



Under Article 53 of the Law on Capital Market ("Official Gazette of the Republic of Serbia", No. 31/2011, 112/2015, 108/2016,9/2020, and 153/2020), 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 ,24/2017, and 14/2020), Joint Stock Company Belgrade Nikola Tesla Airport publishes:

The quarterly report for the first quarter for the year 2022



Contents of the report

1. Financial statements as of the 31th March 2022:

- Income statement for the period January -March 2022;
- Balance sheet as of 31th March 2022;
- Report on other results for the period January -March 2022;
- Report on changes in equity for the period January -March 2022;
- Report on cash flows for the period January -March 2022;
- Notes to the financial statements as of 31th March 2022.

2. Business report for the period January- March 2022

3. Statement of the persons responsible for compiling the report

4. Decision on approval of the Financial Statements as of 31th March 2022

5. Decision on approval of the Business report for the period January- March 2022

JSC AIRPORT NIKOLA TESLA BELGRADE

**FINANCIAL REPORTS
31st March 2022**

- 1. INCOME STATEMENT for period January- March 2022**
- 2. BALANCE SHEET as of 31th March 2022**
- 3. REPORT ON OTHER RESULT for period January- March 2022**
- 4. REPORT ON CHANGES IN EQUITY for the period January- March 2022**
- 5. REPORT ON CASH FLOWS for the period January- March 2022**
- 6. NOTES TO THE FINANCIAL STATEMENTS as of 31th March 2022**

May 2022

PROFIT AND LOSS STATEMENT
for period 1st January to 31st March

PROFIT AND LOSS STATEMENT
For period 1st January to 31st March, 2022



- in thousand dinars -

Group of accounts, account	ITEM	Automatic data processing	Note	Amount	
				Current year	Last year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005+ 1008+1009-1010+1011+1012)	1001		166.474	157.838
60	I. REVENUE FROM THE SALE OF GOODS(1003 + 1004)	1002			
600, 602 and 604	1. Revenues from the sale on the domestic market	1003			
601, 603 and 605	2. Revenues from the sale on the foreign market	1004			
61	II. REVENUE FROM SALE OF PRODUCTS AND SERVICES (1006+1007)	1005			
610, 612 and 614	1. Revenues from sales of products and services on the domestic market	1006			
611, 613 and 615	2. Revenues from the sale of products and services on the foreign market	1007			
62	III. REVENUE FROM ACTIVATION OF GOODS AND EFFECTS	1008			
630	IV. INCREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS	1009			
631	V. DECREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS	1010			
64 and 65	VI. OTHER OPERATING REVENUES	1011	4	166.474	157.838
68, except 683, 685 and 686	VII. REVENUES FROM VALUE ADJUSTMENT OF ASSETS (OTHER THAN FINANCIAL)	1012			
	B. BUSINESS EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		214.061	230.188
50	I. PURCHASE VALUE OF GOODS SOLD	1014			
51	II. COST OF MATERIAL, FUEL AND ENERGY	1015	5	351	257
52	III. COST OF WAGES, SALARIES AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	6	39.287	36.360
520	1. Cost of wages and salaries	1017	6	28.602	27.139
521	2. Cost of taxes and contributions for wages and salaries	1018	6	4.609	4.485
52 except 520 and 521	3. Other personal expenses	1019	6	6.076	4.736
540	IV. DEPRECIATION COSTS	1020	8	143.688	149.148
58, except 583, 585 and 586	V. COSTS FROM VALUE ADJUSTMENT OF ASSETS (OTHER THAN FINANCIAL)	1021			
53	VI. COST OF PRODUCTION SERVICES	1022	7	2.087	9.625
54 except 540	VII. COST OF PROVISIONS	1023	9	3.200	8.000
55	VIII. INTANGIBLE COSTS	1024	10	25.448	26.798
	C. BUSINESS PROFIT (1001-1013)≥0	1025			
	D. OPERATING LOSS (1013 - 1001) ≥ 0	1026		47.587	72.350
	E. FINANCIAL REVENUES (1028+1029+1030+1031)	1027	11	6.262	14.077
660 and 661	I. FINANCIAL REVENUES FROM PARENT COMPANIES, SUBSIDIARIES AND OTHER AFFILIATED COMPANIES	1028			
662	II. INTEREST REVENUES	1029	11	828	997
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE	1030	11	5.434	13.080
665 and 669	IV. OTHER FINANCIAL REVENUES	1031			
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	12	128	38
560 and 561	I. FINANCIAL EXPENSES FROM PARENT, SUBSIDIARIES AND OTHER AFFILIATED COMPANIES	1033			
562	II. INTEREST EXPENSES	1034	12	5	1
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECT OF CURRENCY CLAUSE	1035	12	77	37
566 and 569	IV. OTHER FINANCIAL EXPENSES	1036	12	46	
	G. PROFIT FROM FINANCING (1027-1032) ≥ 0	1037		6.134	14.039
	H. LOSS FROM FINANCING (1032- 1027) ≥ 0	1038			

PROFIT AND LOSS STATEMENT (continued)
for period 1st January to 31st March 2022

PROFIT AND LOSS STATEMENT
For period 1st January to 31st March, 2022



- in thousand dinars -

Group of accounts, account	ITEM	Automatic data processing	Note	Amount	
				Current year	Last year
1	2	3	4	5	6
683,685 and 686	I. REVENUES FORM VALUE ADJUSTMENT OF FINANCIAL ASSETS AT FAIR VALUES IN THE PROFIT AND LOSS STATEMENT	1039	13		
583,585 и 586	J. EXPENSES FORM VALUE ADJUSTMENT OF FINANCIAL ASSETS AT FAIR VALUES IN THE PROFIT AND LOSS STATEMENT	1040	14		
67	K. OTHER REVENUES	1041	15	2.280	1.933
57	L. OTHER EXPENSES	1042	16	349	4.247
	M. TOTAL REVENUES (1001+1027+1039+1041)	1043		175.016	173.848
	N. TOTAL EXPENSES (1013+1032+1040+1042)	1044		214.538	234.473
	O. REGUALR OPERATING PROFIT BEFORE TAXATION (1043-1044) ≥ 0	1045			
	P. REGUALR OPERATING LOSS BEFORE TAXATION (1044-1043) ≥ 0	1046		39.522	60.625
69-59	Q. NET OPERATING PROFIT THAT IS WITHHELD, THE EFFECT OF THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1047	17	537	
59-69	R. NET OPERATING LOSS THAT IS WITHHELD, THE EFFECT OF THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1048			20
	S. PROFIT BEFORE TAXATION (1045-1046+1047-1048) ≥ 0	1049			
	T. LOSS BEFORE TAXATION (1046-1045+1048-1047) ≥ 0	1050	18	38.985	60.645
	U. PROFIT TAX				
721	I. TAX EXPENSES OF PERIOD	1051	19		
772, debit balance	II. DEFERRED TAX EXPENSES OF PERIOD	1052	19		
772, credit balance	III. DEFERRED TAX REVENUES OF PERIOD	1053			
723	V. PAID SALARIES OF THE EMPLOYER	1054			
	W. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055			
	Y. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		38.985	60.645
	I.NET PROFIT BELONGING TO MINOR STAKEHOLDERS	1057			
	II.NET PROFIT BELONGING TO MAJOR STAKEHOLDERS	1058			
	III.NET LOSS BELONGING TO MINOR STAKEHOLDERS	1059			
	IV.NET LOSS BELONGING TO MAJOR STAKEHOLDERS	1060			
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061	20	(1.11)	(1.73)
	2. Decreased (diluted) earnings per share	1062			

BALANCE SHEET
as of 31st March 2022

BALANCE SHEET
On 31st March 2022



- in thousand dinars -

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED AND UNPAID CAPITAL	0001				
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	0002		29.778.505	29.914.822	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	21	16.854	20.455	
010	1. Investment in development	0004				
011,012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	21	15.874	19.475	
013	3. Goodwill	0006				
015 and 016	4. Leased intangible assets and intangible assets in preparation process	0007	21	980	980	
017	5. Advance payments for intangible assets	0008				
02	II. PROPERTY, PLANTS AND EQUIPMENT (0010 + 0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	22	27.692.730	27.811.938	
020, 021 and 022	1. Land and constructions	0010	22	24.251.979	24.320.605	
023	2. Plants and equipment	0011	22	3.228.606	3.293.453	
024	3. Investment property	0012				
025 and 027	4. Leased property, plants and equipment and property, plants and equipment in preparation process	0013	22	212.145	197.880	
026 and 028	5. Other property, plants and equipment and Investments in other people's property, plants and equipment	0014				
029 (part)	6. Advance payments for property, plants and equipment in the country	0015				
029 (part)	7. Advance payments for property, plants and equipment abroad	0016				
03	III. BIOLOGICAL ASSETS	0017				
04 and 05	IV. LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES (0019+0020+0021+0022+0023+0024+0025+0026+0027)	0018	23	657.898	655.412	
040 (part), 041 (part) and 042 (part)	1. Stake in the capital of companies (except stake measured in share)	0019	23a			
040 (part), 041 (part) and 042 (part)	2. Stake in the capital measured in share	0020				
043, 050 (part) and 051 (part)	3. Long-term investments in parent companies, subsidiaries and affiliated companies on domestic market	0021				
044, 050 (part) and 051 (part)	4. Long-term investments in parent companies, subsidiaries and affiliated companies in foreign markets	0022				
045 and 053 (part)	5. Long-term placements (credits and loans) in the country	0023	23b	139.150	137.407	
045 and 053 (part)	6. Long-term placements (credits and loans) in the foreign markets	0024				
046	7. Long-term financial investments (securities valued at depreciated cost)	0025				
047	8. Repurchased own shares and repurchased own stakes	0026				
048, 052, 054, 055	9. Other long-term financial investments and other long term financial receivables	0027	23b	518.748	518.005	
28 (part), except 288	V. LONG-TERM ACTIVE ACCURALS	0028	33	1.411.023	1.427.017	
288	C. DEFERRED TAX ASSETS	0029				

BALANCE SHEET (continued)
as of 31st March 2022

BALANCE SHEET
On 31st March 2022



- in thousand dinars -

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		2.434.911	2.358.876	
Class 1, except account group 14	I. STOCK (0032+0033+0034+0035+0036)	0031		2.246	1.717	
10	1. Material, spare parts, tools and small inventory	0032				
11 and 12	2. Unfinished production and finished products	0033				
13	3. Goods	0034				
150, 152 and 154	4. Advance payments for supplies and services in the country	0035	24	2.246	1.717	
151, 153 and 155	5. Advance payments for supplies and services abroad	0036				
14	II. FIXED ASSETS INTENDED FOR SALE AND CLOSURE OF BUSINESS	0037				
20	III. RECEIVABLES FOR SALE (0039+0040+0041+0042+0043)	0038		8.855	8.679	
204	1. Receivables from domestic buyers	0039	25	5.927	5.751	
205	2. Receivables from foreign buyers	0040	25	2.928	2.928	
200 and 202	3. Receivables from parent companies, subsidies and other affiliated companies in the country	0041				
201 and 203	4. Receivables from parent companies, subsidies and other affiliated companies from abroad	0042				
206	5. Other receivables from sales	0043				
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044		1.695.098	1.689.218	
21, 22 except 223 and 224, 27	1. Other receivables	0045	26	121.041	116.276	
223	2. Receivables for more income tax paid	0046	27	1.572.245	1.572.245	
224	3. Receivables for more contributions paid	0047	28	1.812	697	
23	V. SHORT-TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		45.702	46.384	
230	1. Short-term loans and credits - parent and affiliated companies	0049				
231	2. Short-term loans and credits – other affiliated companies	0050				
232, 234 (part)	3. Short-term loans and credits in the country	0051	29	12.510	13.192	
233, 234 (part)	4. Short-term loans and credits abroad	0052				
235	5. Securities valued at depreciated cost	0053				
236 (part)	6. Financial assets values at fair value in balance sheet	0054				
237	7. Repurchased own shares and repurchased own stakes	0055	31	33.192	33.192	
236 (part), except 288	8. Other short-term investments	0056	30			
24	VI. CASH EQUIVALENTS AND CASH	0057	32	531.856	612.130	
28 (part) except 288	VII SHORT-TERM ACTIVE ACCURALS	0058	33	151.154	748	
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029 +0030)	0059		32.213.416	32.273.698	
88	F. OFF-BALANCE SHEET ASSETS	0060	44	4.742.475	4.731.421	

BALANCE SHEET (continued)
as of 31st March 2022

BALANCE SHEET

On 31st March 2022



- in thousand dinars -

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	LIABILITIES					
	A. CAPITAL (0402 + 0403 + 0404+0405+0406-0407+0408+0411-0412)≥0	0401	34	28.579.135	28.617.467	
30 except 306	I. SHARE CAPITAL	0402	34a	21.015.677	21.015.677	
31	II. SUBSCRIBED AND UNPAID CAPITAL	0403				
306	III. ISSUE PREMIUM	0404	34b	306.856	306.856	
32	IV. RESERVES	0405	34c	5.370.897	5.370.897	
330 and credit balance of the account 331,332,333,334, 335, 336 and 337	VI. POSITIVE REVALUATION RESERVES AND UNREALIZED INCOME BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0406	34d	2.210.266	2.213.972	
debit balance of the account 331,332,333,334, 335, 336 and 337	VII. UNREALIZED LOSSES ON SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0407				
34	VIII. RETAINED EARNINGS (0418 + 0419)	0408	34e	4.438	79	
340	1. Retained earnings from previous years	0409	34e	4.438	79	
341	2. Retained earnings for the current year	0410				
	VIII. MINORITY STAKE	0411				
35	IX. LOSS (0422 + 0423)	0412	34e	328.999	290.014	
350	1. Loss from the previous years	0413		290.014		
351	2. Loss from the current year	0414	34e	38.985	290.014	
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0420+0428)	0415		2.669.103	2.666.109	
40	I. LONG-TERM PROVISIONS (0417+0418+0419)	0416	35	129.323	126.330	
404	1. Provisions for compensation and other employee benefits	0417	35	8.717	8.924	
400	2. Provisions for costs within the warranty period	0418				
40, except 400 and 404	2. Other long term provisions	0419	35	120.606	117.406	
41	II. LONG-TERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		30.819	30.819	
410	1. Liabilities that can be converted into equity	0421				
411 (part) and 412 (part)	2. Long-term credits and other long-term liabilities to parent companies, subsidiaries and other affiliated companies in the country	0422				
411 (part) and 412 (part)	3. Long-term credits and other long-term liabilities to parent companies, subsidiaries and other affiliated companies abroad	0423				
414 and 416 (part)	4. Long-term loans, credits and liabilities based on leasing in the country	0424	36	30.819	30.819	
415 and 416 (part)	5. Long-term loans, credits and liabilities based on leasing abroad	0425				
413	6. Liabilities for emission of securities	0426				
419	7. Other long-term liabilities	0427				
49 (part), except 498 and 495 (part)	III. LONG-TERM PASSIVE ACCURALS	0428	42	2.508.961	2.508.960	
498	C. DEFERRED TAX LIABILITIES	0429	43	769.263	769.917	
495 (PART)	D. LONG-TERM DEFERRED REVENUES AND RECEIVED DONATIONS	0430				

BALANCE SHEET (continued)
as of 31st March 2022

BALANCE SHEET

On 31st March 2022



- in thousand dinars -

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		195.915	220.205	
467	I. SHORT-TERM PROVISIONS	0432				
42, EXCEPT 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		17.201	24.606	
420 (part) and 421 (part)	1. Liabilities for loans from parent companies, subsidies and other affiliated companies in the country	0434				
420 (part) and 421 (part)	2. Liabilities for loans from parent companies, subsidies and other affiliated companies abroad	0435				
422 (part), 424 (part), 425 (part), and 429 (part)	3. Liabilities for credits and loans from entities other than domestic banks	0436	37	17.201	24.606	
422 (part), 424 (part), 425 (part), and 429 (part)	4. Liabilities for credits from domestic banks	0437				
423 (part), 424 (part), 425 (part), and 429 (part)	5. Credits, loans, liabilities from abroad	0438				
426	6. Liabilities for short-term securities	0439				
428	7. Liabilities for financial derivatives	0440				
430	III. RECEIVED ADVANCE PAYMENTS, DEPOSITS AND BAILS	0441	38	44.298	44.302	
43 except 430	IV. OPERATING LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	39	14.795	14.615	
431 and 433	1. Liabilities towards suppliers- parent companies, subsidies and other affiliated companies in the country	0443				
432 and 434	2. Liabilities towards suppliers- parent companies, subsidies and other affiliated companies abroad	0444				
435	3. Liabilities towards suppliers in the country	0445	39	14.414	14.178	
436	4. Liabilities towards suppliers abroad	0446	39	253	253	
439 (part)	5. Liabilities for bonds	0447				
439 (part)	6. Other liabilities for business activities	0448	39	128	184	
44, 45 and 46 except 467, 47 and 48	V. OTHER SHORT - TERM LIABILITIES (0450+0451+0452)	0449		22.945	15.980	
44,45 and 46 except 467	1. Other short-term liabilities	0450	40	21.989	15.368	
47, 48 except 481	2. Liabilities related to value added tax and other public revenues	0451	41	956	612	
481	3. Liabilities for income tax	0452				
427	VI. LIABILITIES FOR ASSETS INTENDED FOR SALE AND CLOSURE OF BUSINESS	0453				
49 (part) except 498	VII. SHORT-TERM DEFERRALS	0454	42	96.676	120.702	
	F. LOSS HIGHER THAN CAPITAL VALUE (0415+0429+0430-0431- 0059)≥0=(0407+0412-0402-0403-0404-0405-0406-0408-0411)≥0	0455				
	G. TOTAL LIABILITIES (0401+0415+0429+0430+0431-0455)≥0	0456		32.213.416	32.273.698	
89	H. OFF-BALANCE SHEET LIABILITIES	0457	44	4.742.475	4.731.421	

