



SARANTIS DOO, BELGRADE

**FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,
2020 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, 2020, 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, 2020, 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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

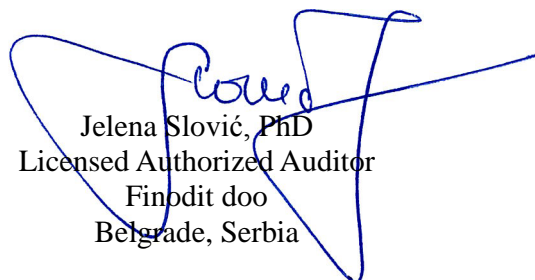
To: the Founders and Management of the Company Sarantis doo, Belgrade

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 24, 2021



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 31.12.2020

- in thousand RSD -

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2020	Previous year	
					Closing balance 2019	Opening balance 01.01.2019
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. PERMANENT ASSETS (0003+0010+0019+0024+0034)	0002		1.201.724	1.520.460	1.107.003
01	I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003	001	22.210	24.200	25.782
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		21.678	23.567	25.782
013 and part of 019	3. Goodwill	0006		0	0	0
014 and part of 019	4. Other intangible assets	0007		532	633	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	100.961	123.725	1.339
020, 021 and part of 029	1. Land	0011		0	0	0
022 and part of 029	2. Buildings	0012		45.182	55.411	0
023 and part of 029	3. Equipment	0013		55.135	68.314	1.339
024 and part of 029	4. Immovable assets for rental purposes	0014		0	0	0
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		644	0	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2020	Previous year	
					Closing balance 2019	Opening balance 01.01.2019
1	2	3	4	5	6	7
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		1.078.553	1.372.535	1.079.882
040 and part of 049	1. Share in equity of affiliates	0025	003	1.078.453	1.078.453	1.078.453
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	0	293.982	0
045 and part of 049	6. Long term investments - domestic	0030		0	0	0
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	100	1.429
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

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2020	Previous year	
					Closing balance 2019	Opening balance 01.01.2019
1	2	3	4	5	6	7
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	1.027	1.463	1.824
	G. CURRENT ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		2.523.921	1.908.319	2.018.800
Class 1	I. Stock(0045+0046+0047+0048+0049+0050)	0044	007	787.400	613.733	608.635
10	1. Raw, pack, spare parts, small and large tools	0045		14.331	15.663	12.054
11	2. Work in progress	0046		0	0	0
12	3. Finished products	0047		0	0	0
13	4. Merchandise	0048		623.584	448.523	385.397
14	5. Permanent assets held for sale	0049		0	0	0
15	6. Payments in advance for inventories and services	0050		149.485	149.547	211.184
20	II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051	008	928.164	924.585	876.459
200 and part of 209	1. Domestic customers - affiliates	0052		0	0	0
201 and part of 209	2. Foreign customers - affiliates	0053		37.961	16.620	8.459
202 and part of 209	3. Domestic customers - associates	0054		0	0	0
203 and part of 209	4. Foreign customers - associates	0055		1.667	459	1.295
204 and part of 209	5. Domestic customers - 3rd parties	0056		842.456	824.035	806.879
205 and part of 209	6. Foreign customers - 3rd parties	0057		46.080	83.471	59.826
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	11.568	7.940	7.992

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2020	Previous year	
					Closing balance 2019	Opening balance 01.01.2019
1	2	3	4	5	6	7
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	768.951	6.439	501.440
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		293.951	0	295.487
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		475.000	6.439	205.953
24	VII. CASH AND CASH EQUIVALENTS	0068	011	19.061	346.917	10.825
27	VIII. VALUE ADDED TAX	0069		0	0	0
28 excl. 288	IX. DEFERRED EXPENSES AND ACCRUED INCOME	0070	012	8.777	8.705	13.449
	D. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		3.726.672	3.430.242	3.127.627
88	D. MEMORANDUM ASSETS	0072				
	LIABILITIES					
	A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417 +0420-0421) ≥0= (0071-0424-0441-0442)	0401		3.222.801	2.951.101	2.707.122
30	I. INITIAL CAPITAL (0063+0064+0065+0066+0067)	0402		70.663	70.663	70.663
300	1. Share capital	0403		0	0	0
301	2. Parts in limited liability companies	0404	013	70.663	70.663	70.663
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	12.380
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

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2020	Previous year	
					Closing balance 2019	Opening balance 01.01.2019
1	2	3	4	5	6	7
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		3.139.758	2.868.058	2.624.079
340	1.Retained earnings from prior years	0418		2.868.058	2.624.079	2.366.992
341	2. Retained earnings from current year	0419		271.700	243.979	257.087
	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		80.787	89.391	8.520
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425	014	5.198	5.338	8.520
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		2.889	2.546	2.546
405	5. Provisions for litigation expenses	0430		0	0	0
402 and 409	6. Other long term provisions	0431		2.309	2.792	5.974
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		75.589	84.053	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		63.014	84.053	0
419	8. Other long term liabilities	0440		12.575	0	0
498	V. DEFERRED TAX LIABILITIES	0441	015	2.674	2.236	2.511
42 do 49 (excl. 498)	G. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442	016	420.410	387.514	409.474
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		31.477	31.757	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

