



Under Article 50 of the Law on Capital Market ("Official Gazette of the Republic of Serbia", No. 31/2011, 112/2015, 108/2016 and 9/2020), and under the Rulebook on the content, form, and manner of publishing annual, semi-annual and quarterly reports of public companies ("Official Gazette of the Republic of Serbia", No. 14/2012, 5/2015 and 24/2017), Joint Stock Company Belgrade Nikola Tesla Airport publishes:

The annual report for the year 2020



Contents of the report

1. Financial statement:

- Income statement for the period I-XII 2020;
- Balance sheet as of 31st December 2020;
- Report on other results for the period I-XII 2020;
- Report on changes in equity for the period I-XII 2020;
- Report on cash flows for the period I-XII 2021;
- Notes to the financial statements as of 31st 2020.

2. Audit report and financial report for 2020

3. Business report for the period I-XII 2020

4. Statement

Note: The Annual Report for the year 2020 has not been adopted yet by the Assembly, as the competent body of JSC Airport Nikola Tesla Belgrade.

Under Article 51 of the Law on Capital Market, JSC Airport Nikola Tesla Belgrade will within seven days from the date of the Assembly meeting, publish the Decision on adoption of the Annual Financial Report for the year of 2020, the Decision on adoption of the auditor's report for the Annual Financial Report for the year of 2020, the Decision on the adoption of the Business Report for the year of 2020 and the Decision on the distribution of profits and loss coverage

**JSC AIRPORT NIKOLA TESLA BELGRADE
FINANCIAL STATEMENTS**

As of 31st December 2020

- 1. INCOME STATEMENT for the period I-XII 2020;**
- 2. BALANCE SHEET as of 31st December 2020;**
- 3. REPORT ON OTHER RESULTS for the period I-XII 2020;**
- 4. REPORT ON CHANGES IN EQUITY for the period I-XII 2020;**
- 5. REPORT ON CASH FLOWS for the period I-XII 2020;**
- 6. NOTES TO THE FINANCIAL STATEMENTS as of 31st December 2020**

April, 2021

INCOME STATEMENT
in the period from 1st January to
31st December 2020



PROFIT AND LOSS ACCOUNT

For the period from 1st January 2020 to 31st December 2020

- in thousands of dinars-

Group of accounts - account	POSITION	ADP	Note number	Amount	
				Current year	Last year
1	2	3	4	5	6
	OPERATING REVENUES				
60 to 65, except from 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		307,077	615,344
60	I REVENUES FROM SELLING GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002			
600	1. Revenues from selling goods to parent companies and subsidiaries on the domestic market	1003			
601	2. Revenues from selling goods to parent companies and subsidiaries on the foreign market	1004			
602	3. Revenue from selling goods to other affiliated companies on the domestic market	1005			
603	4. Revenues from the sale of goods to other related legal entities on the foreign market	1006			
604	5. Revenue from selling goods on the domestic market	1007			
605	6. Revenue from selling goods on the foreign market	1008			
61	II REVENUE FROM SELLING PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009			
610	1. Revenues from selling products and services to parent companies and subsidiaries on the domestic market	1010			

611	2. Revenues from selling products and services to parent companies and subsidiaries on the foreign market	1011			
612	3. Revenues from selling products and services to other affiliated companies on the domestic market	1012			
613	4. Revenue from selling products and services to other affiliated companies on the foreign market	1013			
614	5. Revenue from selling products and services on the domestic market	1014			
615	6. Revenues from selling goods and services on the foreign market	1015			
64	III REVENUES FROM PREMIUMS, SUBSIDIES, DOTATIONS, DONATIONS AND SIMILAR	1016			
65	IV OTHER OPERATING REVENUES	1017	4	307,077	615,344
	REGULAR OPERATING EXPENSES				
50 to 55, 62 and 63	B. OPERATING EXPENSES (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	1018		1,067,662	1,072,738
50	I. COST OF GOODS SOLD	1019			
62	II. REVENUES FROM ACTIVATION OF GOODS AND EFFECTS	1020			
630	III. INCREASE IN THE VALUE OF STOCKS OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1021			
631	IV. DECREASE IN THE VALUE OF STOCKS OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1022			
51 except from 513	V. COST OF MATERIALS	1023	5	1,055	1,500
513	VI. COST OF FUEL AND ENERGY	1024	6	956	912
52	VII. COST OF WAGE, SALARIES AND OTHER PERSONAL EXPENSES	1025	7	141,761	137,575

53	VIII. COST OF PRODUCTION SERVICES	1026	8	36,970	68,447
540	IX. AMORTIZATION COSTS	1027	9	683,924	681,269
541 to 549	X. COST OF LONG-TERM PROVISIONS	1028	10	21,787	33,302
55	XI. NON-MATERIAL COSTS	1029	11	181,209	149,733
	C. OPERATING PROFIT (1001 – 1018) ≥ 0	1030			
	D. OPERATING LOSS (1018 – 1001) ≥ 0	1031		760,585	457,394
66	E. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032	12	12,970	71,340
66, except from 662, 663 and 664	I. FINANCIAL REVENUES FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033			
660	1. Financial revenues from parent companies and subsidiaries	1034			
661	2. Financial revenues from other affiliated companies	1035			
665	3. Revenues from the stake in the profit of associated companies and joint ventures	1036			
669	4. Other financial revenues	1037			
662	II. INTEREST REVENUES (FROM THIRD PARTIES)	1038	12	7,480	20,649
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1039	12	5,490	50,691
56	F. FINANCIAL EXPENSES (1041 + 1046 + 1047)	1040	13	31,449	135,916
56, except from 562, 563 and 564	I. FINANCIAL EXPENSES FROM THE RELATIONSHIP WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENSES (1042 + 1043 + 1044 + 1045)	1041			
560	1. Financial expenses from relationship with parent companies and subsidiaries	1042			
561	2. Financial expenses from relationship with other affiliated companies	1043			
565	3. Expenses from the stake in loss of	1044			

	associated companies and joint ventures				
566 and 569	4. Other financial expenses	1045			
562	II. INTEREST EXPENSES (TOWARDS THIRD PARTIES)	1046	13	36	9,720
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1047	13	31,413	126,196
	G. PROFIT FROM FINANCING ACTIVITIES (1032 - 1040)	1048			
	H. LOSS FROM FINANCING ACTIVITIES (1040 - 1032)	1049		18,479	64,576
683 and 685	I. REVENUES FROM VALUE ADJUSTMENT OF OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1050	14	20,474	5,978
583 and 585	J. EXPENSES FROM VALUE ADJUSTMENT OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1051	15	37,469	21,075
67 and 68, except from 683 and 685	K. OTHER REVENUE	1052	16	32,229	631,080
57 and 58, except from 583 and 585	L. OTHER EXPENSES	1053	17	26,244	574,830
	M. REGULAR OPERATING PROFIT BEFORE TAXATION (1030 - 1031 + 1048 - 1049 + 1050 - 1051 + 1052 - 1053)	1054			
	N. REGULAR OPERATING LOSS BEFORE TAXATION (1031 - 1030 + 1049 - 1048 + 1051 - 1050 + 1053 - 1052)	1055		790,074	480,817
69-59	O. NET OPERATING PROFIT THAT IS WITHELD, THE EFFECT OF THE CHANGE OF ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1056	18	603	
59-69	P. NET OPERATING LOSS THAT IS WITHELD, EXPENSES FROM THE CHANGE IN ACCOUNTING POLICY	1057	18		19,055

	AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS				
	Q. PROFIT BEFORE TAXATION (1054 - 1055 + 1056 - 1057)	1058			
	R. LOSS BEFORE TAXATION (1055 - 1054 + 1057 - 1056)	1059	19	789,471	499,872
	S. PROFIT TAX				
721	I. TAX EXPENSE OF PERIOD	1060	20		
part of 722	II. DEFERRED TAX EXPENSES OF PERIOD	1061	20	9,651	
part of 722	III. DEFERRED TAX REVENUES OF THE PERIOD	1062	20		46,015
723	T. PAID SALARIES OF THE EMPLOYER	1063			
	U. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064			
	V. NET LOSS (1059 – 1058 + 1060 + 1061 – 1062)	1065	20	799,122	453,857
	I. NET PROFIT BELONGING TO THE MINOR STAKEHOLDERS	1066			
	II. NET PROFIT BELONGING TO THE MAJOR STAKEHOLDERS	1067			
	III EARNINGS PER SHARE				
	1. Basic earnings per share	1068	21	(22.82)	(12.96)
	2. Decreased (diluted) earnings per share	1069			
6	TOTAL REVENUES			389,005	1,362,730
5	TOTAL EXPENSES			1,178,476	1,862,602

BALANCE SHEET
As of 31st December 2020

BALANCE SHEET

on 31st December, 2020

- in thousands of dinars -

Group of accounts - account	POSITION	ADP	Note no	Amount		
				Current year 31.12.2020	Last year	
					Closing balance 31.12.2019.	Opening balance 01.01.2019.
1	2	3	4	5	6	7
	ASSETS					
0	A.SUBSCRIBED UNPAID CAPITAL	1				
	B.FIXED ASSETS (0003+0010+0019+0024+0034)	2		28,389,289	28,989,692	
1	I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	3	22	34,079	18,551	
010 and part of 019	1. Investments in development	4				
011, 012 and part of 019	2. Concessions, patents, licenses, product and service brands software and other rights	5		34,079		
013 and part of 019	3. Goodwill	6				
014 and part of 019	4. Other intangible assets	7				
015 and part of 019	5. Intangible assets in progress	8		-	18,551	
016 and part of 019	6. Advance payments for intangible property	9				
2	II. PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	10	23	28,228,090	28,845,688	
020, 021 and part of 029	1. Land	11	23	14,180,349	14,180,349	
022 and part of 029	2. Constructions	12	23	10,414,264	10,811,830	
023 and part of 029	3. Plants and equipment	13	23	3,572,317	3,853,509	
024 and part of 029	4. Investment property	14				
025 and part of 029	5. Other property, plants and equipment	15				
026 and part of 029	6. Property, plants and equipment in progress	16	23	61,160		

027 and part of 029	7. Investments in others' property, plants and equipment	17			
028 and part of 029	8. Advance payments for property, plants and equipment	18			
3	III. BIOLOGICAL ASSETS (0020 + 0021 + 0022 + 0023)	19			
030, 031 and part of 039	1. Forests and perennial plantations	20			
032 and part of 039	2. Livestock unit	21			
037 and part of 039	3. Biological assets in progress	22			
038 and part of 039	4. Advance payments for biological assets	23			
04. except from 047	IV. LONG-TERM financial placements (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	24	24	127,120	125,453
040 and part of 049	1. Stake in the capital of subsidiaries	25			
041 and part of 049	2. Stake in the capital of associated companies and joint ventures	26			
042 and part of 049	3. Stake in the capital of other companies and other securities available for sale	27	24a	0	1
part of 043, part of 044 and part of 049	4. Long-term placements to parent companies and subsidiaries	28			
part of 043, part of 044 and part of 049	5. Long-term placements to other related legal entities	29			
part of 045 and part of 049	6. Long-term placements in the country	30			
part of 045 and part of 049	7. Long-term placements abroad	31			
046 and part of 049	8. Securities held to maturity	32			
048 and part of 049	9. Other long-term financial investments	33	246	127,120	125,452
5	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	34			
050 and part of 059	1. Receivables from the parent companies and subsidiaries	35			
051 and part of 059	2. Receivables from other affiliated companies	36			
052 and part of 059	3. Receivables from the sales by means of commodity loans	37			

053 and part of 059	4. Receivables for sales by means of financial leasing agreements	38			
054 and part of 059	5. Receivables from warranties	39			
055 and part of 059	6. Controversial and doubtful receivables	40			
056 and part of 059	7. Other long-term receivables	41			
288	C. DEFERRED TAX ASSETS	42			
	D. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	43		4,163,448	4,534,853
Class 1	I STOCK (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		2,003	2,058
10	1. Material, spare parts, tools and small inventory	45			
11	2. Unfinished production and unfinished services	46			
12	3. Finished products	47			
13	4. Goods	48			
14	5. Fixed assets intended for sale	49			
15	6. Paid advances for stocks and services	50	25	2,003	2,058
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51	26	10,789	98,191
200 and part of 209	1. Customers in the country-parent companies and subsidiaries	52			
201 and part of 209	2. Customers abroad - parent companies and subsidiaries	53			
202 and part of 209	3. Customers in the country-other affiliated companies	54			
203 and part of 209	4. Customers abroad - other affiliated companies	55			
204 and part of 209	5. Customers in the country	56	26	7,821	75,403
205 and part of 209	6. Customers abroad	57	26	2,968	22,788
206 and part of 209	7. Other receivables from sale	58			
21	III. RECEIVABLES FROM SPECIFIC OPERATIONS	59			
22	IV. OTHER RECEIVABLES	60	27	1,586,014	1,607,808
236	V. FINANCIAL ASSETS RECOGNIZED AT FAIR VALUE IN THE INCOME STATEMENT	61			
23 except from 236 and 237	VI SHORT-TERM FINANCIAL PLACEMENTS (0063 + 0064 + 0065 + 0066 + 0067)	62	28	13,216	13,336
230 and part of 239	1. Short-term loans and placements-parent companies and subsidiaries	63			
231 and part of 239	2. Short-term loans and placements-other affiliated companies	64			

232 and part of 239	3. Short-term loans in the country	65	28	1,817	2,432
233 and part of 239	4. Short-term loans abroad	66			
234, 235, 238 and part of 239	5. Other short-term financial placements	67	28	11,399	10,904
24	VII CASH EQUIVALENTS AND CASH	68	29	725,318	910,118
27	VIII VALUE ADDED TAX	69	30	81,641	40,792
28 except from 288	IX ACTIVE ACCRUALS	70	31	1,744,467	1,862,550
	D. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0042 + 0043)	71		32,552,737	33,524,545
88	F. OFF-BALANCE SHEET ASSETS	72	41	4,767,052	5,907,222
	LIABILITIES				
	A. CAPITAL (0402 + 0411 – 0412 + 0413 + 0414 + 0415 – 0416 + 0417 + 0420 – 0421) ≥ 0 = (0071 – 0424 – 0441 – 0442)	401	32	28,874,277	29,672,524
30	I BASIC CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	402		21,322,533	21,322,533
300	1. Share capital	403	32a	21,015,677	21,015,677
301	2. Equity interest in limited liability companies	404			
302	3. Equity interest	405			
303	4. State-owned capital	406			
304	5. Public capital	407			
305	6. Cooperative shares	408			
306	7. Share issuing premiums	409	32б	306,856	306,856
309	8. Other basic capital	410			
31	II SUBSCRIBED AND UNPAID CAPITAL	411			
047 and 237	III REPURCHASED OWN ACTIONS	412	32ц	33,192	33,192
32	IV RESERVES	413	32д	6,164,196	6,356,456
330	V. REVALORIZATION RESERVES BASED ON THE REVALORIZATION OF INTAGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	414	32e	2,214,039	2,218,988
33 except from 330	VI. UNREALIZED GAINS FROM SECURITIES AND OTHER COMPONENTS OF THE REMAINING TOTAL RESULTS (credit balance of the accounts from the group 33 except 330)	415			
33 except from 330	VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF REMAINING TOTAL RESULTS (debit balances of the accounts from the Group 33 except 330)	416			
34	VIII UNDISTRIBUTED PROFIT (0418 + 0419)	417	32ф	5,823	261,596
340	1. Undistributed profit from previous years	418	32ф	5,823	261,596
341	2. Undistributed profit from the current year	419			
	IX. STAKE WITHOUT THE CONTROL RIGHT	420			
35	X. LOSS (0422 + 0423)	421	32ф	799,122	453,857

350	1. Loss from previous year	422		-	
351	2. Loss from current year	423	32φ	799,122	453,857
	B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	424		104,279	86,093
40	I LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	425	33	104,279	86,093
400	1. Provisions for costs in the guarantee period	426			
401	2. Provisions for the costs of renewing natural resources	427			
403	3. Provisions for restructuring costs	428			
404	4. Provision for allowances and other benefits for employees	429	33a	6,873	5,087
405	5. Provisions for costs of litigation	430	336	97,406	81,006
402 and 409	6. Other long-term provisions	431			
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	432		-	-
410	1. Liabilities that can be converted to capital	433			
411	2. Liabilities towards parent companies and subsidiaries	434			
412	3. Liabilities to other affiliated companies	435			
413	4. Liabilities for issued securities in a period longer than a year	436			
414	5. Long-term loans and borrowings in the country	437			
415	6. Long-term loans and borrowings abroad	438			
416	7. Financial leasing liabilities	439			
419	8. Other long-term liabilities	440			
498	C. DEFERRED TAX LIABILITIES	441	40	732,642	723,864
42 to 49 (except from 498)	D. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		2,841,539	3,042,064
42	I SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443		-	-
420	1. Short-term loans from parent companies and subsidiaries	444			
421	2. Short-term loans from other affiliated companies	445			
422	3. Short-term loans and borrowings in the country	446			
423	4. Short-term loans and borrowings abroad	447			
427	5. Liabilities arising from fixed assets and withheld operating assets intended for sale	448			
424, 425, 426 and 429	6. Other short-term financial liabilities	449			
430	II RECEIVED ADVANCES, DEPOSITS AND BAILS	450	34	49,290	42,023
43 except from 430	III OPERATING LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451	35	25,755	59,548
431	1. Suppliers-parent companies and subsidiaries in the country	452			
432	2. Suppliers - parent companies and subsidiaries abroad	453			
433	3. Suppliers-other affiliated companies in the country	454			
434	4. Suppliers-other affiliated companies abroad	455			

435	5. Suppliers in the country	456	35	25,373	44,724	
436	6. Suppliers abroad	457	35	253	5,577	
439	7. Other operating liabilities	458	35	129	9,247	
44, 45 and 46	IV OTHER SHORT-TERM LIABILITIES	459	36	16,882	17,305	
47	V LIABILITIES FOR VALUE ADDED TAX	460	37	0		
48	VI LIABILITIES FOR OTHER TAXES, BENEFITS AND OTHER DUTIES	461	38	530	2,482	
49 except from 498	VII PASSIVE TIME DISCLOSURES	462	39	2,749,082	2,920,706	
	E. LOSS BEYOND THE AMOUNT OF CAPITAL (0412 + 0416 + 0421 – 0420 – 0417 – 0415 – 0414 – 0413 – 0411 – 0402) ≥ 0 = (0441 + 0424 + 0442 – 0071) ≥ 0	463				
	F. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 – 0463) ≥ 0	464		32,552,737	33,524,545	
89	G. OFF-BALANCE SHEET LIABILITIES	465	41	4,767,052	5,907,222	

REPORT ON THE REMAINING RESULT

 for period from 1st January 2020 to 31st December 2020

- in thousands of dinars -

Group of accounts, account	POSITION	ADP	Note number	Amount	
				Current year	Last year
				Cumulative (01.01-31.12.2020)	Cumulative (01.01-31.12.2019)
1	2	3	4	6	7
	A. NET OPERATING RESULTS				
	I. NET PROFIT (ADP 1064)	2001			
	II. NET LOSS (ADP 1065)	2002	20	799,122	453,857
	B. OTHER COMPERHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to the Profit and Loss Account in future periods				
	1. Revalorization changes of intangible assets, property, plants and equipment				
330	a) increase in revalorization reserves	2003			2,308,471
	b) reduction of revalorization reserves	2004		4,949	313,389
	2. Actuarial profit or losses from plans of defined income				
331	a) profits	2005			
	b) losses	2006			17,290
	3. Profits or losses on investments in equity instruments				
332	a) profits	2007			
	b) losses	2008			
333	4. Profits or losses from the stake in the remaining comprehensive profit or loss of associated companies				

	a) profits	2009			
	b) losses	2010			
	b) Items that can be subsequently reclassified to the income statement in future periods				
334	1. Profits or losses from the conversion of financial reports on foreign operations				
	a) profits	2011			
	b) losses	2012			
335	2. Profits or losses from hedging instruments used to protect net investments in foreign operations				
	a) profits	2013			
	b) losses	2014			
336	3. Profits or losses from cash flow risk hedging instruments				
	a) profits	2015			
	b) losses	2016			
337	4. Profits or losses from securities available for sale				
	a) profits	2017			
	b) losses	2018			
	I. OTHER GROSS COMPERHENSIVE PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) – (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		-	1,977,792
	II. OTHER GROSS COMPERHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) – (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		4,949	-
	III. TAX ON OTHER COMPERHENSIVE PROFIT OR LOSS OF THE PERIOD	2021			346,271

IV. NET OTHER COMPERHENSIVE PROFIT (2019 – 2020 – 2021) ≥ 0	2022		-	1,631,521
V. NET OTHER COMPERHENSIVE LOSS (2020 – 2019 + 2021) ≥ 0	2023		4,949	-
C. TOTAL NET COMPERHENSIVE RESULT OF THE PERIOD				
I. TOTAL NET COMPERHENSIVE PROFIT (2001 – 2002 + 2022 – 2023) ≥ 0	2024			1,177,664
II. TOTAL NET COMPERHENSIVE LOSS (2002 – 2001 + 2023 – 2022) ≥ 0	2025		804,071	
D. TOTAL NET COMPERHENSIVE PROFIT OR LOSS(2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 > 0	2026			
1. Ascribed to major equity owners	2027			
2. Ascribed to owners who have no control	2028			

CASH FLOW STATEMENT

For the period from 1st January to 31st December 2020



CASH FLOW STATEMENT

for the period from 1st January 2020 to 31st December 2020

- in thousands of dinars -

Position	ADP	Amount	
		Current year	Last year
1	2	4	5
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (1 to 3)	3001	364,526	1,430,900
1. Sales and received advance payments	3002	341,378	1,406,134
2. Received interests from operating activities	3003		182
3. Other inflows from operating activities	3004	23,148	24,584
II. Cash outflows from operating activities (1 to 5)	3005	430,586	12,646,410
1. Payments to suppliers and given advance payments	3006	201,197	822,923
2. Wages, salaries and other personal expenses	3007	136,916	137,553
3. Paid interest	3008		12,606
4. Income tax	3009		10,499,955
5. Outflows for other public revenues	3010	92,473	1,173,373
III. Net operating cash inflows (I-II)	3011		
IV. Net operating cash outflows (II-I)	3012	66,060	11,215,510
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (1 to 5)	3013	6,000	3,037,062
1. Sale of stocks and shares (net inflow)	3014		290,455
2. Sale of intangible assets, property, plant, equipment and biological assets	3015		
3. Other financial placements (net inflow)	3016		2,716,029
4. Received interests from investing activities	3017	6,000	30,578
5. Received dividends	3018		
II. Cash outflows from investing activities (1 to 3)	3019	99,268	95,222
1. Purchase of stakes and shares (net outflow)	3020		
2. Purchase of intangible assets, property, plants, equipment and biological assets	3021	99,268	95,222
3. Other financial placements (net outflow)	3022		

III. Net cash inflow from financing activities (I-II)	3023		2,941,840
IV. Net cash outflow from financing activities (II-I)	3024	93,268	
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 to 5)	3025	-	-
1. Basic capital increase	3026		
2. Long-term loans (net inflows)	3027		
3. Short-term loans (net outflows)	3028		
4. Other long-term liabilities	3029		
5. Other short-term liabilities	3030		
II. Cash outflows from financing activities (1 to 6)	3031	48	52,128,413
1. Purchase of own shares and stakes	3032		
2. Long-term loans (outflows)	3033		49,163
3. Short-term loans (outflows)	3034		
4. Other liabilities (outflows)	3035	48	148,207
5. Financial leasing	3036		
6. Paid out dividends	3037		51,931,043
III. Net cash inflow from financing activities (I-II)	3038	-	-
IV. Net cash outflows from financing activities (II-I)	3039	48	52,128,413
D.TOTAL CASH INFLOWS (3001+3013+3025)	3040	370,526	4,467,962
E.TOTAL CASH OUTFLOWS (3005+3019+3031)	3041	529,902	64,870,045
F.NET CASH INFLOWS (3040-3041)	3042		-
G. NET CASH OUTFLOWS (3041-3040)	3043	159,376	60,402,083
H. OPENING CASH BALANCE AT THE BEGINNIG OF THE ACCOUNTING PERIOD	3044	910,118	61,394,573
I.POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES BASED ON THE CASH CONVERSATION	3045	5,124	37,208
J.NEGATIVE FOREIGN EXCHANGE DIFFERENCES BASED ON THE CASH CONVERSATION	3046	30,548	119,580
K. CLOSING CASH BALANCE AT THE END OF THE ACCOUNTING PERIOD (3042 – 3043 + 3044 + 3045 – 3046)	3047	725,318	910,118

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS

31st December 2020

1. ESTABLISHMENT AND BUSINESS OPERATIONS OF THE COMPANY

1.1. Basic information about the company

The joint stock company Belgrade Nikola Tesla Airport (hereinafter: the "Company") was established with the aim of providing airport services (landing, takeoff, taxiing and parking of aircraft, reception and dispatch of aircraft, passengers and goods). In addition to the basic activity of providing airport services, the Company, within the ancillary activities, also performs other services at the airport complex that meet the needs of service users, domestic and foreign airlines.

The operations of the Airport date back to 25th March 1928 at the location of Bežanijska kosa, and the operations at today's location (Surčin) began in 1962.

By the decision of the Government of the Republic of Serbia from 1992, the Airport was re-registered as the Public Enterprise Airport "Belgrade", and in 2006, also by the decision of the Government, it was renamed as a Public Enterprise Airport Nikola Tesla Belgrade.

On 17th June 2010., the Government of the Republic of Serbia passed Decision no. 023-4432 / 2010 on the change of the legal form of Public Enterprise Airport Nikola Tesla Belgrade from a public company to a closed joint stock company. The aforementioned change in the legal form was registered with the Business Registers Agency on 22nd June 2010, Decision number BD 68460/2010.

After the change of legal form, the company continued to operate under the full name of the Joint Stock Company Belgrade Nikola Tesla Airport. By the decision of the Business Registers Agency number BD 7651/2011 from 24th January 2011. The registration of the open Joint Stock Company Belgrade Nikola Tesla Airport was made in the register of business entities.

On 5th January 2018 the Decision on the selection of the most favorable bid in the procedure of granting a concession for financing, development through construction and reconstruction, maintenance and management of the infrastructure of JSC Airport Nikola Tesla Belgrade and performing the activities of the airport operator was registered with the Ministry of Construction, Transport and Infrastructure under number: 023 -00-1 / 2018-12 dated 5th January 2018 and with ANT under number: GD 111/2018 dated 5th January 2018. The most favorable bidder selected is "Vinci Airports SAS France".

On 22nd March 2018 the Concession Agreement for financing, development through construction and reconstruction, maintenance and management of the infrastructure of AD Nikola Tesla Airport Belgrade and performing the activities of the Airport operator at Nikola Tesla Airport Belgrade was signed between the Government as the representative of the Republic of Serbia, JSC Nikola Tesla Airport Belgrade, " Vinci Airports Serbia "doo Belgrade (hereinafter: DPN) and" Vinci Airports SAS France "as the Best Selected Bidder (hereinafter: Concession Agreement).

The provisions of the Concession Agreement provide for a number of preconditions for both contracting parties in the Transition Period, the fulfillment of which, within the stipulated deadline, provides the conditions for the Concession Commencement Date to start.

By fulfilling all the previous conditions, including the payment of a one-time concession fee in the amount of 501,000,000 to the account of JSC Airport Nikola Tesla Belgrade, made by Vinci Airports Serbia doo Belgrade on 21st December 2018, the conditions for the start of the Start Day concessions starting from 22nd December 2018 were met.

On 21st December 2018, by the decision of the Civil Aviation Directorate of the Republic of Serbia, the Airport

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

certificate was transferred from JSC Nikola Nikola Tesla Airport to Vinci Airports Serbia doo Belgrade.

From the Concession Commencement Date on 22nd December 2018., Vinci Airports Serbia doo Belgrade took over the management of the Airport and the performance of service activities in air transport, and from that date JSC Airport Nikola Tesla changed the main activity from service activities in air transport (52.23) to renting and managing their own or leased real estate (68.20), with the primary task of being the owner of all movable and immovable property granted under the Concession Agreement for the use and management of VINCI Airports Serbia doo Belgrade, monitors the implementation of the concession agreement in accordance with the Law on Public-Private Partnership and Concessions with accompanying bylaws.

In addition to the predominant activity, the Company may perform all other activities that are not prohibited by law, including foreign trade activity, regardless of whether those activities are determined by the founding act, i.e. the statute. The company performs activities of general interest.

<i>Main office</i>	<i>11180 Belgrade, Surčin</i>
<i>Registration number</i>	<i>07036540</i>
<i>Tax identification number</i>	<i>100000539</i>
<i>Code and activity name until 21st December 2018</i>	<i>52.23 - Service activities in air transport</i>
<i>Code and activity name from 22nd December 2018</i>	<i>68.20 - Renting and management of own or leased real estate</i>

In July 2019, VINCI Airports Serbia doo Belgrade changed its business name to Belgrade Airport doo Belgrade (hereinafter DPN) based on the prior consent of the Concession Grantor.

According to the criteria for classification from the Law on Accounting, JSC Airport Nikola Tesla Belgrade is classified into a small legal entity.

1.2 Management structure

The management of the Company is bicameral. The bodies of the Company are the Assembly, the Supervisory Board and the Executive Board.

The Assembly is comprised of shareholders of the Company who have the right to participate in the work of the Assembly. A shareholder who owns 35026 ordinary shares has the right to participate in the work of the Assembly.

The Supervisory Board consists of five (5) members, at least one member of which is independent from the Company. The members of the Supervisory Board are appointed by the Assembly of the Company. The Supervisory Board is obliged to form an audit committee, and if necessary, it may form other committees that assist it in its work. The Supervisory Board committees have at least three members, and one of those members must always be an independent member of the Supervisory Board.

The Executive Board consists of two (2) Executive Directors including the Managing Director. The Executive Directors are appointed by the Supervisory Board of the Company.

1.3 Ownership structure

After the change of legal form into a closed joint stock company, 34,289,350 shares, 100% owned by the Republic of Serbia were registered in the Central Securities Depository on 7th July 2010.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The Government of the Republic of Serbia on 9th December 2010 passed Decision No. 023-9103 / 2010-1, according to which the right to transfer 16.85% of the ownership of the Company was acquired by citizens of the Republic of Serbia, employees and former employees of the Company. After the transfer of free shares to citizens, employees and former employees, the Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the decision on admission of shares to Listing A-Prime market 04/4 No. 478/11 of January 28, 2011, the Company's shares were admitted to Listing A of the Belgrade Stock Exchange. Trading in the Company's shares on the Belgrade Stock Exchange started on February 7, 2011.

As of 31st December 2020, 35,026,129 ordinary shares were registered in the Central Registry of Securities, with the right to vote with an individual nominal value of 600.00 dinars. The Republic of Serbia owns 29,616,702 ordinary shares, which represents 84.56% of the total share capital of the Company, and other shareholders own 5,409,427 ordinary shares, which represents 15.44% of the total share capital of the Company.

1.4 Number of employees and engaged persons

At the balance sheet date of 31st December 2020, the Company had 37 employees, 36 of which permanent employees and 1 employee engaged in temporary and occasional jobs (on 31st December 2019, the Company had 37 employees, 36 of which were full-time employees and 1 employee hired for temporary and occasional jobs of the Company).

During 2020, the average number of employees in the Company based on the situation at the end of each month was 36, of which the average number of full-time employees in the Company is 35 employees and 1 average employee for temporary and occasional jobs. (During 2019, the average number of employees in the Company based on the situation at the end of each month was 36, of which the average number of employees in the Company is 35 employees (34 full-time employees and 1 temporary employee) and 1 average hired worker for temporary and occasional jobs.

2. BASES OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD**2.1 Bases of preparation and presentation of financial statements**

The financial statements for the year of 2020 were prepared in the manner and in accordance with the legislation and determined at the meeting of the Supervisory Board of the Company on 28th April 2021.

Legal entities and entrepreneurs in the Republic of Serbia are obliged to keep business books, recognize and assess assets and liabilities, income and expenses, compile, present, submit and disclose financial statements in accordance with the Law on Accounting (hereinafter "the Law" published in the "Official Gazette of the Republic of Serbia", No. 62/13, 30/18 and 73/19), as well as in accordance with other applicable bylaws.

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

- Framework for preparation and presentation of financial statements,
- International Accounting Standards (IAS), and

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

- International Financial Reporting Standards (IFRS) and related interpretations, issued by the Accounting Standards Interpretations Committee (IFRIC), subsequent amendments to those standards, the translation of which has been established and published by the Ministry of Finance.

By the decision of the Ministry dated 25th December 2019, which was published in the Official Gazette of the Republic of Serbia“ no. 92 dated 25th December 2019 (hereinafter “Decision on Determining the Translation”), the translations of the basic texts of IAS and IFRS, the Conceptual Framework for Financial Reporting (the “Conceptual Framework”), adopted by the Board, as well as related IFRIC interpretations were determined and published. These translations published in the Decision on Determining the Translation do not include grounds for conclusions, illustrative examples, guidelines, comments, dissenting opinions, elaborated examples, as well as other additional explanatory material that may be adopted in relation to standards or interpretations, unless explicitly stated that the material is an integral part of the standard, i.e. interpretation. Based on the Decision on Determining the Translation, the Conceptual Framework, IAS, IFRS, IFRIC and related interpretations that have been translated are applied from the financial statements prepared as of 31st December 2020.

Amended or issued IFRS and interpretations of standards, after this date, were translated and published by the Decision of the Ministry dated 13th October 2020, which was published in the “Official Gazette of the Republic of Serbia” no. 123 dated 13th October 2020, which will be applied from the financial statements prepared as at 31st December 2021, and may be applied from the financial statements prepared as at 31st December 2020 and are therefore not applied in preparing the accompanying financial statements except in the part of the accounting coverage of the Concession Agreement, which is explained below.

The financial statements of the Company are presented in the form and content specified by the Rulebook on the content and form of forms of financial statements for companies, cooperatives and entrepreneurs published in the "Official Gazette of the Republic of Serbia", no. 95/14 and 144/14 which, among other things, prescribe the form and content of positions in the forms of the Balance Sheet, Income Statement, Statement of Other Results, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements. In accordance with the above mentioned Rulebook, the financial statements of the Company are presented in thousands of dinars. The dinar is the official reporting currency in the Republic of Serbia.

Chart of accounts and content of accounts in the Chart of Accounts is prescribed by the Rulebook on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs published in the "Official Gazette of the Republic of Serbia", no. 95/14.

In preparing the Company's financial statements, inter alia, the following laws and regulations have been complied with:

- Law on Corporate Income Tax (“Official Gazette of the Republic of Serbia” No. 25/01, 80/02, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68,14, 142/14, 91/15, 112/15, 113/17, 95/18 and 86/19),
- Law on Value Added Tax (“Official Gazette of the Republic of Serbia “ No. 84 / 04,86 / 04, 61 / 05,61 / 07, 93/12, 108/13, 68/14, 141/14, 5/15, 83/15, 108/16, 113/17, 30/18, 72/19 and 8/20),
- Rulebook on the content of the tax balance and other issues of importance for the manner of determining the corporate income tax (“Official Gazette of the Republic of Serbia” No. 20 / 14,41 / 15, 101/16, 8/19 and 94/19),
- Rulebook on the content of the tax return for the calculation of corporate income tax (“Official Gazette of the Republic of Serbia” No. 30/15, 101/16, 44/18, 8/19 and 94/19),
- Rulebook on the manner of classification of fixed assets by groups and the manner of determining depreciation for tax purposes (“Official Gazette of the Republic of Serbia” No. 116/04, 99/10, 104/18 and 8/19).

The legal acts that represent the internal regulations of the Company, the Company when preparing these financial statements applied the accounting policies explained in the Note 3.

The Law on Capital Market (“Official Gazette of the Republic of Serbia” No. 31/11, 112/15, 108/16 and 9/20) prescribes which data should be contained in the annual, semi-annual and quarterly reports of public companies which securities are traded on the regulated market.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**2.2. Accounting treatment of the Concession Agreement**

Bearing in mind the non-existence of guidelines, i.e. of the specific IAS / IFRS for accounting coverage of the Concession Agreement from the aspect of the Company as one of the two Concessionaires, the Company for the accounting coverage of the Concession Agreement uses the standard IFRS 16 Leasing Contracts.

IFRS 16 defines leasing as a contract, or part of a contract, that transfers the right to use a particular asset over a specified period of time in exchange for compensation. In the analysis of whether the definition of leasing is met or not, it is necessary to meet certain criteria. Mandatory elements of the leasing contract are:

- **Identified asset** - Airport infrastructure is a defined identified asset specified in the Contract;
- **The lessee acquires almost all economic benefits** - the lessee (Special Purpose Company (DPN) established by the selected most favorable bidder solely for the implementation of the Concession Agreement) earns the entire income from the use of airport infrastructure during the period of use;
- **The lessee determines the use of the identified asset** - Since the decisions "How and for what purpose" on the use of the asset are determined in advance by the Concession Agreement in terms of infrastructure use and other, DPN has the right to determine the use of assets in operational terms. Namely, DPN makes operational decisions on the use of funds related to the operation of the airport (flight schedules, personnel issues, selection of suppliers, etc.) during the concession period without the Company's ability to influence them.

In accordance with the requirements of IFRS 16, the entire assets of the Company are divided into the following categories:

- Airport infrastructure;
- Closely related funds that the SPC will use until the end of the concession period;
- Closely related funds that SPC will not use until the end of the concession period;
- Other funds that SPC will use until the end of the concession period;
- Other funds that SPC will not use until the end of the concession period.

Closely related assets consist of assets (equipment) closely related to airport infrastructure and significant airport equipment.

The following is an overview of the accounting coverage of asset (asset) categories.

Asset category	Accounting treatment
Airport infrastructure	Operating leases Recognition of assets in accordance with IAS 16
Closely related funds that SPC will not use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Closely related funds that SPC will use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Other funds that SPC will not use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Other funds that SPC will use until the end of the concession period	Derecognition of property Treatment as sale on the 1st day of the beginning of the Concession Agreement (claim)

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Accounting treatment in accordance with IFRS 16 - Leasing Contracts of the above categories of assets (assets) was performed on 1st January 2019 as the date of commencement of the Concession Agreement.

