



SARANTIS DOO, BELGRADE

**FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,
2019 WITH THE INDEPENDENT AUDITOR'S REPORT**

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SARANTIS DOO
ZELENGORSKA 1G
BEOGRAD

INDEPENDENT AUDITOR'S REPORT

To: the Founders and Management of the Company Sarantis doo, Belgrade

Opinion

We have audited the financial statements of SARANTIS DOO, BELGRADE (hereinafter: the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, report of other result, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Low on Accounting and accounting regulations of the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Republic of Serbia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT (continued)

To: the Founders and Management of the Company Sarantis doo, Belgrade

Responsibilities of Management and Those Charged with Governance for the Financial Statements -continued

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT (continued)

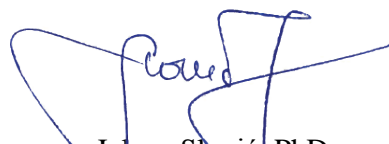
To: the Founders and Management of the Company Sarantis doo, Belgrade

Auditor's Responsibilities for the Audit of the Financial Statements - continued

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Engaged partner in the audit which has a consequence the independent auditor's report is Jelena Slović, PhD.

In Belgrade, March 19, 2020



Jelena Slović, PhD
Licensed Authorized Auditor
Finodit doo
Belgrade, Serbia

Fulfilled by a legal entity

Registration No 17162403	Activity type 46.45	VAT No	100180969
Name: SARANTIS Ltd Belgrade, Serbia			
Address: Belgrade (New Belgrade), Zelengorska 1g			

BALANCE SHEET
on 31.12.2019

- in thousand RSD -

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2019	Previous year	
					Closing balance 2018	Opening balance 01.01.2018
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. PERMANENT ASSETS (0003+0010+0019+0024+0034)	0002		1.520.460	1.107.003	0
01	I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003	001	24.200	25.782	0
010 and part of 019	1. Investments in research and development	0004		0	0	0
011, 012 and part of 019	2. Concessions, patents, licences, software and similar rights	0005		23.567	25.782	0
013 and part of 019	3. Goodwill	0006		0	0	0
014 and part of 019	4. Other intangible assets	0007		633	0	0
015 and part of 019	5. Intangible assets under construction	0008		0	0	0
016 and part of 019	5. Payments in advance for intangible assets	0009		0	0	0
02	II. REAL ESTATE, INSTALLATIONS AND EQUIPMENT (0011+0012+0013+0014+0015+0016+ 0017+0018)	0010	002	123.725	1.339	0
020, 021 and part of 029	1. Land	0011		0	0	0
022 and part of 029	2. Buildings	0012		55.411	0	0
023 and part of 029	3. Equipment	0013		68.314	1.339	0
024 and part of 029	4. Immovable assets for rental purposes	0014		0	0	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2019	Previous year	
					Closing balance 2018	Opening balance 01.01.2018
1	2	3	4	5	6	7
025 and part of 029	5. Other tangible assets	0015		0	0	0
026 and part of 029	6. Real estate, installations and equipment under construction	0016		0	0	0
027 and part of 029	7. Investments in 3rd party real estate, installations and equipment	0017		0	0	0
028 and part of 029	8. Payment in advance for real estate, installations and equipment	0018		0	0	0
03	III. BIOLOGICAL ASSETS (0020+0021+0022+0023)	0019		0	0	0
030, 031 and part of 039	1. Forests and plants	0020		0	0	0
032 and part of 039	2. Live stock	0021		0	0	0
037 and part of 039	3. Biological assets under construction	0022		0	0	0
038 and part of 039	4. Payments in advance for biological assets	0023		0	0	0
04, excl. 047	IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		1.372.535	1.079.882	0
040 and part of 049	1. Share in equity of affiliates	0025	003	1.078.453	1.078.453	0
041 and part of 049	2. Share in equity of associates and joint companies	0026		0	0	0
042 and part of 049	3. Share in equity of other companies and securities available for sales	0027		0	0	0
part of: 043, 044 049	4. Long term investments to affiliates and associates	0028		0	0	0
part of: 043, 044 049	5. Long term investments to associates	0029	004	293.982	0	0
045 and part of 049	6. Long term Investments - domestic	0030		0	0	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2019	Previous year	
					Closing balance 2018	Opening balance 01.01.2018
1	2	3	4	5	6	7
045 and part of 049	7. Long term investments - foreign	0031		0	0	0
046 and part of 049	8. Securities held until due date	0032		0	0	0
048 and part of 049	9. Other long term investments	0033	005	100	1.429	0
05	V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		0	0	0
050 and part of 059	1. Long term receivables from affiliates	0035		0	0	0
051 and part of 059	2. Long term receivables from associates	0036		0	0	0
052 and part of 059	3. Long term receivables from goods sold	0037		0	0	0
053 and part of 059	4. Long term receivables from financial leasing	0038		0	0	0
054 and part of 059	5. Long term claims based on warranty	0039		0	0	0
055 and part of 059	6. Bad and doubtful long term debts	0040		0	0	0
056 and part of 059	7. Other long term receivables	0041		0	0	0
288	V. DEFERRED TAX ASSETS	0042	006	1.081	1.442	0
	G. CURRENT ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		1.908.319	2.018.800	0
Class 1	I. Stock(0045+0046+0047+0048+0049+0050)	0044	007	613.733	608.635	0
10	1. Raw, pack, spare parts, small and large tools	0045		15.663	12.054	0
11	2. Work in progress	0046		0	0	0
12	3. Finished products	0047		0	0	0
13	4. Merchandise	0048		448.523	385.397	0
14	5. Permanent assets held for sale	0049		0	0	0
15	6. Payments in advance for inventories and services	0050		149.547	211.184	0
20	II. RECEIVABLES FROM SALES (0057+0053+0054+0055+0056+0057+0058)	0051	008	924.585	876.459	0
200 and part of 209	1. Domestic customers - affiliates	0052		0	0	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2019	Previous year	
					Closing balance 2018	Opening balance 01.01.2018
1	2	3	4	5	6	7
201 and part of 209	2. Foreign customers - affiliates	0053		16.620	8.459	0
202 and part of 209	3. Domestic customers - associates	0054		0	0	0
203 and part of 209	4. Foreign customers - associates	0055		459	1.295	0
204 and part of 209	5. Domestic customers - 3rd parties	0056		824.035	806.879	0
205 and part of 209	6. Foreign customers - 3rd parties	0057		83.471	59.826	0
206 and part of 209	7. Other receivables from sales	0058		0	0	0
21	III. RECEIVABLES FROM SPECIFIC BUSINESS OPERATIONS	0059		0	0	0
22	IV. OTHER RECEIVABLES	0060	009	7.940	7.992	0
236	V. FINANCIAL ASSETS - SUBJECT OF VALUATION ACCORDING TO FAIR VALUE	0061		0	0	0
23 excl. 236 i 237	VI. SHORT TERM FINANCIAL INVESTMENTS (0063+0064+0065+0066+0067)	0062	010	6.439	501.440	0
230 and part of 239	1. Short term loans to affiliates	0063		0	0	0
231 and part of 239	2. Short term loans to associates	0064	004	0	295.487	0
232 and part of 239	3. Short term loans to 3rd parties-domestic	0065		0	0	0
233 and part of 239	4. Short term loans to 3rd parties - foreign	0066		0	0	0
234, 235, 238 and part of 239	5. Other short term loans	0067		6.439	205.953	0
24	VII. CASH AND CASH EQUIVALENTS	0068	011	346.917	10.825	0
27	VIII. VALUE ADDED TAX	0069		0	0	0
28 excl. 288	IX. DEFERRED EXPENSES AND ACCRUED INCOME	0070	012	8.705	13.449	0
	D. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		3.429.860	3.127.245	0
88	D. MEMORANDUM ASSETS	0072				

