

**„CENTRALNI REGISTAR, DEPO I KLIRING  
HARTIJA OD VREDSOTI” AD, Belgrade**

**INDEPENDENT AUDITOR’S REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the assembly of shareholders „Centralni registar, depo i kliring hartija od vrednosti“ a.d.,  
Belgrade

### Opinion

We have audited the financial statements of „Centralni registar, depo i kliring hartija od vrednosti“ a.d., Belgrade, (hereinafter referred to as the „Company“), which comprise the balance sheet as at December 31, 2019, 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, 2019, 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.

### 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.

*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. 285-201100000084-52 Sberbank | šifra delatnosti 6920

PKF d.o.o. je članica PKF International Limited familije pravno nezavisnih firmi i ne prihvata bilo kakvu odgovornost i obaveze proistekle delovanjem ili nedelovanjem pojedinačnih članica ili korespondentskih firmi.

PKF d.o.o. 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 of any individual member or correspondent firm or firms.

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### **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.
- 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.

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**INDEPENDENT AUDITOR'S REPORT (Continued)**

**Report on Other Legal and Regulatory Requirements**

The Company is responsible for the preparation of the Annual Business Report, in accordance with the requirements of the Accounting Act of the Republic of Serbia. Our responsibility is to express an opinion on the compliance of the Annual Business Report with the financial statements for the business year 2019. In this regard, our actions are carried out in accordance with international auditing standards 720 - *Auditor's responsibility in relation to other information* in documents containing financial statements that were subject of auditing, and we are limited on the assessment of conformity of the Annual Business report with the financial statements.

In our opinion, the Annual Business Report is consistent with the financial statements which were audited.

Belgrade, March 11<sup>th</sup> 2020

  
Slobodan Škurtić  
Certified auditor  


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**STATEMENT OF FINANCIAL POSITION**

on 31 December  
(in RSD 000)

