TETRA DOOEL - SKOPJE

Financial statements for the year then ended as of December 31, 2019 and Independent Auditors' Report

Skopje, April 2020

CONTENT

RAFAJLOVSKI audit

Member of HLB

Orce Nikolov Str. No. 190, 1000 Skopje tel. 02/3088-900 e -mail: info@rafajlovski.com.mk

INDEPENDENT AUDITOR'S REPORT
TO THE OWNER OF TETRA DOOEL – SKOPJE

We have audited the accompanying financial statements of TETRA DOOEL - SKOPJE (Hereinafter: The Company) which comprise of the Statement of financial position as of December 31, 2019, as well as the accompanying Statement of comprehensive income, the Statement of changes in equity and the Statement of cash flow for the year then ended and the summary of the significant accounting policies and other remaining explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting standards applied in the Republic of North Macedonia and the internal control relevant for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing applied in the Republic of North Macedonia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements of the Company 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 internal control of the Company. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

RAFAJLOVSKI audit

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Orce Nikolov Str. No. 190, 1000 Skopje tel. 02/3088-900 e -mail: info@rafajlovski.com.mk

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE OWNER OF TETRA DOOEL - SKOPJE

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Company as of December 31, 2019, and of its financial performance, the changes in equity and the cash flows for the year then ended in accordance with the accounting standards accepted in the Republic of North Macedonia.

Skopje, 08 April 2020

Certified Auditor		Manager
Mitko Poposki	Друштво за ревизија РАФАЈЛОВСКИ РЕВИЗИЈА ДОО СКОПЈЕ	Jasmina Rafajlovska

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying Financial statements of TETRA DOOEL - Skopje, on pages 5 to 8 and the Notes to the same on pages 9 to 22 are responsibility of and approved by the management.

The Company maintains its books and records in accordance with the accounting principles and practices applied in the Republic of North Macedonia. The accompanying Financial Statements for 2018 have been audited providing comparability with the Financial Statements for 2019. The Financial Statements include certain amounts based on the best possible estimates and evaluations made on the date of compilation of this Report.

The independent Auditors, Rafajlovski Audit DOO- Skopje, have been engaged to audit these Financial Statements and their report is included on pages 2 and 3.

Director of
TETRA DOOEL - Skopje
Konstantinos Iliadis

Responsible person for comprising
the financial statements
TETRA DOOEL - Skopje
Ana Vandovska

STATEMENT OF FINANCIAL POSITION
as of December 31, 2019 and 2018
(in denars)

	Note	December 31, 2019	December 31, 2018
A CURRENT ASSETS			
Trade receivables	4	50.808.422	159.694.383
Other short-term receivables	5	9.614.179	21.869.166
Cash and cash equivalents	6	44.548.420	61.880.988
Total Current Assets		*104.971.021*	*243.444.537*
TOTAL ASSETS		***104.971.021***	***243.444.537***
B EQUITY			
Charter capital	7	307.469	307.469
Reserves		-	-
Accrued (retained) profit		54.479.490	31.434.676
Total equity		*54.786.959*	*31.742.145*
C CURRENT LIABILITIES			
Short-term trade payables	8	45.273.034	207.812.962
Other short-term liabilities	9	1.628.048	3.889.430
Accrued liabilities		3.282.980	-
Total current liabilities		*50.184.062*	*211.702.392*
TOTAL LIABILITIES		*50.184.062*	*211.702.392*
TOTAL EQUITY AND LIABILITIES		***104.971.021***	***243.444.537***

The Notes to the financial statements are an integral part of and should be read in accordance with the financial statements

TETRA Dooel
TERNA ENERGY TRADING
Registration No: 6959186
Partizanski Odredi 149, Mezanin 1,
Skopje.

