



FINTEL ENERGIJA AD

**CONSOLIDATED HALF-YEAR REPORT OF
FINTEL ENERGIJA A.D.
FOR PERIOD ENDED 30 JUNE 2022**

Belgrade, August 2022.

Pursuant to Article 52 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016 and 9/2020) and pursuant to Article 5 of the Rulebook on the Content, Form and Method of Publication of Annual, Half-Yearly and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012, 5/2015, 24/2017 and 14/2020), Fintel Energija ad from Belgrade (registration number 20305266) hereby publishes the following:

CONSOLIDATED HALF-YEAR REPORT OF FINTEL ENERGIJA A.D. FOR PERIOD ENDED 30 JUNE 2021

CONTENT

- 1. CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS OF FINTEL ENERGIJA A.D. FOR PERIOD ENDED 30 JUNE 2021 (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Report on Other Income, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Notes to Consolidated Half-Year Financial Statements)**

- 2. HALF-YEAR BUSINESS REPORT**

(Note: Business Report and Consolidated Business Report are presented as one report, containing information of significance for the economic overview)

- 3. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORTS**

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR BALANCE SHEET
In RSD thousand

POSITION	AOP	Note	30 June 2022	31 December 2021
ASSETS			<i>(unaudited)</i>	
A. SUBSCRIBED AND UNPAID CAPITAL	0001			
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002		12,738,919	12,841,038
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003		-	-
1. Development investments	0004		-	-
2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005		-	-
3. Goodwill	0006		-	-
4. Intangible assets leased and intangible assets in preparation	0007		-	-
5. Advances for intangible assets	0008		-	-
II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009		11,965,998	12,377,347
1. Land and buildings	0010		4,339,350	4,405,370
2. Machinery and equipment	0011		7,427,825	7,794,293
3. Investment property	0012			
4. Property, plant and equipment leased and property, plant and equipment under construction	0013		198,823	177,684
5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014		-	-
6. Advances for property, plant and equipment in the country	0015		-	-
7. Advances for property, plant and equipment foreign	0016		-	-
III. BIOLOGICAL ASSETS	0017		-	-
IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018		772,921	463,691
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019		-	-
2. Equity investments that are valued using the equity method	0020		-	-
3. Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021		-	-
4. Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022		-	-
5. Long-term investments (loans and credits) in the country	0023		-	-
6. Long-term investments (loans and credits) abroad	0024		-	-
7. Long-term financial investments (securities valued at amortized cost)	0025		-	-
8. Own shares purchased	0026		-	-
9. Other long-term investments and receivables	0027	5	772,921	463,691
V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028		-	-
C. DEFERRED TAX ASSETS	0029	6	-	-

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)
In RSD thousand)

POSITION	AOP	Note	30 June 2022	31 December 2021
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		974,512	1,217,600
I. INVENTORIES (0032+0033+0034+0035+0036)	0031		21,795	21,314
1. Materials, spare parts, tools and supplies	0032		7,312	7,312
2. Work in progress and unfinished services	0033		-	-
3. Goods	0034		-	-
5. Advances paid to suppliers for stock and services in country	0035		13,655	13,918
6. Advances paid to suppliers for stock and services - abroad	0036		828	84
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037		-	-
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038		328,205	209,684
1. Trade receivables - domestic	0039	7	328,205	209,684
2. Trade receivables - foreign	0040		-	-
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		-	-
4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042		-	-
5. Other trade receivables	0043		-	-
IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	9	146,070	56,725
1. Other receivables	0045		87,042	44,489
2. Receivables for prepaid CIT	0046		57,489	10,697
3. Receivables for prepaid other taxes & contributions	0047		1,539	1,539
V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		14	14
1. Short-term loans and investments - parent and subsidiaries	0049		-	-
2. Short-term loans and investments - other related parties	0050		-	-
3. Short-term loans, borrowings and investments - domestic	0051		-	-
4. Short-term loans, borrowings and investments - foreign	0052		-	-
5. Securities valued at amortized cost	0053		-	-
6. Financial instrument valued at fair value	0054		-	-
7. Bought up own shares	0055		-	-
8. Other Short-term financial investments	0056		14	14
VI. CASH AND CASH EQUIVALENTS	0057	8	226,406	525,003
VII. SHORT-TERM ACCRUALS	0058	9	198,022	404,860
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059		13,713,431	14,058,637
F. OFF-BALANCE SHEET ASSETS	0060		55,127	55,127

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	30 June 2022	31 December 2021
			<i>(unaudited)</i>	
EQUITY AND LIABILITIES				
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0				
	0401		1,776,639	1,455,100
I. SHARE CAPITAL	0402	10	4,057	4,057
II. SUBSCRIBED CAPITAL UNPAID	0403		-	-
III. SHARE ISSUING PREMIUMS	0404	10	681,237	681,237
IV. RESERVES	0405			
V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS				
	0406		-	-
VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS				
	0407	10	84,415	139,721
VII. UNDISTRIBUTED PROFIT (0409 + 0410)				
	0408		553,047	470,386
1. Retained profit from previous years	0409	10	379,679	7,752
2. Retained profit from current year	0410	10	173,368	462,633
VIII. PARTICIPATION WITHOUT CONTROL RIGHTS				
	0411	10	625,713	439,142
IX. LOSSES (0413 + 0414)				
1. Losses of previous years	0412		-	-
2. Losses of current year	0413		-	-
	0414		-	-
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)				
	0415		9,144,138	9,490,684
I. LONG-TERM PROVISIONS (0417++0418+0419)				
	0416		99	99
1. Provisions for employees benefits	0417		99	99
2. Provisions for costs in warranty period	0418		-	-
3. Other long-term provisions	0419		-	-
II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)				
	0420		9,144,039	9,490,585
1. Liabilities which can be converted into capital	0421		-	-
2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422	12	1,413,827	-
3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423	11	14,871	14,110
4. Long-term loans, borrowings and liabilities based on leasing - domestic	0424	13	7,524,930	7,758,924
5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425		-	-
6. Liabilities for long-term securities	0426		-	-
7. Other long term liabilities	0427	14	190,411	304,369
III. LONG-TERM ACCRUALS				
	0428		-	-
C. DEFERRED TAX LIABILITIES				
	0429	6	14,250	30,908
D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED				
	0430		-	-

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	30 June 2022	31 December 2021
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		2,778,404	3,081,946
I. SHORT TERM PROVISIONS	0432		-	-
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		1,914,598	2,090,689
1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434		-	-
2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435	11	1,336,324	1,338,112
3. Liabilities based on loans and borrowings from entities other than domestic banks	0436	13	578,256	752,577
4. Liabilities based on loans and borrowings from domestic banks	0437		-	-
5. Loans, borrowings and liabilities foreign	0438		-	-
6. Liabilities for short-term securities	0439		-	-
7. Liabilities based on financial derivatives	0440		-	-
III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES	0441		77	77
IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)	0442		147,794	214,608
1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443	15	3,773	3,740
2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444	15	29,913	83,900
3. Trade payables - domestic	0445	15	106,516	126,956
4. Trade payables - foreign	0446	15	7,592	13
5. Obligations under bills of exchange	0447		-	-
6. Other business liabilities	0448		-	-
V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		101,428	168,651
1. Other short term liabilities	0450		101,428	99,730
2. Liabilities for VAT and other public revenues	0451		-	-
3. Liabilities for income tax	0452		-	68,920
VI. LIABILITES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE	0453		-	-
VII. SHORT-TERM ACCRUALS	0454	16	614,507	607,921
F. LOSS OVER CAPITAL (0415+ 0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455		-	-
G. TOTAL EQUITY AND LIABILITIES (0401+0415+0429+0430+0431- 0455)	0456		13,713,431	14,058,637
H. OFF-BALANCE SHEET LIABILITIES	0457		55,127	55,127