| Item   | Notes* | 31.12.2019.    | 31.12.2018.    | 01.01.2018.    |
|--|--------|----------------|----------------|----------------|
| SUBSCRIBED CAPITAL UNPAID  |        |                |                |                |
| FIXED ASSETS   |        | 26.729         | 29.112         | 40.526         |
| INTANGIBLE ASSETS  |        | 3.950          | 3.971          | 7.085          |
| Research and development costs   |        |                |                |                |
| Concession, patents, licences, brands and service marks, software and other rights               |        | 3.950          | 3.971          | 7.085          |
| Goodwill   |        |                |                |                |
| Other intangible assets  |        |                |                |                |
| Intangible assets in progress  |        |                |                |                |
| Advances paid for intangible assets  |        |                |                |                |
| PROPERTY, PLANT AND EQUIPMENT  |        | 21.819         | 24.181         | 32.481         |
| Land   |        |                |                |                |
| Buildings  |        |                |                |                |
| Plant and equipment  |        | 17.941         | 19.818         | 27.601         |
| Investment property  |        |                |                |                |
| Other property, plant and equipment  |        | 571            | 571            | 571            |
| Property, plant and equipment under construction   |        |                |                |                |
| Leashold of property, plant and equipment under construction                                     |        | 3.307          | 3.792          | 4.309          |
| Advances for property, plant and equipment   |        |                |                |                |
| NATURAL ASSETS   |        |                |                |                |
| Forests and plantations  |        |                |                |                |
| Livestock  |        |                |                |                |
| Biological assets in progress  |        |                |                |                |
| Advances for natural assets  |        |                |                |                |
| LONG-TERM FINANCIAL INVESTMENTS  |        |                |                |                |
| Investments in capital of parent companies and subsidiaries                                      |        |                |                |                |
| Investments in capital of affiliated entities and Joint Ventures                                 |        |                |                |                |
| Investments in other legal entities and other securities available for sale                      |        |                |                |                |
| Long-term investments in parent companies, subsidiaries and other associated entities - domestic |        |                |                |                |
| Long-term investments in parent companies, subsidiaries and other associated entities - foreign  |        |                |                |                |
| Long-term domestic investments   |        |                |                |                |
| Long-term foreign investments  |        |                |                |                |
| Securities held to maturity  |        |                |                |                |
| Other long-term financial investments  |        |                |                |                |
| LONG-TERM RECEIVABLES  |        | 960            | 960            | 960            |
| Long-term receivables from parent companies and subsidiaries                                     |        |                |                |                |
| Long-term receivables from other associated entities   |        |                |                |                |
| Long-term trade receivables on credit sales  |        |                |                |                |
| Trade receivables from contracts of financial leasing (from sales via financial leasing)         |        |                |                |                |
| Long-term receivables for guarantees   |        |                |                |                |
| Disputed receivables and receivables under litigation  |        |                |                |                |
| Other long-term receivables  |        | 960            | 960            | 960            |
| DEFERRED TAX ASSETS  |        |                |                |                |
| CURRENT ASSETS   |        | 362.539        | 306.891        | 300.462        |
| INVENTORIES  |        | 154            | 75             | 173            |
| Material, spare parts and tools  |        |                |                |                |
| Work and services in progress  |        |                |                |                |
| Finished goods   |        |                |                |                |
| Merchandise  |        |                |                |                |
| Assets held for trading  |        |                |                |                |
| Advances paid for inventories and services   |        | 154            | 75             | 173            |
| RECEIVABLES FROM SALES   |        | 11.752         | 8.262          | 12.242         |
| Trade receivables - domestic parent companies and subsidiaries                                   |        |                |                |                |
| Trade receivables - foreign parent companies and subsidiaries                                    |        |                |                |                |
| Trade receivables - domestic other associated entities   |        |                |                |                |
| Trade receivables - foreign other associated entities  |        |                |                |                |
| Trade receivables - domestic   |        | 11.752         | 8.262          | 12.242         |
| Trade receivables - foreign  |        |                |                |                |
| Other trade receivables  |        |                |                |                |
| RECEIVABLES FROM SPECIFIC BUSINESS OPERATIONS  |        |                |                |                |
| OTHER RECEIVABLES  |        | 7.736          | 11.005         | 9.165          |
| FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME             |        |                |                |                |
| SHORT-TERM FINANCIAL INVESTMENTS   |        | 290.000        | 250.000        | 210.000        |
| Short-term loans and investments in parent companies and subsidiaries                            |        |                |                |                |
| Short-term loans and investments in other associated companies                                   |        |                |                |                |
| Short-term loans and borrowings - domestic   |        |                |                |                |
| Short-term loans and borrowings - foreign  |        |                |                |                |
| Other short-term financial investments   |        | 290.000        | 250.000        | 210.000        |
| CASH AND CASH EQUIVALENTS  |        | 52.232         | 36.846         | 68.273         |
| VALUE ADDED TAX (VAT)  |        |                |                |                |
| PREPAYMENTS AND ACCRUED INCOME   |        | 665            | 703            | 609            |
| ASSETS   |        | <u>389.268</u> | <u>336.003</u> | <u>340.988</u> |
| OFF-BALANCE SHEET ASSETS   |        | 329.156        | 357.595        | 423.757        |

**STATEMENT OF FINANCIAL POSITION**

on 31 December  
(in RSD 000)