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2019	Previous year	
					Closing balance 2018	Opening balance 01.01.2018
1	2	3	4	5	6	7
	LIABILITIES					
	A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417 +0420-0421) ≥0= (0071-0424-0441-0442)	0401		2.953.265	2.709.286	0
30	I. INITIAL CAPITAL (0063+0064+0065+0066+0067)	0402	013	70.663	70.663	0
300	1. Share capital	0403		0	0	0
301	2. Parts in limited liability companies	0404		70.663	70.663	0
302	3. Investments in capital of partnership companies	0405		0	0	0
303	4. Capital owned by state	0406		0	0	0
304	5. Socially owned capital	0407		0	0	0
305	6. Parts in cooperatives	0408		0	0	0
306	7. Share issuing premiums	0409		0	0	0
309	8. Other initial capital	0410		0	0	0
31	II. SUBSCRIBED CAPITAL UNPAID	0411		0	0	0
047 i 237	III. TREASURY STOCK	0412		0	0	0
32	IV. RESERVES	0413		12.380	12.380	0
330	V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLE AND TANGIBLE ASSETS	0414		0	0	0
33 excl. 330	VI. GAINS FROM SECURITIES AND FROM COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balances of accounts group 33 except 330)	0415		0	0	0
33 excl. 330	VII. LOSSES FROM SECURITIES AND FROM COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balances of accounts group 33 except 330)	0416		0	0	0
34	VIII. RETAINED EARNINGS (0418+0419)	0417		2.870.222	2.626.243	0
340	1. Retained earnings from prior years	0418		2.626.243	2.369.156	0
341	2. Retained earnings from current year	0419		243.979	257.087	0
	IX. PARTICIPATIONS WITHOUT CONTROLLING RIGHTS	0420				
35	X. LOSS (0422+0423)	0421		0	0	0
350	1. Loss from prior years	0422		0	0	0
351	1. Loss from current year	0423		0	0	0
	B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		86.845	5.974	0
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		2.792	5.974	0
400	1. Provision for costs incurring during the warranty period	0426		0	0	0
401	2. Provision for the renewal of natural resources	0427		0	0	0
403	3. Provisions for restructuring costs	0428		0	0	0
404	4. Provisions for remunerations and other benefits to employees	0429		0	0	0
405	5. Provisions for litigation expenses	0430		0	0	0
402 and 409	6. Other long term provisions	0431	014	2.792	5.974	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2019	Previous year	
					Closing balance 2018	Opening balance 01.01.2018
1	2	3	4	5	6	7
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		84.053	0	0
410	1. Liabilities that can be converted into capital	0433		0	0	0
411	2. Long term liabilities to affiliates	0434		0	0	0
412	3. Long term liabilities to associates	0435		0	0	0
413	4. Liabilities for long term securities	0436		0	0	0
414	5. Long term loans - domestic	0437		0	0	0
415	6. Long term loans - foreign	0438		0	0	0
416	7. Long term liabilities for financial leasing	0439	002	84.053	0	0
419	8. Other long term liabilities	0440		0	0	0
498	V. DEFERRED TAX LIABILITIES	0441	015	2.236	2.511	0
42 do 49 (excl. 498)	G. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		387.514	409.474	0
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	016	31.757	0	0
420	1. Short term loans from affiliates	0444		0	0	0
421	2. Short term loans from associates	0445		0	0	0
422	3. Short term loans from 3rd parties - domestic	0446		0	0	0
423	4. Short term loans from 3rd parties - foreign	0447		0	0	0
427	5. Liabilities from discontinued operations	0448		0	0	0
424, 425, 426 and 429	6. Other short term financial liabilities	0449		31.757	0	0
430	II. RECEIVED ADVANCES, DEPOSITS AND CAUTION MONEY	0450		714	1.343	0
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		299.771	325.583	0
431	1. Vendors - affiliates domestic	0452		0	0	0
432	2. Vendors - affiliates foreign	0453		9.349	10.268	0
433	3. Vendors - associates domestic	0454		0	0	0
434	4. Vendors - associates foreign	0455		345	2.529	0
435	5. Vendors - 3rd parties domestic	0456		61.430	74.777	0
436	6. Vendors - 3rd parties foreign	0457		228.647	238.009	0
439	7. Other operating liabilities	0458		0	0	0
44, 45 and 46	IV. OTHER SHORT TERM LIABILITES	0459	017	161	91	0
47	V. LIABILITIES FOR VAT	0460	018	9.893	9.429	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2019	Previous year	
					Closing balance 2018	Opening balance 01.01.2018
1	2	3	4	5	6	7
48	VI. OTHER TAXES AND CONTRIBUTIONS LIABILITIES	0461	019	53	14.817	0
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	020	45.165	58.211	0
	D. LOSS EXCEEDING THE EQUITY (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)≥0 = (0441+0424+0442-0071)≥0	0463		0	0	0
	D. TOTAL LIABILITIES (0424+0442+0441+0401-0463)≥0	0464		3.429.860	3.127.245	0
89	E. MEMORANDUM LIABILITIES	0465				

In Belgrade

Legal representative

18.3.2020



Caia Altago

Fulfilled by a legal entity		
Registration No 17162403	Activity type 46.45	VAT No 100180969
Name: SARANTIS Ltd Belgrade, Serbia		
Address: Belgrade (New Belgrade), Zelengorska 1g		

INCOME STATEMENT
for the period 01.01 to 31.12.2019.

- in thousand RSD -

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
	INCOME FROM OPERATING ACTIVITIES				
60 to 65, except 62 and 63	A. OPERATING INCOME (1002+1009+1016+1017)	1001		2.777.272	2.651.387
60	I. INCOME FROM SALES OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002	021	2.774.097	2.641.633
600	1. Income from sales of merchandise to affiliated companies on domestic market	1003		0	0
601	2. Income from sales of merchandise to affiliated companies on foreign market	1004		168.346	160.406
602	3. Income from sales of merchandise to associated companies on domestic market	1005		0	0
603	4. Income from sales of merchandise to associated companies on foreign market	1006		4.500	1.363
604	5. Income from sales of merchandise to 3rd party companies on domestic market	1007		2.463.868	2.374.742
605	6. Income from sales of merchandise to 3rd party companies on foreign market	1008		137.383	105.122
61	II. INCOME FROM SALES OF OWN PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		2.433	6.181
610	1. Income from sales of products and services to affiliated companies on domestic market	1010		0	0
611	2. Income from sales of products and services to affiliated companies on foreign market	1011		0	0
612	3. Income from sales of products and services to associated companies on domestic market	1012		0	0
613	4. Income from sales of products and services to associated companies on foreign market	1013		0	0
614	5. Income from sales of products and services to 3rd party companies on domestic market	1014		0	0
615	6. Income from sales of products and services to 3rd party companies on foreign market	1015	022	2.433	6.181

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
64	III. REVENUES FROM PREMIUMS, SUBVENTIONS, GRANTS, ETC	1016			0
65	IV. OTHER OPERATING INCOME	1017	023	742	3.573
EXPENSES FROM OPERATING ACTIVITIES					
50 to 55, 62 and 63	B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029)≥ 0	1018		2.312.201	2.212.506
50	I. COST OF GOODS SOLD	1019	024	1.699.510	1.649.035
62	II. REVENUES FROM USE OF OWN PRODUCTS, SERVICES AND MERCHANDISE	1020	025	19.204	22.646
630	III. INCREASE IN INVENTORIES OF PRODUCTS AND WORK IN PROGRESS	1021		0	0
631	IV. DECREASE IN INVENTORIES OF PRODUCTS AND WORK IN PROGRESS	1022		0	0
51 except 513	V. COSTS OF MATERIAL	1023	026	8.169	8.572
513	VI. FUEL AND ENERGY EXPENSES	1024	027	12.556	11.571
52	VII. PAYROLL AND OTHER PERSONNEL EXPENSES	1025	028	225.932	184.823
53	VIII. PRODUCTION SERVICES COST	1026	029	289.987	291.676
540	IX. DEPRECIATION EXPENSES	1027	030	27.274	4.678
541 to 549	X. LONG TERM PROVISION EXPENSES	1028		0	0
55	XI. NON-MATERIAL SERVICES COSTS	1029	031	67.977	84.797
	V. NET OPERATING INCOME (1001-1018)≥0	1030		465.071	438.881
	G. NET OPERATING LOSS (1018-1001)≥0	1031		0	0
66	D. FINANCIAL INCOME (1033+1038+1039)	1032		17.094	10.251
66, except 662,663 and 664	I. FINANCIAL REVENUES FROM AFFILIATES, ASSOCIATES, AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033	032	12.379	2.785
660	1. Financial revenues from affiliated companies	1034		45	170
661	2. Financial revenues from associated companies	1035		10.170	222
665	3. Revenues from participation in profit of joint ventures	1036		0	0
669	4. Other financial revenues	1037		2.164	2.393
662	II. INTEREST INCOME (FROM 3RD PARTIES)	1038		2.444	4.943
663 i 664	III. POSITIVE EXCHANGE RATE DIFFERENCES (TO 3RD PARTIES)	1039		2.271	2.523

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
56	D. FINANCIAL EXPENSES (1041+1046+1047)	1040	033	18.667	15.880
56, except 562,563 and 564	I. FINANCIAL EXPENSES FROM AFFILIATES, ASSOCIATES, AND OTHER FINANCIAL EXPENSES (1042+1043+1044+1045)	1041		13.939	11.878
560	1. Financial expenses from affiliated companies	1042		1.526	1.879
561	2. Financial expenses from associated companies	1043		3.641	2.685
565	3. Expenses from participation in loss of joint ventures	1044		0	0
566 and 569	4. Other financial expenses	1045		8.772	7.314
562	II. INTEREST EXPENSES (FROM 3RD PARTIES)	1046		1.939	2
563 and 564	III. NEGATIVE EXCHANGE RATE DIFFERENCES (TO 3RD PARTIES)	1047		2.789	4.000
	E. NET FINANCIAL PROFIT (1032-1040)	1048		0	0
	Z. NET FINANCIAL LOSS (1040-1032)	1049		1.573	5.629
683 and 685	Z. REVENUES FROM REVALUATION OF OTHER ASSETS ACCORDING TO FAIR VALUE PRINCIPLE	1050	034	50	1.873
583 and 585	I. LOSS FROM REVALUATION OF OTHER ASSETS ACCORDING TO FAIR VALUE PRINCIPLE	1051	035	804	583
67 and 68, except 683 i 685	J. OTHER REVENUES	1052	036	153.398	155.406
57 and 58, except 583 i 585	K. OTHER EXPENSES	1053	037	326.957	282.501
	L. NET PROFIT FROM OPERATING ACTIVITIES BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		289.185	307.447
	L. NET LOSS FROM OPERATING ACTIVITIES BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		0	0
69-59	M. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS DERIVING FROM A CHANGE IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR YEARS MISTAKES	1056		0	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
59-69	N. NET LOSS FROM DISCONTINUED OPERATIONS, EFFECTS DERIVING FROM A CHANGE IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR YEARS MISTAKES	1057		0	0
	NJ. PROFIT BEFORE TAXATION (1054-1055+1056-1057)	1058		289.185	307.447
	O. LOSS BEFORE TAXATION (1055-1054+1057-1056)	1059		0	0
	P. INCOME TAX				
721	I. TAX EXPENSES OF THE PERIOD	1060	038	45.121	49.181
deo 722	II. DEFERRED TAX EXPENSE OF THE PERIOD	1061		85	1.179
deo 722	III. DEFERRED TAX INCOME OF THE PERIOD	1062		0	0
723	R. PAID PERSONAL INCOME TO THE OWNER	1063		0	0
	S. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		243.979	257.087
	T. NET LOSS (1059-1058+1060+1061-1062+1063)	1065		0	0
	I. NET PROFIT BELONGING TO MINORITY STAKEHOLDERS	1066		0	0
	II. NET PROFIT BELONGING TO MAYORITY STAKEHOLDERS	1067		0	0
	III. NET LOSS BELONGING TO MINORITY STAKEHOLDERS	1068		0	0
	IV. NET LOSS BELONGING TO MAYORITY STAKEHOLDERS	1069		0	0
	V. EARNINGS PER SHARE			0	0
	1. Basic earnings per share	1070		0	0
	2. Deluted earnings per share	1071		0	0

In Belgrade

Legal representative

18.3.2020



Čana Mirović

Fulfilled by a legal entity		
Registration No 17162403	Activity type 46.45	VAT No 100180969
Name: SARANTIS Ltd Belgrade, Serbia		
Address: Belgrade (New Belgrade), Zelengorska 1g		

REPORT ON OTHER COMPREHENSIVE RESULT

for the period 01.01 to 31.12.2019.