Responsible person for comprising
of the financial statements
TETRA DOOEL – Skopje
Ana Vandovska

Director of
TETRA DOOEL – Skopje
Konstantinos Iliadis

STATEMENT OF COMPREHENSIVE INCOME
for the years then ended as of December 31, 2019 and 2018

(in denars)

	Note	December 31, 2019	December 31, 2018
Sales revenues	10	688.772.436	794.886.339
Other revenues	11	366.605	-
Cost of sales and services	12	(661.679.903)	(780.036.227)
Labor expenses	13	(850.878)	(428.226)
Other operating expenses	14	(574.841)	(794.844)
Net financial revenues/expenses	15	(428.070)	(109.942)
Profit before taxation		***25.605.349***	***13.517.100***
Tax expenses		(2.560.535)	(1.116.315)
PROFIT FOR THE YEAR		***23.044.814***	***12.400.785***
Other comprehensive income/loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		***23.044.814***	***12.400.785***

The Notes to the financial statements are an integral part and should be read in accordance with the financial statements

TETRA DOOEL TERNA ENERGY TRADING Registration No: 6960186 Skopje

Responsible person for comprising of the financial statements
TETRA DOOEL – Skopje
Ana Vandovska

Director of
TETRA DOOEL – Skopje
Konstantinos Iliadis

STATEMENT OF CHANGES IN EQUITY
for the years then ended as of December 31, 2019 and 2018
(in denars)

2019	Charter Capital	Accrued (retained) profit	Total
Balance at January 1, 2019	**307.469**	**31.434.676**	**31.742.145**
Total comprehensive income for 2019	-	23.044.814	23.044.814
Balance at December 31, 2019	**307.469**	**54.479.490**	**54.786.959**
2018	**Subscribed equity**	**Accrued (retained) profit**	**Total**
Balance at January 1, 2018	**307.469**	**19.033.891**	**19.341.360**
Total comprehensive income for 2018	-	12.400.785	12.400.785
Balance at December 31, 2018	**307.469**	**31.434.676**	**31.742.145**

The Notes to the financial statements are an integral part of and should be read in accordance with the financial statements

STATEMENT OF CASH FLOWS
for the years then ended as of 31 December 2019 and 2019
(in denars)

	December 31, 2019		December 31, 2018	
Cash flows from operating activities				
Profit/loss after taxation	23.044.814		12.400.785	
Corrected for				
Change in trade receivables	108.885.961		(105.364.887)	
Change in other short-term receivables	13.154.865		(13.911.200)	
Change in trade payables	(162.539.928)		168.854.556	
Change in other payables	121.720		2.750.315	
Net cash received from operating activities		*(17.332.568)*		*64.729.569*
Cash flows from investment activities				
Intangible assets	-		-	
Purchase of property, plant and equipment	-		-	
Net cash from investing activities		-		-
Cash flow from financial activities				
Received loans and borrowings	-		2.473.880	
Paid loans and borrowings	-		(5.747.718)	
Net cash from financing activities		-		(3.273.838)
Net increase (decrease) in cash and cash equivalents	**(17.332.568)**		**61.455.731**	
Cash equivalents at the beginning of the accounting period	**61.880.988**		**425.257**	
Cash equivalents at the end of the accounting period	**44.548.420**		**61.880.988**	

The Notes to the financial statements are an integral part of and should be read in accordance with the financial statements

1. GENERAL INFORMATION ABOUT THE COMPANY

Electricity trade company TETRA DOOEL - Skopje (hereinafter: the Company), is a limited liability company sole proprietor, registered in the Trade Register at the Central Register on Republic of North Macedonia with a unique registry No. 6969186 for the entity.

The Company was founded on 21.07.2014.

The head seat of the Company is Bulevar Partizanski Odredi no.149, Gjorce Petrov – Skopje.

The primary activity of the Company is 35.14 – Trade of electricity.

Tetra DOOEL is subsidiary of GP ENERGY EOOD – Bulgaria

The manager of the Company is Mr. Konstantinos Iliadis

The total number of employees as of 31.12.2019 is 1 person (2018: 1).

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for the preparation

These financial statements have been prepared in accordance with the Law on Trade companies ("Official Gazette of RM", No. 28/2004 ... 120/18) and The Rulebook on accounting ("Official Gazette of RM", No. 159/09 ... 107/11). According to this Rulebook accounting records should be kept in accordance with the International Financial Reporting Standards (IFRS), including the interpretations of the Standard Interpretation Committee (SIC) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) established by the International Accounting Standards Board (IASB) on 1 January 2009.

The financial statements are prepared according to the cost model, as basis for the valuation, except for the available-for-sale financial assets and financial assets and liabilities (including derivative instruments), if any, measured at fair value. Certain positions in the financial statements have been reclassified in order to meet the requirements of IAS 1 – Presentation of Financial Statements.