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount		
				Current year 2020	Previous year	
					Closing balance 2019	Opening balance 01.01.2019
1	2	3	4	5	6	7
424, 425, 426 and 429	6. Other short term financial liabilities	0449		31.477	31.757	0
430	II. RECEIVED ADVANCES, DEPOSITS AND CAUTION MONEY	0450		823	714	1.343
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		330.323	299.771	325.583
431	1. Vendors - affiliates domestic	0452		0	0	0
432	2. Vendors - affiliates foreign	0453		10.380	9.349	10.268
433	3. Vendors - associates domestic	0454		0	0	0
434	4. Vendors - associates foreign	0455		17.392	345	2.529
435	5. Vendors - 3rd parties domestic	0456		87.281	61.430	74.777
436	6. Vendors - 3rd parties foreign	0457		215.270	228.647	238.009
439	7. Other operating liabilities	0458		0	0	0
44, 45 and 46	IV. OTHER SHORT TERM LIABILITES	0459	017	10.724	161	91
47	V. LIABILITIES FOR VAT	0460	018	0	9.893	9.429
48	VI. OTHER TAXES AND CONTRIBUTIONS LIABILITIES	0461	019	9.424	53	14.817
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	020	37.639	45.165	58.211
	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
	Đ. TOTAL LIABILITIES (0424+0442+0441+0401-0463)≥0	0464		3.726.672	3.430.242	3.127.627
89	E. MEMORANDUM LIABILITIES	0465				

In Belgrade

23.3.2021

Legal representative



Camilla Mestogaj

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 31.12.2020.

- 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		2.848.561	2.777.272
60	I. INCOME FROM SALES OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002	021	2.833.889	2.774.097
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		202.683	168.346
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		4.164	4.500
604	5. Income from sales of merchandise to 3rd party companies on domestic market	1007		2.511.291	2.463.868
605	6. Income from sales of merchandise to 3rd party companies on foreign market	1008		115.751	137.383
61	II. INCOME FROM SALES OF OWN PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		1.889	2.433
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		588	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

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
615	6. Income from sales of products and services to 3rd party companies on foreign market	1015	022	1.301	2.433
64	III. REVENUES FROM PREMIUMS, SUBVENTIONS, GRANTS, ETC	1016		11.479	0
65	IV. OTHER OPERATING INCOME	1017	023	1.304	742
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		2.317.491	2.312.201
50	I. COST OF GOODS SOLD	1019	024	1.726.183	1.699.510
62	II. REVENUES FROM USE OF OWN PRODUCTS, SERVICES AND MERCHANDISE	1020	025	14.840	19.204
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	7.872	8.169
513	VI. FUEL AND ENERGY EXPENSES	1024	027	9.533	12.556
52	VII. PAYROLL AND OTHER PERSONNEL EXPENSES	1025	028	216.076	225.932
53	VIII. PRODUCTION SERVICES COST	1026	029	273.171	289.987
540	IX. DEPRECIATION EXPENSES	1027	030	37.102	27.274
541 to 549	X. LONG TERM PROVISION EXPENSES	1028		343	0
55	XI. NON-MATERIAL SERVICES COSTS	1029	031	62.051	67.977
	V. NET OPERATING INCOME (1001-1018)≥0	1030		531.070	465.071
	G. NET OPERATING LOSS (1018-1001)≥0	1031		0	0
66	D. FINANCIAL INCOME (1033+1038+1039)	1032		15.459	17.094
66, except 662,663 and 664	I. FINANCIAL REVENUES FROM AFFILIATES, ASSOCIATES, AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033	032	10.727	12.379
660	1. Financial revenues from affiliated companies	1034		34	45
661	2. Financial revenues from associated companies	1035		8.467	10.170
665	3. Revenues from participation in profit of joint ventures	1036		0	0
669	4. Other financial revenues	1037		2.226	2.164
662	II. INTEREST INCOME (FROM 3RD PARTIES)	1038		2.797	2.444
663 i 664	III. POSITIVE EXCHANGE RATE DIFFERENCES (TO 3RD PARTIES)	1039		1.935	2.271

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	19.107	18.667
56, except 562,563 and 564	I. FINANCIAL EXPENSES FROM AFFILIATES, ASSOCIATES, AND OTHER FINANCIAL EXPENSES (1042+1043+1044+1045)	1041		11.570	13.939
560	1. Financial expenses from affiliated companies	1042		1.104	1.526
561	2. Financial expenses from associated companies	1043		1.057	3.641
565	3. Expenses from participation in loss of joint ventures	1044		0	0
566 and 569	4. Other financial expenses	1045		9.409	8.772
562	II. INTEREST EXPENSES (FROM 3RD PARTIES)	1046		3.489	1.939
563 and 564	III. NEGATIVE EXCHANGE RATE DIFFERENCES (TO 3RD PARTIES)	1047		4.048	2.789
	E. NET FINANCIAL PROFIT (1032-1040)	1048		0	0
	Z. NET FINANCIAL LOSS (1040-1032)	1049		3.648	1.573
683 and 685	Z. REVENUES FROM REVALUATION OF OTHER ASSETS ACCORDING TO FAIR VALUE PRINCIPLE	1050	034	88	50
583 and 585	I. LOSS FROM REVALUATION OF OTHER ASSETS ACCORDING TO FAIR VALUE PRINCIPLE	1051	035	626	804
67 and 68, except 683 i 685	J. OTHER REVENUES	1052	036	138.821	153.398
57 and 58, except 583 i 585	K. OTHER EXPENSES	1053	037	343.925	326.957
	L. NET PROFIT FROM OPERATING ACTIVITIES BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		321.780	289.185
	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
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		321.780	289.185

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
	O. LOSS BEFORE TAXATION (1055-1054+1057-1056)	1059		0	0
	P. INCOME TAX				
721	I. TAX EXPENSES OF THE PERIOD	1060	038	49.206	45.121
deo 722	II. DEFERRED TAX EXPENSE OF THE PERIOD	1061		874	85
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		271.700	243.979
	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

23.3.2021



Legal representative

Carina Alkovic

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 31.12.2020.

