

„INSTITUT MIHAJLO PUPIN“ DOO, BEOGRAD

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR 2022**

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INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTOR OF THE COMPANY „INSTITUT MIHAJLO PUPIN“ DOO, BELGRADE

Opinion

We have audited the accompanying financial statements of the company “INSTITUT MIHAJLO PUPIN” DOO, Belgrade (hereinafter referred to as the „Company“), which comprise the balance sheet as at December 31, 2022, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at December 31, 2022, and of 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 the requirements of the Law on Accounting and accounting regulation effective in the Republic of Serbia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia, and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information contained in the annual business report

Other information relates to the information contained in the annual business report, but does not include the financial statements and the auditor's report on them. The management of the Company is responsible for the preparation of other information in accordance with the regulations of the Republic of Serbia.

Our opinion on the financial statements does not include other information. In relation to the audit of financial statements, it is our responsibility to read other information and thereby consider whether other information is consistent in all material respects with the financial statements with our knowledge gained during the audit or otherwise appears materially inaccurate. In addition, we assessed whether other information was prepared, in all material respects, in accordance with the Law on Accounting of the Republic of Serbia, especially whether other information in the formal sense is in accordance with the requirements and procedures for preparing other information of the Law on Accounting, in the context of materiality, ie whether any non-compliance with these requirements could affect the judgments based on this other information.

This is a translation of the original Independent Auditors' Report issued in the Serbian language. All due care has been taken to produce a translation that is as faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Serbian version of the document shall prevail.

TC Stari Merkator | Palmira Toljatija 5/III | 11070 Novi Beograd | Republika Srbija | Tel/fax: +381 11 30 18 445
www.pkf.rs | mat.br. 08752524 | PIB 102397694 | t.r. 105-0000002884525-18 AIK Banka | šifra delatnosti 6920

PKF d.o.o., Beograd je članica PKF International Limited, familije pravno nezavisnih firmi i ne prihvata odgovornosti i obaveze proistekle delovanjem ili nedelovanjem ostalih pojedinačnih firmi koje su članice mreže.

PKF d.o.o., Belgrade, is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other information contained in the annual business report (Continued)

Only based on the implemented procedures, to the extent that we are able to assess them, we report that other information describing the facts that are also presented in the financial statements are, in all material respects, in accordance with the financial statements and prepared in accordance with requirements Law on Accounting of the Republic of Serbia.

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. Based on the procedures we performed in relation to the other information obtained, we did not identify any material misstatements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

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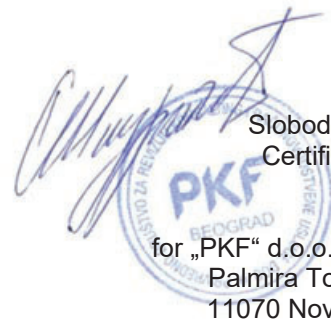
INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Company'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 Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we are obliged in our report to draw attention to related disclosures in the financial statements or, if such disclosures are not adequate, to modify our opinion. Our conclusions are based on audit evidence collected up to the date of the auditor's report. However, future events or conditions may result in the entity ceasing to operate in accordance with the going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Belgrade, March 23rd 2023


Slobodan Škurtić
Certified auditor
for „PKF“ d.o.o., Beograd
Palmira Toljatija 5/III
11070 Novi Beograd

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To be filled by legal entity - entrepreneur

Registration number 0 7 0 1 4 6 9 4 Activity code 7 2 1 9 TIN 1 0 0 0 0 8 3 1 0

Name: INSTITUT MIHAJLO PUPIN DOO, BEOGRAD (ZVEZDARA)

Registered office: BEOGRAD (ZVEZDARA), VOLGINA 15

BALANCE SHEET

On 31.12.2022.

- in 000 RSD -

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance 20	Opening balance as at 1 January 20
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. PERMANENT ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	0002		271.442	271.440	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	19	3.985	4.136	
010	1. Investment in development	0004				
011, 012 and 014	2. Concessions, patents, licenses, trademarks, service marks, software and other intangible assets	0005		3.985	4.136	
013	3. Goodwill	0006				
015 and 016	4. Leased intangible assets and intangible assets under construction	0007				
017	5. Advances for intangible assets	0008				
02	II. IMMOVABLES, PLANTS AND EQUIPMENT (0010 + 0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	20	191.088	199.115	
020, 021 and 022	1. Land and buildings	0010		117.806	132.236	
023	2. Plant and equipment	0011		59.916	53.583	
024	3. Investment immovables	0012				
025 and 027	4. Leased immovables, plant and equipment and immovables, plant and equipment under construction	0013				
026 and 028	5. Other immovables, plant and equipment and investment in third-party immovables, plant and equipment	0014		13.366	13.296	
029 (part)	6. Advances for immovables, plant and equipment - domestic	0015				
029 (part)	7. Advances for immovables, plant and equipment - foreign	0016				
03	III. BIOLOGICAL RESOURCES	0017				
04 and 05	IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019 + 0020 + 0021 + 0022 + 0023 + 0024 + 0025 + 0026 + 0027)	0018	21	76.369	68.057	

Group of account s, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
040 (part), 041 (part) and 042 (part)	1. Participation in equity of legal entities (except participation in equity valued by method of participation)	0019		58.806	59.706	
040 (part), 041 (part) and 042 (part)	2. Participation in equity valued by method of participation	0020				
043, 050 (part) and 051 (part)	3. Long-term investments in parent companies, subsidiaries and other associated companies and long-term receivables - domestic	0021				
044, 050 (part), 051 (part)	4. Long-term investments in parent companies, subsidiaries and other associated companies and long-term receivables - foreign	0022				
045 (part) and 053 (part)	5. Long-term investments (credits and loans) - domestic	0023				
045 (part) and 053 (part)	6. Long-term investments (credits and loans) - foreign	0024				
046	7. Long-term financial investments (securities valued through method of depreciation)	0025				
047	8. Treasury shares and redeemed own stakes	0026				
048, 052, 054, 055 and 056	9. Other long-term investments and other long-term receivables	0027		19.563	8.351	
28 (part), except 288	V. LONG-TERM ACCRUED EXPENSES	0028			132	
288	V. DEFERRED TAX ASSETS	0029		2.693	2.411	
	G. CURRENT ASSETS (0031 + 0037 + 0038 + 0044 + 0048 + 0057 + 0058)	0030		2.002.025	1.567.584	
Class 1, except group 14	I. INVENTORIES (0032 + 0033 + 0034 + 0035 + 0036)	0031		303.657	329.389	
10	1. Materials, spare parts, tools and small inventory	0032	22	212.344	206.188	
11 and 12	2. Work in progress and finished products	0033				
13	3. Goods	0034				
150, 152 and 154	4. Advances paid for inventories and services - domestic	0035	23	85.076	106.392	
151, 153 and 155	5. Advances paid for inventories and services - foreign	0036	23	6.237	16.809	
14	II. PERMANENT ASSETS HELD FOR SALE AND FOR DISCONTINUED OPERATIONS	0037				
20	III. RECEIVABLES FROM SALES (0039 + 0040 + 0041 + 0042 + 0043)	0038	24	667.949	290.940	
204	1. Domestic trade receivables	0039		448.632	143.608	
205	2. Foreign trade receivables	0040		152.381	94.898	

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
200 and 202	3. Receivables from domestic parent companies, subsidiaries and other associated companies	0041		66.936	52.434	
201 and 203	4. Receivables from foreign parent companies, subsidiaries and other associated companies	0042				
206	5. Other receivables from sales	0043				
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045 + 0046 + 0047)	0044	25	201.471	141.993	
21, 22 except 223 and 224 and 27	1. Other receivables	0045		197.937	141.993	
223	2. Receivables from overpaid tax on profit	0046		3.534		
224	3. Receivables from overpaid other taxes and contributions	0047				
23	V. SHORT-TERM FINANCIAL INVESTMENTS (0049 + 0050 + 0051 + 0052 + 0053 + 0054 + 0055 + 0056)	0048		66.000		
230	1. Short-term credits and investments - parent companies and subsidiaries	0049		66.000		
231	2. Short-term credits and investments - other associated companies	0050				
232, 234 (part)	3. Short-term credits, loans and investments - domestic	0051				
233, 234 (part)	4. Short-term credits, loans and investments - foreign	0052				
235	5. Shares valued through method of depreciation	0053				
236 (part)	6. Financial assets at fair value through profit and loss account	0054				
237	7. Treasury shares and redeemed own stakes	0055				
236 (part), 238 and 239	8. Other short-term financial investments	0056				
24	VI. CASH AND CASH EQUIVALENTS	0057	26	629.590	656.939	
28 (part), except 288	VII. SHORT-TERM ACCRUED EXPENSES	0058		133.358	148.323	
	D. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029 + 0030)	0059		2.276.160	1.841.435	
88	D. OFF-BALANCE SHEET ASSETS	0060	38	806.071	490.618	
	EQUITY AND LIABILITIES					
	A. EQUITY (0402 + 0403 + 0404 + 0405 + 0406 - 0407 + 0408 + 0411 - 0412) ≥ 0	0401	28	625.297	588.966	
30, except 306	I. CAPITAL	0402		479.557	479.557	
31	II. SUBSCRIBED CAPITAL UNPAID	0403				

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
306	III. SHARE PREMIUM	0404				
32	IV. RESERVES	0405				
330 and credit balance account of 331, 332, 333, 334, 335, 336 and 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED PROFIT FROM FINANCIAL ASSETS AND OTHER ELEMENTS OF OTHER COMPREHENSIVE INCOME	0406			1,581	
debit balance accounts 331, 332, 333, 334, 335, 336 and 337	VI. UNREALIZED LOSSES FROM FINANCIAL ASSETS AND OTHER ELEMENTS OF OTHER COMPREHENSIVE INCOME	0407		38,582	41,502	
34	VII. RETAINED EARNINGS (0409 + 0410)	0408	28	184,322	149,330	
340	1. Retained earnings from previous years	0409		152,989	122,337	
341	2. Retained earnings for the current year	0410		31,333	26,993	
	VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	0411				
35	IX. LOSS (0413 + 0414)	0412				
350	1. Loss from previous years	0413				
351	2. Loss for the current year	0414				
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416 + 0420 + 0428)	0415		301,359	333,500	
40	I. LONG-TERM PROVISIONS (0417 + 0418 + 0419)	0416	29	139,870	139,862	
404	1. Provisions for compensations and other employment benefits	0417		61,803	49,473	
400	2. Provisions for costs incurred during the warranty period	0418		78,067	90,389	
40, except 400 and 404	3. Other long-term provisions	0419				
41	II. LONG-TERM LIABILITIES (0421 + 0422 + 0423 + 0424 + 0425 + 0426 + 0427)	0420	30	97,955	99,032	
410	1. Debts convertible into equity	0421				
411 (part) and 412 (part)	2. Long-term credits and other long-term liabilities to parent companies, subsidiaries and other associated companies-domestic	0422				
411 (part) and 412 (part)	3. Long-term credits and other long-term liabilities to parent companies, subsidiaries and other associated companies-foreign	0423				
414 and 416 (part)	4. Long-term credits, loans and leasing liabilities – domestic	0424		97,955	99,032	
415 and 416 (part)	5. Long-term credits, loans and leasing liabilities -foreign	0425				
413	6. Liabilities for issued securities	0426				
419	7. Other long-term liabilities	0427				

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
49 (part), except 498 and 495 (part)	III. LONG-TERM DEFERRED EXPENSES	0428	31	63.534	94.606	
498	V. DEFERRED TAX LIABILITIES	0429				
495 (part)	G. DEFERRED LONG-TERM INCOME AND DONATIONS RECEIVED	0430				
	D. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432+ 0433 + 0441+ 0442 + 0449 + 0453 + 0454)	0431		1.349.504	918.969	
467	I.SHORT-TERM PROVISIONS	0432	35	9.970	16.865	
42, except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0433	32	199.703	104.520	
420 (part) and 421 (part)	1.Liabilities from credits from parent company and subsidiaries and other associated companies - domestic	0434		100.000		
420 (part) and 421 (part)	2. Liabilities from credits from parent company and subsidiaries and other associated companies - foreign	0435				
422 (part), 424 (part), 425 (part), and 429 (part)	3.Liabilities from credits and loans from legal entities which are not domestic banks	0436		890	1.223	
422 (part), 424 (part), 425 (part), and 429 (part)	4. Credit liabilities from domestic banks	0437		98.813	103.297	
423, 424 (part), 425 (part) and 429 (part)	5.Credits, loans and liabilities - foreign	0438				
426	6. Liabilities from short-term shares	0439				
428	7. Liabilities from financial derivatives	0440				
430	III. PREPAYMENTS, DEPOSITS AND GUARANTEES	0441	33	218.376	203.529	
43, except 430	IV. OPERATING LIABILITIES (0443 + 0444 + 0445 + 0446 + 0447 + 0448)	0442	34	844.367	521.160	
431 and 433	1. Trade payables - domestic parent company, subsidiaries and other associated companies	0443		174.705	171.461	
432 and 434	2. Trade payables - foreign parent company, subsidiaries and other associated companies	0444				
435	3. Trade payables - domestic	0445		571.834	174.353	
436	4. Trade payables - foreign	0446		97.828	175.346	
439 (part)	5. Promissory note liabilities	0447				
439 (part)	6. Other operating liabilities	0448				
44, 45, 46 except 467, 47 and 48	V. OTHER SHORT-TERM LIABILITIES (0450 + 0451 + 0452)	0449	36	68.645	67.641	
44, 45 and 46 except 467	1.Other short-term liabilities	0450		67.421	66.145	
47, 48 except 481	2. Liabilities for value added tax and other public revenues	0451		1.224	1.007	
481	3. Liabilities for tax on profit	0452			489	
427	VI. LIABILITIES FOR ASSETS HELD FOR SALE AND FOR DISCONTINUED OPERATIONS	0453				
49 (part) except 498	VII. SHORT DEFERRED EXPENSES	0454	37	8.443	5.254	

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
	D. LOSS ABOVE EQUITY (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		2.276.160	1.841.435	
89	Ž. OFF-BALANCE SHEET LIABILITIES	0457	38	806.071	490.618	

In <u>BELGRADE</u> on <u>28.02</u> 20 <u>23</u>		Legal representative <u></u>
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This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 89/2020).

To be filled by legal entity - entrepreneur

Registration number	0 7 0 1 4 6 9 4	Activity code	7 2 1 9	TIN	1 0 0 0 0 8 3 1 0
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Name: INSTITUT MIHAJLO PUPIN DOO, BEOGRAD (ZVEZDARA)

Registered office: BEOGRAD (ZVEZDARA), VOLGINA 15

PROFIT AND LOSS ACCOUNT
for the period from 01.01. to 31.12.2022.