The Company applies the accounting policies disclosed below, in accordance with the accounting and tax regulation in the Republic of North Macedonia in the preparation of these financial statements.

These financial statements are prepared for the years then ended as of 31 December 2019 and 2018. The official currency rate of reporting in the Republic of North Macedonia is the denar. The amounts comprised in the financial statements of the Company, as well as the other accompanying notes to the financial statements are given in Macedonia Denars (MKD), unless stated otherwise.Where necessary, the presentation of the comparative information is adjusted to conform to the changes in the presentation of the current year.

The credibility is supported by the fact that the Company will continue to operate in the future.

The accompanying financial statements represent individual financial statements of the Company.

2.2 Inflation Accounting

Due to the impact of inflation on the financial statements, the management believes that the Company's financial statements should reflect the effect of this inflation, and thereby the effect of changes in the purchasing power, in accordance with the legal regulations in the Republic of North Macedonia.

2.3 Foreign Currencies

Transactions expressed in foreign currencies are converted at the exchange rate on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into denars at the National Bank of the Republic of North Macedonia, by the middle foreign exchange rate on the last day of the reporting period. All gains and losses resulting from foreign currency translations or exchanges are included in the Statement of comprehensive income.

2.4 Exchange Rates

The official rates of currencies used for the convert of the Statement of financial position items were as follows:

Currency	December 31, 2019		December 31, 2018	
1 EUR	61,4856	Denars	1 EUR	61,4950
1 USD	54,9518	Denars	1 USD	53,6887

3. ACCOUNTING POLICIES

The following is a summary of the significant accounting policies that were used in the preparation of the Financial Statements of the Company, for the year ended as of December 31, 2019 and 2018. The accounting policies are consistent with those applied in the previous years, unless stated otherwise.

3.1 Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial products. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem. Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Company, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time. Financial risk management aims to minimize possible negative effects and specifically:

3.1.1 Interest rate risk and exchange rate risk

The Company's bank loans are mainly denominated in euro and are subject to variable and fixed interest rates. As regards to interest rate risk, the Company uses derivative instruments in order to reduce its exposure to interest rate risk, while it uses natural hedging methods to hedge exchange rate risk in countries it operates in, by borrowing partly in local currency thus hedging the exchange rate risk of its receivables. The Management of the Company follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

3.1.2 Fair Value

The amounts appearing in the attached Statement of Financial Position for cash balances, short-term receivables and other short-term liabilities approximate their respective real values due to their short-term nature. The fair value of short-term bank loans does not differ from their accounting value due to the use of variable interest rates.

3.1.3 Credit Risk Concentration

A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no significant credit risk, apart from contingent payment delays. Furthermore, the total income from the energy sector is derived from Public sector companies.

The Group's policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within an amicable settlement context.

3.1.4 Market Risk

The Company has not entered into contracts in order to hedge the market risk arising from its exposure to fluctuations in the prices of raw materials used in the production process.

3.2 Intangible Assets

Intangible assets consist of rights for use of forestry land, where Wind Parks are installed, purchased Wind Park licenses and software acquisition costs. The right of use of forestry land, where Wind Parks are installed, includes the related acquisition costs less accumulated amortization and possible impairment.

The value of software includes the acquisition cost and all expenses incurred to develop the software in order to bring it to operating condition less accumulated amortization and possible impairment. Significant subsequent expenses are capitalized when such increase the software's capacity after initial specifications.

Amortization of licenses and on the rights of use for land where Wind Parks are installed is accounted for, using the straight-line method over the duration of the contractual right for the production of energy (approximately 20 years), beginning from the period when each Wind Park starts operating. Amortization of software is accounted for based on the straight-line method over 3 years. The amortization of all the aforementioned items is included in the income statement.

3.3 Income recognition

Income is recognized to the extent that it is probable that economic benefit will result for the Company and that the relevant amounts can be accurately measured. The following specific recognition criteria must also be met for the recognition of income.

3.4 Sale of goods

Revenue from the sale of goods, net of trade discounts, sales incentive discounts and the corresponding VAT, is recognized when the significant risks and benefits from ownership of the goods have been transferred to the buyer.