STATEMENT ON OTHER COMPREHENSIVE RESULT
For period 1st January to 31st January 2022



- in thousand dinars -

Group of accounts, account	ITEM	Automatic data processing	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET RESULTS FOROM BUSINESS ACTIVITIES				
	I. NET PROFIT (ADP 1055)	2001			
	II. NET LOSS (ADP 1056)	2002	34e	38.985	60.645
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to the profit and loss statement in future periods				
	1. Changes in revaluation of intangible assets, property, plant and equipment				
330	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004		3.706	
	2. Actuarial profits or losses on defined benefit plans				
331	a) profits	2005			
	b) losses	2006			
	3. Profits or losses based on share in other comprehensive profit or loss of affiliated companies				
333	a) profits	2007			
	b) losses	2008			
	b) Items that may subsequently be reclassified to the profit and loss statement in future periods				
	1. Profits or losses on investments in equity instruments				
332	a) profits	2009			
	b) losses	2010			
	2. Profits or losses based on the translation of financial statements of foreign operations				
334	a) profits	2011			
	b) losses	2012			
	3. Profits or losses from hedging instruments of net investments in foreign operations				
335	a) profits	2013			
	b) losses	2014			
	4. Profits or losses on cash flow hedging instruments				
336	a) profits	2015			
	b) losses	2016			
	5. Profits or losses on available-for-sale securities shown at fair value in total comprehensive income				
337	a) profits	2017			
	b) losses	2018			
	I. OTHER COMPREHENISVE GROSS PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			
	II. OTHER COMPREHENISVE GROSS LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		3.706	
	III. DEFERRED TAX EXPENSE ON OTHER COMPREHENISVE GROSS PROFIT OR LOSS	2021			
	IV. DEFERRED TAX REVENUE ON OTHER COMPREHENISVE GROSS PROFIT OR LOSS	2022			
	V. OTHER COMPREHENISVE NET PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023			
	VI. OTHER COMPREHENISVE NET LOSS (2020 - 2019 + 2021- 2022) ≥ 0	2024		3.706	
	C TOTAL COMPREHENSIVE RESULT OF THE PERIOD				
	I. TOTAL COMPREHENISVE NET PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0	2025			
	II. TOTAL COMPREHENISVE NET LOSS (2002 - 2001 + 2024 - 2023) ≥ 0	2026		42.691	60.645
	D. TOTAL COMPREHENISVE NET PROFIT OR LOSS (2028 + 2029) = ADP 2025 ≥ 0 or ADP 2026 > 0	2027			
	1. Attributable to majority stakeholder	2028			
	2. Attributable to minority stakeholder	2029			

STATEMENT ON THE CHANGES IN EQUITY
for the period 1st January to 31st March 2022

STATEMENT ON CHANGES IN EQUITY
For period 1st January to 31st March 2022



Position	Description	Basic equity (group 30 without 306 and 309)		Other basic equity (account 309)		Unpaid subscribed capital (group 31)		Issues premium and reserves (account 308 and group 32)		Reveloration reserves and retained profit and loss (group 33)		Retained profit (group 34)		Loss (group 35)		Stakeholder without control		Total (corresponding pos. ADP 0401) (qty. 2+3+4+5+6+7+8+9) ≥ 0	Loss higher than equity (corresponding pos. ADP 0455) (qty. 2+3+4+5+6+7+8+9) < 0		
		ADP		ADP		ADP		ADP		ADP		ADP		ADP		ADP		ADP			
	1		2		3		4		5		6		7		8		9		10		11
1	Initial balance on 1st January 2020	4000	21.015.677	4010		4019		4028	6.471.052	4037	2.214.039	4046	5.823	4055	799.122	4064		4073	28.907.469	4082	
2	Effects of retroactive adjustment of materially significant errors and changes in accounting policies	4002		4011		4020		4029		4038		4047		4056		4065		4074		4083	
3	Corrected initial balance on 1 st January 2020 (S.N. 1+2)	4008	21.015.677	4012		4021		4030	6.471.052	4039	2.214.039	4048	5.823	4057	799.122	4066		4075	28.907.469	4084	
4	Net changes in the year 2020	4004		4013		4022		4031	(793,299)	4040	(67)	4049	(5,744)	4058	(509,108)	4067		4076	(290,002)	4085	
5	Balance on the 31 st December 2020 (S.N. 3+4)	4005	21.015.677	4014		4023		4032	5.677.753	4041	2.213.972	4050	79	4059	290.014	4068		4077	28.617.467	4086	
6	Effects of retroactive adjustment of materially significant errors and changes in accounting policies	4006		4015		4024		4033		4042		4051		4060		4069		4078		4087	
7	Corrected initial balance on 1 st January 2021 (S.N. 5+6)	4007	21.015.677	4016		4025		4034	5.677.753	4043	2.213.972	4052	79	4061	290.014	4070		4079	28.617.467	4088	
8	Net changes in the year 2021	4008		4017		4026		4035		4044	(3,706)	4053	4.359	4062	38.985	4071		4080	(38,332)	4089	
9	Balance on the 31 st December 2021 (S.N. 7+8)	4009	21.015.677	4018		4027		4036	5.677.753	4045	2.210.266	4054	4.438	4063	328.999	4072		4081	28.579.135	4090	

CASH-FLOW STATEMENT
for the period 1st January to 31st March 2022

CASH FLOW STATEMENT
For period 1st January to 31st March 2022



- in thousand dinars -

ITEM	ADP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
	3001		
I. Cash inflow from operating activities (1 to 4)		14.505	17.290
1. Proceeds form sales and advances in the country	3002	11.485	14.690
2. Proceeds form sales and advances from abroad	3003		
3. Interest received from business activities	3004		
4. Other inflows from ordinary activities	3005	3.020	2.600
II. Cash outflows from operating activities (1 to 8)	3006	75.168	76.220
1. Payments to suppliers and given advances in the country	3007	20.706	22.193
2. Payments to suppliers and given advances abroad	3008		
3. Wages, salaries and other employee benefits	3009	32.367	31.415
4. Payment of interest in the country	3010		
5. Payment of interest abroad	3011		
6. Tax on profit	3012		
7. Outflows based on other public revenues	3013	22.095	22.612
8. Other outflows from business activities	3014		
III. Net cash inflow from operating activities (I-II)	3015		
IV. Net cash outflow from operating activities (II-I)	3016	60.663	58.930
B. CASH FLOW FROM INVESTING ACTIVITIES			
	3017		
I. Cash inflows from investing activities (1 to 5)		998	1.232
1. Proceeds from sale of shares and stakes	3018		
2. Proceeds from sale of intangible assets, property, plants, equipment and biological assets	3019		
3. Other financial investments	3020		
4. Proceeds from interest received from investing activities	3021	998	1.232
5. Proceeds from dividends	3022		
II. Cash outflows from investing activities (1 to 3)	3023	25.224	24.048
1. Purchase of shares and stakes	3024		
2. Purchase of intangible assets, property, plants, equipment and biological assets	3025	25.224	24.048
3. Other financial investments	3026		
III. Net cash inflow from investing activities (I-II)	3027		
IV. Net cash outflow from investing activities (II-I)	3028	24.226	22.816
C. CASH FLOWS FROM FINANCING ACTIVITIES			
	3029		
I. Cash inflows from financing activities (1 to 7)			
1. Increase in share capital	3030		
2. Long-term loans in the country	3031		
3. Long-term loans abroad	3032		
4. Short-term loans in the country	3033		
5. Short-term loans abroad	3034		
6. Other long-term liabilities	3035		
7. Other short-term liabilities	3036		

CASH-FLOW STATEMENT (continued)
for the period 1st January to 31st March 2022

CASH FLOW STATEMENT
For period 1st January to 31st March 2022



- in thousand dinars -

ITEM	ADP	Amount	
		Current year	Previous year
1	2	3	4
II. Cash outflows from financing activities (1 to 8)	3037	-	2
1. Repurchase of own shares and capital stakes	3038		
2. Long-term loans in the country	3039		
3. Long-term loans abroad	3040		
4. Short-term loans in the country	3041		
5. Short-term loans abroad	3042		
6. Other liabilities	3043		
7. Financial leasing	3044		
8. Dividends paid	3045		2
III. Net cash inflow from financing activities (I-II)	3046		
IV. Net cash outflow from financing activities (II-I)	3047	-	2
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	15.503	18.522
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	100.392	100.270
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050		
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	84.889	81.748
H. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	3052	612.130	725.318
I. POSITIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3053	4.623	13.079
J. NEGATIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3054	8	36
K. CASH AT THE END OF THE ACCOUNTING PERIOD (3050 - 3051 + 3052 + 3053 - 3054)	3055	531.856	656.613

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS

31st March 2022

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**1. ESTABLISHMENT AND BUSINESS OPERATIONS OF THE COMPANY****1.1. Basic information about the company**

The joint stock company Airport Nikola Tesla Belgrade (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 Airport Nikola Tesla Belgrade. 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 JSC Airport Nikola Tesla Belgrade and performing the activities of the Airport operator at Airport Nikola Tesla Belgrade was signed between the Government as the representative of the Republic of Serbia, JSC Airport Nikola Tesla Belgrade, "Vinci Airports Serbia" doo Belgrade (hereinafter: SPC) 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 EUR 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 March 2022

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 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 property (68.20), with the primary task of being the owner of all movable and fixed assets 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 59, Surčin</i>
<i>Registration number</i>	<i>07036540</i>
<i>Tax Identification Number</i>	<i>100000539</i>
<i>Code of activity until 21st December 2018</i>	<i>52.23 – Service activities in air traffic</i>
<i>Code of activity as of 22nd December 201</i>	<i>68.20 - Rental and management of owned or leased property</i>

In July 2019, VINCI Airports Serbia doo Belgrade changed its business name to Belgrade Airport doo Belgrade (hereinafter SPC) 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 35,026 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.

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 28th January 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 7th February 2011.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

As of 31st March 2022, 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 29,616,717 ordinary shares, which represents 84.56% of the total share capital of the Company, and other shareholders own 5,409,412 ordinary shares, which represents 15.44% of the total share capital of the Company. Structure of share ownership is given in Notes 34a.

1.4 Number of employees and engaged persons

At the balance sheet date of 31st March 2022, the Company had 36 employees, 35 of which permanent employees of the Company and 1 employee engaged in temporary and occasional jobs (on 31st December 2020, the Company had 36 employees, 35 of which were full-time employees and 1 employee hired for temporary and occasional jobs of the Company).

In the first quarter of 2022, 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 2021, 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 and 1 average hired worker for temporary and occasional jobs).

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

The financial statements of the company are prepared in accordance with the Law on Accounting ("Official Gazette of the Republic of Serbia ", No. 73/19, and 44/21- hereinafter: Law)

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, approved by the Board for International Accounting Standards, the translation of which has been established and published by the Ministry of Finance.

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 and content and form of the Statistical report of the company, cooperatives and entrepreneurs ("Official Gazette of the Republic of Serbia ", no. 89/20). Among other things, this rulebook prescribes the form and content of positions in the forms of the Balance Sheet, Profit and loss Statement, Statement of Other Results, Cash Flow Statement, 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.

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 ("Official Gazette of the Republic of Serbia ", no. 89/20- applicable starting from the financial statements prepared as of 31st December 2021) ("Official Gazette of the Republic of Serbia", no. 95/14- valid for preparation of financial statements as of 31st December 2021).

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-other law,

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14-other law, 142/14, 91/15-authentic interpretation, 112/15, 113/17, 95/18, 86/19, 153/20 and 118/21)

- Law on Value Added Tax ("Official Gazette of the Republic of Serbia " No. 84/04,86/ 04-correction, 61/05, 61/07, 93/12, 108/13, 68/14-other law, 142/14, 83/15, 108/16, 113/17, 30/18, 72/19 , 8/20 and 153/20)
- 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, 94/19, 159/20 and 97/21),
- 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-other law, 8/19 , 94/19, 159/20, and 97/21),
- 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 , 9/20, and 153/20) 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.

We note that in some cases, when preparing the financial statements of the Company, they are not in all relevant provisions of IFRS and Interpretation are not fully complied with.

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

- Financial statements are in the Republic of Serbia for the reporting period, in accordance with the Law on accounting ("Official Gazette of the Republic of Serbia" No. 73/19 and 44/21) in the format prescribed by the Rulebook on content and form of financial report forms for companies, cooperatives and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 95/2014 and 144/2014 - valid for preparation of financial report as of 31st December 2021), which deviates from the presentation and title of individual financial statements in general purposes, as well as the manner of presenting certain balance sheet items as provided by the Revised IAS 1 - Presentation of financial statements and
- Off-balance sheet assets and off-balance sheet liabilities are presented in the balance sheet form. These items as defined in IFRS represent neither assets nor liabilities.

In addition to the above, deviations also occur as a consequence of the time difference between the publications of Standards and Interpretations, which are subject to continuous change, and the moment when those Standards and Interpretations become valid in the Republic of Serbia. Thus, for example, deviations from the Standard occur as due to the fact that the published Standards and Interpretations, which have entered into force, are not yet in the Republic Serbia officially translated and adopted; as a consequence of the published Standards and Interpretations yet did not take effect; or as a consequence of other reasons over which the Company has no possibility of influence, which has no significant impact on the financial position of the Company, as well as on the results of its operations.

Published standards and interpretations not yet effective

On the date of issue of these financial statements the following standards, their amendments and interpretations were published but not yet effective:

- IFRS 17 - Insurance Contracts - effective 1st January, 2023,
- Amendments to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as long-term and short-term - date of application 1st January, 2023,
- Amendments to IAS 1 - Presentation of Financial Statements - Disclosures of accounting policies - date of application 1st January, 2023,
- Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates - date of application 1st January 2023,
- Amendments to IAS 12 - Income Taxes - Deferred Taxes on Assets and Liabilities arising from one

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

transaction - date of application 1st January 2023,

- Amendments to IAS 16 - Property, Plant and Equipment - Pre-Intended Procedures of use - date of application 1st January 2022,
- Amendment to IFRS 3 - Business Combinations - Conceptual Framework Reference - effective date 1st January 2022,
- Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets - Expenses for Fulfillment of the contract - date of application 1st January 2022,
- Annual improvements of Standards from 2018 to 2020- effective date 1st January 2022.

2.2. Accounting principles

The following principles have been taken into account in preparing the Company's financial statements:

- The principle of continuity,
- The principle of consistency,
- The precautionary principle,
- The principle of essence above form,
- The principle of causality of income and expenditure,
- The principle of individual assessment.

Respecting **the principle of continuity**, financial statements are prepared on the assumption that the Company operates continuously, ie. in the indefinite long term (Going concern).

The principle of consistency implies that the manner of assessing the state and changes in assets, liabilities, capital, income, expenses and operating result, ie. to be a way of estimating balance sheets the position of the Company does not change over a long period of time. If, for example, due to compliance with legal regulations it happens, the reason for the change is explained, and the effect of the change is expressed accordingly requirements from professional regulations related to the method of assessment.

The precautionary principle implies the inclusion of a certain level of caution when compiling financial statements reports of the Company, which should result in assets and income not being overestimated, and to liabilities and costs are not underestimated. Recognition and valuation are performed with the application of the precautionary principle, especially:

- Only profit realized up to the balance sheet date can be recognized;
- The Balance Sheet shows liabilities incurred during the current or previous business years, even if such liabilities become apparent only between the Balance Sheet date and the approval date for disclosure of financial statements;
- All impairments are taken into account, regardless of whether the result of the business year is a gain or loss;

The principle of essence above the form implies that when recording the Company's transactions, and thus, and when compiling financial statements, accounting should be performed in accordance with the essence of transactions and their economic reality.

Respecting **the principles of causality of income and expenses**, recognizing the effects of transactions and others events in the Company are not related to the moment when cash or cash equivalent, occur.

The principle of individual assessment implies that eventual group assessments are different balance sheet positions of the Company (eg assets or liabilities), for the purpose of rationalization, arise from their individual assessment.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES**

The basic accounting policies applied in the preparation of these financial statements are set out are below. These policies have been consistently applied to all years presented, unless otherwise indicated.

Significant accounting policies applied to the Company's financial statements that are the subject of these Notes, which are set out below, are primarily based on the Accounting Regulations and accounting policies. If certain accounting aspects are not clearly specified According to the Rulebook, the applied accounting policies are based on the valid legal regulations.

3.1. Assessment

Preparation and presentation of financial statements, in accordance with the requirements of applicable law regulations in the Republic of Serbia, requires the management of the Company to use the best possible assessment and reasonable assumptions. Although, understandably, actual future results may vary, estimates and assumptions are based on information available at the balance sheet date.