- in 000 RSD -

Group of accounts, account 1	ITEM 2	ADP 3	Note number 4	Amount	
				Current year 5	Previous year 6
	A. OPERATING INCOME (1002 + 1005 + 1008 + 1009 – 1010 + 1011 + 1012)	1001		3.537.186	2.815.111
60	I. INCOME FROM GOODS SOLD (1003 + 1004)	1002			
600, 602 and 604	1. Goods sold - domestic	1003			
601, 603 and 605	2. Goods sold - foreign	1004			
61	II. INCOME FROM PRODUCTS SOLD AND SERVICES PROVIDED (1006 + 1007)	1005	6	3.096.023	2.372.832
610, 612 and 614	1. Products sold and services provided - domestic	1006		2.884.722	2.191.686
611, 613 and 614	2. Products sold and services provided - foreign	1007		211.301	181.146
62	III. REVENUE FROM UNDERTAKING FOR OWN PURPOSES	1008			
630	IV. INCREASE IN INVENTORIES OF WORK IN PROGRESS AND UNFINISHED PRODUCTS AND FINISHED PRODUCTS	1009			
631	V. DECREASE IN INVENTORIES OF WORK IN PROGRESS AND UNFINISHED PRODUCTS AND FINISHED PRODUCTS	1010			
64 and 65	VI. OTHER OPERATING INCOME	1011	7	441.163	442.279
68, except 683, 685 and 686	VII. INCOME ON VALUE ADJUSTMENT OF ASSETS (EXCEPT FINANCIAL)	1012			
	B. OPERATING EXPENSES (1014 + 1015 + 1016 + 1020 + 1021 + 1022 + 1023 + 1024)	1013		3.405.164	2.788.630
50	I. COST OF GOODS SOLD	1014			
51	II. RAW MATERIAL COSTS, FUEL AND ENERGY COSTS	1015	8	637.084	565.041
52	III. SALARIES, WAGES AND OTHER PERSONAL INDEMNITIES (1017 + 1018 + 1019)	1016	9	769.145	747.919
520	1. Salaries and wages	1017		637.940	620.600
521	2. Tax costs, contribution costs and wages	1018		91.607	92.775
52 except 520 and 521	3. Other personal indemnities and fees	1019		39.598	34.544
540	IV. DEPRECIATION COSTS	1020	10	33.921	34.026
58, except 583, 585 and 586	V. EXPENSES ON VALUE ADJUSTMENT OF ASSETS (EXCEPT FINANCIAL)	1021			

Group of accounts, account	ITEM	ADP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
53	VI. PRODUCTION SERVICES COSTS	1022	11	1.881.530	1.358.761
54, except 540	VII. PROVISION COSTS	1023	10	17.338	28.351
55	VII. INTANGIBLE COSTS	1024	12	66.146	54.532
	V. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		132.022	26.481
	G. OPERATING LOSS (1013 - 1001) ≥ 0	1026			
	D. FINANCIAL INCOME (1028 + 1029 + 1030 + 1031)	1027	13	11.636	12.458
660 and 661	I. FINANCIAL INCOME FROM PARENT COMPANIES, SUBSIDIARIES AND OTHER ASSOCIATED COMPANIES	1028		1.236	8.344
662	II. INCOME FROM INTEREST	1029		237	130
663 and 664	III. POSITIVE EFFECTS ON EXCHANGE RATE AND EFFECTS OF FOREIGN CURRENCY CLAUSE	1030		2.147	932
665 and 669	IV. OTHER FINANCIAL INCOME	1031		8.016	3.052
	Đ. FINANCIAL EXPENSES (1033 + 1034 + 1035 + 1036)	1032	14	13.414	8.492
560 and 561	I. FINANCIAL EXPENSES FROM PARENT COMPANIES, SUBSIDIARIES AND OTHER ASSOCIATED COMPANIES	1033			
562	II. INTEREST EXPENSES	1034		4.796	5.334
563 and 564	III. NEGATIVE EFFECTS ON EXCHANGE RATE AND EFFECTS OF FOREIGN CURRENCY CLAUSE	1035		8.618	3.158
565 and 569	IV. OTHER FINANCIAL EXPENSES	1036			
	E. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037			3.966
	Ž. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		1.778	
683, 685 and 686	Z. INCOME ON VALUE ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	1039			
583, 585 and 586	I. EXPENSES ON VALUE ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	1040		87.128	32.843
67	J. OTHER INCOME	1041	15	13.991	61.877
57	K. OTHER EXPENSES	1042	16	11.143	3.920
	L. TOTAL INCOME (1001 + 1027 + 1039 + 1041)	1043		3.562.813	2.889.446
	Lj. TOTAL EXPENSES (1013 + 1032 + 1040 + 1042)	1044		3.516.849	2.833.885
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAX (1043 - 1044) ≥ 0	1045		45.964	55.561
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAX (1044 - 1043) ≥ 0	1046			
69-59	Nj. POSITIVE NET EFFECT OF RESULT ON PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM PREVIOUS PERIODS	1047			

Group of accounts, account	ITEM	ADP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
59-69	O. NEGATIVE NET EFFECT OF RESULT ON LOSS FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM PREVIOUS PERIODS	1048	17	2.241	11.885
	P. PROFIT BEFORE TAX (1045 - 1046 + 1047 - 1048) ≥ 0	1049		43.723	43.676
	R. LOSS BEFORE TAX (1046 - 1045 + 1048 - 1047) ≥ 0	1050			
	S. TAX ON PROFIT				
721	I. TAX EXPENSES FOR THE PERIOD	1051	18	12.672	17.680
722 debit side of account	II. DEFERRED TAX EXPENSES OF A PERIOD	1052			
722 credit side of account	III. DEFERRED TAX INCOME OF A PERIOD	1053	18	282	997
723	T. PERSONAL INDEMNITIES PAID TO EMPLOYER	1054			
	Ć. NET PROFIT (1049 - 1050 - 1051 - 1052 + 1053 - 1054) ≥ 0	1055	18	31.333	26.993
	U. NET LOSS (1050 - 1049 + 1051 + 1052 - 1053 + 1054) ≥ 0	1056			
	I. NET PROFIT WHICH BELONGS TO PARTICIPATION WITHOUT CONTROL RIGHTS	1057			
	II. NET PROFIT WHICH BELONGS TO PARENT COMPANY	1058			
	III. NET LOSS WHICH BELONGS TO PARTICIPATION WITHOUT CONTROL RIGHTS	1059			
	IV. NET LOSS WHICH BELONGS TO PARENT COMPANY	1060			
	V. EARNINGS PER SHARE				
	1. BASIC EARNING PER SHARE	1061			
	2. DILUTED EARNING PER SHARE	1062			

In <u>BELGRADE</u>		Legal representative 
on <u>28.02</u> 20 <u>23</u>		

This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 89/2020).

To be filled by legal entity - entrepreneur

Basic identification number	0	7	0	1	4	6	9	4	Activity code	7	2	1	9	TIN	1	0	0	0	0	8	3	1	0
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Name: INSTITUT MIHAJLO PUPIN DOO, BEOGRAD (ZVEZDARA)

Registered office: BEOGRAD (ZVEZDARA), VOLGINA 15

STATEMENT OF COMPREHENSIVE INCOME
for the period from 01.01. to 31.12.2022.

- in 000 RSD -

Group of accounts, account 1	ITEM	ADP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET OPERATING RESULT				
	I. NET PROFIT (ADP 1055)	2001	18	31.333	26.993
	II. NET LOSS (ADP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) items that will not be reclassified into Profit and loss account in future periods				
	1. Revaluations of intangible assets, immovables, plant and equipment				
330	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004			
	2. Actuarial profits or losses arising from defined benefit plans				
331	a) profit	2005			
	b) losses	2006	28	8.332	8.848
	3. Profit or losses from shares in other comprehensive profit or loss of associated companies				
333	a) profit	2007			
	b) losses	2008			
	b) items that can be subsequently reclassified into Profit and loss account in future periods				
	1. Profit or losses from investing in equity instruments				
332	a) profit	2009			
	b) losses	2010			
	2. Profit or losses from conversion of financial statements of foreign operations				
334	a) profit	2011			
	b) losses	2012			

Group Group of accounts, account	ITEM	ADP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
335	3. Profit or losses on hedging instruments of net investments in foreign operations				
	a) profit	2013			
	b) losses	2014			
336	4. Profit or losses on cash flow hedging instruments				
	a) profit	2015			
	b) losses	2016			
337	5. Profit or losses on securities valued at fair value through other comprehensive income				
	a) profit	2017		11.252	247
	b) losses	2018		1.581	
	I. OTHER GROSS COMPREHENSIVE INCOME (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019	28	1.339	
	II. OTHER GROSS COMPREHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020	28		8.601
	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. NET OTHER COMPREHENSIVE PROFIT (2019 - 2020 - 2021 + 2022) ≥ 0	2023		1.339	
	VI. NET OTHER COMPREHENSIVE LOSS (2020 - 2019 + 2021 - 2022) ≥ 0	2024	28		8.601
	V. TOTAL NET COMPREHENSIVE RESULT FOR THE PERIOD				
	I. TOTAL NET COMPREHENSIVE PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0	2025	28	32.672	18.392
	II. TOTAL NET COMPREHENSIVE LOSS (2002 - 2001 + 2024 - 2023) ≥ 0	2026			
	G. TOTAL NET COMPREHENSIVE PROFIT OR LOSS (2028 + 2029) = ADP 2025 ≥ 0 or ADP 2026 > 0	2027			
	1. Attributed to parent legal entity	2028			
	2. Attributed to non-controlling participations	2029			

In <u>BELGRADE</u>		Legal representative 
on <u>28.02</u> 20 <u>23</u>		

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To be filled by legal entity - entrepreneur

Basic identification number	0	7	0	1	4	6	9	4	Activity code	7	2	1	9	TIN	1	0	0	0	0	8	3	1	0
Name: INSTITUT MIHAJLO PUPIN DOO, BEOGRAD (ZVEZDARA)																							
Registered office: BEOGRAD (ZVEZDARA), VOLGINA 15																							

CASH FLOW STATEMENT
in the period from 01.01. to 31.12.2022.

- in 000 RSD -

ITEM	ADP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (from 1 to 4)	3001	3,562.630	2,906.784
1. Inflows from sales and prepayments - domestic	3002	3,301.165	2,736.652
2. Inflows from sales and prepayments - foreign	3003	261.228	165.020
3. Interests provided by operating activities	3004	237	132
4. Other inflows from operating activities	3005		4.980
II. Cash outflows from operating activities (from 1 to 8)	3006	3,619.838	3,010.866
1. Trade payables and prepayments - domestic	3007	2,214.000	1,976.600
2. Trade payables and prepayments - foreign	3008	509.699	224.573
3. Salaries, wages and other personal indemnities	3009	762.378	749.040
4. Interests paid - domestic	3010	4.796	5.694
5. Interests paid - foreign	3011		
6. Tax on profit	3012	13.170	10.687
7. Outflows from other public revenues	3013	104.493	32.702
8. Other outflows from operating activities	3014	11,302	11,570
III. Net cash inflows from operating activities (I-II)	3015		
IV. Net cash outflows from operating activities (II-I)	3016	57.208	104.082
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (from 1 to 5)	3017	21.917	15.175
1. Sale of shares and stakes	3018	2,910	
2. Sale of intangible assets, immovables, plant, equipment and biological resources	3019		
3. Other financial investments	3020		131

ITEM	ADP	Amount	
		Current year	Previous year
1	2	3	2
4. Interests from investing activities	3021	7	8
5. Inflows from dividends	3022	19.000	15.036
II. Cash outflows from investing activities (from 1 to 3)	3023	66.000	20.427
1. Purchase of shares and stakes	3024		
2. Purchase of intangible assets, immovables, plants, equipment and biological resources	3025		20.427
3. Other financial investments	3026	66.000	
III. Net cash inflows from investing activities (I-II)	3027		
IV. Net cash outflows from investing activities (II-I)	3028	44.083	5.252
V. CASH FLOWS FROM FINANCING ACTIVITIES	3029	95.516	
I. Cash inflows from financing activities (1 to 7)			
1. Capital increase	3030		
2. Long-term credits - domestic	3031		
3. Long-term credits - foreign	3032		
4. Short-term credits - domestic	3033	95.516	
5. Short-term credits - foreign	3034		
6. Other long-term liabilities	3035		
7. Other short-term liabilities	3036		
II. Cash outflows from financing activities (from 1 to 8)	3037	19.965	91.920
1. Treasury shares and stakes	3038		
2. Long-term credits - domestic	3039	5.174	
3. Long-term credits - foreign	3040		
4. Short-term credits - domestic	3041		65.696
5. Short-term credits - foreign	3042		
6. Other liabilities	3043		
7. Financial leasing	3044	1.295	2.627
8. Dividends paid	3045	13.496	23.597
III. Net cash inflows from financing activities (I-II)	3046	75.551	
IV. Net cash outflows from financing activities (II-I)	3047		91.920
G. TOTAL CASH INFLOWS (3001 + 3017 + 3029)	3048	3.680.063	2.921.959
D. TOTAL CASH OUTFLOWS (3006 + 3023 + 3037)	3049	3.705.803	3.123.213
D. NET CASH INFLOWS (3048 - 3049) ≥ 0	3050		
E. NET CASH OUTFLOWS (3049 - 3048) ≥ 0	3051	25.740	201.254
Ž. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	3052	656.939	858.191
Z. POSITIVE EFFECTS ON EXCHANGE RATE CHANGES FROM CASH CALCULATION	3053	1.226	365
I. NEGATIVE EFFECTS ON EXCHANGE RATE CHANGES FROM CASH CALCULATION	3054	2.835	363
J. CASH AT THE END OF THE ACCOUNTING PERIOD (3050 - 3051 + 3052 + 3053 - 3054)	3055	629.590	656.939

In BELGRADE
on 28.02 2023



Legal representative

This form is mandatory pursuant to the Decision on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 89/2020).

To be filled by legal entity - entrepreneur																								
Basic identification number	0	7	0	1	4	6	9	4	Activity code		7	2	1	9	TIN	1	0	0	0	0	8	3	1	0
Name	INSTITUT MIHAJLO PUPIN DOO, BEOGRAD (ZVEZDARA)																							
Registered office	BEOGRAD (ZVEZDARA) VOLGINA 15																							

CAPITAL CHANGES STATEMENT
In period from 01.01. to 31.12.2022

-in 000 RSD-

NO.	DESCRIPTION	ADP	Capital (group 30 except 306 and 309)	ADP	Other Capital (acc 309)	ADP	Subscribed capital unpaid (group 31)	ADP	Issue premium and reserves (acc 306 and group 32)
			2		3		4		5
1.	Balance on day 01.01. year ____	4001	475.634	4010	3.923	4019		4028	
2.	Effects of retroactive correction of material mistakes and changes of accounting policies	4002		4011		4020		4029	
3.	Corrected opening balance on day 01.01. year ____ (col 1+2)	4003	475.634	4012	3.923	4021		4030	
4.	Net changes in year ____	4004		4013		4022		4031	
5.	Balance on day 31.12. year ____ (col 3+4)	4005	475.634	4014	3.923	4023		4032	
6.	Effects of retroactive correction of material mistakes and changes of accounting policies	4006		4015		4024		4033	
7.	Corrected opening balance on day 01.01. year ____ (col 5+6)	4007	475.634	4016	3.923	4025		4034	
8.	Net changes in year ____	4008		4017		4026		4035	
9.	Balance on day 31.12. year ____ (col 7+8)	4009	475.634	4018	3.923	4027		4036	

NO.	DESCRIPTION	ADP	Revalutaion reserves and unrealized profit and losses (group 33)	ADP	Unrealized profit (group 34)	ADP	Losses (group 35)	ADP	Participation without control rights
	1		6		7		8		9
1.	Balance on day 01.01. year ____	4037	-31,320	4046	145,934	4055		4064	
2.	Effects of retroactive correction of material mistakes and changes of accounting policies	4038		4047		4056		4065	
3.	Corrected opening balance on day 01.01. year ____ (col 1+2)	4039	-31,320	4048	145,934	4057		4066	
4.	Net changes in year ____	4040	-8,601	4049	3,396	4058		4067	
5.	Balance on day 31.12. year ____ (col 3+4)	4041	-39,921	4050	149,330	4059		4068	
6.	Effects of retroactive correction of material mistakes and changes of accounting policies	4042		4051		4060		4069	
7.	Corrected opening balance on day 01.01. year ____ (col 5+6)	4043	-39,921	4052	149,330	4061		4070	
8.	Net changes in year ____	4044	1,339	4053	34,992	4062		4071	
9.	Balance on day 31.12. year ____ (col 7+8)	4045	-38,582	4054	184,322	4063		4072	

NO.	DESCRIPTION	ADP	In total (correspondents to ADP 0401) (col. 2+3+4+5+6+7-8+9) ≥0	ADP	Loss above equity (correspondents to ADP 0455) (col. 2+3+4+5+6+7-8+9) <0
			10		11
1.	Balance on day 01.01. year ____	4073	594.171	4082	
2.	Effects of retroactive correction of material mistakes and changes of accounting policies	4074		4083	
3.	Corrected opening balance on day 01.01. year ____ (col 1+2)	4075	594.171	4084	
4.	Net changes in year ____	4076		4085	
5.	Balance on day 31.12. year ____ (col 3+4)	4077	588.966	4086	
6.	Effects of retroactive correction of material mistakes and changes of accounting policies	4078		4087	
7.	Corrected opening balance on day 01.01. year ____ (col 5+6)	4079	588.966	4088	
8.	Net changes in year ____	4080		4089	
9.	Balance on day 31.12. year ____ (col 7+8)	4081	625.297	4090	

In <u>BELGRADE</u>		Legal representative 
on <u>28.02</u> 20 <u>23</u>		

This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 89/2020).

