FINTEL ENERGIJA AD

CONSOLIDATED ANNUAL REPORT OF FINTEL ENERGIJA A.D. FOR THE YEAR 2023

Belgrade, April 2024.

Pursuant to Articles 50 and 51 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016 and 9/2020) and pursuant to Article 3 of the Rulebook on the Content, Form and Method of Publiciation 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 ANNUAL REPORT OF FINTEL ENERGIJA A.D. FOR THE YEAR 2023

Content

CONSOLIDATED BALANCE SHEET In RSD thousand					
Group of accounts, account	**POSITION**	**AOP**	**Note**	**31 December 2023**	**31 December 2022**
	ASSETS				
00	**A. SUBSCRIBED AND UNPAID CAPITAL**	0001			
	B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002		**12.348.329**	**12.672.885**
01	**I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)**	**0003**		-	-
010	1. Development investments	0004			-
011, 012 and 014	2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005			-
013	3. Goodwill	0006			-
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007			-
017	5. Advances for intangible assets	0008			-
02	**II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)**	**0009**		**11.571.386**	**12.077.750**
020, 021 and 022	1. Land and buildings	0010		4.305.233	4.339.457
023	2. Machinery and equipment	0011		7.170.661	7.649.657
024	3. Investment property	0012			
025 and 027	4.Property, plant and equipment leased and property, plant and equipment under construction	0013		94.106	88.636
026 and 028	5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014			-
029 (part)	6. Advances for property, plant and equipment in the country	0015		1.386	-
029 (part)	7.Advances for property, plant and equipment foreign	0016			-
03	**III. BIOLOGICAL ASSETS**	**0017**		-	-
04 and 05	**IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)**	**0018**		**776.943**	**595.135**
040 (part), 041(part) and 042 (part)	1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019			
040 (part), 041(part) and 042 (part)	2. Equity investments that are valued using the equity method	0020			-
043, 050 (part) and 051 (part)	3.Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021		**6.563**	**75.333**
044, 050 (part) and 051 (part)	4.Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022			-
045 (part) i 053 (part)	5. Long-term investments (loans and credits) in the country	0023			-
045 (part) i 053 (part)	6. Long-term investments (loans and credits) abroad	0024			-
046	7. Long-term financial investments (securities valued at amortized cost)	0025			-
047	8. Own shares purchased	0026			-
048, 052, 054, 055 i 056	9. Other long-term investments and receivables	0027		770.380	519.802
28 (part) except 288	V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028			
288	**C. DEFERRED TAX ASSETS**	0029			**14.398**

CONSOLIDATED BALANCE SHEET					
In RSD thousand					
Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		**1.356.196**	**1.421.519**
Class 1, except group of account 14	**I.INVENTORIES (0032+0033+0034+0035+0036)**	**0031**		**32.774**	**16.306**
10	1. Materials, spare parts, tools and supplies	0032		7.312	7.312
11 and 12	2. Work in progress and unfinished services	0033			
13	3. Goods	0034			
150, 152 and 154	5. Advances paid to suppliers for stock and services in country	0035		13.382	8.910
151, 153 and 155	6. Advances paid to suppliers for stock and services - abroad	0036		12.080	84
14	**II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS**	**0037**		**-**	**-**
20	**III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)**	**0038**		**302.446**	**376.952**
204	1. Trade receivables - domestic	0039		300.979	376.952
205	2. Trade receivables - foreign	0040			
200 and 202	3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		1.467	
201 and 203	4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042			
206	5. Other trade receivables	0043			
21, 22 and 27	**IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)**	**0044**		**76.475**	**222.907**
21, 22 except 223 and 224 and 27	1. Other receivables	0045		56.237	210.669
223	2. Receivables for prepaid CIT	0046		18.699	10.699
224	3. Receivables for prepaid other taxes & contributions	0047		1.539	1.539
23	**V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)**	**0048**		**14**	**14**
230	1. Short-term loans and investments - parent and subsidiaries	0049			
231	2. Short-term loans and investments - other related parties	0050			-
232, 234 (part)	3. Short-term loans, borrowings and investments - domestic	0051			-
233, 234 (part)	4. Short-term loans, borrowings and investments - foreign	0052			-
235	5. Securities valued at amortized cost	0053			-
236 (part)	6. Financial instrument valued at fair value	0054			-
237	7. Bought up own shares	0055			-
236 (part), 238 and 239	8. Other Short-term financial investments	0056		14	14
24	**VI. CASH AND CASH EQUIVALENTS**	**0057**		**652.507**	**203.183**
28 (part) except 288	**VII. SHORT-TERM ACCRUALS**	**0058**		**291.980**	**602.157**
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059		**13.704.525**	**14.108.802**
88	**F. OFF-BALANCE SHEET ASSETS**	0060		**55.127**	**55.127**

CONSOLIDATED BALANCE SHEET					
In RSD thousand					
Group of accounts, account	**POSITION**	**AOP**	**Note**	**31 December 2023**	**31 December 2022**
	EQUITY AND LIABILITIES				
	A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		**3.119.407**	**1.970.062**
30 except 306	I. SHARE CAPITAL	0402		4.057	4.057
31	II. SUBSCRIBED CAPITAL UNPAID	0403			
306	III. SHARE ISSUING PREMIUMS	0404		681.237	681.237
32	IV. RESERVES	0405			
330 and credit balance of account 331, 332, 333, 334, 335 336 and 337	**V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0406**		**114.833**	**0**
debit balance of account 331,332,333,334, 335,336 and 337	**VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0407**			**214.173**
34	**VII. UNDISTRIBUTED PROFIT (0409 + 0410)**	**0408**		**1.224.242**	**825.276**
340	1. Retained profit from previous years	0409		825.063	470.331
341	2. Retained profit from current year	0410		399.179	354.945
	VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	**0411**		**1.095.038**	**673.665**
35	**IX. LOSSES (0413 + 0414)**	**0412**		**-**	**-**
350	1. Losses of previous years	0413			
351	2. Losses of current year	0414			
	B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		**8.580.069**	**8.442.798**
40	**I. LONG-TERM PROVISIONS (0417++0418+0419)**	**0416**		**99**	**99**
404	1. Provisions for employees benefits	0417		99	99
400	2. Provisions for costs in warranty period	0418		-	-
40 except 400 and 404	3. Other long-term provisions	0419		-	-
41	**II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)**	**0420**		**8.579.970**	**8.442.699**
410	1. Liabilities which can be converted into capital	0421			
411 (part) and 412 (part)	2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422		1.326.872	1.115.216
411 (part) and 412 (part)	3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423		1.250.388	14.079
414 and 416 (part)	4. Long-term loans, borrowings and liabilities based on leasing - foreign	0424		4.781.195	6.847.939
415 and 416 (part)	5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425		1.221.515	
413	6. Liabilities for long-term securities	0426			
419	7. Other longterm liabilities	0427			465.465

CONSOLIDATED BALANCE SHEET In RSD thousand					
Group of accounts, account	**POSITION**	**AOP**	**Note**	**31 December 2023**	**31 December 2022**
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUALS	0428		-	-
498	**C. DEFERRED TAX LIABILITIES**	0429		**60.554**	
495 (part)	**D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED**	0430		-	-
	E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		**1.944.495**	**3.695.942**
467	I. SHORT TERM PROVISIONS	0432		-	-
42 except 427	**II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)**	**0433**		**886.462**	**2.445.678**
420 (part) and 421 (part)	1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434		-	297.929
420 (part) and 421 (part)	2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435		15.375	1.335.165
422 (part), 424(part), 425 (part) and 429 (part)	3. Liabilities based on loans and borrowings from entities other than domestic banks	0436		791.429	812.584
422 (part), 424(part), 425 (part) and 429 (part)	4. Liabilities based on loans and borrowings from foreign banks	0437		-	
423, 424 (part), 425 (part) and 429 (part)	5. Loans, borrowings and liabilities from abroad	0438		79.658	-
426	6. Liabilities for short-term securities	0439		-	-
428	7. Liabilities based on financial derivatives	0440		-	-
430	**III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES**	**0441**		**116**	**116**
43 except 430	**IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)**	**0442**		**123.059**	**464.473**
431 and 433	1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443		1.630	1.223
432 and 434	2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444		35.171	86.415
435	3. Trade payables - domestic	0445		80.519	369.023
436	4. Trade payables - foreign	0446		5.739	7.812
439 (part)	5. Obligations under bills of exchange	0447			
439 (part)	6. Other business liabilities	0448			
44, 45, 46 except 467, 47 and 48	**V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)**	**0449**		**343.124**	**178.483**
44, 45 and 46 except 467	1. Other short term liabilities	0450		343.124	98.127
47, 48 except 481	2. Liabilities for VAT and other public revenues	0451			
481	3. Liabilities for income tax	0452			80.356
427	**VI. LIABILITES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE**	**0453**		-	-
49 except 498	**VII. SHORT-TERM ACCRUALS**	**0454**		**591.734**	**607.192**
	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		**13.704.525**	**14.108.802**
89	**H. OFF-BALANCE SHEET LIABILITIES**	0457		**55.127**	**55.127**

Belgrade
30.4.2024

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Legal representive

CONSOLIDATED INCOME STATEMENT					
					- RSD thousand -
Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001		**2.739.292**	**2.172.310**
60	I. REVENUES OF SOLD GOODS (1003 + 1004)	1002		-	-
600, 602 and 604	1. Income from the sale of goods - domestic market	1003		-	-
601, 603 and 605	2. Income from the sale of goods - foreign market	1004		-	-
61	II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005		**2.714.764**	**2.172.310**
610, 612 and 614	1. Income from the sale of products and services - domestic market	1006		2.714.764	2.172.310
611, 613 and 615	2. Income from the sale of products and services - foreign market	1007			
62	III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008			
630	IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009			
631	V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010			
64 and 65	VI. OTHER OPERATING INCOME	1011		21.704	
68, except 683, 685 and 686	VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012		**2.824**	
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		**1.257.741**	**1.207.992**
50	I. COST OF GOODS SOLD	1014			
51	II. COST OF MATERIALS, FUEL AND ENERGY	1015		18.093	14.456
52	III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016		**38.806**	**34.990**
520	1. Cost of salary and compensation of salary (gross employee)	1017		27.104	18.519
521	2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018		4.045	9.965
52 except 520 and 521	3. Other personal expenses and remunerations	1019		7.657	6.506
540	IV. DEPRECIATION EXPENSES	1020		615.210	611.332
58 except 583, 585 and 586	V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021		1.495	63.082
53	VIII. COSTS OF PRODUCTION SERVICES	1022		206.478	197.021
54 except 540	X. COSTS OF LONG-TERM PROVISIONS	1023			
55	XI. INTANGIBLE EXPENSES	1024		377.659	287.111
	C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		**1.481.551**	**964.318**
	D. OPERETAING LOSS (1013 - 1001) ≥ 0	1026		-	-
	E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027		**167.424**	**49.380**
660 and 661	I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028		3.662	654
662	II. INCOME FROM INTEREST	1029		139.796	3.405
663 and 664	III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030		23.966	45.321
665 and 669	IV. OTHER FINANCiAL INCOME	1031			

CONSOLIDATED INCOME STATEMENT					
					- RSD thousand -
Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		**755.025**	**521.472**
560 and 561	I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033		93.317	81.466
562	II.COSTS OF INTEREST	1034		508.127	364.028
563 and 564	III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035		14.966	32.592
566 and 569	IV. OTHER FINANCIAL COSTS	1036		138.615	43.386
	G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
	H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		**587.601**	**472.092**
683, 685 and 686	**I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1039		-	-
583, 585 and 586	**J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1040		**7.149**	**3.875**
67	**K. OTHER INCOME**	1041		**76.909**	**430.416**
57	**L. OTHER COSTS**	1042		**7.923**	**74.633**
	M. TOTAL INCOME (1001+1027+1039+1041)	1043		**2.983.625**	**2.652.106**
	N. TOTAL COSTS (1013+1032+1040+1042)	1044		**2.027.838**	**1.807.972**
	O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		**955.787**	**844.134**
	P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	-
69-59	**Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1047		-	-
59-69	**R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1048		**1.681**	-
	S. PROFIT BEFORE TAX (1045-1046+1047-1048)≥ 0	1049		**954.106**	**844.134**
	T. LOSS BEFORE TAX (1046-1045+1048-1047)≥ 0	1050		-	-
	U. INCOME TAXES				
721	I. TAX EXPENSES FROM THE PERIOD	1051		**190.400**	**169.061**
722 debit balance	II. DEFERRED TAX EXPENSE	1052			
722 credit balance	III. DEFERRED TAX INCOME	1053		**32.547**	**21.125**
723	**V. EARNINGS OF EMPLOYER**	1054		-	-
	W. NET PROFIT (1049-1050-1051-1052+1053-1054)≥ 0	1055		**796.253**	**696.198**
	X. NET LOSS (1050-1049+1051+1052-1053+1054)≥ 0	1056		-	-
	I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057		**397.074**	**341.253**
	II NET PROFIT BELONGING TO PARENT COMPANY	1058		**399.179**	**354.945**
	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		**15,06**	**13,39**
	2. Reduced (diluted) earnings per share	1062		**15,06**	**13,39**

Belgrade
30.4.2024

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

- RSD thousand -

Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET PROFIT/(LOSS)				
	I. PROFIT, NET (AOP 1055)	2001		796.253	696.198
	II. LOSS, NET (AOP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to profit or loss				
330	1. Changes in the revaluation of intangible assets, property, plant and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004			
331	2. Actuarial gains (losses) of post employment benefit obligations				
	a) gains	2005			
	b) losses	2006			25
333	4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
	a) gains	2007			
	b) losses	2008			8.777
	b) Items that may be subsequently reclassified to profit or loss				
332	1. Gains or losses on investments in equity instruments				
	a) gains	2009			
	b) losses	2010			
334	1. Gains or losses on the translation of financial statements of foreign operations				
	a) gains	2011			
	b) losses	2012			
335	2. Gains or losses on hedging instruments of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses on cash flow hedges				
	a) gains	2015		716.701	
	b) losses	2016			161.096
337	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		716.701	-
	II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		-	152.344
	III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021		107.505	
	IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		-	-
	IV. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023		609.196	-
	V. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		-	152.344
	C. TOTAL NET COMPREHENSIVE PROFIT				
	I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		1.405.449	543.854
	II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026		-	-
	D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027		1.405.449	543.854
	1. Attributable to shareholders	2028		726.040	272.679
	2. Attributable to non-controling interest	2029		679.409	271.175

Belgrade
30.4.2024

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BEOGRAD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- RSD thousand -

Position	Description	AOP	Share capital (group 30 without 306 and 309)	AOP	Other share capital (account 309)	AOP	Subscribed but unpaid capital (group 31)	AOP	Share premium and reserves (account 306 and group 32)	AOP	Revaluation reserves and unrealized gains and losses (group 33)
			2		3		4		5		6
1	Balance as at 01.01.2022	4001	4.057	4010		4019	-	4028	681.237	4037	- 139.721
2	Adjustments of material errors and changes in accounting	4002	-	4011	-	4020	-	4029	-	4038	-
3	Restated opening balance as at 01.01.2022 (1+2)	4003	4.057	4012	-	4021	-	4030	681.237	4039	- 139.721
4	Net changes in 2022	4004	-	4013		4022	-	4031	-	4040	- 74.452
5	Balance as at 31.12.2022 (3+4)	4005	4.057	4014		4023	-	4032	681.237	4041	- 214.173
6	Adjustments of material errors and changes in accounting	4006	-	4015		4024	-	4033	-	4042	-
7	Restated opening balance as at 01.01. 2023 (5+6)	4007	4.057	4016		4025	-	4034	681.237	4043	- 214.173
8	Net changes in 2023	4008	-	4017		4026	-	4035	-	4044	329.006
9	Balance as at 31.12.2023 (7+8)	4009	4.057	4018		4027	-	4036	681.237	4045	114.833

