



“SRBO AUDIT“ Ltd

Audit & Accountancy Services Company

11030 Belgrade, Ilije Stojadinovića 6/2, phone : 011 2317 933 , cell : 063 8963 -165

TIN : 100420652 Identification Number : 17349732 Current Account :160-272003-31

**COMPANY FOR THE CONSTRUCTION,
INSTALLATION AND ENGINEERING
“ELEM & ELGO” LTD
BELGRADE**

***Report on the completed audit of financial reports with the
balance on December 31, 2016***

Number: 17-457/17

Belgrade, September 2017

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**TO GOVERNING BODY OF THE COMPANY »ELEM & ELGO« Ltd
BELGRADE**

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the company „ELEM & ELGO“ Ltd, Belgrade (hereinafter the Company), which comprise the Statement of financial position (Balance sheet) at December 31, 2016. and the corresponding Report on the overall business results (Income statement), Statement of changes in equity and Cash flow statement for the year then ended, and a summary of significant accounting policies and notes to financial statements.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, due to fraud or error.

AUDITOR RESPONSIBILITY

Our responsibility is to express our opinion on the presented financial statements based on the conducted audit.

We conducted the audit in accordance with the International Standards on Auditing (ISA) published by International Federation of Accountants (IFAC). These standards require that we comply with the relevant ethical requirements and to plan and conduct the audit so as to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures in order to obtain auditing evidence on the amounts and disclosures in the financial statements. The selection of procedures depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In the process of risk assessment the auditor considers internal control relevant to the preparation and fair representation of the financial statements in order to design auditing procedures which are appropriate under the circumstances, but not for the purpose of expressing an opinion on the Company's internal control.

An audit also includes evaluating whether the accounting policies and significant estimates made by the management were appropriate, as well as evaluating the overall presentation of the financial statements.

We believe that the auditing evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company "ELEM & ELGO" Ltd, Belgrade, on December 31, 2016 and the results of its operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Belgrade, September 25, 2017

Authorized Auditor
Nikola Vrcelj

To be filled by legal entity - entrepreneur

Registration number: 0 6 7 0 1 0 9 4 Activity code: 7 1 1 2 TIN: 1 0 0 1 1 4 9 2 5

Name: COMPANY FOR DESIGN, CONSULTING AND TRADE "ELEM & ELGO" LTD

Registered office: BELGRADE, Petra Lekovića 77A

BALANCE SHEET

on 12/31/2016

- in 000 RSD -

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. PERMANENT ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	0002		39510	36233	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	0003		1616	207	
010 and part of 019	1. Investment in development	0004				
011, 012 and part of 019	2. Concessions, patents, licenses, trademarks, service marks, software and similar rights	0005		1616	207	
013 and part of 019	3. Goodwill	0006				
014 and part 019	4. Other intangible assets	0007				
015 and part 019	5. In-process intangible assets	0008				
016 and part 019	6. Advances for intangible assets	0009				
02	II. IMMOVABLES, PLANTS AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	0010		31918	29842	
020, 021 and part 029	1. Land	0011		3125	3125	
022 and part 029	2. Buildings	0012		21847	22454	
023 and part 029	3. Plant and equipment	0013		4596	1913	
024 and part 029	4. Investment immovables	0014				
025 and part 029	5. Other immovables, plant and equipment	0015				
026 and part 029	6. Immovables, plant and equipment under construction	0016		2350	2350	
027 and part 029	7. Investments in third-party immovables, plant and equipment	0017				
028 and part 029	8. Advances for immovables, plant and equipment	0018				

