1	3.70 : 1
Rigorous liquidity ratio	1 : 1	2.92 : 1	3.68 : 1
Cash liquidity ratio		0.74 : 1	0.52 : 1
Net working capital (in thousands of dinars)		**2,715,953**	**2,612,531**

Data from the 2024 individual financial statement

Liquidity indicators	Satisfactory general standards	31/12/2024	31/12/2023
General liquidity ratio	2 : 1	4.43 : 1	2.81 : 1
Rigorous liquidity ratio	1 : 1	3.69 : 1	2.43 : 1
Cash liquidity ratio		0.55 : 1	1.15 : 1
Net working capital		523,075	446,972

Although there are several criteria based on which conclusions can be drawn about the sustainability of the assumption about the long-term existence of the Parent Company, it is certain that profitable operations, as well as a satisfactory financial structure, are one of the main criteria.
The best representative of profitability is the rate of return on average equity capital, which shows how much return the Parent Company generates on one dinar of average equity capital employed. When calculating this Profitability Indicator, the average equity capital is determined as the arithmetic mean of the capital value at the beginning and end of the year.

Consolidated data

Profitability indicators	*in thousands of dinars*	
	2024	**2023**
Net profit/loss	201,541	326,166
Average capital		
Capital at the beginning of the year	4,165,692	4,133,829
Capital at the end of the year	4,314,909	4,165,692
Total - average capital	**4,240,301**	**4,149,761**
Rate of return on equity	**4.75%**	**7.86%**

Data from the 2024 individual financial statement

Profitability indicators	*in thousands of dinars*	
	31/12/2024	31/12/2023
Net profit/loss	333,180	291,944
Average capital		
Capital at the beginning of the year	1,012,080	870,423
Capital at the end of the year	1,104,522	1,012,080
Total - average capital	**1,058,301**	**941,252**
Rate of return on equity	**31.48%**	**31.02%**

The adequacy of the financial structure is reflected in the level and character of indebtedness.
The following tables show the most significant indicators of the Parent Company's financial structure, namely:

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

Consolidated data

Financial structure indicators	*in thousands of dinars*	
	2024	**2023**
Liabilities	1,589,928	1,709,188
Total assets	5,904,836	5,874,880
The share of borrowed funds in the total sources of funds	**0.27 : 1**	**0.29 : 1**
Long-term assets		
Equity	4,314,909	4,165,692
Long-term provisions and long-term liabilities	678,181	740,823
Total - Long-term assets	**4,993,090**	**4,906,515**
Total assets	5,904,836	5,874,880
The share of long-term funds in the total sources of funds	**0.85 : 1**	**0.84 : 1**

Data from the 2024 individual financial statement

Pokazatelji finansijske strukture	*u 000 dinara*	
	31.12.2023.	31.12.2022.
Obaveze	1.610.878	2.051.243
Ukupna sredstva	5.874.880	6.185.072
Udeo pozajmljenih u ukupnim izvorima sredstava	**0,27 : 1**	**0,33 : 1**

Dugoročna sredstva		
Kapital	4.165.692	4.133.829
Dugoročna rezervisanja i dugoročne obaveze	688.817	928.752
Svega - dugoročna sredstva	**4.854.509**	**5.062.581**
Ukupna sredstva	5.874.880	6.185.072
Udeo dugoročnih u ukupnim izvorima sredstava	**0,83 : 1**	**0,82 : 1**

Financial structure indicators	*in thousands of dinars*	
	31/12/2024	31/12/2023
Liabilities	152,343	175,541
Total assets	1,318,827	1,285,643
The share of borrowed funds in the total sources of funds	**0.12 : 1**	**0.14 : 1**
Long-term assets		
Equity	1,104,522	1,012,080
Long-term provisions and long-term liabilities	8,459	42,889
Total - Long-term assets	**1,112,981**	**1,054,969**
Total assets	1,318,827	1,285,643
The share of long-term funds in the total sources of funds	**0.84 : 1**	**0.82 : 1**

The **net debt ratio** shows how much each dinar of the Parent Company's net debt is covered by the Parent Company's capital.

Net indebtedness means the difference between:

- total (long-term and short-term) financial liabilities of the Parent Company (total liabilities minus equity, long-term provisions and deferred tax liabilities of the Parent Company and added loss above the amount of equity); and
- cash and cash equivalents.

Consolidated data

Parameters for calculating the ratio of net debt to total capital	*in thousands of dinars*	
	2024	**2023**
Net debt		
Liabilities	1,589,928	1,709,188
Cash and cash equivalents	672,192	501,026
Total - Net debt	**917,736**	**1,208,162**
Capital	4,314,909	4,165,692
Net debt to total capital	**1 : 4.70**	**1 : 3.45**

Data from the 2024 individual financial statement

Parameters for calculating the ratio of net debt to total capital	*in thousands of dinars*	
	31/12/2024	31/12/2023
Net debt		
Liabilities	152,343	175,541
Cash and cash equivalents	84,404	254,867
Total - Net debt	**67,939**	**- 79,326**
Capital	1,104,522	1,012,080
Net debt to total capital	**1 : 16.26**	**- 1 : 12.76**

Description of the Company's expected development in the coming period, changes in the Company's business policies and the main risks and threats to which the Company's operations are exposed

The expected development of the Company in the coming period will be realised in line with the adopted strategic documents of the Company.

1. BUSINESS CONDITIONS

1.1. Business conditions in the country

Favourable circumstances that affected ENTEL's operations in the country in the reporting period of 2024 are as follows:

- Continuation of participation in the most important capital projects in the field of energy that are currently being implemented in the country:
  - construction of a new coal-fired thermal power unit of the "Kostolac B3" thermal power plant,
  - construction of a plant for energy valorisation of municipal waste in Vinča,
  - construction of flue gas desulfurization plant at "Nikola Tesla A" TPP,
  - construction of the Obrenovac - Novi Beograd heating pipeline,
  - consulting services on the construction of the "Čibuk 2" hydropower plant.

  These are important projects for the clients, as well as for ENTEL. It should be noted that all the mentioned projects are significantly delayed compared to the planned deadlines, with the fact that the activities on the construction of TPP "Kostolac B3" and the flue gas desulfurization plant at TPP "Nikola Tesla A" are almost finished, but there is still work to eliminate defects within the warranty period. The plant in Vinča is fully completed, and ENTEL's engagement is related to "permitting" services. In projects based on fixed contract prices, the delay causes worse business effects than planned.

- Preparation of technical documentation for the construction of the Obrenovac - Beograd heat pipe continues, albeit at a very slow pace. It is a benchmark, long-planned project, the kind of which is rarely realised in the world. The problem represents a series of hard-to-solve issues that have their roots in the disastrously done previous documentation and the incompetence of a large number of participants in the entire documentation process. Considering the slow development of the project, the financial effects of the work on it are not in line with the time of engagement of ENTEL experts.

- Participation in the implementation of wind power projects: "Kostolac", "Samoš 1" and "Samoš 2", "Čibuk 2" represents the continuity of work on plants for the production of renewable energy of high investment value, which continued in the third quarter of 2024. The aforementioned services created the assumption that ENTEL is offered other possibilities besides the creation of project documentation (FE, SN).
- In a consortium with several important companies from Europe (SAFAGE, EGIS, Planet), ENTEL and EPHI contracted a high-potential design on the project entitled Western Balkans Investment Framework (WBIF) – Infrastructure Project Facility – Technical Assistance 12 (IPF 12), Infrastructures: Energy, Environment, Social, Transport and Digital Economy. It is expected that this contract will enable the Company to work on significant projects in the future. One of the projects, known as 400 kV Interconnection OHL Brezna - Crkvičko Polje - Sarajevo: Feasibility Study, ESIA, whose implementation has started, was taken over.
- Negotiating a framework agreement with Elektrodistribucija Srbije d.o.o. has the potential to realise significant services in this area.
- EPS has significant ambitions for investing in renewable energy sources. The role of ENTEL in their implementation will depend to some extent on the role of EPS in financing those projects. ENTEL has a significant framework contract with EPS for the development of RES projects, which has not yet produced significant results, due to slow decision-making by EPS as a result of the establishment of a new organisational structure in EPS, and a different way of making decisions for new investment ventures.
- It is expected that the announced increase in the need for significantly higher consumption of electricity will, in due course, create awareness that new capacities for electricity production must be built, and new projects may be launched in due course, both for the needs of EPS and other investors.
- The change in the Law on Public Procurement, whose main assumptions for the services offered by ENTEL were the selection of bidders based on the lowest price criterion, was changed in terms of giving importance to the quality of the bidders. ENTEL does not expect significant effects of these amendments to the Law on Public Procurement, considering that only one bid is still submitted to Public Procurements for most jobs.

Unfavourable circumstances affecting ENTEL's operations refer to the following:

- Geopolitical instability in Europe, resulting from military conflicts in Ukraine, then in the Middle East, led to a wider-scale energy crisis. The uncertainty of the gas supply will for some time delay the construction of several planned gas plants, which are seen as a huge opportunity to continue the activity for which expertise has been gained in performing complex services at the "Kostolac B3" TPP (FE and SN).
- There is also a significant increase in the costs of performing already contracted services due to the increase in the costs of labour, fuel and means of transport, while maintaining the price of services.
- A significant number of contracts that ENTEL is currently implementing are of a multi-year nature, with prices partly from the 2016-2018 period, which are now well below market prices, due to the influence of already significant inflation in that period. This effect, along with the increase in the price of resources for the performance of contracted services, significantly affects the efficiency of operations. ENTEL negotiates the performance of these services, which carries the risk of exposing the business to public procurement with competitors who, thanks to a different way of doing business and with a far lower quality professional force, can offer these services cheaper, while at the same time being burdened by previously positioned prices.
- The slow development of the important project of the construction of the Obrenovac -

Novi Beograd heat pipe represents a serious problem in the constant availability to work on this project, but also in the inadequate result and progress of the activities, which are a prerequisite for charging for the service.

- The reorganization of EPS takes a long time, which slows down the making of important decisions on the implementation of several projects that ENTEL considers to be of high interest.
- The situation with reduced production from EPS facilities, i.e., a large import of electricity, significantly spoils the stabilized business that existed at the beginning of the year. This scope of imports spoils the business results of EPS and reduces the potential of entering into some planned projects.
- The contracted amount for projects of renewable energy sources with EPS, which created a great potential for engaging ENTEL, has meanwhile been directed, at the request of MRE, to financing the development of spatial plans for the construction of 1 GW solar power plants, which will leave little room for the realization of services that ENTEL counted on within the contracted budget.
- As announced in the annual business plan of ENTEL, the focus of the economy is currently services in the field of construction (housing, EXPO 2027, road construction), regardless of the fact that significant construction of energy facilities has been announced, in order to monitor the expected significant increase in electricity consumption. It seems that the focus on construction projects will remain relevant until 2027, which will have consequences for energy projects. It is also considered that, due to the engagement of the financial potential of EPS on projects selected by the government and according to the prices beyond EPS influence (e.g. 1GW of solar power plants), their potential to invest in projects of interest to ENTEL will be reduced, and the way of realization of the necessary projects will be directed towards developers, who will create a new environment for obtaining services for which ENTEL is interested.
- The reduced scope of joint work between Belgrade and foreign companies on projects, primarily due to the structure of contracted jobs abroad, calls into question the continuity of good practice and the optimisation of professional potential, regardless of their place of work.
- A serious problem becomes the threat of staff outflow due to the fact that the competition gives our employees offers with significantly higher salaries than in ENTEL and with other benefits, such as the use of a car, private health insurance, the possibility of working from home if necessary, and the like. After the stabilisation of the outflow of personnel during 2023, from the beginning of 2024, there was an outflow of several significant personnel for the Company's operations. Caring for and providing personnel has become an unusually important and expensive task for the Company, which requires constant attention. Often, the competition's offers are permanently unsustainable, but they are attractive and hard for employees to resist.

For the part of the service that ENTEL provides, which is related to designing, the permanent composition and teamwork, with clearly defined roles of team members, is of great importance, which is called into question by the increase in staff turnover.

The activation of several projects (e.g. EXPO 2027, road infrastructure, Belgrade metro) due to their attractiveness and financial offer, as well as the formation of strong points of several foreign companies in Belgrade, directed the interest of personnel in these projects, i.e., the companies that implement them.

Among the staff, ENTEL also has individuals who are unique on the market and whose place of work will also direct business towards such companies, which requires their special treatment.

The attempt to meet the expectations of the employees in terms of salary was not enough to prevent the outflow of employees.

In an effort to retain key personnel, ENTEL continued in 2024 to invest in cultural, sports, and other activities aimed at employee satisfaction (March 8 trip, awards for children with excellent results at school). The practice of informing all employees monthly through a video news format about key new projects, various activities, and business policy and results, both in the country and abroad, was maintained. It is a unique method of communication that only the most prestigious Western companies possess.

In addition, this year work continues to improve the working conditions in the office space (air conditioners were provided in all offices where there was a problem due to the unstable central air conditioning system, the hygiene of the work space that belongs to the common areas in the building, but directly connected to ENTEL's premises was improved). For the first time, additional health insurance was introduced through the "Health Package" which allows employees to be covered by health care, both from general practitioners and all specialists, throughout the year.

A significant number of employee comments also refer to the request for an increased possibility of working from home, which will be the object of analysis in the near future. This method is very present in competing companies, which at the same time do not rent the necessary office space and do not have the accompanying costs. Of course, such work also has the consequences of poorer technical solutions, slower development of personnel, but it is currently considered attractive.

- The uncertainty of the personnel potential of the Company introduces instability into the maintenance of licenses for the performance of activities, which will lead to a new solution for the maintenance of licenses that will not depend on the currently employed personnel.
  The above represents a distinct problem for sustaining business, especially at the level at which ENTEL is recognized on the market.
- Due to involvement in capital projects in Serbia, satisfaction with the income that employees can currently earn on the domestic market, the possibility of participating in projects in ENTEL's companies abroad, where the price of services has dropped significantly, as well as in projects in the surrounding area, has been reduced.