The most significant estimates relate to the determination of impairment of financial and non - financial assets and defining the assumptions necessary for the actuarial calculation of long - term employee benefits by basis of severance pay and jubilee awards.

In the context of evaluation, the Company's business policy is, if fair value differs significantly from bookkeeping, to disclose information about the fair value of assets and liabilities. In the Republic Serbia often has a problem with a reliable assessment of the fair value of assets and liabilities due to insufficient developed financial market, lack of stability and liquidity in buying and selling, on for example, financial assets and liabilities, and because market information is not always available. I in addition to the above, this issue is not neglected in the Company, but the management is continuous assessments, taking into account risks, and when it is estimated that recoverable (fair or use) value assets in the Company's business books are overvalued, a value adjustment is made.

3.2. Effects of foreign exchange rates and foreign currency conversion

Transactions in foreign currency, upon initial recognition, are recorded in dinars, by applying the official middle exchange rate valid on the day of the transaction, unless otherwise agreed currency clauses, the translation of transactions is performed at the rate specified in the contract.

At each balance sheet date of the monetary item (foreign currency assets, receivables and liabilities) they are translated using the official middle exchange rate at the balance sheet date.

Foreign exchange differences arising on transactions in foreign currencies are recognized as income or expense the period in which they arose.

Official middle exchange rates of the National Bank of Serbia on the balance sheet date, for foreign currencies that are used to convert monetary items of foreign currencies into dinars, are shown in the following table.

Middle exchange rate	In RSD	
	31/03/2022	31/12/2021
EUR	117.7508	117.5821
USD	105.5020	103.9262
CHF	114.0444	113.6388
GBP	138.3676	140.2626

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

Non-monetary items in the balance sheet are not translated at the balance sheet date but are measured at historical value at the exchange rate at the date of the transaction, except for non-monetary items that are measured at fair value in which case they are translated at the exchange rate on the date of determining fair value.

3.3. Revenues and expenses

Revenue recognition is recognized in the income statement when there is an increase in future economic benefits associated with an increase in an asset or a decrease in a liability that can be measured reliably.

Revenues include: operating income, financial income, other income including income from adjusting the value of assets and income from corrections of errors from previous years that are not material.

The most important part of the income comes from the Concession Agreement, which is explained in point 3.9. of these Notes.

Expenses are recognized when there is a decrease in future economic benefits associated with a decrease in assets or an increase in liabilities that can be measured reliably.

Expenses include: operating expenses, financial expenses, other expenses including expenses from adjusting the value of assets and expenses based on corrections of errors from previous years that are not material.

3.4. Borrowing expenses

Borrowing costs are interest and other costs incurred by the Company in connection with borrowing funds. Pursuant to the relevant provisions of IAS 23- Borrowing Costs, interest and other borrowing costs are recognized as an expense in the period in which they are incurred, unless they are directly attributable to the acquisition, construction or production of a qualifying asset and are included in cost. and until the period when essentially all the activities necessary to prepare the asset for its intended use or sale have been completed. Qualifying assets are assets that require a significant period of time to be ready for their intended use.

3.5. Profit tax

Income tax is accounted for as the sum of:

- current tax
- deferred tax.

Current tax is the amount of liability payable (recoverable) on income tax that relates to taxable profit (tax loss) for the period. In other words, 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, with decrease in prescribed tax credits.

Deferred tax that is recognized in the accounts in accordance with the relevant provisions of IAS 12 Income Taxes may be recognized as deferred tax assets or liabilities as a result of the time difference in the recognition of income and expenses under accounting and tax regulations.

Deferred tax assets are the amounts of income taxes that will be recoverable in future periods on the basis of:

- deductible temporary differences that arise in cases when the Company's balance sheets, on certain bases, already showed expenses, which will be recognized from the tax aspect in the following periods.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

Deductible temporary differences may arise in the following cases: the tax value of assets subject to depreciation is higher than the book value, from the tax aspect no provisions are recognized that are recognized at the time of use, from the tax aspect expenses are not recognized when paid, etc.;

- unused tax losses carried forward is determined by applying the prescribed income tax rate to the amount of tax loss and is recognized only if management estimates that in future periods the Company will have taxable profit that can be reduced based on unused tax losses;
- unused tax credits carried forward which are recognized only to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilized.

Deferred tax assets are reviewed at each balance sheet date and are recognized only if the Company has determined that it is probable that future taxable profits will be available against which the deferred tax assets can be utilized.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Taxable temporary difference arises in cases when the book value of assets subject to depreciation is higher than their tax base. The amount of deferred tax liability is determined by applying the prescribed income tax rate to the amount of taxable temporary difference.

Deferred tax arising on temporary differences arising on the revaluation of assets at fair value (which is recognized in accounting but not in tax terms) is charged or credited to revaluation reserves.

On each balance sheet date deferred tax liabilities are amounted to temporary differences determined on that date.

At each balance sheet date, deferred tax liabilities are reduced to the amount determined on the basis of the temporary difference determined on that date. If at the end of the previous year the temporary difference was taxable, on the basis of which deferred tax liabilities were recognized, and at the end of the current year, on the basis of the same funds, the temporary difference is deductible, the previously formed deferred tax liabilities deferred tax assets in the amount determined on the balance sheet date.

3.6. Intangible assets

Intangible assets are non-monetary assets without identifiable physical substance, and an asset is a resource that the Company controls as a result of past events, from which future economic benefits are expected to flow to the Company. Intangible assets are software, licenses, patents and similar.

If an item does not meet all the requirements in the above definition, the costs of its acquisition or internal generation are recognized as an expense when incurred.

Recognition of an item as an intangible asset requires the Company to demonstrate that the item meets:

- definition of intangible assets and
- recognition criteria which imply that it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost (cost price), which is its purchase price including import duties that are not refundable after deduction of discounts and rebates, and any directly attributable costs of preparing the asset for its intended use.

After initial recognition, intangible assets are carried at cost less accumulated depreciation (impairment) and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**3.7. Property, plant and equipment**

Property, plant and equipment are material items held for use in production or delivery of goods or services, to leasing it to the others or for administrative purposes and for which it is expected that will be used for longer than accounting period.

Property, plant and equipment are recognized as fixed assets if the following conditions are met:

- future economic benefits from the asset are expected, and
- purchase value, ie the cost price of the asset can be reliably determined.

The initial valuation of items of property, plant and equipment is performed according to their purchase if they were acquired from other entities, or at the cost price, if they are produced in-house. Cost includes invoice value, including import duties that are not refundable, after deduction of discounts and rebates, and dependent costs that are directly attributable to bringing the asset to its location and condition in working order.

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 property 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 accounted amount. Revaluation profit is recognized in other profits 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 profits are recognized in the profit and loss statement, and the rest of the profits are recognized in other profits and losses. Revaluation losses are recognized after impairment or impairment testing, and are recognized in other profits 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.

Profits or losses arising on disposal or disposal are recognized as income or expense in the profit and loss statement.

3.7. Depreciation

Depreciation is the amount of assets (intangible assets, property, plant and equipment) that are depreciated over time over the useful life of the assets. Depreciation is conditioned by: useful life, depreciation method, and depreciation amount and depreciation period.

The useful life of an asset is determined by the Company using the time method, so that the useful life of the asset can be understood as the time period during which the asset is expected to be available to the Company for use and utilization. The useful lives of assets are reviewed at the end of each financial year.

The amount to be depreciated is the revalued amount of property, plant and equipment, ie. the cost of the Intangible Asset, decreased by any residual value that is systematically allocated over the useful life of the asset.

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

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

- when there is an obligation of the third party to purchase the intangible asset at the end of its useful life or

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

- when there is an active market for intangible assets, assuming that such a market will exist at the end of the Residual value is checked at the end of each financial year by competent appraisers and its change from previous estimates is included in accordance with the relevant provisions of IAS 8.

The residual value as a result of the assessment may be increased for an individual asset to an amount equal to or greater than the carrying amount of that asset. In that case, the depreciation expense will be zero over the remaining useful life of the asset, unless, as a result of subsequent estimates, the residual value is reduced to an amount lower than the accounted amount.

Depreciation of assets is performed using the straight-line method (proportional method), and the calculation of depreciation begins from the day when the asset becomes available for use, ie. use, ie. when it is located and in a condition necessary for its functioning, in the manner envisaged by the management.

Depreciation of intangible assets is conditioned by the assessment of whether the useful life is unlimited or limited. Intangible assets are not subject to depreciation if the useful life is estimated to be indefinite, ie if the analysis of all relevant factors does not predict the end of the period when intangible assets are expected to generate net cash inflows into the Company.

Depreciation is not calculated for assets that do not lose value over time (for example, works of art) or assets that have an indefinite useful life (for example, land).

Depreciation ceases when an asset is derecognized (derecognized as an asset) and reclassified as a fixed asset held for sale or discontinued as fixed asset intended for sale or as a part of discontinued activity. Therefore, depreciation is calculated when the asset is not used, ie. when it is not actively used, if the asset is not reclassified as a fixed asset held for sale or within the business that is suspended.

For the purposes of compiling the tax balance, ie. for tax purposes, the calculation of depreciation of funds is performed in accordance with applicable legal regulations.

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 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 as profit, 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 2021, based on the assessment of the Company's management, there are no indications that the value of assets has been impaired.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**3.9. Leasing**

Leasing is a business relationship between two persons in which one person, for a fee, assigns to another person the right to use a certain asset to perform its activities in the contracted period.

Company as a lessee

The unique model of accounting treatment for lessees is the recognition of assets and liabilities for all lease agreements that contain the duration of the lease for a period longer than one year. The above does not apply to leasing contracts if the leased asset is classified as a low-value asset.

The initial measurement of leasing liabilities is performed by the lessee on the first day of the lease in the amount of the present value of all future lease payments discounted at the interest rate contained in the lease (in the case of financial leasing). If the interest rate cannot be easily determined, the Company uses the incremental borrowing interest rate.

Lease payments include fixed payments (including variable payments that are inherently fixed), less any lease incentives received.

After initial recognition, lease liabilities are measured with an increase in their value based on interest and a decrease for lease payments.

Re-measurement of lease liabilities and adjusts value in use accordingly in the following cases:

- changes in the duration of the lease or significant event, as well as changes in the estimate of the certainty of using the option to purchase the leased asset, in which case the lease liability is re-measured by discounting the revised lease payments using the revised interest rate;
- changes in minimum future lease payments caused by changes in the index or utilization rate for variable lease payments or changes in the expected amount of guaranteed residual value, in which case the lease liability is re-measured by discounting the revised payments at the same interest rate;
- amendments to the lease agreement that are not accounted for as a separate new lease agreement, in which case the lease liability is re-measured based on the lease term under the modified agreement by discounting the revised lease payments using the revised interest rate on the date of entry into the modified agreement.

Assets (assets) with the right of use are depreciated over the period of the lease or the useful life of the leased asset, depending on which is shorter. Depreciation calculation begins on the start date of the lease.

The Company applies IAS 36 to determine whether there has been an impairment of the right to use and records any impairment loss.

The Company recognized the first application of IFRS 16 on 1st January 2021, by applying a modified retrospective approach in which it recognizes assets with the right of use in the amount equal to the lease obligation.

Company as a lessor

A lease is classified as financial if all the risks and rewards incidental to ownership of the leased asset have been transferred from the lessor to the lessee, and if this is not the case, the lease is classified as an operating lease.

The Company recognizes revenue from operating leases on a straight-line basis (or other basis if it better reflects the entity's revenue from the use of the leased asset) during the lease term. Initial direct costs incurred by the Company as a lessor are added to the carrying amount of the leased asset and recognized as an expense over the term of the lease on the same basis as the lease income.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

Concession agreement

Having in mind the non-existence of guidelines, ie. 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 uses its own assessment to determine and apply adequate accounting policy (IAS 8.10).

In its judgment, the Company considers the applicability of IFRS requirements dealing with similar and related matters, the definition in the Framework, as well as the statements of bodies dealing with the adoption of the Standard.

By analyzing the applicability of IFRS 16 Leasing Contracts, the Company considers IFRS 16 as the most appropriate standard for accounting coverage of the Concession Agreement.

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 (SOE) established by the Selected Best Bidder solely for the implementation of the Concession Agreement as a concessionaire) earns the entire income from the use of airport infrastructure during the period of use or during the concession period;
- **The lessee determines the use of the identified asset** - Since the decisions "How and for what purpose" on the use of the asset are predetermined by the Concession Agreement in terms of infrastructure use and other, SPC has the right to determine the use of assets in operational terms. Obligation of public works and maintenance of airport infrastructure SPC has the obligation to provide public services to airport operators. Namely, SPC makes operational decisions on the use of funds related to the operation of the airport (approval of landings and takeoffs, 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 assets that SPC will use until the end of the concession period;
- Closely related assets that SPC will not use until the end of the concession period;
- Other assets that SPC will use until the end of the concession period;
- Other assets that SPC will not use until the end of the concession period;

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

The following is an overview of the accounting for asset (property) categories

Category of property (asset)	Accounting treatment
Airport infrastructure	Operative leasing Recognizing assets in accordance with IFRS 16
Closely related assets that SPC will not use until the end of the concession period Other assets that SPC will not use until the end of the concession period	Operative leasing Recognizing assets in accordance with IFRS 16
Closely related assets that SPC will use until the end of the concession period	Operative leasing Recognizing assets in accordance with IFRS 16
Other assets that SPC will not use until the end of the concession period	Operative leasing Recognizing assets in accordance with IFRS 16

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

Other assets that SPC will use until the end of the concession period	Termination of assets recognition Treatment as transfer of the right of use on the 1 st day of the beginning of the Concession Agreement (uninvoiced request)
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Accounting treatment in accordance with IFRS 16 - Leasing Contracts of the above categories of assets (assets) was conducted 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. It applies another systematic basis when that basis is more appropriate for presenting a pattern that reduces the benefits of using the asset. Pursuant to the above, the Company recognizes as revenue the following:

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it is incurred, ie. Variable Fees in the amount of 5% of gross income of SPC, which depends on the amount of income of SPC in the period in which it is incurred. observed period.
- Revenue from non-monetary compensation Mandatory works, works on construction and reconstruction, maintenance and arrangement of infrastructure of JSC Airport Nikola Tesla (CAPEX) which represent investment maintenance and Additional land acquired by SPC in accordance with the Concession Agreement for the implementation of its technical solution from the Mandatory Offer and transferred to the Company free of charge) are treated as variable fees and are recognized in the profit and loss statement in equal amounts (straight-line) during the remaining Concession Period starting from the moment when SPC is obliged to build a new asset or perform investment maintenance work on airport infrastructure, and on the basis of the acceptance of the constructed and/or upgraded facility as well as the performed works in the name of investment maintenance.

In addition to the above payments, there is also a part of the fee for the transfer of the right to use other assets (movable Concession assets) that SPC will use until the end of their useful life in terms of reducing revenues during the Concession period.

3.10. Benefits for employees

The Company has engaged a Certified Actuary to assess the provision for retirement severance pay and jubilee awards as of 31st December 2021, 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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 35a.

3.11. Financial instruments

The Company recognizes a financial asset or financial liability in its statement of financial position only when the Company becomes a party to the contractual provisions of the instrument.

Funding

Pursuant to IFRS 9 - Financial Instruments, a financial asset is recognized when the Company becomes a party to the contractual provisions (rights) of the financial instrument. The purchase or sale of a financial asset is recorded using accounting at the settlement date (the date the asset is delivered to the entity or the date the entity delivers the asset).

The Company ceases to recognize a financial asset:

- when contractual rights to cash flows from a financial asset cease to be valid; or
- transfers the financial asset and that transfer is, due to the transferred, to a significant extent, the risk and benefits of the financial asset, qualifying as derecognition.

Financial assets are initially measured at their fair value, increased or decreased, in the case of a financial asset that is not measured at fair value through profit or loss, for transaction costs that are directly attributable to the acquisition or issue of the financial instrument. In relation to the above, the difference is that the initial recognition of sales receivables is measured at the transaction price (except in the case when the sale contains a significant component of financing).

In the subsequent measurement of financial assets, the relevant group is the group in which the Company has classified the financial asset, which is conditioned by:

- business model of the Financial Management Company and
- characteristics of contractual cash flows of the financial asset ("SPPI" test - Solely Payments of Principal and Interest).

From the aspect of ex post valuation, a financial asset can be classified into the following three groups:

- financial asset measured at depreciated cost,
- financial asset measured at fair value through other comprehensive income and
- a financial asset measured at fair value through profit or loss

An asset classified in the amortized cost category should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows;
- SPPI test: whether the agreed conditions give the right to cash flows that represent only the payment of principal and interest.

An asset classified at fair value through total other assets (FVTOCI) should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows and sales;
- SPPI test: whether the agreed conditions give the right to cash flows that represent only the payment of principal and interest.

Financial assets measured at fair value through profit or loss include assets that are not classified in the previous two groups. Valuation effects and realized gains and losses are recognized in the income statement in the period in which they arise.

All derivatives covered by IFRS 9 are measured at fair value. All changes are recognized in the income statement.

A financial asset is impaired when one or more events occur that have an adverse effect on the estimated future cash flows of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

With respect to assets measured at amortized cost (loans and receivables) and at fair value through other comprehensive income, the Company should recognize an impairment loss, ie. to recognize a provision for expected credit losses.