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance _____ 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
03	III. BIOLOGICAL RESOURCES(0020 + 0021 + 0022 + 0023)	0019				
030, 031 and part 039	1. Forest and plantations	0020				
032 and part 039	2. Livestock	0021				
037 and part 039	3. Biological resources in preparation	0022				
038 and part 039	4. Advances for biological resources	0023				
04 except 047	IV. LONG-TERM FINANCIAL INVESTMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	0024		5976	6184	
040 and part 049	1. Participation in equity of subsidiaries	0025				
041 and part 049	2. Participation in equity of associates and joint ventures	0026				
042 and part 049	3. Participation in equity in other legal entities and other securities for sale	0027		3477	3477	
part 043, part 044 and part 049	4. Long-term investments in parent companies and subsidiaries	0028				
part 043, part 044 and part 049	5. Long-term investments in other associated legal entities	0029				
part 045 and part 049	6. Long-term investments - domestic	0030				
part 045 and part 049	7. Long-term investments - foreign	0031				
046 and part 049	8. Securities held to maturity	0032				
048 and part 049	9. Other long-term financial investments	0033		2499	2707	
05	V. LONG-TERM FINANCIAL RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	0034				
050 and part 059	1. Receivables from parent company and subsidiaries	0035				
051 and part 059	2. Receivables from other associated companies	0036				
052 and part 059	3. Receivables from receivables from credit sales	0037				
053 and part 059	4. Receivables from sales made under financial leasing contracts	0038				
054 and part 059	5. Receivables on sureties	0039				
055 and part 059	6. Contested and doubtful receivables	0040				
056 and part 059	7. Other long-term receivables	0041				
288	V. DEFERRED TAX ASSETS	0042				

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance ____ 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
	G. CURRENT ASSETS (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	0043		18653	25586	
Class 1	I. INVENTORIES (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	0044		6	14	
10	1. Materials, spare parts, tools and small inventory	0045				
11	2. Work and services in progress	0046				
12	3. Finished products	0047				
13	4. Goods	0048				
14	5. Permanent assets held for sale	0049				
15	6. Advances paid for inventories and services	0050		6	14	
20	II. RECEIVABLES FROM SALES (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	0051		9387	7147	
200 and part 209	1. Domestic trade receivables - parent companies and subsidiaries	0052				
201 and part 209	2. Foreign trade receivables - parent companies and subsidiaries	0053				
202 and part 209	3. Domestic trade receivables - other associated companies	0054				
203 and part 209	4. Foreign trade receivables - other associated companies	0055				
204 and part 209	5. Trade receivables - domestic	0056		8309	3380	
205 and part 209	6. Trade receivables - foreign	0057		1078	3767	
206 and part 209	7. Other receivables from sales	0058				
21	III. RECEIVABLES FROM SPECIFIC BUSINESS OPERATIONS	0059				
22	IV. OTHER RECEIVABLES	0060		309	650	
236	V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	0061				
23 except 236 and 237	VI. SHORT-TERM FINANCIAL INVESTMENTS (0063 + 0064 + 0065 + 0066 + 0067)	0062		936	4635	
230 and part 239	1. Short-term loans and investments in parent companies and subsidiaries	0063				
231 and part 239	2. Short-term loans and investments in other associated companies	0064				
232 and part 239	3. Short-term loans - domestic	0065				
233 and part 239	4. Short-term loans - foreign	0066				

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance _____ 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
234, 235, 238 and part 239	5. Other short-term financial investments	0067		936	4635	
24	VII. CASH AND CASH EQUIVALENTS	0068		8006	13065	
27	VIII. VALUE ADDED TAX	0069		9	4	
28 except 288	IX. ACCRUED EXPENSES	0070			71	
	D. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0042 + 0043)	0071		58163	61819	
88	D. OFF-BALANCE SHEET ASSETS	0072		496	496	
	EQUITY AND LIABILITIES					
	A. EQUITY(0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 - 0424 - 0441 - 0442)	0401		49670	53007	
30	I. CAPITAL(0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	0402		7874	7874	
300	1. Share capital	0403				
301	2. Stakes in limited liability companies	0404				
302	3. Participating interests	0405		7874	7874	
303	4. State owned capital	0406				
304	5. Socially owned capital	0407				
305	6. Stakes in cooperatives	0408				
306	7. Share premium	0409				
309	8. Other capital	0410				
31	II. SUBSCRIBED CAPITAL UNPAID	0411				
047 and 237	III. TREASURY SHARES	0412				
32	IV. RESERVES	0413		232	232	
330	V. REVALUATION RESERVES FROM INTANGIBLE ASSETS, IMMOVABLES, PLANTS AND EQUIPMENT	0414				
33 except 330	VI. UNREALIZED PROFITS FROM SECURITIES AND OTHER ELEMENTS OF OTHER COMPREHENSIVE INCOME (credit balance accounts of group 33 except 330)	0415				