Position	Description	AOP	Retained earnings (group 34)	AOP	Loss (group 35)	AOP	Non-controlling interest	AOP	Total (corresponds to the position of AOP 0401) (col.2+3+4+5+6+7-8+9) ≥ 0	AOP	LOSS EXCEEDING EQUITY (corresponds to the position of AOP 0455) (col.2+3+4+5+6+7-8+9)‹0
			7		8		9		10		11
1	Balance as at 01.01.2022	4046	470.385	4055		4064	439.142	4073	1.455.100	4082	
2	Adjustments of material errors and changes in accounting	4047	-	4056	-	4065	-	4074	-	4083	
3	Restated opening balance as at 01.01.2022 (1+2)	4048	470.385	4057	-	4066	439.142	4075	1.455.100	4084	
4	Net changes in 2022	4049	354.891	4058		4067	234.523	4076	514.962	4085	
5	Balance as at 31.12.2022 (3+4)	4050	825.276	4059	-	4068	673.665	4077	1.970.062	4086	
6	Adjustments of material errors and changes in accounting	4051	-	4060	-	4069	-	4078	-	4087	
7	Restated opening balance as at 01.01. 2023 (5+6)	4052	825.276	4061	-	4070	673.665	4079	1.970.062	4088	
8	Net changes in 2023	4053	398.966	4062	-	4071	421.373	4080	1.149.345	4089	
9	Balance as at 31.12.2023 (7+8)	4054	1.224.242	4063	-	4072	1.095.038	4081	3.119.407	4090	

Belgrade
30.4.2024

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PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE
FINTEL ENERGIJA AD
BEOGRAD

CONSOLIDATED STATEMENT OF CASH FLOWS

- RSD thousand -

POSITION	AOP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES I. Cash inflow from operating activities (1-4)	3001	3.130.380	2.064.794
1. Sales and advances received in the country	3002	2.792.618	1.936.730
2. Sales and advances received abroad	3003		
3. Interest from operating activities	3004		
4. Other inflow from operating activities	3005	337.762	128.064
II. Cash outflow from operating activities (1 до 8)	3006	1.375.403	794.643
1. Payments and prepayments to suppliers in the country	3007	446.112	241.744
2.Payments and prepayments to suppliers abroad	3008	128.434	
3. Salaries, benefits and other personal expenses	3009	38.806	34.990
4. Interest paid in the country	3010	419.414	360.283
5.Interest paid abroad	3011		
6. Income tax paid	3012	278.756	157.626
7. Payments for other public revenues	3013	46.915	
8. Other outflows from operating activities	3014	16.966	
III. Net cash inflow from operating activities (I - II)	3015	1.754.977	1.270.151
IV. Net cash outflow from operating activities (II - I)	3016	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES I.Cash flows from investing activities (1 до 5)	3017	-	-
1. Sale of shares	3018	-	-
2. Proceeds from sale of intangible assets, property, plant and equipment and 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 до 3)	3023	292.004	657.102
1. Acquisition of subsidiaries or other business	3024		390
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025	285.435	569.675
3. Other financial investments	3026	6.569	87.037
III. Net cash inflow from investing activities (I - II)	3027	-	-
IV. Net cash outflow from investing activities (II - I)	3028	292.004	657.102
C. CASH FLOWS FROM FINANCING ACTIVITIES I. Cash inflow from financing activities (1 до 7)	3029	-	-
1. Increase in share capital	3030		
2. Long-term borrowings in the country	3031		
3. Long-term borrowings abroad	3032		
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 до 8)	3037	1.013.649	934.869
1. Purchase of own shares	3038		
2. Long-term borrowings in the country	3039	985.266	891.071
3. Long-term borrowings in abroad	3040		
4. Short-term borrowings in the country	3041		
5. Short-term borrowings country abroad	3042		
6. Other liabilities	3043		
7. Financial lease	3044		
8. Dividend distribution	3045	28.383	43.798
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	1.013.649	934.869
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	3.130.380	2.064.794
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	2.681.056	2.386.614
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	449.324	-
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	-	321.820
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE	3052	203.183	525.003
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3053	-	-
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	652.507	203.183

Belgrade
30.4.2024

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(All amounts are expressed in RSD '000, unless otherwise indicated)

1. General information

Fintel Energija AD, Belgrade (hereinafter: "Company" or "Fintel Energija") and affiliated legal entities (collectively: "Fintel Group" or "Group") is the leading independent producer of electricity from renewable sources in the Republic of Serbia. The Company and the Group are pioneers in the field of electricity production from renewable sources, as they were the first in Serbia to build and manage wind farms. The sale of all produced energy is carried out through an arrangement (electricity purchase agreement) with Public Utility Company Elektroprivreda Srbije (EPS) and there is no direct supply to end consumers.

The company was established on June 27, 2007 as a closed joint-stock company under the name Privredno društvo za proizvodnju električne energije Fintel Energija a.d. Beograd (Company for Electricity Production Fintel Energija a.d. Belgrade), by the foreign legal entity "Fintel Energia Group SPA", Italy (registration number 02658620402) ("Owner"). "Fintel Energia Group S.P.A." is 86.22% owned by Hopafi Srl ("Beneficial Owner").

The registered head office of "Fintel Energija" is located at Masarikova Street No. 5, Belgrade, Serbia.

As at December 31, 2023, the Company has subscribed and paid-up share capital in the amount of RSD 4,057 thousand, which consists of 26,510,506 ordinary shares with an individual nominal value of RSD 0.153.

The Company's shares have been traded on the organized market - the Belgrade Stock Exchange since November 2018. The stock symbol is FINT, and the ISIN number is RSFINEE60549. The market capitalization of the Company as at December 31, 2023 is RSD 17,364,381 thousand (value per share is RSD 655).

Fintel Energia Group S.P.A., the majority shareholder of the Company, is a company established in accordance with the law in effect in the Republic of Italy and represents a vertically integrated operator in the energy supply chain, whose activity is the sale of electricity and natural gas in Italy, as well as the development and exploitation of renewable energy sources (solar energy and wind energy) in Italy and Serbia.

These Consolidated Financial Statements for the year which ended on December 31, 2023 have been prepared by the general manager of the Group, and they have been approved on April 30, 2024. Approved consolidated financial statements may be amended on the basis of the opinion of an independent auditor, in accordance with legal regulations.

As at December 31, 2023, the Group had 14 employees (2022: 14 employees).

2. Overview of significant accounting policies and adopted standards

The fundamental accounting policies applied in the preparation of these financial statements are presented below. These policies have been consistently applied to all presented years, unless otherwise indicated.

2.1 Basis for preparation and presentation of consolidated financial statements

The Group keeps records and compiles consolidated financial statements pursuant to the Accounting Act of the Republic of Serbia ("Official Gazette of the RS", No. 73/2019 and 44/2021) and other legislation in effect in the Republic of Serbia.

Pursuant to the Accounting Act, large legal entities, legal entities that have the obligation to prepare consolidated financial statements (parent legal entities), public companies, i.e. companies that are preparing to become public pursuant to the Capital Market Act of the Republic of Serbia, regardless of size, for the recognition, valuation, presentation and disclosure of positions in consolidated financial statements, they apply the International Financial Reporting Standards (IFRS), whose translation into Serbian was published by the ministry in charge of finance.

International financial reporting standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as well as interpretations of standards issued by the Committee für Interpretations of Accounting Standards but do not include bases for conclusions, illustrative examples, instructions for application, comments, separate opinions nor other auxiliary materials, except for the cases where they are explicitly included as an integral part of the standards or interpretations.

IAS, IFRS and interpretations published by the Board for International Accounting Standards and the Committee for Interpretations of Accounting Standards were officially translated by the decision of the Ministry of Finance of the Republic of Serbia on determining the translation of International Financial Reporting Standards (Decision number 401-00-4980/2019-16) and published in Official Gazette of the Republic of Serbia No. 92 of November 21, 2019 and are applied when preparing consolidated financial statements for annual periods ending on December 31, 2020 or after that date.

The new or amended IFRS and interpretations adopted by the decision of the Ministry of Finance of the Republic of Serbia on determining the translation of the International Financial Reporting Standards published in the Official Gazette of the Republic of Serbia No. 123/2020 on October 13, 2021 are applied when preparing consolidated financial statements for the annual periods that end on December 31, 2021 or after that date.

In addition, the attached consolidated financial statements were prepared in accordance with the requirements of the Rulebook on the framework of accounts and the content of accounts in the framework of accounts for companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020) and the Rulebook on the content and form of forms of financial statements for companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020).

The aforementioned regulations governing the presentation of consolidated financial statements have precedence over the requirements defined in this regard by the IFRS published by the Ministry of Finance.

Due to the above deviations, these consolidated financial statements are not in accordance with IFRS.

2. Overview of significant accounting policies and adopted standards (continued)

2.1 Basis for preparation and presentation of consolidated financial statements (continued)

Consolidated Financial Statements

The consolidated financial statements of the Group include the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of other income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and an overview of significant accounting policies and notes to the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the historical cost principle, unless otherwise stated in the accounting policies given below.

In compiling these consolidated financial statements, the Group applied the accounting policies explained in note 2.6. The stated accounting policies were applied consistently for all presented reporting periods.

The consolidated financial statements are presented in dinars of the Republic of Serbia "RSD" and all numerical values are presented in thousands of RSD, unless otherwise indicated.

Compilation of consolidated financial statements in accordance with the Accounting Act of the Republic of Serbia requires the application of certain key accounting estimates. It also requires Management to use its judgment in applying the Group's accounting policies. Areas that require judgment of a greater degree or greater complexity, that is, areas in which assumptions and estimates have material significance for the consolidated financial statements, are disclosed in Note 3.

2.2 Accounting basis

The Group uses bank loans to finance working capital. The Group's forecasts and plans, which reasonably take into account possible changes in the Group's operating results, show that the Group should be able to operate with the help of existing credit levels. With the above in mind, the management believes that the Group has adequate funds to continue operations in the foreseeable future. The Group does not expect difficulties in collecting receivables and believes that liquidity shall be stable in the future as well, due to the strong support of foreign partners (owners of the Group). Accordingly, the Group has prepared consolidated financial statements in accordance with the going concern concept. Additional information on the Group's loans is provided in note 18.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.3 Scope of Consolidation

These Consolidated Financial Statements of the Group include the financial statements of Fintel Energija and its affiliates for the year which ended on December 31, 2023, which have been approved by the general managers. These consolidated financial statements have been prepared in accordance with the Accounting Act of the Republic of Serbia and other applicable legislation in the Republic of Serbia.
The companies included in the scope of consolidation are listed in the table below:

Name	Share capital (RSD '000)	Head office	31/12/2023 % share	31/12/2022 % share	
Fintel Energija ad	4,057	Belgrade (Serbia)	Parent company		
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Directly
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Directly
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Kula doo	314.032	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Torak doo	240	Belgrade (Serbia)	54%	54%	Indirectly
Fintel Energija Dev. doo	0	Belgrade (Serbia)	100%	100%	Directly
MK-Fintel Wind Dev. doo	0	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Fintel Energija Dev. Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Vetropark Torak Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Staklenik Jedan d.o.o.	0	Belgrade Serbia)	100%	100%	Indirectly
Staklenik Dva d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Tri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Četiri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Pet d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Šest d.o.o.	0	Belgrade (Serbia)	100%		-Indirectly

2. Overview of significant accounting policies and adopted standards (continued)

2.3 Scope of consolidation (continued)

In 2023, a new company was established in Serbia, Staklenik Šest d.o.o.

The shares of the affiliate company MK-Fintel Wind ad are pledged in favor of UniCredit Bank Srbija ad, Belgrade, based on the long-term loan agreement signed on February 27, 2018 with Erste Group Bank AG, Erste Banka ad, Novi Sad, UniCredit Bank Srbija ad, Belgrade, Zagrebačka Banka dd, and Banka Intesa ad Belgrade.

The shares of the affiliate company Vetropark Kula doo are pledged in favor of Erste Bank ad, Novi Sad, based on the long-term loan agreement signed on June 30, 2014 with Erste Bank ad Novi Sad.

The shares of the affiliate Energobalkan doo are pledged in favor of Unicredit Bank Srbija ad, Belgrade, based on the long-term loan agreement signed on May 18, 2015 with Unicredit Bank Srbija ad, Belgrade.

2.4 Consolidation principles and methods

Affiliates are consolidated starting from the date of acquisition, that is the date when the Group acquired control over the affiliate and continue to be consolidated until the date when such control ceases. An acquisition of control is considered to have occurred if the Group is exposed or entitled to variable returns from its involvement in the entity it invested in and has the ability to influence those returns through the influence it has over the investee.

More specifically, the Group controls the investee if and only if the Group has:

- Influence on the investee, existing rights that give it ongoing ability to manage the relevant activities of the investee
- Exposure or rights to variable returns from involvement in the investee, and
- The ability to use influence over the entity in which it invested to influence its returns.

The assumption is that most voting rights result in control. In order to justify this assumption if the Group has less than a majority of voting rights or similar rights over the entity in which it has invested, the Group considers all relevant facts and circumstances in assessing whether there is influence over the entity in which it has invested, including:

- Contractual arrangements with other holders of voting rights over the entity in which it invested
- Rights arising from contractual arrangements
- Existing and potential voting rights.

The Group re-evaluates whether there is control over the entity in which it has invested if facts or circumstances indicate that there have been changes in one or more factors of control.

Financial statements of affiliates are prepared for the same reporting period as for the parent company using consistent accounting policies. All intercompany balances, transactions, unrealized gains and losses arising from intercompany transactions and dividends are fully eliminated. A change in ownership of an affiliate that does not result in a loss of control is included as a capital transaction.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.4 Consolidation principles and methods (continued)

If the Group loses control over an affiliate, the following is done:

- De-registration of assets (including "goodwill") and liabilities of the affiliate company;
- De-registration of the present value of the participation of minority owners, if any;
- De- registration of accumulated exchange rate differences that were previously recognized within equity;
- Posting the fair value of sales receipts;
- Posting the fair value of the remaining participation in the ownership of the affiliate company, if any;
- Posting the resulting profit or loss through the income statement;
- Reclassification of shares of the parent company in components that were previously recognized directly within equity to the income statement or retained earnings in an appropriate manner.

Financial statements of dependent legal entities abroad, expressed in their functional currencies, were converted into the reporting currency of the parent company, RSD, by converting assets and liabilities into dinars at the official exchange rate on the balance sheet date. The income statement and cash flows were converted into dinars at the middle exchange rate. The effects resulting from the recalculation of financial statements in foreign means of payment into the reporting currency are shown within equity.

2.5 Foreign currency conversion

Functional and display currency

Items included in the Group's financial statements are measured and presented in 000 of dinars (RSD 000). Dinar is the official reporting currency in the Republic of Serbia.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates valid on the date of the transaction or on the valuation date if the items have been remeasured. Positive and negative exchange rate differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities expressed in foreign currencies at the end of the year are recognized in the income statement, except in the case when they are deferred in equity as cash flow hedging instruments and net investment hedging instruments.

2.6 Significant accounting policies

Real estate, plant and equipment

Real estate, plant and equipment are stated at purchase value less accumulated value correction and possible impairment. The purchase price includes all expenditures necessary to put the asset to its intended use. This value is increased by the present value of the estimated cost of land reclamation when there is a legal or construction obligation to remove the asset. The corresponding liability is recognized as a provision for asset disposal costs. The accounting treatment of revised estimates of these costs, time value of money and discount rates are highlighted in the section dealing with provisions for these costs.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Property, plant and equipment (continued)

Borrowing costs that can be directly attributed to the acquisition or construction of an asset that qualifies for attribution of borrowing costs are included in the purchase value of the mentioned asset that qualifies, i.e. which needs a significant amount of time to prepare for the planned use or sale.

Costs incurred during regular and/or periodic repairs and maintenance are recognized directly in the consolidated income statement. Costs incurred during the expansion, modernization or improvement of structural elements owned by the Group or used by third parties are capitalized to the level when they meet the conditions to be recognized as a separate asset or part of an asset.

Depreciation is calculated using the proportional method using rates that allow assets to be depreciated over their estimated useful life. When an asset consists of several assets that can be individually identified and have an estimated useful life that is significantly different from the others, depreciation of those assets is calculated separately.

Estimated life for each category of property, plant and equipment:

	Number of years
Construction objects	40
Equipment	3-20

The asset's residual value and useful life are reviewed, and adjusted, if necessary, at each balance sheet date. Depreciation begins to be calculated when the facilities are ready for planned use, as estimated by management (which coincides with the end of the testing period).