Institute „Mihajlo Pupin“ Ltd, Belgrade

**Notes to the separate financial statements
for the year ended December 31st 2022**

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

1. Corporate Information

Institute "Mihajlo Pupin" Ltd, Belgrade (hereinafter referred to as: the "Company") was founded on January 29, 1959.

The Company operates in accordance with the Law on research and development activities ("RS Official Gazette", no. 110/05 and 50/06 - correction). The Company's activities are directed at research and development and production activities in the field of high technologies (telecommunications, electronics, production of computer equipment, integral parts and electronic devices, machine equipment, automatics, hydraulics and pneumatics).

The Company's core activity is based on realization of long-term contracts (projects) on joint ventures, where it takes part as the Parent Company together with certain subsidiaries. Projects are intended for known clients, by entering into appropriate contracts. Project realization is executed in phases and usually comprises a longer period (over a year).

On 17 April 2007, an Agreement on the state-owned stake in the assets used by the Company was entered into, between the Company and the Government of the Republic of Serbia. Pursuant to the aforementioned Agreement the Republic of Serbia takes over all founder's, i.e. managing rights, so the stake of state property in assets used by the Company amounts to 100%.

The Company is the sole owner of the following six subsidiaries (with 100% stake):

1. IMP "Automatika" Ltd, Belgrade;
2. IMP "Računarski sistemi" Ltd, Belgrade;
3. IMP "Telekomunikacije" Ltd, Belgrade;
4. IMP "Piezotehnologija" Ltd, Belgrade;
5. IMP "Poslovne usluge" Ltd, Belgrade; and
6. "Idvorski Laboratorije" Ltd, Belgrade with 75% interest in capital.

The company IMP "Računarstvo" Ltd, Belgrade, Tax identification number (TIN) 10008344, Company identification number (CIN) 17178326, was deleted from the Companies Register (Serbian Business Register Agency decision no. BD 26782/2012 dated 13 March 2012) and merged with the company IMP "Računarski sistemi" Ltd, Belgrade, TIN 100008336, CIN 17178318, pursuant to the decision of the Serbian Business Register Agency no. BD 26864/2012 dated 13 March 2012.

The company IMP – Naučnotehnoški park Ltd, Belgrade - in liquidation, Tax identification number (TIN) 104802558, Company identification number (CIN) 20232005, was deleted from the Companies Register (Serbian Business Register Agency decision no. BD 74902/2020 dated 19 October 2020).

The Company is domiciled in Belgrade, 15, Volgina Street.

The Company's identification number is 07014694, and its tax identification number is: 100008310. As of 31 December 2022 the Company had 154 employees (31 December 2021: 161 employees).

These financial statements are signed by Director at 28 February 2023. Financial statements can be altered after the fact by the companies Auditor according to the relevant regulations.

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

2. Basis for preparation and presentation of the financial statements and comparative data

(a) Basis for preparation of financial statements

The Company keeps records and prepares financial statements in accordance with the Law on Accounting of the Republic of Serbia ("Official Gazette of the RS", No. 73/2019 and 44/2021 - other law) and other applicable legislation in the Republic of Serbia.

In accordance with the Law on Accounting, large legal entities, legal entities that have the obligation to compile consolidated financial statements (parent legal entities), public companies, or companies preparing to become public in accordance with the Capital Market Law of the Republic of Serbia, regardless of size, apply International Financial Reporting Standards (IFRS) for the recognition, valuation, presentation and disclosure of positions in financial statements, the Serbian translation of which has been published by the Ministry of Finance.

International Financial Reporting Standards published in Serbian by the Ministry of Finance include the Financial Reporting Conceptual Framework, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as well as interpretations of standards issued by the IFRS Interpretations Committee, but does not include the basis for conclusions, illustrative examples, application guidelines, comments, dissenting opinions or other supporting materials except when they are explicitly included as an integral part of the standard or interpretation.

The translation of IFRS was determined by the Decision of the Minister of Finance on determining the translation of the Conceptual Framework for Financial Reporting and the basic texts of International Accounting Standards, ie International Financial Reporting Standards No. 401-00-4980 / 2019-16 of 21 November 2019, published in the Official RS Gazette no. 92 of 25 December 2019. Aforementioned translation of IFRS is applied from the financial statements prepared as of December 31, 2020.

New or amended IFRS and interpretations adopted by the decision of the Ministry of Finance of the Republic of Serbia on determining the translation of International Financial Reporting Standards published in the Official Gazette of the Republic of Serbia No. 123/2020 on October 13, 2020 are applied when preparing financial statements for annual periods ending on or after 31 December 2022.

In addition, the attached financial statements have been prepared in accordance with the requirements of the Rulebook on Chart of Accounts and Content of Accounts for companies, cooperatives and entrepreneurs (Official Gazette of RS, No. 89/2020) and the Rulebook on Content and Form of Financial Statements for companies, cooperatives and entrepreneurs (Official Gazette of RS, No. 89/2020). These regulations governing the presentation of financial statements take precedence over the requirements defined by IFRS published by the Ministry of Finance.

Due to the above deviations, these financial statements are not in accordance with IFRS.

The Company has prepared these financial statements on the basis of and in accordance with the requirements of the laws and regulations of the Republic of Serbia, where investments in subsidiaries are stated at cost less any impairment.

A detailed presentation of the financial position of the Company can be obtained by reviewing the consolidated financial statements, which, in accordance with the Law on Accounting, the Company is obliged to compile and submit to the Business Registers Agency by April 30 next year in relation to the year for which the financial statements are prepared.

The financial statements have been prepared under the principle of historical cost, unless otherwise stated in the accounting policies set out below.

In preparing these financial statements, the Company has applied the accounting policies set out in Note No. 3.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

2. Basis for preparation and presentation of the financial statements and comparative data (Continued)

(b) Comparative data

Comparative figures and opening balances represent information contained in the financial statements for 2021. Company's financial statements have been subject to an independent audit and are presented in the Independent Auditor's Report 24 March 2022.

(c) The going concern concept

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies in effect during the preparation of Financial Statements for the year ended on December 31st 2022 are, as follows:

3.1. Intangible Assets

Intangible assets are initially recognized at cost. After the initial recognition, intangible assets are stated at cost less accumulated amortization and cumulative impairment losses, if any.

Intangible assets with definite useful lives are amortized over the useful lives of such assets and tested for impairment if there is any indication that such assets may be impaired. Amortization of intangible assets is calculated using the straight-line method to allocate their cost over their estimated useful life.

Gains and losses arising from the disposal or sale of intangible assets are applied in the income statement in the period in which the intangible asset is disposed of or sold, in the amount of the difference between the cash inflow and the carrying amount of the asset.

3.2. Property, Plant and Equipment

Items of property, plant and equipment which fulfill the requirements to be recognized as assets are initially recognized at cost.

Cost includes expenditure that is directly attributable to the acquisition of the items, comprising the purchase price (import duties and VAT), all directly attributable costs of bringing the assets to the location and condition necessary to function in accordance with the management's expectations, the estimated cost of dismantling and removing the asset and restoring the site, as well as capitalized borrowing costs.

Subsequent to initial recognition as an asset, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying value of the replaced asset is derecognized.

All other repairs and maintenance costs are charged to the income statement during the period in which they are incurred.

Gains/losses from the disposal of property and equipment are recognized to the income statement of the period the asset was disposed or sold, in the amount of the difference between the net inflow and the carrying value of the asset.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2. Property, Plant and Equipment (Continued)

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful life, as follows:

- Buildings	2,5-5%
- Machinery and equipment	6,67-20%
- Motor vehicles	20%
- Furniture, fitting and equipment	10-12,5%
- Computer equipment	25%

The estimated useful life of assets is reviewed periodically, and adjusted if necessary at each balance sheet date.

The calculation of the depreciation and amortization for tax purposes is determined by the Law on Corporate Income Tax of the Republic of Serbia ("RS Official Gazette", no. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - other law and 142/2014, 91/2015 - authentic interpretation and 112/2015, 113/2017, 95/2018 and 86/2019) and the Rules on the Manner of Fixed Assets Classification in Groups and Depreciation for Tax Purposes ("RS Official Gazette", no. 116/2004, 99/2010, 104/2018 and 8/2019). Different depreciation methods used for the financial reporting purposes and the tax purposes give raise to deferred taxes (Note 20).

3.3. Investment Property

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment property is calculated using the straight-line method to allocate their cost over their estimated useful life.

If indications of impairment of the investment property exist, the Company estimates recoverable amount as the higher of the value in use and fair value less cost to sell. Carrying value of the investment property is written-down to its recoverable amount and the loss is recognized in the current income statement.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with them will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed as incurred.

3.4. Impairment of Non-financial Assets

For assets that have an indefinite useful life and are not subject to depreciation, check whether there was a decrease in their value is done annually. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5. Investments in Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, in order to generate benefits from their activities. It is considered that the control exists when the Company owns, directly or indirectly (through other subsidiaries) more than half of the voting rights.

Equity investments in subsidiaries are reported at the original acquisition cost less accumulated impairment losses (Note 21(i)).

3.6. Financial Instruments

In accordance with IFRS 9, the Company classifies its financial assets in the following categories: those that are subsequently measured at fair value (either through other comprehensive income or income statement) and those that are measured at amortized cost. Classification is done on the basis:

- a) business model of the Company, for financial assets' management and
- b) the characteristics of the contractual cash flows of the financial asset.

A financial asset will be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model aimed at holding financial assets to collect contracted cash flows, and
- the terms of the financial asset contract on the specified dates cause cash flows that are solely repayment of principal and interest on the outstanding principal amount.

A financial asset will be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within the business model whose goal is achieved by collecting contractual cash flows and selling financial assets, and
- the terms of the financial asset contract on the specified dates cause cash flows that are solely repayments of principal and interest on the outstanding amount of principal.

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. Additionally, upon initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income, at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch that would otherwise have arisen.

Reclassification of financial instruments is performed only when the business model for portfolio management as a whole changes. Reclassification has a prospective effect and is performed from the beginning of the first reporting period after the change of the business model.

The company did not change its business model in the current or comparative period, so no reclassifications were made.

Business model assessment

The business model is assessed in order to determine whether an asset with exclusive payment of principal and interest is classified at amortized cost or fair value through other comprehensive income. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both.

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6. Financial Instruments (Continued)

Offsetting financial instruments

Financial assets and liabilities are offset so that the net amount is shown in the balance sheet if and only if there is a current legal right to offset the recognized amounts and when there is an intention to settle on a net basis or simultaneous realization of assets and settlement of liabilities.

Upon initial recognition, the Company measures a financial asset at its fair value, which, in the case of financial assets not measured at fair value through profit or loss, is increased by transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are presented as expenses of the period in the income statement.

Subsequent to initial recognition, provisions for expected credit losses are recognized for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income, causing an immediate loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, and other highly liquid short-term investments with a maturity of three months or less.

Cash and cash equivalents in accordance with the requirements of IFRS 9 are classified as financial assets measured at amortized cost because they are held to collect contractual cash flows, these cash flows representing only the payment of principal and interest and are not stated at fair value. through the income statement.

Trade and other receivables

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any expected loss.

Trade receivables represent the amounts owed by customers for products sold and goods or services rendered in the ordinary course of business. If collection is expected within a year or less (or during the regular operating cycle, if it lasts longer), it is classified as current assets. Otherwise, they are classified as fixed assets, ie. long-term receivables.

Trade and other payables

Trade payables arise when the counterparty has settled its contractual obligations, and are initially recognized at fair value, while subsequently measured at amortized cost, using the effective interest method.

Trade payables are liabilities paid for goods or services that are procured from suppliers in the ordinary course of business. These liabilities are classified as current liabilities if the payment is due within one year or less (or during the regular operating cycle if it lasts longer). Otherwise, they are classified as long-term liabilities.

Write-off

Write-off of financial assets is performed, in whole or in part, when the Company uses all collection possibilities and concludes that there are no reasonable expectations that the collection can be made, ie. when the Company has no reasonable expectation that it will recover all or part of the financial asset. A write-off is an event of derecognition.

The Company may write off funds that are still in the process of forced collection, where it attempts to collect the funds it claims, and where there is no reasonable expectation that collection will be made.

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6. Financial Instruments (Continued)

Recognition and derecognition

The purchase or sale of financial assets is recognized on the day of the transaction, ie on the day when the Company undertakes to purchase or sell the assets.

Derecognition of financial assets is terminated upon the expiration of the right to cash flows from financial assets, or upon their transfer, whereby the Company transfers substantially all risks and rewards of ownership. Also, a financial asset ceases to be recognized when subsequent changes in the contractual terms of the financial asset result in a significant change in the cash flows from the financial asset.

Financial liabilities are derecognised when the obligation specified in the contract is settled, canceled or expires.

Modification

When contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in derecognition of the financial asset in accordance with IFRS 9, the Company assesses whether the change in contracted cash flows is significant, taking into account the following factors: a significant change in the interest rate or an improvement in the terms of the loan, which significantly affect the credit risk associated with the asset, or a significant extension of the loan repayment period when the borrower has no financial difficulties.

If the changed conditions differ significantly, the cash flow rights from the original assets expire, and the Company ceases to recognize the original financial assets and recognizes the new asset at its fair value.

Any difference between the carrying amount of an asset that has been derecognised and the fair value of a new materially modified asset is recognized in the income statement, unless the substance of the difference relates to equity transactions with owners.

Impairment of financial resources

The Company estimates expected credit losses (ECL) in advance on financial assets measured at amortized cost and fair value through other results and recognizes net impairment losses at each reporting date.

ECL measurement reflects:

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

Financial assets measured at amortized cost and contractual assets are presented in the balance sheet less expected credit losses. For financial assets measured at fair value through other comprehensive income, the expected credit loss is recognized in the income statement, and other changes in value are recognized in other comprehensive income.

Simplified approach to receivables impairment

The Company applies a simplified approach to trade receivables, contractual assets and lease receivables and measures provisions for losses in an amount equal to expected credit losses over the entire life cycle.

The Company uses a provisioning matrix when calculating expected credit losses based on trade receivables.

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6. Financial Instruments (Continued)

Simplified approach to receivables impairment

The Company uses historical credit losses (adjusted based on current data that can be observed to show the effects of current conditions and forecasts of future conditions) for trade receivables to estimate 12-month expected credit losses or expected credit losses over the entire life of financial assets, according to what is applicable.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

Impairment losses are reversed through the income statement if the amount of the impairment loss is reduced, and such a decrease can be attributed to an event occurring after the impairment was recognized.

3.7. Inventories

Cost of materials and goods comprises the purchase price increased by transport and other costs attributable to acquisition.

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). Inventory outflow is recorded using the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.8. Cash and cash Equivalents

Cash and cash equivalents include sight deposits in Dinars and foreign currency in banks, cash on hand, as well as highly liquid assets with the original maturities up to three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. Off-balance Sheet Items

Off-balance sheet assets/liabilities include: leased assets, excluding assets acquired on finance lease, goods on consignment, material received for processing and finishing and other assets not owned by the Company, as well as receivables/payables arising from collaterals, such as guarantees and other warranties.

3.10. Profit Distribution

Distribution of profit to the Company's shareholders is recognized as a liability in the period in which the shareholders approved the above mentioned distribution of profits.

3.11. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized in the amounts representing the best estimate of the expenditure required to settle the present obligation on the balance sheet date (Note 10). The provision charge is recognized in the expenses of the period.

When the effect of the time value of money is significant, the amount of provision is the present value of the outflows required to settle the liabilities, arrived at using the pre-tax discount rate which reflects the current market estimate of the time value of money and risks related to the liability. When discounting is used, the carrying value of a provision is increased in each period, in order to reflect the time flow.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11. Provisions, Contingent Liabilities and Contingent Assets (Continued)

Provisions

This increase is stated as the borrowing cost. Provisions are reviewed as of each balance sheet date and adjusted in order to reflect the best possible present estimate.

If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed and the gain is recognized to the income statement of the current period. Provisions cannot be used for covering the losses of the future periods.

Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

3.12. Employee Benefits

(a) Contributions for Social Security

In accordance with the regulations prevailing in the Republic of Serbia, the Company has an obligation to pay contributions to various state social security funds. These obligations involve the payment of contributions on behalf of the employee and by the employer, in an amount calculated by applying the specific, legally-prescribed rates. The Company is also legally obligated to withhold contributions from gross salaries to employees, and on their behalf to transfer the withheld portions directly to the appropriate state funds. The Company has no legal obligation to pay further benefits due to its employees by the state pension fund upon their retirement.

Tax and contributions payable on behalf of the employee and employer are charged to expenses in the period in which they arise.

(b) Retirement Benefits

The Company provides retirement benefits when retiring. The right to these benefits is usually conditional upon staying an employed person in service up to the age limit for retirement and achieving minimum length of service. Expected costs for these benefits are accumulated during the period of employment.

Retirement benefits on retirement are assessed annually by independent, qualified, actuaries, using the method of a projected credit unit. Costs of previously performed services are recognized in the income statement when they occur, while actuarial gains and losses are recognized in the statement of the remaining result and within equity.

3.13. Foreign Currency Translation

All assets and liabilities denominated in foreign currencies are translated into RSD counter value at the official exchange rates published by the National Bank of Serbia, prevailing at the reporting date (Note 43).

Foreign currency transactions are translated into the functional currency at the official exchange rates in effect at the date of each transaction.

Foreign exchange gains and losses arising upon settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies at the year-end, as well as positive and negative effects of contracted foreign currency clauses related to receivables and liabilities, are recognized in the income statement as a part of financial income (Note 13), i.e. financial expenses (Note 14).

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14. Revenue Recognition

(a) Sales revenue and provision of services

In accordance with IFRS 15, revenue from the sale of products and goods is recognized when the significant risks and rewards of ownership of the goods and goods have been transferred to the customer. Revenues from the sale of products and goods are stated at invoice value less approved discounts and value added tax.

Revenues from the provision of services are recognized in the accounting period in which the service was provided and are stated at invoice value less approved discounts and value added tax.

The Company recognizes revenue from the sale of products, goods and services when it performs a contractual obligation and when it performs a contractual obligation and when it transfers control of products, goods and services. In most contracts, control of products, goods or services passes to the customer at a certain point in time and the fee becomes unconditional.

Revenue is recognized in the amount of the entire transaction. The transaction price represents the amount of the fee that the Company expects to be entitled to in exchange for transferring control of the contracted goods or services to the customer, excluding amounts collected on behalf of third parties.

Revenue is recognized net of value added tax, refunds, rebates and other discounts.

Provide all necessary disclosures on income by type of income, based on which revenue is recognized, deliveries, what are the terms of crediting customers (payment currency), whether there are elements of financing, whether there are advance payments, etc.

The Company is considering whether there are other promises in the contract that represent special performance obligations to which part of the transaction price should be allocated. In determining the transaction price, the Company takes into account the effects of variable fees, the existence of significant financing components, non-monetary fees, as well as the fee paid to the buyer (if any).

Revenues from sales of services

Revenue from the provision of services is recognized in the accounting period in which the services are rendered.

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. When the outcome of a transaction involving the provision of services cannot be measured reliably, revenue is recognized only to the extent of the recoverable eligible expenses recognized.

Variable fee

If the fee under the Agreement includes a variable amount, the Company estimates the amount of the fee to which it will be entitled in exchange for the transfer of the goods to the buyer. The variable remuneration is estimated at the time of concluding the contract and is limited until it becomes very probable that there will be no significant reversal in the amount of recognized cumulative income, when the uncertainty associated with the variable remuneration is subsequently resolved.

Contract acquisition costs

The Company has chosen to take advantage of practical relief for contract costs incurred in connection with contracts that have a depreciation period of less than one year. These costs are incurred as they are incurred.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14. Revenue Recognition (Continued)

Discounts

The Company grants discounts and rebates to customers, both on invoices and subsequently approved. Discounts are treated as a variable fee and are assessed individually at the time of concluding the contract and re-assessed on the trade date. Discounts are calculated at the end of each reporting period.

(b) Interest Income

Interest income comes from interest on funds deposited with banks, as well as default interest charged to customers who are late in fulfilling their obligations, in accordance with the contractual provisions. Interest income is recognized in the period in which the Company obtains the right to receive interest.

(c) Rental Income

Rental income originates from the lease of properties and is accrued on a straight-line basis over the lease period.

(d) Dividend Income

Dividend income is recognized when the right to receive dividend is established.

3.15. Current and Deferred Income Taxes

The income tax for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

Current Income Tax

Current income tax is calculated and paid in accordance with the effective Law on Corporate Income Tax of the Republic of Serbia ("RS Official Gazette", no. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014- other law and 142/2014, 91/2015 - authentic interpretation and 112/2015, 113/2017, 95/2018, 86/2019, 153/2020 and 118/2021) and relevant by-laws.

Income tax is calculated at the rate of 15% (2021: 15%) on the tax base reported in the annual corporate income tax return, and can be reduced by any applicable tax credits.

Pursuant to the Law on Amendments and Supplements to the Corporate Income Tax Law ("RS Official Gazette", no. 108/2013), starting from determining the income tax for 2014, the tax payers will no longer be able to use the tax incentive in the form of a tax credit for investment in fixed assets.

A tax payer that had qualified for the right to a tax incentive by 31 December 2013 may use that right until the expiration of the time limit prescribed by law (not more than ten years).

The tax regulations in the Republic of Serbia do not envisage that any tax losses of the current period can be used to recover taxes paid within a specific previous period. Losses of the current period may be transferred to the account of profit determined in the annual tax return from the future accounting periods, but not longer than five ensuing years.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15. Current and Deferred Income Taxes (Continued)

Deferred Income Tax (continued)

Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or settle deferred tax liabilities.

Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forwards of unused tax credits and unused tax losses can be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3.16. Related Party Disclosures

For the purpose of these financial statements related legal entities are those entities when one legal entity has a possibility to control another entity or has the right to govern the financial and business operations of the entity, as defined by IAS 24 "Related Party Disclosures".

Relations between the Company and its related parties are regulated at contractual basis and under market conditions. Outstanding balances of receivables and liabilities at the reporting date, as well as transactions occurred during the reporting periods with related parties are disclosed separately in notes to the financial statements (Note 40).

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

In the ordinary course of business, the Company is exposed to a different extent to a variety of financial risks: market risk, foreign exchange risk, credit risk and liquidity risk.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is performed by the financial department of the Company pursuant to accounting policies adopted by the General Meeting. There were no changes in the risk management policies during the year ended December 31st 2022.

4.1. Financial Risk Factors

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument shall be variable due to changes in market prices. Market risk includes three kinds of risks, as follows:

Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to EUR. Foreign exchange risk arises from future commercial transactions, and recognized assets and liabilities in foreign currencies.

Management has set up a policy to manage its foreign exchange risk against its functional currency. The Company has receivables and liabilities denominated in foreign currencies, therefore timely matching of inflows and outflows in the same currency as a protection from currency risk has been maximized.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (Continued)

4.1. Financial Risk Factors (Continued)

(a) Market Risk (Continued)

Management has set up a policy to manage its foreign exchange risk against its functional currency. The Company has receivables and liabilities denominated in foreign currencies, therefore timely matching of inflows and outflows in the same currency as a protection from currency risk has been maximized.

Price Risk

The Company is not significantly exposed to equity securities price risk because it does not have investments classified on the balance sheet either as available-for-sale or at fair value through profit or loss.

Interest Rate Risk

The risk of the fair value of the interest rate is very low and can possibly result from the finance lease.

The Company analyses its interest rate exposure on a dynamic basis, taking into consideration alternative resources of financing and refinancing, primarily for long-term borrowings as they represent the most sensitive interest-bearing position.

(b) Credit Risk

Credit risk is the risk that the credit beneficiaries will not be able to discharge their contractual obligations to the Company. Credit risk primarily arises with respect to trade receivables.

The Company's credit risk exposure arising from trade receivables mostly depends on individual characteristics of each individual customer. The Company does not have significant concentrations of credit risk because the majority of the Company's customers are state-owned companies.

In accordance with the adopted credit policy, the Company analyzes the credit worthiness of each individual customer before offering it the standard sales conditions.

Furthermore, for each customer, the credit limit is established, representing the maximum amount of a receivable before the approval of the General Manager is requested. For the customers whose credit rating does not meet the required conditions, sales is performed solely on the basis of advance payments.

(c) Liquidity Risk

Liquidity risk relates to the risk that the Company will face difficulties in settling its liabilities. The Company manages its assets and liabilities in such a way that it can fulfill its due obligations at all times, without the unacceptable losses and harming its reputation.

Cash flow planning is performed at the level of the Company's business activities and collectively for the Company as a whole.

The Company's Finance Department supervises the liquidity planning with respect to the Company's requirements, in order to secure that the Company always has sufficient amounts of cash to settle its operating needs, as well as to have free space in its undrawn credit arrangements.

The Company has appropriate amount of highly liquid assets (cash and cash equivalents), as well as continuous inflows from the goods sold and services rendered, which are used to settle the liabilities as they come due. The company does not use financial derivatives.

The possible excess of cash from business activities, over the balance of the required amount of current assets, is invested in interest-bearing current accounts, deposits or securities held-for-trading, choosing instruments with the appropriate maturities or with sufficient liquidity which secures enough space, as determined by the above mentioned plan.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions relating to the future. The resulting accounting estimates shall rarely be equal to realized results, as a rule. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful Lives of Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant, and equipment are amortized or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness and adequate changes are made, if required. Changes to estimates can result in significant variations in the carrying value and amounts charged to the income statement in specific periods.

Impairment of Non-financial Assets

At each reporting date the Company's management reviews the carrying amounts of the Company's intangible assets and property, plant and equipment. If there is any indication that such assets have been impaired, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying value, the carrying amount of the asset is reduced to its recoverable amount. An impairment review requires management to make subjective judgments concerning the cash flows, growth rates and discount rates of the cash generating units under review.

Retirement Benefits to Employees

The costs of defined employee benefits payable upon the termination of employment, i.e., retirement in accordance with the legal requirements, are determined based on the actuarial valuation. The actuarial valuation includes an assessment of the discount rate, future movements in salaries, mortality rates and staff fluctuation rate. As these plans are long-term ones, significant uncertainties influence the outcome of the assessment. The actuarial valuation assumptions are disclosed in Note 29 to the financial statements.

Provisions for Litigation

The Company is subject to number of claims incidentals to the normal conduct of its business, relating to and including commercial and employment matters, which are handled and defended in the ordinary course of business. The Company routinely assesses the likelihood of any adverse judgments or outcomes to these matters as well as ranges of probable and reasonable estimated losses. Required provision may change in the future due to new developments and as additional information becomes available.

Matters that are either possible obligations or do not meet the recognition criteria for a provision are disclosed, unless the possibility of transferring economic benefits is remote.

Deferred Tax Assets

Deferred tax assets are recognized for all tax losses to the extent to which taxable profit will be available against which the unused tax losses can be utilized. Significant estimate of the management is necessary to determine the amount of deferred tax assets which can be recognized, based on the period in which it was created and the amount of future taxable profits and the tax policy planning strategy.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

6. REVENUES FROM SALES

Revenues from sales are related to:

	2022.	<i>in RSD 000</i> 2021.
Sales of products and services to parent and subsidiaries legal entities in the domestic market	222,245	212,873
Sales of finished goods and services rendered to domestic Customers	2,662,477	1,978,813
Sales of finished goods and services rendered to foreign Customers	211,301	181,146
Total	3,096,023	2,372,832

7. OTHER OPERATING INCOME

Other operating incomes are related to:

	2022.	<i>in RSD 000</i> 2021.
Income from premiums, subventions, donations, compensations and tax returns	0	0
Income from donations under specified conditions	432,749	433,523
Rental fees income	8,414	8,756
Total	441,163	442,279

8. MATERIAL COSTS

Costs of material are related to:

	2022.	<i>in RSD 000</i> 2021.
Material procurement cost	36,220	40,786
Cost of raw material	579,279	503,351
Cost of other material (overhead)	3,541	5,168
Cost of fuel and energy	14,822	12,893
Cost of spare parts	2,240	1,709
Cost of a one-time write-off of inventory and tools	982	1,134
Total	637,084	565,041

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

9. COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES

Costs of salaries, fringe benefits and other personal expenses are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Costs of salaries and fringe benefits (gross)	637,940	620,600
Taxes and contributions on salaries and benefits	91,606	92,775
The cost of compensation for services contract	2,284	177
Costs of remunerations according to author's contracts	675	1,990
Costs of salaries for temporary contracts	7,212	13,316
Compensations to individuals for other contracts	137	0
Costs of remuneration to members of Management Board and Supervisory Board	5,131	4,728
Other personal expenses remunerations	24,160	14,333
Total	769,145	747,919

10. COSTS OF DEPRECIATION AND PROVISIONS

Costs of depreciation and provisions are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Depreciation costs	33,921	34,026
Costs of provisions during the warranty period	3,034	20,894
Provisions for employee compensations and other benefits	4,862	3,386
Other provisions	9,442	4,071
Total	51,259	62,377

11. OTHER OPERATING EXPENSES

Other operating expenses are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Costs of services used in production process of own costs capitalized	1,811,495	1,299,399
Transport services costs	19,321	18,799
Maintenance costs	14,019	7,416
Rental costs	110	22
Fair costs	3,666	0
Advertising costs	474	157
Other non-production costs	32,445	32,968
Total	1,881,530	1,358,761

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

12. NON-PRODUCTION COSTS

Non-production costs are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Costs of non-production services	17,581	19,755
Representation costs	7,794	3,872
Costs of insurance premiums	2,901	3,448
Costs of payment operations	11,316	8,915
Costs of membership fees	1,968	1,842
Tax costs	10,796	9,829
Contribution costs	790	1,544
Other non-production costs	13,000	5,327
Total	66,146	54,532

13. FINANCIAL REVENUES

Finansijski prihodi se odnose na:

	<i>in RSD 000</i>	
	2022.	2021.
Financial income from parent and subsidiary companies	1,229	8,336
Financial income from other subsidiary companies	7	8
Income from interest (to third parties)	237	130
FX gains (to third parties)	1,226	0
Income from foreign currency clause (to third parties)	921	932
Other financial revenues	8,016	3,052
Total	11,636	12,458

14. FINANCIAL EXPENSES

Financial expenses are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Cost of interest (to third parties)	4,796	5,334
FX losses (to third parties)	2,836	0
Expenses from foreign currency clause (to third parties)	5,782	3,158
Total	13,414	8,492

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

15. OTHER REVENUES

Other revenues are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Gains on sales of Intangible assets and property, plant and equipment	298	0
Collected written-off receivables	0	53,952
Revenues from the effects of hedging which do not fulfill the conditions to be set out in the framework of other comprehensive results	61	23
Income from reduction of liabilities	0	0
Income from abolishing of long-term and short-term provisions	5,890	487
Other income	7,742	7,415
Total	13,991	61,877

16. OTHER EXPENSES

Other expenses are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Losses on writing-offs and disposals of trade receivables and short-term financial investments	80	0
Losses on securities	5,028	0
Other expenses	6,035	3,920
Losses on writing-offs and disposals short term financial investments	87,128	32,843
Total	98,271	36,763

**17. NEGATIVE NET EFFECT ON THE RESULT ON THE BASIS OF OPERATING LOSS
 SUSPENSES**

Negative net effect on the result on the basis of operating losses that is suspended refers to:

	<i>in RSD 000</i>	
	2022.	2021.
Expenses based on corrections of errors from previous years that are not materially significant	2,241	11,885
Total	2,241	11,885

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

18. INCOME TAX

The basic components of income taxes are as follows:

	<i>in RSD 000</i>	
	2022.	2021.
Current income tax	12,672	17,680
Deferred tax income / expense for the period	(282)	(997)
Total	12,390	16,683

Current income tax

Harmonization of gross profit shown in the current income statement with the tax field from the tax balance sheet is shown in the following table:

	<i>in RSD 000</i>	
	2022.	2021.
Tax base	43,723	43,676
Current tax rate	15%	15%
Current income tax	6,558	6,551
Expenses not deductible for tax purposes	6,114	11,129
Harmonization at the consolidated balance	0	0
Tax exemptions after tax credit	0	0
Current income tax	12,672	17,680
Income tax expense (current tax + deferred tax rashod-deferred tax income)	12,390	16,683
The effective tax rate (income tax expense / profit before tax x 100)	28.33%	38.20%

Deferred income taxes

	<i>in RSD 000</i>			
	<i>Income statement</i>		<i>Balance sheet</i>	
	2022.	2021.	2022.	2021.
Deferred tax assets / liabilities				
Balance at beginning of year	997	2,641	2,411	1,414
Temporary differences between the carrying amounts of assets and their tax value	(715)	(1,644)	282	997
Balance at end of year	282	997	2,693	2,411

19. INTANGIBLE ASSETS

Intangibles are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Concession, patent, licence, trademarks and service marks	3,985	4,136
Total	3,985	4,136

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

19. INTANGIBLE ASSETS (Continued)

The trend in intangible assets during 2022 is presented in the following table:

	Concessions, patents, licences and similar rights	Intangible assets in preparation	Total
COST VALUE			
Balance as of January 1st 2021	33,425	0	33,425
New procurement	246	0	246
Activation	0	0	0
Balance as of 31. December 2021.	33,671	0	33,671
New procurement	1,172	0	1,172
Balance as of 31. December 2022.	34,843	0	34,843
ACCUMULATED DEPRECIATION			
Balance as of January 1st 2021	28,266	0	28,266
Current amortization (Note 10)	1,269	0	1,269
Balance as of 31. December 2021.	29,535	0	29,535
Current amortization (Note 10)	1,323	0	1,323
Balance as of 31. December 2022.	30,858	0	30,858
Current value			
- 31. december 2022.	3,985	0	3,985
- 31. december 2021.	4,136	0	4,136

20. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Buildings	117,806	132,236
Plant and equipment	59,916	53,583
Other property, plant and equipment	13,366	13,296
Total	191,088	199,115

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

20. PROPERTY, PLANT AND EQUIPMENT (Continued)

The trend of property, plant and equipment is presented in the following table:

	Buildings	Plant and equipment	Other equipment	PPE under construct ion	Total
COST VALUE					
Balance as of January 1st 2021	651,545	226,662	13,256	0	891,463
Purchase during year	2,598	0	40	17,583	20,221
Transfer from PPE	0	17,583	0	(17,583)	0
Disposals	0	(2,672)	0	0	(2,672)
Balance as of December 31st 2021	654,143	241,573	13,296	0	909,012
Cost value during the year	844	0	70	23,689	24,603
Transfer from PPE	0	23,689	0	(23,689)	0
Disposals	0	(3,088)	0	0	(3,088)
Balance as of December 31st 2022	654,987	262,174	13,366	0	930,527
ACCUMULATED DEPRECIATION					
Balance as of January 1st 2021	506,664	173,149	0	0	679,813
Amortization (Note 10)	15,243	18,783	0	0	34,026
Disposals	0	(3,942)	0	0	(3,942)
Balance as of December 31st 2021	521,907	187,990	0	0	709,897
Amortization (Note 10)	15,274	18,647	0	0	33,921
Disposals	0	(4,379)	0	0	(4,379)
Balance as of December 31st 2022	537,181	202,258	0	0	739,439
Undiscounted value:					
- December 31st 2022	117,806	59,916	13,366	0	191,088
- December 31st 2021	132,236	53,583	13,296	0	199,115

The purchase value of fully depreciated property, plant and equipment at 31 December 2022 is RSD 150,591 thousand.

The increase in the value of fixed assets in 2022 mainly relates to procurement of computer equipment in the amount of RSD 10,486 thousand, office furniture in the amount of RSD 326 thousand, cars in amount of RSD 6,858 thousand, licenses in amount of RSD 1,207 thousand and measuring instruments and devices in the amount of from RSD 5,345 thousand.

The company leases a certain number of cars through financial leasing. The current (unrecorded) value of equipment taken on lease as at 31 December 2022 is RSD 6,858 thousand.

Based on the assessment of the Company's management, there is no indication that the property, plant and equipment on the reporting date is impaired.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

21. LONG TERM FINANCIAL INVESTMENTS

Long term financial investments are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Investments in capital of parent companies and subsidiaries	63,814	63,814
Investments in capital of other associated companies	92	92
Investments in other legal entities and other securities able for sale	6,116	9,026
Other long term investments	1,198	1,299
Trade receivables long-term retention	18,365	7,052
Impairment of long-term financial investments	(13,216)	(13,226)
Balance as of December 31st	76,369	68,057

(i) Investments in capital of subsidiaries:

	2022.	2021.
In stakes	63,814	63,814
Less: Provisions	(7,100)	(7,100)
Balance as of December 31st	56,714	56,714

Equity investments in subsidiaries are related to the shares in the following Business Companies:

Name and headquarters	2022.	2021.
IMP-Automatika ltd.	32,668	32,668
IMP-Računarski sistemi ltd.	21,883	21,883
IMP-Telekomunikacije	1,029	1,029
Idvorski laboratorije ltd.	75	75
IMP-Poslovne usluge ltd.	1,059	1,059
Balance as of December 31st	56,714	56,714

(ii) Equity investments in associated companies

	2022.	2021.
In stakes	92	92
Less: Provisions	0	0
Balance as of December 31st	92	92

Equity investments in associated companies relate to:

Name and headquarters	2022.	2021.	% Participation
Projekt inženjering ltd.	62	62	20
Elektronske transakcije ltd.	11	11	25
Servis inženjering IMP ltd.	9	9	20
IMP-BEEL ltd.	10	10	20
Balance as of December 31st	92	92	

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Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

21. LONG TERM FINANCIAL INVESTMENTS (Continued)

(iii) *Equity investments in other legal entities and other securities available for sale*

	<u>2022.</u>	<u>2021.</u>
In stocks	6,116	9,026
Less: Provisions	<u>(6,116)</u>	<u>(6,126)</u>
Balance as of December 31st	<u>0</u>	<u>2,900</u>

Equity investments in other legal entities relate to:

<u>Name and headquarters</u>	<u>2022.</u>	<u>2021.</u>
Komercijalna banka a.d. Belgrade	<u>0</u>	<u>2,900</u>
Balance as of December 31st	<u>0</u>	<u>2,900</u>

The fair value of other investments that are traded in an active market is determined based on current market value at the time of conclusion of business on December 31st 2022.

(iv) *Other long term financial investments*

Other long-term financial investments include loans to employees for the purpose of purchasing, building apartments for the period of 20 years and an interest rate of 2% per year. The loans are revalued twice a year according to the growth of average monthly earnings without taxes and contributions.

22. INVENTORIES

Inventories are related to:

	<u>2022.</u>	<u>2021.</u>
		<i>in RSD 000</i>
Material	<u>212,344</u>	<u>206,188</u>
Balance as of December 31st	<u>212,344</u>	<u>206,188</u>

23. ADVANCES PAID

Advances paid are related to:

	<u>2022.</u>	<u>2021.</u>
		<i>in RSD 000</i>
Advances paid from one of mutual relations	3,956	22,504
Advances paid for services - domestic	83,361	86,129
Advances paid for services - foreign	6,237	16,809
Provisions for advances paid	<u>(2,241)</u>	<u>(2,241)</u>
Balance as of December 31st	<u>91,313</u>	<u>123,201</u>

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

23. ADVANCES PAID (Continued)

Receivables from paid advances reported at December 31st 2022 in the amount of RSD 93,554 thousand (without correction values claims) are not compliant with the debtors of RSD 0 thousand or 0.00% does not conform mentioned claims, and out of 32 clients, 1 are non-compliant, which is 3.13%

24. RECEIVABLES FROM SALES

Receivables from sales are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Trade receivables - parent companies and subsidiaries	121,529	107,027
Trade receivables - domestic	576,592	239,788
Trade receivables - foreign	198,593	111,464
Other receivables	(228,765)	(167,339)
Balance as of December 31st	667,949	290,940

Movements in allowance for impairment were as follows

	<i>in RSD 000</i>	
	2022.	2021.
Balance at beginning of year	167,339	187,854
Charged during the year	(25,702)	(53,359)
Provisions during the year	87,128	32,844
Balance as of December 31st	228,765	167,339

Receivables from sales recorded at December 31st 2022 in the amount of RSD 896,714 thousand (excluding allowances for impairment) are not compliant with the debtors in the amount of RSD 395,943 thousand or 38,82% does not conform mentioned claims and out of 197 clients, 24 are non-compliant, which is 12,18%.

Concentration of credit risk with respect to receivables are not significant because the Company has a large number of unrelated customers with individually small amounts of debts. Accordingly, the Company does not consider it necessary to make additional provisions for credit risk exposure which exceeds formed allowance for impairment of receivables. Therefore the maximum exposure to credit risk at the reporting date is equal to the net book value of the receivables from the sale.

25. OTHER RECEIVABLES

Other receivables are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Receivables for imports of dependent legal entities	59	59
Receivables for interest and dividends	9,769	28,766
Receivables from employees	492	867
Receivables for compensations to be refunded	3,358	1,822
Receivables for prepaid taxes-other	81	243
Receivables for subscription based on profit tax	3,534	0
Other short-term receivables	139,907	116,568
Value added tax	71,555	20,307
Provisions for other receivables	(27,284)	(26,639)
Balance as of December 31st	201,471	141,993

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Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Current (business) accounts	77,662	120,653
Foreign exchange account	550,164	534,262
Other cash and cash equivalents	1,764	2,024
Balance as of December 31st	629,590	656,939

27. SHORT-TERM ACCRUED AND DEFERRED INCOME

Short-term accruals and deferrals relate to:

	<i>in RSD 000</i>	
	2022.	2021.
Prepaid expenses	5,466	4,417
Receivables for uninvoiced income	114,048	130,544
Other short-term accruals and deferrals	13,844	13,362
Balance as of December 31st	133,358	148,323

28. CAPITAL AND RESERVES

Capital and reserves are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Stakes in limited liability companies	475,634	475,634
Other capital	3,923	3,923
Actuarial gains and losses on defined benefit plans	(38,582)	(30,250)
Gains or losses on available-for-sale securities	0	(9,671)
Retained profit from previous years	152,989	122,337
Retained profit from current year	31,333	26,993
Balance as of December 31st	625,297	588,966

Shares in the company as a limited liability company in the amount of RSD thousand relate to:

	IN RSD 000	Participation in %
The state capital - Government of the Republic of Serbia	475.634	100,00
Total	475.634	100,00

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Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

28. CAPITAL AND RESERVES (Continued)

With the Government of the Republic of Serbia April 17th 2007 the Agreement on the share of state ownership of the means used by the Company. In accordance with the Agreement the Republic of Serbia shall assume all the founding and management rights, while the share of state ownership of the means used by the Company is 100%.

Decision of the Agency for Business Registers No. BD 19647/2014 of March 10th 2014 were executed reconciliation of the basic capital of the Company expressed in the Company to the amount of capital registered with the Register of Business Entities of the Agency for Business Registers and it amounted to RSD 413. 803 thousand on this day.

Decision No. 104241/2014 of December 12th 2014, increase of the capital of the Company in the amount of RSD 61,831 thousand, so that at December 31st 2014. on the amount of RSD 475,634 thousand.

The Company is in 2022 realized net profit of RSD 31,333 thousand.

29. LONG TERM PROVISIONS

Long-term provisions are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Long-term provisions are related to:	78,067	90,389
Long-term provisions are related to:	61,803	49,473
Balance as of December 31st	139,870	139,862

Provisions for the other employee benefits include provisions for redundancy which is measured at the present value of the expected future outflow, using the discount rate that reflects interest on high-quality paper of the values reported in the currency of benefits will be paid. Bearing in mind that in Serbia there is no active market for such bonds have been used in market rates of return on government bonds.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

29. LONG TERM PROVISIONS (Continued)

The principal actuarial assumptions used were as follows:

Serial Number	The assumptions used when making the calculation of provisions for severance pay upon retirement	2022.	2021.
1.	Discount rate	5,00%	1,00%
2.	The estimated rate of growth of average earnings	12,00%	7,00%
3.	Percentage fluctuation	4,90%	3,12%
4.	The amount of severance pays at the time of provisioning	324.003,00	285.936,00
5.	The amount of severance pays in the previous calculation	285.936,00	252.603,00
6.	Total number of employees as at 01. 01. current year	182	193
7.	Total number of employees who left the Company during the year	11	12
8.	Including number of retired workers who received severance pay upon retirement during the year	5	5
9.	The total number of new employees during the year	2	1
10.	Total number of employees at 31/12/2022	173	182
11.	Have there been changes in the general act in terms of provisions to which employees are entitled upon retirement compared to the previous period	No	
12.	Method of recognizing actuarial gains / losses	In its entirety in the period in which they arise	
13.	Have there been changes in the general act in terms of the recognition of provisions for retirement compared to the previous period	No	

The actuarial calculations were used mortality tables for the period 2010 - 2012.

30. LONG TERM LIABILITIES

Long term liabilities are related to:

	2022.	2021.
	<i>in RSD 000</i>	
Long-term loans and borrowings in the country	97,955	99,032
Liabilities from financial leasing	0	0
Balance as of December 31st	97,955	99,032

INSTITUTE MIHAJLO PUPIN Ltd Belgrade has (part of) a loan with Raiffeisen Bank at EUR 800.000,00, with a currency clause and a grace period until 30.06.2024 year, three-month month Euribor plus 2,55% interest.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

31. SHORT-TERM FINANCIAL LIABILITIES

Short-term financial liabilities are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Donations received for reimbursement of expenses	212	328
Donations received - projects in local currency RSD	0	0
Donations received - projects in foreign currency	47,324	74,402
Equipment donations received	991	1,124
Equipment donations received - SAP and NIP	15,007	18,752
Balance as of December 31st	63,534	94,606

32. SHORT-TERM FINANCIAL LIABILITIES

Short-term financial liabilities are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Short term loans – domestic	100,000	0
The part of long-term loans and borrowings that matures up to one year	98,813	103,297
Part of other long-term liabilities maturing in one year	890	1,223
Other short-term financial liabilities	0	0
Balance as of December 31st	199,703	104,520

INSTITUTE MIHAJLO PUPIN Ltd. BELGRADE has (part Ilof) a loan with Raiffeisen Bank in the amount of EUR 501,290.28, with a currency clause and a grace period until June 30, 2022. one-month Euribor plus 1.95% interest.

INSTITUT MIHAJLO PUPIN Ltd. BELGRADE has (part of) a loan with Raiffeisen Bank in the amount of EUR 421,083.85, with a currency clause and a grace period until June 30, 2022. one-month Euribor plus 1.90% interest.

INSTITUTE MIHAJLO PUPIN Ltd. BELGRADE has (part of) a loan with Raiffeisen Bank in the amount of EUR 250,638.27, with a currency clause and a grace period until June 30, 2022. one-month Euribor plus 1.90% interest.

INSTITUTE MIHAJLO PUPIN Ltd. BELGRADE has (part of) a loan with Raiffeisen Bank in the amount of EUR 90,340.75, with a currency clause and a grace period until June 30, 2022. one-month Euribor plus 1.90% interest.

NSTITUTE MIHAJLO PUPIN Ltd. BELGRADE has (part of) a loan with Raiffeisen Bank in the amount of EUR 800.000,00, , with a currency clause and a grace period until June 30, 2024. three-month Euribor plus 2,55% interest.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

33. RECEIVED ADVANCES

Received advances are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Received advances, deposits and caution money	218,376	203,529
Balance as of December 31st	218,376	203,529

Liabilities for received advances, deposits and caution money reported on December 31st 2022 in the amount of RSD 218,376 has been reconciled.

34. TRADE PAYABLES

Trade payables are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Trade payables – parent and subsidiaries – domestic	174,705	171,461
Trade payables – domestic	571,834	174,353
Trade payables – foreign	97,828	175,346
Balance as of December 31st	844,367	521,160

Liabilities to suppliers, expressed on December 31, 2022 in the amount of 844,367 thousand, were not reconciled with creditors in the amount of RSD 44 thousand, or 0,01% of the mentioned liabilities were not harmonized and out of 101 clients, 4 are non-compliant, which is 3,96%.