- in thousand RSD -

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET RESULT FROM OPERATIONS				
	I. NET PROFIT (AOP 1064)	2001	039	243.979	257.087
	II. NET LOSS (AOP 1065)	2002		0	0
	B. OTHER COMPREHENSIVE INCOME OR LOSS				
	a) items that will not be reclassified in Income Statement in future periods				
330	1. Changes due to revaluation of intangible and tangible assets				
	a) increase in revaluation reserves	2003		0	0
	b) decrease in revaluation reserves	2004		0	0
331	2. Actuarial gains or losses on defined benefit plans				
	a) gains	2005		0	0
	b) losses	2006		0	0
332	3. Gains or losses on investments in equity instruments				
	a) gains	2007		0	0
	b) losses	2008		0	0
333	4. Gains or losses on the basis of the share in other comprehensive income or loss of associates				
	a) gains	2009		0	0
	b) losses	2010		0	0
	b) Items that can subsequently be reclassified to the Income Statement in future periods				
334	1. Gains or losses arising from the translation of financial statements of foreign capital				
	a) gains	2011		0	0
	b) losses	2012		0	0
335	2. Gains or losses on instruments for the protection of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains or losses arising from hedging instruments of cash flow				
	a) gains	2015			
	b) losses	2016			

Group of accounts, account	DESCRIPTION	AOP	Reference No	A
				Current year
1	2	3	4	5
337	4. Gains or losses on securities available for sale			
	a) gains	2017		0
	b) losses	2018		0
	I OTHER GROSS COMPREHENSIVE INCOME (2003+2005+2007+2009+2011+2013+2015+2017)- (2004+2006+2008+2010+2012+2014+2016+2018)≥0	2019		0
	II OTHER GROSS COMPREHENSIVE LOSS (2004+2006+2008+2010+2012+2014+2016+2018)- (2003+2005+2007+2009+2011+2013+2015+2017) ≥0	2020		0
	III TAX ON OTHER COMPREHENSIVE INCOME OR LOSS OF THE PERIOD	2021		
	IV. NET OTHER COMPREHENSIVE INCOME (2019-2020-2021)≥0	2022		0
	V. NET OTHER COMPREHENSIVE LOSS (2020-2019+021)≥0	2023		0
	V. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD			
	I TOTAL NET COMPREHENSIVE RESULT (2001-2002+2022-2023)≥0	2024		243.979
	II TOTAL NET COMPREHENSIVE LOSS (2002-2001+2023-2022) ≥0	2025		
	G. TOTAL NET COMPREHENSIVE INCOME OR LOSS (2027+2028)= AOP 2024 ≥0 or AOP 2025> 0	2026		0
	1. Attributed to the majority owners of capital	2027		0
	2. Attributed to owners who do not have control	2028		0

In Belgrade

18.3.2020



Legal representa

Carina Mihaljević

Fulfilled by a legal entity		VAT No 100180969
Registration No 17162403	Activity type 46.45	
Name: SARANTIS Ltd Belgrade, Serbia		
Address: Belgrade (New Belgrade), Zelenjorska 1R		

REPORT OF CHANGES IN EQUITY
for the period 01.01.2019. to 31.12.2019.

- in thousand RSD -

Ser. No.	Description	Components of the capital										
		30 Share capital	AOP	31 Subscribed capital unpaid	AOP	32 Reserves	AOP	35 Loss	AOP	047 and 237 Treasury stock	AOP	34 Retained earnings
1	2	3	4	5	6	7	8	9	10	11	12	
1	Opening balance as of 01.01.2018											
	a) debit balance of the account	4001	0	4037	0	4055	0	4073	0	4091	0	
	b) credit balance of the account	4002	70.663	4020	0	4038	0	4074	0	4092	0	2.369.156
2	Adjustments for errors and changes in accounting policies											
	a) corrections on the debit side of the account	4003	0	4021	0	4039	0	4075	0	4093	0	0
	b) corrections on the credit side of the account	4004	0	4022	0	4040	0	4076	0	4094	0	0
3	Adjusted opening balance as of 01.01.2018.											
	a) adjusted debit balance of the account (1a+2a-2b)≥0	4005		4073		4041		4077		4095		
	b) adjusted credit balance of the account (1b-2a+2b)≥0	4006	70.663	4024	0	4042	12.380	4078	0	4096	0	2.369.156
4	Changes in a prior 2018 year											
	a) debit turnover of the account	4007	0	4025	0	4043	0	4079	0	4097	0	0
	b) credit turnover of the account	4008	0	4026	0	4044	0	4080	0	4098	0	257.087
5	Balance at the end of the prior year 31.12.2018.											
	a) debit balance of the account (3a+4a-4b)≥0	4009	0	4025	0	4045	0	4081	0	4099	0	0
	b) credit balance of the account (3b-4a+4b)≥0	4010	70.663	4076	0	4046	12.380	4082	0	4100	0	2.626.243
6	Adjustments for errors and changes in accounting policies											
	a) corrections on the debit side of the account	4011	0	4027	0	4047	0	4083	0	4101	0	0
	b) corrections on the credit side of the account	4012	0	4078	0	4048	0	4084	0	4102	0	0
7	Adjusted opening balance as of 01.01.2019.											
	a) adjusted debit balance of the account (5a+6a-6b)≥0	4013	0	4029	0	4049	0	4085	0	4103	0	0
	b) adjusted credit balance of the account (5b-6a+6b)≥0	4014	70.663	4030	0	4050	17.380	4086	0	4104	0	2.626.243
8	Changes in the current 2019 year											
	a) debit turnover of the account	4015	0	4031	0	4051	0	4087	0	4105	0	0
	b) credit turnover of the account	4016	0	4032	0	4052	0	4088	0	4106	0	243.979
9	Balance at the end of the current year 31.12.2019.											
	a) debit balance of the account (7a+8a-8b)≥0	4017	0	4033	0	4053	0	4089	0	4107	0	0
	b) credit balance of the account (7b-8a+8b)≥0	4018	70.663	4034	0	4054	12.380	4090	0	4108	0	2.870.222

Ser. No.	Description	Components of other result											337	
		AOP	330	AOP	331	AOP	332	AOP	333	AOP	334 i 335	AOP		336
		Revaluation reserves		Actuarial gains or losses		Gains or losses on ownership equity instruments		Gains or losses from participation in joint companies		Gains or losses from transaction of foreign currency fin. statements		Gains or losses from cash flow hedging		Gains or losses from measurable securities
		9	10		11	12	13	14	15					
1	2													
	Opening balance as of 01.01.2018.													
1	a) debit balance of the account	4109	0 4127	0 4145	0 4163	0 4181	0 4199	0 4217	0 4235	0 4253	0 4271	0 4289	0 4307	0 4325
	b) credit balance of the account	4110	0 4128	0 4146	0 4164	0 4182	0 4200	0 4218	0 4236	0 4254	0 4272	0 4290	0 4308	0 4326
2	Adjustments for errors and changes in accounting policies													
	a) corrections on the debit side of the account	4111	0 4129	0 4147	0 4165	0 4183	0 4201	0 4219	0 4237	0 4255	0 4273	0 4291	0 4309	0 4327
	b) corrections on the credit side of the account	4112	0 4130	0 4148	0 4166	0 4184	0 4202	0 4220	0 4238	0 4256	0 4274	0 4292	0 4310	0 4328
	Adjusted opening balance as of 01.01.2018.													
3	a) adjusted debit balance of the account (1a+2a-2b)≥0	4113	4131	4149	4167	4185	4203	4221	4239	4257	4275	4293	4311	4329
	b) adjusted credit balance of the account (1b-2a+2b)≥0	4114	0 4132	0 4150	0 4168	0 4186	0 4204	0 4222	0 4240	0 4258	0 4276	0 4294	0 4312	0 4330
4	Changes in a prior 2018 year													
	a) debit turnover of the account	4115	0 4133	0 4151	0 4169	0 4187	0 4205	0 4223	0 4241	0 4259	0 4277	0 4295	0 4313	0 4331
	b) credit turnover of the account	4116	0 4134	0 4152	0 4170	0 4188	0 4206	0 4224	0 4242	0 4260	0 4278	0 4296	0 4314	0 4332
	Balance at the end of the prior year 31.12.2018.													
5	a) debit balance of the account (3a+4a-4b)≥0	4117	0 4135	0 4153	0 4171	0 4189	0 4207	0 4225	0 4243	0 4261	0 4279	0 4297	0 4315	0 4333
	b) credit balance of the account (3b-4a+4b)≥0	4118	0 4136	0 4154	0 4172	0 4190	0 4208	0 4226	0 4244	0 4262	0 4280	0 4298	0 4316	0 4334
6	Adjustments for errors and changes in accounting policies													
	a) corrections on the debit side of the account	4119	0 4137	0 4155	0 4173	0 4191	0 4209	0 4227	0 4245	0 4263	0 4281	0 4299	0 4317	0 4335
	b) corrections on the credit side of the account	4120	0 4138	0 4156	0 4174	0 4192	0 4210	0 4228	0 4246	0 4264	0 4282	0 4300	0 4318	0 4336
	Adjusted opening balance as of 01.01.2019.													
7	a) adjusted debit balance of the account (5a+6a-6b)≥0	4121	0 4139	0 4157	0 4175	0 4193	0 4211	0 4229	0 4247	0 4265	0 4283	0 4301	0 4319	0 4337
	b) adjusted credit balance of the account (5b-6a+6b)≥0	4122	0 4140	0 4158	0 4176	0 4194	0 4212	0 4230	0 4248	0 4266	0 4284	0 4302	0 4320	0 4338
8	Changes in the current 2019 year													
	a) debit turnover of the account	4123	0 4141	0 4159	0 4177	0 4195	0 4213	0 4231	0 4249	0 4267	0 4285	0 4303	0 4321	0 4339
	b) credit turnover of the account	4124	0 4142	0 4160	0 4178	0 4196	0 4214	0 4232	0 4250	0 4268	0 4286	0 4304	0 4322	0 4340
	Balance at the end of the current year 31.12.2019.													
9	a) debit balance of the account (7a+8a-8b)≥0	4125	0 4143	0 4161	0 4179	0 4197	0 4215	0 4233	0 4251	0 4269	0 4287	0 4305	0 4323	0 4341
	b) credit balance of the account (7b-8a+8b)≥0	4126	0 4144	0 4162	0 4180	0 4198	0 4216	0 4234	0 4252	0 4270	0 4288	0 4306	0 4324	0 4342

