

INNOVATION FUND, BEOGRAD

Financial Statements for the
Year Ended 31 December 2024
and
Independent Auditor's Report



This version of our report/ the accompanying documents is a translation from the original, which was prepared in Serbian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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INDEPENDENT AUDITOR'S REPORT

To the Owners and Management of Innovation Fund, Beograd

Opinion

We have audited the accompanying annual financial statements of Innovation Fund, Beograd (the "Fund"), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Innovation Fund, Beograd as at 31 December 2024, and of its financial performance in accordance with the current accounting regulations in effect in the Republic of Serbia and accounting policies disclosed in the notes to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law on Auditing of the Republic of Serbia. 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 Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Serbia, and have fulfilled our other responsibilities under those ethical requirements. 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 of financial statements that give a true and fair view in accordance with the current accounting regulations in effect in the Republic of Serbia, 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 Fund'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 the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 based on these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Owners and Management of Innovation Fund, Beograd (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Fund'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 the Management 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 Fund'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 Fund 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.

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.

Belgrade, 18 February 2025

„MOORE STEPHENS
Revizija i Računovodstvo“ d.o.o. Beograd

Marko Filipović
Certified Auditor

„MOORE STEPHENS
Revizija i Računovodstvo“ d.o.o. Beograd

Bogoljub Aleksić
Managing Partner

BALANCE SHEET
As of 31 December 2024
(In RSD thousand)

	2024	2023	
		As of 31 December	Opening balance
A S S E T S			
Non-current assets	510,663	361,366	158,415
Intangible assets	5,081	1,832	1,098
Concession, patents, licenses, trademarks, software and other rights	5,081	832	1,098
Intangible assets leased and in preparation	-	1,000	-
Property, plant and equipment	15,471	16,200	11,458
Plant and equipment	15,471	16,200	11,458
Long-term financial placements and long-term receivables	490,111	343,334	145,859
Equity shares with legal entities (excluded equity shares measured at share method)	490,111	343,334	145,859
Current assets	6,351,291	3,776,564	3,097,868
Inventories	3,336	17,317	3,770
Paid advances for inventories and services in the country	3,336	17,317	3,770
Other current receivables	1,684,792	185,996	166,608
Other receivables	1,684,792	185,996	166,608
Short term financial placements	-	1,633,803	1,180,000
Cash equivalents and cash	4,662,568	1,934,168	1,743,095
Current prepayments and accrued income	595	5,280	4,395
TOTAL ASSETS	6,861,954	4,137,930	3,256,283

BALANCE SHEET - continued
As of 31 December 2024
(In RSD thousand)

	2024	2023	
		As of 31 December	Opening balance
EQUITY AND LIABILITIES			
Capital	153,849	111,386	19,767
Retained earning	153,849	111,386	26,674
Retained earnings – previous years	65,576	19,767	26,674
Retained earnings – current year	88,273	91,619	-
Loss	-	-	(6,907)
Loss – previous years	-	-	-
Loss – current year	-	-	(6,907)
Provisions and liabilities	203,665	202,655	202,655
Long-term borrowings	203,665	202,655	202,655
Liabilities that may be converted into equity	203,665	202,655	202,655
Current provisions and current liabilities	6,504,440	3,823,889	3,033,861
Liabilities from business operations	1,968	5,365	4,458
Accounts payable in the country	1,968	5,365	4,458
Accounts payable abroad	-	-	-
Other current liabilities	5,253	5,687	2,298
Other current liabilities	114	554	1,744
VAT duties and other public charges	113	176	554
Liabilities for income tax	5,026	4,957	-
Current accruals	6,497,219	3,812,837	3,027,105
TOTAL EQUITY AND LIABILITIES	6,861,954	4,137,930	3,256,283

INCOME STATEMENT
For the Period from 01 January to 31 December 2024
(In RSD thousand)

	2024	2023
Incomes from continuing operations		
Operating incomes	198,928	169,451
Other operating incomes	198,928	169,451
Operating expenses	(203,976)	(147,543)
Material, fuel and energy used	(3,746)	(4,519)
Staff costs	(160,102)	(120,542)
Salaries and employee benefits costs	(119,668)	(87,531)
Taxes on salaries and contributions on salaries and benefits	(18,130)	(13,261)
Other personal expenses and benefits	(22,305)	(19,750)
Depreciation and amortisation costs	(4,756)	(4,219)
Production service costs	(20,155)	(7,024)
Intangible costs	(15,217)	(11,239)
Profit / (Loss) from operations	(5,048)	21,908
Financial revenues	99,158	79,193
Interest income	99,093	78,037
FX gains and positive outcomes of foreign currency clause	65	139
Other financial income	-	1,017
Financial expenses	(2,210)	(4,682)
Interest costs	(4)	(2)
FX losses and negative outcomes of foreign currency clause	(2,206)	(2,192)
Other financial expenses	-	(2,488)
Finance profit / (loss)	96,948	74,511
Other incomes	1,404	161
Other expenses	(5)	(2)
Total income	299,490	248,805
Total expenses	(206,191)	(152,227)
Profit / (Loss) from ordinary activities before tax	93,299	96,578
Positive / (Negative) net outcomes on result from profit of discontinued operations, changes in accounting policies and correction of prior period errors	-	(2)
Income tax	(5,026)	(4,957)
Net profit / (loss)	88,273	91,619