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance _____ 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
33 except 330	VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER ELEMENTS OF OTHER COMPREHENSIVE INCOME (debit balance accounts of group 33 except 330)	0416				
34	VIII. RETAINED EARNINGS (0418 + 0419)	0417		41564	44901	
340	1. Retained earnings from previous years	0418		35878	44368	
341	2. Retained earnings for the current year	0419		5686	533	
	IX. PARTICIPATION WITHOUT CONTROL RIGHTS	0420				
35	X. LOSS (0422 + 0423)	0421				
350	1. Loss from previous years	0422				
351	2. Loss for the current year	0423				
	B. LONG-TERM PROVISIONS AND LIABILITIES (0425 + 0432)	0424				
40	I. LONG-TERM PROVISIONS (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	0425				
400	1. Provisions for costs incurred during the warranty period	0426				
401	2. Provisions for the recovery of natural resources	0427				
403	3. Provisions for restructuring costs	0428				
404	4. Provisions for compensations and other employment benefits	0429				
405	5. Provisions for litigation expenses	0430				
402 and 409	6. Other long-term provisions	0431				
41	II. LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	0432				
410	1. Debts convertible into equity	0433				
411	2. Liabilities to parent companies and subsidiaries	0434				
412	3. Liabilities to other associated companies	0435				
413	4. Liabilities for long-term securities	0436				
414	5. Long-term loans - domestic	0437				
415	6. Long-term loans - foreign	0438				

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance _____ 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
416	7. Financial leasing liabilities	0439				
419	8. Other long-term liabilities	0440				
498	V. DEFERRED TAX LIABILITIES	0441				
from 42 to 49, (except 498)	G. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	0442		8493	8812	
42	I. SHORT-TERM FINANCIAL LIABILITIES (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	0443				
420	1. Short-term loans from parent company and subsidiaries	0444				
421	2. Short-term loans from other associated companies	0445				
422	3. Short-term loans - domestic	0446				
423	4. Short-term loans - foreign	0447				
427	5. Liabilities for permanent assets and assets of discontinued operations held for sale	0448				
424, 425, 426 and 429	6. Other short-term financial liabilities	0449				
430	II. PREPAYMENTS, DEPOSITS AND GUARANTEES	0450				
43 except 430	III. OPERATING LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	0451		85	1049	
431	1. Trade payables - domestic parent company and subsidiaries	0452				
432	2. Trade payables - foreign parent company and subsidiaries	0453				
433	3. Trade payables - other domestic associated companies	0454				
434	4. Trade payables - other foreign associated companies	0455				
435	5. Trade payables - domestic	0456				
436	6. Trade payables - foreign	0457				
439	7. Other operating liabilities	0458				
44, 45 and 46	IV. OTHER SHORT-TERM LIABILITIES	0459		6243	5723	
47	V. LIABILITIES FOR VALUE ADDED TAX	0460		1402	1597	
48	VI. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES	0461		8	103	
49 except 498	VII. DEFERRED EXPENSES	0462		755	340	

Group of accounts, account	ITEM	ADP	Note number	Amount		
				Current year	Previous year	
					Closing balance _____ 20__	Opening balance as at 1 January 20__
1	2	3	4	5	6	7
	D. LOSS ABOVE EQUITY (0412 + 0416 + 0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	0463				
	D. TOTAL EQUITY AND LIABILITIES(0424 + 0442 - 0441 + 0401 - 0463) ≥ 0	0464		58163	61819	
89	E. OFF-BALANCE SHEET LIABILITIES	0465		496	496	

In <u>Belgrade</u>		Legal representative
on <u>22.09.</u> <u>2017.</u> S.P.		