Ser. No.	Description	AOP	Total capital (Σ(row 1b col 3 to col 15) - Σ(row 1a col 3 to col 15))≥0	AOP	Loss above equity (Σ(row 1a col 3 to col 15) - Σ(row 1b col 3 to col 15))≥0
1	2		16		17
	Opening balance as of 01.01.2018.				
1	a) debit balance of the account	4235	2.452.199	4244	0
	b) credit balance of the account				
2	Adjustments for errors and changes in accounting policies				
	a) corrections on the debit side of the account	4236	0	4245	0
	b) corrections on the credit side of the account				
3	Adjusted opening balance as of 01.01.2018.				
	a) adjusted debit balance of the account (1a+2a-2b)≥0	4237	2.452.199	4246	0
	b) adjusted credit balance of the account (1b-2a+2b)≥0				
4	Changes in a prior 2018 year				
	a) debit turnover of the account	4238	257.087	4247	0
	b) credit turnover of the account				
5	Balance at the end of the prior year 31.12.2018.				
	a) debit balance of the account (3a+4a-4b)≥0	4239	2.709.286	4248	0
	b) credit balance of the account (3b-4a+4b)≥0				
6	Adjustments for errors and changes in accounting policies				
	a) corrections on the debit side of the account	4240	0	4249	0
	b) corrections on the credit side of the account				
7	Adjusted opening balance as of 01.01.2019.				
	a) adjusted debit balance of the account (5a+6a-6b)≥0	4241	2.709.286	4250	0
	b) adjusted credit balance of the account (5b-6a+6b)≥0				
8	Changes in the current 2019 year				
	a) debit turnover of the account	4242	243.979	4251	0
	b) credit turnover of the account				
9	Balance at the end of the current year 31.12.2019.				
	a) debit balance of the account (7a+8a-8b)≥0	4243	2.953.265	4252	0
	b) credit balance of the account (7b-8a+8b)≥0				

In Belgrade

18.3.2020



Legal representative

M.P.

Carina Althoff

Fulfilled by a legal entity

Registration No 17162403	Activity type 46.45	VAT No. 100180969
Name: SARANTIS Ltd Belgrade, Serbia		
Address: Belgrade (New Belgrade), Zelengorska 1g		

CASH FLOW STATEMENT
for the period 01.01 to 31.12.2019.

- in thousand RSD -

ITEM	AOP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash flow from operating activities (1 to 3)	3001	3.319.256	3.002.360
1. Inflows from sales and prepayments	3002	3.168.776	2.849.011
2. Interest from operating activities	3003	89	33
3. Other inflows from operating activities	3004	150.391	153.316
II. Cash outflows from operating activities (1 to 5)	3005	3.178.051	2.808.636
1. Trade payables and prepayments	3006	2.574.340	2.308.041
2. Salaries, wages and other personnel expenses	3007	223.097	179.277
3. Interests paid	3008	5	2
4. Profit tax	3009	59.893	37.657
5. Outflows from other public revenues	3010	320.716	283.659
III. Net cash inflow from operating activities (I-II)	3011	141.205	193.724
IV. Net cash outflow from operating activities (II-I)	3012	0	0
B. CASH FLOW FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (1 to 5)	3013	206.540	13.031
1. Sales of shares and stakes (net inflows)	3014	0	0
2. Sale of intangible assets, property, plant, equipment and biological assets	3015	0	8.088
3. Other financial revenues (net inflows)	3016	203.990	0
4. Interest from investing activities	3017	2.550	4.943
5. Inflows from dividends	3018	0	0
II. Cash outflows from investing activities (1 to 3)	3019	10.147	212.068
1. Purchase of shares and stakes (net outflows)	3020	0	0
2. Purchase of intangible assets, property, plant, equipment and biological assets	3021	10.147	1.482
3. Other financial investments (net outflows)	3022	0	210.586
III. Net cash inflows from investing activities (I-II)	3023	196.393	0
IV. Net cash outflows from investing activities (II-I)	3024	0	199.037
V. CASH FLOW FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 to 5)	3025	0	0
1. Share capital increase	3026	0	0
2. Long-term loans (net inflows)	3027	0	0
3. Short-term loans (net inflows)	3028	0	0
4. Other long-term liabilities	3029	0	0

ITEM	AOP	Amount	
		Current year	Previous year
1	2	3	4
5. Other short-term liabilities	3030	0	0
II. Cash outflows from financing activities (1 to 6)	3031	0	0
1. Treasury shares and stakes	3032	0	0
2. Long-term loans (outflows)	3033	0	0
3. Short-term loans (outflows)	3034	0	0
4. Other liabilities (outflows)	3035	0	0
5. Financial leasing	3036	0	0
6. Dividends paid	3037	0	0
III. Net cash inflows from financing activities (I-II)	3038	0	0
IV. Net cash outflows from financing activities (II-I)	3039	0	0
G. TOTAL CASH INFLOWS (3001+3013+3025)	3040	3.525.796	3.015.391
D. TOTAL CASH OUTFLOWS (3005+3019+3031)	3041	3.188.198	3.020.704
Đ. NET CASH INFLOWS (3040-3041)	3042	337.598	0
E. NET CASH OUTFLOWS (3041-3040)	3043	0	5.313
Ž. CASH AT THE BEGINNING OF THE PERIOD	3044	10.825	18.857
Z. POSITIVE EFFECTS ON EXCHANGE RATE CHANGES FROM CASH CALCULATION	3045	0	0
I. NEGATIVE EFFECTS ON EXCHANGE RATE CHANGES FROM CASH CALCULATION	3046	1.506	2.719
J. CASH AT THE END OF THE PERIOD (3042-3043+3044+3045-3046)	3047	346.917	10.825

In Belgrade

Legal representative

M.P.

18.3.2020



Camilla Mrazic



SARANTIS LTD BELGRADE
NOTES WITH FINANCIAL REPORTS
FOR YEAR 2019



General information

Full name: Sarantis ltd for trade and provision of services

Short name: Sarantis ltd Belgrade

Legal form: SARANTIS ltd., Belgrade was founded in 1997 as company with limited liability

Head office: Zelengorska 1 G, 11070 Belgrade – New Belgrade from 11.06.2019 (previously: Milutina Milankovića 27, 11070 Belgrade – New Belgrade) , with opened business units Sarantis Sever in Novi Sad and Sarantis East in Niš.

TIN: 100180969

Company number: 17162403

Description of business nature and general activities: general activity of the company is wholesale trade with perfume and cosmetic products, as well as home packaging for food and disposal of garbage

Founder Sarantis ltd Belgrade until 30.12.2019 was GR SARANTIS CYPRUS LIMITED, Nicosia Cyprus, whose founder (100% ownership) was GR SARANTIS SA, Athens, Greece. On the day of 30.12.2019 affiliation of GR Sarantis Cyprus to the parent company GR Sarantis SA Athens was completed, after which GR Sarantis SA Athens, Greece became the direct founder of Sarantis ltd Belgrade.

Final owner physical person of the parent company:

- GR Sarantis SA Athens is an open joint stock company listed at the Athens stock exchange.
- The criteria for the final owner physical person is only fulfilled by Kiryakos Sarantis (Athens, Greece) with the share of slightly less than od 20% in capital, and as the legal representative of GR Sarantis SA from Athens.

Position within wider economic arrangement: Sarantis ltd Belgrade is dependant entity in relation to GR Sarantis SA Athens, Greece, and as a parent company in relation to Sarantis ltd Banja Luka and Sarantis ltd Skopje. In accordance with the Law on accounting, Sarantis ltd Belgrade is obliged to create consolidated reports for the unit comprised by SARANTIS ltd BELGRADE, SARANTIS doo BANJA LUKA and SARANTIS ltd SKOPJE. On the level of the group SARANTIS, the obligatory for creation of consolidated reports is GR SARANTIS SA Athens, Greece.

Besides the stated companies, within SARANTIS group, Sarantis ltd Belgrade deals with the following companies: Sarantis Poland, Sarantis Romania, Sarantis Bulgaria, Sarantis Czech Republic, Sarantis Hungary, Sarantis Portugal, Polipack Poland and Ergopack Ukraine, and with them has the capacity of connected persons.

Number of employees: On the day of 31st December 2019 the company had 90 employees (on the day of 31.12.2018 had 90 employees). Average annual number of employees in the year 2019 was 89 (in the year 2018 there were 78 employees on average).

Approval for publishing: Financial reports for the year 2019 which is an integral part of this Note, were approved on the day of 11.02.2020 by the management organs of the parent company GR Sarantis Athens.

Classification: According to the classification criteria in compliance with the article 6 of the Law on accounting, the legal entity Sarantis ltd is classified as MEDIUM, based on the sizes from the Financial report for the year 2019, as well as based on the sizes from the Financial report for the year 2020.

Information on adjustment with national regulations and International Accounting Standards (IAS)

Financial reports for the year 2019 have been created in accordance with stipulations of the following regulations:

- Law on accounting (Official Gazette RS 62/13),
- Rules on the Account frame and content of the account for commercial companies, cooperatives and entrepreneurs (Official Gazette RS 95/14)
- Rules on content and form of forms of the financial reports for commercial companies, cooperatives and entrepreneurs, (Official Gazette RS 95/14 and 144/14)



- Rules on content of items in form Statistical report for commercial companies, cooperatives and entrepreneurs (Official Gazette RS 127/14)
- Full IAS / MSFI / IFRIC were applied considering the stipulations of the article 20 of the Law on accounting, which prescribe the obligation of application of MSFI and for legal entities of medium size if they have an obligation to create consolidated reports (parent legal entities).
- The company did not include in the Financial report for the year 2019 calculation of reservation for the earnings of the employees in accordance with IAS 19 due to the fact that the management estimated that the effect on the presented financial reports would not be of material importance. In the Note no. 014 disclosure of the effect is performed of the calculation of reservations based on which it has been determined that it should not be included in the calculation of the results of business for the year 2019.
- The company composes consolidated reports for the year 2019 in accordance with the prescribed deadline i.e. until 31.07.2020.