The Company should, at each reporting date, assess whether the credit risk of a particular financial asset has increased significantly since the inception, which includes measuring the expected loss on the financial asset in a manner that reflects:

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

Financial liabilities

A financial liability is any liability that is:

- in contract law:
 - delivery of cash or other financial means to another company; or
 -
 - exchange of financial assets or financial liabilities with another company under conditions that are potentially unfavorable for the Company; or
- a contract that will be or can be settled with the Company's equity instruments and which is:
 - non-derivative, for which the Company is or may be obliged to submit a variable number of equity instruments of the Company; or
 - derivatives, which will be or can be settled differently than by exchanging a fixed amount of cash or other financial assets for a fixed number of equity instruments of the Company.

Pursuant to IFRS 9 - Financial Instruments, a financial liability is recognized when the Company becomes a party to the contractual provisions of the financial instrument.

The Company derecognises a financial liability (or part of a financial liability) when it is extinguished, ie. when the contractual obligation is discharged, canceled or expires.

An exchange between an existing borrower and a lender of debt instruments with significantly different terms should be accounted for as a settlement of the original financial obligation and the recognition of a new one. Similarly, a significant change in the terms of an existing (or part of) a financial liability should be accounted for as the termination of the original financial liability and the recognition of a new one.

The difference between the carrying amount of a financial liability (or part of a liability) that has been extinguished or transferred to another party and the consideration paid, including any transferred non-cash assets or liabilities should be recognized in the income statement.

A financial liability is initially measured at its fair value, increased or decreased, in the case of a financial liability not measured at fair value through profit or loss, for transaction costs directly attributable to the acquisition or issue of a financial instrument.

From the aspect of subsequent valuation, with minor exceptions (derivatives, financial guarantees, etc.), financial liabilities are measured at depreciated cost, using the effective interest rate method. Using this method, the Company identifies fees that are an integral part of the effective interest rate of the financial liability (all of the above also applies to the financial asset). Fees that are an integral part of the effective interest rate include start-up fees (servicing costs, loan processing costs, pledge registration, attorney's fees, etc.), commissions, etc.

The Company may, on initial recognition (there is no reclassification of a financial liability over time) classify a financial liability as measured at fair value through profit or loss: if it prevents an accounting mismatch due to the measurement of assets, liabilities, income and/or expenses on various bases; and if the group of financial assets and liabilities is managed and their performance is measured at fair value, in accordance with a documented risk

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

management or investment strategy.

Impairment of financial assets

The Company recognizes a provision for losses (impairment) for expected credit losses for all financial assets measured at amortized cost or fair value through other results (except equity participation), as well as on contracted assets.

Credit loss is the difference between all contracted cash flows of the Company that exceed the maturity in accordance with the contract and all cash flows that the Company expects to receive, discounted at the original effective interest rate. The discount factor depends on the effective interest rate on initial recognition and the maturity of the instrument. If the instrument is expected to be repaid within 12 months, the discount factor is 1.

Expected credit losses represent weighted average credit losses with default risks used as weights to reflect an impartial and probability weighted amount determined by evaluating a range of possible outcomes.

The Company applies a simplified approach for the purpose of calculating expected credit losses at the level of individual receivables, taking into account collateral, received advances and deposits, as well as subscriptions.

The Company considers event of unfulfilled liability occurred if the receivables are not collected within 90 days after maturity.

On the balance sheet date the company performs adjustment of value based on expected credit losses, ie. Performs adjustment of all receivables value with maturity over 90 days (event of default), where there is a risk of default.

3.12. Provisions, potential assets and contingent liabilities

A provision, in accordance with IAS 37, provisions, contingent liabilities and contingent assets, is a liability of uncertain maturity or amount that exists at the balance sheet date.

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

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

The essence of the provision is to be formed only for liabilities arising from past events, which exist independently of the future actions of the Company. Hence, provisions are not recognized for future operating losses.

For the purpose of recognizing a provision, it is considered probable that the required settlement of the Company's liabilities will cause an outflow of resources embodying economic benefits; when it is more probable than not that the outflow will be required, ie. the settlement of Company's liabilities will cause an outflow of resources will be required more than likely not to.

Provisions can be formed on various bases, namely: for costs within the warranty period, for the costs of restoring natural resources, for retained collateral and deposits, for restructuring costs, for compensation and other benefits of employees, for litigation costs and other bases.

When measuring a provision, the amount recognized as a provision is the best estimate of the Company's expenses required to settle the present obligation at the balance sheet date. In other words, it is the amount that the Company would pay at the balance sheet date to settle the obligation or to transfer that obligation to a third party.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

Provisions for costs and risks are monitored by type, reviewed at each balance sheet date and adjusted to reflect the best current estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed. Cancellation of the provision is made in favor of revenue.

When the effect of the time value of money is significant, the amount of the provision represents the present value of the Company's expenses that are expected to be required to settle the obligation. When calculating present value, discount rates are used, ie. pre-tax rates, which reflect current market estimates of the time value of money and liability-specific risks.

The contingent liability is:

- a possible liability arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully under the control of the Company or
- a present obligation that arises from past events but is not recognized because it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

The contingent liability is not recognized in the financial statements of the Company, but, in case the outflow of economic benefits is possible, and the possibility of outflow of resources is not very small, it is disclosed.

The contingent liability is reassessed (at least at the balance sheet date). When an outflow of resources embodying economic benefits is probable, the provision and expense are recognized in the Company's financial statements in the period in which the change in probability occurs (except in rare circumstances where a reliable estimate cannot be made).

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully under the control of the Company.

Potential assets are not recognized in the Company's financial statements, but are disclosed if an inflow of economic benefits is probable.

Contingent assets are re-evaluated on an ongoing basis (at least at the balance sheet date) to ensure that the financial statements adequately reflect the development of the event in question. If it becomes certain that an inflow of economic benefits from potential assets will arise, the assets and income associated with it are recognized in the Company's financial statements in the period in which the change occurs

3.12. Fair value

Fair value in accordance with IFRS 13 - Fair Value Measurement is the price that would be received to sell an asset, or paid to transfer a liability in a regular transaction between market participants at the measurement date; assuming that the participants are acting in their best economic interest.

Fair value is a market-based measurement, not a company-specific measurement.

Fair value measurement is performed for a specific asset or liability, taking into account the characteristics of the asset or liability that market participants would take into account when determining the price. These are, for example, the following characteristics:

- condition and location of property and
- restrictions, if any, on the sale and use of property.

The measurement of fair value is done under the assumption that the transaction of sale of assets or transfer of liabilities takes place either:

- in the primary market for an asset or liability or
- in the absence of a primary market, in the most favorable market for an asset or liability.

If there is a primary market, fair value will represent the price in that market (whether the price is directly

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

observable or estimated using another valuation technique), even if the price in another market is potentially more favorable at the measurement date.

Basically, all fair value assessment techniques can be divided into three groups:

- market access - using prices and other relevant information generated in transactions with identical or comparable assets or liabilities;
- cost approach (replacement cost) - the price that would be charged for the property is based on the cost of the market participant (buyer) for the acquisition or construction of replacement property of comparable benefit, adjusted for obsolescence;
- income approach - fair value, as the equivalent of the present value of future net cash flows expected from the use of the asset, reflects current market expectations about those future amounts.

Fair value estimation uses valuation techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, making maximum use of relevant observable inputs and using undetectable inputs as little as possible.

Input, which may be observable or inconspicuous, is the assumption used by market participants to determine the price of an asset or liability, including risk assumptions, such as the risk inherent in a given valuation technique used in measuring fair value (such as the pricing model).); and the risk inherent in the inputs to the assessment technique.

The fair value hierarchy is classified into three levels, according to the inputs for the valuation technique used in determining fair value. In this context:

- the highest priority is given to fair value determined on the basis of level 1 inputs,
- medium priority to fair values determined on the basis of level 2 inputs, and
- the lowest priority of fair values determined on the basis of level 3 inputs.

Level 1 inputs are quoted prices (unadjusted) in an active market for identical assets and liabilities that the Company has access to at the measurement date, with emphasis on determining both of the following elements:

- the primary market for the asset or liability or, in the absence of the primary market, the most favorable market for the asset or liability; and
- whether the Company can realize a transaction related to an asset or liability at market price on the measurement date.

Level 2 inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, and the like. Depending on the characteristics (condition and location of assets, volume and level of activity in the markets where inputs are observed, etc.) assets and "benchmark" assets, inputs are adjusted when measuring fair value.

Level 3 inputs are inconspicuous inputs (for example, projected income statement or cash flow of a cash-generating unit) for assets and liabilities used in estimating fair value when there is little or no market activity related to assets and liabilities at the time of measurement.

In the absence of any reliable inputs, when approximating the fair value (when estimating the fair value of illiquid securities, etc.), the purchase value can be taken.

3.13. 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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**Determining the leasing period and incremental interest rate**

The duration of the lease is the irrevocable period during which the lessee has the right to use the property, together with:

- periods covered by any eventual lease extension option if there is a realistic likelihood that the lessee will take advantage of that lease, and
- periods covered by any eventual option to terminate the lease if there is a realistic likelihood that the lessee will not exercise that option.

When determining the duration of the lease, all the facts and circumstances related to the possibility of extension, ie. not to use the option to terminate the contract, were considered.

The lease liability is initially measured at the present value of future lease payments outstanding up to that date, discounted at the interest rate contained in the lease. If this rate cannot be easily determined, as is the case with leasing contracts, the incremental borrowing rate of the lessee is applied. Incremental interest rate of indebtedness is the interest rate that the lessee would have to pay to borrow within a similar period and with similar guarantees the funds necessary for the acquisition of assets of similar value such as assets with the right to use in a similar economic environment.

The Company has set an incremental interest rate for each individual lease agreement.

The Company recognized the first application of IFRS 16 on 1st January 2021, by applying a modified retrospective approach in which it recognizes assets with the right of use in the amount equal to the lease obligation.

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.

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:

	%	
	2022	2021
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
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
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:		
Softwares and licences	33.33	33.33

Impairment of uncollectible receivables

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

On the balance sheet date, the Company makes value adjustments based on expected credit losses, ie makes value adjustments for all receivables that are over 90 days late (occurrence of default event), and for which there is a risk of default. In estimating the appropriate amount of impairment loss for doubtful receivables, the Company relies on the age of the receivable, previous experience with write-off, creditworthiness of customers and the estimated probability of default. Management believes that no additional value adjustment of receivables is required, other than the value adjustment already shown in the financial statements.

Fair value of long-term receivables

Determining the fair value of long-term receivables based on the annual concession fee is performed by the method of discounting cash flows, ie. the present value of future cash inflows is calculated by applying the discount rate. The discount factor depends on the effective interest rate and maturity of the receivables. The applied interest rate is the rate that the Company calculates and charges annually based on the delay in the payment of the concession fee.

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

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 March 2022

4. OTHER OPERATING INCOME

Structure of other operating revenues	in 000 RSD	
	I-III 2022	I-III 2021
Stamp revenue	2,125	2,125
Revenues from periodic concession fee	149,212	140,735
Decrease in revenue based on OS transferred to Active accru- als (assets sold on the 1st day of the beginning of the Concession Agreement)	(15,994)	(17,005)
Income from non - monetary compensation (property) - Land	29,869	29,869
Revenues from pre-invoiced costs	1,262	2,114
Total	166,474	157,838

As explained in point 3.9 of the Note, the Company recognized the following as an income:

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agree- ment in the period in which it is incurred. Revenue on this basis is RSD 149,212 thousand.
- Part of the fee based on the transfer of rights to use movable concession assets that SPC will use until the end of their useful life in terms of revenue reduction during the concession period amounting to RSD 15,994 thousand, in accordance with IFRS 16.
- 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 29,869 thousand.

5. COST OF MATERIALS, FUEL AND ENERGY

Structure of cost of materials	in 000 RSD	
	I-III 2022	I-III 2021
Overhead costs (office and other materials)	102	62
Inventory costs	0	47
Gasoline and diesel fuel costs	249	148
Total	351	257

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

6. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES

Structure of salary expenses, salary compensation and other personal income	In 000 RSD	
	I-III 2022	I-III 2021
Gross earnings and earnings allowances	28,602	27,139
Taxes and contributions borne by the employer	4,609	4,485
Costs of fees under the contract of work and copyright	117	96
Costs of fees under the contract on temporary and occasional jobs	1,277	1,282
Fee costs for members of the Supervisory Board, SA, Audit Committee	2,360	2,085
Other personal expenses:		
Transportation costs	289	210
Official expenses	475	
Voluntary pension insurance premiums	1,455	1,063
Solidarity assistance (newborns, treatments, and other)	103	
<i>Other personal expenses</i>	-	
Overall	2,322	1,273
Total	39,287	36,360

7. COST OF PRODUCTION SERVICES

Structure of costs of production services	in 000 RSD	
	I-III 2022	I-III 2021
<i>Costs of telephone and other telecommunication services</i>	558	1,061
<i>Costs of maintenance services</i>	1,407	1,662
<i>Rental costs</i>	102	6,771
Costs of other production services		
<i>Costs of safety and health at work services</i>		
<i>Costs of other services</i>	20	131
Subtotal	20	131
TOTAL	2,087	9,625

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

8. DEPRECIATION COSTS

Structure of depreciation costs	in 000 RSD	
	I-III 2022	I-III 2021
Depreciation costs for intangible assets	3,601	3,601
Depreciation costs for property	68,626	76,019
Depreciation costs for equipment	64,847	69,528
Depreciation costs for property and equipment leasing	6,614	-
Total	143,688	149,148

9. PROVISION COSTS

Provision cost structure	in 000 RSD	
	I-III 2022	I-III 2021
Provisions for severance pay upon retirement		
Provisions for jubilee awards		
Provisions for litigation	3,200	8,000
Total	3,200	8,000

10. INTANGIBLE COSTS

Structure of intangible costs	in 000 RSD	
	I-III 2022	I-III 2021
Costs of non-productive services:		
Costs of cleaning services	126	287
Costs of consulting services	916	630
Cost of professional training services	59	27
Costs for services on existing PIS software	120	480
Costs of other non-productive services	9	8
Subtotal	1,230	1,432
Representation costs	313	286
Insurance costs	166	199
Payment transaction costs	112	189
Membership fees costs	185	110
Tax fees costs	21,860	22,079
Other intangible costs	1,582	2,503
Total	25,448	26,798

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

11. FINANCIAL REVENUES

Structure of financial income	in 000 RSD	
	I-III 2022	I-III 2021
Interest income	828	997
Positive exchange rate differences and negative effects of the currency clause		
Positive exchange rate differences	5,431	13,080
Revenues from the effect of the currency clause	3	-
Subtotal	5,434	13,080
Other financial income		
Total	6,262	14,077

12. FINANCIAL EXPENSES

Structure of financial expenses	in 000 RSD	
	I-III 2022	I-III 2021
Interest expenses	5	1
Negative exchange rate differences and negative effects of the currency clause		
<i>Negative exchange rate differences</i>	77	37
<i>Negative effects of currency clause</i>	-	-
Subtotal	77	37
Other financial expenses	46	
Total	128	38

13. REVENUES 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-III 2022	I-III 2021
Income from adjustment of receivables from individuals for housing loans based on collection and assessment of fair value		
Revenue from adjusting the value of trade receivables for services		
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

14. IMMOBILIJE EXPENSES FROM ADJUSTMENT OF 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-III 2022	I-III 2021
Impairment of long-term receivables		
Expenses from adjusting the value of trade receivables		
Expenses from adjusting the value of given advance payments		
Expenses from adjusting the value of other receivables		
Expenses from adjusting the value of financial placements and capital share		
Total	-	-

15. OTHER REVENUES

Structure of other income	in 000 RSD	
	I-III 2022	I-III 2021
Profits from the sale of equipment as a secondary raw material	-	-
Collected written-off (corrected) receivables	92	1,516
Revenues from the abolition of long-term provisions for litigation	-	-
Revenues from contracted revaluation of housing loans	2,097	409
Revenues from reduction of liabilities	4	-
Other not stated revenues:		
Revenues from damages from legal entities and individuals	87	8
Other		
Subtotal	87	8
Total	2,280	1,933

16. OTHER EXPENSES

Structure of other expenses	in 000 RSD	
	I-III 2022	I-III 2021
Losses from sale / disposal of equipment and materials	-	-
Expenses based on direct write-offs of receivables	-	-
Other not stated expenses:		
Court costs	182	4,247
Other	167	-
Subtotal	349	4,247
Total	349	4,247

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

17. NET PROFIT / LOSS DUE TO ERROR CORRECTION FROM THE PREVIOUS PERIOD

Structure of net profit/loss on previous error correction	in 000 RSD	
	I-III 2022	I-III 2021
Subsequent revenue from previous years	537	-
Subsequent expenses from previous years	-	(20)
Net profit/loss on previous error correction	537	(20)