- 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	271.700	243.979
	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				
	1. Changes due to revaluation of intangible and tangible assets				
330	a) increase in revaluation reserves	2003		0	0
	b) decrease in revaluation reserves	2004		0	0
	2. Actuarial gains or losses on defined benefit plans				
331	a) gains	2005		0	0
	b) losses	2006		0	0
	3. Gains or losses on investments in equity instruments				
332	a) gains	2007		0	0
	b) losses	2008		0	0
	4. Gains or losses on the basis of the share in other comprehensive income or loss of associates				
333	a) gains	2009		0	0
	b) losses	2010		0	0
	b) Items that can subsequently be reclassified to the Income Statement in future periods				
	1. Gains or losses arising from the translation of financial statements of foreign capital				
334	a) gains	2011		0	0
	b) losses	2012		0	0
	2. Gains or losses on instruments for the protection of net investments in foreign operations				
335	a) gains	2013			
	b) losses	2014			
	3. Gains or losses arising from hedging instruments of cash flow				
336	a) gains	2015			
	b) losses	2016			
	4. Gains or losses on securities available for sale				
337	a) gains	2017		0	0
	b) losses	2018		0	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	0

Group of accounts, account	DESCRIPTION	AOP	Reference No	Amount	
				Current year	Previous year
1	2	3	4	5	6
	II OTHER GROSS COMPREHENSIVE LOSS (2004+2006+2008+2010+2012+2014+2016+2018)- (2003+2005+2007+2009+2011+2013+2015+2017) ≥0	2020		0	0
	III TAX ON OTHER COMPREHENSIVE INCOME OR LOSS OF THE PERIOD	2021			
	IV. NET OTHER COMPREHENSIVE INCOME (2019-2020-2021)≥0	2022		0	0
	V. NET OTHER COMPREHENSIVE LOSS (2020-2019+021)≥0	2023		0	0
	V. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD				
	I TOTAL NET COMPREHENSIVE RESULT (2001-2002+2022-2023)≥0	2024		271.700	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	0
	1. Attributed to the majority owners of capital	2027		0	0
	2. Attributed to owners who do not have control	2028		0	0

In Belgrade

23.3.2021



Legal representative

Carina Alkoci

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

REPORT OF CHANGES IN EQUITY
for the period 01.01.2020. to 31.12.2020.

- in thousand RSD -

Ser. No.	Description	Components of the capital													
		30	31	32	35	047 and 237	34	AOP	Reserves	Loss	Treasury stock	Retained earnings			
		AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP	AOP
1	2	3	4	5	6	7	8								
1	Opening balance as of 01.01.2019														
	a) debit balance of the account	0	4019	0	4037	0	4055	0	4073	0	4091	0	4091	0	0
	b) credit balance of the account	70.663	4020	0	4038	12.380	4056	0	4074	0	4092	0	4092	2.626.243	0
2	Adjustments for errors and changes in accounting policies														
	a) corrections on the debit side of the account	0	4021	0	4039	0	4057	0	4075	0	4093	0	4093	2.546	0
	b) corrections on the credit side of the account	0	4022	0	4040	0	4058	0	4076	0	4094	0	4094	382	0
3	Adjusted opening balance as of 01.01.2019.														
	a) adjusted debit balance of the account (1a+2a-2b)≥0	70.663	4024	0	4042	12.380	4060	0	4078	0	4096	0	4096	2.624.079	0
	b) adjusted credit balance of the account (1b-2a+2b)≥0														
4	Changes in a prior year														
	a) debit turnover of the account	0	4025	0	4043	0	4061	0	4079	0	4097	0	4097	0	0
	b) credit turnover of the account	0	4026	0	4044	0	4062	0	4080	0	4098	0	4098	243.979	0
5	Balance at the end of the prior year 31.12.2019.														
	a) debit balance of the account (3a+4a-4b)≥0	0	4025	0	4045	0	4063	0	4081	0	4099	0	4099	0	0
	b) credit balance of the account (3b-4a+4b)≥0	70.663	4026	0	4046	12.380	4064	0	4082	0	4100	0	4100	2.868.058	0
6	Adjustments for errors and changes in accounting policies														
	a) corrections on the debit side of the account	0	4027	0	4047	0	4065	0	4083	0	4101	0	4101	0	0
	b) corrections on the credit side of the account	0	4028	0	4048	0	4066	0	4084	0	4102	0	4102	0	0
7	Adjusted opening balance as of 01.01.2020.														
	a) adjusted debit balance of the account (5a+6a-6b)≥0	0	4029	0	4049	0	4067	0	4085	0	4103	0	4103	0	0
	b) adjusted credit balance of the account (5b-6a+6b)≥0	70.663	4030	0	4050	12.380	4068	0	4086	0	4104	0	4104	2.868.058	0
8	Changes in the current 2020 year														
	a) debit turnover of the account	0	4031	0	4051	0	4069	0	4087	0	4105	0	4105	0	0
	b) credit turnover of the account	0	4032	0	4052	0	4070	0	4088	0	4106	0	4106	271.700	0
9	Balance at the end of the current year 31.12.2020.														
	a) debit balance of the account (7a+8a-8b)≥0	0	4033	0	4053	0	4071	0	4089	0	4107	0	4107	0	0
	b) credit balance of the account (7b-8a+8b)≥0	70.663	4034	0	4054	12.380	4072	0	4090	0	4108	0	4108	3.139.758	0