Tiziano Giovannetti

Director

15 August 2022

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR INCOME STATEMENT

In RSD thousand

POSITION	AOP	Note	Six-month period ended 30 June	
			2022 (unaudited)	2021 (unaudited)
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001		1,152,132	1,284,239
I. REVENUES OF SOLD GOODS (1003 + 1004)	1002			
1. Income from the sale of goods - domestic market	1003		-	-
2. Income from the sale of goods - foreign market	1004		-	-
II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005		1,152,132	1,284,239
1. Income from the sale of products and services - domestic market	1006	17	1,152,132	1,284,239
2. Income from the sale of products and services - foreign market	1007		-	-
III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008		-	-
IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009		-	-
V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010		-	-
VI. OTHER OPERATING INCOME	1011		-	-
VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012		-	-
B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		558,431	564,959
I. COST OF GOODS SOLD	1014		-	-
II. COST OF MATERIALS, FUEL AND ENERGY	1015		5,045	6,841
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016	18	17,725	17,501
1. Cost of salary and compensation of salary (gross employee)	1017		9,541	12,648
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018		5,237	2,076
3. Other personal expenses and remunerations	1019		2,947	2,776
IV. DEPRECIATION EXPENSES	1020	20	296,666	297,222
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021	20	-	-
VIII. COSTS OF PRODUCTION SERVICES	1022	19	108,236	95,216
X. COSTS OF LONG-TERM PROVISIONS	1023		-	-
XI. INTANGIBLE EXPENSES	1024	21	130,759	148,179
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		593,701	719,281
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026		-	-
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027		4,841	407,625
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	22	185	286
II. INCOME FROM INTEREST	1029	22	91	406,101
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030	22	4,565	1,238
IV. OTHER FINANCIAL INCOME	1031		-	-

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR INCOME STATEMENT
In RSD thousand

POSITION	AOP	Note	Six-month period ended	
			2022 (unaudited)	2021 (unaudited)
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		270,917	452,983
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	23	41,178	33,346
II. COSTS OF INTEREST	1034	23	176,555	244,543
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035	23	10,396	214
IV. OTHER FINANCIAL COSTS	1036	23	42,788	174,879
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		266,076	45,358
I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1039		-	-
J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1040		-	-
K. OTHER INCOME	1041		6	544
L. OTHER COSTS	1042		2,019	16,455
M. TOTAL INCOME (1001+1027+1039+1041)	1043		1,156,979	1,692,418
N. TOTAL COSTS (1013+1032+1040+1042)	1044		831,367	1,034,396
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		325,612	658,022
P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	-
Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1047		-	-
R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1048		-	-
S. PROFIT BEFORE TAX (1045-1046+1047-1048) ≥ 0	1049		325,612	658,022
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-	-
U. INCOME TAXES				
I. TAX EXPENSES FROM THE PERIOD	1051	24	-	20,993
II. DEFERRED TAX EXPENSE	1052	24	-	71,030
III. DEFERRED TAX INCOME	1053	24	13,367	-
V. EARNINGS OF EMPLOYER	1054		-	-
W. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		338,979	566,000
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057		165,611	277,709
II NET PROFIT BELONGING TO PARENT COMPANY	1058		173,368	288,290
III. NET LOSS BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1059		-	-
IV. NET LOSS BELONGING TO PARENT COMPANY	1060		-	-
V. EAERNINGS PER SHARE				
1. Basic earning per share	1061	25	6.54	10.87
2. Reduced (diluted) earnings per share	1062	25	6.54	10.87



 Tiziano Giovannetti
 Director

15 August 2022

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR STATEMENT OF OTHER COMPREHENSIVE INCOME In RSD thousand

POSITION	AOP	Note	Six-month period ended 30 June	
			2022 (unaudited)	2022 (unaudited)
A. NET PROFIT/(LOSS)				
I. PROFIT, NET (AOP 1055)	2001		338,979	566,000
II, LOSS, NET (AOP 1056)	2002		-	-
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Items that will not be reclassified to profit or loss				
1. Changes in the revaluation of intangible assets, property, plant and equipment			-	-
a) increase in revaluation reserves	2003		-	-
b) decrease in revaluation reserves	2004		-	-
2. Actuarial gains (losses) of post employment benefit obligations			-	-
a) gains	2005		-	-
b) losses	2006		-	-
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss			-	-
a) gains	2007		-	-
b) losses	2008		-	-
b) Items that may be subsequently reclassified to profit or loss				
1. Gains or losses on investments in equity instruments			-	-
a) gains	2009		-	-
b) losses	2010		-	-
1. Gains or losses on the translation of financial statements of foreign operations			-	-
a) gains	2011		-	-
b) losses	2012		-	-
2. Gains or losses on hedging instruments of net investments in foreign operations			-	-
a) gains	2013		-	-
b) losses	2014		-	-
3. Gains and losses on cash flow hedges			-	-
a) gains	2015		-	-
b) losses	2016		113,958	130,821
4. Gains or losses on securities that are measured at fair value through other comprehensive income			-	-
a) gains	2017		-	-
b) losses	2018		-	-
I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		-	-
II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		113,958	130,821
III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021		-	-
IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		17,094	19,623
IV. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023			
V. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		96,865	111,198
C. TOTAL NET COMPREHENSIVE PROFIT				
I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		-	-
II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026		435,844	677,197
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027		-	-
1. Attributable to shareholders	2028		435,844	677,197
2. Attributable to non-controlling interest	2029		52,307	348,337
			44,558	328,860



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR STATEMENT OF CASH FLOWS

In RSD thousand

POSITION	AOP	Six-month period ended 30 June	
		2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1-4)	3001	1,602,300	1,360,766
1. Sales and advances received in the country	3002	1,602,300	1,360,776
2. Sales and advances received abroad	3003	-	-
3. Interest from operating activities	3004	-	-
4. Other inflow from operating activities	3005	-	-
II. Cash outflow from operating activities (1-8)	3006	570,043	669,057
1. Payments and prepayments to suppliers in the country	3007	220,014	218,445
2. Payments and prepayments to suppliers abroad	3008	-	-
3. Salaries, benefits and other personal expenses	3009	17,983	17,501
4. Interest paid in the country	3010	312,003	414,554
5. Interest paid abroad	3011	-	-
6. Income tax paid	3012	20,043	18,557
7. Payments for other public revenues	3013	-	-
8. Other outflows from operating activities	3014	-	-
III. Net cash inflow from operating activities (I - II)	3015	1,032,257	691,709
IV. Net cash outflow from operating activities (II - I)	3016		
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash flows from investing activities (1-5)	3017		
1. Sale of shares	3018	-	-
2. Proceeds from sale of intangible assets, property, plant and equipment and biological assets	3019	-	-
3. Other financial investments	3020	-	-
4. Interest from investing activities	3021	-	-
5. Dividend received	3022	-	-
II. Cash outflow from investing activities (1-3)	3023	79,397	673,602
1. Acquisition of subsidiaries or other business	3024	-	-
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025	53,784	408,785
3. Other financial investments	3026	25,613	264,817
III. Net cash inflow from investing activities (I - II)	3027		
IV. Net cash outflow from investing activities (II - I)	3028	79,397	637,602

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR STATEMENT OF CASH FLOWS
In RSD thousand (CONTINUED)

POSITION	AOP	Six-month period ended 30 June	
		2022 (unaudited)	2021 (unaudited)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1-7)	3029	544,941	1,407,572
1. Increase in share capital	3030	-	-
2. Long-term borrowings in the country	3031	214,783	215,783
3. Long-term borrowings abroad	3032	330,158	331,012
4. Short-term borrowings in the country	3033	-	-
5. Short-term borrowings abroad	3034	-	-
6. Other long-term liabilities	3035	-	-
7. Other short-term liabilities	3036	-	-
II. Cash outflow from financing activities (1-8)	3037	1,796,398	1,287,072
1. Purchase of own shares	3038	-	-
2. Long-term borrowings in the country	3039	1,219,118	1,242,450
3. Long-term borrowings in abroad	3040	-	-
4. Short-term borrowings in the country	3041	533,578	-
5. Short-term borrowings country abroad	3042	-	-
6. Other liabilities	3043	-	-
7. Financial lease	3044	-	-
8. Dividend distribution	3045	43,402	44,623
III. Net cash inflow from financing activities (I - II)	3046	-	120,500
IV. Net cash outflow from financing activities (II - I)	3047	-	-
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	1,251,457	-
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	2,147,241	2,768,338
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	2,445,838	2,629,731
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	-	-
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3052	298,597	-
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3053	525,003	309,064
J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS	3054	-	-
K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (3050-3051+3052+3053-3054)	3055	226,406	447,671

Tiziano Giovannetti
Director

15 August 2022

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF YEAR STATEMENT OF CHANGES IN EQUITY (unaudited) In RSD thousand