Accounting coverage of various leasing payments

In accordance with IFRS 16.81, a lessor recognizes a lease payment as revenue on a straight-line or other systematic basis over the term of the lease. He applies another systematic basis when that basis is more appropriate for presenting a form in which the benefit from the use of funds is reduced. Pursuant to the above, the Company recognizes as income the following:

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it is incurred,
- Variable fees that depend on the amount of SPC income in the period in which they are incurred,

Whichever is higher for the observed period.

- Income from non-monetary compensation (Mandatory works and Additional land) is treated as variable compensation and is recognized in the income statement in the same amount (straight line) during the remaining period of the concession starting from the moment when DPN is obliged to buy / build a new asset, and based on the receipt of funds / works performed by the Company.

In addition to the above payments, a portion of the fee for the sale of other assets that DPN will use until the end of their useful life in terms of revenue reduction during the Concession Period is also set aside.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES****3.1 Revenues and expenses**

Revenue from sales is recognized when the risk and benefit associated with the right of ownership is transferred to the buyer, which implies the date of delivery of the goods to the buyer.

Revenue from services is recognized when the service is performed or proportionately during the performance of the service if it lasts for more than one accounting period.

Lease income from operating leases is recognized on a straight-line basis over the term of the lease.

Revenue is stated at the fair value of the consideration received or will be received, in the net amount after impairment for given discounts and value added tax.

Interest revenue and dividend are recognized in accordance with the accrual principle in favor of the accounting period which they relate to, using the effective interest method.

With the date on which income is recognized, the corresponding expenses are also recognized (the principle of causation of revenue and expenses).

Operating expenses are recognized in the income statement when the service is acquired or incurred.

Expenses are calculated according to the principle of causation of revenues and expenses.

The costs of current maintenance and repairs of fixed assets are recorded to the income statement in the accounting period when they are incurred.

3.2. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are included in the cost of the asset until such time as substantially all the activities necessary to prepare the asset for its intended use or sale have been completed. Qualifying assets refer to assets that necessarily require a significant period of time to be ready for their intended use.

Investment income generated on the basis of temporary investment of borrowed funds is deducted from borrowing costs incurred to finance qualifying assets.

All other borrowing costs are recognized in the income statement in the period which they relate to.

3.3. Recalculation of funds and liabilities in foreign means of payment

Business changes arising in foreign currencies are translated into dinars at the middle exchange rate determined on the interbank foreign exchange market, which was valid on the day of the business change.

Assets and liabilities denominated in foreign currencies on the balance sheet date are translated into dinars at the middle exchange rate determined on the interbank foreign exchange market valid on that day.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Foreign exchange profits and losses resulting from foreign currency transactions and from the translation of monetary items in the balance sheet are stated in the income statement as profit or losses on foreign exchange differences.

Non-monetary items in the balance sheet are not translated at the balance sheet date, but are measured at historical cost at the exchange rate on the date of the transaction, except for non-monetary items at fair value, in which case they are translated at the fair value date. Income and expenses based on exchange rate differences and the effects of the currency clause are recorded in the income statement for the observed period.

The middle exchange rates for foreign exchange, determined on the interbank foreign exchange market, applied for the conversion of foreign currency balance sheet items into dinars, for individual major currencies were as follows:

The middle exchange rate	in RSD	
	31.12.2020.	31.12.2019.
EUR	117.5802	117.5928
USD	95.6637	104.9186
GBP	108.4388	108.4004
The middle exchange rate	130.3984	137.5998

3.4. Intangible assets

Intangible assets relate to purchased software and licenses and are stated at cost less amortization and are depreciated on a straight-line basis.

3.5. Property, plant and equipment, biological assets

Property, plant and equipment, which meet the conditions for recognition of assets, are measured at purchase value or cost. The purchase value is the invoice value of the purchased assets increased by all costs incurred until their putting into use.

Subsequent to initial recognition, property, plant and equipment (other than tools and inventory to which the cost model applies) are stated at revalued amount, expressing their fair value at the date of revaluation, less the total amount of the allowance for depreciation and the total amount of the impairment losses.

The fair value of real estate is their market value which is determined by appraisal. Revaluation is performed only when the fair value of the revalued asset differs materially from its carrying amount.

Revaluation gains are recognized in other gains and losses in favor of the revaluation reserve in equity. Up to the amount of previously recognized revaluation losses or on the basis of impairment recognized in the income statement, revaluation gains are recognized in the income statement, and the rest of the gains are recognized in other gains and losses. Revaluation losses are recognized after impairment or impairment testing, and are recognized in other gains and losses up to the amount of the previously recognized revaluation reserve in equity, and the remaining losses are recognized in the income statement. Upon expenditure or disposal of an asset, the related revaluation reserve is transferred directly to retained earnings.

The assessment of the value of real estate, plant and equipment was performed on 1st January 2019.

Gains or losses arising on disposal or disposal are recognized as income or expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**3.6. Depreciation**

Depreciation of property, plant and equipment is calculated on a straight-line basis over their estimated useful lives. Depreciation rates, which were used in the business 2021 year, as well as depreciation rates calculated based on the useful life of assets that were applied in 2020, are shown in the table below:

	%	
	2020	2019
Buildings:		
Electricity and water management facilities	2.33 - 20	2.33 - 20
Roads, airports and parking lots	2.27 - 50	2.27 - 50
Other buildings	2.86 - 100	2.86 - 100
Apartments		1.54
Equipment:		
New specific equipment	2.50 - 50	2.50 - 50
Road traffic equipment	3.33 - 50	3.33 - 50
Equipment for PTT traffic and TV	33.33 - 50	33.33 - 50
Air traffic equipment	2.86 – 16.67	2.86 – 16.67
Measuring and control apparatus and specific apparatus	5 – 12.50	5 – 12.50
Laboratory equipment, school supplies and medical equipment	-	-
Electronic, computing machines and computers	5.26 – 33.33	5.26 – 33.33
General purpose furniture and appliances	2.84 – 7.69	2.84 – 7.69
Road traffic equipment leased	6.67 – 11.11	6.67 – 11.11
Equipment and plants	2.94 - 100	2.94 - 100
Tools and inventory	- 3.57	- 3.57
Intangible assets		
<i>Software and licenses</i>	33.33	-

3.7. Investment property

Investment real estate is real estate that the Company, as the owner, holds for the purpose of earning money from renting real estate or for increasing the value of capital or for both, and not for use for providing services or for administrative purposes or sale within regular business. The initial measurement of investment property at the time of acquisition is performed at purchase value or cost price. After initial recognition, investment property is valued at fair value, at the end of each business year. Positive and negative effects based on changes in the fair value of investment property are recognized in the income statement.

3.8. Impairment

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

On each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated so that any impairment loss can be determined. If it is not possible to estimate the recoverable amount of an individual asset, the Company assesses the recoverable amount of the cash-generating unit which the asset belongs to.

The recoverable amount is the net selling price or value in use, whichever is higher. For the purposes of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the estimated recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, then the carrying amount of that asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately as an expense, unless the asset is a land or a building that is not used as investment property carried at revalued amount, in which case the impairment loss is recognized as an impairment loss.

In the event of a subsequent reversal of an impairment loss, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated recoverable amount of the asset, with the higher carrying amount not exceeding the carrying amount that would have been determined if no previous loss had been recognized. Asset (cash-generating unit) due to impairment. A reversal of an impairment loss is recognized immediately in profit or loss, unless the asset is stated at its estimated value, in which case the reversal of the impairment loss is recognized as an increase due to revaluation.

As of 31st December 2020, based on the assessment of the Company's management, there are no indications that the value of assets has been impaired.

3.9. Stock

Stock is stated at the cost price or net sales value, whichever is lower.

Net realizable value is the price at which stock can be sold in the ordinary course of business after deducting selling expenses. The purchase value includes the value according to the supplier's invoices, transport and dependent purchase costs.

The calculation of inventory output is determined by the method of an average weighted purchase price.

Inventories of goods are recorded at selling prices. At the end of the accounting period, the value of inventories is reduced to the purchase value by allocating the difference in price, calculated on an average basis, between the purchase value of sold goods and inventories at the end of the year.

Offsetting other expenses is used to adjust the value of inventories in cases when it is estimated that it is necessary to reduce their value to the net expected sales value (including inventories with slow turnover, redundant and obsolete inventories). Damaged inventories and inventories that do not meet quality standards are written off.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**3.10. Taxes and contributions****Income tax**

Income tax in the income statement is the sum of current income tax and deferred income tax that is not recognized in other gains and losses or directly in equity.

Current income tax assets and liabilities, or deferred tax assets and liabilities, are offset only if the Company has a legal right to offset the recognized amounts and if it intends to settle on a net basis or to realize the asset and settle the liability at the same time.

Current income tax

Current income tax assets or liabilities represent liabilities or receivables from fiscal authorities in respect of current or prior periods that were not realized at the date of these financial statements.

Current income tax is the amount calculated by applying the prescribed tax rate of 15% on the basis determined by the tax balance, which is the amount of profit before tax after deducting the effects of adjusting income and expenses, in accordance with tax regulations of the Republic of Serbia, less tax credits. .

The Law on Profit Tax of the Republic of Serbia does not stipulate that tax losses from the current period can be used as a basis for refunds of taxes paid in previous periods. However, losses reported in the tax balances up to 2009 may be used to reduce the tax base of future accounting periods in the next ten years from the date of exercise of the right, and losses incurred and reported in the tax balance for 2010, and beyond, may be used to reduce the tax base of future accounting periods, but not longer than five years.

The Law on Profit Tax of the Republic of Serbia in the part of tax credits prescribes that taxpayers who have exercised the right to tax incentive from Art. 48 of the previous law, and expressed in the Tax Balance and the tax return for 2013, can use this right until the expiration of the deadline and in the manner prescribed by the previous law. According to Art. 48, paragraph 5 of the previous law, "the unused part of the tax credit may be transferred to the income tax account of future accounting periods up to the prescribed limit of 33% (for large and medium-sized legal entities), but not longer than 10 (ten) years, which is applied starting from the tax balance for 2003. " When determining the income tax for 2017, the earliest previous tax period from which the unused tax credit can be used is the tax balance, i.e. the PK form from 2007. The transferred tax credit is used in the order of investment.

Deferred income tax

Deferred tax effects arise as a result of the difference between the bases for calculating depreciation according to accounting and tax regulations. Also, this difference arises due to the existence of equipment which purchase value at the time of purchase was below the average gross salary in the Republic of Serbia, based on unused tax credit and in other cases where there is a time difference between the tax liability and the obligation to pay it. Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available for the use of deductible temporary differences. The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted as necessary to comply with the current assessment of taxable profit for future periods.

Deferred tax assets and liabilities are calculated at a tax rate of 15%, the application of which is expected in the period when the asset will be realized or the liability is settled.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also allocated to equity.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**Taxes and contributions that do not depend on the results**

Taxes and contributions that do not depend on results include property tax and other taxes and contributions in accordance with national, tax and general regulations. These taxes and contributions are presented under other operating expenses.

Tax risks

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by the tax authorities in relation to the Company's transactions and activities may differ from management's interpretation. As a result, transactions may be challenged by the tax authorities and an additional amount of taxes, penalties and interest may be imposed on the Company. The period of obsolete tax liability is five years. This practically means that the tax authorities have the right to order the payment of outstanding liabilities within five years from the time the obligation incurred.

3.11. Benefits for employees***Taxes and contributions to employee social security funds***

In accordance with the regulations applicable in the Republic of Serbia, the Company is obliged to pay contributions to state funds that provide for the social security for employees. These obligations include employee contributions paid by the employer in amounts calculated at the rates prescribed by the relevant legal regulations. The company is also obliged to suspend contributions from the gross salaries of employees and to pay them to those funds on behalf of employees. Employer contributions and employee contributions are credited to the expenses of the period which they relate to.

Liabilities based on severance pay and jubilee awards

The Company has engaged a Certified Actuary to assess the provision for retirement benefits and jubilee awards as of 31st December 2020, based on the Rules of Procedure, adopted on 11th January 2019. which stipulates that the Company has an obligation to pay employees:

- Retirement severance pay in the amount of four average monthly salaries without taxes and contributions paid to the Employer in the month prior to the payment of severance pay
- Jubilee award for the total time spent in employment with the Employer in the amount of the average monthly salary without taxes and contributions paid to the Employer for the month preceding the month in which the employee acquired the right to the jubilee award for:
 - 10 years of work - in the amount of one monthly salary;
 - 20 years of work - in the amount of two monthly salaries;
 - 30 years of work - in the amount of three monthly salaries;
 - 35 years of work for women and men - in the amount of four monthly salaries;

At the end of each business year, the Company assesses the provision for severance pay and jubilee awards in accordance with the requirements of the standard IAS-19 - Employee Benefits.

The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 37a.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**3.12. Leasing**

Leasing is classified as a finance lease in all cases where the lease transfers substantially all the risks and rewards of ownership to the lessee. Every other lease is classified as an operating lease.

Company as a lessor

Operating lease income is recognized using the straight-line method over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognized as assets of the Company at the present value of the minimum lease payments determined at the beginning of the lease period. The corresponding liability to the lessor is included in the balance sheet as a liability under a finance lease.

Payment of the lease installment is allocated between the finance charge and the reduction of the lease liability so as to achieve a constant rate of participation in the outstanding liability. Financial expenses are recognized immediately in the income statement, unless they can be directly attributed to assets that are ready for use, in which case they are capitalized in accordance with the general policy of the Company on borrowing costs

Operating lease installments are recognized as an expense on a straight-line basis over the term of the lease, unless there is another systematic basis that better reflects the timing of the expenditure of economic benefits from the leased asset.

In the case when leasing benefits are granted, they are part of the operating lease and are recognized as a liability. The total benefit of the relief is recognized as a reduction in the cost of rent on a linear basis, unless there is another systematic basis that better reflects the time structure of spending the economic benefits of the leased asset

3.13. Financial instruments

Any contractual right that gives rise to a financial asset and a financial liability or equity instrument is recognized as a financial instrument on the settlement date.

Upon initial recognition, financial assets and financial liabilities are measured at cost, which represents the fair value of the consideration given (in the case of an asset) or received (in the case of a liability).

Derecognition of financial assets is when the contractual rights to the cash flows from the financial asset expire or when substantially all risks and rewards have been transferred. Derecognition of financial liabilities is when the liability is extinguished, settled, canceled or expired.

Long-term investments

Long-term financial investments after initial recognition are measured by:

- fair value, if held for trading,
- depreciated value, if they have a fixed maturity,
- at cost, if they do not have a fixed maturity.

Long-term financial investments held for trading, for which, due to the absence of an active market, it is not possible to determine the market value, are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Long-term loans to employees are stated at fair value at a discount using the market interest rate.

Short-term receivables and placements

Short-term receivables and placements include receivables from sales, and other receivables, as well as short-term placements to employees.

Receivables from the sale of services and goods are measured at the values from the original invoice. Invoiced interest related to the sale of goods and services is recognized as other receivables and is recognized in income in the period in which it arises.

Other receivables and placements originating from the company are measured at amortized cost.

Any difference between the stated amount and the subsequent measurement is recognized as a gain or loss in the period in which it arises.

Impairment of financial assets

At each balance sheet date, objective evidence of the value of assets is assessed by analyzing the expected net cash inflows.

For all receivables for which there is a reasonable suspicion that they will not be collected in the nominal amount, the receivables are corrected. Direct write-off is done only after the end of the court dispute or after the decision of the governing body.

Cash and cash equivalents

Cash and cash equivalents include cash in current accounts with banks and in cash, as well as highly liquid investments that mature up to three months after acquisition, which can be quickly converted into known amounts of cash and are not subject to significant risk of change in value.

Financial liabilities

Financial liabilities include long-term liabilities (long-term loans and other long-term liabilities), short-term financial liabilities (short-term loans and other short-term financial liabilities), short-term operating liabilities and other liabilities.

Financial liabilities are initially recognized in the amount of funds received. After initial recognition, a financial liability is measured at the amount at which the liability was initially recognized, less principal repayments, increased by amounts of capitalized interest and less any write-off granted by the creditor. Liabilities based on interest on financial liabilities are recorded at the expense of financial expenses in the period to which they relate and presented within other short-term liabilities and accrued costs and deferred revenue.

3.14. Capital, reserves and payment of profits (dividends)

The share capital consists of the nominal value of the issued shares.

Other capital components include:

- Revaluation reserves based on revaluation of property, plant and equipment

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

- Other reserves

All retained earnings and accumulated losses of this and previous periods are recognized within retained earnings.

Distributed profit (dividend) is recognized as part of liabilities when the Company's General Meeting adopts a decision on profit distribution.

3.15. Provisions, potential assets and contingent liabilities

Provisions for legal disputes, harmful contracts or other claims on the Company are recognized when the Company incurs a legal or constructive obligation as a result of a past event, when there is a known outflow of economic benefits from the Company and when the amount of such outflows can be reliably estimated. The timing or exact amount of that outflow may still be uncertain.

Restructuring costs are recognized only if there is a detailed formal restructuring plan and management has communicated the main features of the plan to all those affected by the plan or the execution of the plan has already begun. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated costs necessary to settle the present obligation, based on the most reliable evidence available at the date of adoption of the report, including the risks and uncertainties associated with the present obligation. For a number of similar liabilities, the probability of a settlement outflow is determined at the class of liabilities. Provisions are discounted to present value if the amount of the discount is material.

Any compensation in respect of liabilities that the Company is certain to realize from a third party is recognized as a separate asset. However, this asset cannot be more than the related provision.

No liability or provision is recognized unless the outflow of economic benefits embodied in the present obligation is recognized. Such situations are disclosed as contingent liabilities, except when the probability of an outflow is low.

3.16. Overview of significant accounting estimates

The presentation of financial statements requires management to use the best possible estimates and reasonable assumptions, which have an effect on the presented values of assets and liabilities as well as disclosure of contingent receivables and liabilities at the date of preparation of financial statements, income and expenses during the reporting period. These estimates and assumptions are based on information available at the date of preparation of the financial statements. Actual amounts may differ from those estimated.

The following are key assumptions regarding the future and other sources of estimating uncertainty at the balance sheet date that pose a significant risk, for material adjustments to the amount of balance sheet items in the next financial year.

3.16.1. Depreciation and depreciation rate

Depreciation calculation and depreciation rates are based on the projected economic life of property, plant and equipment. Once a year, the Company estimates the economic life based on current forecasts.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

In addition, due to the importance of fixed assets in the total assets of the Company, any change in the above assumptions may lead to material effects on the financial position of the Company, as well as on the financial result. In accordance with the accounting policy of the Company for subsequent valuation of property, plant and equipment, they are stated according to the revaluation model that expresses their fair value at the date of revaluation, less the total amount of impairment based on depreciation and the total amount of impairment based on impairment losses. The fair value of real estate is their market value which is determined by appraisal. The assessment of intangible assets, real estate, plant and equipment was performed on January 1, 2019. year by the authorized appraiser KPMG d.o.o. Belgrade. Depreciation costs for assets that have been assessed are calculated based on the estimated remaining life.

3.16.2. Impairment of uncollectible receivables

We have calculated the allowance for receivables older than 60 days, based on the estimated losses due to the inability of the customer to meet the necessary obligations. Our assessment is based on the age analysis of trade receivables, historical write-offs, creditworthiness of our customers and changes in sales conditions, when determining the adequacy of the value adjustment of doubtful and disputed receivables. This includes assumptions about future customer behavior and the resulting future charges. Management believes that no additional value adjustment of receivables is required, other than the value adjustment already shown in the financial statements.

3.16.3. Court disputes (Litigation)

In general, provisions are significantly subject to estimates. The Company assesses the probability that adverse events may occur as a result of past events and assesses the amount required to settle the obligation. Assessment of contingent liabilities based on litigation is performed by internal expert services or external advisors.

Although the Company respects the precautionary principle in its assessment, as there is a high degree of uncertainty, in some cases the actual results may deviate from these estimates.

3.16.4. Fair value

Fair value for disclosure purposes in accordance with the requirements of IFRS 13 is defined as the price that would be acquired for the sale of an asset, or paid to transfer a liability in a regular transaction between market participants at the measurement date.

The Company's business policy is to disclose information about the fair value of assets and liabilities for which there is official market information and when the fair value differs significantly from the carrying amount. There is not enough market experience in the Republic of Serbia, as well as stability and liquidity in the purchase and sale of receivables and other financial assets and liabilities, as official market information is not available at all times. Therefore, fair value cannot be reliably determined in the absence of an active market. The Management Board of the Company performs a risk assessment and in cases when it is estimated that the value at which the assets are kept in the business books will not be realized, it performs value adjustment. In the opinion of the Company's management, the amounts in these financial statements reflect the value that, in the circumstances, is the most reliable and useful for reporting purposes.

The Company measures the fair value of assets and liabilities using assumptions that market participants would use in determining the price of the asset or liability, assuming that market participants act in their best economic interest. Fair value is the price that would be charged or paid to transfer the liability in a regular transaction in the primary or most favorable market at the measurement date, under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The value estimation techniques, which are used to measure fair value, should make maximum use of relevant observable inputs and minimize the use of unobservable inputs.

In order to increase consistency and comparability in measuring fair value and related disclosures, a fair value hierarchy is established which classifies into three levels of inputs for valuation techniques, which are used in measuring fair value according to the structure that follows:

Level 1 inputs - are quoted prices (unadjusted) in an active market for identical assets and liabilities to which the entity has access at the measurement date. Level 1 input assumptions relate to the existence of a primary market for an asset or liability or, in the absence of a primary market, the most favorable market for an asset or liability; and whether the entity can realize a transaction for an asset or liability at market price on the measurement date.

Level 2 inputs - are inputs that are not quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include the following: quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in inactive markets, non-quoted prices, if observable for assets or liabilities, and market-supported inputs.

Level 3 inputs - are unobtrusive inputs for assets or liabilities, which the entity develops using the best information available in the circumstances. Thus, all reasonably available information on the assumptions of market participants is considered. Unobtrusive inputs are considered market participants' assumptions and meet the fair value measurement objective.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

4. OTHER OPERATING INCOME

Structure of other operating income	in 000 RSD	
	I-XII 2020.	I-XII 2019.
Stamp revenue	8,500	8,500
Revenues from periodic concession fee	270,938	558,888
Decrease in revenue based on OS transferred to Active accruals(assets sold on the 1st day of the beginning of the Concession Agreement)	(97,174)	(77,045)
Income from non - monetary compensation (property) - Land	119,474	119,474
Revenues from pre-invoiced costs	5,339	5,527
Total	307,077	615,344

As explained in point 2.2. of the Note, the Company recognized the following as an income :

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it is incurred, i.e. a variable fee that is a percentage of the gross revenue of the DPN for the observed period, whichever is higher. Revenue on this basis is RSD 270,938 thousand (2019 - RSD 510,884 thousand). Due to the declaration of a virus epidemic, i.e. the application of a case of force majeure, in the period until December 31, 2020, the realized concession fee is at a level that implies a reduction in the number of passengers at Nikola Tesla Airport, which reflected on DPN's business during the observed period. As stated in Note no. 47, the management's assessment implies that the financial condition of the Company is such that there is no uncertainty regarding the Company's ability to continue as a going concern.

- In 2019, given the good performance of DPN, DPN paid ANT an additional RSD 48,004 thousand by applying the provisions of the Concession Agreement which define what constitutes the Concession Fee for the observed year. Given the onset of the pandemic caused by the COVID 19 virus in 2020, there were no conditions for the application of the provisions for the payment of the additional Concession Fee.

- Part of the fee based on the transfer of the right to use movable Concession assets that DPN will use until the end of their useful life in terms of revenue reduction during the concession period, in accordance with IFRS 16. The amount of compensation in the amount of RSD 97,174 thousand (2019 - RSD 77,045 thousand) consists of expenditures of these funds in the amount of RSD 27,035 thousand (2019 - RSD 6,811 thousand, missing according to the census in the amount of RSD 95 thousand) and annual reimbursement of funds stated as receivables from the transfer of rights of use under AVR in the amount of RSD 70,139 thousand (2019 - RSD 70,139 thousand).

- Income based on non-monetary compensation related to deferred income for Additional land based on the transfer of ownership rights in the amount of RSD 119,474 thousand per year (2019 - RSD 119,474 thousand).

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

5. COST OF MATERIALS

Structure of cost of materials	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Production material costs		
Overhead costs (office and other materials)	998	1,258
Inventory costs	57	242
Total	1,055	1,500

6. FUEL AND ENERGY COSTS

Structure of fuel and energy costs	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Gasoline and diesel fuel costs	909	912
Electricity costs	47	-
Total	956	912

7. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES

Structure of salary expenses, salary compensation and other personal income	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Gross earnings and earnings allowances	105,499	100,549
Taxes and contributions borne by the employer	17,182	16,885
Costs of fees under the contract of work and copyright	746	1,018
Costs of fees under the contract on temporary and occasional jobs	5,130	6,153
Fee costs for members of the Supervisory Board, SA, Audit Committee	7,790	7,478
Other personal income		
Transportation costs	825	1,042
Official expenses	472	1,463
Severance pay and jubilee awards	54	-
Voluntary pension insurance premiums	3,075	2,249
Solidarity assistance (newborns, treatments, natural disasters and other)	786	490
<i>Other personal expenses</i>	202	248
Overall	5,414	5,492
Total	141,761	137,575

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**8. COSTS OF PRODUCTION SERVICES**

Structure of costs of production services	In 000 RSD	
	I-XII 2020.	I-XII 2019.
<i>Costs of telephone and other PTT services</i>	2,982	2,371
<i>Costs of maintenance services</i>	3,549	12,755
<i>Rental costs</i>	29,932	22,553
<i>Advertising and propaganda costs (sponsorships)</i>	-	27,445
Costs of other production services:		
<i>Utility costs</i>	12	2,840
<i>Costs of other services</i>	495	483
Subtotal	507	3,323
TOTAL	36,970	68,447

9. DEPRECIATION COSTS

Structure of depreciation costs	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Depreciation costs for intangible assets	9,738	-
Depreciation costs for real estate	397,425	409,800
Depreciation costs for equipment	276,761	271,469
Total	683,924	681,269

In accordance with the accounting policy of the Company for subsequent valuation of property, plant and equipment, they are stated according to the revaluation model which expresses their fair value on the day of revaluation, reduced by the total amount of impairment based on depreciation and the total amount of impairment losses. The fair value of real estate is their market value which is determined by appraisal. In accordance with IAS 16.31 and legal regulations, property valuation is performed in a period of three to five years. The assessment of intangible assets, real estate, plant and equipment was performed on January 1, 2019. year by the authorized appraiser KPMG d.o.o. Belgrade. Depreciation costs are included and calculated based on the estimated remaining life for the assets that were the subject of the assessment.

10. PROVISION COSTS

Provision cost structure	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Provisions for severance pay upon retirement	91	987
Provisions for jubilee awards	1,696	2,815
Provisions for litigation	20,000	29,500

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Total	21,787	33,302
--------------	---------------	---------------

11. INTANGIBLE COSTS

Structure of intangible costs	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Costs of non-productive services:		
Costs of cleaning services	1,179	-
Costs of consulting services	2,182	5,925
Cost of professional training services	554	5,285
Costs for services on existing PIS software	2,760	5,550
Costs of other non-productive services	65,150	46,289
Subtotal	71,825	63,049
Representation costs	2,309	3,394
Insurance costs	697	552
Payment transaction costs	590	2,355
Membership fees costs	425	1,115
Tax fees costs	90,078	75,026
Other intangible costs	15,285	4,242
Total	181,209	149,733

12. FINANCIAL INCOME

Structure of financial income	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Interest income	7,480	20,649
Positive exchange rate differences and positive effects of the currency clause:		
Positive exchange rate differences	5,488	49,980
Revenues from the effect of the currency clause	2	711
Subtotal	5,490	50,691
Other financial income	-	-
Total	12,970	71,340

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

13. FINANCIAL EXPENSES

Structure of financial expenses	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Interest expenses	36	9,720
Negative exchange rate differences and negative effects of the currency clause		
<i>Negative exchange rate differences</i>	31,392	124,443
<i>Negative effects of currency clause</i>	21	1,753
Subtotal	31,413	126,196
Other financial expenses		
Total	31,449	135,916

14. INCOME FROM ADJUSTMENT OF VALUE OF OTHER ASSETS

Structure of income from valuation adjustments of other assets stated at fair value through Income statement	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Income from adjustment of receivables from individuals for housing loans based on collection and assessment of fair value	20,474	5,978
Revenue from adjusting the value of trade receivables for services		
Total	20,474	5,978

15. EXPENSES FROM ADJUSTING THE VALUE OF OTHER ASSETS

Structure of expenses from adjusting the value of other assets that are stated at fair value through the income statement	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Impairment of receivables for housing loans	-	152
Expenses from adjusting the value of trade receivables	14,745	20,923
Expenses from adjusting the value of other receivables	18,261	-
Expenses from adjusting the value of financial placements and capital share	4,463	-
Total	37,469	21,075

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

16. OTHER INCOME

Structure of other income	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Profits from the sale of equipment as a secondary raw material	870	2,057
Collected written-off (corrected) receivables	2,791	19,801
Revenues from the abolition of long-term provisions for litigation	3,317	19,692
Revenues from contracted revaluation of housing loans	607	641
Revenues from reduction of liabilities	16,444	523,785
Other not stated revenues:		
<i>Revenues from reimbursement of court costs</i>	1,400	1,897
Revenues from damages from legal entities and individuals	5,886	-
Other	32	719
Subtotal	7,318	2,616
Income from adjusting the value of intangible assets		
Income from adjusting the value of real estate, plant and equipment	-	62,488
Income from adjusting the value of other assets	882	
Total	32,229	631,080

17. OTHER EXPENSES

Structure of other expenses	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Losses due to land transfer free of charge		9,528
Losses from sale / disposal of equipment and materials	4,574	
Deficits		
Expenses based on direct write-offs of receivables	3,225	1,674
Other not stated expenses:		
Court costs	11,484	1,101
Other	6,721	14,037
Subtotal	18,205	15,138
Impairment of property, plant and equipment	-	528,190
Impairment of intangible assets	-	16,168
Impairment of other assets	240	4,132
Total	26,244	574,830

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**18. NET PROFIT / LOSS DUE TO ERROR CORRECTION FROM THE PREVIOUS PERIOD**

Structure of net profit/loss on previous error correction	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Subsequent revenue from previous years	16,255	38,988
Subsequent expenses from previous years	(15,652)	(58,043)
Net profit/loss on previous error correction	603	(19,055)

19. PROFIT/LOSS BEFORE TAXATION

Structure of gross results	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Operating income	307,077	615,344
Operating expenses	1,067,662	1,072,738
Operating results	(760,585)	(457,394)
Financial income	12,970	71,340
Financial expenses	31,449	135,916
Financial result	(18,479)	(64,576)
Income from adjusting the value of other assets at fair value through Income statement	20,474	5,978
Other income	32,229	631,080
Expenses from adjusting the value of other assets at fair value through Income statement	37,469	21,075
Other expenses	26,244	574,830
Result of other income and expense	(11,010)	41,153
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period	603	
Net loss from discontinued operations, changes in accounting policies and corrections of errors from the previous period		19,055
TOTAL OF INCOME	389,005	1,362,730
TOTAL OF EXPENDITURE	1,178,476	1,862,602
PROFIT/LOSS BEFORE TAXATION	(789,471)	(499,872)

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**20. INCOME TAX AND NET INCOME / (LOSS)**

Tax calculation structure of income and net income /(loss)	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Income (loss) before taxation	(789,471)	(499,872)
Capital income (loss) reported in Income statement		
Adjustment and correction of income / (expenditure) in the tax balance	(97,529)	1,506
Taxable income / (loss)	(887,000)	(498,366)
The amount of loss from the tax balance from previous years up to the amount of taxable income		
The rest of the taxable profit	-	-
Capital gains / (losses) calculated in accordance with the Law		(340,915)
Transferred capital losses from previous years up to the amount of capital gain in accordance with the Law		
The rest of capital income	-	-
Tax base	-	-
Calculated tax (15% of the tax base)	-	-
Total deductions of calculated tax		
Calculated tax after the deduction	-	-
Income/(loss) before taxation	(789,471)	(499,872)
Tax (expenditure) of the period	-	-
Deferred tax income / (expense) for the period	(9,651)	46,015
Net income /loss	(799,122)	(453,857)
Effective tax rate	-1,22%	9,21%

21. PROFIT PER SHARE

Indicator	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Net acquisition belonging to owners	(799,122)	(453,857)
Average weighted number of shares	35,026,129	35,026,129
Profit per share (in RSD)	(22,82)	(12,96)

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**22. INTANGIBLE ASSETS**

in 000 RSD

Intangible assets structure	Concessions, patents, licenses, software and other rights	Intangible assets in preparation	Advances for intangible assets	Total
Procurement value				
Opening balance on 01.01.2019.	433,593		1,595	435,188
Correction of the opening balance				-
Balance on 01.01. 2019.after correction	433,593	-	1,595	435,188
Procurement during the year		18,551		18,551
Transfer from intangible assets in progress				-
Transfer to accruals - NU transfer of the right to use on the first day of the concession	(290,086)			(290,086)
Other			(1,595)	(1,595)
Estimate of the asset fair value				
Revaluation reserves	31,648			31,648
Revaluation expenses	(16,168)			(16,168)
Impairment of present value for accumulated depreciation	(158,987)			(158,987)
Balance on 31.12.2019.	-	18,551	-	18,551
Correction of the opening balance				-
Balance on 01.01.2020. after the correction	-	18,551	-	18,551
Procurement during the year		25,571		25,571
Transfer from intangible assets in progress	43,817	(43,817)		-
Disposals, expenditures and sales				-
Other		(305)		(305)
Balance on 31.12.2020.	43,817	-	-	43,817
Value adjustment				
Opening balance on 01.01.2019.	158,987			158,987
Correction of the opening balance				-
Balance on 01.01.2019. after correction	158,987	-	-	158,987
Depreciation in the current year				-
Reversal of impairment Assessment of fair value of assets	(158,987)			(158,987)
Balance on 31.12.2019.	-	-	-	-
Correction of the opening balance				-
Balance on 01.01.2020. after correction	-	-	-	-
Depreciation in the current year	9,738			9,738
Disposals, expenditures and sales				-
Balance on 31.12.2020.	9,738	-	-	9,738
Net current value				
31.12.2019.	-	18,551	-	18,551
31.12.2020.	34,079	-	-	34,079

Valuation of intangible assets was performed on 01.01.2019. year by the authorized appraiser KPMG d.o.o. Belgrade. The effects of the assessment are shown in the table above. More about the assessment is explained

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

in Note 23. In addition, NU was transferred to accruals as assets with the right to use on the first day of the concession in the amount of RSD 290,086.

During 2020, investments were made in intangible assets - licenses and software in the amount of RSD 25,571 thousand. All funds are activated.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

23. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL FUNDS – 2019

in 000 RSD

Property, Plant and Equipment and Biological Assets Structure for 2019	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total – property, plants and equipment	Biological funds-basic herd
Procurement value									
Opening balance on 01.01.2019.	9,968,707	11,701,881	6,562,986	-	3,619	3,519	15,812	28,256,524	124
Procurement during the year						3,044,561		3,044,561	
Transfers from the investments in progress	2,986,857	13,339	47,884			(3,048,080)		-	
Disposal, expenditure and sale	(9,789)	(22,469)	(46,829)					(79,087)	
Other Advances							(15,812)		
Transfer to accruals – transfer of rights to use fixed assets on the first day of the concession			(1,466,573)		(3,619)			(1,470,192)	(96)
Assessment of the fair value of assets								-	
Revaluation reserves	1,234,574	607,378	434,871					2,276,823	
Impairment at the expense of earlier revaluation reserves		(28,033)	(75,486)					(103,519)	
Revaluation revenues		55,578	6,910					62,488	
Revaluation expenses		(389,264)	(138,898)					(528,162)	(28)
Impairment for accumulated depreciation		(716,972)	(1,199,887)					(1,916,859)	
Balance on 31.12.2019.	14,180,349	11,221,438	4,124,978	-	-	-	-	29,542,577	-
Value adjustment									
Opening balance on 01.01.2019.	-	716,972	1,221,482	-	-	-	15,812	1,954,266	-
Depreciation in the current year	-	409,800	271,469	-	-	-	-	681,269	-
Other Advances							(15,812)		

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Disposal, expenditure and sale	-	(192)	(21,595)	-	-	-	-	(21,787)	-
Abolition of I.V. after assessing the fair value of assets	-	(716,972)	(1,199,887)	-	-	-	-	(1,916,859)	-
Balance on 31.12.2019.	-	409,608	271,469	-	-	-	-	696,889	-
Net current value									
01.01.2019.	9,968,707	10,984,909	5,341,504	-	3,619	3,519	-	26,302,258	124
31.12.2019.	14,180,349	10,811,830	3,853,509	-	-	-	-	28,845,688	-

23a. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL FUNDS – 2020

In 000 RSD

Property, Plant and Equipment and Biological Assets Structure for 2020	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total – property, plants and equipment	Biological funds- basic herd
Procurement value									
Opening balance on 01.01.2020.	14,180,349	11,221,438	4,124,978	-	-	-	-	29,526,765	-
Correction of the opening balance	-	-	-	-	-	-	-	-	-
Balance on 01.01.2020. after the correction	14,180,349	11,221,438	4,124,978	-	-	-	-	29,526,765	-
Procurement during the year	-	-	-	-	-	61,160	-	61,160	-
Transfers from the investments in progress	-	-	-	-	-	-	-	-	-
Disposal, expenditure and sale	-	(940)	(5,640)	-	-	-	-	(6,580)	-
Other	-	-	-	-	-	-	-	-	-
Closing balance on 31.12.2020.	14,180,349	11,220,498	4,119,338	-	-	61,160	-	29,581,345	-
Adjustment of value									
Opening balance on 01.01.2020.	-	409,608	271,469	-	-	-	-	681,077	-
Correction of the opening balance	-	-	-	-	-	-	-	-	-
Balance on 01.01.2020. after the correction	-	409,608	271,469	-	-	-	-	681,077	-
Depreciation in the current year	-	397,425	276,761	-	-	-	-	674,186	-

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Disposal, expenditure and sale	-	(799)	(1,209)	-	-	-	-	(2,008)	-
Closing balance on 31.12.2020.	-	806,234	547,021	-	-	-	-	1,353,255	-

Net current value

01.01.2020.	14,180,349	10,811,830	3,853,509	-	-	-	-	28,845,688	-
31.12.2020.	14,180,349	10,414,264	3,572,317	-	-	61,160	-	28,228,090	-

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

In accordance with the accounting policy of the Company for subsequent valuation of real estate, plant and equipment, they are stated according to the revaluation model which expresses their fair value on the revaluation date, reduced by the total amount of impairment and depreciation and impairment losses. The fair value of real estate is their market value which is determined by appraisal. In accordance with IAS 16.31 and legal regulations, property valuation is performed in a period of three to five years.