18. PROFIT/LOSS BEFORE TAXATION

Structure of gross results	in 000 RSD	
	I-III 2022	I-III 2021
Operating income	166,474	157,838
Operating expenses	214,061	230,188
Operating results	(47,587)	(72,350)
Financial income	6,262	14,077
Financial expenses	128	38
Financial result	6,134	14,039
Income from adjusting the value of other assets at fair value through profit and loss statement	-	-
Other revenues	2,280	1,933
Expenses from adjusting the value of other assets at fair value through Profit and loss statement	-	-
Other expenses	349	4,247
Result of other revenue and expense	1,931	(2,314)
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period	537	(20)
Net loss from discontinued operations, changes in accounting policies and corrections of errors from the previous period		
TOTAL OF INCOME	175,553	173,848
TOTAL OF EXPENDITURE	214,538	234,493
PROFIT/LOSS BEFORE TAXATION	(38,985)	(60,645)

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

19. INCOME TAX AND NET INCOME /(LOSS)

Tax calculation structure of income and net income /(loss)	in 000 RSD	
	I-III 2022	I-III 2021
Income (loss) before taxation	(38,985)	(60,645)
Capital income (loss) reported in Income statement		
Adjustment and correction of income / (expenditure) in the taxbalance		
Taxable income / (loss)	(38,985)	(60,645)
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		
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	(38,985)	(60,645)
Tax (expenditure) of the period	-	-
Deferred tax income / (expense) for the period	-	-
Net profit /loss	(38,985)	(60,645)
Effective tax rate	0.00%	0.00%

20. PROFIT PER SHARE

Indicator	in 000 RSD	
	I-III 2022	I-III 2021
Net acquisition belonging to owners	(38,985)	(60,645)
Average weighted number of shares	35,026,129	35,026,129
Profit per share (in RSD)	(1.11)	(1.73)

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

21. INTANGIBLE ASSETS

in 000 RSD

Intangible assets structure	Concessions, patents, licenses, software and other rights	Intangible assets in preparation	Total
Procurement value			
Opening balance on 1st January 2021	43,817		43,817
Adjustment of the opening balance			0
Balance on 1st January 2021 after adjustment	43,817	-	43,817
Procurement during the year		980	980
Transfer from intangible assets in progress			-
Other			-
Balance on 31st December 2021	43,817	980	44,797
Adjustment of the opening balance			-
Balance on 1st January 2022 after adjustment	43,817	980	44,797
Procurement during the year			-
Transfer from intangible assets in progress			-
Disposals, expenditures and sales			-
Transfer to Active accruals			-
Other			-
Balance on 31st March 2022	43,817	980	44,797
Value adjustment			
Opening balance on 1st January 2021	9,738		9,738
Adjustment of the opening balance			-
Balance on 1st January 2021 after adjustment	9,738	-	9,738
Depreciation in the current year	14,604		14,604
Other			-
Balance on 31st December 2021	24,342	-	24,342
Correction of the opening balance			-
Balance on 1st January 2022 after adjustment	24,342	-	24,342
Depreciation in the current year	3,601		3,601
Disposals, expenditures and sales			-
Other			-
Balance on 31st March 2022	27,943	-	27,943
Net current value			
31st December 2021	19,475	980	20,455
31st March 2022	15,874	980	16,854

During 2021, investments were made in intangible assets - licenses and software in the amount of RSD 980 thousand..

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

22. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL FUNDS – 2021

In 000 RSD

Structure of properties, plants and equipment for 2021	Land	Buildings	Equipment	Leased properties and equipment with right of use longer than a year	Investments in progress	Total- properties, plants and equipment
Intangible assets structure						
Procurement value	14.180.349	11,220,498	4,119,338	-	61,160	29,581,345
Opening balance on 1 st January 2021						-
Adjustment of the opening balance	14.180.349	11,220,498	4,119,338	-	61,160	29,581,345
Balance on 1st January 2021 after adjustment				84,868	80,400	165,268
Procurement during the year			240		(240)	-
Transfer from intangible assets in progress			(7,453)			(7,453)
Other		4,306				4,306
Balance on 31st December 2021	14.180.349	11,224,804	4,112,125	84,868	141,320	29,743,466
Adjustment of the balance						
Balance on 1st January 2021	-	806,234	547,021	-	-	1,353,255
Depreciation in the current year	-	-	-	-	-	-
Disposals, expenditures and sales	-	806,234	547,021	-	-	1,353,255
Other	-	278,315	274,815	28,308	-	581,438
Transfer to Active accruals	-		(3,164)	-	-	(3,164)
Other		(1)	-	-	-	(1)
Balance on 31st December 2021	-	1,084,548	818,672	28,308	-	1,931,528
Net current value						
1st January 2021	14,180,349	10,414,264	3,572,317	-	61,160	28,228,090
31st December 2021	14,180,349	10,414,264	3,572,317	56,560	141,320	27,811,938

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

22a. PROPERTIES, PLANTS AND EQUIPMENT- 2022

in 000 RSD

Structure of properties, plants and equipment and biological fund for 2022	Land	Buildings	Equipment	Leased properties and equipment with right of use longer than a year	Investments in progress	Total- properties, plants and equipment
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Intangible assets structure

Procurement value	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Opening balance on 1 st January 2021	-				-	-
Adjustment of the opening balance	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Balance on 1st January 2021 after adjustment					20,624	20,624
Procurement during the year						-
Transfer from intangible assets in progress						-
Other		(60,817)				(60,817)
Balance on 31st December 2021	14,180,349	11,163,987	4,112,125	84,868	161,944	29,703,273
Adjustment of the balance						
Balance on 1st January 2022	-	1,084,548	818,672	28,308	-	1,931,528
Depreciation in the current year	-	-	-	-	-	-
Disposals, expenditures and sales	-	1,084,548	818,672	28,308	-	1,931,528
Other	-	68,626	64,847	6,359	-	139,832
Transfer to Active accruals	-	(60,817)			-	(60,817)
Other			-	-	-	-
Balance on 31st March 2022	-	1,092,357	883,519	34,667	-	2,010,543

Нето садашња вредност

1 st January 2022	14,180,349	10,140,256	3,293,453	56,560	141,320	27,811,938
31 st March 2022	14,180,349	10,071,630	3,228,606	50,201	161,944	27,692,730

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

Total investments in property, plant and equipment in the period January- March 2022 amount to RSD 20,624 thousand and relate to expert supervision related to the implementation of mandatory works by SPC (RSD 20,040).

Property, plant and equipment total RSD 27,692,730 thousand on 31st March 2022 and relate to Concession funds given for use in the amount of RSD 27,454,466 thousand, while the funds used by the Company amount to RSD 76,320 thousand and investments in progress of RSD 161,944 thousand.

23. LONG TERM FINANCIAL INVESTMENTS

Structure of the long- term investments	in 000 RSD	
	31/03/2022	31/12/2021
Share in the equity of other legal entities	378,684	378,684
Long-term investments given to former employees	185,732	183,989
Other long term investments	4,179	4,179
Long-term receivables	563,756	562,948
Subtotal	1,132,351	1,129,800
Adjustment of value	(474,453)	(474,388)
Total	657,898	655,412

23a. SHARE IN THE CAPITAL OF OTHER LEGAL PERSONS

Capital share structure	in 000 RSD	
	31/03/2022	31/12/2021
Shares in banks in liquidation:		
Privredna banka JSC Belgrade	392	392
Union banka JSC Belgrade in liquidation	667	667
Beogradska banka JSC Belgrade in liquidation	18,988	18,988
Beobanka JSC Belgrade in liquidation	38	38
Minus: Value adjustment	(20,085)	(20,085)
Subtotal	-	-
Shares in foreign entities:		
Mondijal-Bodrum -Turkey	358,598	358,598
Societe International de Telecommun. Aeronautiques Swisse (SITA)	1	1
Minus: Value adjustment	(358,599)	(358,599)
Subtotal	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

23b. OTHER LONG-TERM INVESTMENTS AND LONG-TERM RECEIVABLES

Structure of other long-term investments and long term receivables	in 000 RSD	
	31/03/2022	31/12/2021
Structure of other long-term investments		
<i>Long-term housing loans given to former employees without revaluation</i>	48	48
<i>Long-term housing loans given to former employees – currency clause</i>	158,987	159,199
<i>Long-term housing loans given to former employees with revaluation and interest</i>	25,421	23,559
<i>Long-term housing loans given to former employees with revaluation within 6 months</i>	189	176
<i>Long-term housing loans given to former employees with revaluation</i>	1,087	1,007
<i>Minus: Value adjustment</i>	(46,582)	(46,582)
Subtotal	139,150	137,407
Other long-term investments:		
Funds for membership/deposit in Societe International deTelecommunications Aeronautiques Swisse (SITA)	4,179	3,847
<i>Minus: Value adjustment</i>	(4,179)	(3,847)
Свєга	-	-
Long-term receivables:		
<i>Belgrade Airport doo- Concession fee for 2021</i>	562,948	
<i>Minus: Value adjustment- reduction to fair value by discounting cash flows</i>	(44,943)	
Subtotal	518,005	-
Total	655,412	127,120

Receivables from employees for long-term loans for the purchase and repurchase of apartments on 31st March 2022 amount to RSD 148,196 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 31st December 2021 was performed by a certified appraiser by projecting future cash flows based on the collection of receivables for housing loans, using discount rates: from 3.7% to 7.4%, 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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

24. PAID ADVANCES FOR INVENTORIES AND SUPPLIES

Paid advances for inventories and services structure	in 000 RSD	
	31/03/2022	31/12/2021
Advances for domestic services	5,542	5,013
Advances for foreign services	240	240
Minus: Value adjustment	(3,536)	(3,536)
Total	2,246	1,717

25. RECEIVABLES FROM SALE

Structure of receivables from sale	in 000 RSD	
	31/03/2022	31/12/2021
Customers in the country:	240,675	240,591
Minus: Value adjustment	(234,748)	(234,840)
Subtotal	5,927	5,751
<i>Customers abroad</i>	46,130	46,130
Minus: Value adjustment	(43,202)	(43,202)
Subtotal	2,928	2,928
Total	8,855	8,679

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

Change in impairment of sales receivables	in 000 RSD	
	31/03/2022	31/12/2021
Balance as of 1 st January	278,042	279,378
Exchange rate differences		241
Additional value adjustment		
Corrected receivables collected	(92)	(1,577)
Direct write-off of previously corrected receivables		
Total	277,950	278,042

The total value adjustment of trade receivables in the country amounts to RSD 234,840 thousand, which mainly relates to the value adjustment of receivables from defendant domestic customers in the amount of RSD 232,327 thousand and other domestic customers RSD 2,421 thousand.

The total value adjustment of receivables from foreign customers in the amount of RSD 43,202 thousand refers to the value adjustment of receivables from defendant customers in the amount of RSD 27,088 thousand and other foreign customers RSD 16,114 thousand.

The structure of receivables from customers is shown in the Note 47.II.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

26. OTHER RECEIVABLES

Structure of other receivables	in 000 RSD	
	31/03/2022	31/12/2021
Receivables for interest and dividends		
Receivables from customers in the country for default interest	1,817	1,817
Interest receivables on time deposits and via vista interests		385
Interest receivables from housing loans	1,036	297
<i>Minus: Value adjustment</i>	(1,817)	(1,817)
Subtotal	1,036	682
Receivables from employees		
<i>Receivables from employees</i>	595	597
<i>Minus: Value adjustment</i>	(592)	(592)
Subtotal	3	5
Reimbursable compensation claims		
Reimbursable compensation claims	15,364	15,468
<i>Minus: Value adjustment</i>	(15,295)	(15,295)
Subtotal	69	173
Other receivables		
Other receivables	31,811	31,906
<i>Minus: Value adjustment</i>	(22,108)	(22,108)
Subtotal	9,703	9,798
Receivables for prepaid Value Added Tax	110,230	105,618
Total	121,041	116,276

27. RECEIVABLES FOR MORE PAID INCOME TAX

Structure of income tax receivables	in 000 RSD	
	31/03/2022	31/12/2021
Claims for overpaid income tax	1,572,245	1,572,245
Total	1,572,245	1,572,245

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

28. RECEIVABLES BASED ON PREPAID OTHER TAXES AND CONTRIBUTIONS

Structure of receivables based on prepaid other taxes and contributions	in 000 RSD	
	31/03/2022	31/12/2021
Receivables for prepaid taxes and deductible contributions	342	342
Receivables for prepaid fee for highlighting the company	14	29
Receivables based on prepaid property tax - New Belgrade	741	122
Receivables for prepaid fee for protection and improvement of the environment	533	546
Receivables for prepaid membership fee to Chamber of Commerce	524	
Minus: Value adjustment	(342)	(342)
Total	1,812	697

29. SHORT - TERM LOANS, LOANS AND PLACEMENTS IN THE COUNTRY

Structure of short-term loans and credits in the country	in 000 RSD	
	31/03/2022	31/12/2021
Short-term loans and loans in the country - Short-term loan to employees (winter, heating - 6 months)	2,974	1,607
<i>Current maturities of long-term housing loans granted to former employees</i>	9,715	11,764
<i>Minus: Value adjustment</i>	(179)	(179)
Subtotal	9,536	11,585
Total	12,510	13,192

30. OTHER SHORT-TERM FINANCIAL INVESTMENTS

Structure of other short-term loans investments	in 000 RSD	
	31/03/2022	31/12/2021
<i>Current due long-term placements Societe Internatonal deTelecommunications Aeronautiques Swisse (SITA)</i>	669	669
Minus: Value adjustment	(669)	(669)
Total	-	-

31. TREASURY SHARES

Structure of treasury shares	in 000 RSD	
	31/03/2022	31/12/2021
Treasury shares	33,192	33,192
Total	33,192	33,192

As of 31st March 2022, the company owns 55,320 treasury shares.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

32. CASH EQUIVALENTS AND CASH

Structure of cash equivalents and cash	in 000 RSD	
	31/03/2022	31/12/2021
Current account - RSD	87,391	75,829
Current account - foreign currency	444,454	536,290
Cashier - foreign currency	11	11
Total	531,856	612,130

33. ACTIVE ACCURALS

Structure of active accruals	in 000 RSD	
	31/03/2022	31/12/2021
Short term active accruals		
Prepaid expenses related to the future period	1,521	221
Receivables for not invoiced income related to the current period	149,633	527
Subtotal	151,154	748
Long term active accruals		
Other active accruals- Fixed assets sold on the Concession Start Date	1,411,023	1,427,017
Subtotal	1,411,023	1,427,017
Total	1.,562,177	1,427,765

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

Pursuant to item 3.9 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 period January- March 2022, the decrease in receivables/revenues amounts to a total of RSD 15,994 thousand,

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

34. EQUITY

Equity structure	in 000 RSD	
	31/03/2022	31/12/2021
Basic capital:		
<i>Share capital</i>	21,015,677	21,015,677
<i>Issue premium</i>	306,856	306,856
Subtotal	21,322,533	21,322,533
Statutory reserves	5,370,897	5,370,897
Revalorization reserves	2,210,266	2,213,972
Retained earnings/(Loss):		
<i>Retained earnings from previous years</i>	4.438	79
<i>(loss) from previous years</i>	(290,014)	-
<i>(loss) from current years</i>	(38,985)	(290,014)
Subtotal	(324,561)	(289,935)
Total	28,579,135	28,617,467

34a. 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 30th June, 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 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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

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 - (transformation to JSC)	Value in thousands RSD	Share number	% share
The Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and former employees of Company	574,004	956,673	2.79%
Citiyens 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 March 2022 is as follows:

Shareholders structure	31 st March 2022		
	Value in thousands RSD	Share number	% share
Republic of Serbia	17,770.029	29,616,715	84.56%
Domestic and foreign individuals	1,912,900	3,188,166	9.10%
Domestic and foreign legal entities	109,233	182,055	0.52%
Custody individuals	1,223,516	2,039,193	5.82%
Total	21,015,677	35,026,129	100%

Overview of ten largest shareholders on 31st March 2022 is given below.

Shareholder	Share number	Share
REPUBLIC OF SERBIA	29,616,714	84.56%
OTP BANKA SRBIJA - Custody	833,915	2.38%
OTP BANKA SRBIJA - Collective	645,100	1.84%
OTP BANKA SRBIJA - Custody	366,177	1.05%
RAIFFEISEN BANKA AD -Custody	66,707	0.19%
AIRPORT NIKOLA TESSLA JOINT-STOCK COMPANY	55,320	0.16%
UNICREDIT BANK SRBIJA JSC	36,065	0.10%
KERAMIKA JOVANOVIĆ DOO	32,379	0.09%
DUNAV RE JSC	28,231	0.08%
AMS OSIGURANJE ADO	23,586	0.07%

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

34b. ISSUE PREMIUM

Structure of issue premium	in 000 RSD	
	31/03/2022	31/12/2021
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

34c. RESERVES

Structure of reserves	in 000 RSD	
	31/03/2022	31/12/2021
Statutory reserves	5,370,897	5,370,897
Total	5,370,897	5,370,897

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

34d. REVALUATION RESERVES

Structure of revaluation reserves based on assessment	in 000 RSD	
	31/03/2022	31/12/2021
Revaluation reserves for intangible investments	-	-
Revaluation reserves for land	1,349,369	1,349,369
Revaluation reserves for buildings	563,488	567,194
Revaluation reserves for equipment	297,409	297,409
Total	2,210,266	2,213,972

Revaluation reserves include related deferred tax liabilities.