1.2. Business conditions abroad

Business abroad continues in our traditional markets:

- in the Qatar region (which includes foreign entities in Qatar, Abu Dhabi, Dubai, Bahrain, Bangladesh and Saudi Arabia) and
- in Oman.

In the business conditions in the Middle East, new deals are being contracted with lower unit prices compared to those of a few years ago. Some deals contracted at more favourable unit prices in the previous period are still being implemented and have an impact on the current period's business results. In order to maintain the level of income and profit, despite the drop in unit prices, there is an increasing effort to increase the scope of work. Hence, the very intensive marketing activity in all foreign entities in the Middle East, with constant monitoring of business opportunities in neighbouring countries.

QATAR

Qatar introduced the In-Country Value (ICV) program as a strategic initiative to strengthen the local economy and promote sustainable development. The ICV program aims to maximise economic value retained in the country by focusing on local procurement, workforce training and capital investment. Using the annual financial report, and based on total revenue and local expenses, as well as investments, the annual ICV ratio of each company is determined.

ICV criteria are integrated into all state tender processes, especially in the energy sector. The ICV ratio plays an important (even overly important) role during commercial evaluation and contract awarding. Therefore, it is important to have as high an ICV coefficient as possible to ensure the greatest possible competitiveness in state tenders.

Considering the activity of our Company, the biggest share in determining the ICV ratio is the employee wages. Given that the payment of rent for housing directly to the landlord does not affect the calculation of ICV, a decision was made to add the rent amount to the monthly salary payments of employees. Rental contracts will be made between employees and landlords. This will directly increase the ICV ratio of the Company, and in practice, there was only a recomposition of costs, which in total remained the same.

We are considering other similar actions to increase the ICV ratio, the elements of which can be seen from the following formula:

Favourable business circumstances in Qatar in this reporting period are as follows:

- The value of the remaining work on important previously contracted projects ensures the stability of the business for some time to come;
- Good personnel structure;
- New capital projects in Qatar, related to increasing gas production (NFE and NFS);
- Favourable price of oil and gas on the world market;
- The implementation of VAT has been postponed.

Unfavourable circumstances:

- Budget reduction in the areas of activity of interest to ENTEL and drastic savings measures implemented through government projects;
- Companies with a lower quality of engaged experts are chosen for the performance of services, and thus a lower price, which does not correspond to the quality of the difficult-to-maintain personnel structure that ENTEL has, that is, their price;
- The market is disrupted by the current global crisis.

DUBAI

Favourable circumstances:

- Thanks to the extremely good contracting in the previous period, the Company had enough work to implement in 2024 as well;
- During 2024, several significant deals were contracted, which maintains good employment of the Company and creates a premise for good results in 2025 as well;
- The number of tenders issued for bidding is increasing, primarily from Developers, which continues in this reporting period as well.

- Our largest clients, DEWA and EWA (FEWA), have not announced any significant tenders from our field of activity in the last three years;
- With some clients, there is a problem of extremely difficult collection, with payment delays of up to a year, which significantly affects business;
- Slow and complicated procedure regarding the finalisation of compensations for additional services performed on completed projects;
- The conditions for issuing approvals and licenses for engineers involved in the supervision of the construction of buildings have been tightened. On the other hand, there are demands for increased supervision by consultants. This requires increased involvement in finding and selecting personnel for the implementation of projects;
- The Emiratization process has an impact on business on several grounds.

ABU DHABI

Favourable circumstances:

- The scope of existing contracts enables business continuity;
- Activity is diversified into contracts in electricity transmission, electricity distribution and oil and gas production and water transmission;
- The number of tenders has increased in this budget year, and several large bids are in the process;
- Investment budgets were filled during the surge in oil prices;
- The possibility of remote work still remains.

Unfavourable circumstances:

- Low service prices and inflationary increased costs;
- Procedural restrictions with the main clients and difficult approvals of personnel reduce the planned realisation;
- Slow mobilisation in supervision and the opening of new construction sites due to problems in the procurement of equipment, transportation and mobilisation of contractors is reducing the expected income from existing contracts;
- Non-transparent allocation of the project, primacy of Emiratization percentage;
- Still high interest rates and guarantee financing costs;
- Repressive administrative measures regarding employment of Emirati workers and payment of wages;
- Introduction of corporate profit tax of 9%;
- Currency risk due to the association of the UAE with BRICS;
- Security risks (maritime transport of goods and conflicts with Iran);
- Minimum remaining number of ENTEL employees, need for staff rejuvenation.

OMAN

Favourable circumstances:

- By signing large contracts with our biggest clients in the previous period (OETC and OWWSC), the Company managed to ensure its survival on the market;
- Better collection of receivables;
- Good reputation among clients;
- Announcing new investments, especially in the field of electricity.

Unfavourable circumstances:

- The price of consulting services against the total cost of projects is low, which has led to the withdrawal of some Western consulting companies from this market, but also the emergence of African and local companies that work with low prices;
- Insisting on "Omanization" (employing the Omani population) and increasing engagement in managerial positions;
- Due to the reduced volume of work in the period between the completion of old projects and the start of new projects, the Company was forced to lay off several employees, with the focus being on retaining the best quality personnel and reducing the number of Omanis working in the administration building;
- Unfavourable conditions for participation in "water" projects.

BANGLADESH

An international company in Qatar performed the first contract in the field of electricity transmission on the territory of Bangladesh, which represents a new market in which ENTEL operates, so it is expected that the result will be small. The contract has been completed successfully, and all payments have been made according to it.

SAUDI ARABIA

In order to enter the high-potential market, and after a long procedure, ENTEL registered on May 2, 2024, a foreign company in Saudi Arabia (KSA) called Energoprojekt Entel LLC (d.o.o.) in Dammam, for consulting services in the field of engineering, in order to create greater business opportunities for obtaining deals in mega energy projects that are launched in this country.

After the activities carried out during 2023, the sequence of activities related to company registration in KSA during 2024 was as follows:

- The company name ("Energoprojekt Entel LLC") was reserved and confirmed in the KSA national system on January 17, 2024;
- Engineering registration by the Saudi Council of Engineers (SCE) was obtained on March 21, 2024;
- Final approval by the Saudi Council of Engineers (SCE) was received on March 24, 2024, which is a prerequisite for company registration;
- Request for company registration submitted to the Ministry of Commerce on March 26, 2024, and
- The company was registered on May 2, 2024.

The company's registration in KSA presupposes obtaining new deals in this country, after the realisation of a smaller contract in 2023 (value of 53.8 thousand USD) with LNT through the company in Doha on the preparation of a study for the Neom Green Hydrogen Project. This provided our partial introduction to the transmission system in Saudi Arabia.

BAHRAIN

By December 31, 2024, we had received a registration (without a license) that does not allow the performance of investment activities on behalf of others and the performance of any activities or the submission of applications for work permits until all necessary licenses/approvals are obtained. The procedure for obtaining the necessary professional engineering license was launched in 2024. A space was rented that is temporarily used for business and the accommodation of employees who come occasionally.

The contract worth BHD 998,800 (about EUR 2.4 million) is active and signed. The described situation refers to the year 2024. Initial activities on the contract are underway. Money was borrowed from Qatar for a bank performance guarantee to be issued by a local bank in Bahrain. The guarantee was issued and handed over to the investor.

2. BUSINESS POLICY

For ENTEL's traditional activities (energy, water, telecommunications and environmental protection in the mentioned areas), as capital infrastructure areas in which high complexity projects are implemented, the current investment climate in the country has fallen into a problem as a result of the financial problems of EPS, and due to the government's focus on other infrastructure projects (EXPO 2027, road infrastructure), but also the war in Ukraine, which brought significant instability, not only in the energy sector, but much more widely. The launch of new capital projects in the activities that are interesting to us has become uncertain, which further complicates the planning of activities in the coming period, thus realizing the fear of the ENTEL management that the investment focus will move to the construction industry (inadequate scope of construction facilities of various purposes, road infrastructure and other construction facilities). Current government policy is that this focus of investment will last until 2027.

In general, the observation remains that the transition of electricity production from technologies that involve the emission of pollutants (based on the use of fossil fuels), on which the Company's activity in Serbia is largely based, to the production of electricity from renewable energy sources, will significantly affect all segments of the Company's operations in the production, transmission and distribution of electricity. The above requires a review of the activities for the next period and the strategic positioning of the Company for future work. The issues of energy storage (batteries, hydrogen, gas and other forms) become a special aspect, which will gain more and more importance and which should also be considered as one of the activities that should be included in ENTEL's portfolio.

The uncontrolled construction of renewable energy sources will lead to a drastic change in the treatment of electricity, due to the need to maintain the stability of the system, in which various forms of accumulation or expedient use of excess electricity when they occur will have a special place, with significant participation in the issue of transmission and distribution of electricity. The current energy crisis in Europe, but also the wider area, with the slow withdrawal of sources that produce greenhouse effects, gives time to master the technologies coming into the field of production and accumulation of energy from sources for the production of renewable energy.

The main areas of ENTEL's activities in the Qatar region remain unchanged and refer to consulting services in the areas of production, transmission and distribution of electricity and water, as well as design and consulting services in oil and gas exploitation. Nevertheless, with the support of expert knowledge from the country, the Company is engaged in capital consulting work in electricity and drinking water production in Qatar. It is also significant that the Company's engagement in Qatar has been extended to the drinking water storage segment through consulting engagement on strategically important reservoir and underground storage projects, which opens up space for expanding expertise in the field of water and transferring acquired knowledge to other markets in the Middle East. Bearing in mind that water will represent an increasingly important resource at the global level, it can be expected that there will be more and more projects in this area.

ENTEL's company in Oman still dominantly provides services in the field of transmission and distribution of electricity, as well as production and transportation of water, regardless of the reduction in the number of such projects at the moment, considering the announcement that Oman will enter a series of such projects. Efforts are being made to ensure wider involvement in projects from renewable energy sources, the realisation of which is expected in the near future.

ENTEL in Serbia has an established IMS that consists of the following standards: ISO 9001:2015, ISO 14001:2015, ISO 45000:2018, ISO 50001:2018 and ISO 27001:2013, while in all foreign companies, a series of standards ISO 9001, ISO 14001 and ISO 45001 is implemented. System maintenance and improvement is a permanent obligation that is successfully executed.
ESG (Environmental, Social and Governance) is something on which ENTEL is taking initial steps to accept the increasingly frequent requests for recognition of dedicated business, and cooperation with business and banking institutions.

Nowadays, environmental sustainability and socially responsible behaviour are increasingly becoming the key to a better future for all of us, and implementing ESG principles and establishing sustainable Company operations is becoming almost imperative.

ESG reporting includes qualitative disclosures and quantitative measurements of the Company's impact on the environment, social environment and management of the organisation, as well as a comparison of the Company's achieved performance with previously defined ESG strategies, risks and opportunities.

The aforementioned issue will certainly be the subject of the Company's dealings in the following period.

3. ACHIEVED BUSINESS PARAMETERS FOR THE REPORTING PERIOD

3.1. Markets (domestic and foreign)

The Company's business is carried out on the domestic and foreign markets. The country-foreign engagement ratio, primarily due to business effects, is focused on foreign markets as much as possible, although the number and importance of projects currently being implemented in Serbia have a significant place in the overall realisation of the Company.

The dominant markets where ENTEL operates are:

- Serbia;
- Middle East (Qatar, Oman, the UAE, Saudi Arabia, Bahrain, Bangladesh).

SERBIA

Considering the activities of ENTEL, natural clients in Serbia are still EPS, EMS and Elektrodistribucija Srbije. However, for a long period of time, EMS has been awarding most of the projects to its daughter company Elektroistok projektni biro outside public procurements, while the projects managed by Elektrodistribucija Srbije are directed towards companies with the same geographical origin as the management structure of this Company. The favourable circumstance is that we have come closer to cooperation with this company by obtaining a small framework contract, the implementation of which began in 2024, with the potential to be implemented to a greater extent during 2025.

In addition to government institutions, the participation of income from projects financed by private investors is also significant, primarily in the field of renewable energy sources.
The situation with EPS, with which there were no significant contracts in the field of thermal capacity, after large contracted projects and annexes based on them, directs bidding activities to areas in which ENTEL in Serbia has not built its references, which will require an exhausting period of approaching new clients, building their trust, which will necessarily affect the bid prices and profits on such deals if contracted.

With the aim of better contracting in the surrounding area, an acquisition is planned in North Macedonia and Montenegro.

Important and relevant events that occurred after the end of the business year for which the report was prepared

From the balance sheet date to the date of publication of the report, there were no major business events that would require disclosure or affect the credibility of the presented financial statements.

The position of the management is that the going-concern principle of the Company's operations will not be questioned. The stated facts do not require the correction of the financial statements for the period from January 1, 2024, to December 31, 2024.

Relevant business news about important events is regularly published on the website of Energoprojekt (http:/www.energoprojekt.rs).

More significant transactions with related parties

Pursuant to the requirements of IAS 24 Related Party Disclosures, the following disclosure of relationships, transactions, etc. was made; between the Company and related parties. Related parties, from the perspective of the Company, are considered to be: sub**sidiaries and key management personnel** (those persons who have authority and responsibility for planning, directing and controlling the entity's activities, directly or indirectly, including all directors, regardless of whether they are executive or not) and their close family members.

From the perspective of **subsidiaries**, the following two tables show the transactions that result in income and expenses reported in the income statement, and liabilities and receivables reported in the balance sheet.

Receivables and liabilities from related legal entities originate from services performed and are due 90 days after the date of services performed, are not secured and do not contain interest.

