

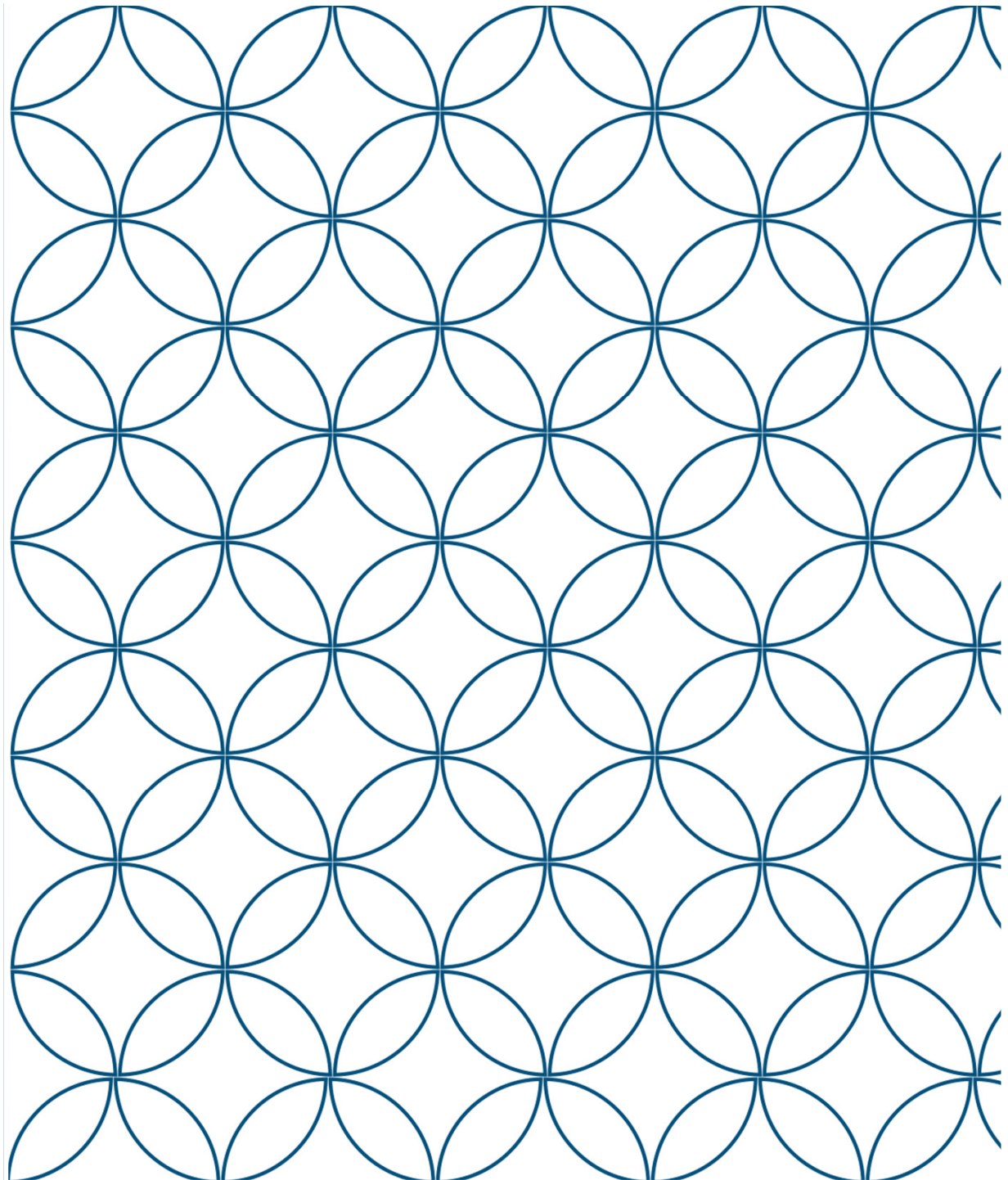


Dipos

Business report

August 01, 2014. – June 30, 2019.