35. SHORT-TERM PROVISIONS

Liabilities for short - term provisions relate to:

	<i>in RSD 000</i>	
	2022.	2021.
Short-term provisions for the warranty period	528	12,794
Other short-term provisions	9,442	4,071
Balance as of December 31st	9,970	16,865

Notes to the financial statements
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36. OTHER SHORT-TERMS LIABILITIES

Other short-terms liabilities are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Liabilities for net salaries and fringe benefits, except allowances to be refunded	33,171	33,968
Liabilities for taxes on salaries and fringe benefits charged to employees	4,321	4,431
Liabilities for contributions on salaries and fringe benefits charged to employees	9,063	8,954
Liabilities for taxes and contributions on salaries and fringe benefits charged to employer	6,900	7,267
Liabilities for refundable net fringe benefits	2	180
Liabilities for taxes and contributions on refundable fringe benefits charged to employees	1	74
Liabilities for taxes and contributions on refundable fringe benefits charged to employer	1	41
Liabilities for interests and finance costs	739	27
Liabilities to employees	12,646	9,356
Liabilities to members of Management Board and Supervisory Board	274	251
Liabilities to individuals for contracted fees	252	1,541
Other liabilities	52	55
Liabilities based on value added tax and other public revenues	1,223	1,007
Liabilities for income tax	0	489
Balance as of December 31st	68,645	67,641

37. SHORT-TERM ACCRUED AND DEFERRED INCOME

Short-term accruals and deferrals relate to:

	<i>in RSD 000</i>	
	2022.	2021.
Other accruals and deferrals	8,443	5,254
Balance as of December 31st	8,443	5,254

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

38. OFF-BALANCE SHEET EVIDENCE

Off-balance sheet are related to:

	<i>in RSD 000</i>	
	2022.	2021.
Given sureties, guarantees and other rights	802,498	487,045
Assets other entities	3,573	3,573
Liabilities for given sureties, guarantees and other rights	(802,498)	(487,045)
Liabilities for assets in other entities	(3,573)	(3,573)
Balance as of December 31st	0	0

Guarantees in the amount of RSD 802,498 thousand at 31. December 2022 include guarantees of performance bonds issued to suppliers by banks.

39. COURT DISPUTES

Institute „Mihajlo Pupin“ Ltd Belgrad as a bankruptcy creditor

1. Telefonija AD Belgrade

Commercial Court in Belgrade 3. St.71 / 2014 (formerly 6. St.3715/2012)

Bankruptcy proceedings started from the beginning, the reorganization plan prepared in advance was put out of force.

Reported receivable in the amount of: **RSD 1,665,810.72 in the name of the principal debt**
RSD 2,217,719.75 in the name of statutory interest.

Recognized claim by the Conclusion of the Commercial Court in Belgrade dated March 24, 2015: RSD **1,665,810.72** in the name of the principal debt and RSD **1,915,113.60** in the name of the statutory interest rate.

According to information from the Bankruptcy Administration, based on the Decision of the Commercial Court in Belgrade 3.St.71/2014 of 28.02.2020. by which the first partial part of the bankruptcy estate of the bankrupt debtor was determined, the claims of creditors of the first and second paid order were fully settled. In the following period, activities related to the monetization of the remaining property of the bankrupt debtor are forthcoming in order to determine, after cashing out and settlement of different creditors, the available partition for the payment of creditors of the III payment order, in which payment order is also the claim of Institut Mihajlo Pupin Ltd. Belgrade. The bankruptcy proceedings are still ongoing.

2. . Bankruptcy estate - Partner inženjering ltd Belgrade

Commercial Court in Belgrade-8.St.255/2016 (formerly 9.St.4659/2010)

Reported receivable in the amount of: **RSD 8,117,941.21 in the name of the principal debt**
RSD 1,766,046.73 in the name of legal interest.

Recognized claim in full by the Conclusion of the Commercial Court in Belgrade from March 29, 2011. The Commercial Court in Belgrade, after the sale of the bankruptcy debtor as a legal entity on 30.05.2016. suspended on 04.10.2016. bankruptcy over the bankruptcy debtor and continued the proceedings over the bankruptcy estate, new case 8. St.255 / 2016. According to the Main Division, the Institute as a bankruptcy creditor from the III payment order was collected in the percentage of 2.08% of the recognized claim, payment in the amount of 205,894.54 RSD on December 20, 2018.

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

39. COURT DISPUTES (Continued)

According to the notice of the bankruptcy trustee, the bankruptcy proceedings are nearing the end, there are no assets and financial resources, and the account of the bankrupt debtor has been blocked for a long period of time, continuously since 16.05.2022 which on 08.02.2023 is RSD 5,204,920.55. Liabilities significantly exceed potential income, so the conclusion of bankruptcy is expected in the following period.

3. Bankruptcy estate - GOŠA Factory of rail vehicles, passenger and special wagons LTD Smederevska Palanka - in bankruptcy Commercial Court in Požarevac St.3/2020 (formerly 3.st.28/2017)

Reported claim: **RSD 89,280.00 in the name of the principal debt
RSD 58,070.75 in the name of statutory interest**

By the conclusion of the Commercial Court in Požarevac from September 26, 2018. receivable recognized in full. On the 12.11.2019 Court issued a decision which, due to the sale of the bankruptcy debtor as a legal entity suspends the bankruptcy of the bankruptcy debtor, and continues over the bankruptcy estate, new case St.3 / 2020. According to the Main Division, the bankruptcy creditors of the 2nd and 3rd Payment Orders (3rd order - commercial creditors, in which the Institute is a group), were not paid, payment was made to priority creditors of the 1st order - salaries of employees in the amount of 49, 28% of recognized receivables.

According to the notice of the bankruptcy administrator, the key problem in this bankruptcy proceeding is the litigation proceedings with AD ŽELEZNICA SRBIJE and AD SRBIJA VOZ, for the purpose of collecting claims, as well as with the CITY OF BELGRADE regarding the ownership of business premises at Maleševska Street 28 A in Belgrade. According to the judgment of the Commercial Court of Appeal in Belgrade 12.Pž.10479/21 dated 07.12.2022. the legal proceedings with the CITY of BELGRADE have been legally concluded, legal conditions have been created for the monetization of the said property, which is expected in the 4th quarter of 2023.

After monetizing the assets and collecting the claims, the bankruptcy trustee will draw up a draft decision on the final division, and after the legal force of that decision, the available funds will be paid to the creditors in accordance with the Bankruptcy Law, which means that at the very end, if there are funds, the creditors from III will be charged payment order, in which group is the claim of the Institut Mihajlo Pupin Ltd. Belgrade.

Institute „Mihajlo Pupin“ Ltd Belgrad in the capacity of the defendant:

4. Mirković Mara from Belgrade - for the purpose of concluding a lease agreement for an indefinite period of time The Fourth Defendant Institute, now the Third Basic Court in Belgrade 5.P.12256/13

On 18 May 2017, the first-instance court again issued a Decision on the termination of the procedure, the second-instance court accepted the plaintiff's appeal, revoked the decision on the termination of the procedure and returned the case to the first-instance court for retrial.

In the continued procedure, all the proposed evidence was presented and the Institute submitted a request to terminate the procedure until the final conclusion of the procedure before the RGA-Real Estate Cadastre Service - New Belgrade Branch to correct the registration of the right to use the disputed apartment in favor of the Institut Mihajlo Pupin Ltd. Belgrade. The procedure was not terminated on January 24, 2021. The judgment was appealed by the plaintiff, the second defendant Directorate for Building Land and Construction of Belgrade and the fourth defendant Institut Mihajlo Pupin Ltd. Belgrade. The outcome of the dispute is uncertain, because the second-instance court will review the final appeals, among other things, on the legal question - whether the right to use the apartment has been exhausted by one-time disposal or not, and based on that, it will issue a second-instance decision by which it will either cancel the first-instance verdict and return it to the first-instance court for reconsideration, i.e. to judge himself or confirm the first-instance verdict or change it.

The appeal procedure is still ongoing.

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39. COURT DISPUTES (Continued)

**5. Prosecutor: Danijela Maksimović to establish the ownership of the apartment
Higher Court in Belgrade 8.P.2248/2022 (previously at the Third Basic Court in Belgrade
29.P.2769/2022)**

The plaintiff filed the lawsuit on April 13, 2022. to the Third Basic Court in Belgrade, case number 29.P.2769/22, for the purpose of determining the ownership of 1/1 of the apartment at Gandijeva 24/5, and the Third Basic Court in Belgrade, by Decision no. 29.P.2769/22 of 06.09.2022. declared that he was not really competent in the said dispute, because he determined that the value of the dispute is RSD 5,302,843.68, and not RSD 309,739.43 as determined by the lawsuit, and according to the value of the dispute, the High Court in Belgrade is competent for the same. The plaintiff's claim is unfounded because the plaintiff can only be the owner of 15% of the contested apartment based on inheritance from the deceased. Svetlana Maksimović's mother, who was found by the court to have 15% ownership of the disputed apartment, and the plaintiff cannot have more rights to the disputed apartment than her legal predecessor had, i.e. testator (the apartment was the property of the subsidiary company IMP – SENZORI I MERENJA Ltd. Belgrade after whose liquidation the apartment was owned by the founder of this company - Institut Mihajlo Pupin Ltd. Belgrade which was also registered with RGA-Real Estate Cadastre Service - New Belgrade Branch as the owner of the apartment).

It is expected that the High Court in Belgrade will schedule a preliminary hearing.

**INSTITUTE MIHAJLO PUPIN DOO BELGRADE IN THE CAPACITY OF INTERVENTOR ON THE SIDE
OF THE DEFENDANT JP Putevi Srbije (on the basis of the concluded Agreement on the
maintenance of the Toll Collection System on the highways of the Republic of Serbia)**

6. Plaintiffs: Ivković Miloš and Ivković Ilić Dušica for non-material damage compensation RSD 99,000.00 (RSD 40,000.00 plaintiff and RSD 59,000.00 plaintiff) + spp, Defendants: JP Putevi Srbije, Basic Court in Niš, 24.P.2888/20

The Institute was invited by the defendant, JP Putevi Srbije, to be an intervener on the side of the defendant, which the Institute accepted and, in its capacity as an intervenor, contested the claim of the plaintiffs in its entirety, accepting the litigation in the state in which it was at the time of the intervention. He contested the findings and opinions of the expert neuropsychiatrist and submitted evidence to the court - a video of the plaintiff's passing through the toll ramp, during which the ramp descended on the plaintiff's vehicle at the toll station in Nis on January 21, 2020, from which it can be seen that, contrary to the allegations in the lawsuit and expert opinion, the passenger seat is empty, i.e. that the plaintiff was not in the vehicle at the time of the accident, nor was there a minor child in the back seat. The Institute compensated the claimant through the liability insurance policy of the company Dunav osiguranje ado Belgrade for material damage to the vehicle because it was established that the ramp descended on the vehicle due to technical problems in the operation of the toll collection system, which is undisputed, but the right to compensation is disputed in this dispute non-material damages to the plaintiffs due to the fear suffered and that the plaintiff's wife, also the plaintiff in this dispute, and a minor child were in the vehicle at the time of the accident. On February 14, 2022. the main hearing was concluded and first-instance Verdict 24.P.2888/2020 dated 02.14.2022 was issued. in which he completely rejected the claim of the plaintiffs. Only the prosecutor Miloš Ivković filed an appeal against the verdict, which made the rejection verdict against the second plaintiff Ivković Ilić Dušica legally binding. The Institute filed a response to the appeal, refuting it on all grounds. The appeal will be decided by the High Court in Nis, a second-instance decision of the court is expected.

The appeal procedure is still ongoing.

**7. Nataša Petrović from Čačak for damages RSD 50,000.00 + spp
Defendant JP Putevi Srbije, Basic Court in Čačak P.7097/21**

The institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Preljina toll station on August 28, 2021. on the Prosecutor's vehicle, included as an intervener. As it was determined that there was no fault on the part of the Prosecutor in the occurrence of the damage, after reviewing the recordings obtained from JP Putevi Srbije, the Out-of-court settlement no. 791/1-22 of March 28, 2022. before the first hearing for the main hearing, which is scheduled for March 29, 2022. in order to reduce the costs of the procedure and after receiving the Institute's payment in the amount of RSD 71,900.00 on 28.03.2022.(main debt and the costs of the procedure, the plaintiff waived the demand for

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39. COURT DISPUTES (Continued)

the payment of statutory default interest), The plaintiff waived the claim, and the Basic Court in Čačak on March 29, 2022 rendered a Judgment based on the waiver of claim no. 9.P.7097/21.
The case is closed.

**8. Nemanja Popović from Belgrade for damages RSD 82,500.00 + spp
Defendant JP Putevi Srbije, First Basic Court in Belgrade 81.P.48165/21**

The institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Preljina toll station on August 28, 2021. on the Prosecutor's vehicle, included as an intervener. As it was determined that there was no fault on the part of the Prosecutor in the occurrence of the damage, after reviewing the recordings obtained from JP Putevi Srbije, the Out-of-court settlement no. 354/1-22 of 07.02.2022. before the first hearing for the main hearing scheduled for March 29, 2022. no. 354/1-22 of 07.02.2022. which was paid on February 8, 2022. in the amount of RSD 96,700.00 (principal debt and costs of the procedure, the plaintiff waived the demand for statutory default interest). The prosecutor withdrew the lawsuit on February 11, 2022. and the Court on 14.04.2022. issued a Decision on the withdrawal of the lawsuit.

The case is closed.

**9. DELTAGRAF DOO SMEDEREVO for damages 160,000.00 dinars + spp.
Defendant JP Putevi Srbije, Commercial Court in Belgrade 2.P.2073/21**

The Institute is not an intervenor in this dispute because the court did not issue a ruling on interference, but it provided the defendant - JP Putevi Srbije with complete documentation on the refusal to pay damages to the plaintiff here by the Company Dunav osiguranje ado Belgrade on the basis of the Institute's liability insurance policy because based on the video obtained JP Putevi Srbije determined that the driver - here the Prosecutor is to blame for the damage caused. The court, by its first-instance verdict dated 06.04.2022. partially accepted the Plaintiff's claim in the amount of RSD 102,578.00 with statutory default interest starting from 04/06/2022. until the final payment and in the amount of RSD 95,452.00 for the costs of the procedure, and refused the remaining part of RSD 43,962.00 with the associated interest. Both the Prosecutor and the Defendant filed an appeal against the verdict, the second-instance decision is awaited. The appeal procedure is still ongoing. Although the Institute is not a party or intervener in this proceeding, the second-instance decision could return the case to the first-instance court for a new decision, when the Institute could, if the Defendant invites it to interfere, join the litigation at the stage in which it is in the capacity of an intervener.

**10. Goran Savić from Novi Sad for damages RSD 151,870.15 + spp
Defendant JP Putevi Srbije, First Basic Court in Belgrade 15.P.58542/21**

The Institute was summoned by the defendant - PE Roads of Serbia, to a lawsuit for damages due to the fall of the ramp at the toll station Obrenovac on September 24, 2021. on the Prosecutor's vehicle, include as an intervener. As it was determined that there is no guilt on the part of the Prosecutor in causing the damage, by inspecting the recordings obtained from JP Putevi Srbije, an out-of-court settlement was concluded with the Prosecutor before the first hearing for the main hearing, no. 301 / 1-22 of 02.02.2022. year and paid on 03.02.2022.g. in the total amount of RSD 175,507.55 (RSD 151,870.15 principal debt to the Prosecutor who waived the claim for statutory default interest and RSD 23,637.40 costs of the proceedings to the attorney). The plaintiff withdrew the lawsuit on February 4, 2022. year and corrected the submission 08.02.2022. year, the Court ruled that the lawsuit was withdrawn on 17.02.2022, the case was terminated.