Receivables and liabilities from related legal entities	*in thousands of dinars*	
	2024	***2023***
Receivables:		
Parent companies and subsidiaries		
EP HOLDING	449	1,078
Qatar company	239,415	113,158

UAE company	64,692	
Other related legal entities		
EP VISOKOGRADNJA	5	
EP HIDROINŽENJERING		1,881
EP NISKOGRADNJA		
ENERGOPLAST	13,227	27,623
Total	**13,232**	**29,504**
TOTAL RECEIVABLES	**317,788**	**143,740**
Liabilities:		
Parent companies and subsidiaries		
· EP HOLDING	5,641	1,162
Oman company		
Other related legal entities		
· EP ARHITEKTURA I URBANIZAM		
· EP INDUSTRIJA	901	1,234
· EP HIDROINŽENJERING	2,394	7,504
Total	**3,295**	**8,738**
TOTAL LIABILITIES	**8,936**	**9,900**

Income from related legal entities	*in thousands of dinars*	
	2024	***2023***
Income:		
Parent companies and subsidiaries		
· EP HOLDING	232	223
a) QATAR COMPANY		4,420
b) OMAN COMPANY	6,680	22,000
c) ENERGOCONSULT	62,339	-
Financial income		
a) ENTRY OF PROFITS FROM QATAR COMPANY	234,099	234,549
b) ENTRY OF PROFITS FROM OMAN COMPANY	117,084	
c) QATAR FX PROFIT OR LOSS	260	37
d) OMAN FX PROFIT OR LOSS		

		691
e) ENERGOCONSULT FX PROFIT OR LOSS	2,352	
Other related legal entities		
· OTHER		
· EP INDUSTRIJA	725	1,134
· EP HIDROINŽENJERING	499	675
· EP NISKOGRADNJA		117
· EP VISOKOGRADNJA	140	292
Total income	**424,410**	**264,138**

Expenses from related legal entities	*in thousands of dinars*	
	2024	***2023***
Expenses:		
Parent company and subsidiaries		
· EP HOLDING	55,765	47,685
b) OMAN COMPANY	61	767
c) ENERGOCONSULT	10	
d) QATAR COMPANY	120	
Other related legal entities		
· EP INDUSTRIJA	4,296	5,588
· EP VISOKOGRADNJA	525	678
· EP HIDROINŽENJERING	10,327	16,411
· EP URBANIZAM I ARHITEKTURA		
Total expenses	**71,104**	**71,129**

• Research and development activities of the Company

The plan for the period from January 1 to December 31, 2024, provides for achieving a consolidated income in the total amount of EUR 28,000,000 with the following structure:

Realisation on the domestic market EUR 7,213,000
Realisation on foreign markets EUR 20,740,000
with the participation of:
Qatar foreign company of EUR 10,000,000
Abu Dhabi/Dubai foreign company of EUR 8,990,000

Oman company of EUR 1,750,000
Based on the profit of Energoplast of EUR 47,000

With the total realised consolidated income of EUR 30,617,000, the plan was achieved with 109.3%, with the following structure:

With the realisation on the domestic market of EUR 6,508,000, the plan was achieved with 90.2%.
With the realisation on foreign markets of EUR 24,032,000, the plan was achieved with 115.9%, of which EUR 11,311,000 refers to the operations of the Qatar foreign company (113.1% compared to the plan), EUR 9,796,000 to the operations of the Abu Dhabi/Dubai foreign company (109% compared to the plan) and EUR 2,899,000 to the realisation of the foreign company in Oman (165.7% compared to the plan).
Based on the profit of Energoplast, EUR 77,000.

The movement of the dollar exchange rate, as the dominant currency in the countries where Entel operates, against the reporting currency of EUR is also important for the results shown. Namely, the official EUR exchange rate on December 31, 2024, was EUR 1 = RSD 117.0149, while the average exchange rate in the period from January to December 2024, was: EUR 1 = RSD 117.0851, USD 1 = RSD 108.197, EUR/USD ratio = 1.0821.

Business in the reporting period of 2024 was successful, and a total consolidated income of EUR 30,617,000 was generated compared to the planned EUR 28,000,000, meaning that the plan was achieved with 109.3%, and a consolidated profit of EUR 1,949,000 compared to the planned EUR 2,100,000 (92.8% of the planned).

Business in the country in the light of the war in Ukraine, the financial crisis of EPS, the bankruptcy of the main EPC contractor on the project of building a plant for the energy utilization of municipal waste in Vinča, as well as the halting of the Jadar project, is taking place in the light of uncertainty regarding the contracting of new deals. In light of the events, the Company is turning to private investors, but mainly for the implementation of projects of lesser value. An exception may be the cooperation with the Russian giant Gazprom on considering the possibility of building new gas units, but also entering the Saudi Arabian market through engagement in the provision of design services for the EPC contractor, L&T.

On the other hand, business abroad is still characterised by intensive business offers.

The total value of new contracts signed in the reporting period of 2024 at the level of the entire ENTEL is about EUR 48 million, with ENTEL's foreign companies contributing the most.

In the reporting period, the company in Qatar contracted deals worth around EUR 16 million, thus exceeding the contracting plan of EUR 7 million (228%).

ENTEL's company in Dubai also records good contracting of EUR 10 million, which is at the level of 250% of the contracting plan for the whole year, and in Abu Dhabi, about EUR 8.5 million. The above indicates the potential of this market, which must be additionally exploited.

Oman contracted around EUR 4.8 million, which is more than triple the plan, which amounted to EUR 1.5 million.

The company in Serbia is facing the already mentioned problem of contracting new deals due to the financial issues faced by ENTEL's most important domestic investor, EPS. The initiation of new procurements in the domain of new investments in the development or expansion of production capacities of EPS has been practically suspended, and priority has been given to ongoing maintenance and emergency services that ensure the maintenance of the operation of existing thermal energy units.

Information about investments aimed at environmental protection

ENTEL carries out the environmental protection activities in three segments - preparation of design documentation, supervision of the execution of works and office building.
In the segment of preparation of design documentation, legal, solutions, standards and best practices in creating solutions are applied.
In the segment of supervision over the execution of works, additional efforts are being made to ensure that contractors on projects supervised by ENTEL comply with legal regulations, standards and best practices in the field of environmental protection. In this sense, projects in the field of nitrogen oxides (NOx) and flue gas desulfurization (FGD) are particularly important.
Within the office building, ENTEL established a paperless communication system 12 years ago, which reduces paper costs and affects environmental protection in that domain. In the course of 2024, the full implementation of the DMS (Document Management System) established at the EP level began. In addition, in cooperation with EP Holding, activities are carried out in the monitoring and rationalisation of the consumption of electricity, heat energy and water, as well as in the segment of waste disposal.

Branch offices

Energoprojekt Entel a.d. has no registered branch offices in Serbia.
The registered office of the parent company and subsidiaries is at 10, Bulevar Mihaila Pupina, Novi Beograd.

Detailed overview and performance of Energoprojekt Entel a.d. are presented in the notes to the individual and consolidated financial statements of the companies.

Used financial instruments relevant for assessing the financial position and business performance;

The presentation and bookkeeping related to financial instruments is conditioned by their classification, which, according to the characteristics of the financial instruments, is carried out by the management of the Company.

When classifying each individual financial instrument, the Company's management can classify it into one of four possible types of financial instruments specified by the provisions of IAS 39, namely:

- financial assets or financial liabilities at fair value through profit or loss;
- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets.

In the notes to the financial statements, all relevant financial instruments of importance for the assessment of the financial position and business performance are described in detail.

Objectives and policies related to financial risk management and protection policy of each significant type of planned transaction for which protection is used; exposure to price risk, credit risk, liquidity risk and cash flow risk, strategy for managing these risks and assessment of their effectiveness;

Financial risk management is a comprehensive and reliable management system aimed at minimising potential negative impacts on the Company's financial position and operations, in conditions of unpredictability of the financial market.
Acknowledging the limitations in the management of financial risks typical of business operations on the Serbian market shows a clear necessity to adequately approach this problem, which is also recognised by the management of the Company. Essentially, financial risk management in the Company should ensure that the Company's risk profile is always in accordance with the Company's

risk appetite, i.e., in accordance with the acceptable structure and level of risk that the Company intends to take to achieve its business strategy and objectives.

Credit risk is the risk of the possibility of negative effects on the Company's financial result and capital due to a debtor's failure to perform its obligations against the Company within the specified deadlines.

Credit risk does not mean only debtor-creditor relationships arising from the sale of the Company's products, but also those credit risks arising from other financial instruments, such as, for example, the Company's receivables based on long-term and short-term financial investments.
The Company has a significant concentration of credit risk in collecting accounts receivable, with a very long period of crediting by the Company due to insufficient liquidity of such accounts.
Financial risks are significantly conditioned by (external) factors that are not directly under the control of the Parent Company. In this sense, the level of financial risk is significantly influenced by the environment of the Parent Company, which is determined not only by the development of the economic environment, but also by legal, financial and other relevant aspects that determine the level of systemic risks.
In general, compared to the markets of developed economies, the Parent Company operating in markets with insufficient economic development and macroeconomic stability, as well as high illiquidity, such as the Republic of Serbia, are significantly exposed to financial risks. In addition to the above, the insufficient development of the financial market makes it impossible to use a wide range of hedging instruments that are typical of developed markets. Thus, for example, Parent Companies operating in the Republic of Serbia do not have the possibility of using a large number of derivative financial instruments in financial risk management, due to the fact that such instruments are not widely used, and there is no organized continuous market for financial instruments.

Market risk

Market risk is the risk of the possibility of negative effects on the Company's financial result and capital due to losses within the balance sheet items, arising as a result of negative market price movements and other relevant financial parameters.
Market risk consists of three types of risk:

- currency risk;
- interest rate risk; and
- price risk.

Currency risk, also called foreign exchange risk or exchange rate risk, is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in exchange rates. Currency risk occurs with financial instruments denominated in a foreign currency, that is, in a currency different from the (functional) currency in which the financial instruments are measured in the financial statements.

The Company operates in an international framework and is exposed to the risk of changes in foreign currency exchange rates arising from doing business with different currencies, primarily the EUR and US dollars.

Interest rate risk is the risk of the possibility of negative effects on the result and capital of the Company due to unfavourable changes in interest rates. The Company is exposed to this type of risk through financial liability items for loans taken with potentially variable interest rates (Euribor).

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those resulting from interest rate or currency risk), whether these changes are caused by factors specific to an individual financial instrument or its issuer, or that factors affect all similar financial instruments traded on the market.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties settling due liabilities, while maintaining the necessary volume and structure of working capital and a good credit rating.

Prudent management of liquidity risk implies maintaining a sufficient amount of cash and securities intended for sale, and ensuring adequate sources of financing due to the dynamic nature of the Company's operations. The Company strives to maintain the flexibility of financing by collecting from customers and placing free funds. In addition to the aforementioned, in accordance with the Company's policy, "back-to-back" contracts are signed with subcontractors, whereby part of the risk related to possible late payment is transferred to/shared with them.

Most of the mentioned, as well as some other unmentioned risks, are covered by the Notes to the financial statements (where the focus is primarily on the consideration of financial risks: credit risk, market risk and liquidity risk) and/or other internal acts of the Company.

III. INFORMATION ABOUT ACQUIRED OWN SHARES

The Company does not have its own shares. The Company has not acquired its own shares since the preparation of the previous annual statements.

IV. STATEMENT ON THE APPLICATION OF THE CORPORATE GOVERNANCE CODE

Energoprojekt Entel a.d. applies the CORPORATE GOVERNANCE CODE OF ENERGOPROJEKT HOLDING A.D. (adopted at the second session of the Executive Board of Energoprojekt Holding a.d. held on January 16, 2024). It is publicly available on the website at the following link:

http://www.energoprojekt.rs/wp-content/uploads//2024/01/Kodeks-korporativnog-upravljanja-2024.pdf (www.ep-entel.com).

The Corporate Governance Code of Energoprojekt Holding a.d. establishes the principles of corporate practice and organisational culture followed by the holders of corporate governance of Energoprojekt Holding a.d., especially in terms of the rights of shareholders, frameworks and methods of operation of the holders of corporate governance, publicity and transparency of the Company's operations.

The main objective of the Code is the introduction of good business practices in the field of corporate governance, which should enable the balance of the influence of its holders, the consistency of the control system and the strengthening of the trust of shareholders and investors in the Company, all with the aim of long-term business development of the Company.

The Company’s governing bodies make efforts to ensure that the principles established by the Code, when necessary, are elaborated in more detail within the framework of other general acts of the Company.

In the application itself, there are no significant deviations from the rules of the Corporate Governance Code.

V. NON-FINANCIAL REPORT

General information about the Company

Some general information about the Company is given below:

Energoprojekt Entel is an internationally recognised design and consulting firm.
The general information about the Company is:

Business name:	ENERGOPROJEKT ENTEL A.D. BEOGRAD
Company ID number:	07470975
Date of incorporation:	November 23, 1989
Registered office:	12, Bulevar Mihaila Pupina, Novi Beograd
Size of the Company:	Medium
Registered activity:	7112 – Engineering activities and related technical consultancy

Energoprojekt is the only group in the region on the lists of the renowned American magazine "Engineering News Report" among the 225 largest international design and 250 largest international contractor companies, ranking them according to the total income generated on the foreign market.

Energoprojekt Entel is the parent company. Related international entities abroad are:

Foreign entity in the United Arab Emirates

Foreign entity in Qatar

Foreign entity in Oman

Foreign entity in Saudi Arabia

Foreign entity in Bahrain

The original activity of the Company, the design of thermal facilities, has been represented in the work of Energoprojekt since its establishment in 1951. During the years of its development, the Company (since 1990, Entel) has completed and expanded its service so that today it covers the provision of design and consulting services in areas related to energy, water, telecommunications and environmental protection, as well as management of the implementation of projects in these areas.

In parallel with the work on thermal facilities, the activity of designing and consulting during the construction of switchgear, substations and transmission lines was developed, first in the country, and then abroad (for the last twenty years, projects have been successfully implemented in Nigeria, Qatar, Oman, the UAE and Jordan). The Company participated in the implementation of projects of thermal facilities with conventional, new and renewable energy sources, management of complex energy systems and appropriate environmental protection, treating all sources of air, soil and water pollution from energy systems. In the last few years, the Company has also had several projects on renewable sources of electricity (solar and wind power plants).