Information on the correction of initial balance according to error and changes of accounting policies and information on comparative balances

During composition of the Financial report for the year 2019 mistakes were not determined in pervious periods, and there were not any changes in the accounting policies.

Information on the applied bases for valuation of items in preparation of the financial report and accounting policies that were approved and applied to the important business changes and events

• **Nonmaterial investments**

In compliance with IAS 38 nonmaterial property is initially measured per purchase price i.e. first cost. Upon initial recognition, non material property is presented per buying price or cost price deducted by the total amortisation and total losses due to depreciation. At the end of the business year utilized service life is evaluated of each non material investment. Amortization is performed by proportional method during the utilized service life. Regarding determination and accounting records depreciation of non material investment, IAS 36 – Decrease of value of the property is applied.

Basic general amortisation rates for specific non material investments are as follows:

SAP software 4,55%

Other supporting software 20%

• **Immovables, plant, equipment**

In relation to IAS 16 immovables, plants and equipment are initially evaluated as per the purchase price, that is the cost price. Upon the initial acceptance of the immovables, plants and equipment they are presented as per the purchase price or cost price decreased for accumulated amortisation accumulation and eventual accumulated loss due to decreased value.

Amortisation is done by proportional method during of useful shelf life. Amortisation is calculated starting from next month of the purchase of basic device to the purchase value of the capital assets. For the calculation of amortisation proportional method is applied, per rates defined by the accounting policy.

At the end of a commercial year a shelf life is evaluated of each particular immovable, plant and equipment. Evaluation of the depreciation is done in relation to IAS-36 decrease of property value. Checking the decrease of value is done when events or changed circumstances present that accountancy value might not be recovered, in that case the difference between the accountancy value and recoverable value notify loss.

The costs of current and investment maintenance of work instruments are covered with returns of calculation period when accrue. Reconstruction and adaptation changing capacity or purpose of the capital assets are accounting, that is evidenced as increase of the equipment value.

Till the end of 2018 the Company did not acquire immovables or plants, but only equipment. Since 01.01.2019 the Company started to apply IFRS 16 standard for the hooking of tenancy of commercial premises and lease of vehicles through operational lease, this premise and vehicles start to express as own objects and equipment.

However, the Company does not possess assets that have unlimited shelf life. Basic annual amortization rates might be presented in following groups:

Computer equipment and PDA equipment 30%

Furniture and other office upholstery 15%

Vehicles 20%

Objects and equipment as per IFRS 16 standard have amortization rate in compliance with particular contracts.

• **Long-term financial placement**

Within long-term financial placement, the share in capital of dependant legal entities and other long-term placement are notified.

- **Capital share of dependant persons:** Whereas dependant legal entities are in major ownership of legal entity Sarantis Ltd Belgrade, initial recognition and also additional valuation of capital share of dependant legal entities is done on the basis of purchase value representing right indemnification value given for them, as such it is not changeable. In income sheet statement the investment income is shown only to such extend in which the Company receives its share from the distribution of the undisposed gain of the investment user acquired upon the gain.

Sarantis ltd Belgrade produces consolidated statements. In consolidation with the Company as a parent company comes dependant companies as Sarantis doo Skoplje and Sarantis doo Banja Luka, and in both there are *major capital share* (100%) .

- **Other long-term debts and placement:** Initial recognition of long-term financial placements relating to deposit as per contracts done by historical value, for the assets given for that purpose.

• **Deferred tax assets and obligations**

Deferred tax assets relate to calculated income tax that can be recovered in future periods. Deferred tax assets in FI 2019 come from long-term reservations for loss risk on the basis of receivables. Deferred tax obligations represent gain taxes to be payable in future periods in relations to taxable temporary differences. Calculation is made in relation to provisions IAS 12. It comes from temporary difference by applying accounting amortisation and tax amortisation. Other bases, such as reservation that might influence the formation of deferred tax assets, that means obligations are not calculated, due to their material insignificancy.

• **Stocks**

Initially, at the moment of purchase, in compliance with IAS 2 stocks are admitted as per purchase value which consists of purchase price, import duties (duty and tax), transport costs shipping costs, laboratory analyses costs, and other dependant purchase costs commonly used in the process of putting stocks into useable condition for further putting into market. If there exists trade default, abatements and other similar actions are deducted when defining costs of purchase, whereas borrowing costs are not included in initial acceptance.

Outgoing stock value is then valued through the method of average weighted cost.



In cases when net sale value is not sufficient to cover purchase value, stocks are balanced to net realizable value as per principle item by item. In business operation up to now there was no need to balance stocks under purchase value.

• **Short-term debts and placement**

Short-term debts of the byers and short-term finance placements are recognised on the bases of account document upon which debt-fiduciary relation is based. If the value stated in a document is in foreign currency, the conversion is done in reported currency per the middle rate on the transaction date. Changes of the currency rate from the transaction date to the payment date of the debt is expressed as currency differences on behalf of gain or u loss. Receivables expressed in foreign currency are expressed in dinar counter-value in middle rate of NBS on the balance date. Write-off short-term receivables and finance placements where there exists possibility of uncollectible, indirect method is used, whereas in cases where impossibility of recovery is certain and documented, complete or partial write-off is done by direct method.

Correction of receivable value that is indirect write-off done on basis of evaluation of their chargeability by the management, for receivables due at least 60 days evaluating economic position and solvency of the debtor as well as impossibility of recovery by regular way or assets indemnity. The proposal for write off based upon the estimation of sales department is given by the inventory commission, approved by the director of the Company with his decision.

Short-term finance placement relates to receivables based upon draft obtained by the buyers as means of purchase, also to time monetary deposits with banks. Monetary deposits in foreign currency are expressed in middle rate of NBS on the balance date.

• **Cash and cash equivalents**

Cash and cash equivalents are: money in box office, demand deposit with banks and separated monetary funds such as letters of credit and visa accounts.

• **Active time limits (except for deferred tax assets)**

Active time limits include invoiced advance costs delimited to future period, as also interim balance VAT for issued booking permission for which at the balance moment there was not fulfilled condition of verification by the buyer to whom the permission is issued.

• **Basic capital**

Initially, basic capital is shown in share in the Company, in registered sum in the Business Registers Agency. Sum of basic capital comes from historic value of the share applying middle rate of NBS on the day of pay-in/conversion of share. Relating legal form of ltd., basic capital is expressed in founders' shares.

• **Reserves**

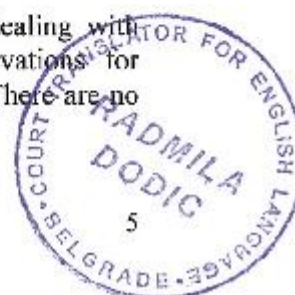
Reserves of the Company consist of statutory reserves and other reserves coming from abstracting sum on the basis of revalorisation of capital stock, in order to harmonize with capital registered in Business Registers Agency.

• **Undivided profits**

Undivided profits have cumulated profit of all previous years (since foundation of the Company 1997 to balance date the profit was not divided) and profit of the current year, upon the deduction of accounted tax profit.

• **Long-term reservation**

Long-term reservation for expenditures and risks are stipulated within IAS 37, dealing with reservations for renewal and protecting environment, restructure, claims, reservations for guarantee period and alike, are not applicable for type of activity of the Company. There are no



proceedings or expected actions leading to creation of present obligation with uncertain due limit or sum, therefore requesting application of this IAS.

Relating to structure and business of the Company, the standard IAS 19 is applied for the calculation of long-term reservation. Income of the employed, comprising the part relating to Earnings upon the completion of engagement to one-shot pay-off is the legally stipulated dismissal wage. Calculation of reservation based upon this, represented in Note 14, shows that the effect to the Finance report is not materially important, therefore costs and other long-term obligations were not included.

Relating to the nature of activity the Company in 2019 evaluated loss risk due to incollectability of claims from the buyers as stipulated in MSFI 9, and made correction of previous years results in compliance with provisions IAS 8, accounting long-term reservations on that basis.

• **Long-term obligations**

Completely relates to Contracts on operational lease and Contract on hire of business premises booked as per IFRS16 standard.

• **Short-term obligations**

Short-term obligations of the Company relate to received advance payment of the buyer for goods, obligations towards supplies and for standing tax to gain that on the balance day were not due for payment. These obligations are initially represented by value represented in document which presents basis for acceptance, but additionally are evaluated as expected flow of assets. Obligations presented in foreign currency are at middle rate of NBS on the balance date.

• **Accrued liabilities**

Within accrued liabilities obligations are presented for including expenditures for which on the balancing day the bills were not received.

• **Recognition of earnings**

In relation to rules and international accountancy standards, earning from goods sale are not presented as per invoice value which represents wholesale value deducted for given abatements and discounts. Realisation is presented at the moment of goods delivery that means given service. Revenues from services are presented as fair value for done activities. Apart from revenues from sale of goods and services, the company evidenced also revenues from re-invoicing expenditures (for those that re-invoicing is stipulated by contract) in amount of really incurred expenses, up to contracted amount.

• **Recognition of expenditures**

Expenditures comprise all expenditures in relation to realized income, in compliance with principle of facing income and expenditure. For the expenditures for which at the moment of balancing the documents were not received, and for which is known that they were made in period of reporting, are included as expected sums.