Intangible assets

Intangible assets consist of identifiable non-monetary assets that have no physical substance, which are controlled by the Group as a result of past events and from which future economic benefits are expected. Intangible assets that meet the relevant criteria at initial recognition are measured at cost or production cost, including directly attributable costs necessary to prepare the asset for its intended use, less depreciation and impairment.

Borrowing costs that can be directly attributed to the acquisition or construction of an intangible asset that qualifies for attribution of borrowing costs are included in the purchase value of the mentioned asset that qualifies, i.e. which needs a significant amount of time to prepare for the planned use or sale.

Depreciation begins when the assets are ready for their intended use and is applied over their estimated life.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Intangible assets (continued)

The useful life estimated by the Group for each category of intangible assets is as follows:

	Number of years
Other intangible assets	Duration of rights

There are no intangible assets with an indefinite useful life.

Impairment of real estate, plant and equipment and intangible assets

At the end of each reporting period, property, plant and equipment and intangible assets that have not been fully depreciated are tested for impairment. If indicators of impairment are identified, the recoverable amount is estimated and any loss relative to the carrying amount is recognized in the consolidated income statement. Recoverable value is the greater of fair value less sale costs or value in use, which represents the present value of the future cash flows that the asset will generate. For assets that do not generate separately identifiable cash flows, the recoverable amount is defined based on the cash-generating unit to which the asset belongs. To determine value in use, expected future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money and the risks associated with the business. An impairment loss is recognized in the consolidated income statement in the amount by which the carrying amount of the fixed asset is greater than the recoverable amount. When there are no more impairment indicators, the current value of the asset is increased to the new amount of the recoverable amount, but so that it does not exceed the amount of the net book value that the asset would have had if it had never been impaired.

Leasing

IFRS 16 defines new or amended requirements related to lease accounting, introducing significant changes to the leasing beneficiary's (lessee's) accounting by removing the distinction between finance and operating leases and requiring the recognition of an asset representing the right to use the leased item and the lease liability at the inception date for all leasing contracts, except for short-term leases and those leases where the value of the lease is minor.

When applying IFRS 16 to leases, the Group recognizes assets representing right-of-use and lease liabilities in the balance sheet, which are initially measured at the present value of future lease payments, and recognizes amortization costs for right-of-use assets and interest expense on lease liabilities in the income statement.

Leasing previously classified as a financial lease - In the case of leasing contracts that are classified as a financial lease in accordance with IAS 17, the book value of the leased item on the one hand and the liabilities based on the financial lease on the other hand, determined by the application of IAS 17 immediately before the date of initial application of the new standards are reclassified to the value of assets representing the right of use, i.e. the value of liabilities based on leasing without any corrections.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Leasing (continued)

Valuation

The lease liability is initially measured at the net present value of all future lease payments discounted at the interest rate included in the lease (implicit interest rate). If it cannot be easily determined, the Group uses its incremental borrowing rate.

Future lease payments, which after discounting are included in the value of the lease liability, include:

- fixed payments (including variable payments which are fixed in nature) less any lease incentives received

- variable leasing payments, i.e. payments that depend on market indices or rates, which are initially measured on the lease start date, using the market index or rate

- the cost price of the call option if it is reasonably certain that the option will be exercised

- penalties for termination of the contract, if it is reasonably likely that the termination option will be exercised.

After initial recognition, the lease liability is increased by the accrued interest (using the effective interest rate) and reduced by the lease liability payments made.

Right-of-use assets are initially valued at cost, which initially consists of the value of the initially recognized lease liability, the amount of prepaid lease obligations and deposits given before the lease commencement date, minus any leasing incentives received from the lessor and minus all initial direct costs. Right-of-use assets are subsequently measured at cost less accumulated impairment losses and impairment losses.

Right-of-use assets are depreciated over the shorter of the lease term or the useful economic life of the leased item.

Variable payments that do not depend on the index or rate are not included in the measurement of the liability based on the lease, i.e. the asset with the right of use. Such payments are recognized as an expense in the period in which they were incurred.

Group as tenant

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognizes leasing liabilities for the payment of rent and the right to use, which represents the right to use fixed assets.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Leasing (continued)

Right to use funds

The Group recognizes the right to use the asset on the lease commencement date (i.e., the date the asset is available for use). The right-of-use the asset is valued at cost, less accumulated depreciation and impairment losses, and is adjusted for any subsequent measurement of the lease liability. The cost of the right-of-use asset includes the amount of recognized lease obligations, initial direct costs and lease payments made on or before the commencement date, less lease incentives received.

The right to use assets is depreciated proportionally, for a period shorter than the term of the lease or the estimated useful life of the asset.

Liabilities based on leasing

On the lease commencement date, the Group recognizes lease liabilities, measured at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments, less any lease incentive claims, variable lease payments that depend on an index or rate, and amounts expected to be reliably paid for residual value. Lease payments also include the exercise price of a purchase option reasonably expected to be exercised by the Group and the payment of a termination penalty, if the termination option is exercisable by the Group during the term of the contract.

Variable lease payments that do not depend on an index or rate are recognized as expenses (unless incurred for the production of inventory) in the period in which the events or conditions giving rise to the payment occur.

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate on the lease commencement date, as the implicit lease interest rate is not easily determined. After the start date, the amount of leasing liabilities is increased by the accrued interest for the past period and decreased by the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a contract modification, a change in the lease term, a change in the lease payments (e.g., changes in future payments resulting from a change in the index or rate used to determine such lease payments) or a change in the valuation of the purchase option of the fixed asset that is the subject of the lease.

Short-term leases and leases of low-value assets

The Group applies the exemption from short-term lease recognition for its short-term leases, as well as for low-value leases. Leasing payments for short-term leases and leases of low-value assets are recognized as an expense, proportionately over the lease term.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Leasing (continued)

Group as lessor

Leasing is classified as operating in the case where the contract stipulates that all risks and benefits related to the ownership of the asset are not transferred to the lessee.

All payments during the year on the basis of operational leasing, which refer to the turnover of services and goods that do not have a one-time effect, are allocated linearly and recorded as an expense in the income statement during the lease period.

The group as the beneficiary of the lease

Assets held under finance lease agreements are initially recognized as assets of the company at the present value of the minimum lease instalments determined at the beginning of the lease period. The corresponding liability to the lessor is included in the balance sheet as a liability under a finance lease.

The payment of the leasing instalment is distributed between the financial costs and the reduction of liabilities based on the leasing obligations with the aim of achieving a constant rate of participation in the outstanding amount

Financial instruments

Financial assets and financial liabilities are recorded in the balance sheet of the Group, from the moment when the Group was bound to the instrument by contractual provisions. The purchase or sale of financial assets is recognized by applying the calculation on the settlement date, that is, the date when the asset is delivered to the other party.

Financial assets cease to be recognized when the Group loses control over the contractual rights over those instruments, which happens when the rights to use the instruments are realized, expired, abandoned or assigned. A financial liability ceases to be recognized when the contractual obligation is fulfilled, cancelled or expired.

As of 01.01.2020., the Group applies IFRS 9. Accordingly, the Group classifies its financial assets into the following categories: financial assets measured at depreciated value, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through the income statement.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

***Financial instruments*(continued)**

A financial asset shall be measured at depreciated value if both of the following conditions are met and it is not indicated at fair value through the income statement:

- The asset is held within the framework of a business model whose objective is to hold the asset with the intention of collecting contractual cash flows, and

- The contractual terms of the asset result on given dates in cash flows that are exclusively payments of principal and interest on the remaining principal amount.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met and it is not indicated at fair value through the income statement:

- The asset is held within the framework of a business model whose goal was achieved through the collection of contractual cash flows and the sale of financial assets, and

- The contractual terms of the asset result on given dates in cash flows that are exclusively payments of principal and interest on the remaining principal amount.

All financial assets that are not classified into the depreciated value or fair value through other comprehensive income categories, as described above, are measured at fair value through the income statement.

This includes financial assets that are held for trading and managed and whose performance is measured on a fair value basis. Additionally, during the initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at depreciated value or at fair value through other comprehensive income, at fair value through the income statement if in this way it eliminates or significantly reduces the accounting inconsistency that would otherwise arise.

A financial asset is classified into one of these categories upon initial recognition.

Financial assets are reclassified only when the Group changes the business model that affects the asset, in which case all financial assets that suffer that impact are reclassified on the first day of the reporting period after the business model change.

Business model assessment

The business model is evaluated with the aim of determining whether a financial asset with exclusive payment of principal and interest is classified at depreciated value or fair value through other comprehensive income. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of a financial asset, or both.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Financial instruments **(continued)**

Cessation of recognition of financial assets and financial liabilities

The Group ceases to recognize a financial asset when the contractual rights to the cash flows from the financial asset cease to be valid or when it transfers all rights to the credits of contractually defined cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset.
Any interest in such financial asset created or held by the Group is recognized as a separate asset or liability.

A financial asset ceases to be recognized when it is written off. Also, a financial asset ceases to be recognized when compensation changes to the contractual terms of the financial asset occur, which result in a significant change in cash flows from the financial asset.

Impairment of financial assets

In accordance with IFRS 9, the Group applies a forward-looking "expected credit losses" model, which requires significant judgment regarding how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

The "expected credit loss" model is applied to financial assets measured at depreciated cost, contractual assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments.

In accordance with IFRS 9, provisions for losses will be measured on one of the following two bases:

- 12-month expected credit losses – these are the expected credit losses arising from all possible default events during the 12 months after the reporting date, and

- Expected credit losses during the life of the instrument - these are the expected credit losses arising from all possible events of default during the expected life of the financial instrument.

The impairment requirements in IFRS 9 are complex and require management judgment, as well as estimates and assumptions, particularly regarding the following:

- Determining whether the credit risk of the financial asset has significantly increased since initial recognition, and

- Taking into account information about future circumstances when assessing expected credit losses.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Financial instruments **(continued)**

Long-term investments

Shares in the capital of other legal entities listed on the stock exchange are initially measured at cost. Subsequent measurement is performed, on each balance sheet date, in order to harmonize their value with the market value.

Long-term financial placements, which include participation in the capital of affiliated legal entities, commercial banks and other legal entities that are not listed on the stock exchange, are reported according to the purchase value method, which is reduced by impairments based on the management's assessment in order to reduce them to their recoverable value.

Receivables from customers, short-term placements and other short-term receivables

Receivables from customers, short-term placements and other short-term receivables are stated at nominal value, less value adjustments made based on management's assessment of their collectability.

Cash and cash equivalents

Cash and cash equivalents include: cash on hand, demand deposits with banks or other financial institutions for current transactions, postal current accounts and other cash equivalents, as well as other investments with an original maturity of up to three months.

Financial liabilities

Financial liability instruments are classified according to the substance of the contractual provisions. Financial liabilities are stated at nominal value, increased by interest on the basis of concluded contracts.

Operations liability

Accounts payable and other operations liability are valued at their nominal value.

Off-balance sheet assets and liabilities

Off-balance sheet assets and liabilities include: goods on consignment, material received for processing and finishing and other assets not owned by the Group, as well as claims/ liabilities under payment security instruments such as guarantees and other forms of collateral.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Reservations

Provisions are recognized when the Group has an existing legal or contractual obligation resulting from past events and when it is probable that settlement of the obligation will require an outflow of funds. The amount recognized represents the best possible estimate of the expenditure required to settle the liability. When the time value of money is significant and the settlement date of the liability can be approximately determined, the provision is measured at the present value of the expenditure required to settle the liability, using a pre-tax discount rate that reflects the current market assessment of value for money and the risks associated with the liability. The increase in provisions due to the expiration of time is reported as interest expense.

If the provision relates to dismantling and removal, the provision is recognized as part of the asset to which it relates and the cost is recognized within the consolidated income statement as depreciation of the asset to which the cost relates.

Changes in accounting estimates are reflected in the income statement in the year in which the change occurred, except for changes in the expected costs of dismantling and removal due to changes in the time and use of economic resources required to settle the obligation, or changes resulting from changes in the discount rate.

Such changes are added to or subtracted from the book value of the assets to which they relate and are recognized within the consolidated income statement through depreciation. If changes are added to the asset's book value, the Group makes an assessment as to whether the new present value will be fully compensated; if not, the present value of the asset is reduced to take into account the irrecoverable value and the loss is recognized in the consolidated income statement.

If the changes are subtracted from the book value of the asset, the decrease is recognized as a reduction of the asset up to the amount of its book value, any amount in excess is immediately recognized within the consolidated income statement.

Regarding the adopted assessment criteria for determining the deactivation or renewal of funds, it is explained in the section Assessments and assumptions.

Risks that may cause an increase in the possible liability are disclosed in the section of possible liabilities and risks, but are not recognized.

A potential liability that arose as a result of a business combination is measured at a value higher than that which would be recognized applying the above-mentioned policy for cost provisions and the present value of the initially defined liability.

Derivative financial instruments

The Group owns derivatives to protect against the risk of interest rate fluctuations.

Transactions, in accordance with risk management policies, that meet the requirements of risk accounting from the International Financial Reporting Standards are designated as hedging relationships (calculated as indicated below), while those concluded with the intention of hedging, but that do not meet the hedge accounting requirements of International Financial Reporting Standards are classified as business transactions. In this case, changes in the fair value of derivatives are recognized in the consolidated income statement in the period in which they occur. Fair value is determined by reference to an active market.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Derivative financial instruments (continued)

For accounting purposes, hedging transactions are classified as fair value if they are entered into to hedge exposure to changes in the market value of underlying assets or liabilities; or as a cash flow hedge if entered into to hedge exposure to variability in cash flows arising from an existing asset or liability or highly probable forecast transaction.

For derivatives classified as fair value hedges, which meet the requirements of accounting for risk protection, gains and losses resulting from their measurement at market value are recognized in the consolidated income statement. Gains and losses arising from hedge fair value measurements are also recognized within the consolidated income statement.

The effective part of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other financial results and accumulated in the capital reserve "cash flow hedge reserve". This reserve is subsequently reclassified in the consolidated income statement in the periods when the hedged item affects profit or loss. The change in fair value attributable to the ineffective portion is recognized immediately in the consolidated income statement. If a derivative instrument is sold and, accordingly, no longer qualifies as an effective hedge of the exposure for which the transaction was made, the portion of the "cash flow hedging reserve" relating to it remains there until the underlying transaction affects profit or loss. When the forecasted transaction is no longer considered probable, the corresponding portion of the cash flow hedging reserve is immediately reclassified to the consolidated income statement.

Embedded derivatives present in financial assets / liabilities are separated and independently measured at fair value, except in cases where, according to IFRS 9, the price of the derived derivative on the day it was entered represents an approximate amount determined by measuring assets / liabilities at depreciated value. In this case, the measurement of the embedded derivative is absorbed by that present in the financial asset/liability.

Income

The group analyses contracts with customers to identify key liabilities. If the contract includes more goods or services, the Group assesses whether these components should be recognized separately in accordance with IFRS 15. Taking into account the characteristics of the contracts concluded by the companies of the Group, no contracts with multiple liabilities have been identified.

The Group evaluates each performance obligation contained in the contracts to determine whether it meets the criteria for recognition over time in accordance with IFRS 15; Contractual revenues are recognized in relation to the stage of completion of the contractual activity at the end of the reporting period according to the percentage of completion method. The percentage of completion is determined using the cost-to-cost method, applying the percentage of completion to revenues as the ratio of incurred costs to the estimated total costs required to complete the project.

Otherwise, revenue is recognized when the customer obtains control of the asset or service.

Revenue includes the fair value of the amount received or receivable from the sale of goods and services in the course of the Group's regular operations. Revenue is reported without returns, discounts, rebates and allowances and value added tax.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Revenue (continued)

Revenue is recognized when the amount of revenue can be reliably measured, and when it is probable that the Group will receive economic benefits in the future.

Sales revenue is recognized in the income statement after the transfer of the risks and rewards of ownership of the product sold to the customer, which usually coincides with the delivery of the product and/or goods to the customer and his acceptance of delivery.

Revenue from the provision of services is recognized upon the transfer of control resulting from the completion of the service rendered.

Revenues include only received economic benefits or claims of Group members on their own behalf. Accordingly, compensation received in favor of third parties is excluded from income.

a) Revenue from the sale of electricity

Revenue from the sale of electricity mainly refers to the sold produced electricity calculated at the incentive purchase price of the Fid-in tariff (FiT), which was obtained for the energy produced in the period, although it has not yet been invoiced, and determined on the basis of data recorded on the basis of EPS measurements (national electricity supplier in state ownership).