34e. RETAINED PROFIT/LOSS

Retained profit structure involving changes	in 000 RSD	
	31/03/2022	31/12/2021
Balance as of 1st January	79	5,823
Allocation of retained profit- dividends		
Allocation of retained profit- loss coverage		(5,823)
Allocation of retained profit- share of employees in the profit allocation		
Subtotal	79	-
Profit from previous years, the result of transfer of revaluation reserves to profit on disposal of fixed assets in the current year	4,359	79
Net profit for the current period		
Total	4,438	79

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

Loss structure involving changes	in 000 RSD	
	31/03/2022	31/12/2021
Balance on 1st January	290,014	799,122
Coverage of loss from retained earnings		(5,823)
Coverage of loss from statutory reserves		(793,299)
Subtotal	290,014	-
Loss from the current period	38,985	290,014
Total	328,999	290,014

The company realized a loss from current operations in the period January-March 2022 in the amount of RSD 38,985 thousand.

35. LONG TERM PROVISIONS

Structure of long-term provisions	in 000 RSD	
	31/03/2022	31/12/2021
Provisions for fees and other employee benefits	8,717	8,924
Provisions for litigation costs	120,606	117,406
Total	129,323	126,330

Changes in long-term provisions based on severance pay, jubilee awards and litigation in the period January-March 2022 as well as in the period of 2021 are shown in the following table.

Adjustment description	Severance	Jubilee awards	Total	In 000 RSD
				Litigation
Balance on 1st January 2021	1,329	5,544	6,873	
Additional provisions	620	1,834	2,454	97,406
Used during the year		(403)	(403)	20,000
Reversal of unused amounts				
Balance on 31st December 2021	1,949	6,975	8,924	117,406
Additional provisions			-	3,200
Used during the year		(207)	(207)	
Reversal of unused amounts			-	
Balance on 31st March 2022	1,949	6,768	8,717	120,606

35a. 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 2021. In the period January-March 2022 are shown changes in terms of used above stated provisions.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

The assumptions used in the calculation of provisions for severance pay upon retirement and for jubilee awards as of 31st December 2021 are given below.

Assumptions used in calculation	2021
Limits for retirement	Articles 19 and 69 of Law on pension and disability insurance
Mortality tables	Serbia, 2012
Discount rate	3.25%
Earnings growth rate	5.00%
Percentage of fluctuation	2.00%
The amount of severance pay in case of retirement at the time of provisioning	Double the average salary of employees in Serbia for October 2021 (RSD 91,132 double the average salary of the Employer without taxes and contributions, 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	35

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

Calculation of provisions	in 000 RSD	
	Severance pay upon retirement	Jubilee awards
Provisions as of 31st December 2020	1,329	5,544
Interest expense	46	194
The expense of current labor service	578	1,692
The expense of past labor service	-	-
Actuary (profit)/loss	(4)	(61)
Reversal of provisions during the year in the Company's business books	-	(394)
Total net change of reserved amount in 2021	620	1,431
Provision balance as of 31st December 2021	1,949	6,975

35b. 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 31st March 2022, the Company has a provision for potential losses based on these litigations in the amount of RSD 120,606 thousand.

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**36. LONG-TERM LEASING LIABILITIES IN THE COUNTRY**

Structure of long-term leasing liabilities in the country	in 000 RSD	
	31/03/2022	31/12/2021
Leasing liabilities in the country:		
Liabilities for leased property	48,020	54,978
Liabilities for leased equipment		447
Subtotal	48,020	55,425
In short time due leasing liabilities in the country		
Liabilities for leased property which will be due within a year	(17,201)	(24,159)
Liabilities for leased equipment which will be due within a year	-	(447)
Subtotal	(17,201)	(24,606)
Total	30,819	30,819

37. SHORT -TERM LEASING LIABILITIES IN THE COUNTRY

Structure of short-term leasing liabilities in the country	in 000 RSD	
	31/03/2022	31/12/2021
Liabilities for leased property which will be due within a year	17,201	24,159
Liabilities for leased equipment which will be due within a year	-	447
Total	17,201	24,606

38. RECEIVED ADVANCES, DEPOSITS AND BAILS

Structure of the received advances deposits and bails	in 000 RSD	
	31/03/2022	31/12/2021
Advances received from domestic customers	662	662
Advances received from foreign customers	2	2
Deposits received from domestic customers	1,962	1,962
Deposits received from foreign customers	1,226	1,226
Subscriptions from domestic customers	7,084	7,088
Subscriptions from foreign customers	33,362	33,362
Total	44,298	44,302

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**39. OPERATING LIABILITIES**

Structure of operating liabilities	in 000 RSD	
	31/03/2022	31/12/2021
Suppliers in the country	14,414	14,178
Suppliers abroad	253	253
Other operating liabilities		
<i>For the charged turnover on behalf of the company</i>	-	56
<i>Other operating liabilities</i>	128	128
Subtotal	128	184
Total	14,795	14,615

40. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	in 000 RSD	
	31/03/2022	31/12/2021
Liabilities for wages and salaries	5,877	-
Other liabilities:		
<i>Dividend liabilities</i>	15,086	15,086
<i>Liabilities for profit sharing</i>	275	275
<i>Liabilities towards employees</i>	-	7
<i>Liabilities towards members of NO/SA</i>	496	-
<i>Liabilities- temporary work</i>	255	-
Subtotal	16,112	15,368
Total	21.,989	15,368

41. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES

Structure for other taxes, contributions and other duties	in 000 RSD	
	31/03/2022	31/12/2021
Liabilities for VAT		
Liabilities for taxes, duties and other charges	460	567
Other liabilities for other taxes, contributions and other duties	496	45
Total	956	612

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

42. PASSIVE ACCRUALS

Structure of passive accruals	in 000 RSD	
	31/03/2022	31/12/2021
Short-term passive accruals		
Current maturity of income from non-monetary compensation(property) - Land	89,606	119,474
Pre-calculated expenses for the current period	-	1,228
Prepaid / accrued income	7,071	-
Subtotal	96,677	120,702
Long-term passive accruals		
Other PVR - Deferred income from non-monetary compensation (property) - Land	2,598,566	2,628,434
Current maturity	(89,606)	(119,474)
Subtotal	2,508,960	2,508,960
Total	2,605,637	2,629,662

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.

43. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities	in 000 RSD	
	31/03/2022	31/12/2021
Deferred tax assets	25,783	25,783
Deferred tax liabilities	(795,046)	(795,700)
Net effect of deferred tax assets/(liabilities)	(769,263)	(769,917)

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 March 2022

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 средства.

000 RSD

Changes in the balance of deferred tax liabilities	Intangible assets, property, plant, equipment	Provisions for fees and other employee benefits	Litigation provisions	Short-term liabilities (Liabilities for taxes, contributions, etc. Duties	Adj of value of receivables in BS as impairment	Total
Balance on 1st January 2020	(748,363)	1,031	14,611	79	-	(732,642)
In favor of the Profit and Loss Statement	(47,349)	307	3,000	13	6,742	(37,287)
In favor of Equity	12					12
Balance on 31st December 2020	(795,700)	1,338	17,611	92	6,742	(769,917)
In favor of the Profit and Loss Statement						
In favor of Equity	654					
Balance on 31st December 2021	(795,046)	1,338	17,611	92	6,742	(769,263)

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022**44. 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	
	31/03/2022	31/12/2021
<i>Blank received bills of exchange-pcs</i>	13	13
<i>Domestic blank given bills of exchange - pcs</i>	6	6
Dinar guarantees received	163,893	163,893
Foreign currency guarantees received	4,573,431	4,562,383
Given dinar guarantees	4,530	4,524
Given foreign currency guarantees		
Solidarity funds from employees' salaries	621	621
Total	4,742,475	4,731,421

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

45. FAIR VALUE

FUNDS	Book value in 000 RSD on 31st December 2021	Fair value in 000 RSD on 31st December 2021	Book value in 000 RSD on 31st December 2020	Fair value in 000 RSD on 31st December 2020	Hierarchy of fair values - levels	Evaluation techniques and inputs
Fixed assets and NU	27,546,660	27,546,660	27,690,093	27,690,093	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	-	-	-	-	Level 3	Management's assessment that they are not recoverable - banks in bankruptcy
Long-term and short-term financial investments -housing loans	148,686	148,686	148,992	148,992	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
Long-term receivables	518,748	518,748	518,005	518,005	Level 3	Fair value determined
Buyer receivables	8,855	8,855	8,679	8,679	Level 3	Management's assessment of collectability
Other receivables	1,584,868	1,584,868	1,583,600	1,583,600	Level 3	Management's assessment of collectability

NOTES TO THE FINANCIAL STATEMENTS – 31st March 2022

46. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT

in 000 RSD

	31/03/2022		
	Gross amount	Value adjustment	Net amount
Financial assets			
	3,732,814	(793,405)	2,939,409
Long-term financial provisions	1,132,351	(474,453)	657,898
- Long - term deposits	4,179	(4,179)	-
- Shares in banks	20,085	(20,085)	-
- Shares in foreign entities	358,599	(358,599)	-
- long-term housing loans to employees	185,732	(46,582)	139,150
- Other long term receivables	563,756	(45,008)	518,748
- Other long term receivables			
Receivables expressed by nominal value	2,068,607	(318,952)	1,749,655
- Buyer receivables	286,805	(277,950)	8,855
- Short-term financial provisions	46,550	(848)	45,702
- Interest receivables	2,853	(1,817)	1,036
- Other receivables and VAT	1,732,399	(38,337)	1,694,062
Cash and cash equivalents	531,856	-	531,856
Financial liabilities	62,815	-	62,815
- Long-term leasing liabilities	30,819	-	30,819
- Current maturity of long-term leasing liabilities	17,201	-	17,201
- Short-term liabilities (operating liabilities)	14,795	-	14,795

31/12/2021		
Gross amount	Value adjustment	Net amount
3,805,255	(793,432)	3,011,823
1,129,800	(474,388)	655,412
4,179	(4,179)	-
20,085	(20,085)	-
358,599	(358,599)	-
183,989	(46,582)	137,407
562,948	(44,943)	518,005
2,063,325	(319,044)	1,744,281
286,721	(278,042)	8,679
47,232	(848)	46,384
2,499	(1,817)	682
1,726,873	(38,337)	1,688,536
612,130	-	612,130
		0
70,040	-	70,040
30,819	-	30,819
24,606	-	24,606
14,615	-	14,615

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 FINANCIAL STATEMENTS – 31st March 2022

47. 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 assets				Total liabilities	
	31/03/2022		31/12/2021		31/03/2022	31/12/2021
	gross	net	gross	net		
EUR	925,253	785,734	463,967	369,456	43,819	49,067
USD	301,990	301,990	297,152	297,152		
GBP	96	96	97	97		
Total dinar equivalent of Assets and liabilities denominated in foreign currencies	1,227,339	1,087,820	761,216	666,705	43,819	49,067
Value of assets and liabilities in RSD	2,505,475	1,851,589	3,044,039	2,345,118	18,996	20,973
Total	3,732,814	2,939,409	3,805,255	3,011,823	62,815	70,040

In 000
RSD

NOTES TO FINANCIAL REPORTS – 31st March 2022

Analysis of the currency structure of financial assets and liabilities on 31st December 2021, compared to the situation on 31st December 2021, 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

31/03/2022 Changes	EUR impact		USD impact		GBP impact	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Profit/Loss	74,191	(74,191)	30,199	(30,199)	10	(10)

in 000 RSD

31/12/2021 Промене	EUR impact		USD impact		GBP impact	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Добитак/ Губитак	32,039	(32,039)	29,715	(29,715)	10	(10)

6) 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.

NOTES TO FINANCIAL REPORTS – 31st March 2022

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

Funds	31/03/2022			31/12/2021		
	gross	adjustment	Net sum	gross	adjustment	Net sum
in 000 RSD						
Not-interest bearing:						
Equity share	378,684	(378,684)	-	378,684	(378,684)	-
Trade receivables	286,805	(277,950)	8,855	286,721	(278,042)	8,679
Interest and other receivables	1,735,252	(40,154)	1,695,098	1,729,372	(40,154)	1,689,218
Short-term financial provisions	36,835	(669)	36,166	35,468	(669)	34,799
Subtotal	2,437,576	(697,457)	1,740,119	2,430,245	(697,549)	1,732,696
Fixed interest rate:						
Long-term receivables	563,756	(45,008)	518,748	562,948	(44,943)	518,005
Long term financial	185,732	(46,582)	139,150	183,989	(46,582)	137,407
Short term financial	9,715	(179)	9,536	11,764	(179)	11,585
Subtotal	759,203	(91,769)	667,434	758,701	(91,704)	666,997
Variable interest rate:						
Cash and cash equivalent	531,856	-	531,856	612,130	-	612,130
Subtotal	531,856	-	531,856	612,130	-	612,130
Total	3,728,635	(789,226)	2,939,409	3,801,076	(789,253)	3,011,823

Financial liabilities	31/03/2022			31/12/2021		
	gross	adjustment	Net sum	gross	adjustment	Net sum
in 000 RSD						
Not-interest bearing						
Operating liabilities	14,795		14,795	14,615		14,615
Subtotal	14,795		14,795	14,615		14,615
Fixed interest rate						
Long-term leasing	30,819		30,819	30,819		30,819
Current maturity of long-term liabilities	17,201		17,201	24,606		24,606
Subtotal	48,020		48,020	55,425		55,425
Total	62,815		62,815	70,040		70,040

NOTES TO FINANCIAL REPORTS – 31st March 2022

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.

The structure of trade receivables is given below.

The structure of trade receivables	31/03/2022			31/12/2021	
	In 000 RSD	share	Adjustment done	In 000 RSD	share
Jat Tehnika	96,231	33.55%	(96,231)	96,231	33.56%
Belgrade Airport d.o.o.	432	0.15%	(11)	11	0.00%
International CG	28,643	9.99%	(28,643)	28,643	9.99%
Air Serbia-Ketering d.o.o.	42,347	14.77%	(41,695)	42,347	14.77%
Aviogenex d.o.o.	50,820	17.72%	(50,820)	50,820	17.72%
Avaco d.o.o.	3,704	1.29%		3,949	-1.42%
Eko unija	1,150	0.40%		1,150	
Other domestic customers	17,348	6.05%	(17,348)	17,440	6.08%
Total domestic customers	240,675	83.92%	(234,748)	240,591	83.91%
Wizz Air	2,473	0.86%		2,473	0.86%
ARKIA	1,600	0.56%	(1,600)	1,600	0.56%
Air Cairo Company	677	0.24%	(677)	677	0.24%
AEROTRANS AIRLINES, CYPRUS	3,449	1.20%	(3,449)	3,449	1.20%
Allitalia	20,901	7.29%	(20,901)	20,901	7.29%
FLYDUBAI	2,649	0.92%	(2,649)	2,649	0.92%
Pegasus	5,192	1.81%	(5,192)	5,192	1.81%
Other foreign customers	9,189	3.20%	(8,734)	9,189	3.20%
Total foreign customers	46,130	16.08%	(43,202)	46,130	16.09%
Total gross receivables from domestic and foreign customers	286,805	100.00%		286,721	100.00%
Total of value adjustment	(277,950)		(277,950)	(278,042)	
Total of net receivables	8,855			8,679	

NOTES TO FINANCIAL REPORTS – 31st March 2022

The following is the age structure of trade receivables for which no impairment was performed as of 31st March 2022.

Age structure of tradereceivables for which no value adjustment has been made	In 000 RSD	share
Customers in the country		
Immature	1,401	15.82%
0-30 days	245	2.77%
31-60 days	245	2.77%
61-90 days	245	2.77%
Over 90 days	3,791	42.81%
Subtotal customers in the country	5,927	66.93%
Customers abroad		
Immature		
0-30 days		
31-60 days		
61-90 days		
Over 90 days	2,928	33.07%
Subtotal customers abroad	2,928	33.07%
Total receivables from customers (net)	8,855	100.00%

Overdue receivables from customers in the country and abroad older than 90 days amount to RSD 6,719 thousand. These receivables have not been corrected due to the existence of a subscription to book approvals and expected collection in 2022.

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.

NOTES TO FINANCIAL REPORTS – 31st March 2022

Liquidity indicators	Satisfactory and general standards	31/03/2022	31/12/2021
General ratio of liquidity	2 : 1	12.43 : 1	10.71 : 1
Rigorous ratio of liquidity	1 : 1	12.42 : 1	10,70 : 1
Cash ratio of liquidity		2.71 : 1	2.78 : 1
Net current assets (in 000 RSD)		2,238,996	2,138,671

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, i.e. 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.

Management of financial hedging		in 000 RSD	
		31/03.2022	31/12/2021
1	Indebtedness (APD 0420 + ADP 0433)	48,020	0
2	Cash and cash equivalents (ADP 0057)	531,856	725,318
I	GROSS INDEBTEDNESS (1-2)	(483,836)	(725,318)
3	Ratio of indebtedness according to capital (I/5)	-0.0169	-0.0251
4	Short-term financial (ADP 0048)	45,702	46,408
II	NET INDEBTEDNESS (I - 4)	(529,538)	(771,726)
5	Capital (ADP 0401)	28,579.135	28,907,469
6	Ratio of indebtedness according to capital (II/5)	-0.0185	-0.0267

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.