This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 95/2014 and 144/2014).

To be filled by legal entity - entrepreneur

Registration number	0	6	7	0	1	0	9	4	Activity code	7	1	1	2	TIN	1	0	0	1	1	4	9	2	5
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Name: COMPANY FOR DESIGN, CONSULTING AND TRADE "ELEM & ELGO" LTD

Registered office: BELGRADE, Petra Lekovića 77A

PROFIT AND LOSS ACCOUNT
for the period from 1/1 to 12/31 2016

- in 000 RSD -

Group of accounts, account	ITEM	ADP	Note number	A m o u n t	
				Current year	Previous year
1	2	3	4	5	6
	INCOME FROM OPERATIONS				
60 to 65, except 62 and 63	A. OPERATING INCOME (1002 + 1009 + 1016 + 1017)	1001		45647	38351
60	I. INCOME FROM GOODSSOLD (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002			
600	1. Goods sold to domestic parent companies and subsidiaries	1003			
601	2. Goods sold to foreign parent companies and subsidiaries	1004			
602	3. Goods sold to other associated companies on the domestic market	1005			
603	4. Goods sold to other associated companies on the foreign market	1006			
604	5. Goods sold to domestic customers	1007			
605	6. Goods sold to foreign customers	1008			
61	II. INCOME FROM PRODUCTS SOLD AND SERVICES PROVIDED (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009		45647	38351
610	1. Products sold and services provided to domestic parent companies and subsidiaries	1010			
611	2. Products sold and services provided to foreign parent companies and subsidiaries	1011			
612	3. Products sold and services provided to other associated companies on the domestic market	1012			
613	4. Products sold and services provided to other associated companies on the foreign market	1013			
614	5. Products sold and services provided to domestic customers	1014		21899	18646
615	6. Products sold and services provided to foreign customers	1015		23748	19705
64	III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS AND SIMILAR	1016			
65	IV. OTHER OPERATING INCOME	1017			
	EXPENSES FROM OPERATIONS				
50 to 55, 62 and 63	B. OPERATING EXPENSES (1019 - 1020 - 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028 + 1029) ≥ 0	1018		39128	38094

Group of accounts, account	ITEM	ADP	Note number	Amount	
				Current year	Previous year
1	2	3	4	5	6
50	I. COST OF GOODS SOLD	1019			
62	II. REVENUE FROM UNDERTAKING FOR OWN PURPOSES	1020			
630	III. INCREASE IN INVENTORIES OF WORK IN PROGRESS AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1021			
631	IV. DECREASE IN INVENTORIES OF WORK IN PROGRESS AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1022			
51 except 513	V. RAW MATERIAL COSTS	1023		1217	670
513	VI. FUEL AND ENERGY COSTS	1024		1161	1278
52	VII. SALARIES, WAGES AND OTHER PERSONAL INDEMNITIES	1025		23195	20847
53	VIII. PRODUCTION SERVICES COSTS	1026		7638	11157
540	IX. DEPRECIATION COSTS	1027		2375	1764
541 to 549	X. LONG-TERM PROVISIONS	1028			
55	XI. INTANGIBLE COSTS	1029		3542	2378
	V. OPERATING PROFIT (1001 - 1018) ≥ 0	1030		6519	257
	G. OPERATING LOSS (1018 - 1001) ≥ 0	1031			
66	D. FINANCIAL INCOME (1033 + 1038 + 1039)	1032		153	339
66, except 662, 663 and 664	I. FINANCIAL INCOME FROM ASSOCIATED COMPANIES AND OTHER FINANCIAL INCOME (1034 + 1035 + 1036 + 1037)	1033		24	43
660	1. Financial income from parent company and subsidiaries	1034			
661	2. Financial income from other associated companies	1035			
665	3. Share in the profits of associated companies and joint ventures	1036			
669	4. Other financial income	1037		24	63
662	II. INCOME FROM INTEREST (FROM THIRD PARTIES)	1038		1	1
663 and 664	III. POSITIVE EFFECTS ON EXCHANGE RATE AND EFFECTS OF FOREIGN CURRENCY CLAUSE (TO THIRD PARTIES)	1039		128	295
56	Đ. FINANCIAL EXPENSES (1041 + 1046 + 1047)	1040		258	99
56, except 562, 563 and 564	I. FINANCIAL EXPENSES INCURRED WITH ASSOCIATED COMPANIES AND OTHER FINANCIAL EXPENSES (1042 + 1043 + 1044 + 1045)	1041			
560	1. Financial expenses incurred with parent company and subsidiaries	1042			
561	2. Financial expenses incurred with other associated companies	1043			
565	3. Share in losses of associated companies and joint ventures	1044			