Contracted deals are mainly carried out in the Republic of Serbia, for all domestic and partially foreign deals, but also through engagement in contracting countries by working through foreign companies.

The dominant markets where the Company operates are:

- The Republic of Serbia and
- The Middle East (Qatar, Oman, the UAE, Jordan, Bahrain).

Bearing in mind the Company's activities, clients in Serbia are entities operating in the field of energy (e.g., Public Enterprise EPS, EMS). In addition to government institutions, there is an increasing participation of projects financed by private investors and funds, as well as by institutional foreign sources of financing.

The Company's capital projects in the Republic of Serbia are the continuation of the construction of the Kolubara B Thermal Power Plant, the construction of a new thermal power unit of the Kostolac B3 Thermal Power Plant, the construction of a plant for the energy valorisation of municipal waste in Vinča, and the construction of the Pančevo TPP-HP cogeneration plant.
When it comes to the countries of the Middle East, in Qatar, the Company's activity refers to consulting services in the fields of production, transmission and distribution of electricity and water, as well as design and consulting services in the exploitation of oil and gas. In Oman, services are predominantly provided in the field of water production and transportation, as well as electricity transmission and distribution.
Energoprojekt Entel a.d. and all foreign subsidiaries conduct their business in accordance with legal regulations in the Republic of Serbia and other countries where they conduct their business activities.

Energoprojekt Entel a.d. and all foreign subsidiaries plan their operations and, in defined periods, monitor the implementation of the adopted annual plans and medium-term plans, and, if necessary, take the necessary measures to ensure the continuity and development of operations, taking into account all relevant factors that affect operations. These processes are defined by a series of internal normative acts, written procedures and other adopted documents. The following documents define the procedures:

EN-09P-01	12/June 17, 2021	Management of documented information
EN-09P-02	13/May 11, 2021	Internal IMS checks
EN-09P-03	10/February 23, 2016	Management of non-conformities and corrective measures
EN-09P-04	10/June 17, 2020	General affairs
EN-09P-05	12/May 11, 2021	Human resource development management
EN-09P-06	7/February 23, 2016	Information technology infrastructure
EN-09P-07	12/April 23, 2021	Bidding and contracting
EN-09P-08	12/June 17, 2020	Project management
EN-09P-09	13/June 17, 2020	Design and development
EN-09P-10	7/February 23, 2016	Preparation of studies and analyses
EN-09P-11	9/February 23, 2016	Technical/expert control of design documentation
EN-09P-12	8/February 23, 2016	Provision of consulting services
EN-09P-13	9/May 31, 2017	Management of supplier services
EN-09P-14	9/May 13, 2016	Hardware and software procurement management

EN-09P-15	2/February 23, 2016	Change management
EN-09P-16	4/February 28, 2019	Risk management
EN-09P-17	1/May 31, 2017	Management of legal regulations and evaluation of compliance
EN-09P-18	3/September 1, 2020	Protocol for new employees, leaving the Company and working hours
EN-14P-01	6/June 28, 2019	Management of environmental protection
EN-14P-02	6/June 28, 2019	Emergency preparedness and response
EN-27P-01	10/June 17, 2021	Information security management
EN-27P-02	2/June 17, 2021	Personal data protection
EN-45P-01	5/June 28, 2019	Occupational health and safety management
EN-50P-01	7/March 21, 2022	Energy management

Ownership structure of the Company

The Company is 100% owned by Energoprojekt Holding a.d. Beograd.
The Company is the founder and 100% owner of capital in the following related companies:

- Energoprojekt Entel LLC, Muscat, Oman;
- Energoprojekt Entel LTD, Doha, Qatar;
- Energo Consult LLC, Abu Dhabi, the UAE;
- Energoprojekt Entel AD Beograd, Manama, Bahrain.
- Energoprojekt Entel AD Beograd, Saudi Arabia.

The Company owns 20% of the share capital in Energoplast d.o.o., Beograd.

Classification of the Company's activities

In accordance with the Law on the Classification of Activities and the Regulation on the Classification of Activities, as well as according to the NACE classification, the activity performed by the Company is classified into sector M, division 71, branch 1 and group 2, i.e., activity 71.12 – Engineering activities and related technical consultancy.
Sector M - Professional, scientific, innovative and technical activities - Includes specialised professional, scientific, innovative and technical activities. In order to be able to perform them, a high level of training, possession of specialised knowledge and expertise, which are made available to customers, is necessary.
Division 71 – Architectural and engineering activities; technical testing and analysis - Includes the provision of architectural and engineering services, design, development of plans, construction supervision, surveying and cartography. It also includes performing physical, chemical and other analytical tests.

Activity 71.12 – Engineering activities and related technical consultancy - Includes: engineering design (i.e. the application of the laws of physics and principles of engineering in the design of machines, materials, instruments, structures, processes and systems) and consulting activities related to: machines and processes, civil engineering, hydraulic engineering and traffic projects, water management projects, development and implementation of studies in the fields of electrical engineering, mining, chemistry, mechanical engineering, industry and security system, development of projects used for air conditioning, cooling, purification and testing of air pollution, in the field of acoustics, etc., geophysical, geological and seismological measurements-geodetic activities: border and terrain surveying, hydrological measurement, underground measurement, provision of cartographic information. Does not include: trial drilling connected with exploitation of ores, activities 09.10 and 09.90, development and publishing of software, activities 58.29 and 62.01, information technology services, activities 62.02 and 62.09, technical testing, activity 71.20, research and development in technical and technological sciences, activity 72.19, industrial design, activity 74.10, aerial photography, activity 74.20

Overview of legal regulations governing the observed activity

The observed activity is governed by a large number of laws, rules, and regulations, and only some of them are listed below.
Law on Planning and Construction - This law regulates: conditions and methods of spatial arrangement, arrangement and use of construction land and construction of buildings; supervising the implementation of the law and inspection supervision; other issues of importance for spatial arrangement, arrangement and use of construction land and the construction of buildings.

Law on Legalization of Buildings - This law regulates the conditions, procedure and method of legalization of buildings, i.e., parts of buildings built without a building permit, i.e., approval for construction, conditions, method and procedure of issuing decisions on legalization, legal consequences of legalization, as well as other issues of importance for legalization of buildings.

Law on Encouraging the Construction Industry of the Republic of Serbia in Conditions of Economic Crisis - This law regulates the conditions and method of realisation of projects for the construction, reconstruction, or adaptation of high-rise and civil engineering buildings, determines the type of procedure applied for the selection of the designer, the technical control officer, the contractor, the engineer and the technical inspection officer, and regulates other issues of importance for the implementation of projects for the construction of high-rise and civil engineering buildings to encourage the construction industry of the Republic of Serbia in conditions of economic crisis.

Law on the Environmental Impact Assessment - This law regulates the impact assessment procedure for projects that may have significant impacts on the environment, the content of the environmental impact assessment study, the participation of interested authorities and organizations and the public, cross-border notification for projects that may have significant impacts on the environment of another country, supervision and other issues of importance for environmental impact assessment.

Rulebook on the Contents, Method and Procedure for Preparation of Planning Documents - This rulebook prescribes in more detail the contents, method and procedure for preparation of planning documents, the method of carrying out expert control, as well as the conditions and method of presenting planning documents for public inspection.

Rulebook on the Contents and Method of Technical Control of Main Designs - This rulebook determines the contents and method of technical control of the main designs for the construction of buildings, the main designs of reconstruction, adaptation and rehabilitation, as-built design when it is prepared for the legalization of the buildings and the main designs according to the regulations of other countries, as well as the main designs, i.e., individual parts of the main designs whose technical control has already been carried out, and the regulations in that area have been changed or have ceased to be valid from the date of the technical control to the submission of the application for the issuance of a building permit.

Factors affecting prices in the Company's activities

The following factors influence the movement of prices in the Company's activities:

- Availability of qualified workforce;
- Availability of funding (loan prices);
- Announcement of government-funded projects (public procurement) and similar.

Risks that occur in the Company's activities

The following are the most significant risks that occur in the construction industry:

- Risk of force majeure,
- Risk of regulatory change,
- Risk of exchange rate change,
- Risk of inadequate project planning, etc.

Energoprojekt Entel (ENTEL) is determined to constantly improve its business to ensure that its traditional and new clients constantly rank it among the top global organisations engaged in design and consulting services in the fields of energy, water management, telecommunications, environmental protection and project management. To this end, ENTEL is establishing and improving its own integrated management system (IMS) that includes quality management (compliant with ISO 9001:2015), environmental protection management (compliant with ISO 14001:2015), occupational health and safety management (compliant with ISO 45001:2018), energy management (compliant with ISO 50001:2018) and information security management (compliant with ISO 27001:2013). ENTEL puts its integrated management system into the function of a constant effort to fully, efficiently, effectively and reliably meet the requirements, needs and expectations of both the customers of its products and services, as well as all workers, the Energoprojekt business system, owners, suppliers, the wider community and the country.

ENTEL aligns all its business activities with the applicable legal and other requirements in the field of environmental protection, occupational health and safety, energy efficiency, use and consumption of energy and information security, establishes programs for environmental protection, occupational health and safety, energy efficiency, use and consumption of energy and information security and engages in their consistent implementation, including the participation and consultation of workers. Through project solutions, specifications for the procurement of equipment and materials and methods of project implementation, we incorporate technical and technological solutions that prevent or minimise environmental pollution, i.e., risks to the safety and health of people and the safety of equipment, plants and information, and take care of the application of energy-efficient products and services, identify, analyse and evaluate risks and opportunities in the areas of environmental protection, safety and health of people, safety of equipment, plants and information, i.e., energy efficiency, use and consumption of energy according to established criteria and help our clients in the process of compliance with legislation in these areas.

The top management of ENTEL organises and constantly monitors, reviews and directs the activities of all organisational units, services and individuals so that this IMS policy is fully implemented in every job. In this sense, the overall and ultimate responsibility of the top management is to ensure that all employees are fully familiar with the established policy, clearly recognise their tasks and responsibilities in the implementation of that policy through daily activities, to provide them with the availability of information and resources and motivate them to the maximum for the constant achievement of its goals.

The established IMS policy within ENTEL is subject to constant review by the top management, which is obliged to continuously improve and adapt this policy promptly to all the changes in the business and social environment, as well as to effectively implement the improved and adapted IMS policy with the help of an integrated management system.

Principles of the integrated management system

In order to improve the performance of the business system, the management of ENTEL applies the following principles:

- Focus on customers
- Leadership
- Engagement of employees
- Process approach
- Improvement
- Decision-making based on evidence
- Management of mutual relations.

Responsibility for the integrated management system (IMS)

The ultimate responsibility for the effective implementation of IMS rests with top management. Top management has designated a representative - the Management Representative for IMS (MRIMS) - to ensure the coordination of IMS activities between the various process owners.

Process approach

The process approach implies the application of the process system within ENTEL, together with the identification and interaction of these processes, as well as their management. Key factors of IMS are management responsibility, process and product documentation, resources (personnel, material, etc.), as well as continuous process and product improvements. ENTEL encourages and implements a "process" approach in the functioning of IMS to increase the satisfaction of interested parties (customers, management, workers, shareholders, EP system, government and society, financial institutions, suppliers, etc.) by fulfilling their needs, requirements and expectations.

The process-based IMS model, shown in Figures 4-1 and 4-2, shows the relationships of the main IMS processes. Customers and other relevant stakeholders have a significant role in defining requirements, as input elements of the process, and monitoring their satisfaction requires ENTEL to evaluate information about their observations related to whether ENTEL meets their needs, requirements and expectations.
ENTEL emphasises the importance of continuous process management through understanding and meeting requirements, the need to consider processes in terms of added value, achieving results, performance and effectiveness of processes and continuous process improvement, based on objective measurement. In ENTEL, the PDCA methodology was applied for process management (PLAN - DO - CHECK - ACT).

ENTEL has connected its IMS with all other subsystems of the business system.

Risk-based thinking

ENTEL promotes and implements a "risk-based thinking" approach in the process of IMS planning, its implementation and control. It includes the identification of risks and opportunities based on understanding the context of the organisation as well as the requirements, needs and expectations of stakeholders, oriented towards achieving planned results, preventing or reducing side effects and achieving continuous improvements.

BUSINESS PORTRAIT OF ENERGOPROJEKT ENTEL

ENTEL offers a wide range of services in the domain of its core business - design and consulting, in the following areas:

- Power facilities and plants
- District and urban heating systems
- Seawater desalination plants
- Distribution and transmission of electricity
- Electric and power facilities and plants
- Telecommunications systems
- Hydrotechnical plants
- Production and transportation of gas and oil
- Environmental protection
- Power system management centres
- Architecture and construction.