The assessment of intangible assets and real estate, plant and equipment was performed on January 1, 2019 by the authorized appraiser KPMG d.o.o. Belgrade. During the valuation, the appraiser was guided by the international financial reporting standard IFRS 13 - Fair Value Measurement, which requires that the valuation of fixed assets should be based on information that is observable, i.e. verified in the market. Having in mind the specificity of the Company's assets, as well as the fact that transactions of these types of assets are rare on the market, as well as the fact that assets are subject to concession assets, the appraiser in most cases decided to apply the method of amortized replacement costs - cost approach. In choosing the method, the appraiser used the method of amortized replacement costs - the cost approach in the assessment of equipment and buildings, the method of direct comparison of sales prices - the market approach in the assessment of land and apartments. Discounted cash flow method - the income approach could not be applied in estimating each individual asset, as it was not possible to identify cash flows generated by individual assets, but was used to determine the economic write-off of the asset.

The effects of the assessment in terms of including the fair value of assets, revaluation reserves, income and expenses in the Income Statement are shown in the table above for changes in property, plant and equipment for 2019.

Total investments in property, plant and equipment in the period I-XII 2019 amount to RSD 3,044,561 thousand, and relate to land in the amount of RSD 2,986,857 thousand, construction facilities in the amount of RSD 13,339 thousand (RSD 3,519 thousand in the name of construction facilities, which is included in the estimate on January 1, 2019) and equipment in the amount of RSD 47,884 thousand. All funds are activated. During 2019, the ownership rights were transferred to the Company of two cadastral parcels 5251 and 5252 with a total area of 107,650 m². The entry of land in the business books of the Company was made on the basis of an estimate by a certified appraiser in the amount of RSD 2,986,857 thousand.

Total investments in real estate, plant and equipment in the period I - XII 2020 amount to RSD 61,160 thousand and relate to professional supervision related to the implementation of mandatory works by DPN.

Property, plant and equipment amount in total of RSD 28,228,290 thousand as at 31.12.2020. and relate to Concession funds given for use in the amount of RSD 28,129,141 thousand, while the funds used by the Company amount to RSD 37,789 thousand and investments in progress of RSD 61,160 thousand.

24. LONG- TERM INVESTMENTS

Structure of the long- term investments	in 000 RSD	
	31.12.2020.	31.12.2019.
Share in the capital of dependent legal entities		
Share in the capital of associated legal entities and joint ventures		
Equity investments of other legal entities and other securities available for sale	378,684	378,684
Long-term placements to parent and dependent legal entities		
Long-term placements to other related legal entities		
Long-term placements in the country		

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Long-term placements abroad		
Securities held to maturity		
Other long term investments	197,718	212,634
Subtotal	576,402	591,318
Correction of value	(449,282)	(465,865)
Total	127,120	125,453

24a. SHARES IN THE CAPITAL OF OTHER LEGAL ENTITIES AND SECURITIES

Capital share structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Share in bank capital:		
<i>Privredna banka a.d. Beograd</i>	392	392
Minus: Value adjustment	(392)	(392)
Subtotal	-	-
Shares in banks in liquidation:		
Union banka a.d. Beograd in liquidation	667	667
Beogradska banka a.d. Beograd in liquidation	18,988	18,988
Beobanka a.d. Beograd in liquidation	38	38
Minus: Value adjustment	(19,693)	(19,693)
Subtotal	-	-
Shares in foreign entities:		
Mondijal-Bodrum -Turkey	358,598	358,598
<i>Societe Internationale de Telecommun. Aeronautiques Suisse (SITA)</i>	1	1
Minus: Value adjustment	(358,599)	(358,598)
Subtotal	-	1
Total	-	1

246. OTHER LONG-TERM INVESTMENTS

Other long-term investments structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Other long-term investments		
Funds for membership in Societe Internationale de Telecommunications Aeronautiques Suisse (SITA)	3,847	4,219
<i>Minus: Value adjustment</i>	(3,847)	
Subtotal	-	4,219
Long-term investments given to employees		
<i>Long term loans given to employees</i>	192,516	206,923

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Receivables for sold social housing	225	249
Receivables for the purchase of solidarity apartments	1,131	1,243
Minus: Value adjustment	(66,752)	(87,182)
Subtotal	127,120	121,233
Total	127,120	125,452

Receivables from employees for long-term loans for the purchase and repurchase of apartments on 31.12.2020. amount to RSD 193,872 thousand. The above refers to loans granted to employees to address housing needs given for a period of 20 - 40 years. Estimation of fair value of housing loans as of 31.12.2020. was performed by a certified appraiser by projecting future cash flows based on the collection of receivables for housing loans, using discount rates: from 4.1% to 7.8%, depending on whether and in what time intervals housing loans are revalued or contracted with currency clause, whether they have an agreed interest rate or are contracted without an interest rate.

25. PAID ADVANCES FOR INVENTORIES AND SERVICES

Paid advances for inventories and services structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Advances for domestic services	5,800	6,496
Advances for foreign services	240	240
Minus: Value adjustment	(4,037)	(4,678)
Total	2,003	2,058

26. RECEIVABLES FROM SALE

Structre of receivables from sale	In 000 RSD	
	31.12.2020.	31.12.2019.
Customers in the country:		
Customers in the country:	244,238	312,659
Minus: Value adjustment	(236,417)	(237,256)
Subtotal	7,821	75,403
Customers abroad:		
Customers abroad	45,929	52,621
Minus: Value adjustment	(42,961)	(29,833)
Subtotal	2,968	22,788
Total	10,789	98,191

The changes in the value adjustment account are shown in the following table.

Change in impairment of sales receivables	In 000 RSD	
	31.12.2020.	31.12.2019.
Balance as of 1 st January	267,089	266,895
Exchange rate differences	(262)	12
Additional value adjustment	14,745	20,903
Corrected receivables collected	(2,194)	(19,520)
Direct write-off of previously corrected receivables	-	(1,201)
Total	279,378	267,089

The total value adjustment of receivables from customers in the country amounts to RSD 236,417 thousand, which mainly relates to the impairment of receivables from defendant domestic customers in the amount of RSD 233,799 thousand and other domestic customers RSD 2,618 thousand.

The total value adjustment of receivables from foreign customers in the amount of RSD 42,961 thousand refers to the value adjustment of receivables from defendant customers in the amount of RSD 26,870 thousand and other foreign customers RSD 16,091 thousand.

In 2020, an additional adjustment was made to the value of receivables in the amount of RSD 14,745 thousand older than one year. (2019 - RSD 20,903 thousand).

27. OTHER RECEIVABLES

Structure of other receivables	In 000 RSD	
	31.12.2020.	31.12.2019.
Interest and dividend receivables:		
Receivables from customers in the country for default interest	2,672	6,538
Interest receivables on time deposits and via vista interests	466	503
Interest receivables from housing loans	317	186
<i>Minus: Value adjustment</i>	(1,732)	-
Subtotal	1,723	7,227
Receivables from employees		
<i>Receivables from employees</i>	592	607
<i>Minus: Value adjustment</i>	(592)	(592)
Subtotal	-	15
Receivables for overpaid income tax	1,572,245	1,572,245
Receivables from prepaid taxes and other contributions	1,744	398
Reimbursable compensation claims		
Reimbursable compensation claims	15,295	16,267
<i>Minus: Value adjustment</i>	(15,295)	-
Subtotal	-	16,267
Other receivables		
Other receivables	32,802	33,519
<i>Minus: Value adjustment</i>	(22,500)	(21,863)

Subtotal	10,302	11,656
Total	1,586,014	1,607,808

28. SHORT - TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	In 000 RSD	
	31.12.2020.	31.12.2019.
Short-term loans and borrowings in the country - Short-term loan to employees (winter sotres, fuel - 6 months)	1,817	2,432
Other short-term financial investments:		
<i>Short-term time deposits</i>		
<i>Current maturity of long-term housing loans granted to employees</i>	11,621	10,495
<i>Current maturity of long-term investments in Societe Internatonal de Telecommunications Aeronautiques Swisse (SITA)</i>	616	675
<i>Minus: Value adjustment</i>	(838)	(266)
Subtotal	11,399	10,904
Total	13,216	13,336

29. CASH EQUIVALENTS AND CASH

Structure of cash equivalents and cash	In 000 RSD	
	31.12.2020.	31.12.2019.
Current account - RSD	66,143	194,991
Current account - foreign currency	659,164	715,116
Cashier - foreign currency	11	11
Total	725,318	910,118

30. VALUE ADDED TAX

VAT structure	In 000 RSD	
	31,12,2020,	31,12,2019,
Receivables for overpaid VAT	81,641	40,792
Total	81,641	40,792

31. ACTIVE ACCURALS

Structure of active accruals	In 000 RSD	
	31.12.2020.	31.12.2019.
Prepaid expenses related to the future period	1,652	-
Receivables for uninvoiced income related to the current period	156,661	175,996

Other active accruals:		
<i>Deferred VAT</i>	-	3,225
<i>Other active accruals- Fixed assets sold on the Concession Start Date</i>	1,586,154	1,683,329
Subtotal	1,586,154	1,686,554
Total	1,744,467	1,862,550

Receivable from the transfer of the right to use fixed assets on the Concession Commencement Date

Pursuant to item 2.2 of the Note, Other assets that will be used by SPC until the end of the concession period that are not recognized as assets in accordance with IAS 16 on the start date but are treated as sold on the first day of the concession are other assets not closely related to infrastructure and airport equipment. Initial receivables from these assets reported on the AVR total RSD 1,760,374 thousand (Intangible assets (RSD 290,086 thousand), Equipment (RSD 1,466,573 thousand), Other equipment (RSD 3,619 thousand) and Basic herd (RSD 96 thousand)). These receivables are reduced by the amount of fees for the transfer of the right to use these funds during the concession period, which affects the reduction of income. For the year of 2020 the reduction of receivables / revenues amounts to a total of RSD 97,174 thousand (2019 – RSD 77,045) and it consists of expenditures of these funds in the amount of RSD 27,035 thousand and annual reimbursement of funds stated as receivables from the transfer of the right to use funds in the amount of RSD 70,139 thousand.

32. EQUITY

Equity structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Basic capital:		
Share capital	21,015,677	21,015,677
Share premium	306,856	306,856
Subtotal	21,322,533	21,322,533
Repurchased own shares	(33,192)	(33,192)
Statutory reserves	6,164,196	6,356,456
Revaluation reserves	2,214,039	2,218,988
Retained earnings / (Loss):		
Retained earnings from previous years	5,823	261,596
(Loss) from previous years	-	
(Loss) from the current year	(799,122)	(453,857)
Subtotal	(793,299)	(192,261)
Total	28,874,277	29,672,524

32a. SHARE CAPITAL

Pursuant to the Law on Amendments to the Law on the Right to Free Shares and Cash Compensation that Citizens Receive in the Privatization Procedure, the Company was obliged to change its legal form by June 30, 2010 and express its share capital in shares of a certain nominal value based on adjusted carrying amount of equity. During 2010, based on the Conclusion of the Government of the Republic of Serbia No. 023-448 / 2010-1, recommendations were given to the Company to select the most favorable consultant

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

who will assess the market value of capital and provide expert assistance in preparing and implementing the procedure for changing the legal forms from a public company to a joint stock company.

On 17th June 2010, the Government of the Republic of Serbia passed Decision No. 023-4432 / 2010 on changing the legal form of the Company from a public company to a closed joint stock company.

This change was registered with the Business Registers Agency by Decision No. BD 68460/2010 on 22nd June 2010, which registered the capital in the total amount of EUR 214,556,965, which amounts to RSD 20,573,610 thousand on the day of registration.

On 7th July 2010, 34,289,350 shares were registered in the Central Registry of Securities, with a nominal value of RSD 600 per share, which as of 31st December 2010 were owned by the Republic of Serbia.

In accordance with the Law on the Right to Free Shares and Cash Compensation that Citizens Receive in the Privatization Procedure ("Official Gazette of the Republic of Serbia" No. 123/07 and 30/10) on 9th December 2010 based on the Decision of the Government of the Republic of Serbia No. 023- 9103 / 2010-1, the right to transfer 16.85% of the Company's ownership was acquired by citizens of the Republic of Serbia, employees and former employees of the Company.

On 21st January 2011, the Assembly of the Company passed Decision No. 21-2 / 1 on the transformation of the Company from a closed to an open joint stock company. The mentioned change was registered with the Business Registers Agency by Decision No. BD 765/2011 on 24th January 2011.

The capital structure after the transfer of ownership based on data from the Central Registry, Depot and Securities Clearing on 25th January 2011, was as follows:

Share capital on 25 th January 2011- (transition to open joint-stock company)	Value in thousands of dinars	Number of shares	%of share
Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and former employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
Total	20,573,610	34,289,350	100%

During 2018, the share capital was increased by 736,779 shares with a nominal value of RSD 600.00 per share, based on the recapitalization by the majority owner of the Republic of Serbia, based on the subscription of the second emission (120,521 shares), the third emission (470,904 shares). and the fourth issue (145,354 shares), which increased the total share capital by 442,067 thousand dinars.

Share capital structure as of 31st December 2021 is as follows:

Share holders structure	31.12.2020.		
	Value in thousands of dinars	Number of shares	% of share
Republic of Serbia	17,770,021	29,616,702	84.56%
Domestic and foreign individuals	1,934,198	3,223,663	9.20%
Domestic and foreign entities	113,764	189,606	0.54%
Custody persons	1,197,695	1,996,158	5.70%
Total	21,015,677	35,026,129	100%

Overview of ten largest shareholders on 31st December 2021 is given below.

Shareholder	Number of shares	Share
REPUBLIC OF SERBIA	29,616,707	84.56%
OTP BANKA SRBIJA - Custody	828,164	2.36%
VOJVODJANSKA BANKA AD NOVI SAD	645,100	1.84%
OTP BANKA SRBIJA -Custody	366,177	1.05%
RAIFFEISEN BANKA AD -Custody	57,988	0.17%
AIRPORT NIKOLA TESLA JOINT-STOCK COMPANY	55,320	0.16%
BOŽIĆ SVETISLAV	45,003	0.13%
UNICREDIT BANK	36,065	0.10%
KERAMIKA JOVANOVIĆ DOO	32,379	0.09%
DUNAV RE AD	28,231	0.08%

32b. ISSUE PREMIUM

Structure of the issue premium	In 000 RSD	
	31.12.2020.	31.12.2019.
Issue premium – the issue of shares	718,665	718,665
Issues premium - repurchase of own shares	(411,809)	(411,809)
Total	306,856	306,856

32c. REPURCHASED OWN SHARES

Structure of the repurchased own shares	In 000 RSD	
	31,12,2020,	31,12,2019,
Repurchased own shares	33,192	33,192
Total	33,192	33,192

On 31st December 2021 the company possess 55.320 own shares.

32d. RESERVES

Reserve structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Statutory reserves	6,164,196	6,356,456
Total	6,164,196	6,356,456

Reserves were created in accordance with the Company's Articles of Association.

Statutory reserves were reduced by RSD 192,261 thousand to cover losses by the decision of the Assembly of the Company adopted at the 27th regular session on 28th July 2020.

32e. REVALUATION RESERVES

Structure of revaluation reserves based on assessment	In 000 RSD	
	31.12.2020.	31.12.2019.
Revaluation reserves for intangible investments		
Revaluation reserves for land	1,349,369	1,349,369
Revaluation reserves for buildings	567,194	567,708
Revaluation reserves for equipment	297,476	301,911
Total	2,214,039	2,218,988

Revaluation reserves include related deferred tax liabilities.

32f. RETAINED PROFIT / LOSSES

Retained profit structure involving changes	In 000 RSD	
	31.12.2020.	31.12.2019.
Balance as of 1st January	261,596	53,162,398
Allocation of retained profit - dividend		(52,928,382)
Allocation of retained profit- loss coverage	(261,596)	
Allocation of retained profit - employee participation in profit distribution		(234,016)
Subtotal	-	-
Profit from previous years, the result of transfer of revaluation reserves to profit on disposal of fixed assets in the current year	5,823	261,596
Net profit for the current period		
Total	5,823	261,596

Loss structure involving changes	In 000 RSD	
	31.12.2020.	31.12.2019.
Balance on 1st January	453,857	
Coverage of loss from retained earnings	(261,596)	
Coverage of loss from statutory reserves	(192,261)	
Subtotal	-	-
Loss from the current period	799,122	453,857
Total	799,122	453,857

The Assembly of the Company made a decision on the distribution of profits, ie coverage of losses for 2019, at the 27th regular session held on July 28, 2020. Above mentioned decision covered the loss in the amount of RSD 453,857 thousand from the distribution of retained earnings of RSD 261,596 thousand and from the available statutory reserves in the amount of RSD 192,261 thousand.

The company realized a loss from current operations in the period I-XII 2020 in the amount of RSD 799,122

thousand.

The Company realized a profit arising from the transfer of revaluation reserves to profit for fixed assets that were alienated of / disposed of in the observed period in the amount of RSD 5,823 thousand.

33. LONG-TERM PROVISIONS

Structure of the long-term provisions	In 000 RSD	
	31.12.2020.	31.12.2019.
Provisions for fees and other employee benefits	6,873	5,087
Provisions for litigation costs	97,406	81,006
Total	104,279	86,093

Changes in long-term provisions based on severance pay, jubilee awards and litigation in the period I-XII 2020, as well as in the period 2019 are shown in the following table.

Description of the change	Severance	Jubilee awards	Total	In 000 RSD	
				litigation	
Balance on 01.01.2019.	251	1,034	1,285	144,339	
Additional reservations	987	2,815	3,802	29,500	
Actuarial gains			-		
Used during the year			-	(73,142)	
Reversal of unused amounts			-	(19,691)	
Balance on 31.12.2019.	1,238	3,849	5,087	81,006	
Additional reservations	91	1,695	1,786	20,000	
Used during the year			-	(283)	
Reversal of unused amounts			-	(3,317)	
Balance on 31.12.2020.	1,329	5,544	6,873	97,406	

33a. Provisions for fees and other employee benefits

Provisions for fees and other employee benefits (provisions for unpaid severance pay upon retirement and jubilee awards) are stated on the basis of an actuarial calculation made on 31st December 2020.

The assumptions used in the calculation of provisions for severance pay upon retirement and for jubilee awards are given below.

Assumptions used in calculation	2020	2019
Limits for retirement	Articles 19 and 69 of Law on pension and disability insurance	
Mortality tables	Serbia, 2012	
Discount rate	3.50%	3.50%
Earnings growth rate	5.00%	5.00%
Percentage of fluctuation	2.00%	0.00%

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The amount of severance pay in case of retirement at the time of provisioning	Double the average salary of employees in Serbia for September 2020 (RSD 82,515) or double the average salary of the Employer without taxes and contributions, whichever is more favorable	Double the average salary of employees in Serbia for September 2019 (RSD 74,160) or quad average salary of the Employer whichever is more favorable
Basis for jubilee awards	The average salary without taxes and contributions with the Employer	
Total number of the employees as of 31 st December	36	36

The calculation of provisions for retirement benefits and jubilee awards based on assumptions is as follows:

Calculation of provisions	In 000 RSD	
	Retirement benefits	Jubilee awards
Provisions as of 31.12.2019.	1,238	3,849
Interest expense	43	134
The expense of current labor service	663	3,076
The expense of past labor service	-	-
Actuarial (profit) / loss	(615)	(1,515)
Reversal of provisions during the year in the Company's business books	-	-
Total net change in the provision amount in 2019	91	1,695
Provision balance as of 31.12. 2020.	1,329	5,544

33b. Litigation provisions

The Company has lawsuits against the Company. The amounts of final losses on the basis of litigation may be increased on the basis of accrued default interest until the date of termination of disputes, or until the date of final payments on disputes. As at 31 december 2021, the Company has a provision for potential losses based on these litigations in the amount of RSD 97,406 thousand (31.12.2019. RSD 81,006 thousand) (Note 46). According to the assessment of the Company's management on this basis, no additional material losses are expected in the coming period.

34. RECEIVED ADVANCES DEPOSITS AND BAILS

Structure of the received advances deposits and bails	In 000 RSD	
	31.12.2020.	31.12.2019.
Advances received from domestic customers	710	873
Advances received from foreign customers	2	2
Deposits received from domestic customers	2,426	3,990

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Deposits received from foreign customers	1,226	5,342
Subscriptions from domestic customers	11,445	8,781
Subscriptions from foreign customers	33,481	23,035
Total	49,290	42,023

35. OPERATING LIABILITIES

Structure of operating liabilities	In 000 RSD	
	31,12,2020,	31,12,2019,
Suppliers in the country	25,373	44,724
Suppliers abroad	253	5,577
Other operating liabilities		
<i>For the charged turnover on behalf of the company</i>	-	7,877
<i>Other operating liabilities</i>	129	1,370
Subtotal	129	9,247
Total	25,755	59,548

36. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	In 000 RSD	
	31.12.2020.	31.12.2019.
Liabilities for wages and salaries	-	269
Other liabilities:		
<i>Dividend liabilities</i>	16,598	16,598
<i>Liabilities for profit sharing</i>	274	323
<i>Liabilities to employees</i>	10	-
<i>Other liabilities</i>	-	115
Subtotal	16,882	17,036
Total	16,882	17,305

37. VAT LIABILITIES

Structure of VAT liabilities	In 000 RSD	
	31.12.2020.	31.12.2019.
VAT liabilities	-	-
Total	-	-

38. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES

Structure of liabilities for other taxes, contributions and other duties	in 000 RSD	
	31.12.2020.	31.12.2019.
Liabilities for tax from results		
Liabilities for taxes, duties and other charges	483	1.943
Other liabilities for other taxes, contributions and other duties	47	539
Total	530	2,482

39. PASSIVE ACCURALS

Structure of passive accruals	In 000 RSD	
	31.12.2020.	31.12.2019.
Accrued expenses:		
<i>Liabilities for accrued expenses for the observed period</i>	1.164	1.683
<i>Accrued costs of procurement of investments in progress</i>	-	8.567
Subtotal	1.164	10.250
Prepaid / accrued income	9	-
Other passive accruals - Accrued contractual discounts to customers	-	43.073
Other passive accruals - Deferred income of non-monetary compensation (assets) for land	2.747.909	2.867.383
Total	2.749.082	2.920.706

As explained in note 26a, during 2019, the ownership rights were transferred to the Company for two cadastral parcels 5251 and 5252 with a total area of 107,650 m². The entry of land in the business books of the Company was made on the basis of an assessment by a certified appraiser in the amount of RSD 2,986,857 thousand. As the transfer of land represents a non-monetary leasing fee, it is accrued and recognized as income during the concession period in the amount of RSD 119,474 thousand per year.

40. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities	In 000 RSD	
	31.12.2020.	31.12.2019.
Deferred tax assets	15,721	13,283
Deferred tax liabilities	(748,363)	737,147)
Net effect of deferred tax assets/(liabilities)	(732,642)	(723,864)

Deferred tax assets are amounts of income taxes that will be recoverable in future periods on the basis of: deductible temporary differences and unused tax credits carried forward. Deductible temporary difference arises in cases when the Company's balance sheets, on certain grounds, already show expenses, which will be recognized from the tax aspect in the following periods. Deferred tax assets are reviewed at 31 December and are recognized only if the Company estimates that it is probable that future taxable profits will be available against which the deferred tax assets can be utilized.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Pursuant to the current Law on Profit Tax, taking into account the assumption of unlimited duration, as a rule, deferred tax assets are recognized on the basis of deductible temporary differences. On the other hand, for the recognition of deferred tax assets on the basis of unused tax losses and tax credits, it is necessary to make a projection of the tax balance for the period when on these bases it is possible to reduce the income tax liability, in accordance with legal solutions.

The amount of deferred tax assets was calculated by multiplying the amount of the ordinary temporary difference by the income tax rate (15%) at the end of the year.

Deferred tax liabilities that relate to prudent temporary differences between the carrying amount of depreciable assets and their tax bases. Namely, due to various provisions on the basis of which the Company determines accounting depreciation and provisions which determine tax depreciation (Law on Corporate Income Tax), the Company will pay higher income tax in future periods than it would pay if tax legislation recognized the actual reported depreciation. For this reason, the Company recognizes a deferred tax liability, which is income tax that will be payable when the Company "recovers" the carrying amount of the asset.

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

Changes in the balance of deferred tax (liabilities) / assets during the period are shown in the table.

	In 000 RSD				
Changes in the balance of deferred tax liabilities	Intangible assets, property, plant, equipment and investment property	Provisions for fees and other employee benefits	Litigation provisions	Short-term liabilities (Liabilities for taxes, contributions, etc. Duties and Accrued unpaid income (Article 9))	Total
Balance on 01.01.2019.	(502,698)	193	21,651	2,331	(478,523)
In favor of the Income Statement	56,907	570	(9,500)	(1,963)	46,014
In favour of Equity	(291,356)				(291,356)
Balance on 31.12.2019.	(737,147)	763	12,151	368	(723,865)
In favor of the Income Statement	(12,090)	268	2,460	(289)	(9,651)
In favour of Equity	874				874
Balance on 31.12.2020.	(748,363)	1,031	14,611	79	(732,642)

41. OFF-BALANCE SHEET RECORDS

Pursuant to the legal provisions (Rulebook on the content and form of financial report forms for companies, cooperatives, other legal entities and entrepreneurs), the Company has stated off-balance sheet assets and off-balance sheet liabilities in its financial statements. Items stated within off-balance sheet assets and off-balance sheet liabilities, which are shown in the following table, do not represent the Company's assets or liabilities, but primarily serve in the context of the informative role of users of financial statements.

Off-balance sheet records	In 000 RSD	
	31.12.2020.	31.12.2019.
Blank received bills of exchange-pcs	15	17
Domestic blank bills of exchange-pcs	2	14
Dinar guarantees received	195,210	244,469
Foreign currency guarantees received	4,566,805	5,657,918
Given dinar guarantees	4,416	4,214
Solidarity funds from employees' salaries	621	621
Total	4,767,052	5,907,222

42. FAIR VALUE

FUNDS	Book value in 000 RSD on 31.12.2020.	Fair value in 000 RSD on 31.12.2020.	Book value in 000 RSD on 31.12.2019.	Fair value in 000 RSD on 31.12.2019.	Hierarchy of fair values - levels	Evaluation techniques and inputs
Fixed assets and NU	28,262,169	28,262,169	28,845,688	28,845,688	Level 3	The assessment was done by a certified appraiser as of January 1, 2019. (KPMG-Belgrade). The following methodologies were used in the valuation of intangible assets and property, plant and equipment: the method of amortized replacement costs - cost approach in the valuation of equipment and buildings, then the method of direct comparison of sales prices - market approach in the valuation of land and apartments and the discounted cash flow method - yield approach in determining the existence of an economic write-off.
Equity share	-	-	1	1	Level 2	Management's assessment that they are not recoverable - banks in bankruptcy
Long-term and short-term financial investments -housing loans	137,903	137,903	131,462	131,462	Level 3	Assessment of a certified actuary as at 31.12.2020 - Discounting cash flows of 7.80% for housing loans that are not revalued; 6.00% for housing loans that are revalued annually and have an interest rate of 0.5%, 4.1% for housing loans with a currency clause and an interest rate of 0.5%; 6.3% for housing loans that are revalued semi-annually and 6.5% for housing loans that are revalued annually

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Buyer receivables	10,789	10,789	98,191	98,191	Level 3	Management's assessment of collectibility
Other receivables	1,586,014	1,586,014	1,607,808	1,607,808	Level 3	Management's assessment of collectibility

The table includes only financial assets, because the Company has no financial liabilities that are stated after initial recognition at fair value.

НАПОМЕНЕ УЗ ФИНАНСИЈСКЕ ИЗВЕШТАЈЕ 31. децембар 2020. године

43. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT

In 000 RSD

	31.12.2020.		
	Gross sum	Value adjustment	Net sum
Financial funds	3,232,075	(769,618)	2,462,457
Long-term financial provisions	576,403	(449,283)	127,120
- Long - term deposits	3,847	(3,847)	-
- Shares in banks	20,085	(20,085)	-
- Shares in foreign entities	358,599	(358,599)	-
- long-term housing loans to employees	193,872	(66,752)	127,120

Receivables expressed by nominal value	1,930,354	(320,335)	1,610,019
- Buyer receivables	290,167	(279,378)	10,789
- Short-term financial provisions	14,054	(838)	13,216
- Interest receivables	3,455	(1,732)	1,723
- Other receivables	1,622,678	(38,387)	1,584,291

Cash and cash equivalents	725,318	-	725,318
----------------------------------	----------------	----------	----------------

Financial liabilities	25,755	-	25,755
- Long-term loans	-	-	-
- Current maturity of debt loans	-	-	-
- Current maturity of long-term. leasing finance	-	-	-
- Short-term liabilities (operating liabilities)	25,755	-	25,755

31.12.2019.		
Gross sum	Value adjustment	Net sum
3,510,581	(755,675)	2,754,906
591,318	(465,865)	125,453
4,219	-	4,219
20,085	(20,085)	-
358,599	(358,598)	1
208,415	(87,182)	121,233

2,009,145	(289,810)	1,719,335
365,280	(267,089)	98,191
13,602	(266)	13,336
7,227	-	7,227
1,623,036	(22,455)	1,600,581

910,118	-	910,118
----------------	----------	----------------

59,548	-	59,548
-	-	-
-	-	-
-	-	-
59,548	-	59,548

The Company's main financial instruments are cash and cash equivalents, receivables, financial placements arising directly from the Company's operations, as well as long-term loans, trade payables or other liabilities whose primary purpose is to finance the Company's current operations.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

44. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT (continued)

Objectives of financial risk management

Financial risks include market risk (foreign exchange, interest rate and price risk), credit risk and liquidity risk. Financial risks are considered on a time basis and are primarily avoided by reducing the Company's exposure to these risks. The Company does not use any financial instruments to avoid the impact of financial risks on operations due to the fact that such instruments are not widely used, nor is there an organized market for such instruments in the Republic of Serbia.

I - MARKET RISK

In its operations, the Company is exposed to financial risks from changes in foreign exchange rates and changes in interest rates. Exposure to market risk is viewed through sensitivity analysis. There were no significant changes in the Company's exposure to market risk, either in the way the Company manages or measures that risk.

a) Currency risk (foreign exchange risk)

The Company is exposed to foreign exchange risk primarily through cash and cash equivalents, short-term financial investments, trade receivables, liabilities based on long-term loans and liabilities to foreign suppliers. The Company does not use special financial instruments as hedging against risks, given that such instruments are not common in the Republic of Serbia.

The stability of the economic environment in which the Company operates largely depends on government measures in the economy, including the establishment of an appropriate legal and legislative framework.

The accounting amounts of financial assets and liabilities in 000 dinars, denominated in foreign currencies at the reporting date in the Company are as follows:

Currency description	Total funds				Total liabilities	
	31.12.2020.		31.12.2019.		31.12.2020.	31.12.2019.
	gross	net	gross	net		
EUR	619,490	517,840	670,891	568,523	253	253
USD	270,523	270,523	290,274	290,274		
GBP	90	90	95	95		
Total dinar equivalent of assets and liabilities denominated in foreign currencies	890,104	788,454	961,260	858,892	253	253
Value of assets and liabilities in RSD	2,341,971	1,674,003	2,549,321	1,896,014	25,502	59,295
Total	3,232,075	2,462,457	3,510,581	2,754,906	25,755	59,548

in 000 RSD

Analysis of the currency structure of financial assets and liabilities on 31st December 2020, compared to the situation on 31st December 2020, it can be stated that the financial assets in foreign currency are higher than the agreed financial liabilities in foreign currency.

The company is sensitive mainly to changes in the exchange rate of the euro (EUR) and the US dollar (USD).

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The following table presents the analysis of the Company's sensitivity to the increase and decrease of the dinar exchange rate by 10%, in relation to the observed foreign currency. The sensitivity analysis includes only outstanding (balance) receivables and liabilities in foreign currency and shows their change of 10% at the end of the reporting period in foreign exchange rates. A positive number from the table indicates an increase in the results of the current period in cases when the dinar strengthens against the currency in question. In case of weakening of the dinar by 10% in relation to the given foreign currency, the impact on the result of the current period would be negative.

In 000 RSD						
31.12.2020 Changes	EUR impact		USD impact		GBP impact	
	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%
Profit/Loss	51,759	-51,759	27,052	-27,052	9	-9

In 000 RSD						
31.12.2019 Changes	EUR impact		USD impact		GBP impact	
	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%
Profit/Loss	56,827	-56,827	29,027	-29,027	10	-10

b) The risk of changes in interest rates

The Company is exposed to the risk of changes in interest rates on assets and liabilities for which the interest rate is variable.

The Company has classified cash and cash equivalents in the group of interest-bearing financial assets with variable interest rates, because "a vista" variable interest rates have been agreed with banks, depending on the amount of current account balances and the reference interest rate.

The risk of changes in interest rates for the Company does not represent a significant risk, because the categories of financial instruments that have an agreed interest rate are generally defined by a fixed interest rate.

Financial instruments classified into categories of interest-bearing and non-interest-bearing assets are presented in the following overview:

Funds	31.12.2020.			31.12.2019.		
	gross	adjustment	Net sum	gross	adjustment	Net sum
Non-interest bearing:						
Equity participation of other entities	378,684	(378,684)	-	378,684	(378,683)	1
Trade receivables	290,167	(279,378)	10,789	365,280	(267,089)	98,191
Interest and other receivables	1,626,133	(40,119)	1,586,014	1,630,263	(22,455)	1,607,808
Short-term financial provisions	1,817	-	1,817	2,432	-	2,432
Subtotal	2,296,801	(698,181)	1,598,620	2,376,659	(668,227)	1,708,432
Fixed interest rate:	-					

in 000
RSD

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Long term financial placements	193,872	(66,752)	127,120	212,634	(87,182)	125,452
Short term financial placements	12,237	(838)	11,399	11,170	(266)	10,904
Subtotal	206,109	(67,590)	138,519	223,804	(87,448)	136,356
Variable interest rate:						
Cash and cash equivalents	725,318	-	725,318	910,118	-	910,118
Subtotal	725,318	-	725,318	910,118	-	910,118
Total	3,228,228	(765,771)	2,462,457	3,510,581	(755,675)	2,754,906

in 000 RSD

Financial liabilities	31.12.2020.			31.12.2019.		
	Gross	Adjustement	Net sum	Gross	Adjustement	Net sum
Non-interest bearing:						
Operating liabilities	25,755		25,755	59,548		59,548
Subtotal	25,755	-	25,755	59,548	-	59,548
Fixed interest rate:						
Long-term loans			-			-
Current maturity of long-term liabilities			-			0
Subtotal	-	-	-	-	-	-
Variable interest rate:						
Current maturity of long-term liabilities			-	-		-
Subtotal	-	-	-	-	-	-
Total	25,755	-	25,755	59,548	-	59,548

c) Risk of price changes

The Company estimates that there is no risk of price changes because the categories of financial instruments available to the Company are not subject to changes in market prices.

The Company does not operate in securities that are subject to changes in market prices. Also, the Company has no turnover of goods that are subject to price changes.

II - CREDIT RISK

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The Company estimates that of all the risks which financial instruments may be exposed to, the largest is credit risk, which is the risk that debtors will not be able to settle their debts in full and on time, which would result in a financial loss for the Company. The Company's exposure to this risk is limited to the amount of trade receivables at the balance sheet date.

Reconciliation of receivables

The Company reconciles its receivables and liabilities once a year, as of November 30, 2020, or more times during the year as needed.

Customers in the country who are not sued amount to RSD 10,439 thousand, of which 28% were reconciled, 2% were not reconciled, while 70% of requests for reconciliation were not answered.

Customers abroad who are not sued amount to RSD 19,058 thousand and they did not respond to 100% of the requests for reconciliation sent to foreign customers. Namely, they are in correspondence and documentation of receivables for collection in accordance with the business policy and the established corporate practice of receivables collection.

The structure of trade receivables is given below.

The structure of trade receivables	31.12.2020.			31.12.2019.	
	In 000 RSD	share	adjustment	In 000 RSD	share
Air Serbia	-	0.00%	-	29,315	8.03%
Jat Tehnika	97,632	33.65%	(96,231)	139,533	38.20%
Belgrade Airport d.o.o.	11	0.00%	(11)	454	0.12%
International CG	30,115	10.38%	(30,115)	30,115	8.24%
Air Serbia-Ketering d.o.o.	42,347	14.59%	(41,695)	42,347	11.59%
Aviogenex d.o.o.	50,820	17.51%	(50,820)	50,820	13.91%
Avaco d.o.o.	4,899	1.69%			0.00%
Gradska čistoća	870	0.30%			0.00%
AERODROM KETERING D.O.O.	-	0.00%		1,475	0.40%
Other domestic customers	17,544	6.05%	(17,545)	18,599	5.09%
Total domestic customers	244,238	84.17%	(236,417)	312,658	85.59%
Wizz Air	2,473	0.85%		2,473	0.68%
ARKIA	1,600	0.55%	(1,600)	1,600	0.44%
Air Cairo Company	677	0.23%	(677)	5,355	1.47%
AEROTRANS AIRLINES, CYPRUS	3,232	1.11%	(3,232)	1,446	0.40%
Allitalia	20,901	7.20%	(20,901)	20,903	5.72%
FLYDUBAI	2,652	0.91%	(2,652)	2,653	0.73%
Pegasus	5,192	1.79%	(5,192)	5,700	1.56%
Other foreign customers	9,202	3.17%	(8,707)	12,492	3.42%
Total foreign customers	45,929	15.83%	(42,961)	52,622	14.41%
Total gross receivables from domestic and foreign customers	290,167	100.00%		365,280	100.00%
Total of value adjustment	(279,378)		(279,378)	(267,089)	
Total of net receivables	10,789			98,191	

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The following is the age structure of trade receivables for which no impairment was performed on 31.12.2020.