**Property management and
rental company “Dipos“
d.o.o. Belgrade**



GENERAL INFORMATION ABOUT THE COMPANY

“Dipos” d.o.o. Belgrade is a company founded by the Republic of Serbia.

The goal of the Company is to put real estate, which the Republic of Serbia has entrusted the Company with, into the function of accommodation of diplomatic missions, consular missions and other representatives in the Republic of Serbia as well as members of the international business community, domestic companies and individuals.

In mid 2014, with a newly selected management, a five-year long strategy was created.

In the same year, the management started a new business policy, which resulted in major systematic changes.



GENERAL INFORMATION ABOUT THE COMPANY

Based on set strategic goals of the Company for the period from August 01, 2014 to June 30, 2019, the system for measuring key performance indicators of the Company was launched.

The following were monitored: output quality, process efficiency, satisfaction of customers and employees.

Results showed that the Company was successfully managed during this period of time.

Positive results were recorded on all monitored performances of the Company.

In accordance with the present business policy and for the purpose of business transparency, the Company has created this Business Report for the period from August 01, 2014 to June 30, 2019.



KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 1:

Increase of business results and payment of profits from business and from other grounds into the budget of the Republic of Serbia.



Goal Completion Indicators:

Indicator No. 1:

- ① On the day of the appointment of the new director, 31.07.2014. the business result of the Company for the period from 01.01.- 31.07.2014. amounted to a minus of 30,182,896.54 RSD.
- ② In the next six months, due to the business measures taken, the business results of the Company have increased several times, and as of 31.12.2014. have amounted to 116,268,354.67 RSD.



KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 1:

Increase of business results and payment of profits from business and from other grounds into the budget of the Republic of Serbia.



Goal Completion Indicators :

Indicator No. 2:

- ① In less than five years, from August 01, 2014 to June 30, 2019, the gross profit, before tax, was 75.15% higher than planned.
In figures, the gross profit, before tax, for this
- ② period amounts to 911,934,586.97 RSD.



KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 1:
Increase of business results and payment of profits from business and from other grounds into the budget of the Republic of Serbia.

Indicator No. 2:

Presentation of realized profit, before tax, in relation to planned, in the period August 01, 2014 to June 30 ,2019.

No.	Year	Planned profit before tax	Realized profit before tax	Realization 4/3 %
1.	01.08. - 31.12.2014.	35.407.900,00	116.268.354,67	328,37
2.	2015.	124.101.924,00	248.327.753,06	200,10
3.	2016.	127.975.000,00	150.320.977,93	200,10
4.	2017.	95.529.000,00	140.045.457,86	146,60
5.	2018.	111.065.644,28	140.815.630,30	126,79
6.	01.01. - 30.06.2019.	26.586.500,00	116.156.412,25	436,90
	Total	520.665.968,28	911.934.586,07	175,15



KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 1:

Increase of business results and payment of profits from business and from other grounds into the budget of the Republic of Serbia.

Indicator No. 3:

- ① During the period 2014-2018, into the budget of the Republic of Serbia, the amount of 392,437,557.89 RSD net profit after tax, was paid.
- ① When this amount is increased by the portion of net profit in the amount of 59,766,093.72 RSD, which has yet to be paid, the total amount of funds paid into the budget of the Republic of Serbia, based on the portion of net profit after tax, for the period 2014-2018, will amount to 452,203,651.61 RSD.



Goal Completion Indicators:

Indicator No. 4:

- ① The Company is in the period August 01, 2014 to June 30, 2019, on the basis of tax liabilities in respect of payment of salaries, benefits and other taxable items, paid the amount of 358,006,207.88 RSD.

Indicator No. 5:

- ① **Total paid-in funds to the budget of the Republic of Serbia in the period August 01, 2014 to June 30, 2019 amount to 750,443,765.77 RSD.**

KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 2:

State Property Preservation



Goal Completion Indicators:

Indicator No. 1:

- ① Registration of public property rights of the Republic of Serbia as of June 30, 2019 carried out for 300 real estate.
- ② On August 01, 2014 there were 62 real estates with registered public property rights of the Republic of Serbia.

Indicator No. 2:

- ① The result of the Company's litigation before the competent courts is 95% successfully resolved in its favor.

KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 3:

Revitalization and functionalization of available real estate and increase of their value



Goal Completion Indicators:

Indicator No. 1:

- ① In the investment maintenance of real estate in the period from August 01, 2014. to June 30, 2019, 665,932,918.09 RSD was spent, thus achieving the revitalization and functionalization of the available fund.
- ① At the same time, the value of state property was increased.



KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 3:

Revitalization and functionalization of available real estate and increase of their value

Goal Completion Indicators:

Indicator No. 2:

① The functionalization of the fund is reflected through the number of vacant real estate.

② On August 01, 2014, the number of vacant real estate was 47, while on June 30, 2019 that number was 16 real estates (5 of which are not for rent, due to the restitution procedure and the disputed property status).

③

Indicator No. 2:

Table view of vacant real estate

Real estate type	Real estate fund 01.08.2014.	Number of vacant real estate on 01.08.2014.	Real estate fund 30.06.2019.	Number of vacant real estate on 30.06.2019.год
Villas and buildings	163	28	138	8
Apartments	202	8	181	4
Business spaces	27	10	21	3
Garages	57	1	11	1
Total	449	47	351	16
Percentage %	100,00%	10,90%	100,00%	4,61% **

KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 4:

The dominant orientation of the Company in achieving business cooperation with diplomatic missions and consular posts

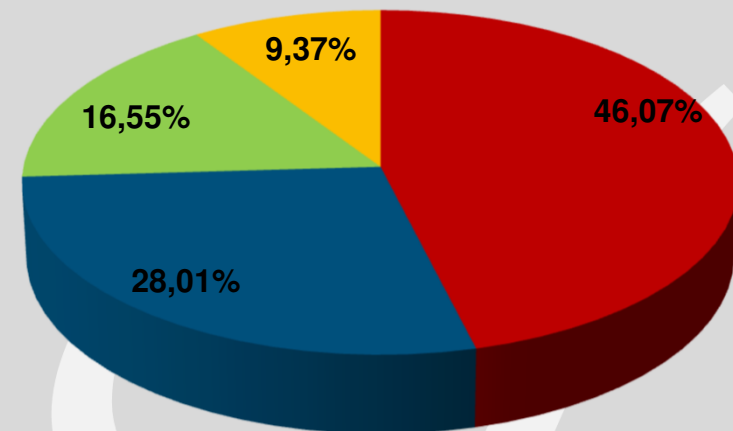


Goal Completion Indicators:

Indicator No. 1:

① Diplomatic missions and consular posts use 46.07% of the total surface space of real estate of the Company's leased fund.

Indicator No. 1: Graphical representation (%) of the use of real estate in sqm by tenant type, on June 30 2019.



- Diplomatic and consular posts
- Domestic legal entity
- Private individuals
- State organs

KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 4:

The dominant orientation of the Company in achieving business cooperation with diplomatic missions and consular posts

Indicator No. 2:

Diplomatic and consular posts, in total collected funds in the period August 01, 2014 to June 30, 2019, accounted for 60.30% of the total collected funds in the indicated period.

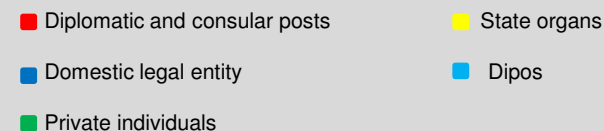
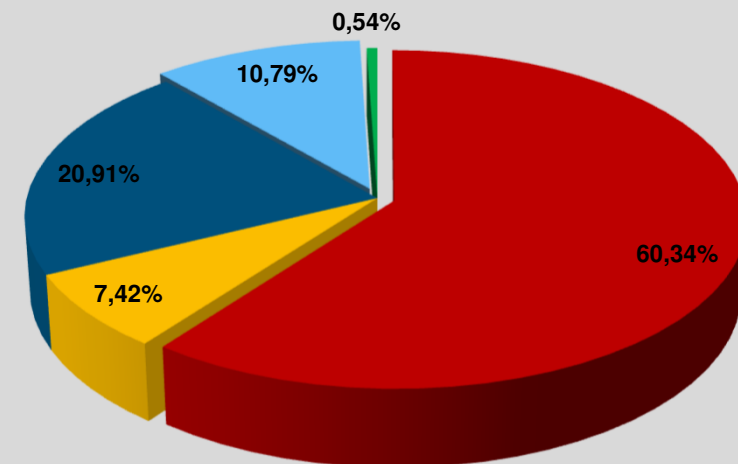