| Item   | Notes* | 31.12.2019. | 31.12.2018. | 01.01.2018. |
|--|--------|-------------|-------------|-------------|
| CAPITAL  |        | 379.567     | 331.330     | 335.936     |
| BASIC CAPITAL  |        | 190.178     | 190.178     | 190.178     |
| Share capital  |        | 165.870     | 165.870     | 165.870     |
| Stakes in limited liability companies  |        |             |             |             |
| Stakes   |        |             |             |             |
| State owned capital  |        |             |             |             |
| Socially owned capital   |        |             |             |             |
| Stakes in co-operatives  |        |             |             |             |
| Share issuing premiums   |        |             |             |             |
| Other basic capital  |        | 24.308      | 24.308      | 24.308      |
| SUBSCRIBED CAPITAL UNPAID  |        |             |             |             |
| OWN SHARES AND STAKES PURCHASED  |        |             |             |             |
| RESERVES   |        | 46.756      | 46.301      | 44.929      |
| REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT            |        | 950         | 1.668       | 1.909       |
| UNREALIZED GAINS IN SECURITIES AND OTHER COMPONENTS OF STATEMENT OF OTHER COMPERHESIVE INCOME  |        |             |             |             |
| UNREALIZED LOSSES IN SECURITIES AND OTHER COMPONENTS OF STATEMENT OF OTHER COMPERHESIVE INCOME |        |             |             |             |
| RETAINED PROFIT  |        | 141.683     | 93.183      | 98.920      |
| Retained profit from previous years  |        | 88.173      | 84.070      | 71.480      |
| Retained profit from current year  |        | 53.510      | 9.113       | 27.440      |
| SHARES WITHOUT CONTROL RIGHTS  |        |             |             |             |
| LOSS   |        |             |             |             |
| Previous year's losses   |        |             |             |             |
| Current year loss  |        |             |             |             |
| LONG-TERM PROVISIONS AND LIABILITIES   |        | 2.354       | 2.354       | 2.354       |
| LONG-TERM PROVISIONS   |        | 2.354       | 2.354       | 2.354       |
| Provisions for costs during the warranty period  |        |             |             |             |
| Provisions for recovery of natural resources   |        |             |             |             |
| Provisions for restructuring costs   |        |             |             |             |
| Provisions for employees benefits  |        |             |             |             |
| Provisions for costs of litigation   |        | 2.354       | 2.354       | 2.354       |
| Other long-term provisions   |        |             |             |             |
| LONG-TERM LIABILITIES  |        |             |             |             |
| Liabilities which can be converted into capital  |        |             |             |             |
| Liabilities to parent companies and subsidiaries   |        |             |             |             |
| Liabilities to other associated companies  |        |             |             |             |
| Liabilities for long-term securities   |        |             |             |             |
| Long-term loans and borrowings - domestic  |        |             |             |             |
| Long-term loans and borrowings - foreign   |        |             |             |             |
| Long-term liabilities for financial leasing agreement  |        |             |             |             |
| Other long-term liabilities  |        |             |             |             |
| DEFERRED TAX LIABILITIES   |        | 495         | 228         | 910         |
| SHORT-TERM LIABILITIES   |        | 6.852       | 2.091       | 1.788       |
| SHORT-TERM FINANCIAL LIABILITIES   |        |             |             |             |
| Short-term loans from parent companies and subsidiaries  |        |             |             |             |
| Short-term loans from other associated entities  |        |             |             |             |
| Short-term loans and borrowings - domestic   |        |             |             |             |
| Short-term loans and borrowings - foreign  |        |             |             |             |
| Liabilites for fixed assets and assets from terminating operations held for trading            |        |             |             |             |
| Other short-term financial liabilities   |        |             |             |             |
| RECEIVED ADVANCES, SHORT-TERM DEPOSITS AND CAUTION MONEY                                       |        | 91          | 70          | 70          |
| LIABILITIES FROM BUSINESS OPERATIONS   |        | 854         | 1.238       | 880         |
| Trade payables - parent companies and subsidiaries - domestic                                  |        |             |             |             |
| Trade payables - parent companies and subsidiaries - foreign                                   |        |             |             |             |
| Trade payables - other associated companies - domestic   |        |             |             |             |
| Trade payables - other associated companies - foreign  |        |             |             |             |
| Trade payables - domestic  |        | 835         | 1.196       | 805         |
| Trade payables - foreign   |        | 19          | 42          | 75          |
| Other liabilities from business operations   |        |             |             |             |
| OTHER SHORT-TERM LIABILITIES   |        | 6           |             |             |
| LIABILITIES FOR VALUE ADDED TAX (VAT)  |        | 652         | 748         | 693         |
| LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS, AND OTHER DUTIES                                   |        | 5.249       | 35          | 145         |
| ACCRUALS AND DEFERRED INCOME   |        |             |             |             |
| LOSS EXCEEDING THE AMOUNT OF CAPITAL   |        |             |             |             |
| LIABILITIES  |        | 389.268     | 336.003     | 340.988     |
| OFF-BALANCE SHEET LIABILITIES  |        | 329.156     | 357.595     | 423.757     |

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

These financial statements were approved for publication on 27.02.2020. and were signed by the legal representative CSD OF SERBIA.