Ser. No.	Description	Components of other result													
		AOP	330	AOP	331	AOP	332	AOP	333	AOP	334 335	AOP	336	AOP	337
		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 translation of foreign currency fin. statements	Gains or losses from cash flow hedging	Gains or losses from marketable securities							
1	2	9	10	11	12	13	14	15							
	Opening balance as of 01.01.2019.														
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 01.01.2019.														
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 2019 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	
5	Balance at the end of the prior year 31.12.2019.														
	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 01.01.2020.														
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 2020 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	
9	Balance at the end of the current year 31.12.2020.														
	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		
1	Opening balance as of 01.01.2019.				
	a) debit balance of the account	4235	2.709.286	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	2.164
	b) corrections on the credit side of the account				
3	Adjusted opening balance as of 01.01.2019.				
	a) adjusted debit balance of the account (1a+2a-2b) ≥ 0	4237	2.707.122	4246	0
	b) adjusted credit balance of the account (1b-2a+2b) ≥ 0				
4	Changes in a prior 2019 year				
	a) debit turnover of the account	4238	243.979	4247	0
	b) credit turnover of the account				
5	Balance at the end of the prior year 31.12.2019.				
	a) debit balance of the account (3a+4a-4b) ≥ 0	4239	2.951.101	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 01.01.2020.				
	a) adjusted debit balance of the account (5a+6a-6b) ≥ 0	4241	2.951.101	4250	0
	b) adjusted credit balance of the account (5b-6a+6b) ≥ 0				
8	Changes in the current 2020 year				
	a) debit turnover of the account	4242	271.700	4251	0
	b) credit turnover of the account				
9	Balance at the end of the current year 31.12.2020.				
	a) debit balance of the account (7a+8a-8b) ≥ 0	4243	3.222.801	4252	0
	b) credit balance of the account (7b-8a+8b) ≥ 0				

In Belgrade

23.3.2021

Legal representative



Sarantis
M.P. *Atlog*

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 31.12.2020.

- 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	3.505.757	3.319.256
1. Inflows from sales and prepayments	3002	3.356.452	3.168.776
2. Interest from operating activities	3003	288	89
3. Other inflows from operating activities	3004	149.017	150.391
II. Cash outflows from operating activities (1 to 5)	3005	3.363.664	3.178.051
1. Trade payables and prepayments	3006	2.725.288	2.574.340
2. Salaries, wages and other personnel expenses	3007	206.750	223.097
3. Interests paid	3008	917	5
4. Profit tax	3009	39.831	59.893
5. Outflows from other public revenues	3010	390.878	320.716
III. Net cash inflow from operating activities (I-II)	3011	142.093	141.205
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	10.964	206.540
1. Sales of shares and stakes (net inflows)	3014	0	0
2. Sale of intangible assets, property, plant, equipment and biological assets	3015	0	0
3. Other financial revenues (net inflows)	3016	0	203.990
4. Interest from investing activities	3017	10.964	2.550
5. Inflows from dividends	3018	0	0
II. Cash outflows from investing activities (1 to 3)	3019	490.700	10.147
1. Purchase of shares and stakes (net outflows)	3020	0	0
2. Purchase of intangible assets, property, plant, equipment and biological assets	3021	15.731	10.147
3. Other financial investments (net outflows)	3022	474.969	0
III. Net cash inflows from investing activities (I-II)	3023	0	196.393
IV. Net cash outflows from investing activities (II-I)	3024	479.736	0
V. CASH FLOW FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 to 5)	3025	12.577	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	12.577	0
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

ITEM	AOP	Amount	
		Current year	Previous year
1	2	3	4
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	12.577	0
IV. Net cash outflows from financing activities (II-I)	3039		0
G. TOTAL CASH INFLOWS (3001+3013+3025)	3040	3.529.298	3.525.796
D. TOTAL CASH OUTFLOWS (3005+3019+3031)	3041	3.854.364	3.188.198
Đ. NET CASH INFLOWS (3040-3041)	3042	0	337.598
E. NET CASH OUTFLOWS (3041-3040)	3043	325.066	0
Ž. CASH AT THE BEGINNING OF THE PERIOD	3044	346.917	10.825
Z. POSITIVE EFFECTS ON EXCHANGE RATE CHANGES FROM CASH CALCULATION	3045	0	0
I. NEGATIVE EFFECTS ON EXCHANGE RATE CHANGES FROM CASH CALCULATION	3046	2.790	1.506
J. CASH AT THE END OF THE PERIOD (3042-3043+3044+3045-3046)	3047	19.061	346.917

In Belgrade

23.3.2021



Legal representative

Camilla Petrović

SARANTIS LTD BELGRADE
NOTES WITH FINANCIAL REPORTS
FOR YEAR 2020



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, 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 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 and Polipack Poland, and with them has the capacity of connected persons.

Number of employees: On the day of 31st December 2020 the company had 90 employees (on the day of 31.12.2019 had 90 employees). Average annual number of employees in the year 2020 was 90 (in the year 2019 there were 89 employees on average).