3.5 Revenue from the sale of Electric Energy

Revenue from the sale of Electric Energy is accounted for in the year in which it accrues. Revenue from sales of electric energy to customer that has not yet been invoiced is recognized as accrued non-invoiced income in the financial statements. Furthermore, the expected receipts from energy production, in the context of energy selling contracts, which according to IFRIC 4 contain lease elements, are recognized as revenues, proportionately, over the term of the contract and to the extent that these receipts relate to the lease contract.

An energy selling contract is deemed to involve lease elements when it concerns to the total of energy produced by a particular installation of the Group and the price per unit of energy is neither constant throughout the duration of the contract, nor represents the market price at the date of production.

3.6 Rent Revenue

Rent revenue is recognized using the straight-line method, according to the terms of the lease.

3.9 Interest

Interest income is recognized on an accruals basis.

3.11 Tangible Fixed Assets

Tangible Assets (building, plant and equipment) in the Statement for financial position are expressed according to their carrying amount that represents the acquisition value, lowered for the accumulated depreciation and the total amount of the loss due to impairment. In the moment of the purchase the non-current assets are accounted for according to their acquisition value, that comprises of the accrual value of the asset and the dependable purchase expenses.

Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.

Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.

Fixed assets under construction include fixed assets that are work in progress and are recorded at their cost, as well as advances for asset acquisitions. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

3.12 Depreciation

Depreciation is calculated according to the straight-line method using rates that approximate the relevant useful economic lives of the respective assets. The useful economic lives per fixed asset category are as follows:

Asset Category	Years
Buildings and technical installations	8-30
Machinery and technical Installations	3-20
Vehicles	5-12
Fixtures and Other Equipment	3-12

3.13 Inventories

Inventories comprise machinery parts and raw and auxiliary materials of Wind Parks. Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.

The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials. The net realizable value of finished products is their estimated selling price during the Group’s normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale. The net realizable value of raw materials is their estimated replacement cost during the normal course of business. A provision for impairment is made if it is deemed necessary.

3.14 Receivables Accounts

Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables, while long-term receivables are valued at net amortized cost based on the effective interest rate method. At each reporting period all overdue or doubtful receivables are reviewed in order to determine the necessity for a provision for doubtful receivables. The balance of the specific provision for doubtful receivables is appropriately adjusted at each balance sheet date in order to reflect the estimated relevant risks. Each customer balances write-off of is debited to the existing provision for doubtful receivables.

3.15 Cash and Cash Equivalents

The Group considers time deposits and other highly liquid investments with a maturity less than three month, as cash and cash equivalents, as well as time deposits with a maturity over three months, which however include the right for early liquidation with no loss of capital.

For the preparation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

3.16 Loan liabilities

All long-term and short-term loan liabilities are initially booked at cost, which is the actual value of the received payment less the issuance expenses related to the loan. After the initial recording, interest-bearing loans, except for loans classified as financial liabilities at fair value through the results, are valued at amortized cost using the effective interest rate method. The amortized cost is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortization procedure.

In case of a subsequent substantial amendment in the terms of an existing loan contract, the Group writes-off the existing liability, recognizes the new loan liability at fair value and the difference is registered in the results.

In contrast, in case of a non-substantial amendment of the terms of the contract, the loan continues to be recognized at its amortized cost, until that time, and the Group re-defines the effective interest rate, in order for the amortized cost to equal the present value of the new amended cash flows of the loan. An amendment of loan terms is considered as non-substantial when the present value of cash flows of the new contract discounted with the initial effective interest rate, does not exceed 10% of the present value of the cash flows of the old loan contract.

The interest on loans is recognized as an expense in the period such arise according to the accrual principle, apart for loan interest that is allocated directly or indirectly to the acquisition or construction of selective tangible assets, which are capitalized during the period that is required to construct the assets and until such are ready for use.

The Group classifies loans with embedded derivatives, whose financial characteristics are not linked closely with the loan agreement, as financial liabilities at fair value through the results during their initial recognition.

The Group classifies financial titles it issues in liabilities or equity, depending on the objective of the agreement, regardless of the legal form (shares, preferential shares, bonds etc.). When the group does not have a contractual right to avoid payments to holders of such financial titles, then such titles are classified in liabilities.

3.17 Employee benefits

In the ordinary course of business, the Company performs payment, on behalf of the employees, regarding pension and health insurance, employment and personal income tax calculated on the basis of the gross salary and regression for annual leave in accordance with the legal legislation.