Position	Description	AOP	Share capital	AOP	Other share capital	AOP	Subscribed but unpaid capital	AOP	Share premium and reserves
1	Balance as at 01.01.2021	4001	4,057	4010		4019		4028	681,237
2	Adjustments of material errors and changes in accounting policies	4002		4011		4020		4029	
3	Restated opening balance as at 01.01. 2021 (1+2)	4003	4,057	4012		4021		4030	681,237
4	Net changes in 2021	4004		4013		4022		4031	
5	Balance as at 31.12.2021 (3+4)	4005	4,057	4014		4023		4032	681,237
6	Adjustments of material errors and changes in accounting policies	4006		4015		4024		4033	
7	Restated opening balance as at 01.01.2022 (5+6)	4007	4,057	4016		4025		4034	681,237
8	Net changes in 2022	4008		4017		4026		4035	
9	Balance as at 30.06.2022 (7+8)	4009	4,057	4018		4027		4036	681,237

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF YEAR STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(unaudited)

In RSD thousand

Position	Description	AOP	Cash flow hedge gain/(loss)	AOP	Retained earnings	AOP	Loss	AOP	Non- controlling interest	AOP	Total	AOP	LOSS EXCEEDING EQUITY
1	Balance as at 01.01.2020	4037	(249,094)	4046	30,816	4055	(23,060)	4064	(57,517)	4073	386,438	4082	
2	Adjustments of material errors and changes in accounting policies	4038	-	4047	-	4056	-	4065	-	4074	-	4083	
3	Restated opening balance as at 01.01.2020 (1+2)	4039	(249,094)	4048	30,816	4057	(23,060)	4066	(57,517)	4075	386,438	4084	
4	Net changes in 2020	4040	109,372	4049	439,571	4058	23,060	4067	496,659	4076	1,068,662	4085	
5	Balance as at 31.12.2020 (3+4)	4041	(139,722)	4050	470,387	4059	-	4068	439,142	4077	1,455,100	4086	
6	Adjustments of material errors and changes in accounting policies	4042	-	4051	-	4060	-	4069	-	4078	-	4087	
7	Restated opening balance as at 01.01.2021 (5+6)	4043	(139,722)	4052	470,387	4061	-	4070	439,142	4079	1,455,100	4088	
8	Net changes in 2021	4044	52,306	4053	82,661	4062	-	4071	186,571	4080	321,539	4089	
9	Balance as at 31.12.2021 (7+8)	4045	(87,416)	4054	553,048	4063	-	4072	625,713	4081	1,776,639	4090	



15 August 2022

**EXPLANATORY NOTES TO THE CONSOLIDATED
HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

1. General information

Fintel Energija A.D., Beograd (hereinafter the “**Company**” or “**Fintel Energija**”) and subsidiaries (together, “**Fintel Group**” or the “**Group**”) is the leading independent renewable energy producer in Serbia. The Company and the Group acted as the pioneer in the Serbian wind business being the first ever to install and operate wind farms in the country. The Group sells its power output through offtake arrangements (Power Purchase Agreement or the “PPA”) to JP Elektroprivreda Srbije (“EPS”) and does not supply electricity directly to the retail customers.

The Company was incorporated as a closed joint stock company on 27 June 2007, under the business name PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD, by foreign legal entity FINTEL ENERGIJA GROUP S.P.A, Italy registration number 02658620402, (hereinafter the “**Principal Shareholder**”). Fintel Energia Group S.p.A. is 86,22% owned by Hopafi Srl, (the “**Ultimate Parent**”)

Fintel Energia's registered office is located at Masarikova 5, Beograd, Serbia.

At 30 June 2022, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

The company's shares are traded on the organized market – Belgrade Stock Exchange since November 2018. The symbol of the shares is FINT, and ISIN number is RSFINEE60549. The market capitalization of the Company as at 30 June 2022 is RSD 15,641,199 thousand (unit price per share of RSD 590).

Fintel Energia Group SpA, the Principal Shareholder, is a joint stock company under Italian law. It constitutes a vertical operator in the integrated energy supply chain, which engages in the sale of electricity and natural gas in Italy and in the development and exploitation of renewable energy power plants (photovoltaic, wind and mini wind) in Italy and Serbia.

These consolidated half-year financial statements for the period ended 30 June 2022 have been approved and authorized for issue by Director.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

2. Summary of accounting policies and standards adopted

2.1 Basis of presentation

The Company maintains its books and records in accordance with accounting and taxation principles and practices mandated by Serbian legislation. The accompanying Interim Condensed Financial Statements were primarily derived from the Company's statutory books and records with adjustments and reclassifications made to present them in accordance with International Financial Reporting Standards (IFRS).

The Interim Condensed Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting. IAS 34 for interim financial reporting does not require all disclosures that would be necessarily required by IFRS.

The Company does not disclose information which would substantially duplicate the disclosures contained in its audited Financial Statements for 2021, such as significant accounting policies, significant estimates and judgements, financial risk disclosures or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Company believes that the disclosures in these Interim Condensed Financial Statements are adequate to make the information presented not misleading if these Interim Condensed Financial Statements are read in conjunction with the Company's Financial Statements for 2021.

Subsequent events occurring after 30 June 2022 were evaluated through 15 August 2021, the date these Interim Condensed Financial Statements were authorised for issue.

The results for the six month period ended 30 June 2022 are not necessarily indicative of the results expected for the full year. The Company as a whole is not subject to significant seasonal fluctuations.

2.2 Changes in significant accounting policies

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Financial Statements are consistent with those applied during the preparation of Financial Statements as of and for the year ended 31 December 2021.

2.3 Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. Bearing in mind the foregoing, management considers that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group does not expect difficulties in collecting receivables and believes that liquidity will be stable in the future, due to the strong support of foreign partners (Group owners). The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

2.4 Scope of consolidation

These Interim Condensed Financial Statements include the half-year financial statements for the period ended 30 June 2021 of the Fintel Energija and the half-year financial statements for the period ended 30 June 2021 of its subsidiaries. These financial statements have been appropriately adjusted, where necessary, in order to bring them into line with Law on Accounting of the Republic of Serbia. The companies included in the scope of consolidation are listed below:

Name	Share Capital (RSD '000)	Head office	30/06/2022 % held	31/12/2021 % held	
Fintel Energija ad	4,057	Belgrade (Serbia)	Parent Company		
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Direct
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Direct
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Kula doo	314,032	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Torak doo	240	Belgrade (Serbia)	54%	54%	Indirect
Fintel Energija Dev. doo	0	Belgrade (Serbia)	100%	100%	Direct
MK-Fintel Wind Dev. doo	0	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Direct
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Direct
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Indirect
Vetropark Maestrane Ring	0	Belgrade (Serbia)	100%	100%	Indirect
Agrosolar Doo	0	Belgrade (Serbia)	100%	100%	Indirect
Fintel Energija Dev. Ltd	118	Nicosia (Cyprus)	100%	100%	Direct
Vetropark Torak Ltd	118	Nicosia (Cyprus)	100%	100%	Indirect
Vetropark Ring Ltd	118	Nicosia (Cyprus)	100%	100%	Indirect
Kula Solar Ltd	118	Nicosia (Cyprus)	100%	100%	Indirect

2.5 Principles and methods of consolidation

Subsidiaries

Subsidiaries are deemed to be all businesses and entities for which the Group:

- Has power thereover, i.e. the Group has the ability to direct the relevant activities that significantly affect the Group's returns;
- Is exposed to variable returns from its involvement therewith;
- Exercises its power to obtain benefits from the activities thereof.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

The consolidation procedures applied are as stated below.

Assets and liabilities, income and expenses and other components of comprehensive income of the fully consolidated entity are included in the consolidated financial statements on a line-by-line basis; the carrying amount of the investment is eliminated against the corresponding portion of equity of each subsidiary.

(All amounts are in 000 RSD, unless otherwise stated)

Unrealised gains on transactions between consolidated entities are eliminated, as well as receivables, payables, income and expenses, guarantees, commitments and risks relating to transactions between consolidated entities. Intercompany losses are not eliminated as they are deemed to provide evidence of an impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

Business combinations between entities that are not under common control, whereby the Group obtains control of an entity, are accounted for using the acquisition method. The consideration transferred comprises the acquisition-date fair values of the assets acquired, the liabilities assumed, equity interests issued and any other directly attributable acquisition-related costs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The difference between the consideration transferred and the fair value of the assets acquired and liabilities and contingent liabilities assumed, if positive, is recorded as goodwill, or, if negative, after having confirmed the correct fair value measurement of the assets acquired and liabilities and contingent liabilities assumed and the consideration transferred, is recognised directly in profit or loss as income.

Non-controlling interests in businesses acquired are initially measured at the proportionate share of the fair value of the recognised amounts of the acquiree's assets, liabilities and contingent liabilities.