Approval for publishing: Financial reports for the year 2020 which is an integral part of this Note, were approved on the day of 23.02.2021 by the management organs of the parent company GR Sarantis Athens.

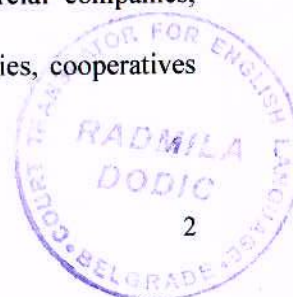
Classification: According to the classification criteria in compliance with the article 6 of the Law on accounting, the legal entity Sarantis ltd is classified as MEDIUM, based on the sizes from the Financial report for the year 2020, as well as based on the sizes from the Financial report for the year 2021.

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

Financial reports for the year 2020 have been created in accordance with stipulations of the following regulations:

- Law on accounting (Official Gazette RS 62/13, 30/18,73/19),
- 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)

in 000 dinars



- 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 composes consolidated reports for the year 2020 in accordance with the prescribed deadline i.e. until 31.07.2021.

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

In the year 2020 the Company applied for the first time standard IAS 19 and executed log-term reservation for the risk from loss based on receivables for dismissal wages, and accordingly the correction of results of previous years was corrected at the initial balance for the year 2020.

Information on impact of Covid-19 pandemic for business during the year 2020

Covid-19 pandemic impacted the business of Sarantis in several ways: through measures of closing stores especially during the first six months, trough change of behaviour and expectations of people that caused the change in priority of fulfilment of personal needs of end users, and through measures, i.e. subventions of the state given as support to the commercial subjects for overcoming the crises. Change of demand resulted in increase of income from sales of household products (household program, especially protective gloves) and decrease of income from sales of cosmetics and seasonal products as suntanning products. Regarding the circumstances that the increased supply of goods with increased demand was organized timely, increasement of incomes from the assortment of house hold products managed to neutralise decrease of incomes from cosmetic line and perfumery products, therefore in total better result was acquired regarding the previous yea. Support form state for payment of salaries was also significant, in determination not to reduce number of employees as well as financially. However budgeted incomes for the year 2020 were not reached, considering the highly set goals before the pandemic.

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%

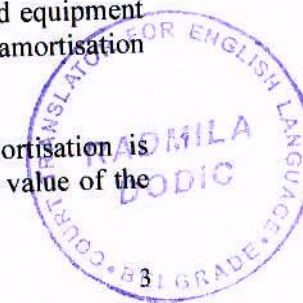
Other supporting software 20%

• 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

in 000 dinars



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 2020 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 booking of tenancy of commercial premises and lease of vehicles through operational lease, this premise and vehicles start to express as own objects and equipment. IFRS 16 standard has been applied in the year 2020.

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%

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.

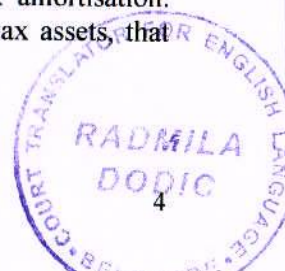
Sarantis ltd Belgrade produces consolidated statements. In consolidation with the Company as a parent company comes dependant companies as Sarantis doo Skoplje and Sarantis doo Banja Luka, and in both there are *major capital share* (100%).

• **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 2020 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.

in 000 dinars



• **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 arise 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.

in 000 dinars



- **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.

Considering the nature of activity, the Company during the year 2020 performed the assessment of risk from loss due to uncollectible claims from byers prescribed by MSFI 9, and performed correction of results of the previous years in accordance with IAS 8, filing long-term reservation according to this base.

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, until 2020 did not show the effects that were materially important for the Financial report, while in 2020 accruals of costs and long-term obligation was performed.

- **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.

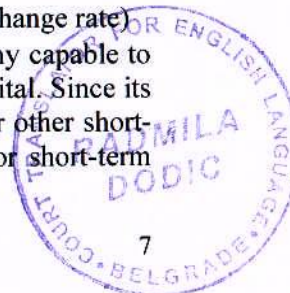
Information about items that are not qualified to be shown in financial statement, but important for valuation of financial position and business efficiency of legal entity

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 2020 percentage of import of goods in total was 85%, 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, of 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 cash flow: The Company carefully plans cash 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 2020 nor in previous years.

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

Upon the completion of adjustment of mutual debts and obligations, on the day 31.12.2020. 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 1,8 mil. dinars. Other significant item relates to supplier Delhaize in the amount of 644 thousand dinars, disclaimed invoices based on terms, which constitutes nearly the entire amount on unadjusted balance with the suppliers and buyers on the day of 31.12.2020. 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 148 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 2020
(in 000 din)

Description	Software and other rights (012)	Other intangible investments (014)	Intangible investments in preparation (015)	Total 01
1	2	3	4	5
I. BUYING VALUE				
1. Balance 01.01.2020	45.326	675	0	46.001
2. Direct increase (supply)			0	0
3. Increase by conveyance from immovables, plants, equipment and biological substances in preparation	0	0	0	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 31.12.2020	45.326	675	0	46.001

in 000 dinars

II. VALUE CORRECTION				
10. Balance 01.01.2020	21.760	42		21.802
11. Calculation of redemption 2020	1.888	101		1.990
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 31.12.2020	23.648	143	0	23.792
III. PRESENT VALUE				
18. Balance on 01.01.2020 (1-10)	23.567	633	0	24.200
19. Balance on 31.12.2020 (9-17)	21.678	532	0	22.210