The Company performs payment of these assets into the state funds- health and pension, according to the legal regulation in force in the course of the year. The expense for these payments is recorded in the Statement for Comprehensive Income at the same period as the expense for the coresponding sallary. There are no other pension plans or post – pension plans regarding benefits, so respectively there are no other additional liabilities refering to pensions.

The Company has an obligation to pay severence upon retiring of employees, that is twice the amount of the average paid net salary in Republic of North Macedonia.

3.18 Income Tax

Corporate income tax (profit tax) is calculated at the rate of 10% and is determined for on the difference between the total income and total expense plus unrecognised expenses less the amounts for which taxes are paid for the previous periods and other tax exempt that reduce tax base.

3.19 Finance and Operating Leases

Finance leases, which essentially transfer to the Group all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset's fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability.

The financial expenses are debited directly to the results. Capitalized leased fixed assets are depreciated with the straight-line method based on the estimated useful life of the asset. Leases where the lessor maintains all the risks and returns related to ownership of the fixed asset, are recorded as operating leases. The payments of operating leases are recognized as an expense in the income statement on a constant basis for the duration of the lease

3.20 Government Grants

Government grants relating to subsidies of tangible fixed assets are recognized when there is reasonable certainty that the grant will be received and all relevant terms will be met. These government grants are recorded in a deferred income account and are transferred to the income statement in equal annual installments based on the expected useful life of the asset that was subsidized, as a reduction to the relevant depreciation expense. When the grant relates to an expense it is recognized, as income during the period deemed necessary to match the grant on a systematic basis with the expenses it is meant to reimburse.

3.21 Provisions, Contingent Liabilities and Contingent Receivables

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed during each reporting period and are adjusted in order to reflect the present value of expenses that are deemed necessary for the settlement of the liability.

If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the probability of an outflow of economic benefits is small. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of financial benefits is possible.

4. TRADE RECEIVABLES

The short- term trade receivables consist of the following (in denars):

	December 31, 2019	**December 31, 2018**
Domestic trade receivables	37.406.467	38.025.880
Foreign trade receivables	13.401.955	121.668.503
Total short-term receivables	*50.808.422*	*159.694.383*

5. OTHER SHORT-TERM RECEIVABLES

The other short- term receivables consist of the following (in denars):

	December 31, 2019	**December 31, 2018**
Receivables based on given advances	4.812.305	21.869.166
Receivables for taxes	4.801.874	-
Total other short term receivables	*9.614.179*	*21.869.166*

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following (in denars):

	December 31, 2019	**December 31, 2018**
Monetary assets on denar accounts	44.515.620	11.240.196
Monetary assets in denar treasury	30.497	-
Monetary assets in currency	2.303	50.640.792
Total cash and cash equivalents	44.548.420	61.880.988

7. STATE OF EQUITY AND RESERVES

In the Trade Register of the Central Register of the Republic of North Macedonia, the Company has subscribed capital in the amount of 5.000 euros.

The equity in the accounting records is adjusted with the equity in the subscribed at the Trade Registry.

The Company is obligated to create legal reserves 5% of the income, until the Company's reserves reach the amount equaling 1/10 of the equity.

The Company does not have legal reserves.

The adjustments and movements in the equity and reserves are stated in the Statement of changes in equity for the year ended on 31 December 2019 and 2018, on page 7.

8. SHORT-TERM TRADE PAYABLES

Short-term trade payables consist of the following (in denars):

	December 31, 2019	**December 31, 2018**
Domestic trade payables	1.771.102	140.447
Foreign associated payables	43.501.932	207.672.515
Total short-term trade payables	*45.273.034*	*207.812.962*

9. OTHER SHORT-TERM LIABILITIES

The other short-term liabilities consist of the following (in denars):

	December 31, 2019	**December 31, 2018**
Tax liabilities	1.558.056	3.889.430
Staff salaries and contribution payables	69.992	-
Total other short-term liabilities	*1.628.048*	*3.889.430*

10. SALES REVENUES

The revenues from sale consist of the following (in denars):

	December 31, 2019	December 31, 2018
Revenues from sales of services to related parties abroad	430.916.274	699.265.246
Revenues from sales of products and goods in the country	257.856.162	95.621.093
Total sales revenues	*688.772.436*	*794.886.339*

11. OTHER REVENUES

The other revenues consist of the following (in denars):