Age structure of trade receivables for which no value adjustment has been made	In 000 RSD	share
Customers in the country		
Immature	5,000	46.34%
0-30 days	1,750	16.22%
31-60 days	0	0.00%
61-90 days	419	3.88%
Over 90 days	652	6.04%
Subtotal	7,821	72.49%
Foreign customers		
Immature		
0-30 days		
31-60 days		
61-90 days		
Over 90 days	2,968	27.51%
Subtotal	2,968	27.51%
Total trade receivables (net)	10,789	100.00%

Overdue receivables from customers in the country and abroad older than 60 days amount to RSD 2,968 thousand (2019 - RSD 49,130 thousand). These receivables have not been corrected due to the existence of a subscription to book approvals.

III - LIQUIDITY AND CASH FLOW RISK

Liquidity is the ability of the Company to meet its obligations as they fall due. Therefore, liquidity risk is the risk that the Company will have difficulty settling due liabilities, while maintaining the required volume and structure of working capital and maintaining good creditworthiness.

The ultimate responsibility for liquidity risk management lies with the Company's management, which has established an appropriate management system for the needs of short-term, medium-term and long-term financing of the Company as well as liquidity management. By continuously monitoring the planned and actual cash flow, the Company maintains appropriate cash reserves, and also maintains an adequate maturity ratio of financial assets and liabilities.

The following table shows the most significant liquidity indicators of the Company:

- General liquidity ratio (ratio of working capital and short-term liabilities) which shows how many dinars of working capital are covered by each dinar of short-term liabilities;
- Rigorous liquidity ratio (ratio of liquid assets which means working capital less inventories, and short-term liabilities) which shows how many dinars of liquid assets are covered by each dinar of short-term liabilities;
- Cash liquidity ratio (ratio of cash and short-term liabilities) which shows how many dinars of cash are covered by each dinar of short-term liabilities;
- Net current assets as the difference between current assets and current liabilities.

Liquidity indicators	Satisfactory and general standards	2020	2019
General liquidity ratio	2 : 1	1.47 : 1	1.49 : 1

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Rigorous liquidity ratio	1 : 1	1.46 : 1	1.49 : 1
Cash liquidity ratio		0.26 : 1	0.30 : 1
Net current assets		1,321,909	1,492,789

Capital risk management

The goal of capital risk management is for the Company to maintain the ability to continue operating for an indefinite period of time in order to provide the owners of the Company with a satisfactory return (profit), while maintaining an adequate structure of sources of funds, ie good creditworthiness.

Although there are several criteria on the basis of which conclusions can be drawn about the viability of the assumption of long-term existence of the Company, it is certain that profitable operations, as well as a satisfactory financial structure are one of the basic criteria.

The best representative of profitability is the rate of return on average equity, which shows how much the Company achieves a return on one dinar of average engaged own funds. When calculating this profitability indicator, the average equity is determined as the arithmetic mean of the capital value at the beginning and end of the year

Profitability indicators	In 000 RSD	
	2020	2019
Net profit/loss	(799,122)	(453,857)
Average capita		
Capital at the beginning of the year	29,672,524	81,105,207
Capital at the end of the year	28,874,277	29,672,524
Total - average capital	29,273,401	55,388,866
Return on equity	-2.73%	-0.82%

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

The following tables show the most significant indicators of the Company:

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

Financial structure indicators	In 000 RSD	
	2020	2019
Obligations	3,678,460	3,852,021
Total funds	32,552,737	33,524,545
Share of borrowings in total sources of funds	0.11 : 1	0.11 : 1

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Long term funds		
Capital	28,874,277	29,672,524
Long term provisions and obligations	836,921	809,957
Subtotal of long term funds	29,711,198	30,482,481
Total funds	32,552,737	33,524,545
Share of long term in total sources of funds	0.91 : 1	0.91 : 1

The net indebtedness ratio shows how much each dinar of net indebtedness is covered by the Company's capital. Net indebtedness means the difference between:

- Total (long-term and short-term) financial liabilities of the Company (Total liabilities less capital, long-term provisions and deferred tax liabilities) and
- Cash and cash equivalents.

Parameters for calculating the net indebtedness ratio to total capital	In 000 RSD	
	2020	2019
Net indebtness		
Financial obligations	2,841,539	3,042,064
Cash and cash equivalents	725,318	910,118
Total – net indebtness	2,116,221	2,131,946
Capital	28,874,277	29,672,524
Ratio of net indebtedness to total capital	13.64	13.92

45. TAX RISKS

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by the tax authorities in relation to the Company's transactions and activities may differ from management's interpretation. The management believes that the tax liabilities are adequately calculated and recorded.

46. LITIGATION

The Company has lawsuits against the Company. The amounts of final losses on the basis of litigation may be increased on the basis of accrued default interest until the date of termination of disputes, or until the date of final payments on disputes. As at 31st December 2020, the Company has a provision for potential losses based on these litigations in the amount of RSD 97,406 thousand (31st December 2019 - RSD 81,006 thousand) - Note 33. According to the assessment of the Company's management on this basis is not expect additional material losses in the coming period

47. EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared a pandemic caused by the COVID 19 virus and issued instructions to combat the spread, which, in addition to personal hygiene and protection, included restricting movement and even closing state borders. In this regard, considering the risks to the population of the Republic of Serbia, on 15th March 2020, the Government of the Republic of Serbia passed the Decision on declaring a state of emergency, which was published in the Official Gazette of the RS no. 29, which was repealed by the Decision published in the Official Gazette no. 65 dated 6th May 2020.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

This, among other things, meant the closure of the Nikola Tesla Belgrade airport for international public passenger traffic, which will have a certain impact on the Company's operations in the future

As the situation with the pandemic calms down globally, and thus locally, international organizations ICAO, IATA, ACI, but also advisors of the Concession Grantor are preparing possible scenarios for the dynamics of recovery of passenger air traffic and normalization of planned public works by DPN, and thus the implementation of the Agreement. on the concession, which is the basis for the Company's business plans in the coming period. Given the above, the management does not expect that there are significant risks related to the continuation of operations and the realization of the Concession Agreement.

Management's assessment implies that the financial condition of the Company is such that there is no uncertainty regarding the Company's ability to continue as a going concern and that there is no material impact on its operations in the period ahead. Also, the management believes that there are no significant risks related to compliance with legal norms, the Company's liquidity and market position in the future that may violate the principle of business continuity.

In accordance with IAS 10 "Events after the Reporting Period", we have not determined the existence of events other than those listed above in the Notes that may affect or affect the truthfulness and objectivity of the financial statements for the period ended as at 31st December 2020, nor would required corrections to the financial statements.

In Belgrade, April 2021

Legal representative

Saša Vlaisavljević

**JSC "AIRPORT NIKOLA TESLA " BELGRADE
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR 2020**

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-5
FINANCIAL STATEMENTS	
Balance Sheet	
Income statement	
Report on other result	
Cash flow statement	
Report on changes on equity	
Notes to the regular annual financial report	

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**INDEPENDENT AUDITOR'S REPORT**

TO THE AUDIT COMMISSION, SUPERVISORY BOARD, AND ASSEMBLY OF THE JOINT STOCK COMPANY AIRPORT "NIKOLA TESLA" BELGRADE

Opinion

We have audited the accompanying financial statements of JSC Airport "Nikola Tesla" Belgrade. (hereinafter referred to: The Company), which include the Balance Sheet as of 31st December 2020 and the corresponding Income statement, Statement on other results, Statement on the cash flow, Report on the changes of the equity for the year ended as of the indicated date, as well as the overview of the significant accounting policy contained in the Notes to the regular annual financial statements.

In our opinion, the accompanying financial statements objectively and truthfully, in all material respects, present the financial position of the Company as of 31 December 2020, the results of its operations and cash flows for the year ended that day, under the Law on Accounting and Accounting. regulations valid in the Republic of Serbia.

Basis for opinion

We performed the audit under the Law on Audit and auditing standards applicable in the Republic of Serbia. Our responsibilities are described in more detail in the paragraph Auditor's Responsibility hereinafter. We are independent of the Company under the ethical requirements relevant to our audit of the financial statements in the Republic of Serbia, and we have fulfilled other ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainty associated with business continuity

As disclosed in Note 47 to the financial statements, the Company's management has assessed the possible impact of declaring a pandemic caused by the "COVID 19" virus on the Company's financial position in the coming period, as well as the possible impact of the new situation on the Company's business. As a result of the Decision of the WHO (World Health Organization) dated May 11, 2020, which declared a pandemic caused by the COVID 19 virus, there was a suspension of international public passenger traffic. According to the aforementioned decision of the WHO, on March 15, 2020, the Government of the Republic of Serbia, under the regulation on the protection of the population from infectious diseases, passed the Decision on declaring a state of emergency, which was revoked on May 6, 2020. Due to the pandemic, the airport "Nikola Tesla" in Belgrade was closed for international public passenger traffic, which may have a definite impact on the operations of the Company in the future.

The Concession Agreement defines the conditions in the event of a "Force Majeure", which under the general rules of obligations significantly complicate and/or prevent the timely execution of contractual relations, so that the mechanisms contained in the contract ensure the smooth continuation of the contract, having in mind the impact on the future business plans of the Company. Taking into account the above, as well as the general importance of the Company, the Management believes that there is no material uncertainty regarding the Company's ability to continue the business on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Also, the Management believes that there are no significant risks concerning the fulfillment of legal norms, liquidity of the Company, and the market position in the future which can disturb the continuity of the business operations.

We have an unqualified opinion on this issue.

INDEPENDENT AUDITOR'S REPORT (continued)**Key audit issues**

The key audit issues are those issues that, in our professional judgment, were of the greatest importance for the audit of the financial statements for the current period. These issues were considered in the context of the audit of the financial statements as a whole and in the formation of the audit opinion, but not to express a specific opinion on these issues.

We have fulfilled the obligations described in the section "Auditor's Responsibility for the Audit of Financial Statements", including related issues. Accordingly, our audit includes performing procedures designed to respond to our assessment of the risk of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed for the key audit matters described below, provide a basis for expressing our opinion on the accompanying financial statements.

Key audit issue	Corresponding auditing procedure
Accounting treatment of the Concession Agreement	
<p>As disclosed in Note 2.2 to the financial statements for the accounting coverage of the Concession Agreement, the Company opted for the application of IFRS 16 – <i>Leases</i>, and under the said standard it reclassified all movable and immovable property into the following categories:</p> <ul style="list-style-type: none"> - Airport infrastructure - Closely related funds that SPC will use until the end of the concession - Closely related funds that SPC will not use until the end of the concession - Other funds that SPC will use part of the end of the concession - Other funds that SPC will not use until the end of the concession. <p>Under paragraph 81 of IFRS 16 <i>Leases</i>, the Company recognizes a lease payment as income on a straight-line or other systematic bases over the term of the lease. It applies another systematic basis when that basis is more appropriate for presenting forms in which the benefit from the use of funds is reduced. According to the above, the Company recognized the following income in the financial statements for 2020:</p> <ul style="list-style-type: none"> -Revenue-based on the Minimum annual concession fee or variable fee as a percentage of the gross income of SPC, whichever is higher, and under the Concession Agreement in the amount of RSD 270,938 thousand; 	<p>In the process of auditing the financial statements, we conducted the necessary audit procedures to:</p> <ul style="list-style-type: none"> - confirm the adequacy of the valuation of the leased property based on the concluded Concession Agreement; - recognize the income under IFRS 16 - Lease; - necessary disclose in the Notes to the financial statements. <p>Based on the implemented procedures, we are satisfied to a reasonable extent that the Company has adequately applied IFRS 16 – <i>Lease</i> and made adequate disclosures in the financial statements.</p>

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

<p>-Part of the compensation for the transfer of the right to use movable Concession funds that SPC will use until the end of their useful life in terms of reducing revenues during the concession period in the amount of RSD 97,174 thousand;</p> <p>- Income-based monetary compensation related to the accrued income for Additional land based on the transfer of ownership rights in the amount of RSD 119,474 thousand.</p> <p>Due to the consequences of the pandemic caused by the COVID 19 virus in 2020, there were no conditions for the realization of income based on a variable concession fee under the Concession Agreement.</p>	
--	--

Key audit issue	Corresponding auditing procedure
Valuation of intangible assets and real estate, plant and equipment	
<p>As of 31 December 2020, the Company reported the present value of intangible assets in the amount of RSD 34,079 thousand, as well as the present value of property, plant, and equipment in the amount of RSD 28,228,090 thousand.</p> <p>As disclosed in Notes 3.4 and 3.5 to the financial statements, under the adopted accounting policies, the Company uses the revaluation model for the subsequent valuation of intangible assets and property, plant, and equipment, which expresses the fair value of these assets at the date of revaluation.</p> <p>Valuation of intangible assets and real estate, plant, and equipment was performed on January 1, 2019, by an independent appraiser. The effects of the assessment are recorded in the financial statements and disclosed in Notes 22 and 23 to the financial statements.</p>	<p>In the process of auditing the financial statements, we conducted the necessary audit procedures to verify:</p> <ul style="list-style-type: none"> - adequacy of applied accounting policies in the part of the valuation of fixed assets by applying the revalued value model; - checking the accuracy of recording the effects of the assessment of intangible assets, real estate, plant, and equipment; - adequacy of disclosure in the Notes to the financial statements. <p>Based on the conducted procedures, we are reasonably satisfied that the Company has valued the fixed assets under the adopted accounting policy, that the effects of the assessment have been properly recorded and adequately disclosed in the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT (continued)**Other issues**

The financial statements of the Company for 2019 were audited by another auditor, who in his Report dated 22nd May 2020 expressed an unqualified opinion on the financial statements in question.

Management's responsibility and those charged with governance for the financial statements

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Management is responsible for the preparation and fair presentation of these financial statements under International Financial Reporting Standards, as well as for those internal controls that management determines are necessary to prepare financial statements that do not contain material misstatements arising from criminal activity or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, and for disclosing, if applicable, matters relating to business continuity and applying the going concern principle as the basis of accounting unless management plans either to liquidate the Company or to suspend the employment or in the absence of any realistic possibility other than the above.

The persons authorized to manage are responsible for supervising the financial reporting process of the Company.

Auditor's responsibility for auditing financial statements

It is our responsibility, based on the audit performed, to reasonably ensure that the financial statements as a whole do not contain material misstatements resulting from criminal activity or error, and to prepare an audit report that contains our opinions.

Assurance is a reasonable level of assurance, but it is not a guarantee that an audit performed under International Standards on Auditing will always reveal material misstatements if any. False statements may arise from a criminal act or error and are considered material if it is reasonable to expect that they will, individually or collectively, influence the economic decisions of users made based on these financial statements.

as an integral part of audits under International Standards on Auditing, we apply professional judgment and maintain professional skepticism over the audit period. We also:

- identify and assess the risk of material misstatements in the financial statements, resulting from criminal activity or error, design and perform audit procedures that correspond to the identified risks, and obtain sufficient adequate audit evidence to provide a basis for our opinion. The risk that materially material misstatements resulting from a criminal act will not be identified is greater than for misstatements resulting from an error, because a criminal act may include associating, falsifying intentional omissions, misrepresenting, or circumventing internal controls.
- gain an understanding of those internal controls that are relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal controls
- evaluate the applied accounting policies and to what extent the accounting estimates and related disclosures made by the management are reasonable.

INDEPENDENT AUDITOR'S REPORT (continued)**Auditor's responsibility for auditing financial statements (continued)**

- We conclude on the appropriateness of applying the going concern principle as the accounting basis by management and, based on the audit evidence obtained, whether there is material uncertainty about events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. permanence. If we conclude that there is material uncertainty, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are not adequate, to modify our opinion. Our conclusions are based on audit evidence gathered up to the date of the auditor's

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

report. However, future events or conditions may result in the entity ceasing to operate under the going concern principle.

- We evaluate the overall presentation, structure, and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in such a way as to achieve a fair presentation.

We disclose to those charged with the management, inter alia, the planned scope, and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we have identified during the audit.

Report on other legal and regulatory requirements

The Company is responsible for compiling the Annual Business Report, under the requirements of the Accounting Law of the Republic of Serbia. It is our responsibility to express an opinion on the consistency of the Annual Business Report with the financial statements for the business year of 2020. In this regard, our procedures are conducted under International Standards on Auditing 720 - *Auditors' Responsibility for Other Information in Documents Containing Audited Financial Statements*, and we are limited to assessing the consistency of the financial statements with the financial statements.

In our opinion, the financial information presented in the annual report is, in all material respects, reconciled with the financial statements of the Company for the year ended on December 31, 2020.

Belgrade, April 22, 2021

Signed personally by the Certified Auditor

Petar Grubor

On behalf of
"PKF" d.o.o. Belgrade
Palmira Toljatija 5/III
11070 Novi Beograd

Affixed with the seal:

PKF
BELGRADE

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

To be filled in by a legal entity - entrepreneur		
Register number 07036540	Activity code 6820	TIN 100000539
Name JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE		
Head office Surčin, 11180 Belgrade 59		

BALANCE SHEETon 31st December, 2020

- in thousands of dinars -

Group of accounts - account	POSITION	ADP	Note no	Amount		
				Current year	Last year	
					Closing balance ___20.	Opening balance 01.01.20__.
1	2	3	4	5	6	7
	ASSETS					
00	A.SUBSCRIBED UNPAID CAPITAL	0001				
	B.FIXED ASSETS (0003+0010+0019+0024+0034)	0002		28389289	28989692	0
01	I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003	22	34079	18551	0
010 and part of 019	1. Investments in development	0004				
011, 012 and part of 019	2. Concessions, patents, licenses, product and service brands software and other rights	0005		34079		
013 and part of 019	3. Goodwill	0006				
014 and part of 019	4. Other intangible assets	0007				
015 and part of 019	5. Intangible assets in progress	0008		-	18551	
016 and part of 019	6. Advance payments for intangible property	0009				
02	II. PROPERTY, PLANT AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	0010	23	28228090	28845688	0
020, 021 and part of 029	1. Land	0011	23	14180349	14180349	
022 and part of 029	2. Constructions	0012	23	10414264	10811830	
023 and part of 029	3. Plants and equipment	0013	23	3572317	3853509	
024 and part of 029	4. Investment property	0014				
025 and part of 029	5. Other property, plants and equipment	0015				
026 and part of 029	6. Property, plants and equipment in progress	0016	23	61160		
027 and part of 029	7. Investments in others' property, plants and equipment	0017				
028 and part of 029	8. Advance payments for property, plants and equipment	0018				
03	III. BIOLOGICAL ASSETS (0020 + 0021 + 0022 + 0023)	0019		0	0	0

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

030, 031 and part of 039	1. Forests and perennial plantations	0020				
032 and part of 039	2. Livestock unit	0021				
037 and part of 039	3. Biological assets in progress	0022				
038 and part of 039	4. Advance payments for biological assets	0023				
04. except from 047	IV. LONG-TERM financial placements (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	0024	24	127120	125453	0
040 and part of 049	1. Stake in the capital of subsidiaries	0025				
041 and part of 049	2. Stake in the capital of associated companies and joint ventures	0026				
042 and part of 049	3. Stake in the capital of other companies and other securities available for sale	0027	24a	0	1	
part of 043, part of 044 and part of 049	4. Long-term placements to parent companies and subsidiaries	0028				
part of 043, part of 044 and part of 049	5. Long-term placements to other related legal entities	0029				
part of 045 and part of 049	6. Long-term placements in the country	0030				
part of 045 and part of 049	7. Long-term placements abroad	0031				
046 and part of 049	8. Securities held to maturity	0032				
048 and part of 049	9. Other long-term financial investments	0033	246	127120	125452	
05	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	0034		0	0	0
050 and part of 059	1. Receivables from the parent companies and subsidiaries	0035				
051 and part of 059	2. Receivables from other affiliated companies	0036				
052 and part of 059	3. Receivables from the sales by means of commodity loans	0037				
053 and part of 059	4. Receivables for sales by means of financial leasing agreements	0038				
054 and part of 059	5. Receivables from warranties	0039				
055 and part of 059	6. Controversial and doubtful receivables	0040				
056 and part of 059	7. Other long-term receivables	0041				
288	C. DEFERRED TAX ASSETS	0042				
	D. CURRENT ASSETS					
	(0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	0043		4163448	4534853	0
Class 1	I STOCK (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	0044		2003	2058	0

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

10	1. Material, spare parts, tools and small inventory	0045				
11	2. Unfinished production and unfinished services	0046				
12	3. Finished products	0047				
13	4. Goods	0048				
14	5. Fixed assets intended for sale	0049				
15	6. Paid advances for stocks and services	0050	25	2003	2058	
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	0051		10789	98191	0
200 and part of 209	1. Customers in the country-parent companies and subsidiaries	0052				
201 and part of 209	2. Customers abroad - parent companies and subsidiaries	0053				
202 and part of 209	3. Customers in the country-other affiliated companies	0054				
203 and part of 209	4. Customers abroad - other affiliated companies	0055				
204 and part of 209	5. Customers in the country	0056	26	7821	75403	
205 and part of 209	6. Customers abroad	0057	26	2968	22788	
206 and part of 209	7. Other receivables from sale	0058				
21	III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059				
22	IV. OTHER RECEIVABLES	0060	27	1586014	1607808	
236	V. FINANCIAL ASSETS RECOGNIZED AT FAIR VALUE IN THE INCOME STATEMENT	0061				
23 except from 236 and 237	VI SHORT-TERM FINANCIAL PLACEMENTS (0063 + 0064 + 0065 + 0066 + 0067)	0062	28	13216	13336	0
230 and part of 239	1. Short-term loans and placements-parent companies and subsidiaries	0063				
231 and part of 239	2. Short-term loans and placements-other affiliated companies	0064				
232 and part of 239	3. Short-term loans in the country	0065	28	1817	2432	
233 and part of 239	4. Short-term loans abroad	0066				
234, 235, 238 and part of 239	5. Other short-term financial placements	0067	28	11399	10904	
24	VII CASH EQUIVALENTS AND CASH	0068	29	725318	910118	
27	VIII VALUE ADDED TAX	0069	30	81641	40792	
28 except from 288	IX ACTIVE ACCRUALS	0070	31	174,467	1862550	
	D. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0042 + 0043)	0071		32552737	33524545	0
88	F. OFF-BALANCE SHEET ASSETS	0072	41	4767052	5907222	
	LIABILITIES					
	A. CAPITAL (0402 + 0411 – 0412 + 0413 + 0414 + 0415 – 0416 + 0417 + 0420 – 0421) ≥ 0 = (0071 – 0424 – 0441 – 0442)	0401	32	28874277	29672524	
30	I BASIC CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	0402		21322533	21322533	0

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

300	1. Share capital	0403	32a	21015677	21015677	
301	2. Equity interest in limited liability companies	0404				
302	3. Equity interest	0405				
303	4. State-owned capital	0406				
304	5. Public capital	0407				
305	6. Cooperative shares	0408				
306	7. Share issuing premiums	0409	326	306856	306856	
309	8. Other basic capital	0410				
31	II SUBSCRIBED AND UNPAID CAPITAL	0411				
047 and 237	III REPURCHASED OWN ACTIONS	0412	32c	33192	33192	
32	IV RESERVES	0413	32d	6164196	6356456	
330	V. REVALORIZATION RESERVES BASED ON THE REVALORIZATION OF INTAGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	0414	32e	2214039	2218988	
33 except from 330	VI. UNREALIZED GAINS FROM SECURITIES AND OTHER COMPONENTS OF THE REMAINING TOTAL RESULTS (credit balance of the accounts from the group 33 except 330)	0415				
33 except from 330	VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF REMAINING TOTAL RESULTS (debit balances of the accounts from the Group 33 except 330)	0416				
34	VIII UNDISTRIBUTED PROFIT (0418 + 0419)	0417	32f	5823	261596	0
340	1. Undistributed profit from previous years	0418	32f	5823	261596	
341	2. Undistributed profit from the current year	0419				
	IX. STAKE WITHOUT THE CONTROL RIGHT	0420				
35	X. LOSS (0422 + 0423)	0421		799122	453857	0
350	1. Loss from previous year	0422		-		
351	2. Loss from current year	0423	32f	799122	453857	
	B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	0424		104279	86093	0
40	I LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	0425	33	104279	86093	0
400	1. Provisions for costs in the guarantee period	0426				
401	2. Provisions for the costs of renewing natural resources	0427				
403	3. Provisions for restructuring costs	0428				
404	4. Provision for allowances and other benefits for employees	0429	33a	6873	5087	
405	5. Provisions for costs of litigation	0430	33b	97406	81006	
402 and 409	6. Other long-term provisions	0431				
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0432		0	0	0
410	1. Liabilities that can be converted to capital	0433				
411	2. Liabilities towards parent companies and subsidiaries	0434				
412	3. Liabilities to other affiliated companies	0435				
413	4. Liabilities for issued securities in a period longer than a year	0436				
414	5. Long-term loans and borrowings in the country	0437				

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

415	6. Long-term loans and borrowings abroad	0438				
416	7. Financial leasing liabilities	0439				
419	8. Other long-term liabilities	0440				
498	C. DEFERRED TAX LIABILITIES	0441	40	732642	723864	
42 to 49 (except from 498)	D. SHORT-TERM LIABILITIES					
	(0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	0442		2841539	3042064	0
42	I SHORT-TERM FINANCIAL LIABILITIES					
	(0444 + 0445 + 0446 + 0447 + 0448 + 0449)	0443		0	0	0
420	1. Short-term loans from parent companies and subsidiaries	0444				
421	2. Short-term loans from other affiliated companies	0445				
422	3. Short-term loans and borrowings in the country	0446				
423	4. Short-term loans and borrowings abroad	0447				
427	5. Liabilities arising from fixed assets and withheld operating assets intended for sale	0448				
424, 425, 426 and 429	6. Other short-term financial liabilities	0449				
430	II RECEIVED ADVANCES, DEPOSITS AND BAILS	0450	34	49290	42023	
43 except from 430	III OPERATING LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	0451	35	25755	59548	0
431	1. Suppliers-parent companies and subsidiaries in the country	0452				
432	2. Suppliers - parent companies and subsidiaries abroad	0453				
433	3. Suppliers-other affiliated companies in the country	0454				
434	4. Suppliers-other affiliated companies abroad	0455				
435	5. Suppliers in the country	0456	35	25373	44724	
436	6. Suppliers abroad	0457	35	253	5577	
439	7. Other operating liabilities	0458	35	129	9247	
44, 45 and 46	IV OTHER SHORT-TERM LIABILITIES	0459	36	16882	17305	
47	V LIABILITIES FOR VALUE ADDED TAX	0460	37	0		
48	VI LIABILITIES FOR OTHER TAXES, BENEFITS AND OTHER DUTIES	0461	38	530	2482	
49 except from 498	VII PASSIVE TIME DISCLOSURES	0462	39	2749082	2920706	
	E. LOSS BEYOND THE AMOUNT OF CAPITAL (0412 + 0416 + 0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	0463				
	F. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0	0464		32552737	33524545	
89	G. OFF-BALANCE SHEET LIABILITIES	0465	41	4767052	5907222	
In Belgrade On 20.04.2021.	Affixed with the seal: JSC AIRPORT NIKOLA TESLA BELGRADE	Signed personally by the legal representative illegible				

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

To be filled in by a legal entity - entrepreneur					
Register number 07036540		Activity code 6820		TIN 10000539	
Name JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE					
Head office Surčin, 11180 Belgrade 59					
INCOME STATEMENT					
For the period from 1 st January 2020 to 31 st December 2020					
Group of accounts - account	POSITION	ADP	Note number	Amount	
				Current year	Last year
1	2	3	4	5	6
	OPERATING REVENUES				
60 to 65, except from 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		307077	615344
60	I REVENUES FROM SELLING GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002		0	0
600	1. Revenues from selling goods to parent companies and subsidiaries on the domestic market	1003			
601	2. Revenues from selling goods to parent companies and subsidiaries on the foreign market	1004			
602	3. Revenue from selling goods to other affiliated companies on the domestic market	1005			
603	4. Revenues from the sale of goods to other related legal entities on the foreign market	1006			
604	5. Revenue from selling goods on the domestic market	1007			
605	6. Revenue from selling goods on the foreign market	1008			
61	II REVENUE FROM SELLING PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009		0	0
610	1. Revenues from selling products and services to parent companies and subsidiaries on the domestic market	1010			
611	2. Revenues from selling products and services to parent companies and subsidiaries on the foreign market	1011			
612	3. Revenues from selling products and services to other affiliated companies on the domestic market	1012			
613	4. Revenue from selling products and services to other affiliated companies on the foreign market	1013			
614	5. Revenue from selling products and services on the domestic market	1014			
615	6. Revenues from selling goods and services on the foreign market	1015			
64	III REVENUES FROM PREMIUMS, SUBSIDIES, DOTATIONS, DONATIONS AND SIMILAR	1016			

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

65	IV OTHER OPERATING REVENUES	1017	4	307077	615344
	REGULAR OPERATING EXPENSES				
50 to 55, 62 and 63	B. OPERATING EXPENSES	1018		1067662	1072738
	(1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0				
50	I. COST OF GOODS SOLD	1019			
62	II. REVENUES FROM ACTIVATION OF GOODS AND EFFECTS	1020			
630	III. INCREASE IN THE VALUE OF STOCKS OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1021			
631	IV. DECREASE IN THE VALUE OF STOCKS OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1022			
51 except from 513	V. COST OF MATERIALS	1023	5	1055	1500
513	VI. COST OF FUEL AND ENERGY	1024	6	956	912
52	VII. COST OF WAGE, SALARIES AND OTHER PERSONAL EXPENSES	1025	7	141761	137575
53	VIII. COST OF PRODUCTION SERVICES	1026	8	36970	68447
540	IX. AMORTIZATION COSTS	1027	9	683924	681269
541 to 549	X. COST OF LONG-TERM PROVISIONS	1028	10	21787	33302
55	XI. NON-MATERIAL COSTS	1029	11	181209	149733
	C. OPERATING PROFIT (1001 – 1018) ≥ 0	1030			
	D. OPERATING LOSS (1018 – 1001) ≥ 0	1031		760585	457394
66	E. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032	12	12970	71340
66, except from 662, 663 and 664	I. FINANCIAL REVENUES FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033		0	0
660	1. Financial revenues from parent companies and subsidiaries	1034			
661	2. Financial revenues from other affiliated companies	1035			
665	3. Revenues from the stake in the profit of associated companies and joint ventures	1036			
669	4. Other financial revenues	1037			
662	II. INTEREST REVENUES (FROM THIRD PARTIES)	1038	12	7480	20649
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1039	12	5490	50691
56	F. FINANCIAL EXPENSES (1041 + 1046 + 1047)	1040	13	31449	135916
56, except from 562, 563 and 564	I. FINANCIAL EXPENSES FROM THE RELATIONSHIP WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENSES (1042 + 1043 + 1044 + 1045)	1041		0	0
560	1. Financial expenses from relationship with parent companies and subsidiaries	1042			
561	2. Financial expenses from relationship with other affiliated companies	1043			

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

565	3. Expenses from the stake in loss of associated companies and joint ventures	1044			
566 and 569	4. Other financial expenses	1045			
562	II. INTEREST EXPENSES (TOWARDS THIRD PARTIES)	1046	13	36	9720
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE (TOWARDS THIRD PARTIES)	1047	13	31413	126196
	G. PROFIT FROM FINANCING ACTIVITIES (1032 - 1040)	1048			
	H. LOSS FROM FINANCING ACTIVITIES (1040 - 1032)	1049		18479	64576
683 and 685	I. REVENUES FROM VALUE ADJUSTMENT OF OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1050	14	20474	5978
583 and 585	J. EXPENSES FROM VALUE ADJUSTMENT OTHER ASSETS RECOGNIZED AT FAIR VALUE IN THE PROFIT AND LOSS ACCOUNT	1051	15	37469	21075
67 and 68, except from 683 and 685	K. OTHER REVENUE	1052	16	32229	631080
57 and 58, except from 583 and 585	L. OTHER EXPENSES	1053	17	26244	574830
	M. REGULAR OPERATING PROFIT BEFORE TAXATION (1030 - 1031 + 1048 - 1049 + 1050 - 1051 + 1052 - 1053)	1054			
	N. REGULAR OPERATING LOSS BEFORE TAXATION (1031 - 1030 + 1049 - 1048 + 1051 - 1050 + 1053 - 1052)	1055		790074	480817
69-59	O. NET OPERATING PROFIT THAT IS WITHHELD, THE EFFECT OF THE CHANGE OF ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1056	18	603	
59-69	P. NET OPERATING LOSS THAT IS WITHHELD, EXPENSES FROM THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1057	18		19055
	Q. PROFIT BEFORE TAXATION (1054 - 1055 + 1056 - 1057)	1058			
	R. LOSS BEFORE TAXATION (1055 - 1054 + 1057 - 1056)	1059	19	789471	499872
	S. PROFIT TAX				
721	I. TAX EXPENSE OF PERIOD	1060	20		
part of 722	II. DEFERRED TAX EXPENSES OF PERIOD	1061	20	9651	
part of 722	III. DEFERRED TAX REVENUES OF THE PERIOD	1062	20		46015

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

723	T. PAID SALARIES OF THE EMPLOYER	1063			
	U. NET PROFIT	1064			
	(1058 – 1059 – 1060 – 1061 + 1062)				
	V. NET LOSS	1065	20	799122	453857
	(1059 – 1058 + 1060 + 1061 – 1062)				
	I. NET PROFIT BELONGING TO THE MINOR STAKEHOLDERS	1066			
	II. NET PROFIT BELONGING TO THE MAJOR STAKEHOLDERS	1067			
	III EARNINGS PER SHARE				
	1. Basic earnings per share	1068	21		
	2. Decreased (diluted) earnings per share	1069			
In Belgrade On 20.04.2021.	Affixed with the seal: JSC AIRPORT NIKOLA TESLA BELGRADE	Signed personally by the legal representative illegible			

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

To be filled in by a legal entity - entrepreneur		
Register number 07036540	Activity code 6820	TIN 100000539
Name JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE		
Head office Surčin, 11180 Belgrade 59		

REPORT ON THE REMAINING RESULT					
for period from 1 st January 2020 to 31 st December 2020					
- in thousands of dinars -					
Group of accounts, account	POSITION	ADP	Note number	Amount	
				Current year	Last year
1	2	3	4	6	7
	A. NET OPERATING RESULTS				
	I. NET PROFIT (ADP 1064)	2001			
	II. NET LOSS (ADP 1065)	2002	20	799122	453857
	B. OTHER COMPERHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to the Profit and Loss Account in future periods				
	1. Revalorization changes of intangible assets, property, plants and equipment				
330	a) increase in revalorization reserves	2003			2308471
	b) reduction of revalorization reserves	2004		4949	313389
	2. Actuarial profit or losses from plans of defined income				
331	a) profits	2005			
	b) losses	2006			17290
	3. Profits or losses on investments in equity instruments				
332	a) profits	2007			
	b) losses	2008			
	4. Profits or losses from the stake in the remaining comprehensive profit or loss of associated companies				
333	a) profits	2009			
	b) losses	2010			
	b) Items that can be subsequently reclassified to the income statement in future periods				
	1. Profits or losses from the conversion of financial reports on foreign operations				
334	a) profits	2011			
	b) losses	2012			
	2. Profits or losses from hedging instruments used to protect net investments in foreign operations				
335	a) profits	2013			
	b) losses	2014			

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

336	3. Profits or losses from cash flow risk hedging instruments				
	a) profits	2015			
	b) losses	2016			
337	4. Profits or losses from securities available for sale				
	a) profits	2017			
	b) losses	2018			
	I. OTHER GROSS COMPERHENSIVE PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) – (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			1977792
	II. OTHER GROSS COMPERHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) – (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		4949	
	III. TAX ON OTHER COMPERHENSIVE PROFIT OR LOSS OF THE PERIOD	2021			346271
	IV. NET OTHER COMPERHENSIVE PROFIT (2019 – 2020 – 2021) ≥ 0	2022			1631521
	V. NET OTHER COMPERHENSIVE LOSS (2020 – 2019 + 2021) ≥ 0	2023		4949	
	C. TOTAL NET COMPERHENSIVE RESULT OF THE PERIOD				
	I. TOTAL NET COMPERHENSIVE PROFIT (2001 – 2002 + 2022 – 2023) ≥ 0	2024			1177664
	II. TOTAL NET COMPERHENSIVE LOSS (2002 – 2001 + 2023 – 2022) ≥ 0	2025		804071	
	D. TOTAL NET COMPERHENSIVE PROFIT OR LOSS(2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 > 0	2026		0	0
	1. Ascribed to major equity owners	2027			
	2. Ascribed to owners who have no control	2028			
In Belgrade On 20.04.2021.	Affixed with the seal: JSC AIRPORT NIKOLA TESLA BELGRADE	Signed personally by the legal representative illegible			

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

To be filled in by a legal entity - entrepreneur		
Register number 07036540	Activity code 6820	TIN 100000539
Name JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE		
Head office Surčin, 11180 Belgrade 59		

CASH FLOW STATEMENT

for the period from 1st January 2020 to 31st December 2020			
- in thousands of dinars -			
Position	ADP	Amount	
		Current year	Last year
1	2	4	5
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (1 to 3)	3001	364526	1430900
1. Sales and received advance payments	3002	341378	1406134
2. Received interests from operating activities	3003		182
3. Other inflows from operating activities	3004	23148	24584
II. Cash outflows from operating activities (1 to 5)	3005	430586	12646410
1. Payments to suppliers and given advance payments	3006	201197	822923
2. Wages, salaries and other personal expenses	3007	136916	137553
3. Paid interest	3008		12606
4. Income tax	3009		10499955
5. Outflows for other public revenues	3010	92473	1173373
III. Net operating cash inflows (I-II)	3011		
IV. Net operating cash outflows (II-I)	3012	66060	11215510
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (1 to 5)	3013	6000	3037062
1. Sale of stocks and shares (net inflow)	3014		290455
2. Sale of intangible assets, property, plant, equipment and biological assets	3015		
3. Other financial placements (net inflow)	3016		2716029
4. Received interests from investing activities	3017	6000	30578
5. Received dividends	3018		
II. Cash outflows from investing activities (1 to 3)	3019	99268	95222
1. Purchase of stakes and shares (net outflow)	3020		
2. Purchase of intangible assets, property, plants, equipment and biological assets	3021	99268	95222
3. Other financial placements (net outflow)	3022		
III. Net cash inflow from financing activities (I-II)	3023		2941840
IV. Net cash outflow from financing activities (II-I)	3024	93268	
C. CASH FLOWS FROM FINANCING ACTIVITIES	3025	0	0