The acquisition of further equity interests in subsidiaries and the sale of equity interests that do not result in a loss of control are deemed to be transactions between equity owners; as such, the accounting impact of these transactions is recognised directly in equity attributable to the Group.

The sale of controlling interests gives rise to the recognition in profit or loss of any gain (or loss) on disposal and of the accounting impact of the fair value measurement at the disposal date of any residual interest.

2.6 Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured and presented in Serbian dinars ("RSD"). Dinar represents the official reporting currency in the Republic of Serbia.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(All amounts are in 000 RSD, unless otherwise stated)

2.7 Financial risk management

The coordination and monitoring of key financial risks is carried out by the central treasury department of the Principal Shareholder Company, which provides guidelines for the management of various types of risk and for the use of financial instruments. The main features of Fintel Group's risk management policy are:

- central determination of operational risk management guidelines concerning market, liquidity and cash flow risks;
- monitoring of results achieved;
- diversification of commitments/obligations and of the product portfolio.

Above mentioned Financial risk management procedures are consistent with those applied during the preparation of Financial Statements as of and for the year ended 31 December 2021.

3. IFRS 8: segment information

Based on the fact that Fintel Group operates only in the wind renewable energy sector and operations are essentially in Serbia, hence there is only one reportable segment.

4. Information on guarantees issued, commitments and other contingent liabilities

A summary is provided below of guarantees issued by Fintel Group to third parties as well as the Group's commitments and other contingent liabilities.

a) Guarantees issued

Guarantees issued amount to RSD 55,127 thousand as of 30 June 2022 and RSD 55,127 thousand as of 31 December 2021 and refer to the 4P status for wind plants.

It has been issued in favor of Transmission System Operator in Republic of Serbia (RSD 55,128 thousand).

These guarantees have been classified as Off-balance sheet liabilities.

b) Other

There were no other contingent liabilities of the Group

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

5. Other long-term financial investments

Other long-term financial investments in amount of RSD 772,921 thousand at 30 June 2022 (RSD 463.691 thousand at 31 December 2021) consisted entirely of non-current assets, relate to:

- Long-term deposits - restricted cash of RSD 713,921 thousand at 30 June 2022 (RSD 404,312 thousand as of 31 December 2021) , attributable to the subsidiary MK-Fintel Wind AD that has been deposited in 2021 as collateral in accordance with the loan facility agreement to guarantee the repayment of the loan.
- Long-term deposits - restricted cash of RSD 38,214 thousand at 30 June 2022 (RSD 38,214 thousand as of 31 December 2021) attributable to the subsidiary Vetropark Kula doo that has been deposited as collateral to Erste in accordance with the loan agreement to guarantee the repayment of the loan.
- Long-term deposits - restricted cash of RSD 21,165 thousand at 30 June 2022 (RSD 21,164 thousand as of 31 December 2020) attributable to the subsidiary Energobalkan doo that has been deposited as collateral to Unicredit Serbia in accordance with the loan agreement to guarantee the repayment of the loan.

6. Deferred tax assets/ (Deferred tax liabilities)

Deferred tax liabilities amount to RSD 14,250 thousand at 30 June 2022 . At 31 December 2021 Deferred tax assets amounted to RSD 30,908 thousand and it mainly refer to those booked in 2021 for refinancing of Kosava Phase I project.

7. Trade receivables

Trade receivables in amount of RSD 382,205 thousand at 30 June 2022 (RSD 209,684 thousand at 31 December 2021) mainly relate to receivables from EPS for electricity produced by Kosava Phase I wind farm in November. Compared to previous year, increase is attributable to higher production for the same month.

8. Cash and cash equivalents

Cash and cash equivalents at 30 June 2022 and at 31 December 2021 are detailed as follows:

	30 June 2022	31 December 2021
Current account		
- in dinars	134.759	159.200
- purpose account in dinars	91.375	179.203
- in foreign currency	70	47
- purpose account in foreign currency	202	186.553
Cash and cash equivalents	226.406	525.003

The fair value of cash and cash equivalents coincides with the carrying amount thereof.

For the purpose of the preparation of the statement of cash flows, investing and financing transactions that did not require the use of cash or cash equivalents have been excluded.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

9. Other current assets

Other current assets of RSD 344.092 thousand at 30 June 2022 (RSD 461,585 thousand at 31 December 2021) are detailed in the following table:

	30 June 2022	31 December 2021
Other receivables	87.042	44,489
Receivables for prepaid CIT	57.489	10,698
Receivables for other prepaid expenses	1.539	1,539
Short term accruals	198.002	404,860
Total	344.092	461,585

The balance of receivables for VAT mainly refers to value added tax based on investments in real estate, plant and equipment
 Prepayments and accrued income mainly includes receivables from EPS for electricity produced by wind farms.

10. Equity

Equity as at 30 June 2022 and at 31 December 2021 is detailed in the following table:

	30 June 2022	31 December 2021
Share capital	4.057	4,057
Share premium	681.237	681,237
Other components of other comprehensive income	(87.415)	(139,721)
Retained earnings from previous year	379.679	7,752
Retained earnings from current year	173.368	462,633
Loss from previous years	-	-
Equity attributable to the Group	1.150.926	1,015,958
Capital and reserves attributable to non-controlling interests	534.567	110,054
Other components of other comprehensive income	(74.465)	(119,022)
Profit (loss) for the year	165.611	448,110
Equity attributable to non-controlling interests	625.713	439,142
TOTAL EQUITY	1.776.639	1,455,100

The equity components and changes therein are detailed below:

Share capital

At 30 June 2022, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Shareholders' of the Company are detailed as follow:

	In thousand of dinars	% of ownership
Fintel Energia Group S.p.A.	3,825	94.30%
BDD M&V INVESTMENTS AD Beograd-ZBIRNI RAČUN	194	4.79%
SOCIETE GENERALE BANKA SRBIJA - KASTODI RN - FO	15	0.37%
Other	23	0.54%
Total	4,057	100.00%

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

Share premium

At 30 June 2022, such Reserve includes the share premium resulting from the capital increase of 2018 for the IPO of the Company on the Prime Listing Segment of the Belgrade Stock Exchange. The share premium worths RSD 755,022 thousands (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

Other components of other comprehensive income

The hedging reserve arises from the measurement, in accordance with applicable accounting standards (IFRS 9), of derivatives entered into by Group companies to hedge the risk of fluctuation in interest rates applied to loans for the construction of certain of the Group's wind power plants.

Retained earnings/(Losses) and other reserves arising on consolidation

These consist of losses and other reserves of subsidiaries and arising on consolidation. They also include net profit/(losses) for the current year.

Equity attributable to non-controlling interests

This arises from the consolidation of companies with non-controlling interests held by parties out with Fintel Group.

11. Liabilities to parent companies and subsidiaries

The balance amounts to RSD 1,351,213 thousand at 30 June 2022 (RSD 1,352,222 thousand at 31 December 2021) includes financial payables to the Parent Company:

	30 June 2022	31 December 2021
Long-term loans	14,871	14,110
Short-term loans	1,336,342	1,338,112
Total	1,351,213	1,352,222

The overview of loans from Parent Company and years of maturity is shown in the following table:

Recipient	Lenders	Amount EUR
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	80,000
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	30,000
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	10,000
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	1,295,925
Fintel Energija a.d.	Fintel Energia Group S.p.A	2,667,000
Fintel Energija a.d.	Fintel Energia Group S.p.A	7,300,000
Total		11,392,925

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

12. Liabilities and short term loans and borrowings from other related parties

The balance amounts to RSD 1,413,827 thousand at 30 June 2022 (RSD 1,413,181,540 thousand at 31 December 2021) includes financial payables to MK Holding d.o.o., a non-controlling interest holder in subsidiaries: this amount consists of the non-controlling interest holder's share of shareholder loans granted to finance the construction of the wind farms in Serbia.

Recipient	Donor	Amount EUR
MK Fintel Wind ad	MK Holding d.o.o.	899,700
MK Fintel Wind ad	MK Holding d.o.o.	9,274,276
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,844,700
Total		12,018,676

13. Long and short term loans and borrowings to external parties

Set out below are details of long and short term loans and borrowings at 30 June 2022 and at 31 December 2021:

<i>RSD thousand</i>	30 June 2022	31 December 2021
Long term borrowings	7.524.930	7,758,924
Short-term loans and borrowings	578.256	752,577
Total	8.103.186	8,511,501

Details of bank loans outstanding at 30 June 2022 are summarised in the following table:

Beneficiary company	Residual debt at			Maturity
	31 December 2021	Long term	Short term	
MK Fintel Wind	7,393,733	6,815,477	578,256	2030
Vetropark Kula	659,592	659,592		2027
Energobalkan	427,750	427,750		2028
Other Leasing	5,714	5,714	-	2026

Loan of MK Fintel Wind refers to the financing received from Erste Bank Serbia, Banca Intesa, Unicredit Serbia and Zagrebacka Banka for the development and construction of Kosava phase I wind farm. Its maturity is of 12 years and interest rate is variable plus spread, ranging from 2.69% to 3.15%. First draw down of the loan has been made in 2018.