• **Financial earnings and expenditures**

Conversion of foreign instruments of payment and accountancy treatment of currency rates:

During the initial recognition of commercial change in foreign currency, as well as the change of contracted with currency clause, the sum in dinars is determined as per the middle rate of NBS on the day of occurrence commercial change. All outstanding claims and obligations in foreign currency, or contracted with currency clause, once a month on the day of balancing, once a month on the balance day are rearranged in their dinar counter value as per middle rate in effect on the balance sheet. Positive and negative currency rates appeared due to that basis are shown during the year on behalf/debt of unrealized exchange rate differences within financial gain/loss. Positive and negative exchange rates during a year on the basis of payment of claims and payment of obligations, as well as positive and negative exchange rates, on the basis of



calculating monetary fund, are shown in balance sheet on behalf/debt unrealised monetary funds within financial revenues/expenditures.

Interest as revenues/expenditures: Interests incurred on the basis of placement and receivables that is on the basis of commercial relations are shown in balance sheet within financial revenues/(expenditures). Taxed interests are mainly related to interests on the basis of time deposits with banks. Smaller part relates to interest on the basis of credit to connected legal entity also to default interest of debt-creditor relations with buyers, that are taxed on the basis of court duties upon the claim. As expenditure, interest cost relates to default interest to public revenue.

Information about items that are not qualified to be shown in financial statement, but important for valuation of financial position and business efficiency of legal entity

All items are important for valuation of financial position and success of legal entity are shown in financial reports. Whereas items that are materially of no importance are not included in finance report but are published in this Notes in corresponding sections.

Disposal and risk management

The Company is exposed to following operation risks:

- Risk due to change of foreign currency exchange rates. As in 2019 percentage of import of goods in total was 89%, as the Company deals with export, there is very high risk due to change of foreign currency rate. The Company protects itself from the risk, if it is possible, keeping the policy of balance between the currency claims and deposits on one side and foreign currency obligations on the other side.
- Credit risk : The Company has defined rules and procedures that are followed during business with buyers, by the means of precisely defined criteria when choosing buyers to start cooperation with, by providing protection instruments of receivables payment (notes receivable, warranties), trough permission of credit limit (automatic system block of delivery goods to buyer who has overleaped permitted credit limit up to the payment of debt that puts him back to the permitted limits).
- Solvency risk: Disposal to this risk in the last few years is significantly low, as the undertaken measures in order to improve the payment of debts. Also, during the contracting of deferred payment the Company pay attention to contract with suppliers' date of deferred payment correlated with dates of contract with buyers.
- Risk of money flow: The Company carefully plans monetary flow, and coordinates time of expected flow out with expected flow, therefore enabling solvency at any moment. Free assets are time deposit in order not to lose its value (protection from inflation and change of exchange rate)
- Capital management risk: The goal of capital management is to keep the Company capable to operate in indefinite time in future, providing profit and optimal structure of capital. Since its foundation the Company has neither incurred debits through financial credit nor other short-term or long-term, making business exclusively by finance from own funds or short-term obligations to suppliers which were always timely completed within due time, that means that the structure was very healthy. Observing through a profit prism the Company operated with loss during the civil war and sanctions in 1999, since 2000 it started with ascending line both with a turnover and profit increase.

Information on repurchase of own shares
(Article 29. Para 4 Law on accountancy)

There was no repurchase of own shares neither in 2019 nor in previous years.

Publishing unadjusted receivables and obligations
(Article 18 Para 4 Law on accountancy)

in 000 dinars



Upon the completion of adjustment of mutual debts and obligations, on the day 31.12.2019. the degree of discrepancy between the buyers and suppliers is irrelevant. the greatest discrepancy between the suppliers and buyers is MetroC&C , it relates to dismissal of debts on the basis of unfounded penal for undelivered goods. Metro C&C of few years ago, also new one, is called in question with good foundation, which Metro has not corrected up to present, the amount of about 1,9 mil. dinars, representing nearly complete amount of unadjusted item with suppliers and buyers on the day 31.12.2019. Relating to other unadjusted items presented in IOS' the process started to find and eliminate discrepancies, or they are covered with included expenditures and revenue. In process of finding differences on other home buyers the amount of about 236 thousand dinars. Collating balance with foreign buyers and suppliers differences were not found.

ADDITIONAL PRESENTATION AND PUBLICATION

ITEMS OF ASSETS AND LIABILITIES

➤ Intangible investments

001 column 5 Balance sheet

Within intangible investments computer programs that have not been bought are booked together with computers.

Changes with immovables, plants, equipment and biological substances in 2019

(in 000 din)

Description	Software and other rights (012)	Other intangible investments (014)	Intangible investments in preparation (015)	Total 01
1	2		3	
I. BUYING VALUE				
1. Balance 01.01.2019	45.009	0	0	45.009
2. Direct increase (supply)			992	992
3. Increase by conveyance from immovables, plants, equipment and biological substances in preparation	317	675	-992	0
4. Transfer between connected legal entities				
5. Received assets from other persons				
6. Expenditure and sale	0	0	0	0
7. Revalorisation (estimation)				
8. Other increase (decrease)				
9. Balance on 31.12.2019	45.326	675	0	46.001
II. VALUE CORRECTION				
10. Balance 01.01.2019	19.227	0		19.227
11. Calculation of redemption 2019	2.533	42		2.575
12. Transfer between connected legal entities				
13. Received assets from other persons				
14. Expenditure and sale	0	0		
15. Revalorisation (estimation)				
16. Other increase (decrease)				
17. Balance on 31.12.2019	21.760	42		21.802
III. PRESENT VALUE				
18. Balance on 01.01.2019 (I-10)	25.782	0		25.781

in 000 dinars



19. Balance on 31.12.2020 (9-17)	23.566	633	0	24.199
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➤ **Immovables, plants, equipment and biological substances**
002 Column 5 Balance sheet

Changes in immovables, plants, equipment and biological substances 2019

(in 000 dinars)

Description	Construction objects (022)	Plants and equipment (023)	□ Immovables, plants, equipment and biological substances and advance for the same (026,028)	Total 02
1	3	4	8	9
I. BUYING VALUE				
1. Balance on 01.01.2019	0	6.341	0	6.341
2. Direct increase (supply)		0	147.085	147.085
3. Increase by conveyance from immovables, plants, equipment and biological substances in preparation	61.379	85.706	-147.085	0
4. Transfer between connected legal entities		0		0
5. Received assets from other persons		0		0
6. Expenditure and sale		-2.122		-2.122
7. Revalorisation (estimation)				0
8. Other increase (decrease)			0	0
9. Balance on 31.12.2019	61.379	89.925	0	151.304
II. VALUE CORRECTION				
10. Balance on 01.01.2019	0	5.002		5.002
11. Calculation of redemption 2019	5.967	18.731		24.698
12. Transfer between connected legal entities		0		0
13. Received assets from other persons		0		0
14. Expenditure and sale		-2.122		-2.122
15. Revalorisation (estimation)				0
16. Other increase (decrease)				0
17. Balance on 31.12.2019	5.967	21.611		27.578
III. PRESENT VALUE				
18. Balance on 01.01.2019 (1-10)	0	1.339	0	1.339
19. Balance on 31.12.2020 (9-17)	55.412	68.314	0	123.726

Increase on objects as a whole, on equipment in the greatest extent it is generated by booking lease of commercial premises and operational leasing of vehicles as per IFRS 16 standard.

➤ **Capital share**
003 Column 5 Balance sheet

AOP	Account group	Description	2019	2018
0025	040 and part 049	Capital share SARANTIS doo Skopje	947.636	947.636
		Capital share SARANTIS doo Banja Luka	130.817	130.817
		TOTAL	1.078.453	1.078.453

in 000 dinars



Company Sarantis Ltd Belgrade is obliged to create consolidated finance report for all three companies. Consolidation will be made in legally proscribed time.

➤ **Long-term placement with other connected legal entities**
004 Column 5 Balance sheet

293.982 thousand dinars relates to a loan given to Sarantis in Romania in December 2018 for period of one year, but in November 2019 annex was made to extend the expiry date to three years. In relation to this change, receivables for the loan are moved from class 231 Short-term credits and placements to connected legal entities to class 043 Long-term placements to other connected legal entities.

➤ **Other long-term placements**
005 Column 5 Balance sheet

Other long-term placements relate to deposit for electronic toll-pay of 100 thousand dinars

➤ **Deferred tax assets**
006 Column 5 Balance sheet

Basis for calculation of deferred tax assets in 2018 and 2019 was long-term reservation loss risk due to uncollectible claims from buyers (MSFI 9), adjusting the gain from previous years to initial balance 2018. For the correction sum of 12 million dinars gain tax rate of 15% to sum of 1,8 million dinars is booked as deferred tax asset. Then, in compliance with Law on corporate tax 1/5 of the sum (360 thousand dinars) corrected tax basis in 2018. Changes in 2019 relates to release of other fifth of deferred business assets generated by first application MSFI 19 whereas the outstanding 3 fifths will have impact to tax balance in the next 3 years.

➤ **Stocks**
007 Column 5 Balance sheet

Structure of stocks is shown in details in Balance sheet. Inventory of stocks is made twice a year. Annual inventory was made on 31.12.2019 and all adjustments of discrepancy are found upon the inventory in a manner that the shown balance is corresponding to real state. For the amount of evidenced damaged quantities the inclusion was done on behalf of operating in 2019. The exit and destruction of damaged goods will be carried out in first months of 2020.

➤ **Receivables based on sale**
008 Column 5 Balance sheet

Structure of receivables is given in details in Balance sheet. Receivables on the sale basis for the delivered goods and services. Total amount of sale of 924.585 thousand dinars is decreased for the amount of adjustment done valued 963 thousand dinars, out of which the complete amount is related to buyers.

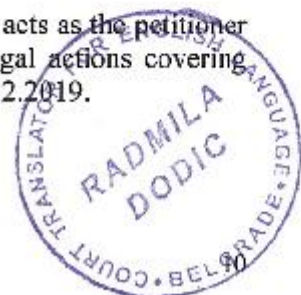
◆ **Declaration on receivables pending over one year**

that are not put on the adjustment of claims. Concluding with 31.12.2019 SARANTIS Ltd Belgrade does not have receivables older than one year that are not put on adjustment.

◆ **Declaration on legal procedures**

In legal procedures lodged at courts on 31.12.2019 where the Company Sarantis acts as the petitioner in cases relating to receivables from sale. Further we give survey of court legal actions covering claims to buyers whose receivables are presented in balance sheet on the day 31.12.2019.

n 31.12.2019.