► **Immovables, plants, equipment and biological substances**
002 Column 5 Balance sheet

Changes in immovables, plants, equipment and biological substances in 2020

(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	6	7	8	9
I. BUYING VALUE				
1. Balance on 01.01.2020	61379	89.925	0	151.304
2. Direct increase (supply)				0
3. Increase by conveyance from immovables, plants, equipment and biological substances in preparation	0	30.161	644	30.805
4. Transfer between connected legal entities		0		0
5. Received assets from other persons		0		0
6. Expenditure and sale				0
7. Revalorisation (estimation)				0
8. Other increase (decrease)			0	0
9. Balance on 31.12.2020	61.379	89.925	644	151.948
II. VALUE CORRECTION				
10. Balance on 01.01.2020	5.967	21.611	0	27.578
11. Calculation of redemption 2020	10.230	19.031		29.261
12. Transfer between connected legal entities		0		0
13. Received assets from other persons		0		0
14. Expenditure and sale		-5.852		-5.852
15. Revalorisation (estimation)				0
16. Other increase (decrease)				0
17. Balance on 31.12.2020	16.197	34.790	0	50.987
III. PRESENT VALUE				
18. Balance on 01.01.2020 (1-10)	55.411	68.314		123.725
19. Balance on 31.12.2020 (9-17)	45.182	55.135	644	100.961

in 000 dinars

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	2020	2019
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

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 accordance with this annex, due date is in December 2021, is due within one calendar year and 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

Deferred tax assets were formed from:

- long-term reservations for risk of loss due to uncollectible of receivables from buyers (MFSI 9)
- long-term reservations for dismissal wages of employees (IAS 19)

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 and 2020 relate to release of second and third fifth of deferred business assets generated by first application MSFI 9.

Tax assets based on the first application of IAS 19:

In the year 2020 for the first time long-term reservation for dismissal wages of employees is performed, and according to that base occurred the correction of profit of previous years in the initial balance 2019. At the amount of correction of 2,5 million gain tax rate of 15% is applied and the amount of 282 thousand dinars is booked as deferred tax asset, and then 1/5 of that amount (76 thousand dinars) corrected the tax base in year 2020. Other 4 fifths have the impact on the tax balance during the next 4 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 31.12.2020 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 2020. The exit and destruction of damaged goods will be carried out in first months of 2021.

➤ **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 928.164 thousand dinars is decreased for the amount of adjustment done valued 626 thousand dinars, out of which the complete amount is related to buyers at domestic market.

• **Declaration on receivables pending over one year**
that are not put on the adjustment of claims. Concluding with 31.12.2020 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 31.12.2020 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 31.12.2020. All amounts are placed for correction of claims, in 2020 or earlier.

Ordinal number	Name of respondent	Value of dispute	Nature of request	Resolution number issued by the court	Current status of the file	Excepted outcome
1	KALA 012 KOSTOLAC	20.499,73	Invoices for goods	6210/2017, I.IV-372/2017	Inventory of possessions 04.02.2020	Charge is not probable
2	LSG KOMERC 2008 DOO, BEOGRAD	427.049,74	Invoices for goods	I.IV-8607/2018, I.IV-459/2018	Unknown actual address of the debtor, inquiry on other possessions is submitted on 30.08.2019	Charge is uncertain
3	ALFA D.O.O, JAGODINA	563.361,40	Invoices for goods	I.IV-273/2019, I.IV38/2019, IV-127/2019; P-554/2019	02.04.2019 objection of executive debtor. The entire debt is being disclaimed. /24.05.2019 Adopted objection by the court, therefore legal suit proceeds for execution. On 20 th July 2020 they received notice on initiation of insolvency proceeding and received invitation for submitting action of law within 120 days from 29 th May 2020. Request submitted on 17 September 2020. On 26 th October 2020, The Commercial Court in Kragujevac resolved the Conclusion which approves the list of determined claims, and Sarantis claims were completely approved.	Charge is uncertain
4	LIDER 18 TR, KRALJEVO	90.273,95	Invoices for goods	IV-988/2019	Accounts are blocked based on the forced charge 12.11.2019	Charge is uncertain
5	ZAM PLUS DOO	73.707,54	Invoices for goods	I.IV-1196/2019; I.IV-150/2019		Charge is uncertain
6	JELENA TESORI PERFUMERY	65.474,04	Invoices for goods	I.IV-584/2018 I.IV-226/2018	02.03.21 Resolution on forced charge from pensions	Charge is possible



► Other receivables

009 Column 5 of the Balance sheet

Apart from the stated, in item Other receivables in 2020 for the first time there is occurrence class 222 Receivables for direct grants to the commercial subjects, relating to COVID-19 pandemic. Total grant from state for the year 2020 were 11.479 thousand dinars. On the day 31.12.2020 there are not any open receivables for this class.