Goal Completion Indicators:

Indicator No. 3:

Of the total funds spent on current investment real estate maintenance, 60.34% was invested in maintaining real estate used by diplomatic missions and consular posts.

Indicator No. 3: Graphical representation (%) of funds spent for investment maintenance of real estate by type of tenant, in the period from August 01 2014 to June 30 2019.



KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 5:

Establishment of a functional business system and increase of debt collection.



Goal Completion Indicators :

Indicator No. 1:

- ⓓ The operating income, in the period August 01, 2014. to June 30, 2019 amounted to 3,901,345,497.18 RSD.
- ⓓ Sales of operating income in this period amounted to 96.66%.

Indicator No. 1: Presentation of planned and realized revenues in the period from 01.08.2014. do 30.06.2019.

No.	Description	Plan / Amendments to the Business Program for the period 01.08.2014.- 30.06.2019.	Business results for the period 01.08.2014.- 30.06.2019.	Realization 4/3 %
	Revenues			
1.	Business income	3.585.943.000,00	3.284.088.954,53	91,58
2.	Financial income	114.033.000,00	286.404.735,58	251,16
3.	Other income	336.230.000,00	330.851.807,07	98,40
A.	Total	4.036.206.000,00	3.901.345.497,18	96,66

KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 5:

Establishment of a functional business system and increase of debt collection.

Indicator No. 2:

- ① In stock as of 30.06.2019 current assets amount to 912.06 million RSD, or 94.73% of assets.
- ① The working property on June 30 2019 is increased by 50.94% compared to August 01 2014.
- ① According to the Balance Sheet for the period 01.08.2014. until 30.06.2019 working capital accounts for 94.73% of total assets.
- ① Liabilities on 30.06.2019. amounted to 866.68 million RSD, or 90.01% of liabilities.
- ① The capital of the Company is on 30.06.2019. increased by 51.24% compared to the value of capital as of 01.08.2014.
- ① Off-balance sheet assets and off-balance sheet liabilities were balanced at 6,989.13 million RSD.



Indicator No. 3:

- ① With the establishment of a functional debt collection system, an average annual result of about 90% was achieved.
- ① The receivables collection rate in the third quarter of 2014 was 35.98%, while at the beginning of the third quarter of 2019 it was 72.39%.
- ① The foregoing clearly indicates the Company's unambiguous determination to introduce and maintain the discipline of the proper and regular performance of contractual obligations by tenants.