The FiT mechanism is a system in which a producer who has obtained the status of a Preferred Electricity Producer (PEP) using renewable energy sources (wind, solar, hydraulic, biomass, biogas), a status such as the Group has, is entitled to a FiT purchase price for the generated power contracted in accordance with a bilateral agreement (PPA or power purchase agreement). The national electricity supplier EPS, which is state-owned, is under the obligation to purchase all produced energy, which is measured and fed into the distribution network and comes from renewable sources, during the FiT mechanism (12 years from the date of acquisition of the status of privileged electricity supplier) energy produced by a company that has PPP status, as the Group has.

b) Other income

Revenue from the sale of goods other than the Feed-in tariff and from other services provided is recognized when the customer acquires control of the asset or service, which usually coincides with the time of shipment or completion of the service.

c) State grants

Government grants are recognized where there is reasonable assurance that the grant will be received and that the Group shall comply with all attached conditions. Government grants are recognized in the income statement during the period in which the related costs are recognized.

The convenience of a state loan at a lower interest rate is treated as state aid. Eligibility is determined at the inception of the loan as the difference between the initial book value of the loan (fair value plus arrangement costs directly attributable to the loan) and the income received and is subsequently recognized in the income statement in accordance with the rules applicable to the recognition of government grants.

Dividends

The distribution of dividends to the Group's shareholders is recognized as a liability in the consolidated financial statements in the period in which the Group's shareholders approved the dividends.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Revenue (continued)

Business expenses

Business expenses include general expenses such as rent, marketing, insurance, payment transactions, taxes and other expenses incurred in the current accounting period.

Other expenses

Other expenses include losses from the sale and disposal of real estate, plant, equipment and intangible investments, losses from the sale of securities and participation in the capital of legal entities, losses from the sale of materials, deficits, expenses from direct write-offs of receivables, expenses on the basis of asset impairment, the negative effects of value adjustment of intangible investments, real estate, plant, equipment, long-term and short-term financial placements, inventories, securities and receivables in accordance with the Group's accounting policy.

Financial income and expenses

Financial income and expenses

Financial income consists of interest on loans, interest receivables from invested funds and positive exchange differences. Interest income is recognized in the income statement on an accrual basis, using the method of effective income from assets. Interest income is, in accordance with the principle of causation, recognized in the income statement of the period to which it relates.

Financial expenses directly attributable to the acquisition, construction or production of a qualified asset are capitalized as part of the asset's cost, starting from the date the Group incurs the financial expenses until the date the financed asset is ready for use. Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to the Group's shareholders by the weighted average number of ordinary shares outstanding for the period.

Employee benefits

a) Taxes and contributions to employee social security funds

In accordance with the regulations applied in the Republic of Serbia, the Company is obliged to pay taxes and contributions to the tax authorities and state funds that ensure the social security of employees. These liabilities include taxes and contributions for employees at the expense of the employer in amounts calculated at the rates prescribed by law. The company is also obliged to withhold contributions from the employees' gross salary and to pay them to the funds on behalf of the employees. Taxes and contributions payable by the employer and taxes and contributions payable by the employee are charged to the expenses of the period to which they relate.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Financial income and expenses (continued)

b) Liabilities based on severance pay

In accordance with the provisions of the Labour Law, the Group is obliged to pay an employee upon retirement a severance pay in the amount of three average wages in the Republic of Serbia, determined according to the last published data of the republican authority responsible for statistics.

To employees whose work has ceased to be necessary, and who are not provided with any of the rights established by law, the employer will pay severance pay in the sum of a third of the employee's salary for each completed year of work in the first 10 years spent in the employment relationship and a quarter of the employee's salary for each subsequent completed year of work in an employment relationship over 10 years spent in an employment relationship. Salary in the sense of the previous paragraph is considered the average salary of the employee paid for the last 3 months preceding the month in which the severance pay is paid.

Income tax

Current income tax

The current income tax is the amount that is calculated by applying the prescribed tax rate of 15% on the base determined by the tax balance sheet, which is the amount of profit before taxation after deducting the effects of adjustment of income and expenses, in accordance with the tax regulations of the Republic of Serbia, with a reduction for prescribed tax credits.

The Law on Profit Tax of the Republic of Serbia does not provide that tax losses from the current period can be used as a basis for the refund of tax paid in previous periods. However, losses from the current period shown in the tax balance can be used to reduce the tax base of future accounting periods, but not longer than five years. Tax losses incurred before January 1, 2010 can be carried forward to future profits for a period not longer than ten years.

Deferred income tax

Deferred income tax is determined using the method of determining liabilities according to the balance sheet, for temporary differences resulting from the difference between the tax base of receivables and liabilities and their book value. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses and credits, which can be carried forward to subsequent fiscal periods, to the extent that it is probable that taxable profit will exist against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities are calculated at the tax rate that is expected to be applied in the period when the asset will be realized or the liability will be settled. As at December 31, 2023, deferred tax assets and liabilities were calculated at a rate of 15% (December 31, 2022: 15%)

Deferred tax is debited or credited to the income statement, except when it relates to positions that are directly credited or debited to equity, in which case the deferred tax is also allocated within equity.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Transactions with related parties

For the purposes of these financial statements, legal entities are treated as related if one legal entity has the ability to control another legal entity or exerts significant influence on the financial and business decisions of another entity in accordance with the provisions of IAS 24: "Related Party Disclosures".

The Group considers related legal entities in the sense of the aforementioned standard to be legal entities in which it has a share in the capital, i.e. legal entities with a share in the Group's capital.

Related parties may enter into transactions that unrelated parties may not engage in and transactions with related parties may be conducted under different terms and amounts compared to the same transactions with unrelated legal entities.

The Group provides services to related parties and at the same time is a user of their services. Relations between the Group of related parties are regulated on a contractual basis and according to market conditions.

In the attached financial statements, the Group disclosed all transactions with related legal entities, as required by IAS 24 - "Related Party Disclosures".

3. Estimates and assumptions

The preparation of consolidated financial statements requires management to apply accounting policies and methods, which in certain circumstances are based on estimates and assumptions, which may also be based on past experience and assumptions that are considered reasonable and realistic. The use of such estimates and assumptions affects the consolidated financial statements, including the consolidated balance sheet, consolidated income statement, consolidated statement of other income and consolidated statement of cash flows, and related disclosures in the notes to the consolidated financial statements. The actual amounts of positions in the consolidated financial statements for which the aforementioned estimates and assumptions were used may differ from the amounts recognized in the consolidated financial statements due to the uncertainty of the assumptions and conditions on which the estimates are based.

Below is a brief description of the key accounting estimates used in the preparation of the consolidated financial statements.

Impairment of property value

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment, which is recognized on write-down when there are indications that it is difficult to recover the net book value. Checking the existence of the mentioned indicators requires subjective assessments by the management, based on information available within the Group members, information on the market and based on past experience. Furthermore, if it is determined that a potential impairment may occur, the Group's management proceeds with its determination using appropriate valuation techniques. The exact identification of indicators of potential impairment, as well as the calculation of estimates for its determination, depends on factors that can change over time and that can affect the assumptions and estimates made by the management.

Based on the assessments made by Fintel Group's management, there are no indicators of impairment of assets with a finite useful life.

Deferred tax assets

Deferred tax assets are recognized based on estimated future taxable income. Determining projected future taxable income for the purpose of recognizing deferred tax assets depends on factors that may change over time and may significantly affect the recovery of deferred tax assets.

Reservations

Other provisions for risks and fees refer mainly to possible liabilities for fines and interest on amounts due to be paid to tax authorities. The allocation of provisions is made on the basis of the best estimates of the costs, at the reporting date, that are likely to be incurred to settle the liability, after seeking a legal opinion.

4. Financial risk management

Coordination and monitoring of key financial risks is performed by the central treasury department of the parent company Fintel Energija, which provides guidelines for managing various types of risks 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 related to market, liquidity and cash flow risks;
- monitoring of achieved results;
- diversification of assumed liabilities / liabilities and product portfolio.

Credit risk

Credit risk represents exposure to potential losses resulting from the failure of business and financial counterparties to fulfil their contractual liabilities.

The maximum credit risk exposure of the Group as at December 31, 2023 and 2022 is the carrying amount of each class of assets as indicated in the following table:

RSD '000	**December 31, 2023**	**December 31, 2022**
Cash and cash equivalents	652,507	203,183
Buyer receivables	302,446	376,952
Other receivables	76,475	222,907
Prepayments and deferred expenses	291,980	602,157
TOTAL	**1,323,408**	**1,405,199**

Accounts receivable refers to EPS claims for energy produced by wind farms in November.

Accruals are mainly related to the calculated income, receivables from EPS for the energy produced in the wind farms in December, while Other receivables mostly refer to higher paid income tax.

These funds carry a low level of credit risk, since most of the above-mentioned claims are against the state or a state-owned company in Serbia.

Based on the director's assessment, there is no need to reduce the value of the said receivables.

Liquidity risk

Liquidity risk is related to the ability to meet liabilities arising from financial liabilities assumed by the Group. Prudent liquidity risk management in the course of regular activities implies maintaining sufficient cash and marketable securities and the availability of financing through an adequate amount of term loans.

Liquidity risk is managed centrally by the Group, as the administration department periodically monitors the Group's net cash/debt through the preparation of appropriate cash inflow and outflow reports. In this way, the Group aims to ensure adequate coverage for financing needs, by precisely monitoring financing, open credit lines and their use, and all with the aim of optimizing its resources and managing temporary liquidity surplus.

The Group's goal is to establish a financing structure that, in accordance with its business goals, guarantees sufficient Group liquidity, minimizes opportunity costs and maintains a balance in terms of maturity and debt composition.

4. Financial risk management (continued)

Liquidity risk (continued)

The following table provides an analysis of the maturities of liabilities as at December 31, 2023 and 2022. Different maturities are determined based on the period between the reporting date and the contractual maturity of the Group's liabilities, gross of accrued interest as at December 31. Interest is calculated in accordance with the contractual conditions for financing.

RSD '000	December 31, 2023	
	Short-term maturity	**Long-term maturity**
Financial liabilities to shareholders	15,375	2,577,260
Liabilities for loans to banks	791,429	6,002,710
Payables	123,059	-
Other liabilities	934,858	-
Total	**1,864,721**	**8,579,970**

RSD '000	December 31, 2022	
	Short-term maturity	**Long-term maturity**
Financial liabilities to shareholders	1,633,094	1,129,295
Liabilities for loans to banks	812,584	6,843,418
Payables	464,473	-
Other liabilities	785,675	4,520
Total	**3,695,826.**	**7,977,234**

The analysis of financial liabilities by maturity shows a decrease in liabilities due up to one year on December 31, 2023 compared to those on December 31, 2022.

Consequently, taking into account the fact that the shareholders have confirmed that they do not intend to request repayment of the loan before the end of 2027, as well as the presence of liquid assets of 1,171,650 thousand dinars (including financial assets) and receiving the full feed-in tariff from 2020 for all wind farms, it is believed that the Company and the Group will be able to meet their obligations in the foreseeable future.

Market risk

In performing its business, the Group is potentially exposed to the following market risks:

- the risk of exchange rate fluctuations;
- the risk of interest rate fluctuations.

These risks are essentially managed centrally by the parent company Fintel Energija.

(All amounts are expressed in RSD '000, unless otherwise indicated)

4. Financial risk management (continued)

Market Risk (continued)

Risk of exchange rate fluctuations

The risk of exchange rate differences is associated with doing business in currencies other than RSD. Fintel Group is exposed to the risk of exchange rate fluctuations, considering that it conducts business in Serbia through its affiliates, which are companies dedicated to the study, construction, development and management of wind farms and other projects in the field of renewable sources. The Group has loans denominated in foreign currencies, mainly in EUR and RSD, which puts the Company at risk of exchange rate changes. Exposure to changes in exchange rates arising from foreign currency loans is managed by having loans denominated in the group's functional currency in the total loan portfolio.

On December 31, 2023, if the RSD currency had strengthened/weakened by 5% compared to the EUR and all other variables had remained constant, the result after taxation would have amounted to RSD 402,323 thousand (2022: RSD 430,312) more/less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR

Risk of interest rate fluctuations

The risk of fluctuating interest rates to which Fintel Group is exposed originates from financial liabilities. Debt with a fixed interest rate exposes the Group to the risk related to changes in the fair value of the debt associated with changes in the reference rate market. The variable interest rate expense exposes the Group to cash flow risk arising from interest rate volatility.

The Group's financial indebtedness consists of current bank debt, medium-term / long-term loans approved by banks.

In order to protect themselves from the risk of interest rate changes, the affiliates of Vetropark Kula doo and MK Fintel Wind ad entered into contracts for interest rate swaps and interest rate fixing, in order to finance the Kula wind farms and the first phase of the Košava wind farm.

As a result of the aforementioned hedging transactions, the impact of the expected change in interest rates in the next twelve months is considered negligible in the context of the Group's financial statements.

(All amounts are expressed in RSD '000, unless otherwise indicated)

4. Financial risk management (continued)

Market Risk (continued)

Capital management risk

The Group's objective in terms of capital risk management is to preserve business continuity in order to guarantee returns to shareholders and benefits to other stakeholders. Moreover, the Group aims to maintain an optimal capital structure to reduce borrowing costs.

The Group monitors its capital based on the ratio of net debt to net invested capital (ratio of indebtedness). Net debt is calculated as total debt, including current and long-term loans and borrowings, plus net exposure to banks. Net invested capital is calculated as the sum of total capital and net debt.

The debt ratio as at December 31, 2023 and 2022 is shown in the following table:

RSD '000	December 31, 2023	December 31, 2022
Long-term financial liabilities:		
- Financial liabilities to shareholders	2,577,260	1,129,295
- Liabilities for loans from banks	6,002,710	6,843,418
Short-term financial liabilities:		
- Liabilities for loans from banks	791,429	812,584
- Financial liabilities to shareholders	15,375	1,633,094
Financial resources	(770,380)	(519,802)
Cash and cash equivalents	(652,507)	(203,183)
Net Debt (A)	**7,963,887**	**9,695,406**
Capital (B)	**3,119,407**	**1,970,062**
Net capital employed (C=A+B)	**11,083,293**	**11,665,468**
Indebtedness ratio (A/C)	***71.9%***	***83.1%***

The indebtedness ratio improved in 2023 compared to the previous year due to the increase in own capital for the total result of the year.

(All amounts are expressed in RSD '000, unless otherwise indicated)

5. Financial assets and liabilities by class

In accordance with IFRS 13, financial instruments stated at fair value are categorized into levels of the hierarchy that reflect the importance of the inputs used to determine their fair value. The levels are as follows:

Level 1: quoted prices in active markets for the assets or liabilities being measured;

Level 2: inputs other than level 1 inputs that are directly observable (prices) or indirectly (derived from prices) market inputs;

Level 3: inputs not based on observable market data.

The following table shows the Group's financial assets and liabilities by class, with an indication of the corresponding fair value, as at December 31, 2023 and 2022:

	December 31, 2023					
RSD '000	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Funding	770,380	-	-	-	770,380	
Trade receivables	300,979	-	-	-	300,979	
Other short-term receivables	368,455	-	-	-	368,455	
Cash and cash equivalents	652,507	-	-	-	652,507	
Assets based on derivatives	-	-	-	251,236	251.236	
Total	**2,092,321**	**-**	**-**	**251,236**	**2,343,5571**	
Loans	6,873,797	-	-	-	6,873,797	
Financial liabilities to shareholders	2,592,635	-	-	-	2,592,635	
Operations liability	123,059	-	-	-	123,059	
Other short-term liabilities	934,858	-	-	-	934,858	
Liabilities based on derivatives	-	-	-	-	-	2
Total	**10,524,349**	**-**	**-**	**-**	**10,524,349**	

	December 31, 2022					
RSD '000	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Funding	519,802	-	-	-	519,802	
Trade receivables	376,952	-	-	-	376,952	
Other short-term receivables	825,064	-	-	-	825,064	
Cash and cash equivalents	203.183	-	-	-	203,183	
Total	**1,925,001**	**-**	**-**	**-**	**1,925,001**	
Loans	7,660,523	-	-	-	7,660,523	
Financial liabilities to shareholders	2,762,389	-	-	-	2,762,389	
Operations liability	464,473	-	-	-	464,473	
Other short-term liabilities	785,675	-	-	-	785,675	
Liabilities based on derivatives	-	-	-	465,465	465,465	2
Total	**11,673,060**	**-**	**-**	**465,465**	**12,138,525**	

6. Segment reporting

Based on the fact that Fintel Group operates only in the sector of renewable energy sources and in Serbia, information, there is only one reporting segment.