AOP	Account Group	Description	2020	2019
0060	220	RECEIVABLES FOR INTEREST FROM LOAN TO RELEVANT PERSONS	3	0
	221	RECEIVABLES FROM EMPLOYEES	70	47
	222		0	0
	223	RECEIVABLES FOR OVER PAID INCOME TAX	0	0
	224	RECEIVABLES FOR VAT AND CUSTOMS	7.339	985
	225	RECEIVABLES FOR MATERNITY LEAVE	3.152	6.908
	228	OTHER RECEIVABLES	1.004	0
		TOTAL	11.568	7.940

► Short-term financial placements

010 Column 5 of the Balance sheet

AOP	Account Group	Description	2020	2019
0064	231	SHORT-TERM LOANS TO RELEVANT PERSONS	293.951	0
0067	238	RECEIVED DRAWN BILLS OF EXCHANGE	0	6.439
	238	FIXED TIME DEPOSITS	475.000	0
		TOTAL	475.000	6.439
0062		TOTAL AT AOP 0062	768.951	6.439

► Cash equivalents and cash

011 Column 5 of the Balance sheet

AOP	Account Group	Description	2020	2019
0068	241 and 244	CURRENT ACCOUNTS DINAR AND FOREIGN CURRENCY	18.697	346.726
	242	SEPARATE MONETARY ASSETS FOR DEBIT CARDS	365	191
	245	ACCREDITIVES	0	0
		TOTAL	19.061	346.917

► Active time apportionment

012 Column 5 of the Balance sheet

AOP	Account Group	Description	2020	2019
0070	280	ADVANCED INVOICED COSTS OF FUTURE PERIOD	89	17
	281	RECEIVABLES FOR UNINVOICED PERIOD	0	0
	289	CORRECTION OF VAT OBLIGATION FOR ZA PERMIT WITHOUT VERIFICATION AND ALIKE CORRECTIONS	8.689	8.688
		TOTAL	8.777	8.705

in 000 dinars

► 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 0429 Reservations for compensations and other benefits of employees expressed reservations for dismissal wages.

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 4,99%, (average rate of proceeds at ten years' state bank notes issued in 2018 and 2020- last two emissions)

Estimated rate of income increasement 1,91%,

Percentage of fluctuation of employees 5,23% and

Dismissal wage according to the law 164.100 dinars (annual average for 2020 was used)

Amounts in the following table are presented in DINARS

DISCLOSURE AND ENTRY OF RESERVATIONS on the day 31.12.2020

DESCRIPTION		AMOUNT
Obligation of reservations on the day	31.12.2019	2.546.124
Corrected obligation of reservations on the day	31.12.2019	0
Previously reserved for persons that retired in the current year and that left the company		0
Obligation (Corrected) deducted by pervious reservations on the day (1-1b or 1a-1b)	31.12.2019	2.546.124
Designed obligation of reservations on the day	31.12.2020	2.888.786
Designed reservation s for persons that left the company		0
Deducted designed reservations (2 - 2a)		2.888.786
Costs of interests (no. 1c x Ds for previous year)		126.924
Costs of previous services (1c - 1b)		0
Costs of current work services (no. 2b - no. 1c - no. 3)		215.738
Actual obligation for reservation on the day	31.12.2020	2.888.786
Actuary profit (no. 5 - no. 2) < 0		0
Actuary loss (no. 5 - no. 2) > 0		0
Payment of obligation		0

in 000 dinars



<i>Change of reservation amount (no 5 - no 1 - no 8)</i>		342.662
<i>Reservation costs ((no 3 + no 4 + no4a)</i>		342.662
<i>Profit tax rate</i>		15,00%

At AOP 0431 Other long-term reservations it is presented that **reservation for risk of loss based on receivables from buyers.**

Long-term reservation for risk from loss based on uncollectable receivables from buyers according to MSFI 9

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.

In the year 2020 according to the same criteria (delays longer than 6 months) cancellation of long-term reservation in the amount of 483 thousand dinars is performed.

➤ **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

in 000 dinars



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	2020	2019
0462	490	PRECALCULATED COSTS-THIRD PERSONS	3.263	3.962
	490	CALCULATED COSTS OF DAMAGED GOODS	2.508	3.231
	490	CALCULATED OBLIGATIONS FOR UNINVOICED TRADE AT THE END OF YEAR	31.610	37.997
	490	CALCULATED COSTS OF SHOPPER DISC RATE IN ADVANCE	30	0
	494	CALCULATED COSTS OF SUPPLY OF GOODS	227	-26
		TOTAL	37.639	45.165

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 refund of placing labels in the amount of 1.304,3 thousand dinars while in 2019 referred from network for sale performed by third persons in the name of Sarantis in the amount of 742 thousand dinars.

➤ **Buying value of sold goods**

024 Columns 5 and 6 of the Income statement

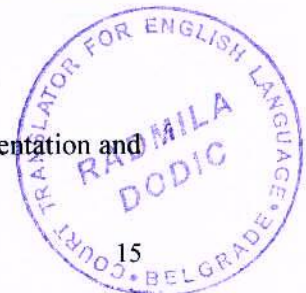
AOP	Account Group	Description	2020	2019
1019	501	Buying value of sold material	6.224	1.503
	501	Buying value of sold goods	1.705.034	1.678.786
	501	Buying value of goods for internal consumption	14.924	19.221
		TOTAL	1.726.183	1.699.510

➤ **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.

in 000 dinars



► **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 4.839 thousand dinars (in 2019 was 4.092 thousand dinars).

► **Costs of fuel and energy**
027 Columns 5 and 6 of the Income statement

Refer to fuel for vehicles 8.998 thousand dinars (in 2019 the amount was 11.946 thousand dinars) and costs of electrical power 535 thousand dinars (in 2019 610 thousand dinars).