KEY RESULTS THROUGH GOALS ACHIEVEMENT

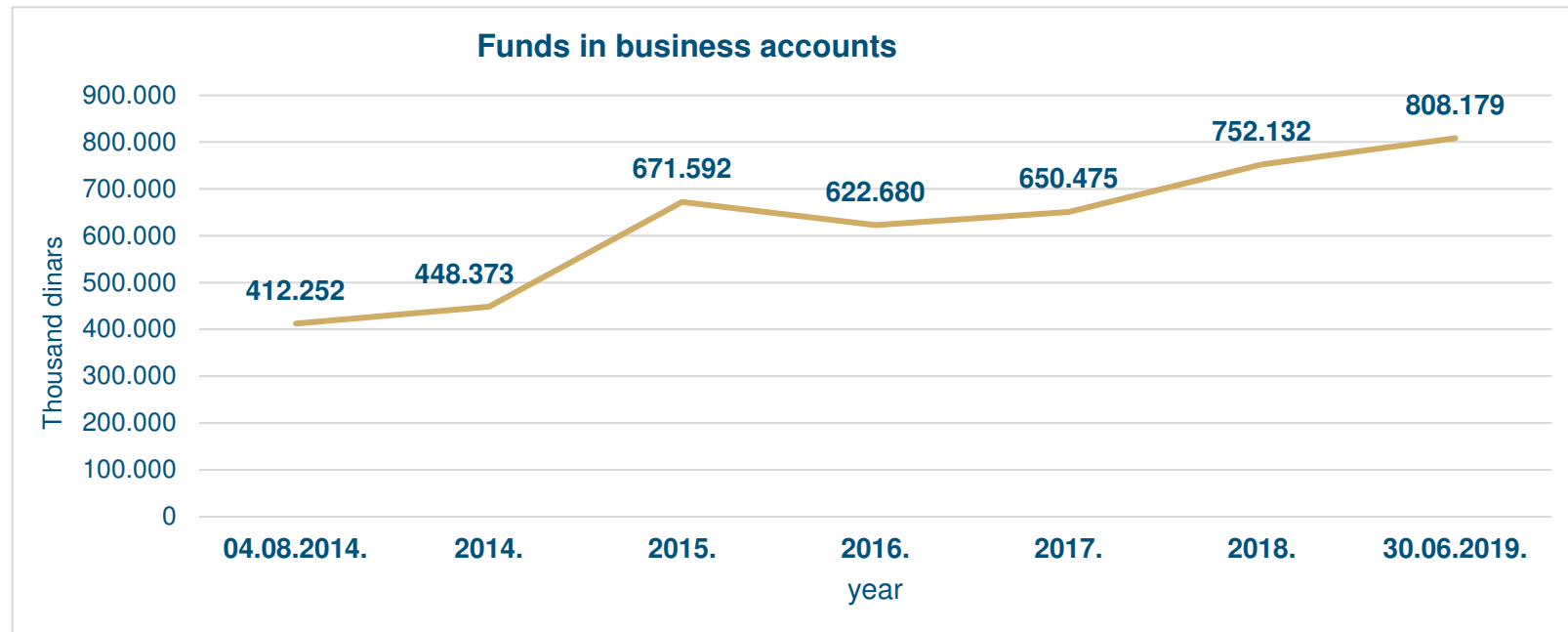
STRATEGIC GOAL No. 5:

Establishment of a functional business system and increase of debt collection.

Indicator No. 4:

The cash balance today is twice as high as it was on the day when the Company's documentation were handled. On that day, on August 04, 2014, it amounted to 412,252,000.00 RSD on the day of the handover of the Company's documentation, while the balance of funds as of June 30, 2019 amounts to 808,179,000.00 RSD.

Indicator No. 4: Graphic presentation of cash balances as of 04.08.2014, cash balances as of December 31, 2014 and each subsequent year, with a balance sheet as of June 30, 2019.



KEY RESULTS THROUGH GOALS ACHIEVEMENT

STRATEGIC GOAL No. 5:

Establishment of a functional business system and increase of debt collection.

Indicator No. 4: Interpretation of cash balances

- ④ The graphical representation clearly shows a sharp, significant increase in cash in the period from 04.08.2014. until 31.12. 2015.
- ④ The result of the increase was achieved after six months of taking up the new management in the Company.
- ④ The data presented shows that the largest increase in funds in business accounts, compared to the previous period, was achieved in 2015.
- ④ At the same time, in the period from August 04, 2014 to the present day, there was a continuous growth of funds in business accounts, considering the fact that the amount of funds in the Company's business accounts as of June 30, 2019 is about 100% higher than the amount funds as of 04.08.2014.

SUMMARY

The presented data clearly shows that due to the changes that were initiated during the term of director Djoko Krivokapic, the business result has been multiplied.