On 29 March 2021, the "Amendment and Restatement Facility Agreement" was signed to refinance the Serbian wind power plant Kosava Phase I. The new contract has the following characteristics:

- Maximum total amount of the refinancing: Euro 78 million, of which Euro 28 million reserved for Banca Intesa to replace the portion previously reserved for OeB;
- Duration of the loan: 30 December 2030;
- Repayment terms: six-monthly instalments due on June 30 and December 31 of each year.
- Interest rate: 6 month Euribor + 3.15% for the portion financed by Erste Bank Serbia, Unicredit Serbia and Zagrebacka Banka and 6 month Euribor + 2.69% on the portion financed by Banca Intesa Serbia.

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

Loan of Vetropark Kula refers to the financing received in 2015 from Erste Bank for the development and construction of Kula wind farm. Its maturity is of 12 years and interest rate is variable plus spread (that ranges from EURIBOR+3,55%-4,00% per year).

Loan of Energobalkan refers to the financing received in 2016 from Unicredit Bank for the development and construction of La Piccolina wind farm. Its maturity is of 12 years and interest rate is fixed, 4.5%.

The shares of MK-Fintel Wind ad have been pledged in favour of Erste Banka a.d., Novi Sad, UniCredit Bank Serbia a.d., Begrade, Zagrebačka Banka dd, Zagreb and the Banca Intesa.

14. Other long-term liabilities

Other long-term liabilities consist of the fair value measurement at the reporting date of the derivative pertaining to the subsidiary Vetropark Kula Doo and MK Fintel used to hedge the interest rate risk arising from loan agreements entered into by the companies. As of June 30, 2022, other long-term liabilities amount to RSD 190,411 thousand (as of December 31, they amounted to RSD 304,369 thousand).

The derivative contract entered into in 2015 by Vetropark Kula is an interest rate swap with a term of 10 years and an initial notional of Euro 9,650 thousand.

The derivative contract entered into in 2018 by MK Fintel Wind is an interest rate swap with a term of 12 years and an initial notional of Euro 60,496 thousand.

15. Trade payables

Trade payables, which amounted to RSD 147,794 thousand as at 30 June 2022 and to RSD 214,608 as at 31 December 2021, consist mainly of payables to Fintel Energia Group SpA for management fee and those arising from O&M services of all wind plants.

16. Short-term accruals

Accrued liabilities, which amounts to RSD 614,507 thousand at 30 June 2022 and to RSD 607,921 at 31 December 2021, consist mainly of interests on shareholders loan due to Fintel Energia Group SpA and MK Group, accrued interests on financial loans and amounts to be paid for the replacement of damaged blades.

STATEMENT OF PROFIT OR LOSS

17. Sales of products and services

Sales of products and services amounts to RSD 1,152,132 thousand and RSD 1,284,239 thousand for the period ended 30 June 2021 and 30 June 2020 respectively.

Revenue only refers to FiT received by wind plants "La Piccolina", "Kula" and "Kosava Phase I".

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

18. Cost of salaries, fringe benefits and other personal expenses

Labour costs include all employee costs, including merit increases, category changes, cost of living increases, holiday pay, allocations to provisions required by law and collective labour contracts, as well as remuneration payable to directors, inclusive of related contributions.

Labour costs (RSD 17,725 thousand in first half of 2022 and to RSD 17,501 in 2021) is substantially aligned to previous year. At 30 June 2021, Group employees amount to 14 units.

19. Cost of production services

It includes all costs arising from the purchase of services during the year in the ordinary course of business.

The costs of production services for the six-month period ended on June 30, 2022 are RSD 108,236 thousand, while on June 30, 2021 they were RSD 95,216 thousand.

The mentioned costs mostly refer to the costs of ongoing maintenance of wind farms, land lease costs, other lease costs, transport services and other production services.

20. Depreciation and amortisation and expenses for assets adjustments

Depreciation and amortisation amounts to RSD 296,666 thousand (RSD 297,222 thousand on June 2022). They refer to depreciation of all 3 existing wind plants.

21. Non-production costs

Non-production costs for six-month period ended 30 June 2022 and 2021 are detailed as follows::

	Six-month period ended	
	30 June	
	2022	2021
Consulting services	82,886	91,208
Property tax	23,426	21,506
Withholding tax on interest paid	0	9,168
Costs of fixed assets insurance	9,927	14,344
Audit services	634	911
Other non-material costs	13,886	11,042
Total	130,759	148,179

22. Finance income

Finance income for six-month period ended 30 June 2022 and 2021 are detailed as follows

	Six-month period ended	
	30 June	
	2022	2021
Finance income with parent and other related companies	185	286
Interest income (from third parties)	91	406,101
Foreign exchange gains (third parties)	4,565	1,238
Total finance income	4,841	407,625

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

23. Finance costs

Finance income for six-month period ended 30 June 2022 and 2021 are detailed as follows

	Six-month period ended 30 June	
	2022	2021
Finance expense with parent and other related companies	41.178	33.346
Finance expense – third parties	176.555	244.543
Foreign exchange losses (third parties)	10.396	214
Other financial expense	42.788	174.879
Total finance costs	270.917	452.983

Finance costs mainly include interests on shareholder's loans and interests/expenses on loans received by the Group companies.

Other finance cost in 2021 year are mainly attributable to the prepayment fees paid to OeB for refinancing of Kosava Phase I wind farm.

24. Income tax expense

Income tax expenses for for six-month period ended 30 June 2022 and 2021 are detailed as follows:

	Six-month period ended 30 June	
	2022	2021
Income tax for the year	-	20,992
Deferred tax expense for the period	(13,367)	71.030
	13,367	92,023

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the Group's profits as follows:

25. Earnings/(loss) per share

The basic result per share has gone from an earning per share of RSD 10.87 for six-month period ended 30 June 2021 to an earning per share of RSD 6.54 for six-month period ended 30 June 2022. It has been computed by dividing the Group's net result by the number of Fintel Energija shares outstanding in the years in question (number of shares outstanding of 26,511 thousand).

There were no dilutive effects at 30 June 2022. Accordingly, diluted earnings per share thus coincide with basic earnings per share.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

26. Contingent liabilities and commitments

There are not any contingent liabilities and commitments.

27. Related party transactions

As previously indicated, the Group is a subsidiary of Fintel EnergiGroup SpA,

A summary is provided below of the Group's transactions with related parties at June 2022 and 31 December 2021. All transactions with related parties are entered into at market value.

As of 30 June 2022 and 31 December 2020 the outstanding balances with related parties were as follows:

	At 30 June 2022		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(29.913)	-	(29.913)
Other current liabilities	(235.191)	-	(235.191)
Long term debt	(14.871)	-	(14.871)
Short term debt	(1.336.324)	-	(1.336.324)
Total	(1.616.317)	-	(1.616.317)

	At 31 December 2021		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(83.899)	-	(83.899)
Other current liabilities	(202.072)	-	(202.072)
Long term debt	(14.110)	-	(14.110)
Short term debt	(1.338.112)	-	(1.338.112)
Total	(1.638.193)	-	(1.638.193)

Remuneration of Fintel Group directors

Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for first half of 2022 amounted to RSD 117 thousand

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

(All amounts are in 000 RSD, unless otherwise stated)

28. Significant subsequent events

There were no events occurring after the balance sheet date that could require an adjustment to the consolidated financial statements as at 31 December 2021, nor disclosures in the Notes to the Group's financial statements.

Legal representative:

The person responsible for the preparation of consolidated financial statements:


Tiziano Giobannetti

Director

**CONSOLIDATED HALF-YEAR BUSINESS REPORT
FOR THE PERIOD ENDED 30 JUNE 2022**

FINTEL ENERGIJA AD

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FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

1. Summary of the business activities and organizational structure

Identification data

Business name: PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Seat: Belgrade

Address: Masarikova 5

Company Identification Number: 20305266

Tax Identification Number: 105058839

Date of incorporation: 27 June 2007

Persons authorized to represent: Tiziano Giovannetti

Website: www.fintelenergija.rs

Core business activity

Description and code of the core business activity: 3511 – Production of electrical energy.