ANA JOVANOVIĆ

DIREKTOR

**STATEMENT OF COMPREHENSIVE INCOME**

 in period from 1 January to 31 December  
 (in RSD 000)  
 Positions

**CSD OF SERBIA**

|   | Notes* | 2019.         | 2018.        |
|---|--------|---------------|--------------|
| INCOME AND EXPENSES FROM ORDINARY OPERATING   |        |               |              |
| OPERATING INCOME  |        | 169.656       | 125.078      |
| SALES OF MERCHANDISE  |        |               |              |
| Sales of merchandise to parent companies and subsidiaries - domestic market   |        |               |              |
| Sales of merchandise to parent companies and subsidiaries - foreign market  |        |               |              |
| Sales of merchandise to other associated companies - domestic market  |        |               |              |
| Sales of merchandise to other associated companies - foreign market   |        |               |              |
| Sales of merchandise to domestic customers  |        |               |              |
| Sales of merchandise to foreign customers   |        |               |              |
| SALES OF GOODS AND SERVICES RENDERED  |        | 157.834 ##    | 113.248      |
| Sales of finished goods and services rendered to parent companies and subsidiaries - domestic market                        |        |               |              |
| Sales of finished goods and services rendered to parent companies and subsidiaries - foreign market                         |        |               |              |
| Sales of finished goods and services rendered to other associated entities - domestic market                                |        |               |              |
| Sales of finished goods and services rendered to other associated entities - foreign market                                 |        |               |              |
| Sales of finished goods and services rendered to domestic customers   |        | 157.834       | 113.248      |
| Sales of finished goods and services rendered to foreign customers  |        |               |              |
| INCOME FROM PREMIUMS, SUBVENTIONS, DONATIONS, ETC.  |        |               |              |
| OTHER OPERATING INCOME  |        | 11.822        | 11.830       |
| EXPENSES FROM ORDINARY OPERATING  |        |               |              |
| OPERATING EXPENSES  |        | 117.911       | 122.923      |
| Cost of goods sold  |        |               |              |
| Income from undertaking of outputs and goods for own purposes   |        |               |              |
| Increase of finished goods, work in progress and services in progress   |        |               |              |
| Decrease of finished goods, work in progress and services in progress   |        |               |              |
| Costs of material   |        | 481           | 2.228        |
| Costs of fuel and energy  |        | 2.850         | 2.969        |
| Costs of salaries, fringe benefits and other personal expenses  |        | 72.128        | 67.951       |
| Costs of production services  |        | 21.816        | 20.718       |
| Costs of depreciation   |        | 5.111         | 11.931       |
| Costs of long-term provisions   |        |               |              |
| Non-production costs  |        | 15.525        | 17.126       |
| OPERATING PROFIT  |        | 51.745        | 2.155        |
| OPERATING LOSS  |        |               |              |
| FINANCIAL INCOME  |        | 9.577         | 7.507        |
| FINANCIAL INCOME FROM TRANSACTIONS WITH RELATED PARTIES AND OTHER FINANCIAL INCOME  |        |               |              |
| Financial income incurred with parent companies and subsidiaries  |        |               |              |
| Financial income incurred with other associated companies   |        |               |              |
| Income from share in gains of affiliated entities and Joint Ventures  |        |               |              |
| Other financial income  |        |               |              |
| INCOME FROM INTEREST (RELATED TO THIRD PARTIES)   |        | 9.577         | 7.506        |
| FX GAINS AND INCOME FROM THE EFFECTS OF CURRENCY CLAUSE (RELATED TO THIRD PARTIES)  |        |               | 1            |
| FINANCIAL EXPENSES  |        | 18            | 13           |
| FINANCIAL EXPENSES FROM TRANSACTIONS WITH RELATED PARTIES AND OTHER FINANCIAL EXPENSES                                      |        |               |              |
| Financial expenses incurred with parent companies and subsidiaries  |        |               |              |
| Financial expenses incurred with other associated companies   |        |               |              |
| Expenses for share in loss of affiliated entities and Joint Ventures  |        |               |              |
| Other financial expenses  |        |               |              |
| COSTS OF INTEREST (RELATED TO THIRD PARTIES)  |        | 4             |              |
| FX LOSSES AND LOSSES FOR CURRENCY CLAUSE EFFECTS (RELATED TO THIRD PARTIES)   |        | 14            | 13           |
| PROFIT FROM FINANCIAL ACTIVITIES (FINANCIAL PROFIT)   |        | 9.559         | 7.494        |
| LOSS FROM FINANCIAL ACTIVITIES (FINANCIAL LOSS)   |        |               |              |
| REVENUES FROM VALUE ALIGNMENT OF OTHER ASSETS WHICH ARE VALUED AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME      |        | 1.780         |              |
| EXPENSES FROM VALUE ALIGNMENT OF OTHER ASSETS WHICH ARE VALUED AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME      |        | 112           |              |
| OTHER INCOME  |        | 513           | 1.656        |
| OTHER EXPENSES  |        | 40            | 20           |
| PROFIT FROM ORDINARY OPERATING BEFORE TAXATION  |        | 63.445        | 11.285       |
| LOSS FROM ORDINARY OPERATING BEFORE TAXATION  |        |               |              |
| NET PROFIT FROM TERMINATING OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICES AND EFFECTS OF ERRORS FROM PREVIOUS PERIODS |        |               |              |
| NET LOSS FROM TERMINATING OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICES AND EFFECTS OF ERRORS FROM PREVIOUS PERIODS   |        |               | 55           |
| PROFIT BEFORE TAXATION  |        | 63.445        | 11.230       |
| LOSS BEFORE TAXATION  |        |               |              |
| TAX ON PROFIT   |        |               |              |
| Current Tax   |        | 9.817         |              |
| Deferred tax expense of the period  |        | 118           |              |
| Deferred tax income of the period   |        |               |              |
| Salaries paid to the employer   |        |               |              |
| NET PROFIT  |        | <u>53.510</u> | <u>9.113</u> |
| NET LOSS  |        |               |              |
| NET PROFIT TO BE DESTRIIBUTED TO MINORITY SHAREHOLDERS  |        |               |              |
| NET PROFIT TO BE DESTRIIBUTED TO MAJORITY SHAREHOLDERS  |        |               |              |
| NET LOSS TO BE DESTRIIBUTED TO MINORITY SHAREHOLDERS  |        |               |              |
| NET LOSS TO BE DESTRIIBUTED TO MAJORITY SHAREHOLDERS  |        |               |              |
| EARNINGS PER SHARE  |        |               |              |
| Base earnings per share   |        |               |              |
| Diluted earnings per share (decreased)  |        |               |              |