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

I. Cash inflows from financing activities (1 to 5)			
1. Basic capital increase	3026		
2. Long-term loans (net inflows)	3027		
3. Short-term loans (net outflows)	3028		
4. Other long-term liabilities	3029		
5. Other short-term liabilities	3030		
II. Cash outflows from financing activities (1 to 6)	3031	48	52128413
1. Purchase of own shares and stakes	3032		
2. Long-term loans (outflows)	3033		49163
3. Short-term loans (outflows)	3034		
4. Other liabilities (outflows)	3035	48	148207
5. Financial leasing	3036		
6. Paid out dividends	3037		51931043
III. Net cash inflow from financing activities (I-II)	3038		
IV. Net cash outflows from financing activities (II-I)	3039	48	52128413
D.TOTAL CASH INFLOWS (3001+3013+3025)	3040	370526	4467962
E.TOTAL CASH OUTFLOWS (3005+3019+3031)	3041	529902	64870045
F.NET CASH INFLOWS (3040-3041)	3042		
G. NET CASH OUTFLOWS (3041-3040)	3043	159376	60402083
H. OPENING CASH BALANCE AT THE BEGINNIG OF THE ACCOUNTING PERIOD	3044	910118	61394573
I.POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES BASED ON THE CASH CONVERSATION	3045	5124	37208
J.NEGATIVE FOREIGN EXCHANGE DIFFERENCES BASED ON THE CASH CONVERSATION	3046	30548	119580
K. CLOSING CASH BALANCE AT THE END OF THE ACCOUNTING PERIOD	3047	725318	910118
(3042 – 3043 + 3044 + 3045 – 3046)			
In Belgrade On 20.04.2021.	Affixed with the seal: JSC AIRPORT NIKOLA TESLA BELGRADE	Signed personally by the legal representative illegible	

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

To be filled in by a legal entity - entrepreneur		
Register number 07036540	Activity code 6820	TIN 100000539
Name JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE		
Head office Surčin, 11180 Belgrade 59		

REPORT ON THE CHANGES IN CAPITAL
for the period from 1st January to 31st December 2020

Serial number	DESCRIPTION	Capital components					
		ADP	30	ADP	31	ADP	32
			Basic capital		Subscribed and unpaid capital		Reserves
1	2		3		4		5
1	Opening balance as of 1st January 2019						
	a) debt balance	4001		4019		4037	
	b) credit balance	4002	21264302	4020	0	4038	6356456
2	Adjustment of materially significant mistakes and changes in accounting policies						
	a) adjustments on the debit side of the account	4003		4021		4039	
	b) adjustments on the credit side of the account	4004		4022		4040	
3	Adjusted opening balance as of 1st January 2019						
	a) adjusted debit side of the account $(1a + 2a - 2b) \geq 0$	4005	0	4023	0	4041	0
	b) adjusted credit side of the account $(1b - 2a + 2b) \geq 0$	4006	21264302	4024	0	4042	6356456
4	Changes in the year of 2019						
	a) turnover on the debit side of the account	4007		4025		4043	
	b) turnover on the credit side of the account	4008	58231	4026		4044	
5	Last year closing balance as of 31st December 2019						
	a) debt balance account $(3a + 4a - 4b) \geq 0$	4009		4027	0	4045	0
	b) credit balance account $(3b - 4a + 4b) \geq 0$	4010	21322533	4028	0	4046	6356456
6	Adjustment of materially significant errors and changes in accounting policies						
	a) adjustments on the debit side of the account	4011	0	4029	0	4047	0
	b) adjustments on the credit side of the account	4012	0	4030	0	4048	0
7	Adjusted opening balance as of 1st January 2020						

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

	a)adjusted debit side of the account $(5a + 6a - 6b) \geq 0$	4013	0	4031	0	4049	0
	b) adjusted credit side of the account $(5b - 6a + 6b) \geq 0$	4014	21322533	4032	0	4050	6356456
	Adjustments in current year of 2020						
8	a) turnover on the debit side of the account	4015		4033	0	4051	192260
	b) turnover on the credit side of the account	4016		4034	0	4052	
	Closing balance of current year as of 31st December 2020						
9	a) debt balance account $(7a + 8a - 8b) \geq 0$	4017		4035	0	4053	0
	b) credit balance account $(7b - 8a + 8b) \geq 0$	4018	21322533	4036	0	4054	6164196

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Capital components					
		ADP	35	ADP	047 and 237	ADP	34
			Loss		Repurchased own shares		Retained profit
1	2		6		7		8
1	Opening balance as of 1st January 2019						
	a) debt balance	4055		4073	265,416	4091	
	b) credit balance	4056	0	4074	0	4092	53162398
2	Adjustment of materially significant mistakes and changes in accounting policies						
	a) adjustments on the debit side of the account	4057		4075		4093	
	b) adjustments on the credit side of the account	4058		4076		4094	
3	Adjusted opening balance as of 1st January 2019						
	a) adjusted debit side of the account (1a + 2a – 2b) ≥ 0	4059	0	4077	265416	4095	
	b) adjusted credit side of the account (1b – 2a + 2b) ≥ 0	4060	0	4078	0	4096	53162398
4	Changes in the year of 2019						
	a) turnover on the debit side of the account	4061	453857	4079		4097	53162398
	b) turnover on the credit side of the account	4062		4080	232224	4098	261596
5	Last year closing balance as of 31st December 2019						
	a) debt balance account (3a + 4a – 4b) ≥ 0	4063	453857	4081	33,192	4099	0
	b) credit balance account (3b – 4a + 4b) ≥ 0	4064		4082		4100	261596
6	Adjustment of materially significant errors and changes in accounting policies						
	a) adjustments on the debit side of the account	4065	0	4083	0	4101	0
	b) adjustments on the credit side of the account	4066	0	4084	0	4102	0
7	Adjusted opening balance as of 1st January 2020						
	a) adjusted debit side of the account (5a + 6a – 6b) ≥ 0	4067	453857	4085	33,192	4103	0
	b) adjusted credit side of the account (5b – 6a + 6b) ≥ 0	4068	0	4086	0	4104	261596

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Capital components					
		ADP	35	ADP	047 and 237	ADP	34
			Loss		Repurchased own shares		Retained profit
1	2		6		7		8
8	Adjustments in current year of 2020						
	a) turnover on the debit side of the account	4069	799122	4087	0	4105	261596
	b) turnover on the credit side of the account	4070	453857	4088		4106	5823
9	Closing balance of current year as of 31st December 2020						
	a) debt balance account (7a + 8a – 8b) ≥ 0	4071	799122	4089	33192	4107	
	b) credit balance account (7b – 8a + 8b) ≥ 0	4072		4090		4108	5823

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Other results components					
		ADP	330	ADP	331	ADP	332
			Revalorization reserves		Accurate profit or losses		Profits or losses on investments in proprietary capital instruments
1	2		9		10		11
1	Opening balance as of 1st January 2019						
	a) debt balance	4109		4127		4145	
	b) credit balance	4110	570177	4128	17290	4146	
2	Adjustment of materially significant mistakes and changes in accounting policies						
	a) adjustments on the debit side of the account	4111		4129		4147	
	b) adjustments on the credit side of the account	4112		4130		4148	
3	Adjusted opening balance as of 1st January 2019						
	a) adjusted debit side of the account (1a + 2a – 2b) ≥ 0	4113	0	4131	0	4149	0
	b) adjusted credit side of the account (1b – 2a + 2b) ≥ 0	4114	570177	4132	17290	4150	0
4	Changes in the year of 2019						
	a) turnover on the debit side of the account	4115	659660	4133	17290	4151	
	b) turnover on the credit side of the account	4116	2308471	4134		4152	
5	Last year closing balance as of 31st December 2019						
	a) debt balance account (3a + 4a – 4b) ≥ 0	4117		4135		4153	
	b) credit balance account (3b – 4a + 4b) ≥ 0	4118	2218988	4136		4154	
6	Adjustment of materially significant errors and changes in accounting policies						
	a) adjustments on the debit side of the account	4119		4137		4155	
	b) adjustments on the credit side of the account	4120		4138		4156	
7	Adjusted opening balance as of 1st January 2020						
	a) adjusted debit side of the account (5a + 6a – 6b) ≥ 0	4121		4139		4157	
	b) adjusted credit side of the account (5b – 6a + 6b) ≥ 0	4122	2,218,988	4140		4158	

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Other results components					
		ADP	330	ADP	331	ADP	332
			Revalorization reserves		Accurate profit or losses		Profits or losses on investments in proprietary capital instruments
1	2		9		10		11
8	Adjustments in current year of 2020						
	a) turnover on the debit side of the account	4123	5823	4141		4159	
	b) turnover on the credit side of the account	4124	874	4142		4160	
9	Closing balance of current year as of 31st December 2020						
	a) debt balance account $(7a + 8a - 8b) \geq 0$	4125		4143		4161	
	b) credit balance account $(7b - 8a + 8b) \geq 0$	4126	2214039	4144		4162	

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Other results components					
		ADP	333	ADP	334 and 335	ADP	336
			Profits or losses based on the stake in other profit or loss of affiliated companies		Profits or losses based on foreign operations and conversation of financial statements		profits or losses based on cash flow hedging
1	2		12		13		14
1	Opening balance as of 1st January 2019						
	a) debt balance	4163		4181		4199	
	b) credit balance	4164		4182		4200	
2	Adjustment of materially significant mistakes and changes in accounting policies						
	a) adjustments on the debit side of the account	4165		4183		4201	
	b) adjustments on the credit side of the account	4166		4184		4202	
3	Adjusted opening balance as of 1st January 2019						
	a) adjusted debit side of the account $(1a + 2a - 2b) \geq 0$	4167		4185		4203	
	b) adjusted credit side of the account $(1b - 2a + 2b) \geq 0$	4168		4186		4204	
4	Changes in the year of 2019						
	a) turnover on the debit side of the account	4169		4187		4205	
	b) turnover on the credit side of the account	4170		4188		4206	
5	Last year closing balance as of 31st December 2019						
	a) debt balance account $(3a + 4a - 4b) \geq 0$	4171		4189		4207	
	b) credit balance account $(3b - 4a + 4b) \geq 0$	4172		4190		4208	
6	Adjustment of materially significant errors and changes in accounting policies						
	a) adjustments on the debit side of the account	4173		4191		4209	
	b) adjustments on the credit side of the account	4174		4192		4210	
7	Adjusted opening balance as of 1st January 2020						
	a) adjusted debit side of the account $(5a + 6a - 6b) \geq 0$	4175		4193		4211	
	b) adjusted credit side of the account $(5b - 6a + 6b) \geq 0$	4176		4194		4212	

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Other results components					
		ADP	333	ADP	334 and 335	ADP	336
			Profits or losses based on the stake in other profit or loss of affiliated companies		Profits or losses based on foreign operations and conversation of financial statements		profits or losses based on cash flow hedging
1	2		12		13		14
8	Adjustments in current year of 2020						
	a) turnover on the debit side of the account	4177		4195		4213	
	b) turnover on the credit side of the account	4178		4196		4211	
9	Closing balance of current year as of 31st December 2020						
	a) debt balance account $(7a + 8a - 8b) \geq 0$	4179		4197		4215	
	b) credit balance account $(7b - 8a + 8b) \geq 0$	4180		4198		4216	

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Other results components		ADP	Total equity [$\sum(\text{row 16 column 3 to column 15}) - \sum(\text{row 1a column 3 to column 15}) \geq 0$]	ADP	Loss above equity [$\sum(\text{row 1a column 3 to column 15}) - \sum(\text{row 16 column 3 to column 15}) \geq 0$]
		ADP	337				
			Profits or losses based on the securities available for sale				
1	2		15		16		17
1	Opening balance as of 1st January 2019						
	a) debt balance	4217		4235	81105207	4244	
	b) credit balance	4218					
2	Adjustment of materially significant mistakes and changes in accounting policies						
	a) adjustments on the debit side of the account	4219		4236		4245	
	b) adjustments on the credit side of the account	4220					
3	Adjusted opening balance as of 1st January 2019						
	a) adjusted debit side of the account ($1a + 2a - 2b \geq 0$)	4221	0	4237	81105207	4246	
	b) adjusted credit side of the account ($1b - 2a + 2b \geq 0$)	4222	0				
4	Changes in the year of 2019						
	a) turnover on the debit side of the account	4223		4238	51432683	4247	
	b) turnover on the credit side of the account	4224					
5	Last year closing balance as of 31st December 2019						
	a) debt balance account ($3a + 4a - 4b \geq 0$)	4225	0	4239	29672524	4248	
	b) credit balance account ($3b - 4a + 4b \geq 0$)	4226	0				
6	Adjustment of materially significant errors and changes in accounting policies						
	a) adjustments on the debit side of the account	4227		4240		4249	
	b) adjustments on the credit side of the account	4228					
7	Adjusted opening balance as of 1st January 2020						
	a) adjusted debit side of the account ($5a + 6a - 6b \geq 0$)	4229	0	4241	29672524	4250	
	b) adjusted credit side of the account ($5b - 6a + 6b \geq 0$)	4230	0				

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Serial number	DESCRIPTION	Other results components		ADP	Total equity [$\sum(\text{row 16 column 3 to column 15}) - \sum(\text{row 1a column 3 to column 15}) \geq 0$]	ADP	Loss above equity [$\sum(\text{row 1a column 3 to column 15}) - \sum(\text{row 16 column 3 to column 15}) \geq 0$]
		ADP	337				
			Profits or losses based on the securities available for sale				
1	2		15		16		17
8	Adjustments in current year of 2020						
	a) turnover on the debit side of the account	4231		4242	798247	4251	
	b) turnover on the credit side of the account	4232					
9	Closing balance of current year as of 31st December						
	a) debt balance account ($7a + 8a - 8b \geq 0$)	4233		4243	28874277	4252	
	b) credit balance account ($7b - 8a + 8b \geq 0$)	4234					
	In Belgrade On 20.04.2021.	Affixed with the seal: JSC AIRPORT NIKOLA TESLA BELGRADE			Signed personally by the legal representative illegible		

JSC AIRPORT NIKOLA TESLA BLEGRADE

**NOTES TO THE FINANCIAL STATEMENTS
31st December 2020**

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**2. ESTABLISHMENT AND BUSINESS OPERATIONS OF THE COMPANY****2.1. Basic information about the company**

The joint stock company Belgrade Nikola Tesla Airport (hereinafter: the "Company") was established with the aim of providing airport services (landing, takeoff, taxiing and parking of aircraft, reception and dispatch of aircraft, passengers and goods). In addition to the basic activity of providing airport services, the Company, within the ancillary activities, also performs other services at the airport complex that meet the needs of service users, domestic and foreign airlines.

The operations of the Airport date back to 25th March 1928 at the location of Bežanijska kosa, and the operations at today's location (Surčin) began in 1962.

By the decision of the Government of the Republic of Serbia from 1992, the Airport was re-registered as the Public Enterprise Airport "Belgrade", and in 2006, also by the decision of the Government, it was renamed as a Public Enterprise Airport Nikola Tesla Belgrade.

On 17th June 2010., the Government of the Republic of Serbia passed Decision no. 023-4432 / 2010 on the change of the legal form of Public Enterprise Airport Nikola Tesla Belgrade from a public company to a closed joint stock company. The aforementioned change in the legal form was registered with the Business Registers Agency on 22nd June 2010, Decision number BD 68460/2010.

After the change of legal form, the company continued to operate under the full name of the Joint Stock Company Belgrade Nikola Tesla Airport. By the decision of the Business Registers Agency number BD 7651/2011 from 24th January 2011. The registration of the open Joint Stock Company Belgrade Nikola Tesla Airport was made in the register of business entities.

On 5th January 2018 the Decision on the selection of the most favorable bid in the procedure of granting a concession for financing, development through construction and reconstruction, maintenance and management of the infrastructure of JSC Airport Nikola Tesla Belgrade and performing the activities of the airport operator was registered with the Ministry of Construction, Transport and Infrastructure under number: 023 -00-1 / 2018-12 dated 5th January 2018 and with ANT under number: GD 111/2018 dated 5th January 2018. The most favorable bidder selected is "Vinci Airports SAS France".

On 22nd March 2018 the Concession Agreement for financing, development through construction and reconstruction, maintenance and management of the infrastructure of AD Nikola Tesla Airport Belgrade and performing the activities of the Airport operator at Nikola Tesla Airport Belgrade was signed between the Government as the representative of the Republic of Serbia, JSC Nikola Tesla Airport Belgrade, " Vinci Airports Serbia "doo Belgrade (hereinafter: DPN) and" Vinci Airports SAS France "as the Best Selected Bidder (hereinafter: Concession Agreement).

The provisions of the Concession Agreement provide for a number of preconditions for both contracting parties in the Transition Period, the fulfillment of which, within the stipulated deadline, provides the conditions for the Concession Commencement Date to start.

By fulfilling all the previous conditions, including the payment of a one-time concession fee in the amount of 501,000,000 to the account of JSC Airport Nikola Tesla Belgrade, made by Vinci Airports Serbia doo Belgrade on 21st December 2018, the conditions for the start of the Start Day concessions starting from 22nd December 2018 were met.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

On 21st December 2018, by the decision of the Civil Aviation Directorate of the Republic of Serbia, the Airport certificate was transferred from JSC Nikola Nikola Tesla Airport to Vinci Airports Serbia doo Belgrade.

From the Concession Commencement Date on 22nd December 2018., Vinci Airports Serbia doo Belgrade took over the management of the Airport and the performance of service activities in air transport, and from that date JSC Airport Nikola Tesla changed the main activity from service activities in air transport (52.23) to renting and managing their own or leased real estate (68.20), with the primary task of being the owner of all movable and immovable property granted under the Concession Agreement for the use and management of VINCI Airports Serbia doo Belgrade, monitors the implementation of the concession agreement in accordance with the Law on Public-Private Partnership and Concessions with accompanying bylaws.

In addition to the predominant activity, the Company may perform all other activities that are not prohibited by law, including foreign trade activity, regardless of whether those activities are determined by the founding act, i.e. the statute. The company performs activities of general interest.

<i>Main office</i>	<i>11180 Belgrade, Surčin</i>
<i>Registration number</i>	<i>07036540</i>
<i>Tax identification number</i>	<i>100000539</i>
<i>Code and activity name until 21st December 2018</i>	<i>52.23 - Service activities in air transport</i>
<i>Code and activity name from 22nd December 2018</i>	<i>68.20 - Renting and management of own or leased real estate</i>

In July 2019, VINCI Airports Serbia doo Belgrade changed its business name to Belgrade Airport doo Belgrade (hereinafter DPN) based on the prior consent of the Concession Grantor.

According to the criteria for classification from the Law on Accounting, JSC Airport Nikola Tesla Belgrade is classified into a small legal entity.

1.2 Management structure

The management of the Company is bicameral. The bodies of the Company are the Assembly, the Supervisory Board and the Executive Board.

The Assembly is comprised of shareholders of the Company who have the right to participate in the work of the Assembly. A shareholder who owns 35026 ordinary shares has the right to participate in the work of the Assembly.

The Supervisory Board consists of five (5) members, at least one member of which is independent from the Company. The members of the Supervisory Board are appointed by the Assembly of the Company. The Supervisory Board is obliged to form an audit committee, and if necessary, it may form other committees that assist it in its work. The Supervisory Board committees have at least three members, and one of those members must always be an independent member of the Supervisory Board.

The Executive Board consists of two (2) Executive Directors including the Managing Director. The Executive Directors are appointed by the Supervisory Board of the Company.

1.4 Ownership structure

After the change of legal form into a closed joint stock company, 34,289,350 shares, 100% owned by the Republic of Serbia were registered in the Central Securities Depository on 7th July 2010.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The Government of the Republic of Serbia on 9th December 2010 passed Decision No. 023-9103 / 2010-1, according to which the right to transfer 16.85% of the ownership of the Company was acquired by citizens of the Republic of Serbia, employees and former employees of the Company. After the transfer of free shares to citizens, employees and former employees, the Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the decision on admission of shares to Listing A-Prime market 04/4 No. 478/11 of January 28, 2011, the Company's shares were admitted to Listing A of the Belgrade Stock Exchange. Trading in the Company's shares on the Belgrade Stock Exchange started on February 7, 2011.

As of 31st December 2020, 35,026,129 ordinary shares were registered in the Central Registry of Securities, with the right to vote with an individual nominal value of 600.00 dinars. The Republic of Serbia owns 29,616,702 ordinary shares, which represents 84.56% of the total share capital of the Company, and other shareholders own 5,409,427 ordinary shares, which represents 15.44% of the total share capital of the Company.

1.4 Number of employees and engaged persons

At the balance sheet date of 31st December 2020, the Company had 37 employees, 36 of which permanent employees and 1 employee engaged in temporary and occasional jobs (on 31st December 2019, the Company had 37 employees, 36 of which were full-time employees and 1 employee hired for temporary and occasional jobs of the Company).

During 2020, the average number of employees in the Company based on the situation at the end of each month was 36, of which the average number of full-time employees in the Company is 35 employees and 1 average employee for temporary and occasional jobs. (During 2019, the average number of employees in the Company based on the situation at the end of each month was 36, of which the average number of employees in the Company is 35 employees (34 full-time employees and 1 temporary employee) and 1 average hired worker for temporary and occasional jobs.

2. BASES OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD**2.1 Bases of preparation and presentation of financial statements**

The financial statements for the year of 2020 were prepared in the manner and in accordance with the legislation and determined at the meeting of the Supervisory Board of the Company on 28th April 2021.

Legal entities and entrepreneurs in the Republic of Serbia are obliged to keep business books, recognize and assess assets and liabilities, income and expenses, compile, present, submit and disclose financial statements in accordance with the Law on Accounting (hereinafter "the Law" published in the "Official Gazette of the Republic of Serbia", No. 62/13, 30/18 and 73/19), as well as in accordance with other applicable bylaws.

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

- Framework for preparation and presentation of financial statements,
- International Accounting Standards (IAS), and
- International Financial Reporting Standards (IFRS) and related interpretations, issued by the Accounting Standards Interpretations Committee (IFRIC), subsequent amendments to those standards, the translation of which has been established and published by the Ministry of Finance.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

By the decision of the Ministry dated 25th December 2019, which was published in the Official Gazette of the Republic of Serbia“ no. 92 dated 25th December 2019 (hereinafter “Decision on Determining the Translation”), the translations of the basic texts of IAS and IFRS, the Conceptual Framework for Financial Reporting (the “Conceptual Framework”), adopted by the Board, as well as related IFRIC interpretations were determined and published. These translations published in the Decision on Determining the Translation do not include grounds for conclusions, illustrative examples, guidelines, comments, dissenting opinions, elaborated examples, as well as other additional explanatory material that may be adopted in relation to standards or interpretations, unless explicitly stated that the material is an integral part of the standard, i.e. interpretation. Based on the Decision on Determining the Translation, the Conceptual Framework, IAS, IFRS, IFRIC and related interpretations that have been translated are applied from the financial statements prepared as of 31st December 2020.

Amended or issued IFRS and interpretations of standards, after this date, were translated and published by the Decision of the Ministry dated 13th October 2020, which was published in the “Official Gazette of the Republic of Serbia” no. 123 dated 13th October 2020, which will be applied from the financial statements prepared as at 31st December 2021, and may be applied from the financial statements prepared as at 31st December 2020 and are therefore not applied in preparing the accompanying financial statements except in the part of the accounting coverage of the Concession Agreement, which is explained below.

The financial statements of the Company are presented in the form and content specified by the Rulebook on the content and form of forms of financial statements for companies, cooperatives and entrepreneurs published in the "Official Gazette of the Republic of Serbia ", no. 95/14 and 144/14 which, among other things, prescribe the form and content of positions in the forms of the Balance Sheet, Income Statement, Statement of Other Results, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements. In accordance with the above mentioned Rulebook, the financial statements of the Company are presented in thousands of dinars. The dinar is the official reporting currency in the Republic of Serbia.

Chart of accounts and content of accounts in the Chart of Accounts is prescribed by the Rulebook on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs published in the "Official Gazette of the Republic of Serbia", no. 95/14.

In preparing the Company's financial statements, inter alia, the following laws and regulations have been complied with:

- Law on Corporate Income Tax (“Official Gazette of the Republic of Serbia” No. 25/01, 80/02, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13 , 68,14, 142/14, 91/15, 112/15, 113/17, 95/18 and 86/19),
- Law on Value Added Tax (“Official Gazette of the Republic of Serbia “ No. 84 / 04,86 / 04, 61 / 05,61 / 07, 93/12, 108/13, 68/14, 141/14, 5/15, 83/15, 108/16, 113/17, 30/18, 72/19 and 8/20),
- Rulebook on the content of the tax balance and other issues of importance for the manner of determining the corporate income tax (“Official Gazette of the Republic of Serbia” No. 20 / 14,41 / 15, 101/16, 8/19 and 94/19),
- Rulebook on the content of the tax return for the calculation of corporate income tax (“Official Gazette of the Republic of Serbia” No. 30/15, 101/16, 44/18, 8/19 and 94/19),
- Rulebook on the manner of classification of fixed assets by groups and the manner of determining depreciation for tax purposes (“Official Gazette of the Republic of Serbia” No. 116/04, 99/10, 104/18 and 8/19).

The legal acts that represent the internal regulations of the Company, the Company when preparing these financial statements applied the accounting policies explained in the Note 3.

The Law on Capital Market (“Official Gazette of the Republic of Serbia” No. 31/11, 112/15, 108/16 and 9/20) prescribes which data should be contained in the annual, semi-annual and quarterly reports of public companies which securities are traded on the regulated market.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**2.2. Accounting treatment of the Concession Agreement**

Bearing in mind the non-existence of guidelines, i.e. of the specific IAS / IFRS for accounting coverage of the Concession Agreement from the aspect of the Company as one of the two Concessionaires, the Company for the accounting coverage of the Concession Agreement uses the standard IFRS 16 Leasing Contracts.

IFRS 16 defines leasing as a contract, or part of a contract, that transfers the right to use a particular asset over a specified period of time in exchange for compensation. In the analysis of whether the definition of leasing is met or not, it is necessary to meet certain criteria. Mandatory elements of the leasing contract are:

- **Identified asset** - Airport infrastructure is a defined identified asset specified in the Contract;
- **The lessee acquires almost all economic benefits** - the lessee (Special Purpose Company (DPN) established by the selected most favorable bidder solely for the implementation of the Concession Agreement) earns the entire income from the use of airport infrastructure during the period of use;
- **The lessee determines the use of the identified asset** - Since the decisions "How and for what purpose" on the use of the asset are determined in advance by the Concession Agreement in terms of infrastructure use and other, DPN has the right to determine the use of assets in operational terms. Namely, DPN makes operational decisions on the use of funds related to the operation of the airport (flight schedules, personnel issues, selection of suppliers, etc.) during the concession period without the Company's ability to influence them.

In accordance with the requirements of IFRS 16, the entire assets of the Company are divided into the following categories:

- Airport infrastructure;
- Closely related funds that the SPC will use until the end of the concession period;
- Closely related funds that SPC will not use until the end of the concession period;
- Other funds that SPC will use until the end of the concession period;
- Other funds that SPC will not use until the end of the concession period.

Closely related assets consist of assets (equipment) closely related to airport infrastructure and significant airport equipment.

The following is an overview of the accounting coverage of asset (asset) categories.

Asset category	Accounting treatment
Airport infrastructure	Operating leases Recognition of assets in accordance with IAS 16
Closely related funds that SPC will not use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Closely related funds that SPC will use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Other funds that SPC will not use until the end of the concession period	Operating leases Recognition of assets in accordance with IAS 16
Other funds that SPC will use until the end of the concession period	Derecognition of property Treatment as sale on the 1st day of the beginning of the Concession Agreement (claim)

Accounting treatment in accordance with IFRS 16 - Leasing Contracts of the above categories of assets (assets)

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

was performed on 1st January 2019 as the date of commencement of the Concession Agreement.

Accounting coverage of various leasing payments

In accordance with IFRS 16.81, a lessor recognizes a lease payment as revenue on a straight-line or other systematic basis over the term of the lease. He applies another systematic basis when that basis is more appropriate for presenting a form in which the benefit from the use of funds is reduced. Pursuant to the above, the Company recognizes as income the following:

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it is incurred,
- Variable fees that depend on the amount of SPC income in the period in which they are incurred,

Whichever is higher for the observed period.

- Income from non-monetary compensation (Mandatory works and Additional land) is treated as variable compensation and is recognized in the income statement in the same amount (straight line) during the remaining period of the concession starting from the moment when DPN is obliged to buy / build a new asset, and based on the receipt of funds / works performed by the Company.

In addition to the above payments, a portion of the fee for the sale of other assets that DPN will use until the end of their useful life in terms of revenue reduction during the Concession Period is also set aside.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES****3.2 Revenues and expenses**

Revenue from sales is recognized when the risk and benefit associated with the right of ownership is transferred to the buyer, which implies the date of delivery of the goods to the buyer.

Revenue from services is recognized when the service is performed or proportionately during the performance of the service if it lasts for more than one accounting period.

Lease income from operating leases is recognized on a straight-line basis over the term of the lease.

Revenue is stated at the fair value of the consideration received or will be received, in the net amount after impairment for given discounts and value added tax.

Interest revenue and dividend are recognized in accordance with the accrual principle in favor of the accounting period which they relate to, using the effective interest method.

With the date on which income is recognized, the corresponding expenses are also recognized (the principle of causation of revenue and expenses).

Operating expenses are recognized in the income statement when the service is acquired or incurred.

Expenses are calculated according to the principle of causation of revenues and expenses.

The costs of current maintenance and repairs of fixed assets are recorded to the income statement in the accounting period when they are incurred.

3.2. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are included in the cost of the asset until such time as substantially all the activities necessary to prepare the asset for its intended use or sale have been completed. Qualifying assets refer to assets that necessarily require a significant period of time to be ready for their intended use.

Investment income generated on the basis of temporary investment of borrowed funds is deducted from borrowing costs incurred to finance qualifying assets.

All other borrowing costs are recognized in the income statement in the period which they relate to.

3.3. Recalculation of funds and liabilities in foreign means of payment

Business changes arising in foreign currencies are translated into dinars at the middle exchange rate determined on the interbank foreign exchange market, which was valid on the day of the business change.

Assets and liabilities denominated in foreign currencies on the balance sheet date are translated into dinars at the middle exchange rate determined on the interbank foreign exchange market valid on that day.

Foreign exchange profits and losses resulting from foreign currency transactions and from the translation of monetary items in the balance sheet are stated in the income statement as profit or losses on foreign exchange differences.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Non-monetary items in the balance sheet are not translated at the balance sheet date, but are measured at historical cost at the exchange rate on the date of the transaction, except for non-monetary items at fair value, in which case they are translated at the fair value date. Income and expenses based on exchange rate differences and the effects of the currency clause are recorded in the income statement for the observed period.

The middle exchange rates for foreign exchange, determined on the interbank foreign exchange market, applied for the conversion of foreign currency balance sheet items into dinars, for individual major currencies were as follows:

The middle exchange rate	in RSD	
	31.12.2020.	31.12.2019.
EUR	117.5802	117.5928
USD	95.6637	104.9186
GBP	108.4388	108.4004
The middle exchange rate	130.3984	137.5998

3.4. Intangible assets

Intangible assets relate to purchased software and licenses and are stated at cost less amortization and are depreciated on a straight-line basis.

3.5. Property, plant and equipment, biological assets

Property, plant and equipment, which meet the conditions for recognition of assets, are measured at purchase value or cost. The purchase value is the invoice value of the purchased assets increased by all costs incurred until their putting into use.

Subsequent to initial recognition, property, plant and equipment (other than tools and inventory to which the cost model applies) are stated at revalued amount, expressing their fair value at the date of revaluation, less the total amount of the allowance for depreciation and the total amount of the impairment losses.

The fair value of real estate is their market value which is determined by appraisal. Revaluation is performed only when the fair value of the revalued asset differs materially from its carrying amount.

Revaluation gains are recognized in other gains and losses in favor of the revaluation reserve in equity. Up to the amount of previously recognized revaluation losses or on the basis of impairment recognized in the income statement, revaluation gains are recognized in the income statement, and the rest of the gains are recognized in other gains and losses. Revaluation losses are recognized after impairment or impairment testing, and are recognized in other gains and losses up to the amount of the previously recognized revaluation reserve in equity, and the remaining losses are recognized in the income statement. Upon expenditure or disposal of an asset, the related revaluation reserve is transferred directly to retained earnings.

The assessment of the value of real estate, plant and equipment was performed on 1st January 2019.

Gains or losses arising on disposal or disposal are recognized as income or expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**3.6. Depreciation**

Depreciation of property, plant and equipment is calculated on a straight-line basis over their estimated useful lives. Depreciation rates, which were used in the business 2021 year, as well as depreciation rates calculated based on the useful life of assets that were applied in 2020, are shown in the table below:

	%	
	2020	2019
Buildings:		
Electricity and water management facilities	2.33 - 20	2.33 - 20
Roads, airports and parking lots	2.27 - 50	2.27 - 50
Other buildings	2.86 - 100	2.86 - 100
Apartments		1.54
Equipment:		
New specific equipment	2.50 - 50	2.50 - 50
Road traffic equipment	3.33 - 50	3.33 - 50
Equipment for PTT traffic and TV	33.33 - 50	33.33 - 50
Air traffic equipment	2.86 – 16.67	2.86 – 16.67
Measuring and control apparatus and specific apparatus	5 – 12.50	5 – 12.50
Laboratory equipment, school supplies and medical equipment	-	-
Electronic, computing machines and computers	5.26 – 33.33	5.26 – 33.33
General purpose furniture and appliances	2.84 – 7.69	2.84 – 7.69
Road traffic equipment leased	6.67 – 11.11	6.67 – 11.11
Equipment and plants	2.94 - 100	2.94 - 100
Tools and inventory	- 3.57	- 3.57
Intangible assets		
<i>Software and licenses</i>	33.33	-

3.7. Investment property

Investment real estate is real estate that the Company, as the owner, holds for the purpose of earning money from renting real estate or for increasing the value of capital or for both, and not for use for providing services or for administrative purposes or sale within regular business. The initial measurement of investment property at the time of acquisition is performed at purchase value or cost price. After initial recognition, investment property is valued at fair value, at the end of each business year. Positive and negative effects based on changes in the fair value of investment property are recognized in the income statement.

3.8. Impairment

On each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated so that any impairment loss can be determined. If it is not

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

possible to estimate the recoverable amount of an individual asset, the Company assesses the recoverable amount of the cash-generating unit which the asset belongs to.

The recoverable amount is the net selling price or value in use, whichever is higher. For the purposes of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the estimated recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, then the carrying amount of that asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately as an expense, unless the asset is a land or a building that is not used as investment property carried at revalued amount, in which case the impairment loss is recognized as an impairment loss.

In the event of a subsequent reversal of an impairment loss, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated recoverable amount of the asset, with the higher carrying amount not exceeding the carrying amount that would have been determined if no previous loss had been recognized. Asset (cash-generating unit) due to impairment. A reversal of an impairment loss is recognized immediately in profit or loss, unless the asset is stated at its estimated value, in which case the reversal of the impairment loss is recognized as an increase due to revaluation.

As of 31st December 2020, based on the assessment of the Company's management, there are no indications that the value of assets has been impaired.

3.9. Stock

Stock is stated at the cost price or net sales value, whichever is lower.

Net realizable value is the price at which stock can be sold in the ordinary course of business after deducting selling expenses. The purchase value includes the value according to the supplier's invoices, transport and dependent purchase costs.

The calculation of inventory output is determined by the method of an average weighted purchase price.

Inventories of goods are recorded at selling prices. At the end of the accounting period, the value of inventories is reduced to the purchase value by allocating the difference in price, calculated on an average basis, between the purchase value of sold goods and inventories at the end of the year.

Offsetting other expenses is used to adjust the value of inventories in cases when it is estimated that it is necessary to reduce their value to the net expected sales value (including inventories with slow turnover, redundant and obsolete inventories). Damaged inventories and inventories that do not meet quality standards are written off.

3.10. Taxes and contributions**Income tax**

Income tax in the income statement is the sum of current income tax and deferred income tax that is not recognized in other gains and losses or directly in equity.

Current income tax assets and liabilities, or deferred tax assets and liabilities, are offset only if the Company has a legal right to offset the recognized amounts and if it intends to settle on a net basis or to realize the asset and settle the liability at the same time.

Current income tax

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Current income tax assets or liabilities represent liabilities or receivables from fiscal authorities in respect of current or prior periods that were not realized at the date of these financial statements.

Current income tax is the amount calculated by applying the prescribed tax rate of 15% on the basis determined by the tax balance, which is the amount of profit before tax after deducting the effects of adjusting income and expenses, in accordance with tax regulations of the Republic of Serbia, less tax credits. .

The Law on Profit Tax of the Republic of Serbia does not stipulate that tax losses from the current period can be used as a basis for refunds of taxes paid in previous periods. However, losses reported in the tax balances up to 2009 may be used to reduce the tax base of future accounting periods in the next ten years from the date of exercise of the right, and losses incurred and reported in the tax balance for 2010, and beyond, may be used to reduce the tax base of future accounting periods, but not longer than five years.

The Law on Profit Tax of the Republic of Serbia in the part of tax credits prescribes that taxpayers who have exercised the right to tax incentive from Art. 48 of the previous law, and expressed in the Tax Balance and the tax return for 2013, can use this right until the expiration of the deadline and in the manner prescribed by the previous law. According to Art. 48, paragraph 5 of the previous law, "the unused part of the tax credit may be transferred to the income tax account of future accounting periods up to the prescribed limit of 33% (for large and medium-sized legal entities), but not longer than 10 (ten) years, which is applied starting from the tax balance for 2003. " When determining the income tax for 2017, the earliest previous tax period from which the unused tax credit can be used is the tax balance, i.e. the PK form from 2007. The transferred tax credit is used in the order of investment.