7. Information about assumed guarantees, actual and other potential liabilities

Below is a summary of Fintel Group's guarantees to third parties, as well as the Group's liabilities and other potential liabilities.

a) Guarantees for payments to third parties

The issued guarantees amount to RSD 55,127 thousand as at December 31, 2023 and RSD 55,127 thousand as at December 31, 2022 and refer to the 4P status for wind farms.

They were issued in favor of the Transmission System Operator in the Republic of Serbia (RSD 55,127 thousand).

The aforementioned guarantees are recorded as an off-balance sheet liability in the financial statements.

b) Other

There were no other potential liabilities of the Group.

8. Real estate, plant and equipment

The table of movements of real estate, plant and equipment as at December 31, 2023 and 2022 is shown below:

	December 31, 2023								
RSD '000	Initial balance NV	Initial balance IV	Opening balance of net book value	Procurement	Depreciation	Transfers	End balance NV	End balance IV	End balance of net book value
Land	40,145	0	40,145	1,328	-	-	41,474	-	41,474
Construction objects	4,800,702	-501,390	4,299,312	100,700	-136,254	-	4,901,402	-637,644	4,263,758
Equipment	9,652,778	-2,003,251	7,649,527	88	-478,956	-	9,652,866	-2,482,207	7,170,662
Construction facilities under preparation	88,636	0	88,636	5,470	-	94	94.106	-	94.106
Advances for NPOs	130	0	130	1.256	-	-94	1.386	-	1.386
Total	**14,582,391**	**-2,504,641**	**12,077,750**	**108,842**	**-615,210**	**-**	**14,691,234**	**-3,119,851**	**11,571,386**

	December 31, 2022										
RSD '000	Initial balance NV	Initial balance IV	Initial state of net book value	Procurement	Depreciation	Alienation	Changes in the field of consolidation	Transfers	End balance NV	End balance IV	End balance of net book value
Land	40,145	-	40,145	-	-	-	-	-	40,145	-	40,145
Construction objects	4,732,878	-367,653	4,365,225	-	-133,737	-	-	67,824	4,800,702	-501,390	4,299,312
Equipment	9,319,949	-1,525,656	7,794,293	358,174	-477,595	-16,817	-8,528	-	9,652,778	-2,003,251	7,649,527
Construction facilities under preparation	177,684	-	177,684	15,634	-	-	-36,858	-67,824	88,636	-	88,636
Advances for NPOs	-	-	-	130	-	-	-	-	130	-	130
Property, plant and equipment	**14,270,656**	**-1,893,309**	**12,377,347**	**373,938**	**-611,332**	**-16,817**	**-45,386**	**0**	**14,582,391**	**-2,504,641**	**12,077,750**

Land and buildings include land and construction works such as wind farm foundations, access roads, etc.

(All amounts are expressed in RSD '000, unless otherwise indicated)

8. Property, plant and equipment (continued)

The machines and equipment mainly include wind turbines and towers. They refer to the wind farms that are already in operation, "Kula" (9.9 MW), "La Piccolina" (6.6 MW) and Košava Phase I (69 MW).

Construction in progress and advances for Property, plant and equipment as at December 31, 2023 mainly relate to investments in all other facilities, except those already in the operational phase, as given in more detail above.

Wind farms owned by the companies VP Kula, Energobalkan and MKFW are mortgaged in favor of banks.

9. Other long-term financial placements

Other long-term financial placements in the total amount of RSD 770,380 thousand as at December 31, 2023 (RSD 519,802 thousand as at December 31, 2022) are entirely related to the following long-term assets:

- Long-term deposits - cash with limited right of use in the amount of RSD 459,971 thousand (RSD 460,555 thousand as at December 31, 2022), which belong to the affiliate legal company MK-Fintel Wind AD and which was deposited in 2023 as collateral in accordance with the loan agreement in order to have the repayment of the loan guaranteed.
- Long-term deposits - cash with limited right of use in the amount of RSD 38,081 thousand (RSD 38,130 thousand as at December 31, 2022), belonging to the affiliate Vetropark Kula d.o.o. and deposited as collateral with Erste Bank in accordance with the loan agreement in order to have repayment of the loan guaranteed.
- Long-term deposits - cash with limited right of use in the amount of RSD 21,091 thousand (RSD 21,117 thousand as at December 31, 2022), belonging to the affiliate Energobalkan doo and deposited as collateral with Unicredit Bank Serbia in accordance with the loan agreement in order to have repayment of the loan guaranteed.
- The fair value of the interest rate SWAP in the amount of RSD 251,237 thousand - refers to the fair value on the reporting date of the derivative related to the affiliate company Vetropark Kula d.o.o. (RSD 9,378 thousand as at December 31, 2023) and MK Fintel Wind (RSD 241,859 thousand as at December 31, 2023), used to hedge interest rate risk arising from loan agreements concluded by companies. The contract on derivatives, which was concluded in 2015 by the affiliate company Vetropark Kula, refers to an interest rate swap, with a term of 10 years and an initial nominal amount of EUR 9,650 thousand. The derivative agreement entered into in 2018 by the affiliate MK Fintel Wind, refers to an interest rate swap with a term of 12 years and an initial nominal amount of EUR 60,496 thousand.

  The primary risk managed by the use of derivative financial instruments is the risk of interest rate changes.

  Cash flow hedging

  In order to manage its interest rate risk, the Group enters into interest rate swaps, in which it agrees to exchange, at certain intervals, the difference between the amount of interest with a fixed and variable interest rate calculated on the basis of the agreed nominal amount of the principal. As at 31 December 2023, after taking into account the effects of interest rate swaps, approximately 100% of the Group's borrowings have a fixed interest rate (2022: 100%).

(All amounts are expressed in RSD '000, unless otherwise indicated)

9. Other long-term financial placements (continued)

As at December 31, 2023, the Group had interest rate swap contracts amounting to a nominal amount of RSD 6,878,140 thousand (EUR 58,700,375) (2022: RSD 7,730,562 thousand).

To test the effectiveness of hedging, the Group uses the hypothetical derivatives method and compares changes in the fair value of the hedging instrument with changes in the fair value of the hedging item attributable to the hedging risk.

Hedging ineffectiveness can occur due to:

- Different interest rate curves applied to discount the hedging item and the hedging instrument.
- Timing differences in the cash flows of the hedging item and the hedging instrument.
- The credit risk of the counterparty affects the movement of the fair value of the hedging instrument and the hedging item differently.

No ineffective portion has been recognized in the income statement for the year ending on December 31, 2023 (2022: Nil).

The effect of the hedging instrument on the statement of financial position as at December 31, 2023 and December 31, 2022 is as follows:

	2023			2022		
	Other long-term financial assets	Cash flow hedging reserve	Cash flow hedging reserve belonging to the minority shareholder	Other long-term financial liabilities	Cash flow hedging reserve	Cash flow hedging reserve belonging to the minority shareholder
Interest rate swaps	251,236	115,318	98,233	465,465	(213,649)	(181,997)

The entire change in the fair value of the hedging was recognized in 2023 through other income, without affecting the income statement.

10. Deferred tax assets

There were no deferred tax assets as at December 31, 2023. Deferred tax assets on December 31, 2022 amounted to RSD 14,398 thousand. On December 31, 2023, there were deferred tax liabilities in the amount of RSD 60,554 thousand.

(All amounts are expressed in RSD '000, unless otherwise indicated)

11. Sales receivables

Sales receivables in the amount of RSD 300,979 thousand as at December 31, 2023 (RSD 376,952 thousand as at December 31, 2022), mostly refer to the receivable from EPS for electricity production for the month of November.

12. Other short-term assets

Other short-term assets in the amount of RSD 368,455 thousand as at December 31, 2023 (RSD 825,064 thousand as at December 31, 2022) are displayed in more detail in the following table:

RSD '000	**December 31, 2023**	**December 31, 2022**
Other receivables	56,237	210,669
Receivables for prepaid CIT	18,699	10,699
Receivables for other prepaid expenses	1,539	1,539
Short term accruals	291,980	602,157
Total	**368,455**	**825,064**

Short-term accruals mainly include receivables from EPS for the electricity produced by the wind farms "Kula", "La Piccolina" and "Kosava Phase I" in December. For the year 2022, they also included the calculation of insurance income based on damages incurred in 2022 and paid in 2023.

13. Cash and cash equivalents

"Cash and cash equivalents" as at December 31, 2023 and 2022 were as displayed:

RSD '000	**December 31, 2023**	**December 31, 2022**
Current account		
- in dinars	144,383	70,651
- dedicated account in dinars	144,328	95,132
- in foreign currency	78,055	47
- dedicated account in foreign currency	21,906	203
Other funds	**263,835**	**37,150**
Cash and cash equivalents	**652,507**	**203,183**

The market value of cash and cash equivalents matches its book value.

For the purpose of preparing the cash flow statement, investments and financing transactions that did not require the use of cash or cash equivalents were excluded.

(All amounts are expressed in RSD '000, unless otherwise indicated)

14. Equity

Equity as at December 31, 2023 and 2022 is displayed in more detail in the following table:

RSD '000	December 31, 2023	December 31, 2022
Share capital	4,057	4,057
Issue premium	681,237	681,237
Other components of other comprehensive income	114,833	(214,173)
Retained profit of the previous year	825,063	470,331
Current year's retained profit	399,179	354,945
Loss of previous years	-	-
Current year loss	-	-
Equity belonging to the Group	**2,024,369**	**1,296,397**
Capital and reserves belonging to minority shares	600,144	514,856
Other components of other comprehensive income	97,821	(182,444)
Profit (loss) of the current year	397,074	341,253
Capital belonging to minority shares	**1,095,039**	**673,665**
TOTAL CAPITAL	**3,119,408**	**1,970,062**

Capital components and changes in them are displayed in more detail below:

Share capital

As at December 31, 2023, the paid-up registered share capital of the Company amounted to RSD 4,057 thousand, which consisted of 26,510,506 ordinary shares of RSD 0.153 each.

The share capital structure is as follows:

Member	In '000 of dinars	% of ownership
Fintel Energia Group SpA	3,825	94.30%
BDD M&V INVESTMENTS AD Beograd - SUMMARY ACCOUNT	194	4.79%
SOCIETE GENERALE BANKA SERBIA – CUSTODY ACC - FO	15	0.37%
Other	23	0.54%
Total	**4,057**	**100.00%**

Issue premium

As at December 31, 2023, the reserves include the issue premium realized by the capital increase in 2018, which refers to the initial public offering of shares of the Company Fintel Energija a.d., the Prime share segment of the Belgrade Stock Exchange. Issue premium in the amount of RSD 755,022 thousand (equivalent to RSD 499,847 for each new share issued by the Company). The value of the issue premium is stated in the net amount with costs related to the IPO (RSD 73,785 thousand).

Other components of other comprehensive income

Reserves for hedging result from the valuation, in accordance with the current accounting standards (IFRS 9), of derivatives entered into by Group companies to hedge the risk of interest rate fluctuations applied to loans for the construction of certain wind farms.

Retained profit / (losses) and other reserves arising during consolidation

They consist of losses and other reserves of affiliates and arise during consolidation. They also include net profit / (loss) for the current year.

Equity attributable to non-controlling interests

The amount results from the consolidation of companies with non-controlling interests outside the Fintel Group.

(All amounts are expressed in RSD '000, unless otherwise indicated)

15. Liabilities and credits and loans from other affiliated parties

The balance in the amount of RSD 1,339,311 thousand as at December 31, 2023 (RSD 1,413,145 thousand as at December 31, 2022) includes mainly financial liabilities towards MK Holding d.o.o., a minority investor in affiliates: this amount consists of obligation for loans to a minority investor on the basis of loans approved for the financing of wind farms in Serbia.

Liabilities, credits and loans from other affiliated parties as at December 31, 2023 are displayed in more detail in the following table:

Loan beneficiary	Lender	Amount EUR	Amount in '000 RSD	Maturity
MK Fintel Wind ad	MK Holding doo	9,479,276	1,110,722	2030
MK Fintel Wind Development d.o.o	Lamium Trade	92,365	10,823	2027
Fintel Energy Development Ltd	Namipo Management Ltd	13,790	1,616	2027
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,844,700	216,150	2027
Total		**11,430,131**	**1,339,311**	

Liabilities, loans and borrowings from other affiliated parties as at December 31, 2022 are detailed in the following table:

Loan beneficiary	Lender	Amount EUR	Amount in '000 RSD	Maturity
MK Fintel Wind ad	MK Holding doo	10,173,976	1,193,635	2030
MK Fintel Wind Development d.o.o.	Lamium Trade	22,935	2,691	2025
Fintel Energy Development Ltd	Namipo Management Ltd	3,350	394	2027
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,844,700	216,425	2025
Total		**12,044,961**	**1,413,145**	

The interest rate for the mentioned loans is defined by the arm's length interest rate in the Republic of Serbia and for the year 2023 it was 3.22%, except for the loan that Fintel Energija Development Ltd received from Namipo Management Ltd, where the interest rate was defined as 5%.

(All amounts are expressed in RSD '000, unless otherwise indicated)

16. Liabilities towards parent and affiliate legal entities

The balance in the amount of RSD 1,265,739 thousand as at December 31, 2023 (RSD 1,349,244 thousand as at December 31, 2022) includes financial liabilities to the parent company:

	December 31, 2023	December 31, 2022
Long-term loans	1,250,365	14,079
Minus: Current maturity of long-term liabilities	-	-
	1,250,365	14,079
Short-term loans	15,375	1,335,165
Total	**1,265,739**	**1,349,244**

An overview of loans from the parent company and the maturity date are shown in the following table:

Loan beneficiary	Lender	Amount EUR	Amount in '000 RSD	Maturity
MK-Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A.	1,416,000	165,909	2027
Fintel Energija ad	Fintel Energia Group S.p.A.	9,162,747	1,073,633	2027
Fintel Energija ad	Fintel Energia Group S.p.A.	117,422	13,759	2027
Total		**10,696,169**	**1,253,301**	

The interest rate for the mentioned loans is defined by the interest rate at arm's length in the Republic of Serbia and for the year 2023 it was 3.22%. During 2023, annexes to the agreement were signed, which extended the maturity date until 2027.

17. Long-term and short-term loans and advances

The following shows data on long-term and short-term loans and borrowings as at December 31, 2023 and 2022:

RSD '000	December 31, 2023	December 31, 2022
Long-term credit	6,002,710	6,847,939
Short-term loans and advances	871,087	812,584
Total	**6,873,797**	**7,659,977**

Detailed data on debt under the bank loan as at December 31, 2023 are summarized in the following table:

User	Balance of the debt on 31.12.2023	Long-term part	Short-term part	Maturity
RSD				
MK Fintel Wind	6,114,808,713	4,373,891,701	1,740,917,012	2030
Vetropark Kula	437,384,091	314,247,358	123,136,732	2027
Energobalkan	318,276,355	252,349,149	65,927,206	2028
Leasing	3,327,943	3,327,943	-	2026
	6,873,797,102	**4,943,816,151**	**1,929,980,950**	

17. Long-term and short-term loans and borrowings (continued)

MK Fintel Wind's credit refers to the funds received from Erste Banka Srbija, Banca Intesa, Unicredit Srbija and Zagrebačka banka, for the development and construction of the Košava wind farm Phase I. Its maturity is 12 years, and the interest rate is variable, ranging from 2.69% to 3.15% + EURIBOR. The first loan withdrawal was made in 2018.

The loan granted to the affiliate company Vetropark Kula refers to financing received from Erste Bank in 2015 for the development and construction of the Kula wind farm. The maturity period is 12 years, and the interest rate is variable in the interval of EURIBOR+3.55%-4.00% per year.