Business activities

Fintel Energija A.D. (hereinafter the “**Company**” or “**Fintel Energija**”) and its subsidiaries (together, “**Fintel Group**” or the “**Group**”) is the leading independent renewable energy generator in Serbia. The Company and the Group acted as the pioneer in the Serbian wind business being the first ever to install and operate wind farms in the country. The Group sells its power output through offtake arrangements (Power Purchase Agreement or the “PPA”) to JP Elektroprivreda Srbije (“EPS”) and does not supply electricity directly to the retail customers.

Organizational structure

By aligning corporate bodies and documents with the Companies Law (“Official Gazette of the RS” no. 36/2011, 99/2011, 83/2014, - other law, and 5/2015) the Company has the following internal organizational structure: Shareholder Assembly (consisting of the only shareholder Finte Energia Group S.p.A.) and Board of Directors.

Corporate Governance

By aligning corporate bodies and documents with the Companies Law (“Official Gazette of the RS” no. 36/2011, 99/2011, 83/2014, - other law, and 5/2015) the Company has the following internal organizational structure: Shareholder Assembly (consisting of the only shareholder Finte Energia Group S.p.A.) and Board of Directors.

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

Subsidiaries

The Company act as a holding company of the following subsidiaries:

- MK-Fintel Wind AD Beograd, ID number 20392126, whereby the Company holds 54,00% of the share capital ("**MK Fintel a.d.**"), ."), while the remaining 46,00% is held by the company *MK Holding d.o.o. za holding poslove Beograd*;
- MK-Fintel Wind Holding d.o.o. za holding poslove Beograd, ID number 21280275, whereby the Company holds 54,00% of the share capital ("**MK Fintel Holding d.o.o.**"), while the remaining 46,00% is held by the company *MK Holding d.o.o. za holding poslove Beograd*;
- Fintel Energija development d.o.o. Beograd, ID number 21522732 ("**Fintel Energija Development**"), whereby the Company holds 100,00% of the share capital,

MK-Fintel Wind Holding d.o.o. holds 100% in the following subsidiaries, SPVs for other projects:

- Vetropark Kula d.o.o. Beograd, ID number 20901659 – SPV established for the project wind farm Kula ("**Kula**");
- Energobalkan d.o.o. Beograd, ID number 20833122 – SPV established for the project wind farm La Piccolina ("**Energobalkan**").

Fintel Energija Development d.o.o. holds:

- Fintel Energija Development Ltd Cyprus, ID number HE 419780 ("**Fintel Energija Development Cyprus**"), whereby the Company holds 100,00% of the share capital;
- MK-Fintel Wind Development d.o.o. Beograd, ID number 21528536 ("**MK-Fintel Wind Development**"), whereby the Company holds 54,00% of the share capital;
- Lipar d.o.o. Beograd, ID number 21452149 ("**Lipar**"), whereby the Company holds 100,00% of the share capital;
- Lipar 2 d.o.o. Beograd, ID number 21452122 ("**Lipar 2**"), whereby the Company holds 100,00% of the share capital.

MK-Fintel Wind Development holds 100% in the following subsidiaries:

- Vetropark Torak d.o.o. Beograd, ID number 21040339 ("**Torak**");
- Vetropark Ram d.o.o. Beograd, ID number 20927119 ("**Ram**").

Fintel Energija Development Ltd holds 100% in the following subsidiaries, SPVs for other projects:

- Vetropark Torak Ltd Cyprus, ID number HE 423070;
- Vetropark Ring Ltd Cyprus, ID number HE 420088;

The following companies are 100% owned through Cyprus vehicles:

- Maestrle Ring d.o.o. Beograd, ID number 21452068 ("**Maestrle Ring**");
- Project Torak d.o.o. Beograd, ID number 21459631 ("**Project Torak**");
- Agrosolar Doo, ID Number 21710717 ("**Agrosolar**").

Information about the management of the company

Members of Board of Directors:

- ✓ Claudio Nardone, chairman
- ✓ Tiziano Giovannetti
- ✓ Giulio Moreno
- ✓ Paolo Martini
- ✓ Jovan Purar

Key events impacting the Group in 2021

There were no key events impacting the Group in first half of 2022.

2. Presentation of development, financial position and activities of the legal entity, relevant financial information and non-financial indicators, personnel structure

Fintel Energija is a pioneer in the production of electrical energy from wind power in the territory of the Republic of Serbia. Currently the total installed capacity of all wind turbines in Serbia is 398 MW, of which 85.5 MW is held in the ownership of the Company (21,5%). Out of the total current quota for construction of wind farms under preferential conditions, which is 500 MW, Fintel has been granted the right to build wind farms of a total capacity of 85.5 MW (17,1%).

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET

In RSD thousand

POSITION	AOP	30 June 2022	31 December 2021
ASSETS			
A. SUBSCRIBED AND UNPAID CAPITAL	0001		
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002	12,738,919	12,841,038
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	-	-
1. Development investments	0004	-	-
2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005	-	-
3. Goodwill	0006	-	-
4. Intangible assets leased and intangible assets in preparation	0007	-	-
5. Advances for intangible assets	0008	-	-
II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	11,965,998	12,377,347
1. Land and buildings	0010	4,339,350	4,405,370
2. Machinery and equipment	0011	7,427,825	7,794,293
3. Investment property	0012		
4. Property, plant and equipment leased and property, plant and equipment under construction	0013	198,823	177,684
5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014	-	-
6. Advances for property, plant and equipment in the country	0015	-	-
7. Advances for property, plant and equipment foreign	0016	-	-
III. BIOLOGICAL ASSETS	0017	-	-
IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018	772,921	463,691
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019	-	-
2. Equity investments that are valued using the equity method	0020	-	-
3. Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021	-	-
4. Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022	-	-
5. Long-term investments (loans and credits) in the country	0023	-	-
6. Long-term investments (loans and credits) abroad	0024	-	-
7. Long-term financial investments (securities valued at amortized cost)	0025	-	-
8. Own shares purchased	0026	-	-
9. Other long-term investments and receivables	0027	772,921	463,691
V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028	-	-
C. DEFERRED TAX ASSETS	0029	-	-

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	30 June 2022	31 December 2021
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030	974,512	1,217,600
I. INVENTORIES (0032+0033+0034+0035+0036)	0031	21,795	21,314
1. Materials, spare parts, tools and supplies	0032	7,312	7,312
2. Work in progress and unfinished services	0033		
3. Goods	0034		
5. Advances paid to suppliers for stock and services in country	0035	13,655	13,918
6. Advances paid to suppliers for stock and services - abroad	0036	828	84
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037		
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038	328,205	209,684
1. Trade receivables - domestic	0039	328,205	209,684
2. Trade receivables - foreign	0040		
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		
4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042		
5. Other trade receivables	0043		
IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	146,070	56,725
1. Other receivables	0045	87,042	44,489
2. Receivables for prepaid CIT	0046	57,489	10,697
3. Receivables for prepaid other taxes & contributions	0047	1,539	1,539
V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048	14	14
1. Short-term loans and investments - parent and subsidiaries	0049		
2. Short-term loans and investments - other related parties	0050		
3. Short-term loans, borrowings and investments - domestic	0051		
4. Short-term loans, borrowings and investments - foreign	0052		
5. Securities valued at amortized cost	0053		
6. Financial instrument valued at fair value	0054		
7. Bought up own shares	0055		
8. Other Short-term financial investments	0056	14	14
VI. CASH AND CASH EQUIVALENTS	0057	226,406	525,003
VII. SHORT-TERM ACCRUALS	0058	198,022	404,860
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059	13,713,431	14,058,637
F. OFF-BALANCE SHEET ASSETS	0060	55,127	55,127