NOTES TO FINANCIAL REPORTS – 31st March 2022

Financial structure indicators	in 000 RSD	
	31/12/2021	31.12.2021
Liabilities	3,634,281	3,678,460
Total funds	32,213,416	32,585,929
Ratio of loaned in total sources of funds	0.11 : 1	0.11 : 1
Long term funds		
Capital	28,579,135	28,907,469
Long term provisions and liabilities	3,438,366	3,465,356
Subtotal long-term funds	32,017,501	32,372,825
Total funds	32,213,416	32,585,929
Ratio of long-term in total source of funds	0.99 : 1	0.99 : 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 net indebtedness ratio tototal capital	in 000 RSD	
	31/12/2021	31.12.2021
Net indebtedness		
Financial liabilities	2,865,018	2,886,314
Cash and cash equivalents	531,856	612,130
Total- Net indebtedness	2,333,162	2,274,184
Capital	28,579,135	28,617,467
Ratio of net indebtedness	12.25	12.58

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, ie. until the date of final payments on disputes. As at 31st March 2022, the Company has a provision for potential losses based on these litigations in the amount of RSD 120,606 thousand (31st December 2021 - RSD 117,406 thousand) - Note 35.

NOTES TO FINANCIAL REPORTS – 31st March 2022**45. EVENTS AFTER THE REPORTING PERIOD**

The consequences of the pandemic caused by the COVID 19 virus on passenger traffic at Nikola Tesla Airport are still being felt, as everywhere else in the world, which directly affects the business of SPC, and indirectly the business results of AD Nikola Tesla Airport Belgrade.

At the same time, traffic shows stable dynamics of recovery compared to 2019 as a measuring year before the pandemic, and SPC continued to perform mandatory works on construction, reconstruction and maintenance of airport infrastructure in the agreed dynamics, for which it regularly provides funding.

Having in mind the war actions between the Russian Federation and the Republic of Ukraine, it is expected that this event will also affect the concession project, having in mind the complexity of the concession, ie. the obligation of SPC to provide financing for development through construction and reconstruction, maintenance and infrastructure management at Airport Nikola Tesla in Belgrade and performing the activities of the airport operator at the Airport Nikola Tesla, all in accordance with the Concession Agreement starting from 22nd March 2018. The full effect of this additional event cannot be seen at this time.

Notwithstanding the above, the assessment of the management is that the financial condition of the Company is still such that there is no uncertainty regarding the ability to continue to operate on a going concern basis 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.

During 2022, it is expected that the fixed assets will be activated in the business books of the Company and the non-monetary income will be reported on the basis of completed Mandatory works on construction, reconstruction, maintenance and infrastructure of AD Belgrade Nikola Tesla Airport (CAPEX) which SPC completed, and after the conditions prescribed by the Law on Planning and Construction are fulfilled.

In accordance with IAS 10, "Events After the Reporting Period", we have not identified any events other than those described above that may affect or affect the veracity and objectivity of the financial statements for the period ended 31ST March 2022, nor would require adjustments to the financial statements.

In Belgrade, May 2022

Legal representative

Saša Vlaisavljević

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1. GENERAL INFORMATION ON 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 infrastructure management of JSC Airport Nikola Tesla Belgrade and performing the activities of airport operators at Airport Nikola Tesla in Belgrade, its concession began thereof. Instead of JSC Airport Nikola Tesla Belgrade, which until that date was the Airport operator, based on the consent of the Civil Aviation Directorate of the Republic of Serbia, the Airport Certificate was transferred from JSC Airport Nikola Tesla Belgrade to Vinci airports Serbia d.o.o. Belgrade (SPC), all in accordance with the Law on Air Traffic and the Rulebook on the conditions and procedure for issuing airport certificates, by which SPC became 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 Airport Nikola Tesla Airport Belgrade (hereinafter: the Company), on the one hand as the Concession Grantor and VINCI Airports Serbia d.o.o. Belgrade, a legal entity established in accordance with the laws of the Republic of Serbia, with its registered headquarters in Belgrade, 11180 Belgrade 59, Registration no. 21364568, TIN (Tax Identification Number) 110572920 and VINCI Airports S.A.S., Simplified Joint Stock Company (SAS) with registered address at 12/14 Louis Blériot Street, Rueil-Malmaison (92500), France, registered in the Trade and Business Register in Nanterre under number 410 002 075, as the selected most favorable individual bidder and founder of a special purpose company (SPC), on the other hand, with the Supplementary Agreement dated 14th December 2018, and the Protocol on updating the annex to the Concession Agreement dated 21st December 2018 (hereinafter: the Concession Agreement).

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

Pursuant to the adopted consolidated text of the Company's Articles of Association, the Company ceased to be an airport operator on the Concession Commencement Date, ie. instead of the predominant activity 52.23 Air Transport Service Activities, one of the Concession Grantors continued to perform activities with changed activity 68.20 Rental and management of owned or leased properties.

With the change of the predominant activity, the composition of the management was changed, as well as the internal organization of the Company in order to adjust to the basic activity of the Concession Grantor, which is monitoring the implementation of the Concession Agreement as a public contract in accordance with the Law on Public-Private Partnerships and Concessions (" Official Gazette of the Republic of Serbia", no. 88/2011, 15/2016 and 104/2016) and the Decree on supervision over the implementation of public contracts of public-private partnership (" Official Gazette of the Republic of Serbia", no. 47/2013), and thus the number of employees, their rights and obligations.

Business name	JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE
Headquarters and address	Belgrade, 11180 Belgrade 59
Registration number	07036540
Tax identification number	100000539
Web page and e-mail address	www.antb.rs ; kabinet@antb.rs
Number and date of the decision on entry in the Business Register	<p>Registration number: BD 4874/2005 Date of registration: 15th Jun, 2005</p> <p>Registration number: BD 91540/2012 Date of registration: 9th July, 2012</p> <p>Registration number: BD 100187/2012 Date of registration: 20th July, 2012</p>
Activity (code and description)	68.20 - Rental and management of own or leased properties
Number of employees	35 employees on 31 st March 2022
Value of fixed capital	21,015,677,400 din (on 31st March 2022)
Name, headquarters of the auditing company that audited the latest financial report for 2021	„FinExpertiza“ doo, Kneza Miloša str. No.90a, Belgrade
Number of issued shares, ISIN number and CFI COD	<p>Number of ordinary shares 35.026.129 (on 31st March 2022) CFI code ESVUFR ISIN number RSANTBE 11090</p>
The name of the organized market on which the shares are quoted	Beolgrade Stock Exchange JSC Belgrade, Omladinskih brigada str. No 1, 11070 New Belgrade

Ten largest shareholders on 31st March 2022

S.No	Name / Name Shareholder	Number of shares	% Share
1	REPUBLIC OF SERBIA	29,616,717	84.55
2	OTP BANK SERBIA – CUSTODY ACCOUNT-FO	863,320	2.46
3	OTP BANK SERBIA – COLLECTIVE ACCOUNT	645,100	1.84
4	OTP BANK SERBIA – CUSTODY ACCOUNT-FO	366,177	1.05
5	RAIFFEISEN BANK JSC – CUSTODY ACCOUNT-FO	66,707	0.19
6	JSC AIRPORT NIKOLA TESLA BELGRADE	55,320	0.16
7	UNICREDIT BANK SERBIA JSC – COLLECTIVE ACCOUNT	36,065	0.10
8	КЕРАМИКА ЈОВАНОВИЋ LTD	32,379	0.09
9	DUNAV RE JSC	28,231	0.08
10	JSC for insurance AMS Osiguranje	23,586	0.07

2. MANAGEMENT DATA

Members of the Management Board in the period January- March 2022:

Assembly of the Company:		
S.No.	Name, surname, residence	Education, current employment, (business name and position)
1	Vladimir Dimitrijevic, Belgrade	Doctor of Law, Executive Director of Public Enterprise "Post of Serbia"

Supervisory Board:		
S.No.	Name, surname, residence	Education, current employment, (business name and position)
1	Vesna Stanković Jevđević, Belgrade	Graduated economist, Assistant Director General of the Procurement Directorate of the National Bank of Serbia
2	Srdjan Minić, Belgrade	Graduated economist, Deputy President of the Municipality New Belgrade
3	Goran Mirković, Belgrade	Master of Economics, Advisor in the National Bank of Serbia
4	Petar Jarić, Belgrade	Graduated economist, Deputy Director - National Employment Service
5	Dragoslav Stanković, Doljevac	Professional manager, customer care service in Electro distribution Niš - branch office Doljevac

Executive Board:		
S.No.	Name, surname, residence	Education, current employment, (business name and position)
1	Sasa Vlaisavljević, Belgrade	Graduated Traffic Engineer, Chairman of the Executive Board, General Manager of JSC Airport Nikola Tesla Belgrade
2	Ana Kaluđerović, Belgrade	Graduated Mechanical Engineer, Executive Director for Monitoring and Management of 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 THE CORPORATE GOVERNANCE RULES

The Company, as a member of the Serbian Chamber of Commerce, has accepted the *Corporate Governance Code* 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 complementary to the current legal regulations, so that no provision of the Code abolishes the legal rule that regulates the same issue differently. Also, the Code does not alter the meaning or proper interpretation of legal provisions in any way. The Code moves within the boundaries of the law because it covers matters not regulated by law (the so-called legal vacuum) or regulated by dispositive legal norms.

The Code contains two types of rules:

- 1) recommendations - the rules that the capital company should accept and act upon, which can be recognized in the Code by using the word "should";
- 2) suggestions - rules that are considered to be preferred practice in the field of corporate governance, which can be recognized in the Code by using the word "can," "should," and similar.

The recommendations contained in this Code represent the minimum standards that public companies (members of the Serbian Chamber of Commerce) should accept and act upon, and if they do not do so or do not do so in the manner envisaged by this Code, it is necessary to provide an explanation for the made deviation in a form of a statement on the implementation of corporate governance codes in accordance with the Law on Companies.

3. REVENUES AND EXPENSES

Revenues and expenses are presented in accordance with the accounting treatment of IFRS 16 – Leasing (Rental).

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 (movable and fixed assets of the Company given for the use of SPC during the Concession Period) are treated as follows:

- Infrastructure assets and closely related assets (equipment) - are 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 accordingly are recorded on accruals and deferrals (AVR). These funds are not subject to depreciation, but the total value of these funds is accrued for the entire concession period and proportionally reduces the revenue 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 earned per year, and 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 revenue - are recognized as revenue in the period to which they relate.
- Revenues from planned capital investments realized by SPC on behalf and for the account of the Company (CAPEX) - are accrued by years for the entire Concession period from the moment of putting into operation and handing over newly built fixed Concession Assets, as well as upgrades and reconstructions of existing Concession Assets to the Company, proportionally per years of the remaining period of the concession.

3.1. REVENUES

In the period January- March 2022, the total revenue in the amount of 175,553,552 RSD was realized in the Company. The total revenue realized in this way is higher by 1% in relation to the realized revenue in the same period of the previous year, and in relation to the Business Plan for the period January- March 2022, it is higher by 3%.

Operating revenues in the period January- March 2022 were realized in the amount of 166,474,083 RSD and make up 95% of the total realized revenues. Operating revenues generated in this way are 5% higher than the revenues generated in the same period last year, while they are 1% higher than planned for the period January- March 2022.

Within the realized business revenues for the period January- March 2022 the highest revenue relates to the revenue from annual concession fee in the amount of 149,212,144 RSD which is by 6% higher than the revenues generated in the same period last year, then the revenue from the acquisition without compensation of cadastral plots 5251 and 5252 in Cadastral Municipality Surčin, which were transferred to the Company by SPC in accordance with 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 Concession Period (25 years), so that for the period January- March 2022, the corresponding revenue of 29,868,571 RSD was implemented, (ie. 254 thousand euros - at the middle exchange rate of the NBS on 31st March 2022, which amounted to 117.7508 RSD).

Financial revenues in the period January- March 2022 were realized in the amount of 6,262,033 RSD and significantly lower in relation to the realized revenues in the same period of the previous year and are higher by 1% in relation to the Business Plan for the period January- March 2022. Decrease in financial revenue compared to the same period last year is a reflection of the fluctuation of the dollar exchange rate. It amounted to 103.9262 RSD at the beginning of the year, while on 31st March 2022, the exchange rate increased to 105.5020 RSD. The increase in dollar exchange rate for the reviewed period amounts to 2%, while for the same period in the last year it amounted to 5%, which is a reflection of the increase in financial revenue realized for the period January- March 2022 compared to the same period last year.

The structure of financial revenues for the period January- March 2022 consists of:

- revenue from exchange rate differences - realized in the amount of 4,625,911 RSD and participate with 74% in total financial revenues;
- interest revenue in the amount of 828,475 RSD and participate with 13% in total financial revenues;
- revenue from exchange rate differences - unrealized in the amount of 807,647 RSD and participate with 13% in total financial revenues.

Other revenues in the period January- March 2022 were realized in the amount of 2,817,436 RSD and are 46% higher in relation to the realized revenues in the same period of the previous year.

Realized other revenues mostly relate to revenues from positive effects of risk protection, revalorization.

The structure of realized revenues for the period January- March 2022 is shown in the table of revenue structures.

STRUCTURE OF REVENUES IN PERIOD JANUARY- MARCH 2022

S.No	Account name	Realization January- March 2021	Business plan January- March 2022	Realization January- March 2022	Index	
1	2	3	4	5	6(5/3)	7 (5/4)
65	OTHER BUSINESS REVENUES	157,837,863	165,033,081	166,474,083	105	101
652	REVENUES FROM TANTIEMS AND LICENCES	2,125,000	2,125,000	2,125,000	100	100
659	OTHER BUSINESS REVENUES	155,712,863	162,908,081	164,349,083	106	101
I	BUSINESS REVENUES	157,837,863	165,033,081	166,474,083	105	101
66	FINANCIAL REVENUES	14,077,539	6,197,418	6,262,033	44	101
662	INTEREST REVENUE	997,606	1,197,418	828,475	83	69
663, 664	EXCHANGE RATE DIFFERENCES- REALIZED	13,079,510	5,000,000	4,625,911	35	93
	EXCHANGE RATE DIFFERENCES- UNREALIZED	422	0	807,647	191,173	0
II	FINANCIAL REVENUES	14,077,539	6,197,418	6,262,033	44	101
67	OTHER REVENUES	1,932,954	0	2,280,057	118	0
675	COLLECTED WRITTEN-OFF RECEIVABLES	1,515,746	0	92,214	6	0
676	REVENUE EFFECTIVE RISK PROTECTION	408,824	0	2,097,030	513	0
677	REVENUE FORM DECREASE IN LIABILITIES	0	0	3,909	0	0
679	OTHER NOT MENTIONED REVENUES	8,384		86,905	1,037	0
69	SUSPENDED BUSINESS PROFIT AND REVENUE TRANSFER	0	0	537,379	0	0
692	REVENUES FORM ADJUSTMENT OF MISTAKES FROM PREVIOUS YEARS	0	0	537,379	0	0
III	OTHER REVENUES	1,932,954	0	2,817,436	146	0
TOTAL REVENUES		173,848,355	171,230,499	175,553,552	101	103

3.2. EXPENSES

In the period January-March 2022, the Company realized the total expenses in the amount of 214,538,209 RSD and is lower by 9% compared to the realized expenses in the same period last year, and compared to the Business Plan for the period January-March 2022 are lower by 25%.

In the period January-March 2022 **Operating expenses** were realized in the amount of 214,061,572 RSD and make up 99.7% of the total realized expenses. The realized operating expenses are lower by 7% in relation to the realized operating expenses in the same period of the previous year, and in relation to the Business Plan for the period January-March 2022, they are lower by 25%.

The structure of operating expenses consists of:

- Material and energy expenses
- Expenses of salaries, allowances and other personal expenses
- Expenses of production services
- Expenses of depreciation and reservation
- Intangible Expenses

In the period January-March 2022 **Expenses of materials and energy** were realized in the amount of 350,861 RSD and are 36% higher compared to the same period in 2021, and compared to the Business Plan for the period January-March 2022 they are 57% lower.

Material and energy costs are mostly related to:

- ✓ fuel costs in the amount of 249,169 RSD.

In the period January-March 2022, **Expenses of salaries, allowances and other personal expenses** were realized in the amount of 39,286,730 RSD and make up 18% of the total realized expenses. The costs of salaries, allowances and other personal expenses realized in this way are higher by 8% compared to the same period in 2021, and compared to the Business Plan for the period January-March 2022, they are higher by 1%. The deviation of the costs of salaries, compensations and other personal expenses in relation to the same period of the previous year does not represent an increase in the salaries of employees, but makes a cumulative percentage of achievements due to the return of employees from maternity leave to regular work.

In the period January-March 2022 **Expenses of production services** were realized in the amount of 2,087,197 RSD and are 78% lower compared to the same period in 2021, and 79% lower compared to the Business Plan for the period January- March 2022. The stated reduction of production costs is not a real reduction of the mentioned costs, but costs within the group of production costs, such as rental costs, we are obliged based on the application of IFRS 16 - Leasing (part related to rents) to be stated in the annual report by presenting them as the cost of depreciation of fixed assets with the right of use, interest costs and other operating costs.

The costs of production services make up 1% of the total expenses, and mostly relate to:

- ✓ costs of maintenance services in the amount of 1,407,600 RSD - are 15% lower compared to the same period last year.