The loan granted to the affiliate Energobalkan refers to financing received from Unicredit Bank for the development and construction of the La Piccolina wind farm. The maturity period is 9 years and matures on December 1, 2027, and the interest rate is fixed at 4.5%. The first loan withdrawal was in 2016.

The shares of MK-Fintel Wind ad are pledged in favor of Erste Bank ad, Novi Sad, UniCredit Bank Srbija ad, Belgrade, Zagrebačka banka dd, Zagreb and Banca Intesa.

18. Liabilities from operations

Liabilities from operations, which amount to RSD 123,059 thousand as at December 31, 2023 and RSD 464,473 as at December 31, 2022, mainly refer to the obligation to Fintel Energia Group SpA for management fees and those arising from O&M services of all wind farms.

19. Short-term accrued costs and deferred revenues

Accrued costs and deferred revenues amounting to RSD 591,732 thousand as at December 31, 2023 and RSD 607,192 as at December 31, 2022, refer mainly to accrued interest on loans from the owner Fintel Energia Group SpA and from MK Holding doo.

20. Revenue from the sale of products and services

Revenues from the sale of products and services amount to RSD 2,739,292 thousand and RSD 2,172,310 thousand for the year which ended on December 31, 2023 and December 31, 2022, respectively.

21. Salary costs, salary compensation and other personal expenses

Salary costs include all employee costs, including merit increases, category changes, cost-of-living increases, vacation payments, allocations for provisions in accordance with the law and collective labour agreements, as well as directors' fees, including related contributions.
As at December 31, 2023, the Group had 11 employees.

22. Depreciation and asset adjustment costs

Depreciation and assets adjustment costs amount to RSD 616,705 thousand (RSD 674,414 thousand for the year which ended on December 31, 2022).

(All amounts are expressed in RSD '000, unless otherwise indicated)

23. Costs of production services

They include all costs incurred during the year and related to services related to regular business. Details of production services costs for 2023 and 2022 are displayed in the table below:

RSD '000	**2023**	**2022**
Costs of ongoing maintenance of wind farms	196,496	189,903
Land lease	1,338	1,399
Lease costs - other affiliated parties	-	1,263
Other	8,644	4,456
Costs of production services	**206,478**	**197,021**

24. Immaterial costs

Intangible costs for the year ended December 31, 2023 and 2022 are detailed in the following table:

RSD '000	**2023**	**2022**
Costs of consulting services	179,366	167,073
Property tax	46,996	47,133
Costs of legal services	1,735	44
Withholding tax on interest paid	16,966	-
Insurance costs of fixed assets	103,303	41,635
Other non-production costs	11,804	11,234
Costs of accounting services - Other affiliated parties	-	1,469
Administrative and legal fees	2,564	996
Audit services	4,534	2,173
Other intangible costs	10,391	15,354
Total	**377,659**	**287,111**

(All amounts are expressed in RSD '000, unless otherwise indicated)

25. Financial income

Financial income for the year ended 31 December 2023 and 2022 is detailed in the following table:

RSD '000	2023	2022
Financial income with parent and other affiliated legal entities	3,662	654
Financial income (third parties)	139,796	3,405
Income from positive exchange differences (third parties)	23,966	45,321
Total financial income	**167,424**	**49,380**

Financial income (third parties) for the year ended December 31, 2023 mostly refers to interest rate SWAP income.

26. Financial expenses

Financial expenses for the year ended December 31, 2023 and 2022 are detailed in the following table:

RSD '000	2023	2022
Financial expenses with parent and other affiliated legal entities	93,317	81,466
Financial expenses - third parties	508.127	364,028
Expenses based on negative exchange differences (third parties)	14,966	32,592
Other financial expenses	138,615	43,386
Total financial expenses	**755,025**	**521,472**

Financial expenses mainly include interest on shareholder loans and interest on loans received by Group companies.

27. Other income

Other income as at December 31, 2023 amounts to RSD 76,909 thousand and mainly refers to income from the insurance company for damage caused in Kosovo, phase I.

28. Tax expense of the period

Tax expense for the years ended on December 31, 2023 and 2022 are shown in the table below:

	Year which ended on	
	December 31, 2023	**December 31, 2022**
Tax expense of the period	190,400	169,061
Deferred tax expense of the period	(32,547)	(21,125)
Deferred tax income of the period	-	-
	157,852	**147,936**

(All amounts are expressed in RSD '000, unless otherwise indicated)

28. Tax expense of the period (continued)

The Group's pre-tax earnings differs from the theoretical amount of tax that would arise if the tax rate were applied to the Group's comprehensive income:

	Year which ended on December 31, 2023	December 31, 2022
Earnings (loss) before tax	**961,255**	**844,134**
Tax calculated at domestic tax rates applicable to profits in the respective countries	144.188	126,620
Tax effect:		
Expenses that are not recognized for tax purposes and other tax effects	46,212	42,441
	190,400	**169,061**

The average weighted tax rate is 15% (2022: 15%).

The Group did not choose to apply tax consolidation, and the tax losses of one company within the Group are not applicable to the consolidation new and are excluded for the purposes of calculating the average weighted tax rate.

29. Basic earnings per share

Basic earnings per share ranged from earnings per share of RSD 13.39 in 2022 to earnings per share of RSD 15.06 for the year ended 31 December 2023. Basic earnings per share was calculated by dividing the Group's net result by the average number of shares of the parent company Fintel Energija (the average number of shares is 26,511 thousand).

Diluted earnings per share ranged from earnings per share of RSD 13.39 in 2022 to earnings per share of RSD 15.06 for the year ended 31 December 2023. It was calculated by dividing the Group's net result by the average number of Fintel shares Energy (average number of shares is 26,511 thousand).

30. Potential and assumed liabilities

The issued guarantees amount to RSD 55,127 thousand as at December 31, 2023 and RSD 55,127 thousand as at December 31, 2022 and refer to the 4P status for wind farms.

(All amounts are expressed in RSD '000, unless otherwise indicated)

31. Transactions with affiliated entities

As previously explained, the majority shareholder is Fintel EnergiaGroup SpA.

Below is an overview of the Group's transactions with affiliated legal entities in 2023 and 2022. All transactions with affiliated parties were carried out according to market conditions.

As at December 31, 2023 and December 31, 2022, the overview of receivables and liabilities based on transactions with affiliated parties was as follows:

	December 31, 2023		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Short-term loans	(13,759)	-	(13,759)
Liabilities from business and other liabilities	(35,171)	-	(35,171)
Other short-term liabilities	(325,342)	-	(325,342)
Long-term credit	(1,239,566)	-	(1,239,566)
Total	**(1,613,838)**	**-**	**(1,613,838)**

	December 31, 2022		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Liabilities from business and other liabilities	(85,351)	-	(85,351)
Other short-term liabilities	(306,266)	-	(306,266)
Long-term credit	(14,871)	-	(14,871)
Short-term credits	(1,181,487)	-	(1,181,487)
Total	**(1,587,975)**	**-**	**(1,587,975)**

Overview of affiliated party transactions for the years ended December 31, 2023 and 2022:

	December 31, 2023		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Sales, general and administrative expenses	(34,820)	-	(34,820)
Financial expenses	(47,127)	-	(47,127)
Total	**(81,947)**	**-**	**(81,947)**

	December 31, 2022		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Sale, general and administrative expenses	(30,979)	-	(30,979)
Financial expenses	(46,415)	-	(46,415)
Total	**(77,394)**	**-**	**(77,394)**

Compensation of key management

The members of the Board of Directors were paid fees during 2023 in the gross amount of RSD 1,071 thousand. Tiziano Giovannetti is the sole executive director of Fintel Energija AD Beograd and its affiliates.

32. Events after the balance sheet date

Management is not aware of any significant events after the balance sheet date that could affect the financial statements as at December 31, 2023 or require separate disclosure.

33. Tax risks

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of the tax laws by the tax authorities in relation to the transactions and activities of the Company or the Group may differ from the interpretation of the management. As a result of the above, the transactions may be contested by the tax authorities and the Company, that is, the Group may be assessed an additional amount of taxes, fines and interest. The statute of limitations for tax liability is five years. This practically means that the tax authorities have the right to determine the payment of outstanding liabilities within five years from when the liability arose. Management has estimated that the Group has paid all tax obligations as at December 31, 2023.

Tiziano Giovannetti, General Manager

Legal representative:

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE
FINTEL ENERGIJA AD
BEOGRAD

Biljana Bogdanov, accountant

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Building a better working world

This is English translation of the Report originally issued in Serbian language (For management purposes only)

INDEPENDENT AUDITORS' REPORT

TO SHAREHOLDERS OF FINTEL ENERGIJA AD, BEOGRAD

Opinion

We have audited the accompanying consolidated financial statements of **FINTEL ENERGIJA AD, BEOGRAD** and its subsidiaries (hereinafter: the Group), which comprise the consolidated balance sheet as at **31 December 2023**, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing applicable in the Republic of Serbia. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Serbia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Derivative financial instruments and hedge accounting.

As of 31 December 2023, the Group reported in its consolidated financial statements total value of derivative financial assets of RSD 251,236 thousand and revaluation reserve within Other comprehensive income of RSD 114,833 thousand, as disclosed in the Note 9 to consolidated financial statements.

The Group entered into derivative financial instrument contracts in order to manage its exposure to interest rate risk related to variable rate loans. Hedge accounting under IFRS 9, *Financial Instruments* and the Accounting Law and other accounting regulations in the Republic of Serbia is applied for all such arrangements.

We identified hedge accounting (including the valuation of hedging instruments) as a key audit matter because hedge accounting can be complex and the Group has entered into several hedging contracts, necessitating an organized system to record and track each contract and estimate the related values at each financial reporting date. Additionally, the valuation of hedging instruments and consideration of hedge effectiveness can involve a significant degree of both complexity and management judgement and is subject to estimation uncertainty.

Considering materiality of the amounts involved, as well as the fact that this area requires management judgement, derivative financial instruments and compliance with hedge accounting was determined to be a key audit matter in our audit of the Group's financial statements.

We obtained an understanding of the risk management policies and assessed design effectiveness of key controls over the hedge accounting documentation and recognition and measurement of derivative financial instruments.

We reviewed derivative contracts and hedge documentation to assess if hedge accounting criteria as per IFRS 9, *Financial Instruments*, and the Accounting Law and other accounting regulations in the Republic of Serbia have been met for the outstanding derivative financial instruments as of 31 December 2023.

We requested written confirmations from contract counterparties for the outstanding derivative financial instruments as of 31 December 2023.

We reconciled derivative financial instruments data to valuation reports done by an independent third-party consultant.

We involved our valuation specialists in evaluation of the appropriateness of fair value calculations and hedge effectiveness for derivative financial instruments held as of 31 December 2023.

We assessed credit risk of contract counterparties by reviewing individual reports published by independent rating agencies.

We assessed the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting included in the Note 9 of the accompanying consolidated financial statements in accordance with the the Accounting Law and other accounting regulations in the Republic of Serbia and IFRS 9, *Financial Instruments*.

Other matter

The consolidated financial statements of the Group for the year ended on 31 December 2022 were audited by another auditor who expressed unmodified opinion on those statements as of 28 April 2023.

Other information included in the Group's Annual Business Report

Other information consists of the information included in the Annual business report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation of other information in accordance with the legal requirements of the Republic of Serbia.

Our opinion on the consolidated financial statements does not cover the Other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with Law on Accounting of Republic of Serbia, in particular, whether the other information complies with the Law on Accounting of Republic of Serbia in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and

2. the other information is prepared in accordance with requirements of the Law on Accounting of Republic of Serbia.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing applicable in the Republic of Serbia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing applicable in the Republic of Serbia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Danijela Mirkovic.

Belgrade, 30 April 2024

PREDUZEĆE ZA REVIZIJU
Ernst & Young
d.o.o. II BEOGRAD

Danijela Mirković
for Ernst & Young d.o.o. Beograd

CONSOLIDATED BALANCE SHEET In RSD thousand					
Group of accounts, account	**POSITION**	**AOP**	**Note**	**31 December 2023**	**31 December 2022**
	ASSETS				
00	**A. SUBSCRIBED AND UNPAID CAPITAL**	0001			
	B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002		**12.348.329**	**12.672.885**
01	**I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)**	**0003**		-	-
010	1. Development investments	0004			-
011, 012 and 014	2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005			-
013	3. Goodwill	0006			-
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007			-
017	5. Advances for intangible assets	0008			-
02	**II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)**	**0009**		**11.571.386**	**12.077.750**
020, 021 and 022	1. Land and buildings	0010		4.305.233	4.339.457
023	2. Machinery and equipment	0011		7.170.661	7.649.657
024	3. Investment property	0012			
025 and 027	4.Property, plant and equipment leased and property, plant and equipment under construction	0013		94.106	88.636
026 and 028	5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014			-
029 (part)	6. Advances for property, plant and equipment in the country	0015		1.386	-
029 (part)	7.Advances for property, plant and equipment foreign	0016			-
03	**III. BIOLOGICAL ASSETS**	**0017**		-	-
04 and 05	**IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)**	**0018**		**776.943**	**595.135**
040 (part), 041(part) and 042 (part)	1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019			
040 (part), 041(part) and 042 (part)	2. Equity investments that are valued using the equity method	0020			-
043, 050 (part) and 051 (part)	3.Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021		**6.563**	**75.333**
044, 050 (part) and 051 (part)	4.Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022			-
045 (part) i 053 (part)	5. Long-term investments (loans and credits) in the country	0023			-
045 (part) i 053 (part)	6. Long-term investments (loans and credits) abroad	0024			-
046	7. Long-term financial investments (securities valued at amortized cost)	0025			-
047	8. Own shares purchased	0026			-
048, 052, 054, 055 i 056	9. Other long-term investments and receivables	0027		770.380	519.802
28 (part) except 288	V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028			
288	**C. DEFERRED TAX ASSETS**	0029			**14.398**

CONSOLIDATED BALANCE SHEET In RSD thousand					
Group of accounts, account	**POSITION**	**AOP**	**Note**	**31 December 2023**	**31 December 2022**
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		**1.356.196**	**1.421.519**
Class 1, except group of account 14	**I.INVENTORIES (0032+0033+0034+0035+0036)**	**0031**		**32.774**	**16.306**
10	1. Materials, spare parts, tools and supplies	0032		7.312	7.312
11 and 12	2. Work in progress and unfinished services	0033			
13	3. Goods	0034			
150, 152 and 154	5. Advances paid to suppliers for stock and services in country	0035		13.382	8.910
151, 153 and 155	6. Advances paid to suppliers for stock and services - abroad	0036		12.080	84
14	**II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS**	**0037**		**-**	**-**
20	**III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)**	**0038**		**302.446**	**376.952**
204	1. Trade receivables - domestic	0039		300.979	376.952
205	2. Trade receivables - foreign	0040			
200 and 202	3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		1.467	
201 and 203	4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042			
206	5. Other trade receivables	0043			
21, 22 and 27	**IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)**	**0044**		**76.475**	**222.907**
21, 22 except 223 and 224 and 27	1. Other receivables	0045		56.237	210.669
223	2. Receivables for prepaid CIT	0046		18.699	10.699
224	3. Receivables for prepaid other taxes & contributions	0047		1.539	1.539
23	**V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)**	**0048**		**14**	**14**
230	1. Short-term loans and investments - parent and subsidiaries	0049			
231	2. Short-term loans and investments - other related parties	0050			-
232, 234 (part)	3. Short-term loans, borrowings and investments - domestic	0051			-
233, 234 (part)	4. Short-term loans, borrowings and investments - foreign	0052			-
235	5. Securities valued at amortized cost	0053			-
236 (part)	6. Financial instrument valued at fair value	0054			-
237	7. Bought up own shares	0055			-
236 (part), 238 and 239	8. Other Short-term financial investments	0056		14	14
24	**VI. CASH AND CASH EQUIVALENTS**	**0057**		**652.507**	**203.183**
28 (part) except 288	**VII. SHORT-TERM ACCRUALS**	**0058**		**291.980**	**602.157**
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059		**13.704.525**	**14.108.802**
88	**F. OFF-BALANCE SHEET ASSETS**	0060		**55.127**	**55.127**