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	30 June 2022	31 December 2021
		<i>(unaudited)</i>	
EQUITY AND LIABILITIES			
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	1,776,639	1,455,100
I. SHARE CAPITAL	0402	4,057	4,057
II. SUBSCRIBED CAPITAL UNPAID	0403	-	-
III. SHARE ISSUING PREMIUMS	0404	681,237	681,237
IV. RESERVES	0405		
V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0406	-	-
VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0407	84,415	139,721
VII. UNDISTRIBUTED PROFIT (0409 + 0410)	0408	553,047	470,386
1. Retained profit from previous years	0409	379,679	7,752
2. Retained profit from current year	0410	173,368	462,633
VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	0411	625,713	439,142
IX. LOSSES (0413 + 0414)	0412	-	-
1. Losses of previous years	0413	-	-
2. Losses of current year	0414	-	-
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415	9,144,138	9,490,684
I. LONG-TERM PROVISIONS (0417++0418+0419)	0416	99	99
1. Provisions for employees benefits	0417	99	99
2. Provisions for costs in warranty period	0418	-	-
3. Other long-term provisions	0419	-	-
II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420	9,144,039	9,490,585
1. Liabilities which can be converted into capital	0421	-	-
2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422	1,413,827	-
3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423	14,871	14,110
4. Long-term loans, borrowings and liabilities based on leasing - domestic	0424	7,524,930	7,758,924
5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425	-	-
6. Liabilities for long-term securities	0426	-	-
7. Other long term liabilities	0427	190,411	304,369
III. LONG-TERM ACCRUALS	0428	-	-
C. DEFERRED TAX LIABILITIES	0429	14,250	30,908
D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED	0430	-	-

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	30 June 2022	31 December 2021
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431	2,778,404	3,081,946
I. SHORT TERM PROVISIONS	0432	-	-
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	1,914,598	2,090,689
1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434	-	-
2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435	1,336,324	1,338,112
3. Liabilities based on loans and borrowings from entities other than domestic banks	0436	578,256	752,577
4. Liabilities based on loans and borrowings from domestic banks	0437	-	-
5. Loans, borrowings and liabilities foreign	0438	-	-
6. Liabilities for short-term securities	0439	-	-
7. Liabilities based on financial derivatives	0440	-	-
III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES	0441	77	77
IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)	0442	147,794	214,608
1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443	3,773	3,740
2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444	29,913	83,900
3. Trade payables - domestic	0445	106,516	126,956
4. Trade payables - foreign	0446	7,592	13
5. Obligations under bills of exchange	0447	-	-
6. Other business liabilities	0448	-	-
V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449	101,428	168,651
1. Other short term liabilities	0450	101,428	99,730
2. Liabilities for VAT and other public revenues	0451	-	-
3. Liabilities for income tax	0452	-	68,920
VI. LIABILITES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE	0453	-	-
VII. SHORT-TERM ACCRUALS	0454	614,507	607,921
F. LOSS OVER CAPITAL (0415+ 0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455	-	-
G. TOTAL EQUITY AND LIABILITIES (0401+0415+0429+0430+0431-0455)	0456	13,713,431	14,058,637
H. OFF-BALANCE SHEET LIABILITIES	0457	55,127	55,127

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED INCOME STATEMENT

In RSD thousand

POSITION	AOP	Six-month period ended 30 June	
		2022	2021
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001	1,152,132	1,284,239
I. REVENUES OF SOLD GOODS (1003 + 1004)	1002		
1. Income from the sale of goods - domestic market	1003	-	-
2. Income from the sale of goods - foreign market	1004	-	-
II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005	1,152,132	1,284,239
1. Income from the sale of products and services - domestic market	1006	1,152,132	1,284,239
2. Income from the sale of products and services - foreign market	1007	-	-
III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008	-	-
IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009	-	-
V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010	-	-
VI. OTHER OPERATING INCOME	1011	-	-
VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012	-	-
B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013	558,431	564,959
I. COST OF GOODS SOLD	1014	-	-
II. COST OF MATERIALS, FUEL AND ENERGY	1015	5,045	6,841
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016	17,725	17,501
1. Cost of salary and compensation of salary (gross employee)	1017	9,541	12,648
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018	5,237	2,076
3. Other personal expenses and remunerations	1019	2,947	2,776
IV. DEPRECIATION EXPENSES	1020	296,666	297,222
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021	-	-
VIII. COSTS OF PRODUCTION SERVICES	1022	108,236	95,216
X. COSTS OF LONG-TERM PROVISIONS	1023	-	-
XI. INTANGIBLE EXPENSES	1024	130,759	148,179
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025	593,701	719,281
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026	-	-
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027	4,841	407,625
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	185	286
II. INCOME FROM INTEREST	1029	91	406,101
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030	4,565	1,238
IV. OTHER FINANCIAL INCOME	1031	-	-

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED INCOME STATEMENT

In RSD thousand

POSITION	AOP	Note	Six-month period ended	
			2022	2021
			30 June	
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		270,917	452,983
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	28	41,178	33,346
II. COSTS OF INTEREST	1034	28	176,555	244,543
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035	28	10,396	214
IV. OTHER FINANCIAL COSTS	1036	28	42,788	174,879
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		266,076	45,358
I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1039		-	-
J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1040		-	-
K. OTHER INCOME	1041		6	544
L. OTHER COSTS	1042		2,019	16,455
M. TOTAL INCOME (1001+1027+1039+1041)	1043		1,156,979	1,692,418
N. TOTAL COSTS (1013+1032+1040+1042)	1044		831,367	1,034,396
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		325,612	658,022
P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	-
Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1047		-	-
R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1048		-	-
S. PROFIT BEFORE TAX (1045-1046+1047-1048) ≥ 0	1049		325,612	658,022
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-	-
U. INCOME TAXES				
I. TAX EXPENSES FROM THE PERIOD	1051	29	-	20,993
II. DEFERRED TAX EXPENSE	1052	29	-	71,030
III. DEFERRED TAX INCOME	1053	29	13,367	-
V. EARNINGS OF EMPLOYER	1054		-	-
W. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		338,979	566,000
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057		165,611	277,709
II NET PROFIT BELONGING TO PARENT COMPANY	1058		173,368	288,290
III. NET LOSS BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1059		-	-
IV. NET LOSS BELONGING TO PARENT COMPANY	1060		-	-
V. EAERNINGS PER SHARE				
1. Basic earning per share	1061	30	6.54	10.87
2. Reduced (diluted) earnings per share	1062	30	6.54	10.87

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

Financial Indicators

Key indicators from consolidated half-year financial statements are detailed as follow:

Ratios and KPI	30/06/2022	30/06/2021
Revenues (RSD thousands)	1.152.132	1.284.239
EBITDA (RSD thousands) (Operating profit+Depreciation and amortization)	890.367	1.016.503
Operating result (RSD thousands)	593.701	719.281
Net profit (RSD thousands)	338.979	566.000
Earnings per share	6,54	10,87

Revenues amount to RSD 1,152,132 thousand and RSD 1,284,239 thousand for the six-month period ended June 30, 2022 and June 30, 2021, respectively.

Revenues from 2021 are higher than this year and refer to the FiT received by all wind farms that are in production and to 178,138 thousand dinars in insurance revenue for damage caused in Kosava Phase I in 2021.

Less realized income in this period compared to the same period last year had an impact on EBITA, operating result and net profit, which are lower compared to the same period last year.

Personnel structure

The employees in the company have the appropriate qualifications, knowledge and experience necessary for the quality performance of the services provided by the Company. In addition to the Director, the Company has further 14 employees its subsidiaries who work mainly on maintenance of existing wind farms.

3. Environmental protection

Fintel Energija contributes to environmental protection mainly through investing in construction of capacities for production of electrical energy from renewable sources (green energy). Construction of wind farms significantly reduces CO2 emissions as one of the leading harmful factors that affect the environment.

4. Significant events after the end of the year

There were no events occurring after the balance sheet date that could require an adjustment to the consolidated financial statements as at 30 June 2022.

FINTEL ENERGIJA AD BEOGRAD CONSOLIDATED HALF-YEAR BUSINESS REPORT

5. Planned future development

As of December 2021, the Group has increased its production of electrical energy from wind of 85.5 MW, through the construction of three projects, "Kula", "La Piccolina" and "Kosava phase I". The Group also has ongoing further onshore wind farms development of above 1 GW. The pipeline is being actively developed and projects are continuously progressed through the development and obtaining the appropriate regulatory consents. Projects are all developed in accordance with the "gateway" approval process, so the pace of development will depend on a number of internal and external factors. Out of the ongoing project, the project that has most advanced is Kosava Phase II - a project that obtained all licenses and that plans to have 15 turbines with capacity of up to 70.0 MW, subject to turbine selection, which is estimated to become fully operational in the financial year 2023.

The growth of the Company's and Group's business will be driven primarily by the build of the Company's Development Pipeline Business, comprising approximately 1.146 MW of total capacity. Out of this amount, 125 MW is at an advanced development stage (building permits has been obtained for 80 MW, including 70 MW under construction) and approximately 1.066 MW where planning applications will be soon submitted or were submitted already).