**11. Geodetic shop "Nikola" Veliko Gradište for damages 87,790.67 RSD + spp
Defendant JP Putevi Srbije, First Basic Court in Belgrade 52.P.16852/21**

The Institute was summoned by the defendant - PE Roads of Serbia, to a lawsuit for damages due to the fall of the ramp at the toll station Obrenovac on September 24, 2021. on the Prosecutor's vehicle, included in the capacity of an intervener, to which the Institute agreed, but based on the insight into the recording of the Prosecutor's passage through the Obrenovac toll station on February 17, 2020. it was determined that there is no guilt on the part of the Prosecutor in the occurrence of the damage, the Out-of-Court Settlement

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39. COURT DISPUTES (Continued)

no. 302 / 1-22 dated 2 February 2022. year and paid on 03.02.2022. in the total amount of 112,702.30 RSD (main debt and costs of the procedure, the Prosecutor waived the request for statutory default interest). Although the Institute determined that the First Basic Court in Belgrade is not really competent to resolve this case because it is an entrepreneur and the competent commercial court in Belgrade, as it has not received the Decision on Interference and has not yet become a party to the proceedings, it has not objected. the case would be resolved as soon as possible without further costs. The plaintiff withdrew the lawsuit on February 4, 2022. year and the court is expected to issue a decision that the lawsuit was withdrawn when the case is completed.

12. DDOR NOVI SAD a.d.o. Novi Sad due to recourse debt 45,004.00 RSD + spp, defendant PE Roads of Serbia, Commercial Court in Novi Sad - 10.P.2902/2021

The institute was summoned by the defendant - PE Roads of Serbia, to a lawsuit for recourse debt, ie. recourse for paid compensation for damage due to the fall of the ramp at the toll station Pirot-West on 27.07.2020. per vehicle insured, included as an intervener, and how the recordings from the toll plazas of JP Puteva Srbije are kept, due to the volume of material, only 6 months, and the lack of evidence of guilt on the part of the insured for damages as a prerequisite for successful defense, in order to reduce further costs procedure in which there is no prospect of success on the part of the defendant, the Institute concluded an Out-of-Court Settlement with the Prosecutor 286 / 1-22 on 01.02.2022, paid to the Prosecutor on 02.02.2022. the amount of RSD 60,604.24 (principal debt and costs of litigation, the plaintiff waived the claim for statutory default interest), the plaintiff withdrew the lawsuit and waived the claim on 04.02.2022. year, and the Court on 10.02.2022. passed a Decision on the basis of renunciation, which ended the procedure.

13. Plaintiffs: MR PERCAN Ltd. VETERNIK and Lekić Miloš from Veternik for damages RSD 183,875.98 + spp, Defendants JP Putevi Srbije, Commercial Court in Sremska Mitrovica 3.P.60/2022

The institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Stara Pazova toll station on October 7, 2020. on the Plaintiff's vehicle, included as an intervenor, to which the Institute agreed, but as JP Putevi Srbije no longer had the contested recording due to the passage of time, which is why there was no adequate evidence as to whether the Plaintiff was guilty of damage to the vehicle, in order to reduce further costs of the procedure, the Institute concluded with the Prosecutors the Out-of-court settlement no. 1605/1-22 of June 30, 2022. which was paid on June 30, 2022. in the total amount of RSD 181,890.45 (first plaintiff, the amount of RSD 180,063.23 - principal debt, legal interest and costs of the procedure, to the second plaintiff, RSD 1,827.22, the cost of the rep. fee for the MUP Record, waived part of the claim) After receiving the payment, the plaintiffs waived their claim on July 1, 2022. and the Court on 07.07.2022. issued a Judgment on the basis of renunciation. The case is closed.

14. Plaintiff: CVETKOVIĆ DOO NOVI SAD for damages RSD 161,847.00 + spp, Defendant JP Putevi Srbije, Commercial Court in Sremska Mitrovica 3.P.151/2022

The institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Stara Pazova toll station on March 10, 2022. on the Prosecutor's vehicle, included as an intervener, to which the Institute agreed, but as the first hearing for the main discussion had passed, the Institute was precluded from proposing evidence for the defense, which is why there was no chance of success in the dispute, in order to reduce further costs of the procedure, The Institute concluded with the Prosecutor the Out-of-court settlement no. 1982/1-22 of 15.08.2022. which was paid on August 16, 2022. in the total amount of RSD 227,184.35 (RSD 161,847.40 main debt, RSD 65,336.95 costs of the procedure, the plaintiff waived the demand for interest on the bond). The prosecutor on 18.08.2022. withdrew the lawsuit and the Court on 12.09.2022. issued a Decision by which he determined that the lawsuit was withdrawn. The case is closed.

15. Plaintiff: Triglav osiguranje ADO Belgrade for recourse debt RSD 18,200.00 + spp Defendant JP Putevi Srbije, Commercial Court in Belgrade - 5.P.3537/2022

The Institute was invited by the defendant - JP Putevi Srbije to enter into litigation for recourse debt, i.e. recourse for compensation paid due to the fall of the ramp at the Vrčin toll station on July 12, 2019. on the

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39. COURT DISPUTES (Continued)

insured's vehicle, including as an intervener. As JP Putevi Srbije no longer had the disputed video due to the passage of time, which is why there was no adequate evidence on whether the plaintiff was guilty of damage to the vehicle, in order to reduce further costs of the proceedings, the Institute concluded with the Prosecutor on 16.09.2022. year Out-of-court settlement no. 2246/1-22, which was paid on September 19, 2021. year in the amount of RSD 23,295.11 (RSD 18,200.00 compensation for damages + RSD 5,095.11 interest determined by the lawsuit). The plaintiff on 21.09.2022. renounced the claim in full before the first hearing for the main hearing and requested a corresponding exemption from paying the court fee for the claim and judgment. The court is on September 21, 2022. issued a Judgment on Renunciation. The case is closed.

16. Plaintiff: Zlatiborski konaci Ltd. Pećinci for damages RSD 127,240.00 + spp Defendant JP Putevi Srbije, Commercial Court in Sremska Mitrovica - 2.P.160/2022

The institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Stara Pazova toll station on October 7, 2020. on the Plaintiff's vehicle, included as an intervenor, to which the Institute agreed, but as JP Putevi Srbije no longer had the contested recording due to the passage of time, which is why there was no adequate evidence as to whether the Plaintiff was guilty of damage to the vehicle, in order to reduce further costs of the procedure, the Institute concluded with the Prosecutors on 12.09.2022. Out-of-court settlement no. 2192/1-22, which was paid on September 13, 2022. in the total amount of RSD 142,240.00 (To the plaintiff RSD 127,240.00 in the name of compensation for damages, the plaintiff waived interest on the principal debt and the amount of RSD 15,000.00 for the costs of the procedure to the attorney). The plaintiff on 15.09.2022. waived the claim, and on September 19, 2022. year, the Court issued a Judgment based on the waiver, but as the waiver was made after the first hearing for the main hearing, it did not exempt the parties from court fees, so the Institute on 17.10.2022. year, in accordance with the provisions of Article 3 of the concluded settlement, made an additional payment to the attorney-at-law in the amount of RSD 27,997.00 in the name of owed court fees. The case is closed.

17. Plaintiff: Company Dunav osiguranje ADO Belgrade for recourse debt RSD 194,820.00 + spp Defendant JP Putevi Srbije, Commercial Court in Belgrade - 6.P.3134/2022

The Institute was invited by the defendant - JP Putevi Srbije to enter into litigation for recourse debt, i.e. recourse for compensation paid due to the fall of the ramp at the Merošina toll station on August 28, 2020. on the insured's vehicle, included as an intervener, but as JP Putevi Srbije no longer had the contested recording due to the passage of time, which is why there was no adequate evidence as to whether the plaintiff was guilty of the damage to the vehicle, in order to reduce further costs of the procedure, the Institute concluded an out-of-court settlement with the Prosecutor on September 15, 2022. no. 2263/1-22, which was paid on September 20, 2022. in the amount of RSD 227,029.37 (RSD 194,820.00 in the name of the recourse debt and RSD 32,209.37 in the name of the legal interest determined by the lawsuit). The plaintiff on 29.09.2022. in a submission before the first hearing for the main hearing, waived the claim in its entirety (exemption from paying the court fee for the claim and for the verdict), and the Court on 30.09.2022. issued a Judgment on the basis of renunciation. The case is closed.

18. Plaintiff: PANTIĆ TRANSPORT DOO SIBNICA for damages 104,632.00 RSD + spp, Defendant JP Putevi Srbije, Commercial Court in Belgrade 25.P.4603/2022

The Institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Mali Požarevac toll station on September 5, 2022. on the Plaintiff's vehicle, including as an intervener, to which the Institute agreed. As the inspection of the footage of the Plaintiff's vehicle passing through the disputed toll station, obtained from JP Putevi Srbije, determined that the cause of the ramp fall was a technical problem in the operation of the toll collection system, in order to reduce further costs of the procedure, the Institute concluded with the Plaintiff the Out-of-court settlement no. 2815/1-22 of 15.11.2022. which was paid on November 15, 2022. in the total amount of RSD 113.63200 (RSD 89,632.00 compensation for damages, RSD 15,000.00 expert opinion costs submitted with the lawsuit and RSD 9,000.00 composition of the lawsuit according to AT, the plaintiff waived part of the claim for interest on the amount of damages compensation and expert opinion costs determined in the lawsuit). After receiving the

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39. COURT DISPUTES (Continued)

payment, the plaintiff waived the claim in its entirety on November 15, 2022. year and demanded that the Court, since the waiver of the claim was made before the first hearing for the main hearing, exempt from payment of court fees for the claim and judgment. The court is on 22.11.2022. issued a Judgment on the basis of renunciation.
The case is closed.

**19. Plaintiff: SAVA NEZIVOTNO OSIGURANJE ADO Belgrade for recourse debt RSD 20,300.00 + spp
Defendant JP Putevi Srbije, Commercial Court in Belgrade - 19.P.1368/2022**

The Institute was invited by the defendant - JP Putevi Srbije to enter into litigation for recourse debt, i.e. recourse for compensation paid due to the fall of the ramp at the Velika Plana toll station 13 days 08/22/2019. on the insured's vehicle, included as an intervener, but as JP Putevi Srbije no longer had the contested recording due to the passage of time, which is why there was no adequate evidence as to whether the plaintiff was guilty of the damage to the vehicle, in order to reduce further costs of the procedure, the Institute concluded an out-of-court settlement with the Prosecutor on May 4, 2022. year no. 1131/1-22, which was paid on May 5, 2022. in the amount of RSD 30,086.02 (RSD 20,300.00 recourse debt, RSD 4,668.20 in the name of legal interest determined by the lawsuit and RSD 5,118.00 litigation costs in the amount of the court fee for the lawsuit). The prosecutor on 06.05.2022. withdrew the lawsuit and claim in its entirety. The court is on 12.05.2022. issued a Decision on the withdrawal of the lawsuit.
The case is closed.

**20. Plaintiff: MILOŠ PETROVIĆ from the village of Tulare for damages of RSD 16,700.00 + spp,
Defendant JP Putevi Srbije, Basic Court in Niš 19.P.103/2022**

The institute was invited by the defendant - JP Putevi Srbije, to sue for damages due to the collapse of the ramp at the Leskovac Center toll station on August 27, 2022. on the Plaintiff's vehicle, including as an intervener, to which the Institute agreed. As a review of the recording of the Plaintiff's vehicle passing through the disputed toll station, obtained from JP Putevi Srbije, it was determined that there is no evidence that would guarantee success in the dispute, bearing in mind the value of the litigation, the fact that the competent court in Nis (travel expenses) and the uncertain outcome of the dispute, in order to reduce further costs of the procedure, the Institute concluded with the Plaintiff the Out-of-court settlement no. 1285/1-22 of 05/24/2022. which was paid on May 31, 2022. in the total amount of RSD 34,268.00 (RSD 16,700.00 compensation for damages to the plaintiff and RSD 17,568.00 to the attorney-at-law for the costs of the procedure, which include RSD 9,000.00 for the composition of the lawsuit and RSD 6,000.00 for access to I unmaintained court under AT and RSD 2,568.00 court fee for the lawsuit, The plaintiff waived part of the claim for the payment of interest determined by the claim). After receiving the payment, the plaintiff waived the claim in its entirety on June 1, 2022. and the Court on 03.06.2022. issued a Judgment on the basis of renunciation.
The case is closed.

**21. Plaintiff: NEBOJŠA DMITROVIĆ from Gornji Milanovac for compensation of RSD 60,000.00 + spp,
Defendant JP Putevi Srbije, Basic Court in Gornji Milanovac 5.P.21/2022**

The Institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Takovo toll station on September 12, 2020. on the Plaintiff's vehicle, including as an intervener, to which the Institute agreed. As JP Putevi Srbije no longer had the disputed recording due to the passage of time, which is why there was no adequate evidence on whether the plaintiff was guilty of damage to the vehicle, in order to reduce further costs of the procedure, the Institute concluded an out-of-court settlement with the plaintiff on 05/10/2022. no. 1177/1-22, which was paid on May 11, 2022. in the total amount of RSD 58,300.00 (RSD 45,000.00 damages to the Plaintiff and RSD 13,300.00 to the attorney-in-fact for the costs of the proceedings, which include RSD 9,000.00 for the composition of the claim and RSD 4,300.00 for the court fee for the claim, the Plaintiff waived part of the claim for the payment of compensation for non-material damages). Upon receiving the payment, the plaintiff waived the claim in its entirety on May 12, 2022. and the Court on 13.05.2022. issued a Judgment on the basis of renunciation.
The case is closed.

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39. COURT DISPUTES (Continued)

**22. 29. ΦEBRUAR Ltd. Novi Sad for damages RSD 60,602.00 + spp
Defendant JP Putevi Srbije, Commercial Court in Novi Sad - 12.P.909/2022**

The institute was invited by the defendant - JP Putevi Srbije to sue for damages due to the fall of the ramp at the Kovilj toll station on July 11, 2022. around 10:20 a.m. to the Prosecutor's vehicle, including as an intervener, to which the Institute agreed. As the inspection of the footage of the Plaintiff's vehicle passing through the disputed toll station, obtained from JP Putevi Srbije, determined that the cause of the ramp fall was a technical problem in the operation of the toll collection system, in order to reduce further costs of the procedure, the Institute concluded with the Plaintiff on 26.12.2022. year Out-of-court settlement no. 3290/1-22, which was paid to the attorney's attorney's account, according to the power of attorney, on December 27, 2022. in the total amount of RSD 100,602.00 (RSD 50,602.00 in the name of compensation for damages, RSD 9,240.00 in the name of compensation for lost car days according to the opinion of the expert, RSD 760.00 in the name of the cost of obtaining the official note of the MUP and the amount of RSD 40,000.00 in the name of the costs of the litigation of the procedure, which include RSD 9,000.00 for the composition of the lawsuit, RSD 6,000.00 for access to 1 non-held hearing according to AT and RSD 25,000.00 for the cost of the expert opinion for the report submitted with the lawsuit, the plaintiff waived the part of the lawsuit claim that referred to the statutory default interest, determined by the lawsuit). The plaintiff on 28.12.2022. waived the claim in its entirety and requested exemption from paying court fees because the waiver was made before the end of the first hearing for the main hearing, withdrew the lawsuit on June 16, 2021, and the Court issued a Judgment on January 11, 2023 based on the waiver. The case was concluded in 2023.

**23. T Plaintiff: Company Dunav osiguranje ADO Beograd for recourse debt RSD 63,457.00 + spp
Defendant JP Putevi Srbije, Commercial Court in Belgrade-2.PL.405/2022 (the case was transferred to litigation no. 10.P.56 /2023)**

The Institute was invited by the defendant - JP Putevi Srbije to enter into litigation for recourse debt, i.e. recourse for compensation paid due to the fall of the ramp at the Vrčin toll station on May 31, 2021. on the insured's vehicle, including as an intervener, to which the Institute agreed. As JP Putevi Srbije no longer had the contested recording due to the passage of time, which is why there was no adequate evidence on whether the plaintiff was guilty of damage to the vehicle, in order to reduce further costs of the procedure, the Institute agreed with the plaintiff on 01.24.2023. concluded the out-of-court settlement dated no. 176/1-23, which was paid on January 26, 2023. in the amount of RSD 74,763.79 (RSD 63,457.00 recourse debt, RSD 7,708.00 court fee for the lawsuit, i.e. for the issuance of a payment order and RSD 3,598.79 in the name of the legal interest determined by the lawsuit). The plaintiff on 01.02.2023. withdrew the lawsuit and claim in its entirety (exemption from payment of the court fee for the verdict), and the Court on 02.03.2023. issued a Decision that the lawsuit was withdrawn. The case was concluded in 2023.