Within the mentioned areas, ENTEL provides the following services:

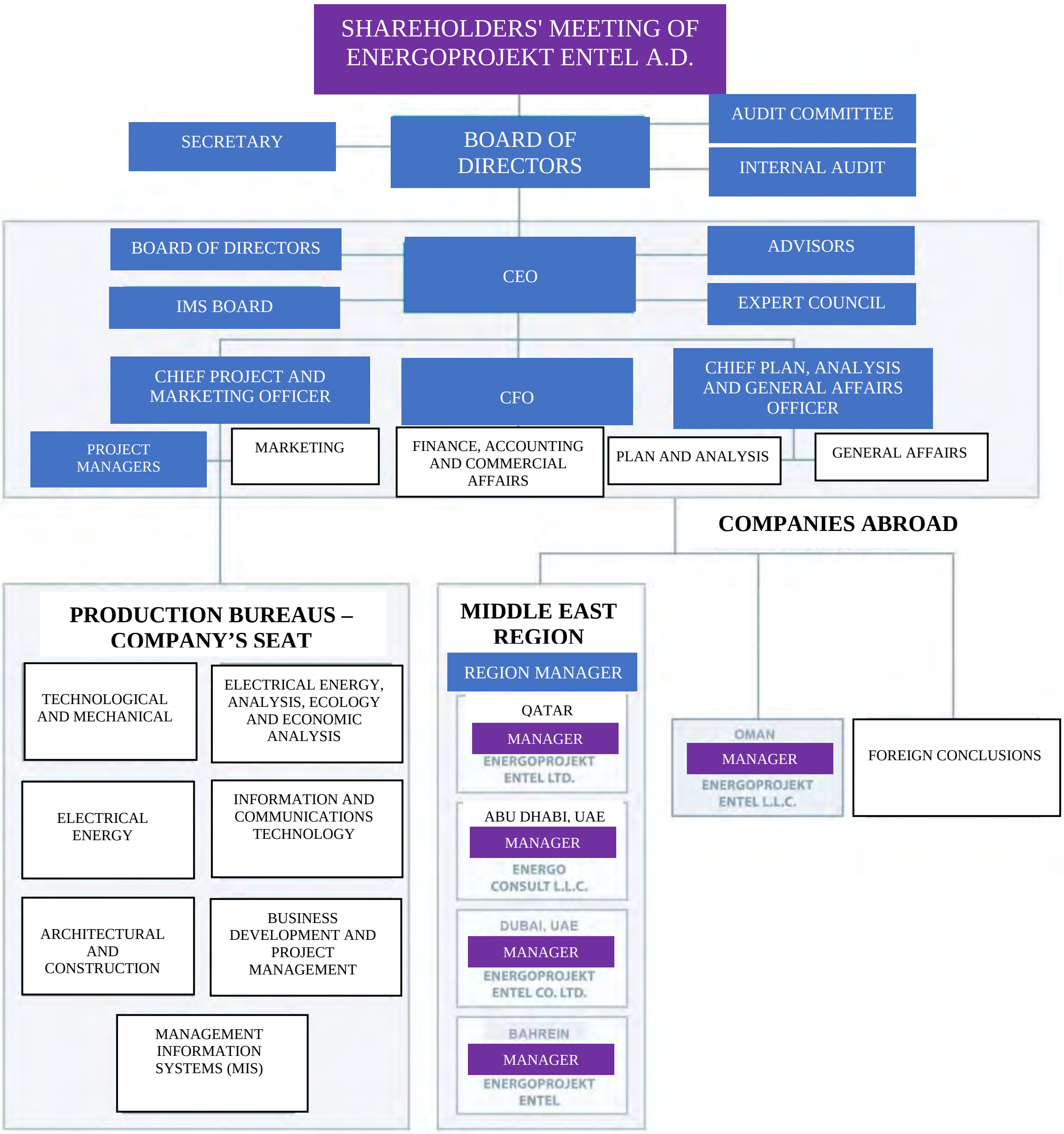
- Preparation of the pre-feasibility study and feasibility study
- Preparation of a revitalisation and modernisation study
- Preparation of economic and financial analyses
- Preparation of an environmental impact analysis
- Assessment of the system and plant condition
- Preparation of general projects, conceptual solutions, conceptual designs, approval plans, main designs and as-built designs
- Preparation of tender documentation
- Technical control and revision of design documentation
- Assistance to the investor in tender evaluation and contracting
- Supervision of work execution, including work monitoring, contractor project control, acceptance procedures, factory and site testing, commissioning assistance
- Valuation of fixed assets
- Project management and project quality control.

The experience of 70 years gained on numerous projects in the country and abroad includes technical and consultancy activities and management of large energy projects. ENTEL was a global designer and consultant on projects of thermal facilities of all types and power, with a total capacity of over 20,000 MW.
The high reputation ENTEL gained by working on more than 300 significant power facilities is today supported by a quality information system, which enables efficiency, complete information and adequate management of the entire design and consulting services.

ENTEL has more than 200 full-time engineers, technicians and other professional staff, six of whom hold PhD and four MSc degrees.

The organizational chart is shown in the picture below. The production bureaus and foreign points are the Technological and Mechanical Bureau (TM), the Architectural and Construction Bureau (AC), the

Electric Power Bureau (EE), the Bureau of Information and Communication Technologies (ICT), the Bureau of EE Analysis, Ecology and Economic Analysis (ES), the Bureau of Business Development and Project Management (BD) and foreign points. ENTEL currently has foreign points in Qatar (IC), Dubai (BO), Abu Dhabi (IC) and Oman (IC). In addition to the mentioned countries, it also carries out independent project activities in Jordan, Bangladesh, with other companies from the Energoprojekt system and in other parts of the world.



ENTEL manages its business through the following functions (and supporting services):

- Quality, EP, OHS, EE, BI IMS Department (Integrated Management System Department)
- Marketing — Marketing Department
- Finance, Accounting, — Finance, Accounting, Commercial Affairs and Procurement Department
- Planning — Plan and analysis
- Information System — MIS Bureau
- Human Resources — Human Resources, Payroll Department
- Translation — Translation Department
- Documentation receipt and dispatch — Documentation Receipt and Dispatch Department.

In addition to the mentioned organizational units, the Secretariat, fleet, and cafeteria participate in the business.

The main customer of ENTEL's products in the country is the electric power system of Serbia - Elektroprivreda Srbije and Elektromreža Srbije, for which ENTEL carried out projects for all thermal power plants and for a large number of transmission lines, transformer stations and telecommunications facilities.

In the last ten years, the main foreign customers of ENTEL products are:

- Kahramaa (Qatar General Electricity & Water Corporation), Qatar
- Qatar Petroleum, facilities
- Commission of Electricity (General Company for Electrical Projects), Iraq
- Oman Electricity and Transmission Company (OETC), Oman
- Public Authority for Water (PAW), Oman
- Rural Areas Electricity Company (RAEC), Oman
- Dubai Electricity and Water Authority (DEWA), Dubai (UAE)
- Abu Dhabi Water and Electricity Authority (ADWEA), Abu Dhabi (UAE)
- Transmission and Dispatch Company (TRANSCO), Abu Dhabi (UAE)
- Elektroprivreda Crne Gore
- Elektroprivreda Republike Srpske
- EVA Bahrain

ENTEL's **mission** is to provide quality and highly professional services at the highest professional level, using modern technologies and knowledge.

ENTEL's **vision** is to preserve and improve its position on the market in its core business and expand its business to other arising areas.

ENTEL's **value system** is based on a responsible approach to business that respects the interests of all interested parties and takes place in line with legal regulations and fulfilling all obligations towards the social community and the government. The value system is defined by a special document entitled "Code of Ethics and Code of Business Conduct".

ENTEL's development strategy is based on an efficient and consistent approach to the market and the development of strategic marketing, on the constant monitoring and use of modern methods and procedures in solving even the most complicated tasks, on the wide use of information technologies for more precise planning, more efficient implementation, control and information, on the constant intensive expansion and use of its own database and on the systematic and planned improvement of personnel potential. Based on the development strategy, ENTEL defines **policies for individual business areas** such as ownership, activity, markets, work technology, work organisation, management, personnel, remuneration, and IMS.

ORGANISATIONAL CONTEXT

The organisation and its context

Elements related to the organisation's mission and direction of strategic development, which affect ENTEL's ability to achieve planned results in IMS, include external and internal issues.

External issues include:

- Legislation: ENTEL applies the Law on Planning and Construction and the corresponding legal and by-law regulations for designing and providing services in Serbia. For projects implemented outside of Serbia, it applies the regulations valid in the territory where the product is implemented.
- Technology: In carrying out its activities - manufacturing products and providing services - and through project solutions, specifications for the procurement of equipment and materials and methods of project realisation, ENTEL applies modern technologies and knowledge, while respecting their technical and economic applicability on specific projects.
- Competition: ENTEL supports fair and free competition, in compliance with the spirit of the law on competition in the specific country and the principles of ethics in business. ENTEL does not support corruption by any participant in its business activities.
- Market: ENTEL actively monitors the situation in existing and potential markets, while adjusting its activities and/or organisation to fight for its position in those markets, while strengthening its comparative advantages.
- Cultural issues: ENTEL respects the culture and customs of all peoples in the countries where it carries out its business activities, both at the national and local levels.
- Social and economic issues: ENTEL strives to contribute to the economic and social development of the communities in the countries where it operates, both at the national, regional and local levels, through the performance of its business activities.
- Staff turnover: By creating good conditions for work and professional advancement, ENTEL strives to keep staff turnover at an acceptable level, while recognising its inevitability. Special attention is paid to technical and organisational measures to protect information in the case of employees who leave the Company (through employment contract clauses, termination of access rights, etc.)
- Environmental protection and OHS: Through the preparation of design documentation, supervision of works and work in business premises, ENTEL takes full account of environmental protection and OHS issues (proposing appropriate technical solutions through design documentation, monitoring the activities of the main contractor on the construction site from the point of view of implementing environmental protection and OHS measures, monitoring the activities of the organisation engaged in cleaning business premises in terms of the use of chemical reagents in maintaining hygiene, etc.).

Recently, a significant external issue is the pandemic of the infectious disease COVID-19, which required some changes in ENTEL's business approach, primarily in terms of establishing, developing and implementing the concept of working from home, in order to protect the safety and health of employees while simultaneously achieving business goals. Along with defining the framework for performing work activities from home, issues related to information security are also resolved, both in terms of equipment used in home conditions, outside business premises, and in terms of the security of communication of those devices with central equipment (servers) located in business premises.

Internal issues include:

- Value system: ENTEL bases its activities on a responsible approach to business that respects the interests of all interested parties and takes place in line with legal regulations and fulfilling all obligations towards the social community and the government.
- Organisational culture: The success of ENTEL's business activities is directly related to the expertise, responsibility, dedication and creativity of each individual and good teamwork. ENTEL strives to ensure and constantly improve working conditions for comfortable, safe and healthy work of employees. Through communication and dialogue with employees, a relationship of mutual trust and responsibility, ethical behaviour, as well as joint work for the success of both employees and the Company is built and promoted.
- Organisational knowledge: ENTEL encourages the individual progress of its employees and strives to establish organisational and other prerequisites for the transformation of individual into organisational knowledge, its organisation, preservation, exchange and use/reuse, in the interest of the progress of the organisation as a whole.

- Performances: ENTEL monitors, improves and advances the organisation's performance in all segments of its business activities, so that it can successfully achieve the interests of all interested parties in the organisation and beyond with organisational, material and human resources.

As part of the Company's medium- and long-term development plans, ENTEL's top management conducts a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) to look at their own strengths and weaknesses as well as threats from the environment and available opportunities. The current document that includes the above is the "Medium-term business plan of Energoprojekt Entel a.d. 2020-2024." Based on the established strategic goals, appropriate goals are established in the area of IMS annually. The achievement of these goals is accompanied by appropriate assessments of risks and opportunities, as well as by undertaking activities to overcome / use those risks / opportunities that are more significant in terms of their level. The procedure EN-09P-16 defines the framework for managing risks and opportunities, which is developed globally for each of the management systems within the IMS (QMS, EMS, OH&S, EnMS, ISMS), and a more detailed elaboration is given in the corresponding procedures associated with those management systems.

The needs and expectations of employees and other interested parties

The top management, consisting of the director, DPM/MRIMS, DPAOP and PSS, ensures that in all basic processes the needs, requirements and expectations of the customers are determined and met and that their satisfaction is increased, which is explained in more detail in points 8.2.2. (Determining product requirements) and 9.1.2. (Customer satisfaction).

In addition to being focused on customers, management processes at ENTEL are focused on meeting the requirements, needs and expectations of other interested parties - inside the Company (employees, shareholders) and outside it (Energoprojekt business system, government and society, financial institutions, suppliers, business partners, competition, etc.).

An overview of these stakeholders and their key interests is given in Table 4-1 (outside ENTEL) and Table 4-2 (within ENTEL). In addition, the level of significance was defined, i.e., criticality (1=high, 3=low) as well as the dominant forms of communication with the observed interested party through which its interests, requirements and expectations are monitored and through which that interested party achieves its influence on the Company's activities.

Subject and field of application of IMS

ENTEL's IMS consists of the following management systems:

- Quality management system (QMS, according to ISO 9001:2015)
- Environmental management system (EMS, according to ISO 14001:2015)
- Occupational health and safety management system (OH&S, according to ISO 45001:2018)
- Energy management system (EnMS, according to ISO 50001:2018)
- Information security management system (ISMS, according to ISO 27001:2013).

The main activity of ENTEL is design and consulting services in the field of energy, water management, telecommunications and environmental protection. ENTEL's products are design documentation and software, as well as the provision of consulting services.
ENTEL's IMS is described in the IMS Manual (hereinafter referred to as the Manual), which defines the subject and area of application of IMS, the concept, policy and general goals of IMS, the structure of the organization, roles, responsibilities and authorities, the description of the interaction of IMS processes, IMS procedures and/or reference to them, the hierarchy and management of documented information, as well as all other elements of IMS. The procedure for drafting the Manual and its verification is carried out in the same way as for other IMS documents.

The Manual is approved by the CEO of the Company. The original Manual is archived in paper form (in the register located in the IMS department) and in electronic form (on INFONET). Uncontrolled copies of the Manual are not subject to changes and are delivered to business partners with the latest revision status, with the approval of the CEO.

IMS and its processes

ENTEL has established, maintains and continuously improves the IMS in accordance with the requirements of the standards such as ISO 9001:2015 (QMS), ISO 14001:2015 (EMS), ISO 45001:2018 (OH&S), ISO 50001:2018 (EnMS), ISO 27001:2013 (ISMS) and this Manual. The processes defined in the Manual are elaborated in the IMS procedures, where the standard procedure for the development of key processes is defined, and their "owners" and the responsibilities of other participants are identified.

a) The model of ENTEL's process-based integrated management system is shown in Figures 3-1 and 3-2. It consists of the following processes:

MANAGEMENT PROCESSES - LEADERSHIP & PLANNING

- ♦ Strategic planning (mission, vision, value system, strategy, policies for individual business areas) and IMS goals (quality, environmental protection, occupational health and safety, worker participation and consultation, EE - energy profile and information protection)
- ♦ Business planning
- ♦ Defining roles, responsibilities and authorities as well as communication
- ♦ Risks and opportunities associated with IMS.