Therefore, the Company's share in the budget of the Republic of Serbia has been increased through payment of operating profit and payment on other grounds, as evidenced by the following indicators:

- ① The total net profit of the Company is 696,819,602.09 RSD, 5.910.886,24 EUR
- ① Total paid-in profit of the Company to the budget of the Republic of Serbia, is 392,437,557.89 RSD or 3,328,915.77 EUR
- ① The total amount paid into the State budget for all established, amounts to 750,443,765.77 RSD or 6,365,761.98 EUR
- ① The total investment in real estate investment maintenance amounts to 665,932,918.09 RSD or 5,648,884.89 EUR
- ① Balance on business accounts of the Company as of June 30, 2019 amounts to 801,179,000.00 RSD or 6,796,131.91 EUR

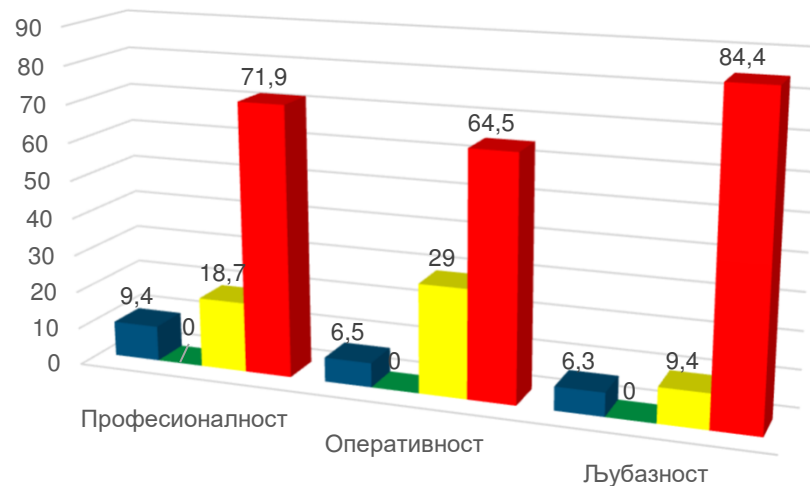


KEY RESULTS THROUGH GOALS ACHIEVEMENT

Satisfaction of the Company's clients and the Company's employees

Client satisfaction

Results of the Tenant Satisfaction Survey with the Company's provided services

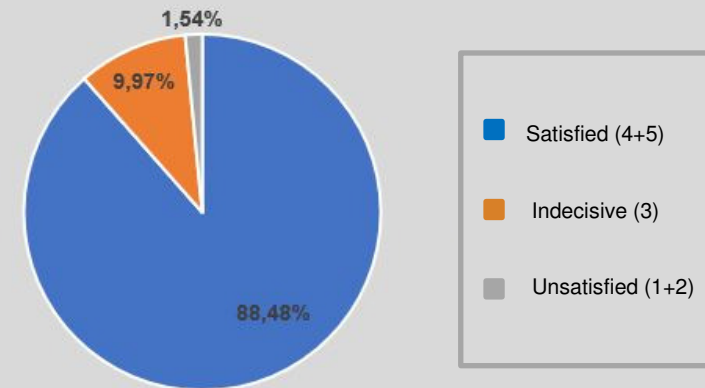


- 1 - Totally satisfied
- 2 - Unsatisfied
- 3 - Satisfied
- 4 - Totally satisfied