24. Plaintiff: BORIVOJ JANJIĆ PR MEAT PROCESSING AND CANNING TRADE AND SERVICES BUTCHER JANJIĆ ŠID, from Šid for compensation of damages RSD 49,270.00 + spp, Defendant JP Putevi Srbije, Basic Court in Šid 1.P.205/2022

The institute has been invited by the defendant - JP Putevi Srbije, to sue for damages due to the fall of the ramp at the Šimanovci toll station on June 20, 2021. around 1:25 p.m. to the Prosecutor's vehicle, including as an intervener, to which the Institute agreed. As JP Putevi Srbije no longer had the contested recording due to the passage of time, which is why there was no adequate evidence on whether the plaintiff was guilty of damage to the vehicle, in order to reduce further costs of the procedure, the Institute sent the plaintiff on 10.02.2023. year, indicating that the lawsuit was actually filed with a non-jurisdictional court (for entrepreneurs from Šid, the Commercial Court in Sremska Mitrovica is competent) and that the amount of the claim was stated incorrectly (the correct amount is RSD 36,770.00 + RSD 9,000.00 the cost of the procedure for filing a claim under AT) and demanding that the plaintiff waive the part of the claim that refers to the payment of the statutory default interest determined by the claim, because the settlement implies concessions on both sides. The plaintiff's attorney is sick at the time of writing this report, but he has confirmed that he accepts to conclude the out-of-court settlement as proposed, and after its conclusion the same will be paid, and the plaintiff will waive the claim in full before the first hearing for the main hearing and will claim exemption from payment of court fees on the suit and judgment.

**Notes to the financial statements
For the Year Ended December 31st 2022 and 2021**

39. COURT DISPUTES (Continued)

It is expected that the case will be resolved in a very short time, as stated, in 2023.

INSTITUT MIHAJLO PUPIN Ltd. BELGRADE as the plaintiff, represented by lawyer Duško Filipović from Zemun:

25. Plaintiff: INSTITUT MIHAJLO PUPIN Ltd. BELGRADE for eviction from real estate Defendants: Gojko Drobnjaković from Belgrade (tenant of real estate) First Basic Court in Belgrade P.6076/22

On May 6, 2022, a lawsuit was filed for the eviction of the Defendant tenant from the real estate in Valtazar Bogišića street no. 3A, whose registered holder of the right of use with 1/1 of the ideal share is the Institute, as well as for handing over the mentioned immovable property to the Institute. The case is in abeyance according to the Court Decision of 10.10.2022. due to the death of the Defendant on September 16, 2022. On 10.11.2022. after establishing the fact that probate proceedings O.6244/2022 were initiated against the Defendant before the First Basic Court in Belgrade, which was entrusted to notary public Miodrag Glišić, a submission was submitted to establish the fact that the Institute is an interested party in that probate proceeding, because after the end of the estate and the determination of the Plaintiff's heir, the civil proceedings can be continued. The lawyer's report is attached to this Report.

26. Plaintiff: INSTITUT MIHAJLO PUPIN Ltd. BELGRADE for a debt in the amount of RSD 63,800.00 + spp Defendants: Gojko Drobnjaković from Belgrade (tenant of real estate) First Basic Court in Belgrade P.6063/22

On 06.05.2022. In 2008, a debt lawsuit was filed against the Defendant lessee of real estate in Valtazar Bogišića street no. 3A, whose registered holder of the right of use with 1/1 ideal share is the Institute. The case is in abeyance according to the Court Decision of 10.10.2022. due to the death of the Defendant on September 16, 2022. On 10.11.2022. year, after establishing the fact that probate proceedings O.6244/2022 were initiated against the Defendant before the First Basic Court in Belgrade, which was entrusted to notary public Miodrag Glišić, a submission was submitted to establish the fact that the Institute is an interested party in that probate proceeding, because after the end of the estate and the determination of the Plaintiff's heir, the civil proceedings can be continued. The lawyer's report is attached to this Report.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

40. TRANSACTIONS WITH RELATED PARTIES

In its regular business, the Company realizes business transactions with its dependent legal entities and other related parties.

(a) Income and expenses from sales / purchases of goods / services

The following transactions were conducted with related parties:

	<u>2022.</u>	<u>2021.</u>
(a) Sales of goods and services		
IMP-Automatika Ltd, Belgrade	181,072	189,032
IMP Automatika-Security Ltd, Belgrade	184	127
IMP Racunarski sistemi Ltd, Belgrade	34,420	16,957
IMP Telekomunikacije Ltd, Belgrade	5,188	5,509
Idvorski laboratorije Ltd, Belgrade	1,033	963
IMP Poslovne usluge Ltd, Belgrade	348	285
Total	<u>222,245</u>	<u>212,873</u>

Products and services are sold at prices and terms that would be available to third parties.

	<u>2022.</u>	<u>2021.</u>
(b) Procurement of goods and services		
IMP-Automatika Ltd, Belgrade	205,614	167,768
IMP Racunarski sistemi Ltd, Belgrade	488,261	385,375
IMP Telekomunikacije Ltd, Belgrade	115,335	200,556
Idvorski laboratorije Ltd, Belgrade	0	0
IMP Piezotehnologija Ltd, Belgrade	14	24
IMP Poslovne usluge Ltd, Belgrade	29,420	30,078
Total	<u>838,644</u>	<u>783,801</u>

Goods and services are purchased in accordance with the normal course of business.

For 2022 study was conducted on transfer pricing and consequently are made appropriate adjustments for tax purposes.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

39. TRANSACTIONS WITH RELATED PARTIES (Continued)

(c) Balances receivable / payable at the end of the year arising from sales / purchases of goods / services

	2022.	2021.
Receivables from sales		
(Note 24)		
IMP-Automatika Ltd, Belgrade	89,867	75,837
IMP Racunarski sistemi Ltd, Belgrade	1,042	611
IMP Telekomunikacije Ltd, Belgrade	103	64
IMP Piezotehnologija Ltd, Belgrade	30,483	30,483
IMP Poslovne usluge Ltd, Belgrade	34	32
	<u>121,529</u>	<u>107,027</u>
Less: Allowance for impairment	<u>(54,593)</u>	<u>(54,593)</u>
Total	<u>66,936</u>	<u>52,434</u>
Receivables from interest and dividend		
(Note 25)		
IMP-Automatika Ltd, Belgrade	9,764	22,764
IMP Poslovne usluge Ltd, Belgrade	0	6,000
	<u>9,764</u>	<u>28,764</u>
Total	<u>9,764</u>	<u>28,764</u>
Short-term financial investments		
IMP – PIEZOTEHNOLOGIJA Ltd. Belgrade	14,607	14,607
IMP – AUTOMATIKA Ltd. Belgrade	66,000	0
	<u>80,607</u>	<u>14,607</u>
Less: Allowance for impairment	<u>(14,607)</u>	<u>(14,607)</u>
IMP Piezotehnologija Ltd, Belgrade		
Total	<u>66,000</u>	<u>0</u>
Liabilities from business		
(Note 34)		
IMP-Automatika Ltd, Belgrade	32,170	23,725
IMP Racunarski sistemi Ltd, Belgrade	122,917	49,943
IMP Telekomunikacije Ltd, Belgrade	15,529	90,852
IMP Poslovne usluge Ltd, Belgrade	4,089	6,941
	<u>174,705</u>	<u>171,461</u>
Total	<u>174,705</u>	<u>171,461</u>

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

41. FINANCIAL INSTRUMENTS

Capital Risk Management

The objective of capital management, the Company's ability to continue its operations for an indefinite period in the foreseeable future in order to preserve capital structure to reduce the cost of capital, and the owners provide a return on capital. The Company monitors capital based on the gearing ratio which is calculated as the ratio of net indebtedness of the Company and its total capital.

Persons who control the finances at the level of the Company's capital structure are examined annually.

Indicators indebtedness of the Company as at year end were as follows:

	<i>in RSD 000</i>	
	2022.	2021.
Debt a)	297,658	203,552
Cash and cash equivalents	(629,590)	(656,939)
Net debt	(331,932)	(453,387)
Equity b)	625,297	588,966
Debt equity ratio	0,53	0,77

a) Debt relates to long-term and short-term liabilities

b) Equity comprises founding capital, revaluation reserves, unrealized losses on securities available for sale and accumulated profit.

Significant accounting policies regarding financial instruments

Details of significant accounting policies, as well as criteria and basis for recognition of revenues and expenses for all categories of financial assets and liabilities are disclosed in Note 3 of these financial statements

Categories of financial instruments

	<i>in RSD 000</i>	
	2022.	2021.
Financial Assets		
Long term financial investments	76,369	68,057
Receivables from sales	667,949	290,940
Other receivables	201,471	141,993
Short-term financial investments	66,000	0
Cash and cash equivalents	629,590	656,939
	1,641,379	1.157,929
Financial Liabilities		
Long-term liabilities	(97,955)	(99,032)
Short-term financial liabilities	(199,703)	(104,520)
Trade payables without received advances	(844,367)	(521,160)
Other liabilities	(68,645)	(67,641)
	(1,210,670)	(792,353)

Translation disclaimer: The English version is a translation of the original In Serbian for information purposes only. In case of discrepancy, the Serbian version will prevail.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

41. FINANCIAL INSTRUMENTS (Continued)

The main financial instruments of the Company are cash and cash equivalents, receivables, liabilities based on long-term and short-term loans, liabilities to suppliers and other liabilities whose basic names are financing the current operations of the Company. In normal business conditions the Company is exposed to the following risks.

Purpose of managing financial risks

Financial risks comprise market risk (currency risk and interest rate risk), credit risk and liquidity risk. Financial risks are recognized on timely basis and managed by decreasing of exposure of the Company to those risks. The Company doesn't use any hedge instruments in way to decrease exposure to financial risks because these instruments are not widely used and there is no active market for these instruments in the Republic of Serbia.

Market risk

The Company is exposed to financial risk from movements of currency exchange rates and interest rates.

Exposure to market risk is recognized through sensitivity analyses. There are no significant changes in the Company exposure, managing and measurement of market risk.

Currency risk

The Company is exposed to currency risk through trade payables which are nominated in foreign currency. The Company doesn't use any hedge instruments to manage currency risk because they are not adopted in business practice in Republic of Serbia.

The stability of economic environment in which the Company operates, is depending on government measures and law and legislation environment.

Book value of monetary assets and liabilities nominated in foreign currency at the date of reporting is following:

		IN RSD 000	
	Assets	Liabilities	
	December 31st 2022.	December 31st 2021.	December 31st 2022.
			December 31st 2021.
	748,757	656,058	(395,486)
In currency			(378,898)
	748,757	656,058	(395,486)
			(378,898)

The company is sensitive to changes in the exchange rate of the euro and the dollar (EUR and USD). The following table presents the details of the analysis of the Company's sensitivity to the increase and decrease of 10% of the dinar exchange rate in relation to the given foreign currencies. The sensitivity rate is used in the internal presentation of foreign exchange risk and represents management's assessment of reasonably expected changes in foreign exchange rates. The sensitivity analysis includes only outstanding receivables and liabilities denominated in foreign currencies and adjusts their translation at the end of the period for a change of 10% in foreign exchange rates. A positive number from the table indicates an increase in the results of the current period in cases of weakening of the dinar in relation to the currency in question. In the case of a 10% strengthening of the dinar against a foreign currency, the impact on the result of the current period would be the opposite of that expressed in the previous case. The main reason for this lies in the fact that the Company has a predominantly short position in foreign currency, and therefore liabilities in foreign currency are far greater than receivables in the same.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

41. FINANCIAL INSTRUMENTS (Continued)

	December 31 st 2022. +10%	December 31 st 2021. +10%	December 31 st 2022. -10%	IN RSD 000 December 31 st 2021. -10%
EUR	12,588	27,716	(12,588)	(27,716)
	<u>12,588</u>	<u>27,716</u>	<u>(12,588)</u>	<u>(27,716)</u>

Interest rate risk

The Company is exposed to fluctuations of interest rate on assets and liabilities for which interest rate is variable. This risk depends on the financial markets and the Company does not have available instruments that would mitigate its impact.

Book value of financial assets and liabilities at the end of reporting period is following:

	2022.	2021.
	<i>in RSD 000</i>	
Financial asset		
<i>Noninterest bearing</i>		
Long-term financial investments	76,369	68,057
Receivables from sales	667,949	290,940
Other receivables	201,471	141,993
Short-term financial investments	66,000	0
Cash and cash equivalents	629,590	656,939
	<u>1,641,379</u>	<u>1,157,929</u>
	<u>1,641,379</u>	<u>1,157,929</u>
Financial liabilities		
<i>Noninterest bearing</i>		
Trade payables without received advances	(844,367)	(521,160)
Other liabilities	(68,645)	(67,641)
	<u>(913,012)</u>	<u>(588,801)</u>
<i>Interest bearing</i>		
Long-term liabilities	(97,955)	(99,032)
Short-term financial liabilities	(199,703)	(104,520)
	<u>(297,658)</u>	<u>(203,552)</u>
Interest rate gap	<u>(297,658)</u>	<u>(203,552)</u>

Sensitivity analysis shows the following text are established based on the exposure to changes in interest rates for non-derivative instruments at balance sheet date. For variable rate obligations, the analysis was prepared assuming that the remaining amount of assets and liabilities at the balance was unchanged throughout the year. Increase or decrease of 1% is, by the management, assessment of reasonably possible changes in interest rates.

	Increase of 1 percentage point 2022.	2021.	Decrease of 1 percentage point 2022.	2021.
	<i>IN RSD 000</i>			
The result for the current year	(2,976)	(2,036)	2,976	2,036

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

41. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

The Company is exposed to credit risk which presents a risk that debtor will not be able to pay his debts in full amount and on due date, which cause financial losses for the Company. Exposure of the Company to credit risk is limited by amount of trade receivables as of balance sheet date. Amount of trade receivables is made from numerous customers.

Liquidity risk

Final responsibility for managing of liquidity risk is on management of the Company who has established corresponding management system for the purpose of long term, medium term and short-term financing as well as liquidity managing. The Company manages liquidity risk by maintaining cash reserves, tracking of estimated and realized cash flow as well as maintaining maturity relation between financial assets and liabilities.

Following table presents book and fair value of financial asset and liabilities as of 31st December 2022 and 31st December 2021.

	December 31st 2022		December 31st 2021	
	Book value	Fair value	Book value	Fair value
Financial asset				
Long-term financial investments	76,369	76,369	68,057	68,057
Trade receivables	667,949	667,949	290,940	290,940
Other receivables	201,471	201,471	141,993	141,993
Short-term financial investments	66,000	66,000	0	0
Cash and cash equivalents	629,590	629,590	656,939	656,939
	1,641,379	1,641,379	1,157,929	1,157,929
Financial liabilities				
Long-term liabilities	(97,955)	(97,955)	(99,032)	(99,032)
Short-term financial liabilities	(199,703)	(199,703)	(104,520)	(104,520)
Trade payables without received advances	(844,367)	(844,367)	(521,160)	(521,160)
Other liabilities	(68,645)	(68,645)	(67,641)	(67,641)
	(1,210,670)	(1,210,670)	(792,353)	(792,353)

Assumptions for assessing current fair value of financial instruments

Having in mind that there is no sufficient market experience, stability and liquidity in buying and selling financial assets and liabilities, as well as lack of available market information that could be used for disclosing fair values of financial assets and liabilities, discounted cash flow method has been used for valuation. When applying this method, interest rates for similar financial instruments are used, in order to obtain relevant assessment of market value of financial instruments on the balance sheet day.

Notes to the financial statements
For the Year Ended December 31st 2022 and 2021

42. EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

After the balance sheet date as of December 31, 2022, no significant changes have occurred in the Company that would have an impact on the Company's financial statements.

43. EXCHANGE RATES

Foreign exchange rates determined on interbank market of foreign currencies and applied for estimation of items in the balance sheet for some of the main currencies are as follows:

	December 31th 2022	IN RSD December 31th 2021
EUR	117,3224	117,5821
USD	110,1515	103,9262
CHF	119,2543	113,6388

In Belgrade,

Date February 28th 2023

**Person responsible for preparing
the Financial Statement**

Ilkencubuk Besne



Legal representative

[Signature]