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



**STATEMENT OF OTHER COMPREHENSIVE INCOME**

in period from 1 January to 31 December  
(in RSD 000)

| Item  | Notes* | 2019.         | 2018.        |
|---|--------|---------------|--------------|
| NET OPERATING PROFIT OR LOSS  |        |               |              |
| NET OPERATING PROFIT OR LOSS  |        | 53.510        | 9.113        |
| NET LOSS  |        |               |              |
| OTHER COMPREHENSIVE PROFIT OR LOSS  |        |               |              |
| Components that will not be a part of Statement of Comprehensive Income in future           |        |               |              |
| Change in value of revaluation of intangibles, property, plant and equipment                |        |               |              |
| Increase in value of revaluation reserves   |        |               |              |
| Decrease in value of revaluation reserves   |        | 718           | 241          |
| <i>Actuarial gains and losses</i>   |        |               |              |
| Gains   |        |               |              |
| Losses  |        |               |              |
| <i>Gains and losses in investments in equity capital instruments</i>                        |        |               |              |
| Gains   |        |               |              |
| Losses  |        |               |              |
| <i>Gains and losses in shares in other comprehensive income of associated entities</i>      |        |               |              |
| Gains   |        |               |              |
| Losses  |        |               |              |
| Components that might be additionally a part of Statement of Comprehensive Income in future |        |               |              |
| <i>Gains and losses from valuating of foreign business financial statements</i>             |        |               |              |
| Gains   |        |               |              |
| Losses  |        |               |              |
| <i>Gains and losses in foreign business net investments</i>                                 |        |               |              |
| Gains   |        |               |              |
| Losses  |        |               |              |
| <i>Gains and losses on hadging instruments</i>  |        |               |              |
| Gains   |        |               |              |
| Losses  |        |               |              |
| <i>Gains and losses in securities available for sale</i>                                    |        |               |              |
| Gains   |        |               |              |
| Losses  |        |               |              |
| OTHER COMPREHENSIVE PROFIT  |        |               |              |
| OTHER COMPREHENSIVE LOSS  |        | 718           | 241          |
| TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS   |        |               |              |
| OTHER COMPREHENSIVE NET PROFIT  |        |               |              |
| OTHER COMPREHENSIVE NET LOSS  |        | 718           | 241          |
| TOTAL COMPREHENSIVE NET INCOME FOR PERIOD   |        |               |              |
| TOTAL COMPREHENSIVE NET PROFIT  |        | <u>52.792</u> | <u>8.872</u> |
| TOTAL COMPREHENSIVE NET LOSS  |        |               |              |
| TOTAL COMPREHENSIVE NET PROFIT OR LOSS  |        |               |              |
| Profit attributable to majority shareholders  |        |               |              |
| Profit attributable to minority shareholders  |        |               |              |