Deferred income tax

Deferred tax effects arise as a result of the difference between the bases for calculating depreciation according to accounting and tax regulations. Also, this difference arises due to the existence of equipment which purchase value at the time of purchase was below the average gross salary in the Republic of Serbia, based on unused tax credit and in other cases where there is a time difference between the tax liability and the obligation to pay it. Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available for the use of deductible temporary differences. The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted as necessary to comply with the current assessment of taxable profit for future periods.

Deferred tax assets and liabilities are calculated at a tax rate of 15%, the application of which is expected in the period when the asset will be realized or the liability is settled.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also allocated to equity.

Taxes and contributions that do not depend on the results

Taxes and contributions that do not depend on results include property tax and other taxes and contributions in accordance with national, tax and general regulations. These taxes and contributions are presented under other operating expenses.

Tax risks

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by the tax authorities in relation to the Company's transactions and activities may differ from management's interpretation. As a result, transactions may be challenged by the tax authorities and an additional amount of taxes, penalties and interest may be imposed on the Company. The period of obsolete tax liability is five years. This practically means that the tax authorities have the right to order the payment of outstanding liabilities within five years from the time the obligation incurred.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**3.11. Benefits for employees*****Taxes and contributions to employee social security funds***

In accordance with the regulations applicable in the Republic of Serbia, the Company is obliged to pay contributions to state funds that provide for the social security for employees. These obligations include employee contributions paid by the employer in amounts calculated at the rates prescribed by the relevant legal regulations. The company is also obliged to suspend contributions from the gross salaries of employees and to pay them to those funds on behalf of employees. Employer contributions and employee contributions are credited to the expenses of the period which they relate to.

Liabilities based on severance pay and jubilee awards

The Company has engaged a Certified Actuary to assess the provision for retirement benefits and jubilee awards as of 31st December 2020, based on the Rules of Procedure, adopted on 11th January 2019, which stipulates that the Company has an obligation to pay employees:

- Retirement severance pay in the amount of four average monthly salaries without taxes and contributions paid to the Employer in the month prior to the payment of severance pay
- Jubilee award for the total time spent in employment with the Employer in the amount of the average monthly salary without taxes and contributions paid to the Employer for the month preceding the month in which the employee acquired the right to the jubilee award for:
 - 10 years of work - in the amount of one monthly salary;
 - 20 years of work - in the amount of two monthly salaries;
 - 30 years of work - in the amount of three monthly salaries;
 - 35 years of work for women and men - in the amount of four monthly salaries;

At the end of each business year, the Company assesses the provision for severance pay and jubilee awards in accordance with the requirements of the standard IAS-19 - Employee Benefits.

The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 37a.

3.12. Leasing

Leasing is classified as a finance lease in all cases where the lease transfers substantially all the risks and rewards of ownership to the lessee. Every other lease is classified as an operating lease.

Company as a lessor

Operating lease income is recognized using the straight-line method over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognized as assets of the Company at the present value of the minimum lease payments determined at the beginning of the lease period. The corresponding liability to the lessor is included in the balance sheet as a liability under a finance lease.

Payment of the lease installment is allocated between the finance charge and the reduction of the lease liability so as to achieve a constant rate of participation in the outstanding liability. Financial expenses are recognized immediately in the income statement, unless they can be directly attributed to assets that are ready for use, in which case they are capitalized in accordance with the general policy of the Company on borrowing costs

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Operating lease installments are recognized as an expense on a straight-line basis over the term of the lease, unless there is another systematic basis that better reflects the timing of the expenditure of economic benefits from the leased asset.

In the case when leasing benefits are granted, they are part of the operating lease and are recognized as a liability. The total benefit of the relief is recognized as a reduction in the cost of rent on a linear basis, unless there is another systematic basis that better reflects the time structure of spending the economic benefits of the leased asset

3.13. Financial instruments

Any contractual right that gives rise to a financial asset and a financial liability or equity instrument is recognized as a financial instrument on the settlement date.

Upon initial recognition, financial assets and financial liabilities are measured at cost, which represents the fair value of the consideration given (in the case of an asset) or received (in the case of a liability).

Derecognition of financial assets is when the contractual rights to the cash flows from the financial asset expire or when substantially all risks and rewards have been transferred. Derecognition of financial liabilities is when the liability is extinguished, settled, canceled or expired.

Long-term investments

Long-term financial investments after initial recognition are measured by:

- fair value, if held for trading,
- depreciated value, if they have a fixed maturity,
- at cost, if they do not have a fixed maturity.

Long-term financial investments held for trading, for which, due to the absence of an active market, it is not possible to determine the market value, are stated at cost.

Long-term loans to employees are stated at fair value at a discount using the market interest rate.

Short-term receivables and placements

Short-term receivables and placements include receivables from sales, and other receivables, as well as short-term placements to employees.

Receivables from the sale of services and goods are measured at the values from the original invoice. Invoiced interest related to the sale of goods and services is recognized as other receivables and is recognized in income in the period in which it arises.

Other receivables and placements originating from the company are measured at amortized cost.

Any difference between the stated amount and the subsequent measurement is recognized as a gain or loss in the period in which it arises.

Impairment of financial assets

At each balance sheet date, objective evidence of the value of assets is assessed by analyzing the expected net cash inflows.

For all receivables for which there is a reasonable suspicion that they will not be collected in the nominal amount, the receivables are corrected. Direct write-off is done only after the end of the court dispute or after the decision of the governing body.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020***Cash and cash equivalents***

Cash and cash equivalents include cash in current accounts with banks and in cash, as well as highly liquid investments that mature up to three months after acquisition, which can be quickly converted into known amounts of cash and are not subject to significant risk of change in value. дности.

Financial liabilities

Financial liabilities include long-term liabilities (long-term loans and other long-term liabilities), short-term financial liabilities (short-term loans and other short-term financial liabilities), short-term operating liabilities and other liabilities.

Financial liabilities are initially recognized in the amount of funds received. After initial recognition, a financial liability is measured at the amount at which the liability was initially recognized, less principal repayments, increased by amounts of capitalized interest and less any write-off granted by the creditor. Liabilities based on interest on financial liabilities are recorded at the expense of financial expenses in the period to which they relate and presented within other short-term liabilities and accrued costs and deferred revenue.

3.14. Capital, reserves and payment of profits (dividends)

The share capital consists of the nominal value of the issued shares

Other capital components include:

- Revaluation reserves based on revaluation of property, plant and equipment
- Other reserves

All retained earnings and accumulated losses of this and previous periods are recognized within retained earnings.

Distributed profit (dividend) is recognized as part of liabilities when the Company's General Meeting adopts a decision on profit distribution.

3.15. Provisions, potential assets and contingent liabilities

Provisions for legal disputes, harmful contracts or other claims on the Company are recognized when the Company incurs a legal or constructive obligation as a result of a past event, when there is a known outflow of economic benefits from the Company and when the amount of such outflows can be reliably estimated. The timing or exact amount of that outflow may still be uncertain.

Restructuring costs are recognized only if there is a detailed formal restructuring plan and management has communicated the main features of the plan to all those affected by the plan or the execution of the plan has already begun. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated costs necessary to settle the present obligation, based on the most reliable evidence available at the date of adoption of the report, including the risks and uncertainties associated with the present obligation. For a number of similar liabilities, the probability of a settlement outflow is determined at the class of liabilities. Provisions are discounted to present value if the amount of the discount is material.

Any compensation in respect of liabilities that the Company is certain to realize from a third party is recognized as a separate asset. However, this asset cannot be more than the related provision.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

No liability or provision is recognized unless the outflow of economic benefits embodied in the present obligation is recognized. Such situations are disclosed as contingent liabilities, except when the probability of an outflow is low.

3.16. Overview of significant accounting estimates

The presentation of financial statements requires management to use the best possible estimates and reasonable assumptions, which have an effect on the presented values of assets and liabilities as well as disclosure of contingent receivables and liabilities at the date of preparation of financial statements, income and expenses during the reporting period. These estimates and assumptions are based on information available at the date of preparation of the financial statements. Actual amounts may differ from those estimated.

The following are key assumptions regarding the future and other sources of estimating uncertainty at the balance sheet date that pose a significant risk, for material adjustments to the amount of balance sheet items in the next financial year.

3.16.1. Depreciation and depreciation rate

Depreciation calculation and depreciation rates are based on the projected economic life of property, plant and equipment. Once a year, the Company estimates the economic life based on current forecasts.

In addition, due to the importance of fixed assets in the total assets of the Company, any change in the above assumptions may lead to material effects on the financial position of the Company, as well as on the financial result. In accordance with the accounting policy of the Company for subsequent valuation of property, plant and equipment, they are stated according to the revaluation model that expresses their fair value at the date of revaluation, less the total amount of impairment based on depreciation and the total amount of impairment based on impairment losses. The fair value of real estate is their market value which is determined by appraisal. The assessment of intangible assets, real estate, plant and equipment was performed on January 1, 2019. year by the authorized appraiser KPMG d.o.o. Belgrade. Depreciation costs for assets that have been assessed are calculated based on the estimated remaining life.

3.16.2. Impairment of uncollectible receivables

We have calculated the allowance for receivables older than 60 days, based on the estimated losses due to the inability of the customer to meet the necessary obligations. Our assessment is based on the age analysis of trade receivables, historical write-offs, creditworthiness of our customers and changes in sales conditions, when determining the adequacy of the value adjustment of doubtful and disputed receivables. This includes assumptions about future customer behavior and the resulting future charges. Management believes that no additional value adjustment of receivables is required, other than the value adjustment already shown in the financial statements.

3.16.3. Court disputes (Litigation)

In general, provisions are significantly subject to estimates. The Company assesses the probability that adverse events may occur as a result of past events and assesses the amount required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Assessment of contingent liabilities based on litigation is performed by internal expert services or external advisors.

Although the Company respects the precautionary principle in its assessment, as there is a high degree of uncertainty, in some cases the actual results may deviate from these estimates.

3.16.4. Fair value

Fair value for disclosure purposes in accordance with the requirements of IFRS 13 is defined as the price that would be acquired for the sale of an asset, or paid to transfer a liability in a regular transaction between market participants at the measurement date.

The Company's business policy is to disclose information about the fair value of assets and liabilities for which there is official market information and when the fair value differs significantly from the carrying amount. There is not enough market experience in the Republic of Serbia, as well as stability and liquidity in the purchase and sale of receivables and other financial assets and liabilities, as official market information is not available at all times. Therefore, fair value cannot be reliably determined in the absence of an active market. The Management Board of the Company performs a risk assessment and in cases when it is estimated that the value at which the assets are kept in the business books will not be realized, it performs value adjustment. In the opinion of the Company's management, the amounts in these financial statements reflect the value that, in the circumstances, is the most reliable and useful for reporting purposes.

The Company measures the fair value of assets and liabilities using assumptions that market participants would use in determining the price of the asset or liability, assuming that market participants act in their best economic interest. Fair value is the price that would be charged or paid to transfer the liability in a regular transaction in the primary or most favorable market at the measurement date, under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

The value estimation techniques, which are used to measure fair value, should make maximum use of relevant observable inputs and minimize the use of unobservable inputs.

In order to increase consistency and comparability in measuring fair value and related disclosures, a fair value hierarchy is established which classifies into three levels of inputs for valuation techniques, which are used in measuring fair value according to the structure that follows:

Level 1 inputs - are quoted prices (unadjusted) in an active market for identical assets and liabilities to which the entity has access at the measurement date. Level 1 input assumptions relate to the existence of a primary market for an asset or liability or, in the absence of a primary market, the most favorable market for an asset or liability; and whether the entity can realize a transaction for an asset or liability at market price on the measurement date.

Level 2 inputs - are inputs that are not quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include the following: quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in inactive markets, non-quoted prices, if observable for assets or liabilities, and market-supported inputs.

Level 3 inputs - are unobtrusive inputs for assets or liabilities, which the entity develops using the best information available in the circumstances. Thus, all reasonably available information on the assumptions of market participants is considered. Unobtrusive inputs are considered market participants' assumptions and meet the fair value measurement objective.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

4. OTHER OPERATING INCOME

Structure of other operating income	in 000 RSD	
	I-XII 2020.	I-XII 2019.
Stamp revenue	8,500	8,500
Revenues from periodic concession fee	270,938	558,888
Decrease in revenue based on OS transferred to Active accruals(assets sold on the 1st day of the beginning of the Concession Agreement)	(97,174)	(77,045)
Income from non - monetary compensation (property) - Land	119,474	119,474
Revenues from pre-invoiced costs	5,339	5,527
Total	307,077	615,344

As explained in point 2.2. of the Note, the Company recognized the following as an income :

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it is incurred, i.e. a variable fee that is a percentage of the gross revenue of the DPN for the observed period, whichever is higher. Revenue on this basis is RSD 270,938 thousand (2019 - RSD 510,884 thousand). Due to the declaration of a virus epidemic, i.e. the application of a case of force majeure, in the period until December 31, 2020, the realized concession fee is at a level that implies a reduction in the number of passengers at Nikola Tesla Airport, which reflected on DPN's business during the observed period. As stated in Note no. 47, the management's assessment implies that the financial condition of the Company is such that there is no uncertainty regarding the Company's ability to continue as a going concern.

- In 2019, given the good performance of DPN, DPN paid ANT an additional RSD 48,004 thousand by applying the provisions of the Concession Agreement which define what constitutes the Concession Fee for the observed year. Given the onset of the pandemic caused by the COVID 19 virus in 2020, there were no conditions for the application of the provisions for the payment of the additional Concession Fee.

- Part of the fee based on the transfer of the right to use movable Concession assets that DPN will use until the end of their useful life in terms of revenue reduction during the concession period, in accordance with IFRS 16. The amount of compensation in the amount of RSD 97,174 thousand (2019 - RSD 77,045 thousand) consists of expenditures of these funds in the amount of RSD 27,035 thousand (2019 - RSD 6,811 thousand, missing according to the census in the amount of RSD 95 thousand) and annual reimbursement of funds stated as receivables from the transfer of rights of use under AVR in the amount of RSD 70,139 thousand (2019 - RSD 70,139 thousand).

- Income based on non-monetary compensation related to deferred income for Additional land based on the transfer of ownership rights in the amount of RSD 119,474 thousand per year (2019 - RSD 119,474 thousand).

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

5. COST OF MATERIALS

Structure of cost of materials	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Production material costs		
Overhead costs (office and other materials)	998	1,258
Inventory costs	57	242
Total	1,055	1,500

6. FUEL AND ENERGY COSTS

Structure of fuel and energy costs	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Gasoline and diesel fuel costs	909	912
Electricity costs	47	-
Total	956	912

7. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES

Structure of salary expenses, salary compensation and other personal income	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Gross earnings and earnings allowances	105,499	100,549
Taxes and contributions borne by the employer	17,182	16,885
Costs of fees under the contract of work and copyright	746	1,018
Costs of fees under the contract on temporary and occasional jobs	5,130	6,153
Fee costs for members of the Supervisory Board, SA, Audit Committee	7,790	7,478
Other personal income		
Transportation costs	825	1,042
Official expenses	472	1,463
Severance pay and jubilee awards	54	-
Voluntary pension insurance premiums	3,075	2,249
Solidarity assistance (newborns, treatments, natural disasters and other)	786	490
<i>Other personal expenses</i>	202	248
Overall	5,414	5,492
Total	141,761	137,575

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**8. COSTS OF PRODUCTION SERVICES**

Structure of costs of production services	In 000 RSD	
	I-XII 2020.	I-XII 2019.
<i>Costs of telephone and other PTT services</i>	2,982	2,371
<i>Costs of maintenance services</i>	3,549	12,755
<i>Rental costs</i>	29,932	22,553
<i>Advertising and propaganda costs (sponsorships)</i>	-	27,445
Costs of other production services:		
<i>Utility costs</i>	12	2,840
<i>Costs of other services</i>	495	483
Subtotal	507	3,323
TOTAL	36,970	68,447

9. DEPRECIATION COSTS

Structure of depreciation costs	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Depreciation costs for intangible assets	9,738	-
Depreciation costs for real estate	397,425	409,800
Depreciation costs for equipment	276,761	271,469
Total	683,924	681,269

In accordance with the accounting policy of the Company for subsequent valuation of property, plant and equipment, they are stated according to the revaluation model which expresses their fair value on the day of revaluation, reduced by the total amount of impairment based on depreciation and the total amount of impairment losses. The fair value of real estate is their market value which is determined by appraisal. In accordance with IAS 16.31 and legal regulations, property valuation is performed in a period of three to five years. The assessment of intangible assets, real estate, plant and equipment was performed on January 1, 2019. year by the authorized appraiser KPMG d.o.o. Belgrade. Depreciation costs are included and calculated based on the estimated remaining life for the assets that were the subject of the assessment.

10. PROVISION COSTS

Provision cost structure	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Provisions for severance pay upon retirement	91	987
Provisions for jubilee awards	1,696	2,815
Provisions for litigation	20,000	29,500

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Total	21,787	33,302
--------------	---------------	---------------

11. INTANGIBLE COSTS

Structure of intangible costs	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Costs of non-productive services:		
Costs of cleaning services	1,179	-
Costs of consulting services	2,182	5,925
Cost of professional training services	554	5,285
Costs for services on existing PIS software	2,760	5,550
Costs of other non-productive services	65,150	46,289
Subtotal	71,825	63,049
Representation costs	2,309	3,394
Insurance costs	697	552
Payment transaction costs	590	2,355
Membership fees costs	425	1,115
Tax fees costs	90,078	75,026
Other intangible costs	15,285	4,242
Total	181,209	149,733

12. FINANCIAL INCOME

Structure of financial income	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Interest income	7,480	20,649
Positive exchange rate differences and positive effects of the currency clause:		
Positive exchange rate differences	5,488	49,980
Revenues from the effect of the currency clause	2	711
Subtotal	5,490	50,691
Other financial income	-	-
Total	12,970	71,340

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

13. FINANCIAL EXPENSES

Structure of financial expenses	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Interest expenses	36	9,720
Negative exchange rate differences and negative effects of the currency clause		
<i>Negative exchange rate differences</i>	31,392	124,443
<i>Negative effects of currency clause</i>	21	1,753
Subtotal	31,413	126,196
Other financial expenses		
Total	31,449	135,916

14. INCOME FROM ADJUSTMENT OF VALUE OF OTHER ASSETS

Structure of income from valuation adjustments of other assets stated at fair value through Income statement	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Income from adjustment of receivables from individuals for housing loans based on collection and assessment of fair value	20,474	5,978
Revenue from adjusting the value of trade receivables for services		
Total	20,474	5,978

15. EXPENSES FROM ADJUSTING THE VALUE OF OTHER ASSETS

Structure of expenses from adjusting the value of other assets that are stated at fair value through the income statement	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Impairment of receivables for housing loans	-	152
Expenses from adjusting the value of trade receivables	14,745	20,923
Expenses from adjusting the value of other receivables	18,261	-
Expenses from adjusting the value of financial placements and capital share	4,463	-
Total	37,469	21,075

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

16. OTHER INCOME

Structure of other income	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Profits from the sale of equipment as a secondary raw material	870	2,057
Collected written-off (corrected) receivables	2,791	19,801
Revenues from the abolition of long-term provisions for litigation	3,317	19,692
Revenues from contracted revaluation of housing loans	607	641
Revenues from reduction of liabilities	16,444	523,785
Other not stated revenues:		
<i>Revenues from reimbursement of court costs</i>	1,400	1,897
Revenues from damages from legal entities and individuals	5,886	-
Other	32	719
Subtotal	7,318	2,616
Income from adjusting the value of intangible assets		
Income from adjusting the value of real estate, plant and equipment	-	62,488
Income from adjusting the value of other assets	882	
Total	32,229	631,080

17. OTHER EXPENSES

Structure of other expenses	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Losses due to land transfer free of charge		9,528
Losses from sale / disposal of equipment and materials	4,574	
Deficits		
Expenses based on direct write-offs of receivables	3,225	1,674
Other not stated expenses:		
Court costs	11,484	1,101
Other	6,721	14,037
Subtotal	18,205	15,138
Impairment of property, plant and equipment	-	528,190
Impairment of intangible assets	-	16,168
Impairment of other assets	240	4,132
Total	26,244	574,830

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**18. NET PROFIT / LOSS DUE TO ERROR CORRECTION FROM THE PREVIOUS PERIOD**

Structure of net profit/loss on previous error correction	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Subsequent revenue from previous years	16,255	38,988
Subsequent expenses from previous years	(15,652)	(58,043)
Net profit/loss on previous error correction	603	(19,055)

19. PROFIT/LOSS BEFORE TAXATION

Structure of gross results	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Operating income	307,077	615,344
Operating expenses	1,067,662	1,072,738
Operating results	(760,585)	(457,394)
Financial income	12,970	71,340
Financial expenses	31,449	135,916
Financial result	(18,479)	(64,576)
Income from adjusting the value of other assets at fair value through Income statement	20,474	5,978
Other income	32,229	631,080
Expenses from adjusting the value of other assets at fair value through Income statement	37,469	21,075
Other expenses	26,244	574,830
Result of other income and expense	(11,010)	41,153
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period	603	
Net loss from discontinued operations, changes in accounting policies and corrections of errors from the previous period		19,055
TOTAL OF INCOME	389,005	1,362,730
TOTAL OF EXPENDITURE	1,178,476	1,862,602
PROFIT/LOSS BEFORE TAXATION	(789,471)	(499,872)

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

20. INCOME TAX AND NET INCOME / (LOSS)

Tax calculation structure of income and net income /(loss)	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Income (loss) before taxation	(789,471)	(499,872)
Capital income (loss) reported in Income statement		
Adjustment and correction of income / (expenditure) in the tax balance	(97,529)	1,506
Taxable income / (loss)	(887,000)	(498,366)
The amount of loss from the tax balance from previous years up to the amount of taxable income		
The rest of the taxable profit	-	-
Capital gains / (losses) calculated in accordance with the Law		(340,915)
Transferred capital losses from previous years up to the amount of capital gain in accordance with the Law		
The rest of capital income	-	-
Tax base	-	-
Calculated tax (15% of the tax base)	-	-
Total deductions of calculated tax		
Calculated tax after the deduction	-	-
Income/(loss) before taxation	(789,471)	(499,872)
Tax (expenditure) of the period	-	-
Deferred tax income / (expense) for the period	(9,651)	46,015
Net income /loss	(799,122)	(453,857)
Effective tax rate	-1,22%	9,21%

21. PROFIT PER SHARE

Indicator	In 000 RSD	
	I-XII 2020.	I-XII 2019.
Net acquisition belonging to owners	(799,122)	(453,857)
Average weighted number of shares	35,026,129	35,026,129
Profit per share (in RSD)	(22,82)	(12,96)

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020**22. INTANGIBLE ASSETS**

in 000 RSD

Intangible assets structure	Concessions, patents, licenses, software and other rights	Intangible assets in preparation	Advances for intangible assets	Total
Procurement value				
Opening balance on 01.01.2019.	433,593		1,595	435,188
Correction of the opening balance				-
Balance on 01.01.2019.after correction	433,593	-	1,595	435,188
Procurement during the year		18,551		18,551
Transfer from intangible assets in progress				-
Transfer to accruals - NU transfer of the right to use on the first day of the concession	(290,086)			(290,086)
Other			(1,595)	(1,595)
Estimate of the asset fair value				
Revaluation reserves	31,648			31,648
Revaluation expenses	(16,168)			(16,168)
Impairment of present value for accumulated depreciation	(158,987)			(158,987)
Balance on 31.12.2019.	-	18,551	-	18,551
Correction of the opening balance				-
Balance on 01.01.2020. after the correction	-	18,551	-	18,551
Procurement during the year		25,571		25,571
Transfer from intangible assets in progress	43,817	(43,817)		-
Disposals, expenditures and sales				-
Other		(305)		(305)
Balance on 31.12.2020.	43,817	-	-	43,817
Value adjustment				
Opening balance on 01.01.2019.	158,987			158,987
Correction of the opening balance				-
Balance on 01.01.2019. after correction	158,987	-	-	158,987
Depreciation in the current year				-
Reversal of impairment Assessment of fair value of assets	(158,987)			(158,987)
Balance on 31.12.2019.	-	-	-	-
Correction of the opening balance				-
Balance on 01.01.2020. after correction	-	-	-	-
Depreciation in the current year	9,738			9,738
Disposals, expenditures and sales				-
Balance on 31.12.2020.	9,738	-	-	9,738
Net current value				
31.12.2019.	-	18,551	-	18,551
31.12.2020.	34,079	-	-	34,079

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Valuation of intangible assets was performed on 01.01.2019. year by the authorized appraiser KPMG d.o.o. Belgrade. The effects of the assessment are shown in the table above. More about the assessment is explained in Note 23. In addition, NU was transferred to accruals as assets with the right to use on the first day of the concession in the amount of RSD 290,086.

During 2020, investments were made in intangible assets - licenses and software in the amount of RSD 25,571 thousand. All funds are activated.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

23. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL FUNDS – 2019

in 000 RSD

Property, Plant and Equipment and Biological Assets Structure for 2019	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total – property, plants and equipment	Biological funds-basic herd
Procurement value									
Opening balance on 01.01.2019.	9,968,707	11,701,881	6,562,986	-	3,619	3,519	15,812	28,256,524	124
Procurement during the year						3,044,561		3,044,561	
Transfers from the investments in progress	2,986,857	13,339	47,884			(3,048,080)		-	
Disposal, expenditure and sale	(9,789)	(22,469)	(46,829)					(79,087)	
Other Advances							(15,812)		
Transfer to accruals – transfer of rights to use fixed assets on the first day of the concession			(1,466,573)		(3,619)			(1,470,192)	(96)
Assessment of the fair value of assets								-	
Revaluation reserves	1,234,574	607,378	434,871					2,276,823	
Impairment at the expense of earlier revaluation reserves		(28,033)	(75,486)					(103,519)	
Revaluation revenues		55,578	6,910					62,488	
Revaluation expenses		(389,264)	(138,898)					(528,162)	(28)
Impairment for accumulated depreciation		(716,972)	(1,199,887)					(1,916,859)	
Balance on 31.12.2019.	14,180,349	11,221,438	4,124,978	-	-	-	-	29,542,577	-
Value adjustment									
Opening balance on 01.01.2019.	-	716,972	1,221,482	-	-	-	15,812	1,954,266	-
Depreciation in the current year	-	409,800	271,469	-	-	-	-	681,269	-
Other Advances							(15,812)		
Disposal, expenditure and sale	-	(192)	(21,595)	-	-	-	-	(21,787)	-
Abolition of I.V. after assessing the fair value of assets	-	(716,972)	(1,199,887)	-	-	-	-	(1,916,859)	-

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Balance on 31.12.2019.	-	409,608	271,469	-	-	-	-	696,889	-
Net current value									
01.01.2019.	9,968,707	10,984,909	5,341,504	-	3,619	3,519	-	26,302,258	124
31.12.2019.	14,180,349	10,811,830	3,853,509	-	-	-	-	28,845,688	-

23a. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL FUNDS – 2020

In 000 RSD

Property, Plant and Equipment and Biological Assets Structure for 2020	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total – property, plants and equipment	Biological funds- basic herd
Procurement value									
Opening balance on 01.01.2020.	14,180,349	11,221,438	4,124,978	-	-	-	-	29,526,765	-
Correction of the opening balance	-	-	-	-	-	-	-	-	-
Balance on 01.01.2020. after the correction	14,180,349	11,221,438	4,124,978	-	-	-	-	29,526,765	-
Procurement during the year	-	-	-	-	-	61,160	-	61,160	-
Transfers from the investments in progress	-	-	-	-	-	-	-	-	-
Disposal, expenditure and sale	-	(940)	(5,640)	-	-	-	-	(6,580)	-
Other	-	-	-	-	-	-	-	-	-
Closing balance on 31.12.2020.	14,180,349	11,220,498	4,119,338	-	-	61,160	-	29,581,345	-
Adjustment of value									
Opening balance on 01.01.2020.	-	409,608	271,469	-	-	-	-	681,077	-
Correction of the opening balance	-	-	-	-	-	-	-	-	-
Balance on 01.01.2020. after the correction	-	409,608	271,469	-	-	-	-	681,077	-
Depreciation in the current year	-	397,425	276,761	-	-	-	-	674,186	-
Disposal, expenditure and sale	-	(799)	(1,209)	-	-	-	-	(2,008)	-
Closing balance on 31.12.2020.	-	806,234	547,021	-	-	-	-	1,353,255	-
Net current value									

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

01.01.2020.	14,180,349	10,811,830	3,853,509	-	-	-	-	28,845,688	-
31.12.2020.	14,180,349	10,414,264	3,572,317	-	-	61,160	-	28,228,090	-

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

In accordance with the accounting policy of the Company for subsequent valuation of real estate, plant and equipment, they are stated according to the revaluation model which expresses their fair value on the revaluation date, reduced by the total amount of impairment and depreciation and impairment losses. The fair value of real estate is their market value which is determined by appraisal. In accordance with IAS 16.31 and legal regulations, property valuation is performed in a period of three to five years.

The assessment of intangible assets and real estate, plant and equipment was performed on January 1, 2019 by the authorized appraiser KPMG d.o.o. Belgrade. During the valuation, the appraiser was guided by the international financial reporting standard IFRS 13 - Fair Value Measurement, which requires that the valuation of fixed assets should be based on information that is observable, i.e. verified in the market. Having in mind the specificity of the Company's assets, as well as the fact that transactions of these types of assets are rare on the market, as well as the fact that assets are subject to concession assets, the appraiser in most cases decided to apply the method of amortized replacement costs - cost approach. In choosing the method, the appraiser used the method of amortized replacement costs - the cost approach in the assessment of equipment and buildings, the method of direct comparison of sales prices - the market approach in the assessment of land and apartments. Discounted cash flow method - the income approach could not be applied in estimating each individual asset, as it was not possible to identify cash flows generated by individual assets, but was used to determine the economic write-off of the asset.

The effects of the assessment in terms of including the fair value of assets, revaluation reserves, income and expenses in the Income Statement are shown in the table above for changes in property, plant and equipment for 2019.

Total investments in property, plant and equipment in the period I-XII 2019 amount to RSD 3,044,561 thousand, and relate to land in the amount of RSD 2,986,857 thousand, construction facilities in the amount of RSD 13,339 thousand (RSD 3,519 thousand in the name of construction facilities, which is included in the estimate on January 1, 2019) and equipment in the amount of RSD 47,884 thousand. All funds are activated. During 2019, the ownership rights were transferred to the Company of two cadastral parcels 5251 and 5252 with a total area of 107,650 m². The entry of land in the business books of the Company was made on the basis of an estimate by a certified appraiser in the amount of RSD 2,986,857 thousand.

Total investments in real estate, plant and equipment in the period I - XII 2020 amount to RSD 61,160 thousand and relate to professional supervision related to the implementation of mandatory works by DPN.

Property, plant and equipment amount in total of RSD 28,228,290 thousand as at 31.12.2020. and relate to Concession funds given for use in the amount of RSD 28,129,141 thousand, while the funds used by the Company amount to RSD 37,789 thousand and investments in progress of RSD 61,160 thousand.

24. LONG- TERM INVESTMENTS

Structure of the long- term investments	in 000 RSD	
	31.12.2020.	31.12.2019.
Share in the capital of dependent legal entities		
Share in the capital of associated legal entities and joint ventures		
Equity investments of other legal entities and other securities available for sale	378,684	378,684
Long-term placements to parent and dependent legal entities		
Long-term placements to other related legal entities		
Long-term placements in the country		

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Long-term placements abroad		
Securities held to maturity		
Other long term investments	197,718	212,634
Subtotal	576,402	591,318
Correction of value	(449,282)	(465,865)
Total	127,120	125,453

24a. SHARES IN THE CAPITAL OF OTHER LEGAL ENTITIES AND SECURITIES

Capital share structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Share in bank capital:		
<i>Privredna banka a.d. Beograd</i>	392	392
Minus: Value adjustment	(392)	(392)
Subtotal	-	-
Shares in banks in liquidation:		
Union banka a.d. Beograd in liquidation	667	667
Beogradska banka a.d. Beograd in liquidation	18,988	18,988
Beobanka a.d. Beograd in liquidation	38	38
Minus: Value adjustment	(19,693)	(19,693)
Subtotal	-	-
Shares in foreign entities:		
Mondijal-Bodrum -Turkey	358,598	358,598
<i>Societe Internationale de Telecommun. Aeronautiques Suisse (SITA)</i>	1	1
Minus: Value adjustment	(358,599)	(358,598)
Subtotal	-	1
Total	-	1

246. OTHER LONG-TERM INVESTMENTS

Other long-term investments structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Other long-term investments		
Funds for membership in Societe Internationale de Telecommunications Aeronautiques Suisse (SITA)	3,847	4,219
<i>Minus: Value adjustment</i>	(3,847)	
Subtotal	-	4,219
Long-term investments given to employees		
<i>Long term loans given to employees</i>	192,516	206,923

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Receivables for sold social housing	225	249
Receivables for the purchase of solidarity apartments	1,131	1,243
Minus: Value adjustment	(66,752)	(87,182)
Subtotal	127,120	121,233
Total	127,120	125,452

Receivables from employees for long-term loans for the purchase and repurchase of apartments on 31.12.2020. amount to RSD 193,872 thousand. The above refers to loans granted to employees to address housing needs given for a period of 20 - 40 years. Estimation of fair value of housing loans as of 31.12.2020. was performed by a certified appraiser by projecting future cash flows based on the collection of receivables for housing loans, using discount rates: from 4.1% to 7.8%, depending on whether and in what time intervals housing loans are revalued or contracted with currency clause, whether they have an agreed interest rate or are contracted without an interest rate.

25. PAID ADVANCES FOR INVENTORIES AND SERVICES

Paid advances for inventories and services structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Advances for domestic services	5,800	6,496
Advances for foreign services	240	240
Minus: Value adjustment	(4,037)	(4,678)
Total	2,003	2,058

26. RECEIVABLES FROM SALE

Structure of receivables from sale	In 000 RSD	
	31.12.2020.	31.12.2019.
Customers in the country:		
Customers in the country:	244,238	312,659
Minus: Value adjustment	(236,417)	(237,256)
Subtotal	7,821	75,403
Customers abroad:		
Customers abroad	45,929	52,621
Minus: Value adjustment	(42,961)	(29,833)
Subtotal	2,968	22,788
Total	10,789	98,191

The changes in the value adjustment account are shown in the following table.

Change in impairment of sales receivables	In 000 RSD	
	31.12.2020.	31.12.2019.
Balance as of 1 st January	267,089	266,895
Exchange rate differences	(262)	12
Additional value adjustment	14,745	20,903
Corrected receivables collected	(2,194)	(19,520)
Direct write-off of previously corrected receivables	-	(1,201)
Total	279,378	267,089

The total value adjustment of receivables from customers in the country amounts to RSD 236,417 thousand, which mainly relates to the impairment of receivables from defendant domestic customers in the amount of RSD 233,799 thousand and other domestic customers RSD 2,618 thousand.

The total value adjustment of receivables from foreign customers in the amount of RSD 42,961 thousand refers to the value adjustment of receivables from defendant customers in the amount of RSD 26,870 thousand and other foreign customers RSD 16,091 thousand.

In 2020, an additional adjustment was made to the value of receivables in the amount of RSD 14,745 thousand older than one year. (2019 - RSD 20,903 thousand).

27. OTHER RECEIVABLES

Structure of other receivables	In 000 RSD	
	31.12.2020.	31.12.2019.
Interest and dividend receivables:		
Receivables from customers in the country for default interest	2,672	6,538
Interest receivables on time deposits and via vista interests	466	503
Interest receivables from housing loans	317	186
<i>Minus: Value adjustment</i>	(1,732)	-
Subtotal	1,723	7,227
Receivables from employees		
<i>Receivables from employees</i>	592	607
<i>Minus: Value adjustment</i>	(592)	(592)
Subtotal	-	15
Receivables for overpaid income tax	1,572,245	1,572,245
Receivables from prepaid taxes and other contributions	1,744	398
Reimbursable compensation claims		
Reimbursable compensation claims	15,295	16,267
<i>Minus: Value adjustment</i>	(15,295)	-
Subtotal	-	16,267
Other receivables		
Other receivables	32,802	33,519
<i>Minus: Value adjustment</i>	(22,500)	(21,863)

Subtotal	10,302	11,656
Total	1,586,014	1,607,808

28. SHORT - TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	In 000 RSD	
	31.12.2020.	31.12.2019.
Short-term loans and borrowings in the country - Short-term loan to employees (winter stores, fuel - 6 months)	1,817	2,432
Other short-term financial investments:		
<i>Short-term time deposits</i>		
<i>Current maturity of long-term housing loans granted to employees</i>	11,621	10,495
<i>Current maturity of long-term investments in Societe Internatonal de Telecommunications Aeronautiques Swisse (SITA)</i>	616	675
<i>Minus: Value adjustment</i>	(838)	(266)
Subtotal	11,399	10,904
Total	13,216	13,336

29. CASH EQUIVALENTS AND CASH

Structure of cash equivalents and cash	In 000 RSD	
	31.12.2020.	31.12.2019.
Current account - RSD	66,143	194,991
Current account - foreign currency	659,164	715,116
Cashier - foreign currency	11	11
Total	725,318	910,118

30. VALUE ADDED TAX

VAT structure	In 000 RSD	
	31,12,2020,	31,12,2019,
Receivables for overpaid VAT	81,641	40,792
Total	81,641	40,792

31. ACTIVE ACCURALS

Structure of active accruals	In 000 RSD	
	31.12.2020.	31.12.2019.
Prepaid expenses related to the future period	1,652	-
Receivables for uninvoiced income related to the current period	156,661	175,996

Other active accruals:		
<i>Deferred VAT</i>	-	3,225
<i>Other active accruals- Fixed assets sold on the Concession Start Date</i>	1,586,154	1,683,329
Subtotal	1,586,154	1,686,554
Total	1,744,467	1,862,550

Receivable from the transfer of the right to use fixed assets on the Concession Commencement Date

Pursuant to item 2.2 of the Note, Other assets that will be used by SPC until the end of the concession period that are not recognized as assets in accordance with IAS 16 on the start date but are treated as sold on the first day of the concession are other assets not closely related to infrastructure and airport equipment. Initial receivables from these assets reported on the AVR total RSD 1,760,374 thousand (Intangible assets (RSD 290,086 thousand), Equipment (RSD 1,466,573 thousand), Other equipment (RSD 3,619 thousand) and Basic herd (RSD 96 thousand)). These receivables are reduced by the amount of fees for the transfer of the right to use these funds during the concession period, which affects the reduction of income. For the year of 2020 the reduction of receivables / revenues amounts to a total of RSD 97,174 thousand (2019 – RSD 77,045) and it consists of expenditures of these funds in the amount of RSD 27,035 thousand and annual reimbursement of funds stated as receivables from the transfer of the right to use funds in the amount of RSD 70,139 thousand.