Group of accounts, account	ITEM	ADP	Note number	A m o u n t	
				Current year	Previous year
1	2	3	4	5	6
566 and 569	4. Other financial expenses	1045			
562	II. INTEREST EXPENSES (TO THIRD PARTIES)	1046		19	30
563 and 564	III. NEGATIVE EFFECTS ON EXCHANGE RATE AND EFFECTS OF FOREIGN CURRENCY CLAUSE (TO THIRD PARTIES)	1047		239	69
	E. PROFIT FROM FINANCING (1032 - 1040)	1048			240
	Ž. LOSS FROM FINANCING (1032 - 1040)	1049		105	
683 and 685	Z. INCOME ON VALUE ADJUSTMENT OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	1050			
583 and 585	I. EXPENSES ON VALUE ADJUSTMENT OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	1051			
67 to 68, except 683 and 685	J. OTHER INCOME	1052		2	168
57 to 58, except 583 and 585	K. OTHER EXPENSES	1053		417	59
	L. PROFIT FROM REGULAR OPERATIONS BEFORE TAX (1030 - 1031 + 1048 - 1049 + 1050 - 1051 + 1052 - 1053)	1054		5999	606
	Lj. LOSS FROM REGULAR OPERATIONS BEFORE TAX (1031 - 1030 + 1049 - 1048 + 1051 - 1050 + 1053 - 1052)	1055			
69-59	M. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM PREVIOUS PERIODS	1056			
59-69	N. NET LOSS FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM PREVIOUS PERIODS	1057			
	Nj. PROFIT BEFORE TAX (1054 - 1055 + 1056 - 1057)	1058		5999	606
	O. LOSS BEFORE TAX (1055 - 1054 + 1057 - 1056)	1059			
	P. TAX ON PROFIT				
721	I. TAX EXPENSES FOR THE PERIOD	1060		313	73
part of 722	II. DEFERRED TAX EXPENSES OF A PERIOD	1061			
part of 722	III. DEFERRED TAX INCOME OF A PERIOD	1062			
723	R. PERSONAL INDEMNITIES PAID TO EMPLOYER	1063			
	Š. NET PROFIT (1058 - 1059 - 1060 - 1061 + 1062 - 1063)	1064		5686	533
	T. NET LOSS (1059 - 1058 + 1060 + 1061 - 1062 + 1063)	1065			
	I. NET PROFIT WHICH BELONGS TO MINORITY INVESTORS	1066			
	II. NET PROFIT WHICH BELONGS TO MAJORITY OWNER	1067			
	III. NET LOSS WHICH BELONGS TO MINORITY INVESTORS	1068			
	IV. NET LOSS WHICH BELONGS TO MAJORITY OWNER	1069			
Group of	ITEM	ADP	Note number	A m o u n t	

accounts, account				Current year	Previous year
1	2	3	4	5	6
	V. EARNINGS PER SHARE				
	1. BASIC EARNING PER SHARE	1070			
	2. DILUTED EARNING PER SHARE	1071			

In <u>Belgrade</u>		Legal representative
on <u>22.09.</u> <u>2017.</u> S.P.		

This form is mandatory pursuant to the Rulebook on the content and layout of financial statement forms for legal entities, cooperatives and entrepreneurs (RS Official Gazette No 95/2014 and 144/2014).