	December 31, 2019	December 31, 2018
Other operating income	366.605	-
Total other revenues	*366.605*	-

12. COST OF SALES AND SERVICES

Cost of sales and services consist of the following (in denars):

	December 31, 2019	December 31, 2018
Rent	169.922	-
Cost of inventory	32.380	-
Other services	661.477.601	780.036.227
Total cost of sales and services	*661.679.903*	*780.036.227*

13. LABOR EXPENSES

Labour expenses consist of the following (in denars):

	December 31, 2019	December 31, 2018
Net salaries	552.951	276.689
Taxes and salary contributions	286.677	137.703
Other allowances for the employees	11.250	13.834
Total labor expenses	*850.878*	*428.226*

14. OTHER OPERATING EXPENSES

Other operating expenses consist of the following (in denars):

	December 31, 2019	December 31, 2018
Other bank services	219.457	219.633
Legal, audit and consulting services	305.790	184.519
Other expenses	49.594	390.692
Total other operating expenses	*574.841*	*794.844*

15. NET FINANCIAL REVENUES /EXPENSES

Net revenues from financing consist of the following (in denars):

	December 31, 2019	December 31, 2018
Interest of working with related companies	-	60.046
Interest revenues third parties	-	981
Positive exchange rate differences related parties	1.722.504	194.202
Positive exchange rate differences third parties	92.710	3.021
Interest expenses third parties	-	(138.114)
Negative exchange rate differences related parties	(2.173.111)	(197.376)
Negative exchange rate differences third parties	(70.173)	(32.702)
Total net revenues from financing	*(428.070)*	*(109.942)*

16. CORPORATE INCOME TAX

Coprorate income tax is calculated at 10 % rate since 1 January, 2014 and it is determined as the difference between total revenue and total expenditures increased for unrecognized expenses and reduced for the amounts for which tax and other tax exemptions were paid in the previous tax periods in accordance with the Law on Income Tax ("Official Gazette of the Republic of North Macedonia", No.275/19).

17. TRANSACTIONS WITH RELATED ENTITIES

17.1 Identification of related entities

The Company realizes transactions with related entities in the companies with prevailing influence and an opportunity to significantly influence the reaching of financial and operational decisions as well as transactions with companies that have considerable contribution, respectively an inconsiderable one. The possibility for significant influence in the process of reaching financial and operational decisions is achieved through representation in the Board of Directors.

17.2 Transactions with related entities

The receivables and liabilities between the Company and its related entities with the balance as of December 31.2019 are as follows (in denars):

	Receivables		**Payables**	
	2019	**2018**	**2019**	**2018**
GP ENERGY EOOD BULGARIA	-	-	-	-
PROENTRA DOO SERBIA	13.401.955	96.484.640	43.239.731	115.737.870
TERNA ENERGY SA - GREECE	-	25.183.863	262.201	91.934.639

	Long Tearm Loan Liabilities	
	2019	**2018**
GP ENERGY EOOD BULGARIA	-	-

	Turnover Capital Liabilities	
	2019	**2018**
GP ENERGY EOOD BULGARIA	-	-

	Short term loan	
	2019	**2018**
TERNA SA Branch SKOPJE	-	-

18. FOREIGN CURRENCY RISK

In its operation, the Company establishes international transactions for supply and sales of goods. These supplies and sales are expressed in foreign currencies.The Company does not use appropriate financial instuments so as to lower that risk, because these kinds of instruments are not applicable in the Republic of North Macedonia.

19. TAX RISK

The Public Revenue Office of the Republic of North Macedonia has performed control in the Company based on value added tax for the period from 01.03.2017-30.04.2019.

The other public taxes of the company have not been controlled, and as a consequence of that, the transactions can be disputed by the tax authorities and the company could be facing additional taxes, penalties and interests, which could be of great significance. The period for which the tax and customs authorities can perform control as to establish the tax payables of the Company is five years.

The period for which the tax and customs authorities can perform control as to establish the tax liabilities of the Company is five years.

20. POTENTIAL RECEIVABLES AND PAYABLES

The Company is not included in any legal disputes as a claimant.

There are no legal disputes led against the Company as a defendant.

21. SUCCESSIVE EVENTS

After 31 December 2019 - the date of reporting, no material events have occurred that need to be presented in the financial statements.