32. EQUITY

Equity structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Basic capital:		
Share capital	21,015,677	21,015,677
Share premium	306,856	306,856
Subtotal	21,322,533	21,322,533
Repurchased own shares	(33,192)	(33,192)
Statutory reserves	6,164,196	6,356,456
Revaluation reserves	2,214,039	2,218,988
Retained earnings / (Loss):		
Retained earnings from previous years	5,823	261,596
(Loss) from previous years	-	
(Loss) from the current year	(799,122)	(453,857)
Subtotal	(793,299)	(192,261)
Total	28,874,277	29,672,524

32a. SHARE CAPITAL

Pursuant to the Law on Amendments to the Law on the Right to Free Shares and Cash Compensation that Citizens Receive in the Privatization Procedure, the Company was obliged to change its legal form by June 30, 2010 and express its share capital in shares of a certain nominal value based on adjusted carrying amount of equity. During 2010, based on the Conclusion of the Government of the Republic of Serbia No. 023-448 / 2010-1, recommendations were given to the Company to select the most favorable consultant

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

who will assess the market value of capital and provide expert assistance in preparing and implementing the procedure for changing the legal forms from a public company to a joint stock company.

On 17th June 2010, the Government of the Republic of Serbia passed Decision No. 023-4432 / 2010 on changing the legal form of the Company from a public company to a closed joint stock company.

This change was registered with the Business Registers Agency by Decision No. BD 68460/2010 on 22nd June 2010, which registered the capital in the total amount of EUR 214,556,965, which amounts to RSD 20,573,610 thousand on the day of registration.

On 7th July 2010, 34,289,350 shares were registered in the Central Registry of Securities, with a nominal value of RSD 600 per share, which as of 31st December 2010 were owned by the Republic of Serbia.

In accordance with the Law on the Right to Free Shares and Cash Compensation that Citizens Receive in the Privatization Procedure ("Official Gazette of the Republic of Serbia" No. 123/07 and 30/10) on 9th December 2010 based on the Decision of the Government of the Republic of Serbia No. 023- 9103 / 2010-1, the right to transfer 16.85% of the Company's ownership was acquired by citizens of the Republic of Serbia, employees and former employees of the Company.

On 21st January 2011, the Assembly of the Company passed Decision No. 21-2 / 1 on the transformation of the Company from a closed to an open joint stock company. The mentioned change was registered with the Business Registers Agency by Decision No. BD 765/2011 on 24th January 2011.

The capital structure after the transfer of ownership based on data from the Central Registry, Depot and Securities Clearing on 25th January 2011, was as follows:

Share capital on 25 th January 2011- (transition to open joint-stock company)	Value in thousands of dinars	Number of shares	%of share
Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and former employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
Total	20,573,610	34,289,350	100%

During 2018, the share capital was increased by 736,779 shares with a nominal value of RSD 600.00 per share, based on the recapitalization by the majority owner of the Republic of Serbia, based on the subscription of the second emission (120,521 shares), the third emission (470,904 shares). and the fourth issue (145,354 shares), which increased the total share capital by 442,067 thousand dinars.

Share capital structure as of 31st December 2021 is as follows:

Shareholders structure	31.12.2020.		
	Value in thousands of dinars	Number of shares	% of share
Republic of Serbia	17,770,021	29,616,702	84.56%
Domestic and foreign individuals	1,934,198	3,223,663	9.20%
Domestic and foreign entities	113,764	189,606	0.54%
Custody persons	1,197,695	1,996,158	5.70%
Total	21,015,677	35,026,129	100%

Overview of ten largest shareholders on 31st December 2021 is given below.

Shareholder	Number of shares	Share
REPUBLIC OF SERBIA	29,616,707	84.56%
OTP BANKA SRBIJA - Custody	828,164	2.36%
VOJVODJANSKA BANKA AD NOVI SAD	645,100	1.84%
OTP BANKA SRBIJA -Custody	366,177	1.05%
RAIFFEISEN BANKA AD -Custody	57,988	0.17%
AIRPORT NIKOLA TESLA JOINT-STOCK COMPANY	55,320	0.16%
BOŽIĆ SVETISLAV	45,003	0.13%
UNICREDIT BANK	36,065	0.10%
KERAMIKA JOVANOVIĆ DOO	32,379	0.09%
DUNAV RE AD	28,231	0.08%

32b. ISSUE PREMIUM

Structure of the issue premium	In 000 RSD	
	31.12.2020.	31.12.2019.
Issue premium – the issue of shares	718,665	718,665
Issues premium - repurchase of own shares	(411,809)	(411,809)
Total	306,856	306,856

32c. REPURCHASED OWN SHARES

Structure of the repurchased own shares	In 000 RSD	
	31,12,2020,	31,12,2019,
Repurchased own shares	33,192	33,192
Total	33,192	33,192

On 31st December 2021 the company possess 55.320 own shares.

32d. RESERVES

Reserve structure	In 000 RSD	
	31.12.2020.	31.12.2019.
Statutory reserves	6,164,196	6,356,456
Total	6,164,196	6,356,456

Reserves were created in accordance with the Company's Articles of Association.

Statutory reserves were reduced by RSD 192,261 thousand to cover losses by the decision of the Assembly of the Company adopted at the 27th regular session on 28th July 2020.

32e. REVALUATION RESERVES

Structure of revaluation reserves based on assessment	In 000 RSD	
	31.12.2020.	31.12.2019.
Revaluation reserves for intangible investments		
Revaluation reserves for land	1,349,369	1,349,369
Revaluation reserves for buildings	567,194	567,708
Revaluation reserves for equipment	297,476	301,911
Total	2,214,039	2,218,988

Revaluation reserves include related deferred tax liabilities.

32f. RETAINED PROFIT / LOSSES

Retained profit structure involving changes	In 000 RSD	
	31.12.2020.	31.12.2019.
Balance as of 1st January	261,596	53,162,398
Allocation of retained profit - dividend		(52,928,382)
Allocation of retained profit- loss coverage	(261,596)	
Allocation of retained profit - employee participation in profit distribution		(234,016)
Subtotal	-	-
Profit from previous years, the result of transfer of revaluation reserves to profit on disposal of fixed assets in the current year	5,823	261,596
Net profit for the current period		
Total	5,823	261,596

Loss structure involving changes	In 000 RSD	
	31.12.2020.	31.12.2019.
Balance on 1st January	453,857	
Coverage of loss from retained earnings	(261,596)	
Coverage of loss from statutory reserves	(192,261)	
Subtotal	-	-
Loss from the current period	799,122	453,857
Total	799,122	453,857

The Assembly of the Company made a decision on the distribution of profits, ie coverage of losses for 2019, at the 27th regular session held on July 28, 2020. Above mentioned decision covered the loss in the amount of RSD 453,857 thousand from the distribution of retained earnings of RSD 261,596 thousand and from the available statutory reserves in the amount of RSD 192,261 thousand.

The company realized a loss from current operations in the period I-XII 2020 in the amount of RSD 799.122 thousand.

The Company realized a profit arising from the transfer of revaluation reserves to profit for fixed assets that

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

were alienated of / disposed of in the observed period in the amount of RSD 5,823 thousand.

33. LONG-TERM PROVISIONS

Structure of the long-term provisions	In 000 RSD	
	31.12.2020.	31.12.2019.
Provisions for fees and other employee benefits	6,873	5,087
Provisions for litigation costs	97,406	81,006
Total	104,279	86,093

Changes in long-term provisions based on severance pay, jubilee awards and litigation in the period I-XII 2020, as well as in the period 2019 are shown in the following table.

Description of the change	Severance	Jubilee awards	Total	In 000 RSD	
				litigation	
Balance on 01.01.2019.	251	1,034	1,285	144,339	
Additional reservations	987	2,815	3,802	29,500	
Actuarial gains			-		
Used during the year			-	(73,142)	
Reversal of unused amounts			-	(19,691)	
Balance on 31.12.2019.	1,238	3,849	5,087	81,006	
Additional reservations	91	1,695	1,786	20,000	
Used during the year			-	(283)	
Reversal of unused amounts			-	(3,317)	
Balance on 31.12.2020.	1,329	5,544	6,873	97,406	

33a. Provisions for fees and other employee benefits

Provisions for fees and other employee benefits (provisions for unpaid severance pay upon retirement and jubilee awards) are stated on the basis of an actuarial calculation made on 31st December 2020.

The assumptions used in the calculation of provisions for severance pay upon retirement and for jubilee awards are given below.

Assumptions used in calculation	2020	2019
Limits for retirement	Articles 19 and 69 of Law on pension and disability insurance	
Mortality tables	Serbia, 2012	
Discount rate	3.50%	3.50%
Earnings growth rate	5.00%	5.00%
Percentage of fluctuation	2.00%	0.00%

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

The amount of severance pay in case of retirement at the time of provisioning	Double the average salary of employees in Serbia for September 2020 (RSD 82,515) or double the average salary of the Employer without taxes and contributions, whichever is more favorable	Double the average salary of employees in Serbia for September 2019 (RSD 74,160) or quad average salary of the Employer whichever is more favorable
Basis for jubilee awards	The average salary without taxes and contributions with the Employer	
Total number of the employees as of 31 st December	36	36

The calculation of provisions for retirement benefits and jubilee awards based on assumptions is as follows:

Calculation of provisions	In 000 RSD	
	Retirement benefits	Jubilee awards
Provisions as of 31.12.2019.	1,238	3,849
Interest expense	43	134
The expense of current labor service	663	3,076
The expense of past labor service	-	-
Actuarial (profit) / loss	(615)	(1,515)
Reversal of provisions during the year in the Company's business books	-	-
Total net change in the provision amount in 2019	91	1,695
Provision balance as of 31.12. 2020.	1,329	5,544

33b. Litigation provisions

The Company has lawsuits against the Company. The amounts of final losses on the basis of litigation may be increased on the basis of accrued default interest until the date of termination of disputes, or until the date of final payments on disputes. As at 31 december 2021, the Company has a provision for potential losses based on these litigations in the amount of RSD 97,406 thousand (31.12.2019. RSD 81,006 thousand) (Note 46).. According to the assessment of the Company's management on this basis, no additional material losses are expected in the coming period.

34. RECEIVED ADVANCES DEPOSITS AND BAILS

Structure of the received advances deposits and bails	In 000 RSD	
	31.12.2020.	31.12.2019.
Advances received from domestic customers	710	873
Advances received from foreign customers	2	2
Deposits received from domestic customers	2,426	3,990

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Deposits received from foreign customers	1,226	5,342
Subscriptions from domestic customers	11,445	8,781
Subscriptions from foreign customers	33,481	23,035
Total	49,290	42,023

35. OPERATING LIABILITIES

Structure of operating liabilities	In 000 RSD	
	31,12,2020,	31,12,2019,
Suppliers in the country	25,373	44,724
Suppliers abroad	253	5,577
Other operating liabilities		
<i>For the charged turnover on behalf of the company</i>	-	7,877
<i>Other operating liabilities</i>	129	1,370
Subtotal	129	9,247
Total	25,755	59,548

36. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	In 000 RSD	
	31.12.2020.	31.12.2019.
Liabilities for wages and salaries	-	269
Other liabilities:		
<i>Dividend liabilities</i>	16,598	16,598
<i>Liabilities for profit sharing</i>	274	323
<i>Liabilities to employees</i>	10	-
<i>Other liabilities</i>	-	115
Subtotal	16,882	17,036
Total	16,882	17,305

37. VAT LIABILITIES

Structure of VAT liabilities	In 000 RSD	
	31.12.2020.	31.12.2019.
VAT liabilities	-	-
Total	-	-

38. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES

Structure of liabilities for other taxes, contributions and other duties	in 000 RSD	
	31.12.2020.	31.12.2019.
Liabilities for tax from results		
Liabilities for taxes, duties and other charges	483	1.943
Other liabilities for other taxes, contributions and other duties	47	539
Total	530	2,482

39. PASSIVE ACCURALS

Structure of passive accruals	In 000 RSD	
	31.12.2020.	31.12.2019.
Accrued expenses:		
<i>Liabilities for accrued expenses for the observed period</i>	1.164	1.683
<i>Accrued costs of procurement of investments in progress</i>	-	8.567
Subtotal	1.164	10.250
Prepaid / accrued income	9	-
Other passive accruals - Accrued contractual discounts to customers	-	43.073
Other passive accruals - Deferred income of non-monetary compensation (assets) for land	2.747.909	2.867.383
Total	2.749.082	2.920.706

As explained in note 26a, during 2019, the ownership rights were transferred to the Company for two cadastral parcels 5251 and 5252 with a total area of 107,650 m². The entry of land in the business books of the Company was made on the basis of an assessment by a certified appraiser in the amount of RSD 2,986,857 thousand. As the transfer of land represents a non-monetary leasing fee, it is accrued and recognized as income during the concession period in the amount of RSD 119,474 thousand per year.

40. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities	In 000 RSD	
	31.12.2020.	31.12.2019.
Deferred tax assets	15,721	13,283
Deferred tax liabilities	(748,363)	737,147)
Net effect of deferred tax assets/(liabilities)	(732,642)	(723,864)

Deferred tax assets are amounts of income taxes that will be recoverable in future periods on the basis of: deductible temporary differences and unused tax credits carried forward. Deductible temporary difference arises in cases when the Company's balance sheets, on certain grounds, already show expenses, which will be recognized from the tax aspect in the following periods. Deferred tax assets are reviewed at 31 December and are recognized only if the Company estimates that it is probable that future taxable profits will be available against which the deferred tax assets can be utilized.

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Pursuant to the current Law on Profit Tax, taking into account the assumption of unlimited duration, as a rule, deferred tax assets are recognized on the basis of deductible temporary differences. On the other hand, for the recognition of deferred tax assets on the basis of unused tax losses and tax credits, it is necessary to make a projection of the tax balance for the period when on these bases it is possible to reduce the income tax liability, in accordance with legal solutions.

The amount of deferred tax assets was calculated by multiplying the amount of the ordinary temporary difference by the income tax rate (15%) at the end of the year.

Deferred tax liabilities that relate to prudent temporary differences between the carrying amount of depreciable assets and their tax bases. Namely, due to various provisions on the basis of which the Company determines accounting depreciation and provisions which determine tax depreciation (Law on Corporate Income Tax), the Company will pay higher income tax in future periods than it would pay if tax legislation recognized the actual reported depreciation. For this reason, the Company recognizes a deferred tax liability, which is income tax that will be payable when the Company "recovers" the carrying amount of the asset.

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

Changes in the balance of deferred tax (liabilities) / assets during the period are shown in the table.

	In 000 RSD				
Changes in the balance of deferred tax liabilities	Intangible assets, property, plant, equipment and investment property	Provisions for fees and other employee benefits	Litigation provisions	Short-term liabilities (Liabilities for taxes, contributions, etc. Duties and Accrued unpaid income (Article 9))	Total
Balance on 01.01.2019.	(502,698)	193	21,651	2,331	(478,523)
In favor of the Income Statement	56,907	570	(9,500)	(1,963)	46,014
In favor of Equity	(291,356)				(291,356)
Balance on 31.12.2019.	(737,147)	763	12,151	368	(723,865)
In favor of the Income Statement	(12,090)	268	2,460	(289)	(9,651)
In favor of Equity	874				874
Balance on 31.12.2020.	(748,363)	1,031	14,611	79	(732,642)

41. OFF-BALANCE SHEET RECORDS

Pursuant to the legal provisions (Rulebook on the content and form of financial report forms for companies, cooperatives, other legal entities and entrepreneurs), the Company has stated off-balance sheet assets and off-balance sheet liabilities in its financial statements. Items stated within off-balance sheet assets and off-balance sheet liabilities, which are shown in the following table, do not represent the Company's assets or liabilities, but primarily serve in the context of the informative role of users of financial statements.

Off-balance sheet records	In 000 RSD	
	31.12.2020.	31.12.2019.
Blank received bills of exchange-pcs	15	17
Domestic blank bills of exchange-pcs	2	14
Dinar guarantees received	195,210	244,469
Foreign currency guarantees received	4,566,805	5,657,918
Given dinar guarantees	4,416	4,214
Solidarity funds from employees' salaries	621	621
Total	4,767,052	5,907,222

42. FAIR VALUE

FUNDS	Book value in 000 RSD on 31.12.2020.	Fair value in 000 RSD on 31.12.2020.	Book value in 000 RSD on 31.12.2019.	Fair value in 000 RSD on 31.12.2019.	Hierarchy of fair values - levels	Evaluation techniques and inputs
Fixed assets and NU	28,262,169	28,262,169	28,845,688	28,845,688	Level 3	The assessment was done by a certified appraiser as of January 1, 2019. (KPMG-Belgrade). The following methodologies were used in the valuation of intangible assets and property, plant and equipment: the method of amortized replacement costs - cost approach in the valuation of equipment and buildings, then the method of direct comparison of sales prices - market approach in the valuation of land and apartments and the discounted cash flow method - yield approach in determining the existence of an economic write-off.
Equity share	-	-	1	1	Level 2	Management's assessment that they are not recoverable - banks in bankruptcy
Long-term and short-term financial investments -housing loans	137,903	137,903	131,462	131,462	Level 3	Assessment of a certified actuary as at 31.12.2020 - Discounting cash flows of 7.80% for housing loans that are not revalued; 6.00% for housing loans that are revalued annually and have an interest rate of 0.5%, 4.1% for housing loans with a currency clause and an interest rate of 0.5%; 6.3% for housing loans that are revalued semi-annually and 6.5% for housing loans that are revalued annually

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Buyer receivables	10,789	10,789	98,191	98,191	Level 3	Management's assessment of collectability
Other receivables	1,586,014	1,586,014	1,607,808	1,607,808	Level 3	Management's assessment of collectability

The table includes only financial assets, because the Company has no financial liabilities that are stated after initial recognition at fair value.

43. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT

In 000 RSD

	31.12.2020.		
	Gross sum	Value adjustment	Net sum
Financial funds	3,232,075	(769,618)	2,462,457
Long-term financial provisions	576,403	(449,283)	127,120
- Long - term deposits	3,847	(3,847)	-
- Shares in banks	20,085	(20,085)	-
- Shares in foreign entities	358,599	(358,599)	-
- long-term housing loans to employees	193,872	(66,752)	127,120
Receivables expressed by nominal value	1,930,354	(320,335)	1,610,019
- Buyer receivables	290,167	(279,378)	10,789
- Short-term financial provisions	14,054	(838)	13,216
- Interest receivables	3,455	(1,732)	1,723
- Other receivables	1,622,678	(38,387)	1,584,291
Cash and cash equivalents	725,318	-	725,318

Financial liabilities	25,755	-	25,755
- Long-term loans	-	-	-
- Current maturity of debt loans	-	-	-
- Current maturity of long-term. leasing finance	-	-	-
- Short-term liabilities (operating liabilities)	25,755	-	25,755

31.12.2019.		
Gross sum	Value adjustment	Net sum
3,510,581	(755,675)	2,754,906
591,318	(465,865)	125,453
4,219	-	4,219
20,085	(20,085)	-
358,599	(358,598)	1
208,415	(87,182)	121,233
2,009,145	(289,810)	1,719,335
365,280	(267,089)	98,191
13,602	(266)	13,336
7,227	-	7,227
1,623,036	(22,455)	1,600,581
910,118	-	910,118

59,548	-	59,548
-	-	-
-	-	-
-	-	-
59,548	-	59,548

The Company's main financial instruments are cash and cash equivalents, receivables, financial placements arising directly from the Company's operations, as well as long-term loans, trade payables or other liabilities whose primary purpose is to finance the Company's current operations.

НАПОМЕНЕ УЗ ФИНАНСИЈСКЕ ИЗВЕШТАЈЕ 31. децембар 2020. године

44. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT (continued)

Objectives of financial risk management

Financial risks include market risk (foreign exchange, interest rate and price risk), credit risk and liquidity risk. Financial risks are considered on a time basis and are primarily avoided by reducing the Company's exposure to these risks. The Company does not use any financial instruments to avoid the impact of financial risks on operations due to the fact that such instruments are not widely used, nor is there an organized market for such instruments in the Republic of Serbia.

I - MARKET RISK

In its operations, the Company is exposed to financial risks from changes in foreign exchange rates and changes in interest rates. Exposure to market risk is viewed through sensitivity analysis. There were no significant changes in the Company's exposure to market risk, either in the way the Company manages or measures that risk.

a) Currency risk (foreign exchange risk)

The Company is exposed to foreign exchange risk primarily through cash and cash equivalents, short-term financial investments, trade receivables, liabilities based on long-term loans and liabilities to foreign suppliers.

The Company does not use special financial instruments as hedging against risks, given that such instruments are not common in the Republic of Serbia.

The stability of the economic environment in which the Company operates largely depends on government measures in the economy, including the establishment of an appropriate legal and legislative framework.

The accounting amounts of financial assets and liabilities in 000 dinars, denominated in foreign currencies at the reporting date in the Company are as follows:

in 000 RSD

Currency description	<u>Total funds</u>				<u>Total liabilities</u>	
	31.12.2020.		31.12.2019.		31.12.2020.	31.12.2019.
	gross	net	gross	net		
EUR	619,490	517,840	670,891	568,523	253	253
USD	270,523	270,523	290,274	290,274		
GBP	90	90	95	95		
Total dinar equivalent of assets and liabilities denominated in foreign currencies	890,104	788,454	961,260	858,892	253	253
Value of assets and liabilities in RSD	2,341,971	1,674,003	2,549,321	1,896,014	25,502	59,295
Total	3,232,075	2,462,457	3,510,581	2,754,906	25,755	59,548

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Analysis of the currency structure of financial assets and liabilities on 31st December 2020, compared to the situation on 31st December 2019, it can be stated that the financial assets in foreign currency are higher than the agreed financial liabilities in foreign currency.

The company is sensitive mainly to changes in the exchange rate of the euro (EUR) and the US dollar (USD).

The following table presents the analysis of the Company's sensitivity to the increase and decrease of the dinar exchange rate by 10%, in relation to the observed foreign currency. The sensitivity analysis includes only outstanding (balance) receivables and liabilities in foreign currency and shows their change of 10% at the end of the reporting period in foreign exchange rates. A positive number from the table indicates an increase in the results of the current period in cases when the dinar strengthens against the currency in question. In case of weakening of the dinar by 10% in relation to the given foreign currency, the impact on the result of the current period would be negative.

In 000 RSD						
31.12.2020 Changes	EUR impact		USD impact		GBP impact	
	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%
Profit/Loss	51,759	-51,759	27,052	-27,052	9	-9

In 000 RSD						
31.12.2019 Changes	EUR impact		USD impact		GBP impact	
	10,00%	-10,00%	10,00%	-10,00%	10,00%	-10,00%
Profit/Loss	56,827	-56,827	29,027	-29,027	10	-10

b) The risk of changes in interest rates

The Company is exposed to the risk of changes in interest rates on assets and liabilities for which the interest rate is variable.

The Company has classified cash and cash equivalents in the group of interest-bearing financial assets with variable interest rates, because "a vista" variable interest rates have been agreed with banks, depending on the amount of current account balances and the reference interest rate.

The risk of changes in interest rates for the Company does not represent a significant risk, because the categories of financial instruments that have an agreed interest rate are generally defined by a fixed interest rate.

Financial instruments classified into categories of interest-bearing and non-interest-bearing assets are presented in the following overview:

Funds	31.12.2020.			31.12.2019.		
	gross	adjustment	Net sum	gross	adjustment	Net sum
Non-interest bearing:	-	-				

in 000
RSD

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

Equity participation of other entities	378,684	(378,684)	-	378,684	(378,683)	1
Trade receivables	290,167	(279,378)	10,789	365,280	(267,089)	98,191
Interest and other receivables	1,626,133	(40,119)	1,586,014	1,630,263	(22,455)	1,607,808
Short-term financial provisions	1,817	-	1,817	2,432	-	2,432
Subtotal	2,296,801	(698,181)	1,598,620	2,376,659	(668,227)	1,708,432
Fixed interest rate:						
Long term financial placements	193,872	(66,752)	127,120	212,634	(87,182)	125,452
Short term financial placements	12,237	(838)	11,399	11,170	(266)	10,904
Subtotal	206,109	(67,590)	138,519	223,804	(87,448)	136,356
Variable interest rate:						
Cash and cash equivalents	725,318	-	725,318	910,118	-	910,118
Subtotal	725,318	-	725,318	910,118	-	910,118
Total	3,228,228	(765,771)	2,462,457	3,510,581	(755,675)	2,754,906

in 000 RSD

Financial liabilities	31.12.2020.			31.12.2019.		
	Gross	Adjustment	Net sum	Gross	Adjustment	Net sum
Non-interest bearing:						
Operating liabilities	25,755		25,755	59,548		59,548
Subtotal	25,755	-	25,755	59,548	-	59,548
Fixed interest rate:						
Long-term loans			-			-
Current maturity of long-term liabilities			-			0
Subtotal	-	-	-	-	-	-
Variable interest rate:						
Current maturity of long-term liabilities			-	-		-
Subtotal	-	-	-	-	-	-
Total	25,755	-	25,755	59,548	-	59,548

c) Risk of price changes

The Company estimates that there is no risk of price changes because the categories of financial instruments available to the Company are not subject to changes in market prices.

The Company does not operate in securities that are subject to changes in market prices. Also, the Company has no turnover of goods that are subject to price changes.

II - CREDIT RISK

The Company estimates that of all the risks which financial instruments may be exposed to, the largest is credit risk, which is the risk that debtors will not be able to settle their debts in full and on time, which would result in a financial loss for the Company. The Company's exposure to this risk is limited to the amount of trade receivables at the balance sheet date.

Reconciliation of receivables

The Company reconciles its receivables and liabilities once a year, as of November 30, 2020, or more times during the year as needed.

Customers in the country who are not sued amount to RSD 10,439 thousand, of which 28% were reconciled, 2% were not reconciled, while 70% of requests for reconciliation were not answered.

Customers abroad who are not sued amount to RSD 19,058 thousand and they did not respond to 100% of the requests for reconciliation sent to foreign customers. Namely, they are in correspondence and documentation of receivables for collection in accordance with the business policy and the established corporate practice of receivables collection.

The structure of trade receivables is given below.

The structure of trade receivables	31.12.2020.			31.12.2019.	
	In 000 RSD	share	adjustment	In 000 RSD	share
Air Serbia	-	0.00%	-	29,315	8.03%
Jat Tehnika	97,632	33.65%	(96,231)	139,533	38.20%
Belgrade Airport d.o.o.	11	0.00%	(11)	454	0.12%
International CG	30,115	10.38%	(30,115)	30,115	8.24%
Air Serbia-Ketring d.o.o..	42,347	14.59%	(41,695)	42,347	11.59%
Aviogenex d.o.o.	50,820	17.51%	(50,820)	50,820	13.91%
Avaco d.o.o.	4,899	1.69%			0.00%
Gradska čistoća	870	0.30%			0.00%
AERODROM KETERING D.O.O.	-	0.00%		1,475	0.40%
Other domestic customers	17,544	6.05%	(17,545)	18,599	5.09%
Total domestic customers	244,238	84.17%	(236,417)	312,658	85.59%
Wizz Air	2,473	0.85%		2,473	0.68%
ARKIA	1,600	0.55%	(1,600)	1,600	0.44%
Air Cairo Company	677	0.23%	(677)	5,355	1.47%
AEROTRANS AIRLINES, CYPRUS	3,232	1.11%	(3,232)	1,446	0.40%
Allitalia	20,901	7.20%	(20,901)	20,903	5.72%
FLYDUBAI	2,652	0.91%	(2,652)	2,653	0.73%
Pegasus	5,192	1.79%	(5,192)	5,700	1.56%
Other foreign customers	9,202	3.17%	(8,707)	12,492	3.42%

Total foreign customers	45,929	15.83%	(42,961)	52,622	14.41%
Total gross receivables from domestic and foreign customers	290,167	100.00%		365,280	100.00%
Total of value adjustment	(279,378)		(279,378)	(267,089)	
Total of net receivables	10,789			98,191	

The following is the age structure of trade receivables for which no impairment was performed on 31.12.2020.

Age structure of trade receivables for which no value adjustment has been made	In 000 RSD	share
Customers in the country		
Immature	5,000	46.34%
0-30 days	1,750	16.22%
31-60 days	0	0.00%
61-90 days	419	3.88%
Over 90 days	652	6.04%
Subtotal	7,821	72.49%
Foreign customers		
Immature		
0-30 days		
31-60 days		
61-90 days		
Over 90 days	2,968	27.51%
Subtotal	2,968	27.51%
Total trade receivables (net)	10,789	100.00%

Overdue receivables from customers in the country and abroad older than 60 days amount to RSD 2,968 thousand (2019 - RSD 49,130 thousand). These receivables have not been corrected due to the existence of a subscription to book approvals.

III - LIQUIDITY AND CASH FLOW RISK

Liquidity is the ability of the Company to meet its obligations as they fall due. Therefore, liquidity risk is the risk that the Company will have difficulty settling due liabilities, while maintaining the required volume and structure of working capital and maintaining good creditworthiness.

The ultimate responsibility for liquidity risk management lies with the Company's management, which has established an appropriate management system for the needs of short-term, medium-term and long-term financing of the Company as well as liquidity management. By continuously monitoring the planned and actual cash flow, the Company maintains appropriate cash reserves, and also maintains an adequate maturity ratio of financial assets and liabilities.

The following table shows the most significant liquidity indicators of the Company:

- General liquidity ratio (ratio of working capital and short-term liabilities) which shows how many dinars of working capital are covered by each dinar of short-term liabilities;

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

- Rigorous liquidity ratio (ratio of liquid assets which means working capital less inventories, and short-term liabilities) which shows how many dinars of liquid assets are covered by each dinar of short-term liabilities;
- Cash liquidity ratio (ratio of cash and short-term liabilities) which shows how many dinars of cash are covered by each dinar of short-term liabilities;
- Net current assets as the difference between current assets and current liabilities.

Liquidity indicators	Satisfactory and general standards	2020	2019
General liquidity ratio	2 : 1	1.47 : 1	1.49 : 1
Rigorous liquidity ratio	1 : 1	1.46 : 1	1.49 : 1
Cash liquidity ratio		0.26 : 1	0.30 : 1
Net current assets		1,321,909	1,492,789

Capital risk management

The goal of capital risk management is for the Company to maintain the ability to continue operating for an indefinite period of time in order to provide the owners of the Company with a satisfactory return (profit), while maintaining an adequate structure of sources of funds, ie good creditworthiness.

Although there are several criteria on the basis of which conclusions can be drawn about the viability of the assumption of long-term existence of the Company, it is certain that profitable operations, as well as a satisfactory financial structure are one of the basic criteria.

The best representative of profitability is the rate of return on average equity, which shows how much the Company achieves a return on one dinar of average engaged own funds. When calculating this profitability indicator, the average equity is determined as the arithmetic mean of the capital value at the beginning and end of the year

Profitability indicators	In 000 RSD	
	2020	2019
Net profit/loss	(799,122)	(453,857)
Average capita		
Capital at the beginning of the year	29,672,524	81,105,207
Capital at the end of the year	28,874,277	29,672,524
Total - average capital	29,273,401	55,388,866
Return on equity	-2.73%	-0.82%

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

The following tables show the most significant indicators of the Company:

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

Financial structure indicators	In 000 RSD	
	2020	2019
Obligations	3,678,460	3,852,021
Total funds	32,552,737	33,524,545
Share of borrowings in total sources of funds	0.11 : 1	0.11 : 1
Long term funds		
Capital	28,874,277	29,672,524
Long term provisions and obligations	836,921	809,957
Subtotal of long term funds	29,711,198	30,482,481
Total funds	32,552,737	33,524,545
Share of long term in total sources of funds	0.91 : 1	0.91 : 1

The net indebtedness ratio shows how much each dinar of net indebtedness is covered by the Company's capital. Net indebtedness means the difference between:

- Total (long-term and short-term) financial liabilities of the Company (Total liabilities less capital, long-term provisions and deferred tax liabilities) and
- Cash and cash equivalents.

Parameters for calculating the net indebtedness ratio to total capital	In 000 RSD	
	2020	2019
Net indebtedness		
Financial obligations	2,841,539	3,042,064
Cash and cash equivalents	725,318	910,118
Total – net indebtedness	2,116,221	2,131,946
Capital	28,874,277	29,672,524
Ratio of net indebtedness to total capital	13.64	13.92

45. TAX RISKS

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by the tax authorities in relation to the Company's transactions and activities may differ from management's interpretation. The management believes that the tax liabilities are adequately calculated and recorded.

46. LITIGATION

The Company has lawsuits against the Company. The amounts of final losses on the basis of litigation may be increased on the basis of accrued default interest until the date of termination of disputes, or until the date of final payments on disputes. As at 31st December 2020, the Company has a provision for potential losses based on these litigations in the amount of RSD 97,406 thousand (31st December 2019 - RSD 81,006 thousand) - Note 33. According to the assessment of the Company's management on this basis is not expect additional material losses in the coming period

47. EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared a pandemic caused by the COVID 19 virus and issued instructions to combat the spread, which, in addition to personal hygiene and protection, included restricting movement and even closing state borders. In this regard, considering the risks to the population of the Republic of Serbia, on 15th March 2020, the Government of the Republic of Serbia passed the Decision on declaring a state of emergency, which was published in the Official Gazette of the RS no. 29, which was repealed by the Decision published in the Official Gazette no. 65 dated 6th May 2020.

This, among other things, meant the closure of the Nikola Tesla Belgrade airport for international public passenger traffic, which will have a certain impact on the Company's operations in the future

As the situation with the pandemic calms down globally, and thus locally, international organizations ICAO, IATA, ACI, but also advisors of the Concession Grantor are preparing possible scenarios for the dynamics of recovery of passenger air traffic and normalization of planned public works by DPN, and thus the implementation of the Agreement. on the concession, which is the basis for the Company's business plans in the coming period. Given the above, the management does not expect that there are significant risks related to the continuation of operations and the realization of the Concession Agreement.

Management's assessment implies that the financial condition of the Company is such that there is no uncertainty regarding the Company's ability to continue as a going concern and that there is no material impact on its operations in the period ahead. Also, the management believes that there are no significant risks related to compliance with legal norms, the Company's liquidity and market position in the future that may violate the principle of business continuity.

In accordance with IAS 10 "Events after the Reporting Period", we have not determined the existence of events other than those listed above in the Notes that may affect or affect the truthfulness and objectivity of the financial statements for the period ended as at 31st December 2020, nor would require corrections to the financial statements.

In Belgrade, April 2021

Legal representative

Saša Vlaisavljević, signed personally

Affixed with the seal:

JSC AIRPORT NIKOLA TESLA
BELGRADE



EXECUTIVE BOARD
Managing Director -
Chairman of the Executive Board

Number: GD -220/2021	E: kabinet@antb.rs www.antb.rs	11180 Belgade 59, Republic of Serbia
Date: 22 nd April 2021	SITA: BEGOWXX	Register number: 07036540 TIN: 100000539

“PKF“ DOO, Belgrade
Palmira Toljatija 5/III
11070 Novi Beograd

MANAGEMENT’S STATEMENT

This statement is issued relating to your revision of financial statements of JSC Nikola Tesla, for the year that ended on December 31, 2020, for expression of opinions on whether the financial statements provide a true and objective description, in all material aspects under international standards of Financial Reporting and the Law on accounting of the Republic of Serbia.

With this statement we acknowledge that we have performed the following activities with the best intentions and convictions for accurate information of our Company, which we considered necessary:

Financial statements

- We have fulfilled our responsibilities, which are stated in the Letter of Engagement dated July 7, 2020, for the preparation of financial statements under International Financial Reporting Standards and Legal Accounting of the Republic of Serbia, especially that the financial statements are presented objectively and truthfully, on all relevant issues under the above standards.
- The significant assumptions we used in making the accounting estimates, including those of fair value measures, are reasonably based.
- Related party relationships and transactions are adequately accounted for and disclosed under the requirements of International Financial Reporting Standards.
- We have harmonized or disclosed all events that occurred after the date of the financial statements for which International Financial Reporting Standards require harmonization and disclosure.
- All events after the date of preparation of the financial statements, for which IFRS require adjustment or disclosure are adjusted and disclosed.

Delivery of information

- Access to all information we consider relevant to the preparation of financial statements, such as accounting records, documentation, and other relevant matters;
- The additional information you have requested for audit purposes and
- Unrestricted access to persons in the Company for whom the teams have determined that it is necessary to provide you with audit evidence
- All transactions are recorded in the accounting records and reported in the financial statements
- We have disclosed to you the results of our risk assessment that the financial statements may have material misstatements due to criminal activity.
- We have disclosed to you all the information that indicates that there are no criminal acts or possible criminal injuries that we are aware of and which may affect the Company, and include:
 - Management
 - Employees who have significant roles in internal control; or
 - Others in situations where criminal activity may have a material effect on the financial statements
- We have disclosed to you all information that indicates that there are no criminal acts or suspicions of criminal acts and which affect the financial statements of the Company, and which were obtained from employees, former employees, analysts, regulatory authorities, or others.
- We have disclosed to you all known cases of non-compliance or suspicion of non-compliance with the law and regulations, and the effects of which should be taken into account when preparing financial statements.
- We have disclosed a list of all existing and possible lawsuits which effects should be taken into account when preparing financial statements
- We have disclosed to you the identity of the Company's related parties as well as all transactions relating to related parties known to us.
- We have disclosed to you the omissions and shortcomings in the internal controls of the Company, which the management is familiar with.