Within the realized expenses, the biggest expense is the **Expenses of depreciation and provisions**, which in the period January-March 2022 was realized in the amount of 146,888,365 RSD and makes 68% of the total realized expenses. Depreciation expense is lower by 7% compared to the same period last year, and compared to the Business Plan for the period January-March 2022 is lower by 27%.

Reduction of depreciation costs compared to the same period last year is the result of fully depreciated facilities and equipment, which reduces the cost of depreciation to total assets subject to depreciation calculation decreased.

In the period January-March 2022 **Intangible expenses** were realized in the amount of 25,448,419 RSD and make 12% of the total realized expenses. Intangible costs realized in this way are lower by 5% compared to the same period in 2021, and compared to the Business Plan for the period January-March 2022 they are lower by 30%.

Intangible costs are mostly related to:

- ✓ costs of property tax of ANT in the amount of 21,860,434 RSD - are lower by 1% compared to the same period in 2021, as a result of fully depreciated facilities which are subject to ANT property tax calculation.

In the period January- March 2022 **Financial expenses** were realized in the amount of 127,958 RSD and are significantly higher compared to the same period in 2021. The increase in financial expenses compared to the same period last year is a reflection of the fluctuation of foreign currency which in the nominal amount is not significant.

The structure of financial expenditures for the period January-March 2022 consists of:

- negative exchange rate differences - in the amount of 77,479 RSD and participate with 60% in total financial expenses;
- other financial expenses - in the amount of 4,610 RSD and participate with 4% in total financial expenses.

In the period January-March 2022 **Other expenses** were realized in the amount of 348,678 RSD and are lower by 92% compared to the same period in 2021, and compared to the Business Plan for the period January-March 2022 they are 54% lower. Realized other expenses mostly relate to other unmentioned expenses..

The structure of realized expenditures for the period January-March 2022 is shown in the table of expenditure structures.

STRUCTURE OF EXPENSES IN PERIOD JANUARY- MARCH 2022

Acc.	Account name	Realization January- March 2021	Business plan January- March 2022	Realization January- March 2022	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5	6(5/3)	7 (5/4)
51	MATERIAL AND ENERGY EXPENSES	257,536	808,049	350,861	136	43
512	OVERHEADS EXPENSES	62,313	410,799	101,692	163	25
513	FUEL AND ENERGY EXPENSES	148,423	284,750	249,169	168	88
515	SINGLE WRITE-OFF OF THE TOOLS AND INVENTORY EXPENSES	46,800	112,500	0	0	0
52	EXPENSES OF SALARIES, ALLOWANCES AN OTHER PERSONAL EXP.	36,359,498	38,896,575	39,286,730	108	101
520	EXPENSES OF SALARIES AND CONTRIBUTIONS (GROSS)	27,138,931	28,000,000	28,602,112	105	102
521	EXPENSES OF SALARIES AND CONTRIBUTIONS- EMPLOYER	4,485,292	4,439,684	4,609,627	103	104
522	EXPENSES OF SERVICE CONTRACTS- GROSS	95,796	0	116,608	122	0
524	EXPENSES OF TEMPORARY WORK CONTRACT- GROSS	1,282,185	1,282,494	1,276,728	100	100
526	COMPENSATION OF MANAGER, IE.MANAGEMENT BOARD- GROSS	2,084,744	2,341,857	2,359,613	113	101
529	OTHER PERSONAL EXPENSES AND CONTRIBUTIONS	1,272,551	2,832,540	2,322,041	182	82
53	PRODUCTION SERVICES EXPENSES	9,624,928	9,815,676	2,087,197	22	21
531	TRANSPORT SERVICES EXPENSES	1,061,017	956,445	557,900	53	58
532	MAINTENANCE EXPENSES	1,662,094	1,550,000	1,407,600	85	91
533	RENT EXPENSES	6,770,941	7,282,711	101,747	2	1
539	OTHER SERVICE EXPENSES	130,975	26,520	19,950	15	75
54	DEPRECIATION AND RESERVATION EXPENSES	157,148,095	200,643,574	146,888,365	93	73
540	DEPRECIATION EXPENSES	149,148,095	195,643,574	143,688,365	96	73
549	OTHER LONG-TERM RESERVATIONS	8,000,000	5,000,000	3,200,000	40	64
55	INTANGIBLE EXPENSES	26,798,183	36,357,195	25,448,419	95	70
550	EXPENSES OF NON-PRODUCTION SERVICES	1,432,119	6,465,054	1,230,540	86	19
551	REPRESENTATION EXPENSES	286,394	320,000	312,881	109	98
552	INSURANCE PREMIUM EXPENSES	198,720	267,500	165,805	83	62
553	PAYMENT TRANSACTION EXPENSES	189,336	143,750	111,646	59	78
554	MEMBERSHIP FEES EXPENSES	109,500	125,000	185,372	169	148
555	TAX EXPENSES	22,079,402	27,377,323	21,860,434	99	80
559	OTHER INTANGIBLE EXPENSES	2,502,713	1,658,568	1,581,742	63	95
I	BUSINESS EXPENSES	230,188,241	286,521,069	214,061,572	93	75
56	FINANCIAL EXPENSES	37,775	0	127,958	339	0
562	INTEREST RATE EXPENSES	801	0	4,610	576	0
563	NEGATIVE EXCHANGE RATE DIFFERENCES	36,650	0	77,479	211	0
564	EXPENSES ON THE BASES OF EFFECTIVE CURRENCY CALUSE	324	0	11	3	0
569	OTHER FINANCIAL EXPENSES	0	0	45,880	0	0
II	FINANCIAL EXPENSES	37,775	0	127,958	339	0
57	OTHER EXPENSES	4,247,188	625,000	348,678	8	56
579	OTHER NOT MENTIONED EXPENSES	4,247,188	625,000	348,678	8	56
59	EXPENSES FROM PREVIOUS YEARS	19,598	125,000	0	0	0
592	EXPENSES FOR ADJUSTMENT OF MISTAKES FROM PREVIOUS YEARS WHICH ARE NOT MATERIALLY SIGNIFICANT	19,598	125,000	0	0	0
iii	OTHER EXPENSES	4,226,786	750,000	348,678	8	46
TOTAL EXPENSES		234,492,802	287,271,069	214,538,209	91	75

3.3. FINANCIAL RESULT FOR THE PERIOD JANUARY-MARCH 2022

In the period January-March 2022, a negative financial result was reported in the gross amount of (38,984,658) RSD.

It is significant to mention that even with negative financial result for the period January-March 2022 which is mostly the result of the application of IFRS 16, based on which we differentiate revenues under the Concession Agreement (CAPEX, minimum annual concession fee) by year for the entire Concession Period, as well as coronavirus pandemic (Covid 19) in 2020 which is still present and which undoubtedly affected business activities of the Company, the achieved result does not represent the risk for successful performance of the Company's activities, which is a trend that can be seen in the result, where the negative result is significantly lower this year compared to the same period last year.

FINANCIAL RESULT IN PERIOD JANUARY- MARCH 2022

S.No	Account name	Realization January- March 2022	Business plan January- March 2022	Realization January- March 2022	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5	6(5/3)	7 (5/4)
1	Business revenues	157,837,863	165,033,081	166,474,083	105	101
2	Business expenses	230,188,241	286,521,069	214,061,572	93	75
3	Business loss (2-1)	72,350,377	121,487,989	47,587,490	66	39
4	Financial revenues	14,007,539	6,197,418	6,262,033	44	101
5	Financial expenses	37,775	0	127,958	339	0
6	Financial profit (4-5)	14,039,763	6,197,418	6,134,074	44	99
7	Other revenues	1,932,954	0	2,817,436	146	0
8	Other expenses	4,266,786	750,000	348,678	8	46
9	Other profit (4-5)			2,468,758	0	0
9a	Other loss (5-4)	2,333,832	750,000		0	0
10	Total revenues	173,848,355	171,230,499	175,553,552	101	103
11	Total expenses	234,492,802	287,271,069	214,538,209	91	75
12	Total gross loss (11-10)	60,644,446	116,040,571	38,984,658	64	34

3.4. NUMBER OF EMPLOYEES

**Number of employees per HR records for the period January- March 2022
(on the last day in the month)**

Month	Full time	Fixed-term	Subtotal	Temporary	Total
1	2	3	4 (2+3)	5	6 (4+5)
January	35	0	35	1	36
February	35	0	35	1	36
March	35	0	35	1	36

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 of the Concession Agreement cooperates with SPC in this area. In its work, SPC applies positive regulations and the highest standards when it comes to environmental protection.

5. DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT HAPPENED IN THE PERIOD JANUARY- MARCH 2022

In the period January- March 2022, it is necessary to mention the following important business events in the performance of duties overseeing the implementation of the Concession Agreement and in connection with the mandatory work on construction, reconstruction and maintenance of airport infrastructure by SPC, as seen in the complex airport:

In the reporting period, SPC continued with the timely execution of Mandatory Works in accordance with the provisions of the Concession Agreement, without affecting the regularity of passenger traffic, which takes place, as can be seen in the building of the passenger terminal in relation to reconstruction and upgrades, then on the airside, works on the inserted runway, as well as as the first large infrastructure project after 60 years at the Belgrade Airport. The works within first building phase of linear infrastructure facilities and works on construction of photovoltaic plant are completed.

5.1. DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT OCCURRED AFTER THE EXPIRY OF THE PERIOD JANUARY- MARCH 2022

In the period January- March 2022, it is necessary to mention the following important business events that occurred after the end of the period January-March 2022:

For the completed works on construction and reconstruction of terminal building (phase I) Performance of works phase 2- Upgrading finger hallway C, as well as for part of the phase for performance of works 3- construction and reconstruction of existing finger hallways A (A1-A5, C (C1-C6), Terminals 1 and 2 which represent functional unit and enables inclusion of phase 1.2 in unique functioning szstem for Aiirport Nikola Tesla Belgrade with existing terminals, trial period is approved.

6. DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD JANUARY- MARCH 2022

Bearing in mind the war between the Russian Federation and the Republic of Ukraine it is expected that this event will affect the concession project, considering it is complex, ie. Mandatory Works of SPC per Contract on funding for development through construction and reconstruction, maintenance and management of infrastructure of JSC Airport Nikola Tesla Belgrade and performing activities of airport operator at Airport Nikola Tesla Belgrade from 22nd March 2018. The full effect of this event is not possible to foresee at this moment.

Regardless of the undeniable impact of the pandemic caused by the COVID 19 virus on operations at Nikola Tesla Airport from 2020, which directly affected the business of SPC and thus indirectly the business results of JSC Airport Nikola Tesla as one of the two Concession Grantors, recovery in terms of increased number of passengers and air operations at the Airport, as well as the continuation of the Mandatory Works by SPC confirms the previously stated position of the Company's management that it does not expect significant risks related to the continuation of business and implementation of the Concession Agreement. Management's assessment remains that the Company's financial condition is such that there is no uncertainty regarding the Company's ability to continue per principle of permanence and that there is no material impact on its operations.

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. COMPANY'S MAJOR OPERATIONS WITH RELATED PARTIES

The JSC Airport Nikola Tesla Belgrade does not have any related parties under the Law on Companies (Official Gazette of RS No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018, 95/2018, 91/2019 and 109/2021, Article 62) accordingly, there are no business activities with related parties.

7.1. BRANCHES OF THE COMPANY

JSC Airport Nikola Tesla Belgrade has no branch within the Company.

Belgrade, May 2022

Managing Director

Saša Vlasisavljević, graduate traffic engineer



Managing Director - Chairman of the Executive Board

Number: GD -315/2022

E: kabinet@antb.rs www.antb.rs

11180 Belgrade 59, Republic of Serbia

Date: 12th May 2022

SITA: EGOWXX

Register number: 07036540

TIN: 100000539

Pursuant to Article 52 paragraph 3 item 7 and in regard with Article 53 paragraph 3 of the Law on Capital Market ("Official Gazette" No. 31/2011, 112/2015, 108/2016, 9/2020, and 153/2020) we make the following:

STATEMENT

We declare that, to the best of our knowledge, the Quarterly Report for the first quarter of the year of 2022 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 Quarterly Report of JSC Belgrade Nikola Tesla Airport for the first quarter of the year of 2022 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

**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE
SUPERVISORY BOARD
Number: DNO - 32/2022
Date: 13th May 2022**

Pursuant to Article 53 of the Law on Capital Market ("Official Gazette of RS" No. 31/2011, 112/2015, 108/2016, 9/2020, and 153/2020) and Article 32, paragraph 1, item 5) of the Statute of the Joint Stock Company Airport Nikola Tesla Belgrade (number: 361 dated 5th February 2019 - consolidated text), the Supervisory Board of the Joint Stock Company Airport Nikola Tesla Belgrade, at the 346th session held on 13th May 2022, adopted the following:

DECISION

1. The Financial Statement as of the 31st March 2022 of the Joint Stock Company Belgrade Nikola Tesla Airport is approved.
2. This Decision shall enter into force on the day of its adoption.

Rationale

In addition to the regular Annual Financial Statements under the Law on Accounting (Official Gazette 62/13, 30/2018, 73/2019 and 44/21 - other law), the Law on Capital Market ("Official Gazette of RS", No. 31 / 2011, 112/2015, 108/2016, 9/2020, and 153/2020) and the Rulebook on the conditions and manner of public disclosure of financial statements and keeping the register of financial statements (Official Gazette 142/2020), that shall be submitted to the Agency for Business registers after adoption by the competent authority (Company Assembly) no later than 45 days after the end of the quarter, Public companies have additional reporting obligations prescribed by the Law on Capital Market, the Rulebook on the content, form, and manner of publishing annual, semi-annual and quarterly reports of public companies, and the Instructions on how Public Companies submit information to the Securities Commission.

Under Article 53, paragraph 1 of the Law on Capital Market, a public company whose securities are traded on a regulated market is obliged to compile, publish and submit to the Commission and the market organizer a quarterly report, no later than 45 days after the end of each of the first three quarters of the current business year, as well as to ensure that this report is available to the public for at least five years from the date of publication.

The Company prepared the draft of the Financial Statement as of the 31st March 2022 which includes:

- Income statement for the period January- March 2022
- Balance Sheet as of 31st March 2022
- Report on other results for the period January- March 2022
- Report on equity changes for the period January- March 2022

- Report on cash flows for the period January- March 2022
- Notes to the financial statements for the period January- March 2022

By conclusion no. DNO-30/2022 dated 13th May 2022 the Audit Committee confirmed truthfulness of the proposed financial reportr as of 31st March 2022 with notes.

The Financial Statement as of 31st March 2022 within the Quarterly report for period January-March 2022 within the deadline determined by the Law on Capital Market through corporate agent submits to the Securities Commission, for publishing.

Based on all the above, the Supervisory Board decided as in the enacting clause.

THE CHAIRMAN OF the SUPERVISORY BOARD

Vesna Stanković Jevđević, Bachelor of Economics

**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE
SUPERVISORY BOARD
Number: DNO – 33/2022
Date: 13th May 2022**

Pursuant to Article 53 of the Law on Capital Market ("Official Gazette of RS" No. 31/2011, 112/2015, 108/2016, 9/2020, and 153/2020) and Article 32, paragraph 1, item 5) of the Statute of the Joint Stock Company Airport Nikola Tesla Belgrade (number: 361 dated 5th February 2019 - consolidated text), the Supervisory Board of the Joint Stock Company Airport Nikola Tesla Belgrade, at the 346th session held on 13th May 2022, adopted the following:

DECISION

1. The Business Report for the first quarter of 2022 of the Joint Stock Company Airport Nikola Tesla Belgrade is approved.
2. This Decision shall enter into force on the day of its adoption.

Rationale

In addition to the regular Annual Financial Statements under the Law on Accounting (Official Gazette 62/13, 30/2018, 73/2019 and 44/21 - other law), the Law on Capital Market ("Official Gazette of RS", No. 31/2011, 112/2015, 108/2016, 9/2020, and 153/2020) and the Rulebook on the conditions and manner of public disclosure of financial statements and keeping the register of financial statements (Official Gazette 142/2020), that shall be submitted to the Agency for Business registers after adoption by the competent authority (Company Assembly) no later than 45 days after the end of the quarter, Public companies have additional reporting obligations prescribed by the Law on Capital Market, the Rulebook on the content, form, and manner of publishing annual, semi-annual and quarterly reports of public companies, and the Instructions on how Public Companies submit information to the Securities Commission.

Under Article 53, paragraph 1 of the Law on Capital Market, a public company whose securities are traded on a regulated market is obliged to compile, publish and submit to the Commission and the market organizer a quarterly report, no later than 45 days after the end of each of the first three quarters of the current business year, as well as to ensure that this report is available to the public for at least five years from the date of publication.

Given the above, acting under applicable regulations and the Articles of Association, the Business Report for the first quarter of 2022 was prepared and submitted to the Audit Committee to confirm the correctness of the Business Report, as well as to the Supervisory Board for approval.

The Audit Committee confirmed the correctness of the Business report for the first quarter of 2022 by the Conclusion number DNO-31/2022 dated 13th May 2022.

Based on all the above, the Supervisory Board decided as in the enacting clause

The Chairman of the Supervisory Board

Vesna Stanković Jevđević, Bachelor of Economics