CONSOLIDATED BALANCE SHEET					
In RSD thousand					
Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	EQUITY AND LIABILITIES				
	A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		**3.119.407**	**1.970.062**
30 except 306	I. SHARE CAPITAL	0402		4.057	4.057
31	II. SUBSCRIBED CAPITAL UNPAID	0403			
306	III. SHARE ISSUING PREMIUMS	0404		681.237	681.237
32	IV. RESERVES	0405			
330 and credit balance of account 331, 332, 333, 334, 335 336 and 337	**V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0406**		**114.833**	**0**
debit balance of account 331,332,333,334, 335,336 and 337	**VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0407**			**214.173**
34	**VII. UNDISTRIBUTED PROFIT (0409 + 0410)**	**0408**		**1.224.242**	**825.276**
340	1. Retained profit from previous years	0409		825.063	470.331
341	2. Retained profit from current year	0410		399.179	354.945
	VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	**0411**		**1.095.038**	**673.665**
35	**IX. LOSSES (0413 + 0414)**	**0412**		**-**	**-**
350	1. Losses of previous years	0413			
351	2. Losses of current year	0414			
	B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		**8.580.069**	**8.442.798**
40	**I. LONG-TERM PROVISIONS (0417++0418+0419)**	**0416**		**99**	**99**
404	1. Provisions for employees benefits	0417		99	99
400	2. Provisions for costs in warranty period	0418		-	-
40 except 400 and 404	3. Other long-term provisions	0419		-	-
41	**II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)**	**0420**		**8.579.970**	**8.442.699**
410	1. Liabilities which can be converted into capital	0421			
411 (part) and 412 (part)	2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422		1.326.872	1.115.216
411 (part) and 412 (part)	3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423		1.250.388	14.079
414 and 416 (part)	4. Long-term loans, borrowings and liabilities based on leasing - foreign	0424		4.781.195	6.847.939
415 and 416 (part)	5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425		1.221.515	
413	6. Liabilities for long-term securities	0426			
419	7. Other longterm liabilities	0427			465.465

CONSOLIDATED BALANCE SHEET In RSD thousand					
Group of accounts, account	**POSITION**	**AOP**	**Note**	**31 December 2023**	**31 December 2022**
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUALS	0428		-	-
498	**C. DEFERRED TAX LIABILITIES**	0429		**60.554**	
495 (part)	**D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED**	0430		-	-
	E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		**1.944.495**	**3.695.942**
467	I. SHORT TERM PROVISIONS	0432		-	-
42 except 427	**II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)**	**0433**		**886.462**	**2.445.678**
420 (part) and 421 (part)	1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434		-	297.929
420 (part) and 421 (part)	2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435		15.375	1.335.165
422 (part), 424(part), 425 (part) and 429 (part)	3. Liabilities based on loans and borrowings from entities other than domestic banks	0436		791.429	812.584
422 (part), 424(part), 425 (part) and 429 (part)	4. Liabilities based on loans and borrowings from foreign banks	0437		-	
423, 424 (part), 425 (part) and 429 (part)	5. Loans, borrowings and liabilities from abroad	0438		79.658	-
426	6. Liabilities for short-term securities	0439		-	-
428	7. Liabilities based on financial derivatives	0440		-	-
430	**III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES**	**0441**		**116**	**116**
43 except 430	**IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)**	**0442**		**123.059**	**464.473**
431 and 433	1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443		1.630	1.223
432 and 434	2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444		35.171	86.415
435	3. Trade payables - domestic	0445		80.519	369.023
436	4. Trade payables - foreign	0446		5.739	7.812
439 (part)	5. Obligations under bills of exchange	0447			
439 (part)	6. Other business liabilities	0448			
44, 45, 46 except 467, 47 and 48	**V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)**	**0449**		**343.124**	**178.483**
44, 45 and 46 except 467	1. Other short term liabilities	0450		343.124	98.127
47, 48 except 481	2. Liabilities for VAT and other public revenues	0451			
481	3. Liabilities for income tax	0452			80.356
427	**VI. LIABILITES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE**	**0453**		-	-
49 except 498	**VII. SHORT-TERM ACCRUALS**	**0454**		**591.734**	**607.192**
	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		**13.704.525**	**14.108.802**
89	**H. OFF-BALANCE SHEET LIABILITIES**	0457		**55.127**	**55.127**

Belgrade
30.4.2024

Legal representive

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED INCOME STATEMENT					
					- RSD thousand -
Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001		**2.739.292**	**2.172.310**
60	I. REVENUES OF SOLD GOODS (1003 + 1004)	1002		-	-
600, 602 and 604	1. Income from the sale of goods - domestic market	1003		-	-
601, 603 and 605	2. Income from the sale of goods - foreign market	1004		-	-
61	II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005		**2.714.764**	**2.172.310**
610, 612 and 614	1. Income from the sale of products and services - domestic market	1006		2.714.764	2.172.310
611, 613 and 615	2. Income from the sale of products and services - foreign market	1007			
62	III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008			
630	IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009			
631	V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010			
64 and 65	VI. OTHER OPERATING INCOME	1011		21.704	
68, except 683, 685 and 686	VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012		**2.824**	
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		**1.257.741**	**1.207.992**
50	I. COST OF GOODS SOLD	1014			
51	II. COST OF MATERIALS, FUEL AND ENERGY	1015		18.093	14.456
52	III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016		**38.806**	**34.990**
520	1. Cost of salary and compensation of salary (gross employee)	1017		27.104	18.519
521	2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018		4.045	9.965
52 except 520 and 521	3. Other personal expenses and remunerations	1019		7.657	6.506
540	IV. DEPRECIATION EXPENSES	1020		615.210	611.332
58 except 583, 585 and 586	V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021		1.495	63.082
53	VIII. COSTS OF PRODUCTION SERVICES	1022		206.478	197.021
54 except 540	X. COSTS OF LONG-TERM PROVISIONS	1023			
55	XI. INTANGIBLE EXPENSES	1024		377.659	287.111
	C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		**1.481.551**	**964.318**
	D. OPERETAING LOSS (1013 - 1001) ≥ 0	1026		-	-
	E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027		**167.424**	**49.380**
660 and 661	I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028		3.662	654
662	II. INCOME FROM INTEREST	1029		139.796	3.405
663 and 664	III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030		23.966	45.321
665 and 669	IV. OTHER FINANCiAL INCOME	1031			

CONSOLIDATED INCOME STATEMENT					
					- RSD thousand -
Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		**755.025**	**521.472**
560 and 561	I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033		93.317	81.466
562	II.COSTS OF INTEREST	1034		508.127	364.028
563 and 564	III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035		14.966	32.592
566 and 569	IV. OTHER FINANCIAL COSTS	1036		138.615	43.386
	G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
	H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		**587.601**	**472.092**
683, 685 and 686	**I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1039		**-**	**-**
583, 585 and 586	**J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1040		**7.149**	**3.875**
67	**K. OTHER INCOME**	1041		**76.909**	**430.416**
57	**L. OTHER COSTS**	1042		**7.923**	**74.633**
	M. TOTAL INCOME (1001+1027+1039+1041)	1043		**2.983.625**	**2.652.106**
	N. TOTAL COSTS (1013+1032+1040+1042)	1044		**2.027.838**	**1.807.972**
	O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		**955.787**	**844.134**
	P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	-
69-59	**Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1047		-	**-**
59-69	**R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1048		**1.681**	**-**
	S. PROFIT BEFORE TAX (1045-1046+1047-1048)≥ 0	1049		**954.106**	**844.134**
	T. LOSS BEFORE TAX (1046-1045+1048-1047)≥ 0	1050		-	-
	U. INCOME TAXES				
721	I. TAX EXPENSES FROM THE PERIOD	1051		**190.400**	**169.061**
722 debit balance	II. DEFERRED TAX EXPENSE	1052			
722 credit balance	III. DEFERRED TAX INCOME	1053		**32.547**	**21.125**
723	**V. EARNINGS OF EMPLOYER**	1054		**-**	**-**
	W. NET PROFIT (1049-1050-1051-1052+1053-1054)≥ 0	1055		**796.253**	**696.198**
	X. NET LOSS (1050-1049+1051+1052-1053+1054)≥ 0	1056		**-**	-
	I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057		**397.074**	**341.253**
	II NET PROFIT BELONGING TO PARENT COMPANY	1058		**399.179**	**354.945**
	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		**15,06**	**13,39**
	2. Reduced (diluted) earnings per share	1062		**15,06**	**13,39**

Belgrade
30.4.2024

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

- RSD thousand -

Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET PROFIT/(LOSS)				
	I. PROFIT, NET (AOP 1055)	2001		796.253	696.198
	II. LOSS, NET (AOP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to profit or loss				
330	1. Changes in the revaluation of intangible assets, property, plant and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004			
331	2. Actuarial gains (losses) of post employment benefit obligations				
	a) gains	2005			
	b) losses	2006			25
333	4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
	a) gains	2007			8.777
	b) losses	2008			
	b) Items that may be subsequently reclassified to profit or loss				
332	1. Gains or losses on investments in equity instruments				
	a) gains	2009			
	b) losses	2010			
334	1. Gains or losses on the translation of financial statements of foreign operations				
	a) gains	2011			
	b) losses	2012			
335	2. Gains or losses on hedging instruments of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses on cash flow hedges				
	a) gains	2015		716.701	
	b) losses	2016			161.096
337	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		716.701	-
	II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		-	152.344
	III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021		107.505	
	IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		-	-
	IV. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023		609.196	-
	V. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		-	152.344
	C. TOTAL NET COMPREHENSIVE PROFIT				
	I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		1.405.449	543.854
	II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026		-	-
	D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027		1.405.449	543.854
	1. Attributable to shareholders	2028		726.040	272.679
	2. Attributable to non-controling interest	2029		679.409	271.175

Belgrade
30.4.2024

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PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE
FINTEL ENERGIJA AD
BEOGRAD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- RSD thousand -

Position	Description	AOP	Share capital (group 30 without 306 and 309)	AOP	Other share capital (account 309)	AOP	Subscribed but unpaid capital (group 31)	AOP	Share premium and reserves (account 306 and group 32)	AOP	Revaluation reserves and unrealized gains and losses (group 33)
			2		3		4		5		6
1	Balance as at 01.01.2022	4001	4.057	4010		4019	-	4028	681.237	4037	- 139.721
2	Adjustments of material errors and changes in accounting	4002	-	4011	-	4020	-	4029	-	4038	-
3	Restated opening balance as at 01.01.2022 (1+2)	4003	4.057	4012	-	4021	-	4030	681.237	4039	- 139.721
4	Net changes in 2022	4004	-	4013		4022	-	4031	-	4040	- 74.452
5	Balance as at 31.12.2022 (3+4)	4005	4.057	4014		4023	-	4032	681.237	4041	- 214.173
6	Adjustments of material errors and changes in accounting	4006	-	4015		4024	-	4033	-	4042	-
7	Restated opening balance as at 01.01. 2023 (5+6)	4007	4.057	4016		4025	-	4034	681.237	4043	- 214.173
8	Net changes in 2023	4008	-	4017		4026	-	4035	-	4044	329.006
9	Balance as at 31.12.2023 (7+8)	4009	4.057	4018		4027	-	4036	681.237	4045	114.833

Position	Description	AOP	Retained earnings (group 34)	AOP	Loss (group 35)	AOP	Non-controlling interest	AOP	Total (corresponds to the position of AOP 0401) (col.2+3+4+5+6+7-8+9) ≥ 0	AOP	LOSS EXCEEDING EQUITY (corresponds to the position of AOP 0455) (col.2+3+4+5+6+7-8+9)‹0
			7		8		9		10		11
1	Balance as at 01.01.2022	4046	470.385	4055		4064	439.142	4073	1.455.100	4082	
2	Adjustments of material errors and changes in accounting	4047	-	4056	-	4065	-	4074	-	4083	
3	Restated opening balance as at 01.01.2022 (1+2)	4048	470.385	4057	-	4066	439.142	4075	1.455.100	4084	
4	Net changes in 2022	4049	354.891	4058		4067	234.523	4076	514.962	4085	
5	Balance as at 31.12.2022 (3+4)	4050	825.276	4059	-	4068	673.665	4077	1.970.062	4086	
6	Adjustments of material errors and changes in accounting	4051	-	4060	-	4069	-	4078	-	4087	
7	Restated opening balance as at 01.01. 2023 (5+6)	4052	825.276	4061	-	4070	673.665	4079	1.970.062	4088	
8	Net changes in 2023	4053	398.966	4062	-	4071	421.373	4080	1.149.345	4089	
9	Balance as at 31.12.2023 (7+8)	4054	1.224.242	4063	-	4072	1.095.038	4081	3.119.407	4090	

Belgrade
30.4.2024

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PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD * BEOGRAD *

CONSOLIDATED STATEMENT OF CASH FLOWS

- RSD thousand -

POSITION	AOP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES I. Cash inflow from operating activities (1-4)	3001	3.130.380	2.064.794
1. Sales and advances received in the country	3002	2.792.618	1.936.730
2. Sales and advances received abroad	3003		
3. Interest from operating activities	3004		
4. Other inflow from operating activities	3005	337.762	128.064
II. Cash outflow from operating activities (1 до 8)	3006	1.375.403	794.643
1. Payments and prepayments to suppliers in the country	3007	446.112	241.744
2.Payments and prepayments to suppliers abroad	3008	128.434	
3. Salaries, benefits and other personal expenses	3009	38.806	34.990
4. Interest paid in the country	3010	419.414	360.283
5.Interest paid abroad	3011		
6. Income tax paid	3012	278.756	157.626
7. Payments for other public revenues	3013	46.915	
8. Other outflows from operating activities	3014	16.966	
III. Net cash inflow from operating activities (I - II)	3015	1.754.977	1.270.151
IV. Net cash outflow from operating activities (II - I)	3016	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES I.Cash flows from investing activities (1 до 5)	3017	-	-
1. Sale of shares	3018	-	-
2. Proceeds from sale of intangible assets, property, plant and equipment and 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 до 3)	3023	292.004	657.102
1. Acquisition of subsidiaries or other business	3024		390
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025	285.435	569.675
3. Other financial investments	3026	6.569	87.037
III. Net cash inflow from investing activities (I - II)	3027	-	-
IV. Net cash outflow from investing activities (II - I)	3028	292.004	657.102
C. CASH FLOWS FROM FINANCING ACTIVITIES I. Cash inflow from financing activities (1 до 7)	3029	-	-
1. Increase in share capital	3030		
2. Long-term borrowings in the country	3031		
3. Long-term borrowings abroad	3032		
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 до 8)	3037	1.013.649	934.869
1. Purchase of own shares	3038		
2. Long-term borrowings in the country	3039	985.266	891.071
3. Long-term borrowings in abroad	3040		
4. Short-term borrowings in the country	3041		
5. Short-term borrowings country abroad	3042		
6. Other liabilities	3043		
7. Financial lease	3044		
8. Dividend distribution	3045	28.383	43.798
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	1.013.649	934.869
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	3.130.380	2.064.794
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	2.681.056	2.386.614
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	449.324	-
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	-	321.820
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE	3052	203.183	525.003
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3053	-	-
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	652.507	203.183

Belgrade
30.4.2024

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Legal representative

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(All amounts are expressed in RSD '000, unless otherwise indicated)

1. General information

Fintel Energija AD, Belgrade (hereinafter: "Company" or "Fintel Energija") and affiliated legal entities (collectively: "Fintel Group" or "Group") is the leading independent producer of electricity from renewable sources in the Republic of Serbia. The Company and the Group are pioneers in the field of electricity production from renewable sources, as they were the first in Serbia to build and manage wind farms. The sale of all produced energy is carried out through an arrangement (electricity purchase agreement) with Public Utility Company Elektroprivreda Srbije (EPS) and there is no direct supply to end consumers.

The company was established on June 27, 2007 as a closed joint-stock company under the name Privredno društvo za proizvodnju električne energije Fintel Energija a.d. Beograd (Company for Electricity Production Fintel Energija a.d. Belgrade), by the foreign legal entity "Fintel Energia Group SPA", Italy (registration number 02658620402) ("Owner"). "Fintel Energia Group S.P.A." is 86.22% owned by Hopafi Srl ("Beneficial Owner").

The registered head office of "Fintel Energija" is located at Masarikova Street No. 5, Belgrade, Serbia.

As at December 31, 2023, the Company has subscribed and paid-up share capital in the amount of RSD 4,057 thousand, which consists of 26,510,506 ordinary shares with an individual nominal value of RSD 0.153.