Certified translation from Serbian language
SARANTIS Ltd

Ordinal number	Name of respondent	Value of dispute	Resolution number	Stage of court procedure	Year of correction of outstanding claims	Status on the day of 25.03.2019/ Excepted outcome
1	KALA 012 KOSTOLAC	20.499,73	6210/2017, LIV-372/2017	active		Inventory of possessions 04.02.2020
2	ŠARIĆ STPIUR, VLASOTINCE	130.247,68	Sent for lawsuit	active		
3	ŠAR PROM DOO, VLASOTINCE	111.250,62	Sent for lawsuit	active		
4	HEMSI DOO BARAJEVO	178.270,29	LIV-6535/2018; LIV-563/18; 1996/2019	active	2018-2019	01.11.2018 objection of the executive debtor from 12.10.2018/18.01.2019 summons for hearing for final disputation 12.03.2019/suit 15.04.2019: acknowledged accusation request completely, we expect written court order of the verdict.
5	DA&TI DOO, Srpska Crnja	16.979,53	LIV-7178/2018; LIV-612/18	active	2018-2019	Inventory of possessions cancelled of 12.04.2019 head office of the debtor at some else's address
6	TESORI PARFIMERIJA, VELIKA PLANA	15.786,82	LIV-43/2019; LIV-36/2019	active	2018-2019	1220 din collected by enforcement of claim
7	TREND COMERCCE DOO ŠID	15.120,00	LIV-756/2018; LIV-267/2018	active	2018-2019	
8	JELENA TESORI PARFIMERIJA, V.PLANA	65.474,04	IIV-584/2018 LIV-225/2018	active	2018-2019	
9	JEŽ DOO, ČAČAK	130.944,55	IIV-568/2018, LIV-171/2018	active	2018-2019	objection of debtor; 27.12.2018/29.01.2019 objection of the debtor is declined/inventory of possessions 07.10.2019
10	LSG KOMERC 2008 DOO, BEOGRAD	427.049,74	LIV-8607/2018, LIV-459/2018	active		
11	ALFA D.O.O, JAGODINA	563.361,40	LIV-273/2019 P-554/2019	active	2019	02.04.2019 objection of executive debtor. The entire debt is being disclaimed. /24.05.2019 Adopted objection by the court, therefore legal suit is to be initiated. /07.10.19 hearing for final disputation/27.10.19 findings and opinion of court expert/17.10.19 executed completely resolution on execution effective
12	FARAON STR, BORČA	40.184,80	IV-6862/2019	active	2019	
13	FRESH&CARRY TR, NIŠ	40.086,22	IV-1406/2019	active	2019	
14	LIDER 18 TR, KRALJEVO	90.273,95	IV-988/2019	active	2019	
15	MISS STKR NATAŠA ROSIĆ PR, ARANĐELOVAC	52.112,77	LIV-1196/2019; LIV-150/2019	active		Paic by enforcement of claim 35000
...						

TOTAL 1.897.642,24
Out of that on the correction of outstanding claims 733.906,47
Deleted from books 422.575,23

➤ Other receivables
009 Column 5 of the Balance sheet

AOP	Account	Description	2019	2018
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in 000 dinars



	Group			
0060	220	RECEIVABLES FOR INTEREST FROM LOAN TO RELEVANT PERSONS	0	195
	221	RECEIVABLES FROM EMPLOYEES	47	34
	223	RECEIVABLES FOR OVER PAID INCOME TAX	0	0
	224	RECEIVABLES FOR VAT AND CUSTOMS	985	985
	225	RECEIVABLES FOR MATERNITY LEAVE	6.908	6.777
	228	OTHER RECEIVABLES	0	1
		TOTAL		7.940

➤ **Short-term financial placements**

010 Column 5 of the Balance sheet

AOP	Account Group	Description	2019	2018
0064	231	SHORT-TERM LOANS TO RELEVANT PERSONS	0	295.487
0067	238	RECEIVED DRAWN BILLS OF EXCHANGE	6.439	4.797
	238	FIXED TIME DEPOSITS	0	201.156
		TOTAL	6.439	205.953
0062	TOTAL AT AOP 0062		6.439	501.440

➤ **Cash equivalents and cash**

011 Column 5 of the Balance sheet

AOP	Account Group	Description	2019	2018
0068	241 i 244	CURRENT ACCOUNTS DINAR AND FOREIGN CURRENCY	346.726	8.795
	242	SEPARATE MONETARY ASSETS FOR DEBIT CARDS	191	228
	245	ACCREDITIVES	0	1.802
		TOTAL	346.917	10.825

➤ **Active time apportionment**

012 Column 5 of the Balance sheet

AOP	Account Group	Description	2019	2018
0070	280	ADVANCED INVOICED COSTS OF FUTURE PERIOD	17	75
	281	RECEIVABLES FOR UNINVOICED PERIOD	0	152
	289	CORRECTION OF VAT OBLIGATION FOR ZA PERMIT WITHOUT VERIFICATION AND ALIKE CORRECTIONS	8.688	13.222
		TOTAL	8.705	13.449

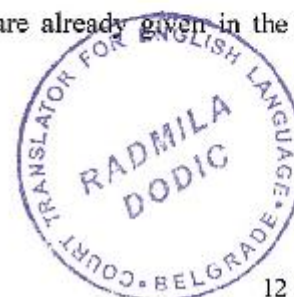
➤ **Basic capital, reserves and undistributed profit**

013 Column 5 of the Balance sheet

Detailed structure of the capital and changes in relation to previous year are already given in the Balance sheet and form Report on changes at capital.

➤ **Long-term reservations**

014 Columns 5 and 6 the Balance sheet



At AOP 0431 Other long-term reservations it is presented that **reservation for risk of loss based on receivables from buyers**. Initial risk assessment was performed based on historical data of unpaid due receivables with delay longer than 5 months. Average participation of such receivables in total receivables in the three years' period 2014-2016 was 1,752%. By application of this percentage at total receivables on the day of 31.12.2017 resulted with the amount of 12.017 thousand dinars where non undistributed profit is corrected at the initial balance for year 2018. Then, the calculation was performed for average participation of unpaid due receivables according to the same criteria for the period 2015-2017 which was 0,735%. By application of this percentage at total receivables from domestic buyers on the day of 31.12.2018, resulted with the amount for correction of long-term reservations in the amount of 6.043 thousand that was credited to income at the account of the group 678, and by which the obligation for long-term reservations has been reduced to the amount of 5.974 thousand dinars.

In the year 2019 change of criteria was performed for evaluation of risk, therefore receivables with delay longer than 6 months have been taken into evaluation. Based on this ground cancelation of long-term reservations in the amount of 3,181 mil dinars was performed.

Disclosure of calculation of reservations for dismissal wages which due to effect were not materially significant was not included in the Financial report for the year 2019.

- Calculation is performed for dates 31.12.2018, and 31.12.2019.
- For both calculations same postulates have been applied, those that are valid for calculation in current year, for employees that were on the list of both years, due to which avoiding of unnecessary entries of actuary profit and loss occurred by changes of postulates. The postulates are as follows:

Discount rate 5,17%, (rate of proceeds at ten years' state bank notes during the last one that was in the year 2018)

Estimated rate of income increasement 1,95%,

Percentage of fluctuation of employees 4,55% and

Dismissal wage according to the law 151.597 dinars (annual average for 2019 was used)

Amounts in the following table are presented in DINARS

DISCLOSURE AND POSSIBLE ENTRY OF RESERVATIONS (31.12.2019)

NO	Account Group	AMOUNT
1	Obligation of reservations on the day of 31.12.2018 (column 12 from calculation for the year 2018)	2.124.403
2	Designed obligation of reservations on the day of 31.12.2019 (column 12 from calculation for requirements of disclosure)	1.960.842
3	Costs of interests (no. 1 x Ds for 2019, ie. no. 1 x Ds%)	109.832
4	Costs of services of current work (no. 2 – no. 1 – no. 3)	-273.393
5	Actual obligation for reservation on the day of 31.12.2019 (column 12 from calculation for the year 2019)	2.419.002
5a	Payment of obligation	
6	Actuary profit (no. 5 – no. 2) < 0	0
7	Actuary loss (no. 5 – no. 2) > 0	458.160

in 000 dinars



<i>Amount of obligation for reservation for dismissal wages on the day of 1.1.2019</i>	<i>2.124.403</i>
<i>Cost of current work service</i>	<i>-273.393</i>
<i>Cost of interest</i>	<i>109.832</i>
<i>Actuary (profit)/loss</i>	<i>458.160</i>
<i>Payment of obligation</i>	<i>0</i>
<i>Amount of obligation for reservations for dismissal wages on the day of 31.12.2019</i>	<i>2.419.002</i>

For compensated amount of costs of the current work service, interest cost of 163.561 dinars incomes at the item 678 would be entered, at actuary losses 331 the amount of 458.168 dinars would be entered, and the amount of 2,124 million dinars would reflect on the item of unclassified profit of previous years (AOP 0418) which in the relation to the presented value of 2.870.222 thousand dinars makes 0,074%. Total long-term reservations at the end of the year on this ground would be 2.419 thousand dinars.

The above presented calculation of reservations for current year 2019 in the amount of 164 thousand dinars would lead to slight correction in the form of increase of results if the current year by 0,067%

➤ **Delayed tax obligations**

015 Column 5 of the Balance sheet

Delayed tax obligations arose from calculation of differences between tax and accounting amortisation.

➤ **Shor-term obligations from business**

016 Column 5 of the Balance sheet

Detailed analyses of obligations to the suppliers is already given at the Balance sheet.

➤ **Other short-term obligations**

017 Column 5 of the Balance sheet

Other short-term obligations refer to Fund of disabled persons that were paid in January 2020 and obligations to employees for travel and persona affairs, also closed in January 2020.

➤ **Obligations based on Value added tax**

018 Column 5 of the Balance sheet

In December 2019 the obligation of VAT was 9.893 thousand dinars.