\*Notes refer to individual positions and they are presented

**STATEMENT OF CASH FLOWS**

CSD OF SERBIA

in period from 1 January to 31 December  
(in RSD 000)

| Positions   | Notes* | 2019.          | 2018.          |
|---|--------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |        |                |                |
| Cash inflows from operating activities  |        | 176.913        | 137.137        |
| Sale and received advances  |        | 154.366        | 117.228        |
| Interest received from operating activities                                     |        | 9.074          | 6.401          |
| Other inflows from operating activities   |        | 13.473         | 13.508         |
| Cash outflows from operating activities   |        | 115.361        | 114.315        |
| Payments to suppliers and given advances  |        | 41.253         | 42.807         |
| Salaries and wages  |        | 72.128         | 67.951         |
| Interest paid   |        | 4              | 0              |
| Tax on profit   |        | 1.976          | 3.557          |
| Payments based on other public income   |        | 0              | 0              |
| Net cash inflow from operating activities                                       |        | 61.552         | 22.822         |
| Net cash outflow from operating activities                                      |        | 0              | 0              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |        |                |                |
| Cash inflows from investing activities  |        | 0              | 0              |
| Sale of stocks and shares (net inflows)   |        | 0              | 0              |
| Sale of intangible assets, property, plant, equipment and biological assets     |        | 0              | 0              |
| Other financial investments (net inflows)                                       |        | 0              | 0              |
| Received interest   |        | 0              | 0              |
| Received dividends  |        | 0              | 0              |
| Cash outflows from investing activities   |        | 41.596         | 40.517         |
| Purchase of stocks and shares (net outflows)                                    |        | 0              | 0              |
| Purchase of intangible assets, property, plant, equipment and biological assets |        | 1.596          | 517            |
| Other financial investments (net outflows)                                      |        | 40.000         | 40.000         |
| Net cash inflow from investing activities                                       |        | 0              | 0              |
| Net cash outflow from investing activities                                      |        | 41.596         | 40.517         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |        |                |                |
| Cash inflows from financing activities  |        | 0              | 0              |
| Increase of fixed capital   |        | 0              | 0              |
| Long term loans (net inflows)   |        | 0              | 0              |
| Short term loans (net inflows)  |        | 0              | 0              |
| Other long term liabilities   |        | 0              | 0              |
| Other short term liabilities  |        | 0              | 0              |
| Cash outflows from financing activities   |        | 4.556          | 13.720         |
| Purchase of own stocks and shares   |        | 0              | 0              |
| Long term loans (net outflows)  |        | 0              | 0              |
| Short term loans (net outflows)   |        | 0              | 0              |
| Other liabilities (net outflows)  |        | 0              | 0              |
| Financial leasing   |        | 0              | 0              |
| Paid dividends  |        | 4.556          | 13.720         |
| Net cash inflow from financing activities                                       |        | 0              | 0              |
| Net cash outflow from financing activities                                      |        | 4.556          | 13.720         |
| <b>TOTAL CASH INFLOWS</b>   |        | <b>176.913</b> | <b>137.137</b> |
| <b>TOTAL CASH OUTFLOWS</b>  |        | <b>161.513</b> | <b>168.552</b> |
| <b>NET CASH INFLOW</b>  |        | <b>15.400</b>  | <b>0</b>       |
| <b>NET CASH OUTFLOW</b>   |        | <b>0</b>       | <b>31.415</b>  |
| CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD                                  |        | 36.846         | 68.273         |
| FOREIGN EXCHANGE GAINS FROM CONVERSION OR CASH                                  |        | 0              | 1              |
| FOREIGN EXCHANGE LOSSES FROM CONVERSION OF CASH                                 |        | 14             | 13             |
| CASH AT THE END OF THE ACCOUNTING PERIOD  |        | <u>52.232</u>  | <u>36.846</u>  |