The Company is targeting in total between 180 MW and 230 MW of installed capacity through organic growth of its Wind Development Pipeline Business over the next three years. The Directors expect to finance approximately 80 or 90% of these investments through loans, while the remaining funds are to be financed through subordinated debt or Company's cash flow. It is the Directors' intention to take a flexible approach to the development of the Company's Wind Development Pipeline Business, in order to deliver growth without compromising the Company's ability to pay out dividends in line with its dividend policy. Even though the focus of the Group is on organic growth, growth through acquisitions would be considered on an opportunistic basis.

The Group's plants in operation and projects in a development/authorisation phase as at the date of this document are:

PLANT		LOCATION	DESIGN	OWNED BY	CAPACITY [MW]	STATUS
LA PICCOLINA	Wind	Vrsac	Energogr. doo	Energobalkan doo	6.6	in operation
KULA	Wind	Kula	Energogr. doo	Vetropark Kula doo	9.9	in operation
KOSAVA phase I	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	69	in operation
KOSAVA phase II	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	70	under construction
RAM	Wind	Veliko Gradiste	Energogr. doo	Vetropark RAM doo	10	under construction
KULA 2	Wind	Kula	Energogr. doo	Vetropark Torak doo	10	under final phase of development
LIPAR	Wind	Kula	Energogr. doo	Vetropark Lipar doo	10	under final phase of development
LIPAR 2	Wind	Kula	Energogr. doo	Vetropark Lipar 2 doo	10	under final phase of development
DUNAV 1	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 1 doo	10	under development
DUNAV 3	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 3 doo	10	under development
MAESTRALE RING	Wind	Subotica	Energogr. doo	Vetropark Maestrale Ring doo	768,4	under development
AGROSOLAR KULA	Sunce	Kula	Energogreen doo	Agrosolar doo	660	under development
PROJECT TORAK	Wind	Sombor	Energogr. doo	Project TORAK doo.	238	under development
KOSAVA 2	Wind	Vrsac	Energogr. doo	Vetropark KOSAVA 2 doo	9.9	under development
TOTAL					1,891.8	

6. Research and development

There are no program of research or development that are relevant for the operations of the Company.

There are no registered patents or licenses of the Company.

The Company manages, monitors and controls its generating power plants from 24/7 central control centre (the "Logistic Control Centre") at its head office in Belgrade. The Company has adopted a service model under which none of its plants is manned on a continued basis. The operating assets are managed by a team of four persons, the majority of whom operate remotely. These personnel execute a program preventive maintenance and ongoing operational tasks under the schedule set centrally by the Logistics Control Centre through the Vestas asset management software and respond to unscheduled breakdowns. The remote monitoring is based on the universally adopted SCADA system, which can be used across various generation technologies. This enables the Company to track, in real-time, turbine and generator performance, including faults, breakdowns and any other issues that might occur. Wind turbines can be remotely started and switched off from the Logistics Control Centre, avoiding the need to dispatch a technician on location if a minor fault occurs.

7. Subsidiaries

The Company act as a holding company of the following subsidiaries:

- o MK-Fintel Wind AD Beograd, ID number 20392126, whereby the Company holds 54,00% of the share capital ("**MK Fintel a.d.**"), while the remaining 46,00% is held by the company *MK Holding d.o.o. za holding poslove Beograd*;
- o MK-Fintel Wind Holding d.o.o. za holding poslove Beograd, ID number 21280275, whereby the Company holds 54,00% of the share capital ("**MK Fintel Holding d.o.o.**"), while the remaining 46,00% is held by the company *MK Holding d.o.o. za holding poslove Beograd*;
- o Fintel Energija development d.o.o. Beograd, ID number 21522732 ("**Fintel Energija Development**"), whereby the Company holds 100,00% of the share capital,

MK-Fintel Wind Holding d.o.o. holds 100% in the following subsidiaries, SPVs for other projects:

- o Vetropark Kula d.o.o. Beograd, ID number 20901659 – SPV established for the project wind farm Kula ("**Kula**");
- o Energobalkan d.o.o. Beograd, ID number 20833122 – SPV established for the project wind farm La Piccolina ("**Energobalkan**").

Fintel Energija Development d.o.o. holds:

- o Fintel Energija Development Ltd Cyprus, ID number HE 419780 ("**Fintel Energija Development Cyprus**"), whereby the Company holds 100,00% of the share capital;
- o MK-Fintel Wind Development d.o.o. Beograd, ID number 21528536 ("**MK-Fintel Wind Development**"), whereby the Company holds 54,00% of the share capital;
- o Lipar d.o.o. Beograd, ID number 21452149 ("**Lipar**"), whereby the Company holds 100,00% of the share capital;
- o Lipar 2 d.o.o. Beograd, ID number 21452122 ("**Lipar 2**"), whereby the Company holds 100,00% of the share capital.

MK-Fintel Wind Development holds 100% in the following subsidiaries:

- o Vetropark Torak d.o.o. Beograd, ID number 21040339 ("**Torak**");
- o Vetropark Ram d.o.o. Beograd, ID number 20927119 ("**Ram**").

Fintel Energija Development Ltd holds 100% in the following subsidiaries, SPVs for other projects:

- o Vetropark Torak Ltd Cyprus, ID number HE 423070;
- o Vetropark Ring Ltd Cyprus, ID number HE 420088;

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The following companies are 100% owned through Cyprus vehicles:

- Maestrle Ring d.o.o. Beograd, ID number 21452068 (“Maestrle Ring”);
- Project Torak d.o.o. Beograd, ID number 21459631 (“Project Torak”);
- Agrosolar Doo, ID Number 21710717 (“Agrosolar”).

8. Goals and policies in connection with managing financial risks, credit risks, liquidity risk and market risk

The coordination and monitoring of key financial risks is carried out by the central treasury department of the Principal Shareholder Company, which provides guidelines for the management of various types of risk and for the use of financial instruments. The main features of Fintel Group’s risk management policy are:

- central determination of operational risk management guidelines concerning market, liquidity and cash flow risks;
- monitoring of results achieved;
- diversification of commitments/obligations and of the product portfolio.

9. Related party transactions

As previously indicated, the Group is a subsidiary of Fintel EnergiGroup SpA,

A summary is provided below of the Group’s transactions with related parties at 30 June 2022 and 31 December 2021. All transactions with related parties are entered into at market value.

As of 30 June 2022 and 31 December 2021 the outstanding balances with related parties were as follows:

	At 30 June 2022		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(29.913)	-	(29.913)
Other current liabilities	(235.191)	-	(235.191)
Long term debt	(14.871)	-	(14.871)
Short term debt	(1.336.324)	-	(1.336.324)
Total	(1.616.317)	-	(1.616.317)

	At 31 December 2021		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(83.899)	-	(83.899)
Other current liabilities	(202.072)	-	(202.072)
Long term debt	(14.110)	-	(14.110)
Short term debt	(1.338.112)	-	(1.338.112)
Total	(1.638.193)	-	(1.638.193)

FINTEL ENERGIJA AD BEOGRAD CONSOLIDATED HALF-YEAR BUSINESS REPORT

For six-month period ended 30 June 2022 and 2021 the following transactions occurred with related parties:

	Six-month period ended 30 June 2022		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Selling, general and administrative expenses	(14.195)	-	(14.195)
Finance expense	(23.101)	-	(23.101)
Total	(37.295)	-	(37.295)

	Six-month period ended 30 June 2021		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Selling, general and administrative expenses	(13,866)	-	(13,866)
Finance expense	(12,881)	-	(12,881)
Total	(26,747)	-	(26,747)

Remuneration of Fintel Group directors

Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for first half of 2022 amounted to RSD 117 thousand.



Legal representative

Tiziano Giovannetti - Director

Legal representative



FINTEL ENERGIJA AD

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Quarterly Financial Statements of the Fintel Energija a.d. for period ended 30 June 2022 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

In compliance with the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016 and 9/2020) we hereby declare that the financial statements in question have not been audited.

Legal representative:

Fintel Energija a.d.

Director



Tiziano Giovannetti



FINTEL ENERGIJA AD

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Half-Year Financial Statements of the Fintel Energija a.d. Beograd for period ended 30 June 2022 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Consolidated Statements.

In compliance with the Law on Capital Market (RS Official Gazette, No 31/2011, 112/2015, 108/2016 and 9/2020) we hereby declare that the financial statements in question have not been audited.

Legal representative:

Fintel Energija a.d.

Director