Table 3-1: Stakeholders outside ENTEL

Stakeholder	Interest / Requirement / Expectation	Criticality level	Communication method
Clients	♦ Fulfilment of requirements ♦ Quality product/service ♦ Favourable price ♦ Compliance with agreed deadlines ♦ Flexibility in meeting requirements ♦ Support for the implementation of development plans ♦ Information security	1	♦ Market research ♦ Bids/contracts ♦ Monitoring the progress of projects ♦ Expert advice, technical controls, audits ♦ Billing schedule
Suppliers	♦ Partnership relationship ♦ Business stability ♦ Joint appearance on the markets ♦ Environmental protection, OHS ♦ Information security	3	♦ Market research ♦ Bids and contracts ♦ Contracts with suppliers
Financial institutions	♦ Partnership relationship ♦ Business stability ♦ Sustainable business growth	3	♦ Everyday business communication
Competition	♦ Correct and fair competition ♦ Ethics and fair dealing ♦ Fight against corruption	3	♦ Market research ♦ Tender procedures
State authorities and regulatory bodies	♦ Compliance with laws and regulations ♦ Regular payment of taxes and	2	♦ Shareholders' Assembly ♦ Communication with

	contributions ♦ Respect for the rights of employees ♦ Respect for copyright ♦ Infrastructure development support		competent authorities and institutions during project implementation
Occupational medicine institutions	♦ Safe and healthy working conditions	2	♦ Communication with institutions
Local community	♦ Socially responsible business ♦ Environmental protection ♦ Rational use of natural and energy resources ♦ Support in solving the needs of the local community	2	♦ Communication with local governments ♦ Communication with social organisations
Workers' families	♦ Healthy and safe conditions for workers	1	♦ Periodic contacts and cooperation as needed
EP Holding	♦ Business stability ♦ Sustainable business growth ♦ Standardisation and business development ♦ Cooperation of members of the business system ♦ Joint appearance on the markets ♦ Avoiding competition between members of the business system ♦ Information security	2	♦ Everyday business communication ♦ Executive Board of Directors ♦ Shareholders' Assembly ♦ Internal audit

Table 3-2: Stakeholders within ENTEL

Stakeholder	Interest / Requirement / Expectation	Criticality level	Communication method
Shareholders	♦ Sustainable business growth ♦ Business stability ♦ Realisation of profits and dividends ♦ Increase in the value of shares ♦ Business transparency ♦ Ethics and fair dealing	2	♦ Shareholders' Assembly ♦ Board of Directors
Management	♦ Sustainable business growth ♦ Business stability ♦ Client support ♦ Support from financial institutions ♦ Correct relationship with employees ♦ Reward commensurate with the risks	2	♦ Board of Directors ♦ Everyday business communication
Trade unions	♦ Sustainable business growth ♦ Business stability ♦ Good, safe and healthy working conditions	2	♦ Everyday business communication ♦ OHS Committee
Internships / visitors	♦ Good, safe and healthy working conditions ♦ Information security	1	♦ Practice contracts ♦ Persons receiving visitors
Workers	♦ Job security	2	♦ Trade union board

	♦ Regular and decent earnings ♦ Good, safe and healthy working conditions ♦ The possibility of improvement and advancement ♦ Correct interpersonal relations ♦ Environmental protection ♦ Personal data protection		♦ OHS Committee ♦ Everyday business communication

SUPPORTING PROCESSES - RESOURCE MANAGEMENT

- Personnel management - human resources
- Knowledge management
- Infrastructure maintenance - office space, equipment and tools
- Information technology infrastructure
- Financial management
- Regulatory management and compliance assessment.

MAIN PROCESSES – OPERATIONS

- Communication with customers (marketing, bidding and contracting)
- Planning the realization of products and provision of services
- Procurement – external provision of products and services
- Review, control, verification and validation
- Delivery of products and services
- Post-delivery activities
- Waste management
- Investigation of incidents
- Emergency preparedness and response.

PERFORMANCE EVALUATION & IMPROVEMENT PROCESS

- Measuring customer satisfaction
- Monitoring and measuring the performance of processes and products
- Resolution of non-conformities
- Implementation of corrective measures
- Internal checks
- Review by management.

b) Connection between IMS processes

The connection between the processes mentioned in point a) is given in Figures 3-1 and 3-2. Figure 3-1 shows the management processes, supporting processes, and processes for performance evaluation and improvement. Figure 3-2 shows the operational processes of product realisation. The images are connected by the lines of planning (“a”), monitoring and measuring performance (“b”) and improvement (“c”).

The analysis of external and internal issues includes the elements defined in point 4.1 of the Manual with the aim of assessing the needs, requirements and expectations of shareholders and other interested parties defined in point 4.2 of the Manual. This analysis is the basis of the strategic planning process, the result of which is a medium-term (usually four or five-year) company development plan, formed in coordination with Energoprojekt Holding. On this occasion, the risks and opportunities at the global level of the Company's operations are reviewed. Based on the Company's mid-term development plan, an annual plan is prepared for each calendar year that elaborates the details of the mid-term plan's implementation, specifying risks and opportunities and providing all the necessary prerequisites in the areas of human resources, infrastructure, information technology and finance. The business planning process is connected with the planning of product realisation (line "a"). In addition, based on the results of business planning, responsibilities, authorisations and communication are specified as necessary prerequisites for the realisation of the annual plan.

The implementation of the annual plan and the Company's performance are monitored through the verification and validation of products (line "b") as well as based on the results of internal IMS checks and reviews by the management, which are carried out on an annual basis. Based on the results of monitoring and measurement, which includes monitoring and/or measuring the satisfaction of customers and other interested parties, corrective measures and IMS improvements are initiated and implemented. These improvements have an impact both on business planning and on the main processes, namely on the processes of marketing, planning of product realisation and the process of product realisation (line "c").

The process of communicating with customers in ENTEL's activities, Figure 4-2, includes bidding and contracting that takes place through the marketing process, which includes market research (in the event that expansion of activities to new markets or expansion of activities in existing markets is planned), presentation of products to potential customers (including pre-qualification), as well as preparation and submission of bids. This process represents the basis for the contracting process, i.e., preparation and entry into contracts.

The processes of product realisation and service provision at ENTEL take place with full respect for the principles of project management embedded in IMS procedures. Each of the signed contracts is implemented as a separate business venture - a project that has its own manager (project manager) and a project team formed in cooperation with the organisational units of ENTEL.

The organisation of project management in ENTEL is based, as a rule, on the matrix model of the organisation, and in exceptional cases, on large and long-term projects, a purely project model of the organisation of project management is applied. IMS procedures include the complete life cycle of a project, from its initiation and establishment, through planning, monitoring, control and reporting to its conclusion.

The process of planning the realisation of products and the provision of services is initiated through the establishment of a project, the preparation and approval of the basic planning document (TEP - Techno-Economic Program for the Implementation of the Project), which represents the basis ("baseline") for operational planning that is carried out as part of the creation of products, that is, the provision of services. At the same time, this document plans the design and development of the product, regardless of whether it is an already developed, modified, existing or completely new product.

In the activities of ENTEL, "design" refers primarily to designing a product or service in accordance with the specific requirements of the customer, and "development" represents the definition of the methodology by which the product will be made or the service provided.

The process of planning the realisation of P&U is closely related to the process of business planning and is carried out with consideration of risks and opportunities as well as frameworks in the field of human resources, infrastructure, information technology and finance (line "a").

The manufacture of products/provision of services is based on a series of procedures and instructions, which define ENTEL's standard products (design documentation - study, bidding and technical), consulting services and products that are specially designed and developed (software). During the manufacture of the product, i.e., the provision of services, its review (through internal control) and verification (through the Expert Council of ENTEL) are carried out, and after delivery, various forms of validation are carried out (technical control or expert revision of design documentation, handover of software, etc.), in cooperation with the customer. From the verification and validation process, elements for monitoring and measuring performance are formed (line "b"). These elements represent the basis for implementing corrective measures and improving IMS, which have an impact on the processes of marketing, planning of product realisation and product development.

c) Methods and criteria for effective execution and management of processes

Methods and criteria for effective execution and management for the processes listed in point a) are determined by defining management conditions, resources, input and output values, and are defined in this Manual and in the procedures.

d) Information and criteria to support the execution and monitoring of the process

The information and resources needed to support the execution and monitoring of the process are provided through market analysis, review of the needs, requirements and expectations of the clients, monitoring of regulations (laws, standards) in the field of planning and construction of facilities, environmental protection, occupational health and safety, energy efficiency, use and consumption of energy and information security, monitoring of international regulations related to the conditions of offering equipment and works for the construction of facilities and monitoring of the state of development of technology and parameters of basic equipment for facilities from the activities of ENTEL.

Legal regulation management and compliance evaluation are defined by a special procedure EN-09P-17.

e) Performance evaluation and improvement

Monitoring, measurement and analysis of the processes mentioned in point a) and the necessary measures aimed at continuous improvement activities are prepared in accordance with chapters 9 and 10 of the IS= 9001 Standard and other management standards.

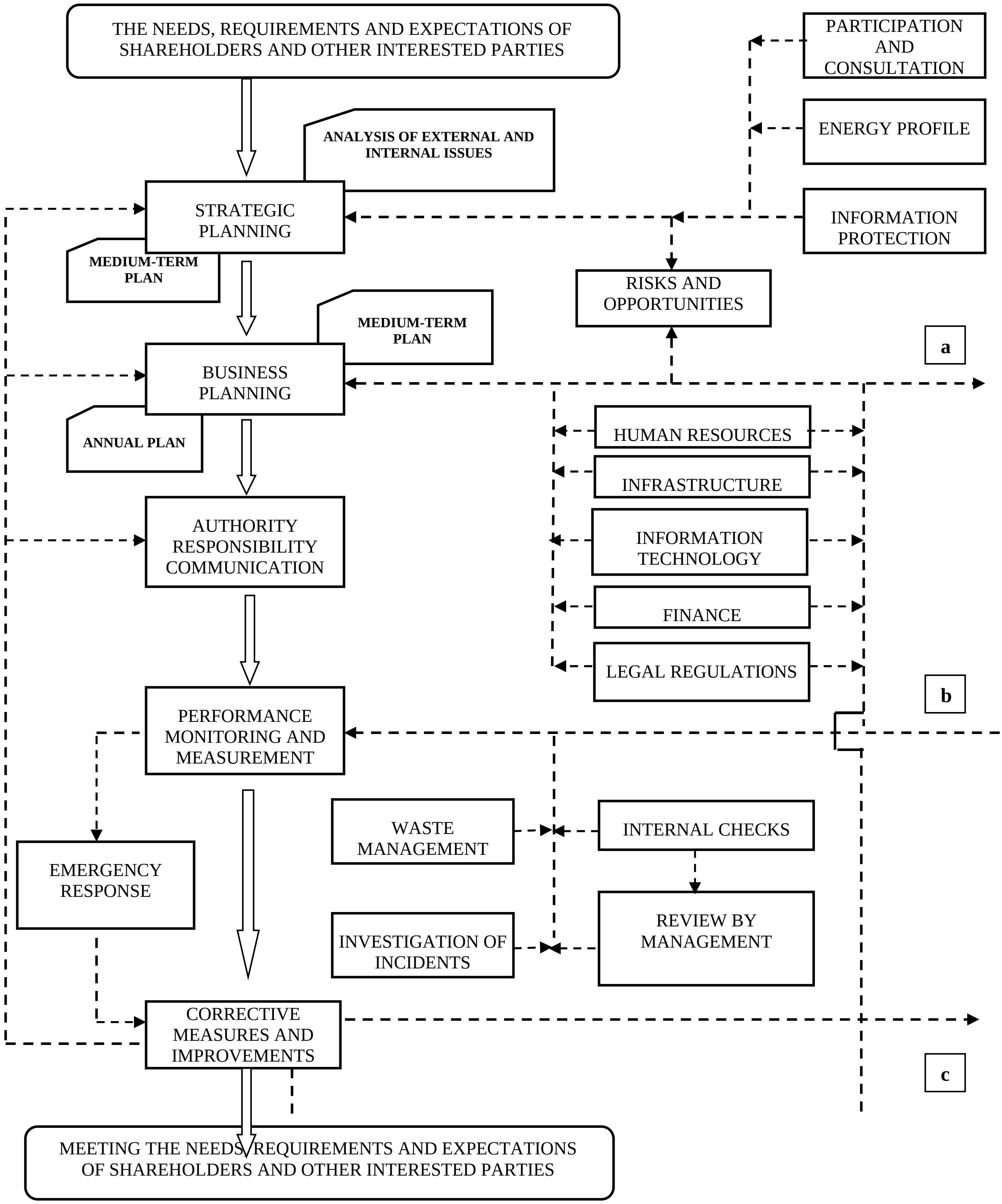
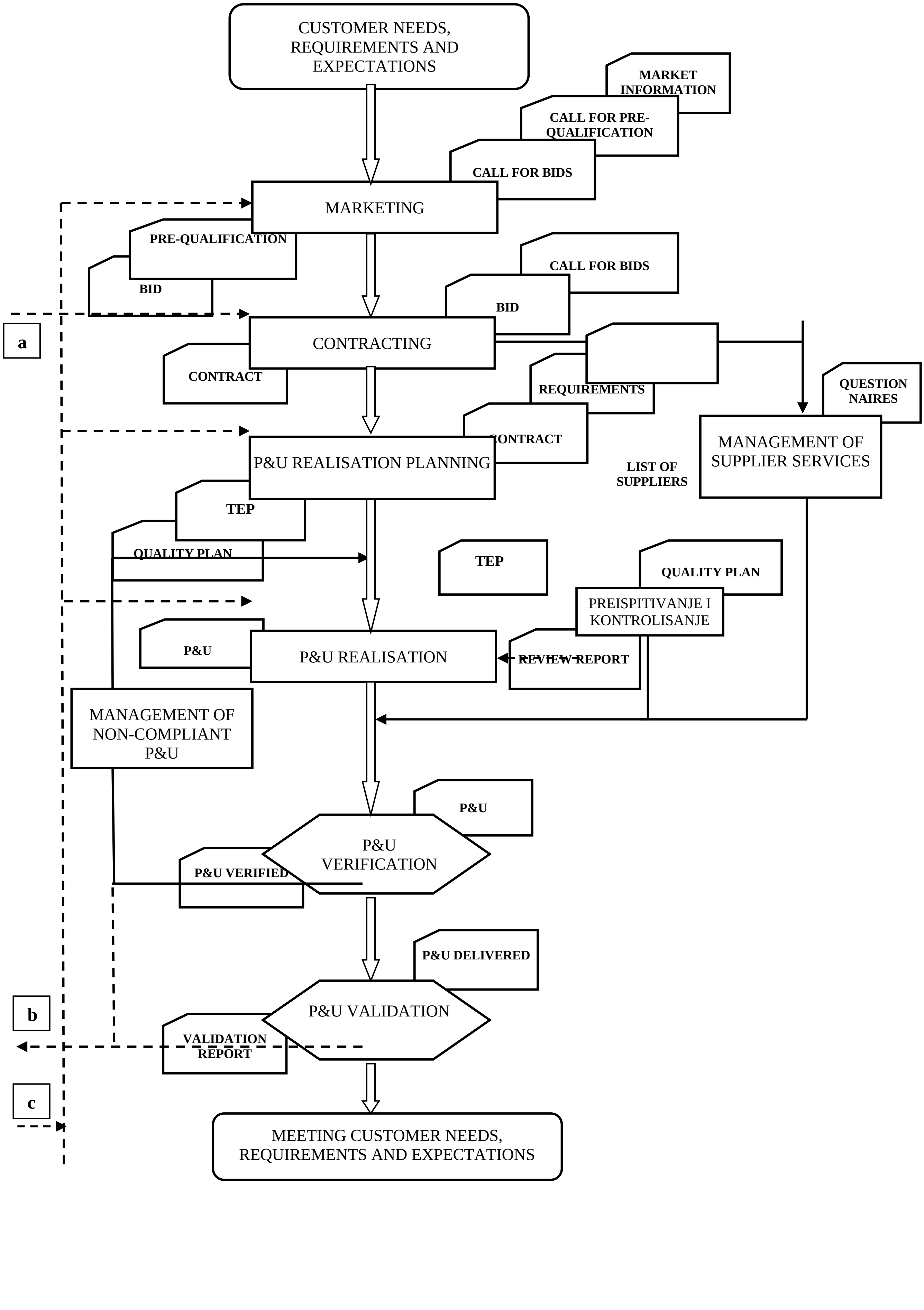