► **Costs of earnings**
028 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2020	2019
1025	520	Costs of gross earnings and compensation of earnings	169.272	181.765
	521	Costs of contributions paid by the employer	24.824	24.636
	524	Costs of compensations based on contracts	5.016	4.809
	525	Costs of compensation based on hiring business premises to physical persons	539	541
	529	Other personal expenditure and compensations	16.424	14.182
		TOTAL	216.076	225.932

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	2020	2019
1026	531	Costs of transportation services	57.330	58.066
	532	Costs of maintenance services	156	1.211
	533	Costs of rent of warehouse and business premises	42.398	51.024
	535	Costs of advertisement and propaganda	127.851	156.766
	537	Costs of development which is not capitalised	309	290
	539	Costs of other services	45.128	22.630
		TOTAL costs of production services	273.171	289.987

► **Costs of amortization**
030 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2020	2019
1027	540	COSTS OM AMORTIZATION OF SOFTWARE	1.889	2.533
	540	OTHER NON MATERIAL INVESTMENTS	101	42
	540	COSTS OF AMORTIZATION OF STRUCTURES UNDER LEASE-MSFI 16	10.230	5.967
	540	COSTS OF AMORTIZATION OF VEHICLES UNDER LEASING -MSFI 16	23.086	17.630
	540	COSTS OF AMORTIZATION OF PDA DEVICES	211	132
	540	COSTS OF AMORTIZATION OF COMPUTER EQUIPMENT	466	507
	540	COSTS OF AMORTIZATION OF FURNITURE	1.120	463
		TOTAL COSTS OF AMORTIZATION	37.102	27.274

► **Costs of non productional services**
031 Columns 5 and 6 of the Income statement

AOP	Account Group	Description	2020	2019
1029	550	Costs of non productional services	30.460	31.407
	551	Costs of representation	17.717	25.503
	552	Costs of insurance premium	736	714
	553	Costs of payment operations	2.961	2.656
	554	Costs of membership of the chambers and to the Fund of disabled persons connected to the calculation of salaries	1.603	1.499
	555	Costs of taxes that are not dependant on the results	8.276	5.895
	559	Other non material costs	298	303
		TOTAL costs of non productional services	62.051	67.977

► **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 8.458 thousand dinars and exchange rate differences of 9 thousand dinars.
- Incomes based on effects of currency clause refer to contracted protection from risk of currency clause refer to the contracted protection from risk towards third parties in the amount of 1,5 thousand dinars as well as the contracted protection from risk of currency clause IFRS16 and are in the amount of 78 thousand dinars.
- Other financial incomes refer to se incomes from cash from account: 2.26 thousand in year 2020 and 2.163 thousand in year 2019.
- 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	2020	2019
AOP	662 part	Interests based on fixed-term deposits	2.509	2.355
1038	662 part	Interests from DPO	288	89
		Total income from interests	2.797	2.444

► **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 2.572 thousands of dinars refer to interests arisen from entry according to IFRS16 standard (for lease of objects and vehicles 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 2020, and 2019.

► **Other income**

036 Columns 4 and 5 of the Income statement

AOP	Account Group	Description	2020	2019
1052	670	PROFIT FROM SALES OF EQUIPMENT	10	0
	673	PROFIT FROM SALES OF MATERIALS	0	0
	674	SURPLUSES	4.373	2.388
	675	INCOME FROM ADJUSTMENT WITH BUYERS	148	234
	678	INCOME FROM CANCELATION OF LONG-TERM RESERVATIONS	483	3.181
	679	ADDITIONALLY PERMITTED ABATEMENT FROM THE SUPPLIER	594	1.294
	679	LESS INVOICING INCLUSIVE OF PREVIOUS YEARS	45	1.635
	679	ADDITIONALLY PERMITTED ABATEMENT FROM THE SUPPLIER	13.780	14.173
	679	INCOME FROM INDEMNIFICATION FOR SHORTAGES	5.815	4.315
	679	INCOME FROM INDEMNIFICATION FOR DAMAGED GOODS	353	0
	679	OTHER EXTRAORDINARY INCOME FROM PREVIOUS YEARS	19	8
	679	INCOME FROM CONTRACTING REFUND OF COSTS	112.048	126.121
	679	INCOME FROM COLLECTED PENALTIES AND FINES FOR DAMAGE OF 3. PERSONS	151	49
		TOTAL	38.821	153.398

in 000 dinars

► **Other expenditures**

037 Columns 4 and 5 of the Income statement

AOP	Account Group	Description	2020	2019
1053	570	LOSSES BASED ON CONDEMNATION AND SALES OF EQUIPMENT	154	0
	574	SHORTAGES	10.750	7.329
	576	DIRECT WRITE-OFF OF OUTSTANDING CLAIMS	0	1
	577	EXPENDITURE BASED ON DAMAGED GOODS	4.322	3.237
	579 part	LESS INVOICING INCLUSIVE OF PREVIOUS YEAR	41	12
	579 part	OTHER BUSINESS CONDEMNATION	0	367
	579 part	ABATEMENTS FROM SALES	326.975	315.602
	579 part	MAGISTRATE AND CONTRACTING FINES AND PENALTIES	1.683	410
		TOTAL OTHER CONDEMNATION	343.925	326.957

► **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. In the year 2020 increase of margins occurred in goods sold to dependant persons, therefore the elaborate showed that the correction of tax on income based on transferred prices is not required.

► **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 2020.

In Belgrade
22.03.2021

Person responsible for creation of notes

Branka Kosovac
(Signed)

Legal representative

Saša Nenadić
(Signed)

In Belgrade, 6th April 2021

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

License number 740-60-002749/95

in 000 dinars