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

**STATEMENT OF CHANGES IN EQUITY**

in period from 1 January to 31 December  
(in RSD 000)

| Positions   | Notes* | Components of capital |                           |          |      |                      |                 | Components of other income |                            |   |   |  |   | Total capital | Loss exceeding the amount of capital |   |
|---|--------|-----------------------|---------------------------|----------|------|----------------------|-----------------|----------------------------|----------------------------|---|---|--|---|---------------|--------------------------------------|---|
|   |        | Basic capital         | Subscribed unpaid capital | Reserves | Loss | Own shares purchased | Retained profit | Revaluation reserves       | Actuarial gains and losses | Gains and losses in investments in equity capital instruments | Gains and losses in shares in other comprehensive income of associated entities | Gains and losses from valuating of foreign business financial statements | Gains and losses on hedging instruments |               |                                      | Gains and losses in securities available for sale |
| Opening balance on 01 January 2018                                  |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Account debit balance   |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Account credit balance  |        | 190.178               |                           | 44.929   |      |                      | 98.920          | 1.909                      |                            |   |   |  |   |               |                                      | 335.936   |
| Correction of material misstatements and accounting politic changes |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Changes on debit side of an account                                 |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Changes on credit side of an account                                |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Corrected opening balance on 01 January 2018                        |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Corrections on debit side of an account                             |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Corrections on credit side of an account                            |        | 190.178               |                           | 44.929   |      |                      | 98.920          | 1.909                      |                            |   |   |  |   |               |                                      | 335.936   |
| Changes in the previous year  |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Balance on the debit side of an account                             |        |                       |                           |          |      |                      | 27.440          | 241                        |                            |   |   |  |   |               |                                      |   |
| Balance on the credit side of an account                            |        |                       |                           | 1.372    |      |                      | 21.703          |                            |                            |   |   |  |   |               |                                      |   |
| Ending balance of the previous year on 31 December 2018             |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Account debit balance   |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Account credit balance  |        | 190.178               |                           | 46.301   |      |                      | 93.183          | 1.668                      |                            |   |   |  |   |               |                                      | 331.330   |
| Correction of material misstatements and accounting politic changes |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Changes on debit side of an account                                 |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Changes on credit side of an account                                |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Corrected opening balance current year on 01 January 2019           |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Corrections on debit side of an account                             |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Corrections on credit side of an account                            |        | 190.178               |                           | 46.301   |      |                      | 93.183          | 1.668                      |                            |   |   |  |   |               |                                      | 331.330   |
| Changes in the current year   |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Balance on the debit side of an account                             |        |                       |                           |          |      |                      | 9.113           | 876                        |                            |   |   |  |   |               |                                      |   |
| Balance on the credit side of an account                            |        |                       |                           | 455      |      |                      | 57.613          | 158                        |                            |   |   |  |   |               |                                      |   |
| Ending balance of the current year on 31 December 2019              |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Account debit balance   |        |                       |                           |          |      |                      |                 |                            |                            |   |   |  |   |               |                                      |   |
| Account credit balance  |        | 190.178               |                           | 46.756   |      |                      | 141.683         | 950                        |                            |   |   |  |   |               |                                      | 379.567   |

\*Notes refer to individual positions and they are presented