THE NEEDS, REQUIREMENTS AND EXPECTATIONS OF SHAREHOLDERS AND OTHER INTERESTED PARTIES
PARTICIPATION AND CONSULTATION
ANALYSIS OF EXTERNAL AND INTERNAL ISSUES
ENERGY PROFILE
STRATEGIC PLANNING
INFORMATION PROTECTION
MEDIUM-TERM PLAN
RISKS AND OPPORTUNITIES
MEDIUM-TERM PLAN
a
BUSINESS PLANNING
ANNUAL PLAN
HUMAN RESOURCES
INFRASTRUCTURE
AUTHORITY RESPONSIBILITY COMMUNICATION
INFORMATION TECHNOLOGY
FINANCE
LEGAL REGULATIONS
b
PERFORMANCE MONITORING AND MEASUREMENT
WASTE MANAGEMENT
INTERNAL CHECKS
EMERGENCY RESPONSE
REVIEW BY MANAGEMENT
INVESTIGATION OF INCIDENTS
CORRECTIVE MEASURES AND IMPROVEMENTS
c
MEETING THE NEEDS, REQUIREMENTS AND EXPECTATIONS OF SHAREHOLDERS AND OTHER INTERESTED PARTIES

Figure 3-1: IMS processes of ENTEL



Requirements for the environmental protection management system

In light of the requirements of the ISO 14001:2015 standard, ENTEL has an impact on the environment through three key areas (aspects):

- Preparation of design documentation (study, bidding, technical), which foresees the measures that should be taken to eliminate or at least mitigate the harmful impact of the facilities designed by ENTEL on environmental protection.
- Supervision of construction, whereby ENTEL acts in the role of the engineer for the execution of works, during which measures must be taken to prevent harmful impacts on the environment. These measures are outlined by the contractor, and ENTEL, as a consultant, is obligated to point out any omissions that could have a detrimental effect on the environment.
- Office building and other premises where ENTEL's activities take place, where it can directly apply solid waste, electronic waste, electricity and water consumption management measures, etc. In this segment, ENTEL cooperates with other companies within the Energoprojekt system, considering they share the office building.

These forms of impact are the object of special procedures such as EN-14P-01 (which defines the aspects of impact, the method of their evaluation, including risks and opportunities, making decisions on significant aspects for which the environmental protection program is planned and implemented) and EN-14P-02 (which foresees measures for responding in case of environmental risks, i.e., occupational health and safety risks) and instructions EN-14I-01 and EN-14I-02 (which define the management of solid waste and consumption of electricity and water).

Occupational health and safety management system requirements

In light of the requirements of the OHS standard ISO 45001:2018, ENTEL has an impact on the occupational health and safety of employees, that is, the safety of equipment and plants through three key areas (aspects):

- Preparation of design documentation (study, bidding, technical), which foresees the measures that should be taken to eliminate or at least mitigate the harmful impact of the facilities designed by ENTEL on the occupational health and safety of persons and the safety of the equipment and plants.
- Supervision of construction, whereby ENTEL acts in the role of the engineer for the execution of works, during which measures must be taken to prevent harmful impacts on the occupational health and safety of persons and the safety of the equipment and plants. These measures are outlined by the contractor, and ENTEL, as a consultant, is obligated to point out any omissions that could have a detrimental effect on the occupational health and safety of persons and the safety of the equipment and plants.
- Office building and other premises where ENTEL's activities take place, where it can directly apply occupational health and safety measures for its employees, as well as for other persons present in such area for a longer or shorter period (visitors, students on internships, business partners, etc.).

These forms of influence are covered by a special procedure EN-45P-01, which defines OHS hazards and the evaluation of corresponding risks and opportunities and handling them, as well as the instruction EN-45I-01, which defines a plan for ensuring occupational health and safety. The identification of hazards and the handling of risks and opportunities, as well as the investigation of incidents, are carried out with the active participation and consultation of workers. The special combined EP and OHS procedure EN-14P-02 defines emergency preparedness and response.

In accordance with the legislation in Serbia, ENTEL prepared a risk assessment for individual workplaces, with the participation of occupational medicine, designated the OHS officer and established and maintains relevant OHS records. Five groups of workplaces were identified - administrative and technical jobs in an office building (managerial and design positions), administrative and technical jobs of supervision over the execution of works, driver of a motor vehicle and working in a kitchenette.

Energy management system requirements

In light of the requirements of the ISO 50001:2018 standard, ENTEL has an impact on energy efficiency, use and consumption of energy through three key areas:

- ♦ Preparation of design documentation (study, bidding, technical), which foresees solutions for the rational use of all forms of energy. Special emphasis is placed on procurement specifications that take into account the use of energy-efficient products.
- ♦ Supervision of construction, whereby ENTEL acts in the role of engineer for the execution of works, during which measures must be taken to prevent the irrational use of all forms of energy. These measures are provided by the contractor, and ENTEL, as a consultant, must point out any omissions that would have a detrimental effect on energy efficiency, use and consumption of energy. In this segment, significant energy use is reflected in fuel consumption for company cars.
- ♦ Office building and other premises where ENTEL's activities take place, where it can directly apply energy efficiency, energy use and consumption measures. In this segment, ENTEL cooperates with other companies within the Energoprojekt system, given they share the office building and the measuring points for monitoring the consumption of electricity and heat are shared. In this segment, significant energy use is reflected in the consumption of electricity and thermal energy for room lighting and equipment operation, i.e., room heating and cooling.

These forms of influence are covered by special procedures such as EN-50P-01 (which defines the initial energy profile and action plans of energy efficiency, energy use and consumption) and instructions such as EN-14I-02 (which defines the management of electricity consumption).

Information security system requirements

In light of the requirements of the ISO 27001:2013 standard, ENTEL has an impact on information security in all 14 areas of information protection from Annex A of this standard, through harmonising its activities with 35 control objectives and applying 114 controls, in accordance with the nature of its activity. The key elements of information security are expressed through:

- ♦ Register of information assets, which is classified into six types (pure information assets - data and information in any form, software assets - application and system software, tangible information (physical) assets, services, human information assets - personnel and intangible assets (knowledge, licenses, certificates, reputation).
- ♦ Risk assessment for information security, taking into account the value of the information asset (A), the probability of an unwanted event (P) and the impact (I) it has on the information asset, in accordance with its vulnerability.
- ♦ Dealing with information security risks.
- ♦ Business continuity plan.
- ♦ Statement of applicability.

These activities are covered by the special procedure EN-27P-01, which defines the methodology of risk assessment for information security, dealing with security events and incidents, and the creation of a business continuity plan*. The special instruction EN-27I-01 defines information protection procedures in more detail. A special segment of information security is represented by elements related to the implementation of the concept of working from home, as well as the connection of the ENTEL information system with the document management system at the level of the Energoprojekt system (Document Management System - DMS).

The protection of personal data is covered by a special procedure EN-27P-02. This procedure includes the analysis (mapping) processes of personal data, assessment of the impact on the security of personal data, the procedure in the event of a threat to the security of personal data, giving and revoking consent for the processing of personal data, the procedure for gaining an employee's insight into the data processed about him/her and the procedure for deleting personal data. The procedure is based on the general framework established through the EN-27P-01 procedure, the applicable provisions of the European General Data Protection Regulation (GDPR) and the Law on the Protection of Personal Data in the Republic of Serbia. The procedure applies both to the personal data of employees and their family members, persons who apply for a job at ENTEL through advertisements and/or the ENTEL website, as well as other data subjects - suppliers (subcontractors, suppliers, service providers), consultants, certification bodies, students on internships and other business partners.

Key non-financial business performance indicators

We believe that the key non-financial business performance indicators are reflected in stable operations on the domestic and foreign markets. Our presence and participation in the dynamic markets of the Middle East speak for itself. In Qatar, our presence since 1992 has been on all the most significant government projects in the field of electricity transmission, where we have worked on IV, V, VI, VII, VIII, IX, XI, XII and XIII of the 13 stages of the electrification of Qatar.
We also participated in a project related to the construction of the subway in Doha. We worked on the Mega Reservoir project, which is one of the largest projects in the world of the water desalination system and the provision of water supplies in the reservoirs.
What is most important for our business is that we have excellent relations with our traditional and long-term partner KAHRAMA, which is the equivalent of Elektroprivreda Srbije in our country.
We can document that success and long-term cooperation with certificates given in the following pictures.

In-Country Value

ICV Scorecard Certificate

This Certificate is issued to:

ENERGOPROJEKT ENTEL LTD

Commercial Registration Number: LCS/14905 | Address: 21st Floor Palm Tower B West Bay

ICV Certification Details

Certificate Number	Certifier	Financial Year
10002678	Morison & Kuriachan Kuriakose Chartered Accountants	31 December 2022
Issue Date	**Expiry Date**	**Download Date**
12 November 2023	12 November 2024	12 November 2023

ICV Score & Contribution

Valid

ICV Score
54.17%

A. Goods & Services	49.72%
B. Workforce Training	0.05%
C. Supplier Development	0.00%
D. Investments in Fixed Assets	4.40%

On behalf of ENERGOPROJEKT ENTEL LTD 09 November 2023

Full Name
MOMCILO MRVIC

Position
REGIONAL DIRECTOR

Signature

On behalf of Morison & Kuriachan Kuriakose Chartered Accountants 12 November 2023

Full Name
George George Karikampallil

Position
Engagement Leader - ICV Certification

Signature

Notes 1) This ICV Certificate is an extraction from Morison & Kuriachan Kuriakose Chartered Accountants's full ICV report dated 12/11/2023 and should be read in conjunction with the cover letter and factual findings report relevant to the ICV score in the full ICV report.

2) This full ICV report is issued vide an engagement letter between Morison & Kuriachan Kuriakose Chartered Accountants and ENERGOPROJEKT ENTEL LTD dated 19/09/2023. Morison & Kuriachan Kuriakose Chartered Accountants does not accept or assume any liability, responsibility or duty of care for any use of or reliance on this document by anyone, other than the intended recipient to the extent agreed in the engagement letter.

3) In the case any information included in the ICV Certificate requires further validation, contact should be made with

Ministry of Finance
State of Qatar

Classification : Public
Government Procurement
Regulatory Department

Issue Date	16/01/2024
Valid until	15/01/2026

Service Provider Classification Certificate
24000145-SRV-001

The Department of Government Procurement Regulation certifies that
M/s: ENERGOPROJEKT ENTEL LTD - International
Commercial license number: LCS/14905
They have been categorized in the service providers sector with the following activities and categories:

Activity No	Activity Name	Categories
7110301	Civil Engineering	Primary

Statement of Items	Earned Points	Maximum Points
Capital Amount	10.00	10
Net assets	20.00	20
Total contract value	20.00	25
Number of contracts	1.00	5
Management staff	10.00	10
Technical staff	26.00	30
Total points	87.00	100

Terms and conditions:
A classifier shall take any legal action that results in a change in its legal position that affects the category(s) in which it is classified.
It shall be notified to the administration of this modification within fifteen days from the date of such action
Failure to fulfil this obligation shall result in the expiry of the classification certificate granted to the classifier.