➤ **Obligations for other taxes, contributions and other duties**

019 Column 4 of the Balance sheet

Balance on the day of 31.12.2019 consists of obligation for income tax of 38,4 thousand dinars, obligation of compensation for environmental protection of 8,5 thousand dinars, while the rest of 6 thousand dinars refers to obligation for communal tax for the company.



➤ **Accrued liabilities**

020 Columns 4 i 5 of the Balance sheet

AOP	Account Group	Description	2019	2018
0462	490	PRECALCULATED COSTS-THIRD PERSONS	3.962	11.673
	490	CALCULATED COSTS OF DAMAGED GOODS	3.231	2.422
	490	CALCULATED OBLIGATIONS FOR UNINVOICED TRADE AT THE END OF YEAR	37.997	44.051
	494	CALCULATED COSTS OF SUPPLY OF GOODS	-26	65
		TOTAL	45.165	58.211

ITEMS OF THE INCOME STATEMENT

➤ **Income from regular business**

021 Column 5 of the Income statement

- Incomes from sales of goods (AOP 1002) are presented in detail in items from AOP 1003 to AOP 1008)

022 Column 5 of the Income statement

- Incomes from sales of products and services at international market refer to hiring of workforce to ino partner.

➤ **Other business income**

023 Column 5 of the Income statement

AOP 1017: Refer to incomes from network for sale performed by third persons in the name of Sarantis. Acquired amount during 2018 was 3.573 thousand dinars, and during 2019 was 742 thousand dinars.

➤ **Buying value of sold goods**

024 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2019	2018
1019	501	Buying value of sold material	1.503	2.486
	501	Buying value of sold goods	1.678.786	1.623.782
	501	Buying value of goods for internal consumption	19.221	22.767
		TOTAL	1.699.510	1.649.035

➤ **Income from activation of performance and goods**

025 Column 5 of the Income statement

AOP 1020: Refer to goods given without charge with the purpose of promotion or representation and include calculated VAT obligation.

➤ **Costs of material**

026 Columns 5 and 6 of the Income statement

Refer to declarations, consumables for maintenance of vehicles, consumables for distribution of goods, for maintenance of structure and equipment. The most important item refers to consumables for distribution of goods 4.092 thousand dinars (in 2018 was 4.022 thousand dinars).

➤ **Costs of fuel and energy**

027 Columns 5 and 6 of the Income statement

Refer to fuel for vehicles 11.946 thousand dinars (in 2018 the amount was 10.920 thousand dinars) and costs of electrical power 610 thousand dinars (in 2018 650 thousand dinars).

➤ **Costs of earnings**

028 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2019	2018
1025	520	Costs of gross earnings and compensation of earnings	181.765	140.028
	521	Costs of contributions paid by the employer	24.636	23.135
	524	Costs of compensations based on contracts	4.809	3.325
	525	Costs of compensation based on hiring business premises to physical persons	541	543
	529	Other personal expenditure and compensations	14.182	17.792
		TOTAL	225.932	184.823

Costs of gross earnings, compensation of earnings and other personal expenditure include gross costs of earnings, costs of contributions paid by the employer, costs of hiring manpower through youth and students cooperatives, as well as other personal expenditures: granting for new year, wages, imbursement for costs at business trip, costs of transportation to and from work, joint support. During entry of costs of gross earnings, causative principle has been respected, therefore business changes were entered at the moment of occurrence.

➤ **Costs of production services**

029 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2019	2018
1026	531	Costs of transportation services	58.066	59.144
	532	Costs of maintenance services	1.211	517
	533	Costs of rent of warehouse and business premises	51.024	66.211
	535	Costs of advertisement and propaganda	156.766	146.717
	537	Costs of development which is not capitalised	290	142
	539	Costs of other services	22.630	18.944
		TOTAL costs of production services	289.987	291.676

➤ **Costs of amortization**

030 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2019	2018
1027	540	COSTS ON AMORTIZATION OF SOFTWARE	2.533	2.561
	540	OTHER NON MATERIAL INVESTMENTS	423	0
	540	COSTS OF AMORTIZATION OF STRUCTURES UNDER LEASE-MSFI 16	5.967	

540	COSTS OF AMORTIZATION OF VEHICLES UNDER LEASING -MSFI 16	17.630	0
540	COSTS OF AMORTIZATION OF PDA DEVICES	132	314
540	COSTS OF AMORTIZATION OF COMPUTER EQUIPMENT	507	435
540	COSTS OF AMORTIZATION OF FURNITURE	463	105
540	COSTS OF AMORTIZATION OF PASSENGER VEHICLES	0	1.257
540	COSTS OF AMORTIZATION OF FREIGHT VEHICLES	0	0
	TOTAL COSTS OF AMORTIZATION	27.274	4.678

➤ **Costs of non productional services**

031 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2019	2018
1029	550	Costs of non productional services	31.407	48.667
	551	Costs of representation	25.503	29.966
	552	Costs of insurance premium	714	628
	553	Costs of payment operations	2.656	2.517
	554	Costs of membership of the chambers and to the Fund of disabled persons connected to the calculation of salaries	1.499	1.439
	555	Costs of taxes that are not dependant on the results	5.895	1.262
	559	Other non material costs	303	318
		TOTAL costs of non productional services	67.977	84.797

➤ **Financial incomes**

032 Columns 5 and 6 of the Income statement

- Financial incomes from parent, dependant companies completely refer to exchange rate differences, due to the fact that these are foreign companies. Financial incomes from connected persons refer to incomes from interest rate for the loan of 9.010 thousand dinars and exchange rate differences of 1.160 thousand dinars.
- Incomes based on effects of currency clause refer to contracted protection from risk of currency clause IFRS16 and are in the amount of 481 thousand dinars.
- Other financial incomes refer to se incomes from cash from account: 2.163 thousand in year 2019 and 2.393 thousand in year 2018.
- Income from interest rate from third persons almost completely refer to income from interest based on short-term placements of free assets by fix term savings at the banks.

AOP	Account Group	Description	2019	2018
AOP	662 deo	Interests based on fixed-term deposits	2.355	4.910
1038	662 deo	Interests from DPO	89	33
		Total income from interests	2.444	4.943

➤ **Financial expenditures**

033 Columns 5 and 6 of the Income statement

- Financial expenditures from parent, dependant and connected companies completely refer to exchange rate differences, i.e. there were not any costs of the loaning of assets.
- Expenditures of interests (to third persons) in the amount of 1.933 thousands of dinars refer to interests arisen from entry according to IFRS16 standard (for lease of objects and from operative leasing), and part of 5 thousand dinars refer to default interest on public revenue.

➤ **Income from adjustment of value of property**

034 Columns 4 and 5 of the Income statement

Completely refer to paid previously written-off outstanding claims from the buyers

➤ **Expenditure from adjustment of value of other property**

035 Columns 4 and 5 of the Income statement

Completely refer to the correction of value of outstanding claims from the buyers performed in 2019, and 2018.

➤ **Other income**

036 Columns 4 and 5 of the Income statement

AOP	Account Group	Description	2019	2018
1052	670	PROFIT FROM SALES OF EQUIPMENT	0	1.122
	673	PROFIT FROM SALES OF MATERIALS	0	97
	674	SURPLUSES	2.388	2.245
	675	INCOME FROM ADJUSTMENT WITH BUYERS	234	155
	678	INCOME FROM CANCELATION OF LONG-TERM RESERVATIONS	3.181	6.043
	679	ADDITIONALLY PERMITTED ABATEMENT FROM THE SUPPLIER	1.294	0
	679	LESS INVOICING INCLUSIVE OF PREVIOUS YEAR	1.635	3.346
	679	ADDITIONALLY PERMITTED ABATEMENT FROM THE SUPPLIER	14.173	34.649
	679	INCOME FROM INDEMNIFICATION FOR SHORTAGES	4.315	3.109
	679	INCOME FROM INDEMNIFICATION FOR DAMAGED GOODS	0	5.768
	679	INCOME FROM PAID OUTSTANDING CLAIMS ACCORDING TO UPPR (RTB BOR)	0	1.186
	679	OTHER EXTRAORDINARY INCOME FROM PREVIOUS YEARS	8	1
	679	INCOME FROM CONTRACTING REFUND OF COSTS	126.121	97.571
	679	INCOME FROM COLLECTED PENALTIES AND FINES FOR DAMAGE OF 3. PERSONS	49	112
		TOTAL OTHER INCOME	153.398	155.406

➤ **Other expenditures**

037 Columns 4 and 5 of the Income statement

AOP	Account Group	Description	2019	2018
1053	570	LOSSES BASED ON CONDEMNATION AND SALES OF EQUIPMENT	0	0



574	SHORTAGES	7.329	6.336
576	DIRECT WRITE-OFF OF OUTSTANDING CLAIMS	1	1
577	EXPENDITURE BASED ON DAMAGED GOODS	3.237	9.574
579 part	LESS INVOICING INCLUSIVE OF PREVIOUS YEAR	12	0
579 part	OTHER BUSINESS CONDEMNATION	367	234
579 part	ABATEMENTS FROM SALES	315.602	265.981
579 part	MAGISTRATE AND CONTRACTING FINES AND PENALTIES	410	375
	TOTAL OTHER CONDEMNATION	326.957	282.501

➤ **Tax expenditure in the period**

038 Columns 4 and 5 of the Income statement

Final tax expenditure of the period included change of taxation base according to adjustment of income and expenditure during creation of tax statement, including calculation of the transferred prices to the market prices.

➤ **Net profit**

039 Column 5 of the Report on other result

The company did not have other overall profit or loss that would affect the total possible reclassification of the Income statement in the future periods, therefore the total net overall profit of this report refers only to the Net profit from business transferred from AOP 1064 Income statement.

➤ **Other Notes**

- Company Sarantis Ltd Belgrade did not provide warranties, guarantees or pledges on the properties of the Company.
- After the date of the reporting period there were not any events that would lead to the correction of the stated results of business in the year u 2019.

In Belgrade
19.03.2020

Person responsible for creation of notes

Legal representative

Branka Kosovac
(Signed)

(Official seal)

Saša Nenadić
(Signed)

In Belgrade, 27th March 2020

I CERTIFY HEREBY that the enclosed document is a true translation of the original document submitted to me in Serbian language.

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