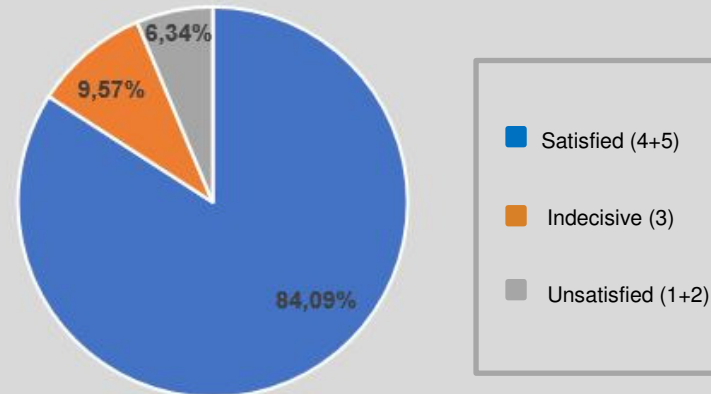
Employee satisfaction

Employee satisfaction with the Company's goals

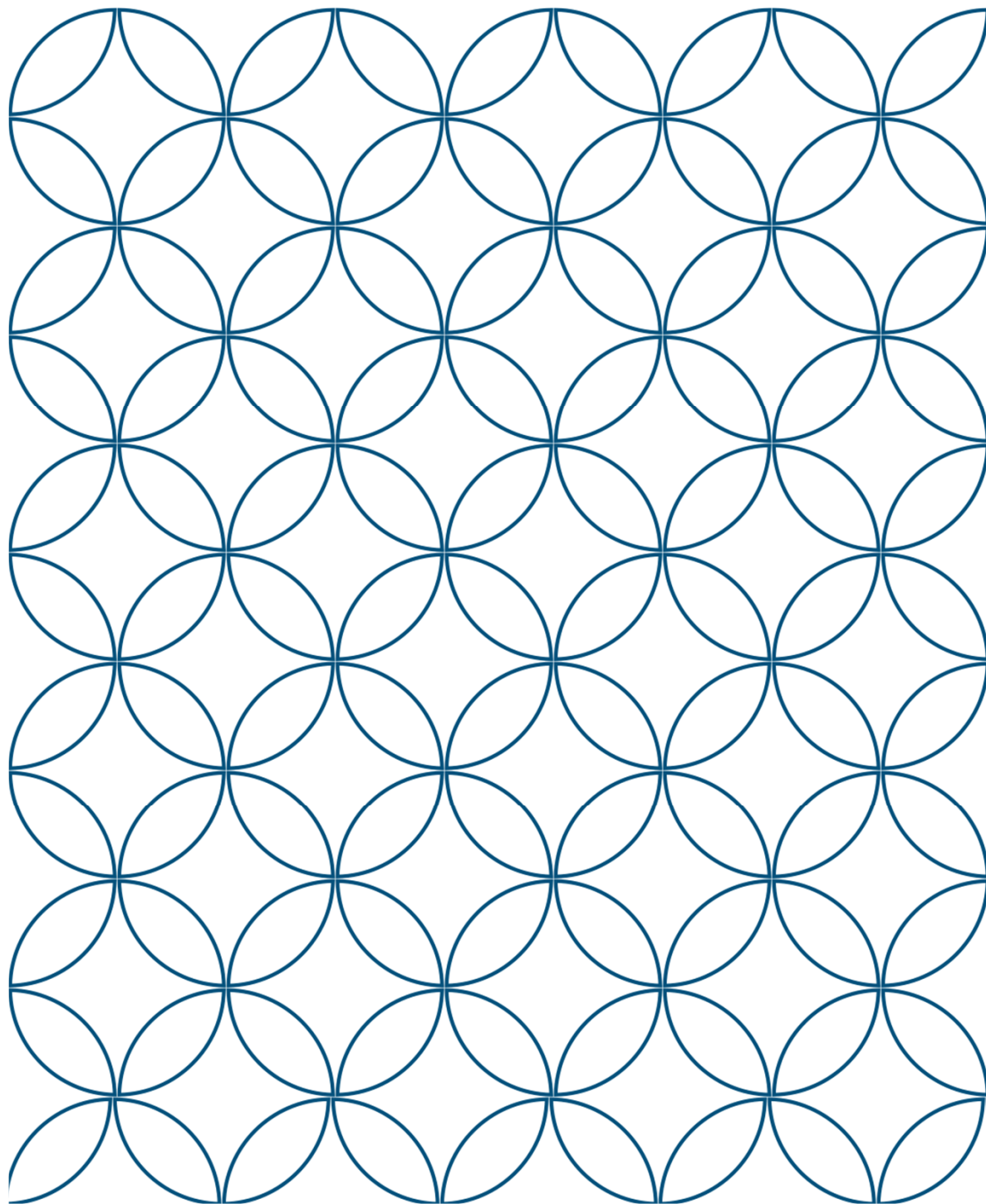


- Satisfied (4+5)
- Indecisive (3)
- Unsatisfied (1+2)

Employee satisfaction with the Company's working conditions



- Satisfied (4+5)
- Indecisive (3)
- Unsatisfied (1+2)



Dipos

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company "Dipos" d.o.o. Belgrade**

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