In Belgrade, 22nd April 2021

Managing director
Saša Vlasisavljević graduated
traffic engineer signed
personally

Affixed with the seal:
JSC NIKOLA TESLA AIRPORT
BELGRADE

**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE**

**BUSINESS REPORT
FOR THE PERIOD I-XII 2020**

Belgrade, April 2021

TABLE OF CONTENTS:

<u>1. GENERAL INFORMATION ABOUT THE COMPANY</u>	166
<u>2. MANAGEMENT INFORMATION</u>	169
<u>2.1. OVERVIEW OF CORPORATE GOVERNANCE RULES</u>	170
<u>3. REVENUES AND EXPENSES</u>	171
<u>3.1. REVENUES</u>	171
<u>3.2. EXPENSES</u>	173
<u>3.3. FINANCIAL RESULT FOR THE PERIOD I-XII 2020</u>	177
<u>3.4. NUMBER OF THE EMPLOYEES</u>	178
<u>4. INFORMATION ON INVESTMENTS FOR ENVIRONMENTAL PROTECTION</u>	179
<u>5. DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT HAPPENED IN THE PERIOD I-XII 2020</u>	179
<u>5.1. DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT OCCURRED AFTER THE EXPIRY OF THE PERIOD I-XII 2020</u>	180
<u>6. . DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD I-XII 2020</u>	181
<u>7. SIGNIFICANT AFFAIRS OF THE COMPANY WITH RELATED PERSONS</u>	181
<u>7.1. EXISTENCE OF BRANCHES</u>	181

1. GENERAL INFORMATION ABOUT THE COMPANY

On 22nd December 2018, by fulfilling all previous conditions by the signatories of the Concession Agreement for financing, development through construction and reconstruction, maintenance and management of the infrastructure of JSC Nikola Tesla Airport Belgrade and performing the activities of the airport operator at Nikola Tesla Airport in Belgrade, the Belgrade concession of Nikola Tesla Airport began and instead of JC Nikola Tesla Airport Belgrade, when based on the consent of the Civil Aviation Directorate of the Republic of Serbia, the Airport Certificate was transferred from JC Nikola Tesla Airport Belgrade to Vinci airports Serbia d.o.o. Belgrade (DPN), all in accordance with the Law on Air Traffic and the Rulebook on the conditions and procedure for issuing airport certificates, which has become the new airport operator.

The Concession Agreement was concluded between the Republic of Serbia, represented by the Government of the Republic of Serbia and JSC Nikola Tesla Airport Belgrade (hereinafter: the Company), on the one hand as the Concession Grantor and VINCI Airports Serbia Ltd. Belgrade, a legal entity established in accordance with the laws of the Republic of Serbia, with its registered office in Belgrade, 11180 Belgrade 59, ID no. 21364568, TIN (tax identification number) 110572920 and VINCI Airports S.A.S., a simplified joint stock company (SAS) with its registered address at 12/14 Louis Blériot Street, Rueil-Malmaison (92500), France, registered in the Trade Register and The company in Nanterre under number 410 002 075, as the selected most favorable individual bidder and founder of a special purpose company (DPN), on the other hand, with the Supplementary Agreement dated 14th December 2018 and the Protocol on updating the annexes to the Concession Agreement dated 21st December 2018 (hereinafter: Concession Agreement).

On 23rd July 2019, the business name of SPC was changed, so that the same was deleted instead of " Vinci airports Serbia Ltd. Belgrade " - " Belgrade Airport Ltd. Belgrade".

Pursuant to the adopted consolidated text of the Company's Articles of Association, which entered into force on the Concession Commencement Date, the Company ceased to be an airport operator on the Concession Commencement Date, i.e. instead of the predominant activity 52.23 with changed predominant activity 68.20 Renting and operating of own or leased real estate.

With the change of the predominant activity, the composition of the governing body was changed, as well as the internal organization of the Company in order to adjust the basic activity of the Concession Grantor, which is to monitor the implementation of the Concession Agreement as a public contract in accordance with the Law on Public-Private Partnerships and Concessions(" Official Gazette of RS ", no. 88/2011, 15/2016 and 104/2016) and the Decree on supervision over the implementation of public contracts on public-private partnership (" Official Gazette of RS ", no. 47/2013), and thus the number of employees, their Rights and obligations

Business name	JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE
Head office and address	Belgrade , 11180 Belgrade 59
Register number	07036540
TIN	100000539
web site and e-mail address	www.antb.rs; kabinet@antb.rs
Number and date of registration in the Register of Companies	<p>Registration number: BD 4874/2005</p> <p>Date of registrantion: 15th June 2005</p> <p>Registration number: BD 91540/2012</p> <p>Date of registration;9th July 2012</p> <p>Registration number:BD 100187/2012</p> <p>Date of registration: 20th July 2012</p>
Activity (code and description)	68.20 - Renting of own or leased real estate and management
Number of employees	36 employed as of 31.12.2020.
Value of share capital	21,015,677,400 RSD (as of 31.12.2020.)
Name, the head office of the auditing company that audited the last financial report for 2020	„FinExpertiza“ doo, Nušićeva 15/III, Belgrade
Number of issued shares , ISIN nubmer and CFI COD	Number of ordinary shares 35.026.129 (as of 31.12.2020. године) CFI code ESVUFR ISIN number RSANTBE 11090
Name of the organized market in which the shares are included	Belgrade Stock Exchange ad Belgrade, Omladinskih brigada 1, 11070 Novi Beograd

Ten largest shareholders by number of shares as of 31.12.2020.

No.	Name of Shareholder	Number of shares	%of share
1	REPUBLIC OF SERBIA	29,616,707	84.56
2	OTP BANK SERBIA - CUSTODY RN - FO	828,164	2,36
3	VOJVOĐANSKA BANKA AD NOVI SAD CUMULATIVE ACCOUNT	645,100	1,84
4	OTP BANK SERBIA - CUSTODY RN - FO	366,177	1,05
5	RAIFFEISEN BANK AD - CUSTODY RN - KS	57,988	0,17
6	JSC AIRPORT NIKOLA TESLA BELGRADE	55,320	0,16
7	BOŽIĆ SVETISLAV	45,003	0,13
8	UNICREDIT BANK SRBIJA A.D.. – CUMULATIVE ACCOUNT	36,065	0,10
9	KERAMIKA JOVANOVIĆ	32,379	0,09
10	DUNAV RE JSC	28,231	0,08

2. MANAGEMENT INFORMATION

Members of the Management Board for the period I-XII 2020.:

Company assembly:		
No.	Name, surname, residence	Education, current employment, (business name of the company and position)
1	Vladimir Dimitrijevic, Belgrade	PhD in Legal Sciences, the Executive Director of the Public Enterprise "Post of Serbia"

Supervisory board:		
No.	Name, surname, residence	Education, current employment, (business name of the company and position)
1	Vesna Stanković Jevđević, Belgrade	Bachelor in Economics, Assistant Director General of the Procurement Directorate of the National Bank of Serbia
2	Srđan Minić, Belgrade	Bachelor in Economics, Technical Support and Documentation Engineer, Telekom Srbija
3	Goran Mirković, Belgrade	Master of Economics, Independent Expert Associate for Capacity Use Control and Analysis - Banknote and Coin Institute of the National Bank of Serbia
4	Petar Jarić, Belgrade	Bachelor in Economics, Deputy Director - National Employment Service
5	Dragoslav Stanković, Doljevac	Professional manager, customer care officer in Elektro distribucija Niš-branch Doljevac

Executive Board:		
No.	Name, surname, residence	Education, current employment, (business name of the company and position)
1	Saša Vlasisavljević, Belgrade	Graduated traffic engineer, President of the Executive Board, General Manager of JSC Airport Nikola Tesla Belgrade
2	Ana Kaluđerović, Belgrade	Mechanical engineer, Executive Director for monitoring and managing the concession project of JSC Airport Nikola Tesla Belgrade

The Company Secretary and the Internal Auditor are organizationally separated and directly responsible for their work to the Supervisory Board.

2.1. OVERVIEW OF CORPORATE GOVERNANCE RULES

The Company, as a member of the Serbian Chamber of Commerce, has accepted the *Code of Corporate Governance* published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the Company's website www.antb.rs

The rules of this Code are a supplement to the current legislation, so that no provision of the Code repeals a legal rule that regulates the same issue differently. Also, the Code does not in any way change the meaning or correct interpretation of legal provisions. The Code is within the limits of the law, because it covers matters that are not regulated by law (so-called legal gaps) or are regulated by dispositive legal norms.

The Code contains two types of rules:

- 1) recommendations - rules that the capital company should accept and act upon, and which can be recognized in the Code by the use of the word "should";
- 2) proposals - rules that are considered a desirable practice in the field of corporate governance, and which can be recognized in the Code by the use of the words "can", "should", etc.

The recommendations contained in this Code represent the minimum standards that public joint stock companies (members of the Serbian Chamber of Commerce) should accept and act upon, and if they do not or do not do so in the manner prescribed by this Code, they must provide an explanation for the deviation. statements on the application of the Corporate Governance Code in accordance with the Companies Act.

3. REVENUES AND EXPENSES

Revenues and expenses are presented in accordance with the accounting treatment IFRS 16 - Leasing.

In accordance with the requirements of IFRS 16, the entire assets of the Company are analyzed in terms of the type of assets and the period of their use. Concession funds are treated as follows:

- Infrastructure assets and closely related assets (equipment) - subject to depreciation in accordance with IAS 16 (property, plant and equipment).
- Other assets that are not closely related to infrastructure assets - are considered sold on "Day 1", which marks the beginning of the concession and are accordingly recorded on active accruals (AVR). These assets are not subject to depreciation, but the total value of these assets is deferred over the entire concession period and proportionally reduces the income of the current year.

In accordance with the requirements of IFRS 16, revenue treatment is determined as follows:

- Minimum annual Concession Fee - the total amount of the agreed Minimum Concession Fee is earned per year, in accordance with the determined amounts of the minimum annual concession fee, as defined by the Concession Agreement.
- Variable benefits that depend on the amount of income - are recognized as income in the period to which it relates.
- Revenues from planned capital investments realized by DPN in the name and for the account of the Company (CAPEX) - are accrued by years for the entire period of the Concession from the moment of putting into operation and handing over newly built real Concession funds, as well as upgrades and reconstructions of existing Concession funds. years for the remaining period of the concession.

3.1. REVENUES

In the period I-XII 2020, the Company generated total income in the amount of 389,004,769 dinars. The total revenue realized in this way is lower by 71% in relation to the realized revenues in the same period of the previous year, and in relation to the Rebalance of the business plan for the period I-XII 2020, it is lower by 7%.

It is important to note that the proclamation of the Corona virus pandemic (Covid 19) had an impact on the Company's operations, and thus a decrease in revenues compared to the same period last year, bearing in mind that the same is related to the business of DPN, which as an operator The airport suffered a significant drop in revenue due to a short-term interruption and then a significant reduction in the volume of public passenger commercial traffic.

Operating revenues in the period I-XII 2020 were realized in the amount of 307,0773863 dinars and make up 79% of the total realized revenues. The realized business revenues by 50% are lower in relation to the realized revenues in the same period of the previous year, and in relation to the Rebalance of the Business Plan for the period I-XII 2020, they are lower by 18%.

Within the realized business revenues for the period I-XII 2021, the largest income refers to the income from the annual Concession fee in the amount of 270,937,837 dinars, as well as the income from the acquisition without compensation of cadastral parcels 5251 and 5252 Cadastral municipality Surčin, which were transferred to the Company by DPN in accordance with the provisions of the Concession Agreement. The total area of these plots is 107,650 m².

Applying IFRS 16, the total estimated value (EUR 25.4 million) is proportionally differentiated over the duration of the concession (25 years), so that for the period I-XII 2020, the corresponding income of 119,474,285 dinars was implemented (i.e. 1.02 million euros - at the middle exchange rate of the NBS on 31st December 2021 which amounted to 117.5802 dinars).

Financial revenues in the period I-XII 2020 were realized in the amount of 12,969,665 dinars and are lower in relation to the realized revenues in the same period of the previous year by 82%, and in relation to the Rebalance of the business plan for the period I-XII 2020 are twice as high. Such a significant decrease in financial income compared to the same period last year is a reflection of the fluctuation of the Company's foreign currency, because in the first quarter of the previous year the Company had significant funds in foreign currency accounts from the payment of one-time concession fee, as well as fluctuations in the dollar exchange rate which at the beginning of the year amounted to 104.9186 dinars, then on March 31, 2020, an increase in the exchange rate in the amount of 106.6765 dinars was recorded, and on December 31, 2020, it amounted to 95.6637 dinars.

The structure of financial revenues for the period I-XII 2020 consists of:

- interest income in the amount of 7,480,182 dinars and participate with 58% in total financial income;
- income from exchange rate differences - realized in the amount of 5,216,661 dinars and participate with 40% in total financial income;
- income from exchange rate differences - unrealized in the amount of 272,822 dinars and participate with 2% in total financial income.

Other revenues in the period I-XII 2020 were realized in the amount of 68,957,741 dinars and are lower by 90% in relation to the realized revenues in the same period of the previous year, while in relation to the Rebalance of the business plan for the period I-XII 2020 .year higher by 78%.

The realized other revenues mostly refer to the revenues from the adjustment of the value of long-term financial placements, as well as the subsequently determined revenues of previous years.

The structure of realized revenues for the period I-XII 2020 is shown in the table of revenue structures.

INCOME STRUCTURE FOR THE PERIOD I-XII 2020						
No.	Account name	Realization I-XII 2019	Rebalance of the plan 2020	Realization I-XII 2020	Index	
1	2	3	4	5	6 (5/3)	7 (5/4)
65	OTHER OPERATING INCOME	615,344,286	372,418,379	307,077,363	50	82
652	CREDIT INCOME AND LICENSE FEES	8,500,000	8,500,000	8,500,000	100	100
659	OTHER OPERATING INCOME	606,844,286	363,918,379	298,577,363	49	82
I	BUSINESS INCOME	615,344,286	372,418,379	307,077,363	50	82
66	FINANCIAL INCOME	71,339,758	5,610,642	12,969,665	18	231
662	INTEREST INCOME	20,649,209	5,610,642	7,480,182	36	133
663;664	EXCHANGE RATE DIFFERENCES - REALIZED	50,459,029	0	5,216,661	10	0
	EXCHANGE RATE DIFFERENCES - UNREALIZED	231,520	0	272,822	118	0
II	FINANCIAL INCOME	71,339,758	5,610,642	12,969,665	18	231
67	OTHER INCOME	568,592,585	15,162,949	31,346,602	6	207
670	PROFITS FROM SALE OF INTANGIBLE INVESTMENTS, REAL ESTATE, PLANTS	411,359	0	0	0	0
673	PROFITS FROM SALE OF MATERIALS	1,645,865	0	869,662	53	0
675	COLLECTED WRITE-OFF RECEIVABLES	19,801,323	2,686,821	2,791,402	14	104
676	REVENUE EFFECTIVE RISK PROTECTION	640,734	1,039,949	606,637	95	58
677	INCOME FROM LIABILITY REDUCTION	523,785,409	0	16,444,392	3	0
678	INCOME FROM CANCELLATION OF LONG-TERM AND SHORT-TERM PROVISIONS	19,691,558	3,317,000	3,317,000	17	100
679	OTHER INCOME MENTIONED	2,616,336	8,119,179	7,317,509	280	90
68	INCOME FROM ASSETS VALUE ADJUSTMENT	68,465,367	0	21,356,047	31	0
682	INCOME FROM ADJUSTMENT OF VALUE OF REAL ESTATE, PLANT AND EQUIPMENT	62,487,731	0	0	0	0
683	INCOME FROM ADJUSTMENT VALUE. LONG-TERM FINANCIAL INVESTMENTS AND SSEURITIES AVAILABLE FOR SALE.	5,977,636	0	20,474,197	343	0
689	INCOME FROM ADJUSTMENT OF VALUE OF OTHER ASSETS	0	0	881,850	0	0
69	PROFIT FROM DISCONTINUED OPERATIONS AND INCOME TRANSFER	38,987,707	23,512,163	16,255,092	42	69
692	PR. EFFECT OF CHANGE OF ACCOUNT. AND CORRECTION OF ERRORS FROM PREVIOUS YEARS	38,987,707	23,512,163	16,255,092	42	69
III	OTHER INCOME	676,045,659	38,675,112	68,957,741	10	178
	TOTAL INCOME	1,362,729,704	416,704,133	389,004,769	29	93

3.2. EXPENSES

In the period I-XII 2020, the Company made a total expense in the amount of 1,178,476,353 dinars and it is lower by 37% compared to the realized expenses in the same period last year, and in relation to the Rebalance of the business plan for the period I-XII In 2020, it is higher by 14%. The deviation of expenses in relation to the same period of the previous year is the result of the treatment of depreciation costs that were performed in the period I-XII 2020 in accordance with the application of the accounting standard IFRS 16.

Operating expenses in the period I-XII 2020 were realized in the amount of 1,067,661,865 dinars and make up 91% of the total realized expenses. The realized operating expenses are at the same level in relation to the realized operating expenses in the same period of the previous year, and in relation to the Rebalance of the business plan for the period I-XII 2020, they are higher by 5%.

The structure of operating expenses consists of:

- Material and energy costs
- Costs of salaries, allowances and other personal expenses
- Costs of production services
- Depreciation and provisions costs
- Intangible costs

Costs of materials and energy (group 51) in the period I-XII 2020 were realized in the amount of 2,011,095 dinars and are 17% lower compared to the same period in 2019, and compared to the Rebalance of the business plan for the period I -XII 2020, they are lower by 69%.

Material and energy costs are mostly related to:

- ✓ fuel costs in the amount of 909,700 dinars and
- ✓ spent office supplies in the amount of 706,831 dinars.

Expenses of salaries, allowances and other personal expenses (group 52) in the period I-XII 2020 were realized in the amount of 141,761,072 dinars and make 12% of the total realized expenses. The costs of salaries, compensations and other personal expenses realized in this way are higher by 3% in relation to the same period in 2019, and in relation to the Rebalance of the business plan for the period I-XII 2020, they are lower by 3%.

It should be noted that with the beginning of the Concession and the change of the predominant activity, the number of employees in January of the previous year, ending on January 21, 2019, was 5 employees, which resulted in significantly lower employee costs in January 2019 compared to January 2020, and thus a deviation in the realization of the costs of salaries, allowances and other personal expenses for the period I-XII 2020 in relation to the same period of the previous year.

The conclusion is that the salary costs of employees for the period I-XII 2020 did not increase compared to the previous year for the same period, but cumulatively, the percentage of realization depending on the number of employees increased compared to the previous year for the same period.

Costs of production services (group 53) in the period I-XII 2020 were realized in the amount of 36,970,168 dinars and are 46% lower compared to the same period in 2019 and 8% lower compared to the Rebalance of the business plan for the period I-XII 2020.

The costs of production services make up 3% of the total realized expenditures, and mostly relate to:

- ✓ rent costs in the amount of 29,931,771 dinars - which are 33% higher compared to the same period last year, as well as
- ✓ costs of transport services in the amount of 2,982,592 dinars - are higher by 26% compared to the same period last year.

Within the realized expenses, the largest expense is **the cost of depreciation and provisions (group 54)**, which in the period I-XII 2020 was realized in the amount of 705,710,856 dinars and makes 60% of the total realized expenses. Depreciation realized in this way is lower by 1% compared to the same period in 2019, and compared to the Rebalance of the business plan for the period I-XII 2020, it is higher by 8%.

In accordance with the requirements of IFRS 16, the entire assets of the Company are analyzed in terms of the type of assets and the period of their use. In the case of Concession Funds, we distinguish between infrastructure assets and closely related assets (equipment)

that are subject to depreciation and other assets that are not closely related to infrastructure assets that are considered sold on "Day 1", which indicates the Concession Start Date and accordingly recorded are on active accruals (AVR) and are not subject to depreciation.

Intangible costs (group 55) in the period I-XII 2020 were realized in the amount of 181,208,674 dinars and make 15% of the total realized expenses. Intangible costs realized in this way are higher by 21% compared to the same period in 2019, and compared to the Rebalance of the business plan for the period I-XII 2020, they are higher by 9%.

Intangible costs mostly relate to:

- ✓ costs of property tax of ANT in the amount of 90,077,628 dinars - are higher by 20% compared to the same period in 2019 due to the transfer of land at the estimated value that the Concessionaire transferred to the ownership of ANT, in accordance with the Concession Agreement, as well as
- ✓ costs of non-production services in the amount of 71,824,955 dinars - are higher by 14% compared to the same period last year, within which the highest cost is microfilming - (legal obligation to keep documentation from previous years), due to eviction from the archive space at the airport complex.

Financial expenses (group 56) in the period I-XII 2020 were realized in the amount of 31,449,307 dinars and are significantly lower in relation to the same period in 2019, and in relation to the Rebalance of the business plan for the period I-XII 2020 they are significantly higher. Such a significant decrease in financial expenses compared to the same period last year is a reflection of the fluctuations of the Company's foreign currency, because in the first quarter of the previous year the Company had significant funds on foreign currency accounts from the payment of one-time concession fee. In 2020, it amounted to 95.6637 dinars, while at the beginning of the year it amounted to 104.9186 dinars.

The structure of financial expenditures for the period I-XII 2020 consists of:

- ✓ negative exchange rate differences in the amount of 31,391,931 dinars and participate with 99.82% in total financial expenses;
- ✓ interest expenses in the amount of 35,996 dinars and participate with 0.18% in total financial expenses.

Other expenses (groups 57, 58 and 59) in the period I-XII 2020 were realized in the amount of 79,365,180 dinars and are lower by 88% compared to the same period in 2019, while in relation to the Rebalance of the business plan for the period I-XII 2020, three times higher.

Realized other expenses mostly relate to the impairment of receivables from short-term financial investments.

The structure of realized expenditures for the period I-XII 2020 is shown in the table of expenditure structures.

EXPENDITURE STRUCTURE FOR THE PERIOD I-XII 2020

Account	Account name	Realization I-XII 2019	Rebalance of the plan 2020	Realization I-XII 2020	Index	
					6 (5/3)	7 (5/4)
1	2	3	4	5	6 (5/3)	7 (5/4)
51	MATERIAL AND ENERGY COSTS	2,411,675	6,586,514	2,011,095	83	31

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

511	COSTS OF MATERIALS FOR MAKING	0	778,124	0	0	0
512	COSTS OF OVERHEAD MATERIAL	1,258,055	4,808,390	997,899	79	21
513	FUEL AND ENERGY COSTS	911,747	1,000,000	956,481	105	96
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY					
52	SALARY EXPENSES, CHARGES AND OTHER PERSONAL EXPENSES	137,575,941	145,415,102	141,761,072	103	97
520	SALARY COSTS AND SALARY BENEFITS (GROSS)	100,548,750	106,821,603	105,498,604	105	99
521	EXPENSES OF TAXES AND CONTRIBUTIONS ON WAGES AND WAGE COMPENSATION - EMPLOYER	16,885,253	17,776,381	17,181,541	102	97
522	COSTS OF BENEFITS UNDER THE WORK CONTRACT - GROSS	1,018,280	476,510	746,415	73	157
524	EXPENSES OF FEES BY TEMPORARY AND OCCASIONAL OPERATIONS - GROSS	6,153,043	5,049,280	5,130,524	83	102
526	REMUNERATION TO THE DIRECTOR, OR TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES - GROSS	7,478,170	7,558,824	7,789,814	104	103
529	OTHER PERSONAL EXPENSES AND FEES	5,492,445	7,732,504	5,414,175	99	70
53	COSTS OF PRODUCTION SERVICES	68,446,668	40,094,425	36,970,168	54	92
531	TRANSPORT COSTS	2,371,443	2,620,000	2,982,592	126	114
532	MAINTENANCE COSTS OF MAINTENANCE SERVICES	12,754,501	6,101,761	3,548,707	28	58
533	RENTAL COSTS	22,552,705	30,392,664	29,931,771	133	98
535	ADVERTISING AND PROPAGANDA COSTS	27,444,563	900,000	0	0	0
539	COSTS OF OTHER SERVICES	3,323,455	80,000	507,097	15	634
54	COSTS OF AMORTIZATION AND RESERVATION	714,571,180	654,326,057	705,710,856	99	108
540	DEPRECIATION COSTS	681,269,201	634,326,057	683,923,936	100	108
545	PROVISIONS FOR EMPLOYEE BENEFITS	3,801,979	0	1,786,920	47	0
549	OTHER LONG - TERM PROVISIONS	29,500,000	20,000,000	20,000,000	68	100
55	IMMATERIAL COSTS	149,732,344	165,591,788	181,208,674	121	109
550	COSTS OF NON - PRODUCTION SERVICES	63,048,893	74,743,500	71,824,955	114	96
551	REPRESENTATION COSTS	3,393,932	1,599,000	2,309,011	68	144
552	INSURANCE PREMIUM COSTS	552,071	539,945	697,358	126	129
553	PAYMENT TRANSACTION COSTS	2,354,907	641,491	590,363	25	92
554	MEMBERSHIP FEES	1,114,688	547,714	424,500	38	78
555	TAX COSTS	75,025,902	86,363,865	90,077,628	120	104
559	OTHER INTANGIBLE COSTS	4,241,951	1,156,273	15,284,859	360	1,322
I	BUSINESS EXPENSES	1,072,737,807	1,012,013,886	1,067,661,865	100	105
56	FINANCIAL EXPENSES	135,916,183	112,927	31,449,307	23	27,849
562	INTEREST EXPENSES	9,720,318	15,806	35,996	0	228
563	NEGATIVE COURSE DIFFERENCES	124,442,620	95,786	31,391,931	25	32,773
564	EXPENSE BASED ON THE EFFECTS OF THE CURRENCY CLAUSE	1,753,246	1,336	21,381	1	1,600
II	FINANCIAL EXPENSES	135,916,183	112,927	31,449,307	23	27,849
57	OTHER EXPENSES	26,340,156	6,631,069	26,003,612	99	392
570	LOSSES ON EXPENSES AND SALES OF NON-MATERIAL INVESTMENTS IN PROPERTY AND EQUIPMENT	9,527,677	0	4,573,440	48	0
576	EXPENSES BASED ON DIRECT WRITE-OFF OF RECEIVABLES	1,673,775	0	3,224,854	193	0
579	OTHER EXPRESSED EXPENSES	15,138,705	6,631,069	18,205,318	120	275
58	EXPENSES BASED ON IMPAIRMENT OF PROPERTY	569,564,968	0	37,709,200	7	0

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

582	IMPAIRMENT OF REAL ESTATE, PLANTS, EQUIPMENT	544,358,216	0	0	0	0
583	IMPAIRMENT OF LONG-TERM FIN. PLACEMENT AND OTHER SECURITIES AVAILABLE. FOR SALE	151,833	0	3,847,272	2,534	0
585	DEVELOPING RECEIVABLES OF SHORT-TERM FIN. PLASMANA	20,923,069	0	33,621,566	161	0
589	IMPAIRMENT OF OTHER ASSETS	4,131,850	0	240,363	6	0
59	EXPENSES OF PREVIOUS YEARS	58,042,633	15,383,005	15,652,368	27	102
592	BASIC EXPENSES ERROR CORRECTION FROM EARLY YEARS. WHICH ARE NOT MAT. SIGNIFICANT	58,042,633	15,383,005	15,652,368	27	102
III	OTHER EXPENSES	653,947,758	22,014,074	79,365,180	12	361
	TOTAL EXPENSES	1,862,601,748	1,034,140,888	1,178,476,353	63	114

3.3. FINANCIAL RESULT FOR THE PERIOD I-XII 2020

In the period I-XII 2020, a negative financial result was achieved in the gross amount of (789,471,583) dinars and the net amount of (799,122,315) dinars.

The negative financial result for this period for the period I-XII 2020 is mostly the result of the proclamation of the Corona virus pandemic (Covid 19), which undoubtedly had an impact on the Company's operations, then the application of IFRS 16, based on which we differentiate revenues under the Agreement. on the concession (CAPEX, minimum annual Concession Fee) by years for the entire Concession Period.

FINANCIAL RESULT FOR THE PERIOD I-XII 2020

No.	Position	Realization I-XII 2019	Rebalance of the plan I-XII 2020	Realization I-XII 2020	Index	
1	2	3	4	5	6 (5/3)	7 (5/4)
1	Business income	615,344,286	372,418,379	307,077,363	50	82
2	Business expenses	1,072,737,807	1,012,013,886	1,067,661,865	100	105
3	Business loss (2-1)	457,393,521	639,595,507	760,584,502	166	119
4	Financial income	71,339,758	5,610,642	12,969,665	18	231
5	Financial expenses	135,916,183	112,927	31,449,307	23	27,849
6	Financial gain (4-5)		5,497,715		0	0
6a	Financial loss (5-4)	64,576,425		18,479,642	29	0
7	Other income	676,045,659	38,675,112	68,957,741	10	178
8	Other expenses	653,947,758	22,014,074	79,365,180	12	361
9	Other gain (7-8)	22,097,902	16,661,037		0	0
9a	Other loss (8-7)			10,407,439		
10	Total income (1 + 4 + 7)	1,362,729,704	416,704,133	389,004,769	29	93
11	Total expenditure (2 + 5 + 8)	1,862,601,748	1,034,140,888	1,178,476,353	63	114

NOTES TO THE FINANCIAL STATEMENTS, 31st December 2020

12	Gross loss (11-10)	499,872,045	617,436,755	789,471,583	158	128
14	Tax expense period					
15	Deferred tax expense period			9,650,732		
16	Deferred tax income period	46,015,440				
17	Personal income paid to the employer					
18	Net loss	453,856,605	617,436,755	799,122,315	176	129

It is important to note that despite the negative financial result for the period I-XII 2020, which is the result of the proclamation of the Corona virus pandemic (Covid 19), which undoubtedly had an impact on the Company's operations, as well as the application of IFRS 16 (revenue is limited to the entire period of the concession), the achieved result does not represent a risk of successful performance of the Company's activities.

3.4. NUMBER OF THE EMPLOYEES

*Number of workers according to the records for the period I-XII 2020
(last day in the month)*

Month	Full time	Part time	Total	Occasional jobs	SUM
1	2	3	4 (2+3)	5	6 (4+5)
January	36	0	36	1	37
February	36	0	36	1	37
March	35	0	36	1	37
April	35	0	35	1	36
May	35	0	35	1	36
June	34	0	34	1	35
July	35	0	35	1	36
August	35	0	35	1	36
September	36	0	36	1	37
October	36	0	36	1	37
November	36	0	36	1	37
December	36	0	36	1	37

4. INFORMATION ON INVESTMENTS FOR ENVIRONMENTAL PROTECTION

In accordance with its new registered activity, the Company actively participates in solving the problem of environmental pollution and raising environmental awareness of all employees and other persons with whom it has direct and indirect contact, but also within the obligations under the Concession Agreement cooperates with DPN in this area. DPN in its work applies positive regulations and the highest standards when it comes to environmental protection.

5. DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT HAPPENED IN THE PERIOD I-XII 2020

In the period I-XII 2020, it is necessary to mention the following important business events

Corona Virus Pandemic (Covid 19)

On March 11, 2020, the World Health Organization declared a pandemic of the Corona virus (Covid 19) and issued instructions for suppressing the spread, which, in addition to personal hygiene and protection, also included restrictions on movement, i.e. even the closure of state borders.

In this regard, considering the risks to the population of the Republic of Serbia, the Decision of the President of the Republic of Serbia, the President of the National Assembly of the Republic of Serbia and the Prime Minister of the Republic of Serbia of 15.03.2020. ("Official Gazette of RS" number 29/2020), a state of emergency was declared in the territory of the Republic of Serbia due to the epidemic of Corona virus (Covid 19).

In order to prevent the spread of the Corona virus epidemic, the RS Government passed a number of acts, including the Decree on the organization of work of employers during the state of emergency of 16.03.2020 ("Official Gazette of RS", No. 31/2020), which regulates a special manner and organization of work of employers on the territory of the Republic of Serbia during the state of emergency.

In accordance with the above decree, in order to protect the lives and health of employees and their families and implement measures to protect the population from infectious diseases, the General Manager of JSC Airport Nikola Tesla Belgrade on 19.03.2020, passed a Decision on doing business outside the premises of the employer number GD - 273/2020 which refers to all employees, for the entire duration of the state of emergency in the Republic of Serbia as well as the Work Plan outside the premises of the Employer. Based on the Decision on performing work outside the premises of the employer JSC Belgrade Nikola Tesla Airport, it adopted the Work Plan in the conditions of the Corona virus epidemic (Covid 19).

The decision published in the Official Gazette of the Republic of Serbia No. 65 of May 6, 2020, abolished the state of emergency on the territory of the Republic of Serbia, declared due to the Corona virus epidemic (Covid 19).

After the abolition of the state of emergency, JSC Belgrade Nikola Tesla Airport organized operations in accordance with the emergency measures that are still applied, which are determined by acts of the RS Government, ie the conclusions of the Crisis Staff for the Suppression of Infectious Diseases Covid 19.

Detailed regulation plan

The detailed regulation plan, which is the basis for defining the purpose, capacity and content of the airport complex in accordance with the technological needs and program of airport development, defining public interest, creating planning opportunities and providing technical infrastructure capacity for planned construction, as well as determining airport protection zones was adopted on March 30, 2020 by the Decision of the Assembly of the City of Belgrade number 350-269 / 20-GV.

Starting from the adopted Detailed Regulation Plan for the Nikola Tesla Airport complex, the procedure of obtaining conditions and appropriate permits from the competent state bodies for infrastructure projects in accordance with the regulations of the Republic of Serbia was initiated, as well as performing works in accordance with the adopted Plan.

In order to expand the airport capacity during 2020, works on the expansion of the terminal building were performed, the construction of which will continue after the reporting period.

In the mentioned period, among other things, preparatory works were performed on the construction of the inserted runway. Execution of preparatory works on the construction of the inserted runway is performed in accordance with the regulations governing the construction and reconstruction of line infrastructure facilities of special importance for the Republic of Serbia.

In order to provide additional capacities for parking and servicing aircraft, works on the construction of the platform and the associated maneuvering space necessary for the reception and dispatch of aircraft were performed, as well as for the movement of airport assets and equipment.

Also, in the mentioned period, works on the construction of a remote parking lot and roads for access to a remote parking lot were performed, as well as on the construction of a roundabout on a local road. Remote parking is provided for long-term parking of vehicles and is located southwest of the threshold 30 of the existing runway.

In addition, during 2020, works on the construction of electricity infrastructure capacity to supply future consumers with electricity were carried out.

Work has also begun on the construction of the New Boiler House, which will supply thermal energy to consumers at the airport complex. Also, works are underway on the construction of a solid waste treatment plant within the public zone of the airport, in order to improve environmental protection.

At the request of the Ministry of Construction, Transport and Infrastructure, through the Unified Procedure system, JSC Belgrade Nikola Tesla Airport in the period from 01.01.2020. until 31.12.2020, processed 20 requests for the issuance of conditions for the design and connection of facilities to the communal infrastructure that is in our ownership for the implementation of projects at the airport complex.

Enforcement proceedings

In May 2020, in order to collect receivables from Katering Airport d.o.o. Surčin, an executive procedure was initiated within which the claim of JSC Airport Nikola Tesla Belgrade was collected in the amount of 1,000,511 dinars with the corresponding interest.

5.1. DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT OCCURRED AFTER THE EXPIRY OF THE PERIOD I-XII 2020

In the period I-XII 2020, it is necessary to mention the following important business events that occurred after the expiration of the period I-XII 2020:

The implementation of works on the implementation of infrastructure projects continued, in compliance with all recommendations due to the emergency measures that remained in force even after the suspension of the state of emergency due to the Covid 19 virus pandemic, which is still ongoing

6. . DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD I-XII 2020

Due to the Covid 19 virus pandemic, as well as the decision of the Government of the Republic of Serbia to reduce commercial flights from Belgrade Nikola Tesla Airport, there were significant disruptions in air traffic and operations at Nikola Tesla Airport. Given that the pandemic continues, more detailed information on the disturbances will be known after all analyzes related to the measures applied by the states, which have a direct impact on both the dynamics and the volume of public passenger traffic. In this sense, one of the many recommendations of Airport Council International to the EU is the unification of rules of conduct when traveling, which as an expected result would have a gradual stabilization of passenger traffic.

Despite the undeniable impact of the pandemic on operations at Nikola Tesla Airport, the management does not expect significant risks related to the continuation of business and the implementation of the Concession Agreement. Management's assessment implies that the financial condition of ANT is such that there is no uncertainty as to the ability of ANT to continue as a going concern and that there is no material impact on the business.

Due to the existence of market risks that affect financial instruments, the Company's management meticulously monitors the trends that lead to risk and takes the necessary measures to manage risks. Also, the management believes that there are no significant risks related to the fulfillment of legal norms, the company's liquidity and market position in the future, which may violate the principle of business continuity.

The Company settles its current obligations within the agreed deadlines.

7. SIGNIFICANT AFFAIRS OF THE COMPANY WITH RELATED PERSONS

The Company has no related parties pursuant to the Law on Companies (" Official Gazette of RS " No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018, 95/2018 and 91/2019 Article 62) accordingly, there are no business activities with related parties.

7.1. EXISTENCE OF BRANCHES

JSC Nikola Tesla Airport Belgrade has no branches within the Company.

Belgrade, April 2021

Managing director

Saša Vlaisavljević, graduated traffic engineer



**Managing Director -
Chairman of the Executive Board**

Number: GD -217/2021	E: kabinet@antb.rs www.antb.rs	11180 Belgade 59, Republic of Serbia
Date: 26 th April 2021	SITA: BEGOWXX	Register number: 07036540 TIN: 100000539

Pursuant to Article 50 of the Law on Capital Market ("Official Gazette" No. 31/2011, 112/2015, 108/2016 and 9/2020) we make the following:

STATEMENT

We declare that, to the best of our knowledge, the Annual Report for the year of 2020 has been prepared using appropriate international financial reporting standards and provides true and objective information about assets, liabilities, financial position and operations, profits and losses, cash flows and changes in capital of JSC Airport Nikola Tesla Belgrade.

This statement was made for the purpose of publishing the Annual Report of JSC Belgrade Nikola Tesla Airport for the first quarter of 2021 and cannot be used otherwise.

Head of the Finance, Accounting and Planning
Sector
Jelena Arsenijević, Bachelor of Economics

Managing director
Saša Vlaisavljević, graduated traffic
engineer