Director of Government Procurement Regulation Department
//Signed/

Stamp: State of Qatar-Ministry of Finance -Government Procurement Regulatory Department

Tahfeez

Moideen

Ministry of Finance
State of Qatar

Classification : Public
Government Procurement
Regulatory Department

Issue Date	16/01/2024
Valid until	15/01/2026

Service Provider Classification Certificate
24000144-SRV-001

The Department of Government Procurement Regulation certifies that
M/s: ENERGOPROJEKT ENTEL LTD - International
Commercial license number: LCS/14905
They have been categorized in the service providers sector with the following activities and categories:

Activity No	Activity Name	Categories
7490010	Mechanical Engineering	Primary

Statement of Items	Earned Points	Maximum Points
Capital Amount	10.00	10
Net assets	20.00	20
Total contract value	21.00	25
Number of contracts	1.50	5
Management staff	10.00	10
Technical staff	26.00	30
Total points	88.60	100

Terms and conditions:
A classifier shall take any legal action that results in a change in its legal position that affects the category(s) in which it is classified.
It shall be notified to the administration of this modification within fifteen days from the date of such action
Failure to fulfil this obligation shall result in the expiry of the classification certificate granted to the classifier.

Director of Government Procurement Regulation Department
//Signed/

Stamp: State of Qatar-Ministry of Finance -Government Procurement Regulatory Department

Tahfeez

Mobeen

Ministry of Finance
State of Qatar

Classification : Public
Government Procurement
Regulatory Department

Issue Date	16/01/2024
Valid until	15/01/2026

Service Provider Classification Certificate
24000143-SRV-001

The Department of Government Procurement Regulation certifies that
M/s: ENERGOPROJEKT ENTEL LTD - International
Commercial license number: LCS/14905
They have been categorized in the service providers sector with the following activities and categories:

Activity No	Activity Name	Categories
7711089	Electrical and Electronic Engineering	Primary

Statement of Items	Earned Points	Maximum Points
Capital Amount	10.00	10
Net assets	20.00	20
Total contract value	25.00	25
Number of contracts	3.50	5
Management staff	10.00	10
Technical staff	26.00	30
Total points	94.50	100

Terms and conditions:
A classifier shall take any legal action that results in a change in its legal position that affects the category(s) in which it is classified.
It shall be notified to the administration of this modification within fifteen days from the date of such action
Failure to fulfil this obligation shall result in the expiry of the classification certificate granted to the classifier.

Director of Government Procurement Regulation Department
//Signed/

Stamp: State of Qatar-Ministry of Finance -Government Procurement Regulatory Department

Tahfeez

Moideen

We have been present in the UAE since 2001 and have also worked on very important government projects as well as projects related to infrastructure facilities that follow the construction of the largest residential and commercial buildings.

Our traditional and long-standing partners are DEWA and Transco government enterprises, which are equivalent to Elektroprivreda Srbije in our country. We also work for important clients such as Meraas, Emaar, DP World, and Etihad railway.
We document that success and long-term cooperation with certain certificates given in the following pictures.

IN-COUNTRY VALUE CERTIFICATE

Certificate ID: **123616**
Issue Date: **04.08.2023**
Valid Until: **24.09.2024**

ENERGO CONSULT - L L C

37.28%

Company General Information
License No.: **CN-1044511**
Company Type: **SME in UAE**
Financial Year End Date: **31.12.2022**
Company based in: **Within UAE**
Company Business: **SERVICE PROVIDER**

For Cases of Re-Certification
Re-Certification (*) No.:

Reason for this Re-Certification

Signed By
On behalf of Supplier

Name:
Vladimir Milosevic

Designation:
Resident Manager

Verified as per ICV Agreed Upon Procedures (AUP)
On behalf of Certification Body

Name:
Salman Sajid

Designation:
Executive Director

Electronically signed by Salman Sajid

Company:
Baker Tilly MKM Chartered Accountants

Certificate Issued Based on ICV Version: 3.0

Bureau Veritas **Certification**

BUREAU VERITAS

ENERGOPROJEKT ENTEL CO. LTD.

M4-M5, Al Safeenah Building, Oud Mehta, P.O. Box 46725, Dubai, United Arab Emirates

Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015

Scope of certification

ENGINEERING, DESIGN AND CONSULTANCY SERVICES RELATED TO PROJECTS IN THE FIELDS OF ENERGY, WATER, TELECOMMUNICATIONS AND ENVIRONMENT.

Original cycle start date:	02 March 2015
Expiry date of previous cycle:	01 March 2024
Certification / Recertification Audit date:	21 February 2024
Certification / Recertification cycle start date:	29 February 2024
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	01 March 2027

Certificate No.: DU005630   Version: 1   Issue date: 29 February 2024

MARWAN ARIDI

UKAS MANAGEMENT SYSTEMS 0008

Signed on behalf of BVCH SAS UK Branch

Certification Body Address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom

Local Office: Bureau Veritas - Dubai Branch, 2nd Floor, Block C, Al Hudaiba Awards Building, Jumeirah Road with 2nd December Interchange, Dubai, U.A.E.

Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +971 4 307 4400

UKAS Certificate Template Single Site Rev.4.1   1/1   28 Aug 2023

Bureau Veritas **Certification**

ENERGOPROJEKT ENTEL CO. LTD.

M4-M5, Al Safeenah Building, Oud Mehta, P.O. Box 46725, Dubai, United Arab Emirates

Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 45001:2018

Scope of certification

ENGINEERING, DESIGN AND CONSULTANCY SERVICES RELATED TO PROJECTS IN THE FIELDS OF ENERGY, WATER, TELECOMMUNICATIONS AND ENVIRONMENT.

Original cycle start date:	05 March 2021
Expiry date of previous cycle:	01 March 2024
Certification / Recertification Audit date:	21 February 2024
Certification / Recertification cycle start date:	29 February 2024
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	01 March 2027

Certificate No.: **DU005632** Version: 1 Issue date: 29 February 2024

MARWAN ARIDI

UKAS MANAGEMENT SYSTEMS

0008

Signed on behalf of BVCH SAS UK Branch

Certification Body Address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom

Local Office: Bureau Veritas - Dubai Branch, 2nd Floor, Block C, Al Hudaiba Awards Building, Jumeirah Road with 2nd December Interchange, Dubai, U.A.E.

Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +971 4 307 4400

UKAS Certificate Template Single Site Rev.4.1 28 Aug 2023

Bureau Veritas **Certification**

ENERGOPROJEKT ENTEL CO. LTD.

M4-M5, Al Safeenah Building, Oud Mehta, P.O. Box 46725, Dubai, United Arab Emirates

Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 14001:2015

Scope of certification

ENGINEERING, DESIGN AND CONSULTANCY SERVICES RELATED TO PROJECTS IN THE FIELDS OF ENERGY, WATER, TELECOMMUNICATIONS AND ENVIRONMENT.

Original cycle start date:	02 March 2015
Expiry date of previous cycle:	01 March 2024
Certification / Recertification Audit date:	21 February 2024
Certification / Recertification cycle start date:	29 February 2024
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	01 March 2027

Certificate No.: DU005631 Version: 1 Issue date: 29 February 2024

MARWAN ARIDI

UKAS MANAGEMENT SYSTEMS 0008

Signed on behalf of BVCH SAS UK Branch

Certification Body Address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom

Local Office: Bureau Veritas - Dubai Branch, 2nd Floor, Block C, Al Hudaiba Awards Building, Jumeirah Road with 2nd December Interchange, Dubai, U.A.E.

Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +971 4 307 4400

UKAS Certificate Template Single Site Rev 4.1 28 Aug 2023

1/1

We have been present in Oman since 1997, and there we worked on many projects in the field of electricity transmission, as well as in the field of projects related to the preparation of project documentation and supervision for the construction of water and sewerage networks in Oman.

Our traditional and long-standing partners are OETC and OWWSC state enterprises, which are equivalent to Elektroprivreda Srbije.

CERTIFICATE

This is to Certify that the Management System of

ENERGOPROJEKT ENTEL L.L.C.

Head Office: Building No. 3886 , Complex No. 225, Block 42 , Al Maha Street, Al -Khuwair South, P.O. Box 1190, Postal Code 112, Ruwi, Muscat

has been audited and found to comply with the requirements of:

ISO 14001:2015
(Environmental Management System)

For the Scope of activities described below:

ENGINEERING, DESIGN & CONSULTANCY SERVICES RELATED TO PROJECTS IN THE FIELDS OF ENERGY, WATER, TELECOMMUNICATIONS AND ENVIRONMENT

Certificate No.: OM231122015

Date of initial registration	*Date of this Certificate*	*Surv. audit on or before/ Certificate expiry*	*Recertification Due*
*27 December 2014**	*22 November 2023*	*26 December 2024*	*26 December 2026*

Validity of this certificate is subject to successful completion of surveillance audit on or before due date, in case surveillance audit not conducted this certificate shall be suspended/cancelled.

*(Note:- Certification Registration is Transferred from Bureau Veritas Certification (UKAS) So Date of Initial Registration is Subject to previous Registrar.

Director

This certificate is property of LMS Assessments Limited and remains valid subject to satisfactory surveillance audits and shall be returned immediately when demanded.

Accreditation

EGAC Accredited

IAF

LMS Assessments Limited
Bartle House, Oxford Court, Manchester,
M2 3WQ(United Kingdom)
Phone : +44-7904664589

(Company Regd. No. 11029176 Registered in England and Wales)

LMS Assessments Limited

CERTIFICATE

This is to Certify that the Management System of

ENERGOPROJEKT ENTEL L.L.C.

Head Office: Building No. 3886 , Complex No. 225, Block 42 , Al Maha Street, Al -Khuwair South, P.O. Box 1190, Postal Code 112, Ruwi, Muscat

has been audited and found to comply with the requirements of:

ISO 45001:2018
(Occupational Health & Safety Management System)

For the Scope of activities described below:

ENGINEERING, DESIGN & CONSULTANCY SERVICES RELATED TO PROJECTS IN THE FIELDS OF ENERGY, WATER, TELECOMMUNICATIONS AND ENVIRONMENT

Certificate No.: OM231122016

Date of initial registration	*Date of this Certificate*	*Surv. audit on or before/ Certificate expiry*	*Recertification Due*
*25 December 2020**	*22 November 2023*	*24 December 2024*	*24 December 2026*

Validity of this certificate is subject to successful completion of surveillance audit on or before due date, in case surveillance audit not conducted this certificate shall be suspended/cancelled.

*(Note:- Certification Registration is Transferred from Bureau Veritas Certification (UKAS) So Date of Initial Registration is Subject to previous Registrar.

Director

Accreditation

EGAC Accredited

IAF

LMS Assessments Limited
Bartle House, Oxford Court, Manchester,
M2 3WQ(United Kingdom)
Phone : +44-7904664589
(Company Regd. No. 11029176 Registered in England and Wales)

LMS Assessments Limited

CERTIFICATE

This is to Certify that the Management System of

ENERGOPROJEKT ENTEL L.L.C.

Head Office: Building No. 3886 , Complex No. 225, Block 42 , Al Maha Street, Al -Khuwair South, P.O. Box 1190, Postal Code 112, Ruwi, Muscat

has been audited and found to comply with the requirements of:

ISO 9001:2015
(Quality Management System)

For the Scope of activities described below:

ENGINEERING, DESIGN & CONSULTANCY SERVICES RELATED TO PROJECTS IN THE FIELDS OF ENERGY, WATER, TELECOMMUNICATIONS AND ENVIRONMENT

Certificate No.: OM231122014

Date of initial registration	*Date of this Certificate*	*Surv. audit on or before/ Certificate expiry*	*Recertification Due*
*27 December 2014**	*22 November 2023*	*26 December 2024*	*26 December 2026*

Validity of this certificate is subject to successful completion of surveillance audit on or before due date, in case surveillance audit not conducted this certificate shall be suspended/cancelled.

*(Note:- Certification Registration is Transferred from Bureau Veritas Certification (UKAS) So Date of Initial Registration is Subject to previous Registrar.

Director

This certificate is property of LMS Assessments Limited and remains valid subject to satisfactory surveillance audits and shall be returned immediately when demanded.

Accreditation

EGAC Accredited

IAF

LMS Assessments Limited
Bartle House, Oxford Court, Manchester,
M2 3WQ(United Kingdom)
Phone : +44-7904664589
(Company Regd. No. 11029176 Registered in England and Wales)

LMS Assessments Limited

LMS/EGAC/F169Q.19/REV00

VI. STATEMENT OF THE PERSONS RESPONSIBLE FOR PREPARING THE ANNUAL REPORT

To the best of our knowledge, the annual consolidated financial report has been prepared with the application of appropriate international financial reporting standards and provides true and objective data on the assets, liabilities, financial position and operations, profits and losses, cash flows and changes in the capital of the Company, including the companies contained in the consolidated reports.

The person responsible for preparing the annual report:

Energoprojekt Entel a.d.

Executive Director of Finance, Accounting

Gordana Lisov

Legal representative:

Energoprojekt Entel a.d.

Director

Mladen Simović

VII. DECISION OF THE COMPANY'S COMPETENT AUTHORITY ON THE ADOPTION OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS*

Note*:

- The 2024 annual consolidated financial statements of Energoprojekt Entel a.d. were approved and accepted by the ENERGOPROJEKT ENTEL BOARD OF DIRECTORS on April 2, 2025, at the 10th session of the BOARD OF DIRECTORS.

VIII. DECISION ON PROFIT DISTRIBUTION OR LOSS COVERAGE*

Note *:

- The decision on the distribution of the Company's profit for the year 2024 will be made at the regular annual meeting of the Joint Stock Company. The Company will subsequently publish the decision of the competent authority on the distribution of the Company's profit in its entirety.

The person responsible for preparing the annual report:

Energoprojekt Entel a.d.

Executive Director of Finance, Accounting

ENERGOPROJEKT ENTEL BEOGRAD A.D.

Legal representative:

Energoprojekt Entel a.d.

Director

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

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