The Company's shares have been traded on the organized market - the Belgrade Stock Exchange since November 2018. The stock symbol is FINT, and the ISIN number is RSFINEE60549. The market capitalization of the Company as at December 31, 2023 is RSD 17,364,381 thousand (value per share is RSD 655).

Fintel Energia Group S.P.A., the majority shareholder of the Company, is a company established in accordance with the law in effect in the Republic of Italy and represents a vertically integrated operator in the energy supply chain, whose activity is the sale of electricity and natural gas in Italy, as well as the development and exploitation of renewable energy sources (solar energy and wind energy) in Italy and Serbia.

These Consolidated Financial Statements for the year which ended on December 31, 2023 have been prepared by the general manager of the Group, and they have been approved on April 30, 2024. Approved consolidated financial statements may be amended on the basis of the opinion of an independent auditor, in accordance with legal regulations.

As at December 31, 2023, the Group had 14 employees (2022: 14 employees).

2. Overview of significant accounting policies and adopted standards

The fundamental accounting policies applied in the preparation of these financial statements are presented below. These policies have been consistently applied to all presented years, unless otherwise indicated.

2.1 Basis for preparation and presentation of consolidated financial statements

The Group keeps records and compiles consolidated financial statements pursuant to the Accounting Act of the Republic of Serbia ("Official Gazette of the RS", No. 73/2019 and 44/2021) and other legislation in effect in the Republic of Serbia.

Pursuant to the Accounting Act, large legal entities, legal entities that have the obligation to prepare consolidated financial statements (parent legal entities), public companies, i.e. companies that are preparing to become public pursuant to the Capital Market Act of the Republic of Serbia, regardless of size, for the recognition, valuation, presentation and disclosure of positions in consolidated financial statements, they apply the International Financial Reporting Standards (IFRS), whose translation into Serbian was published by the ministry in charge of finance.

International financial reporting standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as well as interpretations of standards issued by the Committee für Interpretations of Accounting Standards but do not include bases for conclusions, illustrative examples, instructions for application, comments, separate opinions nor other auxiliary materials, except for the cases where they are explicitly included as an integral part of the standards or interpretations.

IAS, IFRS and interpretations published by the Board for International Accounting Standards and the Committee for Interpretations of Accounting Standards were officially translated by the decision of the Ministry of Finance of the Republic of Serbia on determining the translation of International Financial Reporting Standards (Decision number 401-00-4980/2019-16) and published in Official Gazette of the Republic of Serbia No. 92 of November 21, 2019 and are applied when preparing consolidated financial statements for annual periods ending on December 31, 2020 or after that date.

The new or amended IFRS and interpretations adopted by the decision of the Ministry of Finance of the Republic of Serbia on determining the translation of the International Financial Reporting Standards published in the Official Gazette of the Republic of Serbia No. 123/2020 on October 13, 2021 are applied when preparing consolidated financial statements for the annual periods that end on December 31, 2021 or after that date.

In addition, the attached consolidated financial statements were prepared in accordance with the requirements of the Rulebook on the framework of accounts and the content of accounts in the framework of accounts for companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020) and the Rulebook on the content and form of forms of financial statements for companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020).

The aforementioned regulations governing the presentation of consolidated financial statements have precedence over the requirements defined in this regard by the IFRS published by the Ministry of Finance.

Due to the above deviations, these consolidated financial statements are not in accordance with IFRS.

2. Overview of significant accounting policies and adopted standards (continued)

2.1 Basis for preparation and presentation of consolidated financial statements (continued)

Consolidated Financial Statements

The consolidated financial statements of the Group include the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of other income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and an overview of significant accounting policies and notes to the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the historical cost principle, unless otherwise stated in the accounting policies given below.

In compiling these consolidated financial statements, the Group applied the accounting policies explained in note 2.6. The stated accounting policies were applied consistently for all presented reporting periods.

The consolidated financial statements are presented in dinars of the Republic of Serbia "RSD" and all numerical values are presented in thousands of RSD, unless otherwise indicated.

Compilation of consolidated financial statements in accordance with the Accounting Act of the Republic of Serbia requires the application of certain key accounting estimates. It also requires Management to use its judgment in applying the Group's accounting policies. Areas that require judgment of a greater degree or greater complexity, that is, areas in which assumptions and estimates have material significance for the consolidated financial statements, are disclosed in Note 3.

2.2 Accounting basis

The Group uses bank loans to finance working capital. The Group's forecasts and plans, which reasonably take into account possible changes in the Group's operating results, show that the Group should be able to operate with the help of existing credit levels. With the above in mind, the management believes that the Group has adequate funds to continue operations in the foreseeable future. The Group does not expect difficulties in collecting receivables and believes that liquidity shall be stable in the future as well, due to the strong support of foreign partners (owners of the Group). Accordingly, the Group has prepared consolidated financial statements in accordance with the going concern concept. Additional information on the Group's loans is provided in note 18.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.3 Scope of Consolidation

These Consolidated Financial Statements of the Group include the financial statements of Fintel Energija and its affiliates for the year which ended on December 31, 2023, which have been approved by the general managers. These consolidated financial statements have been prepared in accordance with the Accounting Act of the Republic of Serbia and other applicable legislation in the Republic of Serbia.
The companies included in the scope of consolidation are listed in the table below:

Name	Share capital (RSD '000)	Head office	31/12/2023 % share	31/12/2022 % share	
Fintel Energija ad	4,057	Belgrade (Serbia)	Parent company		
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Directly
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Directly
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Kula doo	314.032	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Torak doo	240	Belgrade (Serbia)	54%	54%	Indirectly
Fintel Energija Dev. doo	0	Belgrade (Serbia)	100%	100%	Directly
MK-Fintel Wind Dev. doo	0	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Fintel Energija Dev. Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Vetropark Torak Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Staklenik Jedan d.o.o.	0	Belgrade Serbia)	100%	100%	Indirectly
Staklenik Dva d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Tri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Četiri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Pet d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Šest d.o.o.	0	Belgrade (Serbia)	100%		-Indirectly

2. Overview of significant accounting policies and adopted standards (continued)

2.3 Scope of consolidation (continued)

In 2023, a new company was established in Serbia, Staklenik Šest d.o.o.

The shares of the affiliate company MK-Fintel Wind ad are pledged in favor of UniCredit Bank Srbija ad, Belgrade, based on the long-term loan agreement signed on February 27, 2018 with Erste Group Bank AG, Erste Banka ad, Novi Sad, UniCredit Bank Srbija ad, Belgrade, Zagrebačka Banka dd, and Banka Intesa ad Belgrade.

The shares of the affiliate company Vetropark Kula doo are pledged in favor of Erste Bank ad, Novi Sad, based on the long-term loan agreement signed on June 30, 2014 with Erste Bank ad Novi Sad.

The shares of the affiliate Energobalkan doo are pledged in favor of Unicredit Bank Srbija ad, Belgrade, based on the long-term loan agreement signed on May 18, 2015 with Unicredit Bank Srbija ad, Belgrade.

2.4 Consolidation principles and methods

Affiliates are consolidated starting from the date of acquisition, that is the date when the Group acquired control over the affiliate and continue to be consolidated until the date when such control ceases. An acquisition of control is considered to have occurred if the Group is exposed or entitled to variable returns from its involvement in the entity it invested in and has the ability to influence those returns through the influence it has over the investee.

More specifically, the Group controls the investee if and only if the Group has:

- Influence on the investee, existing rights that give it ongoing ability to manage the relevant activities of the investee
- Exposure or rights to variable returns from involvement in the investee, and
- The ability to use influence over the entity in which it invested to influence its returns.

The assumption is that most voting rights result in control. In order to justify this assumption if the Group has less than a majority of voting rights or similar rights over the entity in which it has invested, the Group considers all relevant facts and circumstances in assessing whether there is influence over the entity in which it has invested, including:

- Contractual arrangements with other holders of voting rights over the entity in which it invested
- Rights arising from contractual arrangements
- Existing and potential voting rights.

The Group re-evaluates whether there is control over the entity in which it has invested if facts or circumstances indicate that there have been changes in one or more factors of control.

Financial statements of affiliates are prepared for the same reporting period as for the parent company using consistent accounting policies. All intercompany balances, transactions, unrealized gains and losses arising from intercompany transactions and dividends are fully eliminated. A change in ownership of an affiliate that does not result in a loss of control is included as a capital transaction.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.4 Consolidation principles and methods (continued)

If the Group loses control over an affiliate, the following is done:

- De-registration of assets (including "goodwill") and liabilities of the affiliate company;
- De-registration of the present value of the participation of minority owners, if any;
- De- registration of accumulated exchange rate differences that were previously recognized within equity;
- Posting the fair value of sales receipts;
- Posting the fair value of the remaining participation in the ownership of the affiliate company, if any;
- Posting the resulting profit or loss through the income statement;
- Reclassification of shares of the parent company in components that were previously recognized directly within equity to the income statement or retained earnings in an appropriate manner.

Financial statements of dependent legal entities abroad, expressed in their functional currencies, were converted into the reporting currency of the parent company, RSD, by converting assets and liabilities into dinars at the official exchange rate on the balance sheet date. The income statement and cash flows were converted into dinars at the middle exchange rate. The effects resulting from the recalculation of financial statements in foreign means of payment into the reporting currency are shown within equity.

2.5 Foreign currency conversion

Functional and display currency

Items included in the Group's financial statements are measured and presented in 000 of dinars (RSD 000). Dinar is the official reporting currency in the Republic of Serbia.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates valid on the date of the transaction or on the valuation date if the items have been remeasured. Positive and negative exchange rate differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities expressed in foreign currencies at the end of the year are recognized in the income statement, except in the case when they are deferred in equity as cash flow hedging instruments and net investment hedging instruments.

2.6 Significant accounting policies

Real estate, plant and equipment

Real estate, plant and equipment are stated at purchase value less accumulated value correction and possible impairment. The purchase price includes all expenditures necessary to put the asset to its intended use. This value is increased by the present value of the estimated cost of land reclamation when there is a legal or construction obligation to remove the asset. The corresponding liability is recognized as a provision for asset disposal costs. The accounting treatment of revised estimates of these costs, time value of money and discount rates are highlighted in the section dealing with provisions for these costs.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Property, plant and equipment (continued)

Borrowing costs that can be directly attributed to the acquisition or construction of an asset that qualifies for attribution of borrowing costs are included in the purchase value of the mentioned asset that qualifies, i.e. which needs a significant amount of time to prepare for the planned use or sale.

Costs incurred during regular and/or periodic repairs and maintenance are recognized directly in the consolidated income statement. Costs incurred during the expansion, modernization or improvement of structural elements owned by the Group or used by third parties are capitalized to the level when they meet the conditions to be recognized as a separate asset or part of an asset.

Depreciation is calculated using the proportional method using rates that allow assets to be depreciated over their estimated useful life. When an asset consists of several assets that can be individually identified and have an estimated useful life that is significantly different from the others, depreciation of those assets is calculated separately.

Estimated life for each category of property, plant and equipment:

	Number of years
Construction objects	40
Equipment	3-20

The asset's residual value and useful life are reviewed, and adjusted, if necessary, at each balance sheet date. Depreciation begins to be calculated when the facilities are ready for planned use, as estimated by management (which coincides with the end of the testing period).

Intangible assets

Intangible assets consist of identifiable non-monetary assets that have no physical substance, which are controlled by the Group as a result of past events and from which future economic benefits are expected. Intangible assets that meet the relevant criteria at initial recognition are measured at cost or production cost, including directly attributable costs necessary to prepare the asset for its intended use, less depreciation and impairment.

Borrowing costs that can be directly attributed to the acquisition or construction of an intangible asset that qualifies for attribution of borrowing costs are included in the purchase value of the mentioned asset that qualifies, i.e. which needs a significant amount of time to prepare for the planned use or sale.

Depreciation begins when the assets are ready for their intended use and is applied over their estimated life.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Intangible assets (continued)

The useful life estimated by the Group for each category of intangible assets is as follows:

	Number of years
Other intangible assets	Duration of rights

There are no intangible assets with an indefinite useful life.

Impairment of real estate, plant and equipment and intangible assets

At the end of each reporting period, property, plant and equipment and intangible assets that have not been fully depreciated are tested for impairment. If indicators of impairment are identified, the recoverable amount is estimated and any loss relative to the carrying amount is recognized in the consolidated income statement. Recoverable value is the greater of fair value less sale costs or value in use, which represents the present value of the future cash flows that the asset will generate. For assets that do not generate separately identifiable cash flows, the recoverable amount is defined based on the cash-generating unit to which the asset belongs. To determine value in use, expected future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money and the risks associated with the business. An impairment loss is recognized in the consolidated income statement in the amount by which the carrying amount of the fixed asset is greater than the recoverable amount. When there are no more impairment indicators, the current value of the asset is increased to the new amount of the recoverable amount, but so that it does not exceed the amount of the net book value that the asset would have had if it had never been impaired.

Leasing

IFRS 16 defines new or amended requirements related to lease accounting, introducing significant changes to the leasing beneficiary's (lessee's) accounting by removing the distinction between finance and operating leases and requiring the recognition of an asset representing the right to use the leased item and the lease liability at the inception date for all leasing contracts, except for short-term leases and those leases where the value of the lease is minor.

When applying IFRS 16 to leases, the Group recognizes assets representing right-of-use and lease liabilities in the balance sheet, which are initially measured at the present value of future lease payments, and recognizes amortization costs for right-of-use assets and interest expense on lease liabilities in the income statement.

Leasing previously classified as a financial lease - In the case of leasing contracts that are classified as a financial lease in accordance with IAS 17, the book value of the leased item on the one hand and the liabilities based on the financial lease on the other hand, determined by the application of IAS 17 immediately before the date of initial application of the new standards are reclassified to the value of assets representing the right of use, i.e. the value of liabilities based on leasing without any corrections.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Leasing (continued)

Valuation

The lease liability is initially measured at the net present value of all future lease payments discounted at the interest rate included in the lease (implicit interest rate). If it cannot be easily determined, the Group uses its incremental borrowing rate.

Future lease payments, which after discounting are included in the value of the lease liability, include:

- fixed payments (including variable payments which are fixed in nature) less any lease incentives received

- variable leasing payments, i.e. payments that depend on market indices or rates, which are initially measured on the lease start date, using the market index or rate

- the cost price of the call option if it is reasonably certain that the option will be exercised

- penalties for termination of the contract, if it is reasonably likely that the termination option will be exercised.

After initial recognition, the lease liability is increased by the accrued interest (using the effective interest rate) and reduced by the lease liability payments made.

Right-of-use assets are initially valued at cost, which initially consists of the value of the initially recognized lease liability, the amount of prepaid lease obligations and deposits given before the lease commencement date, minus any leasing incentives received from the lessor and minus all initial direct costs. Right-of-use assets are subsequently measured at cost less accumulated impairment losses and impairment losses.

Right-of-use assets are depreciated over the shorter of the lease term or the useful economic life of the leased item.

Variable payments that do not depend on the index or rate are not included in the measurement of the liability based on the lease, i.e. the asset with the right of use. Such payments are recognized as an expense in the period in which they were incurred.

Group as tenant

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognizes leasing liabilities for the payment of rent and the right to use, which represents the right to use fixed assets.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Leasing (continued)

Right to use funds

The Group recognizes the right to use the asset on the lease commencement date (i.e., the date the asset is available for use). The right-of-use the asset is valued at cost, less accumulated depreciation and impairment losses, and is adjusted for any subsequent measurement of the lease liability. The cost of the right-of-use asset includes the amount of recognized lease obligations, initial direct costs and lease payments made on or before the commencement date, less lease incentives received.

The right to use assets is depreciated proportionally, for a period shorter than the term of the lease or the estimated useful life of the asset.

Liabilities based on leasing

On the lease commencement date, the Group recognizes lease liabilities, measured at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments, less any lease incentive claims, variable lease payments that depend on an index or rate, and amounts expected to be reliably paid for residual value. Lease payments also include the exercise price of a purchase option reasonably expected to be exercised by the Group and the payment of a termination penalty, if the termination option is exercisable by the Group during the term of the contract.

Variable lease payments that do not depend on an index or rate are recognized as expenses (unless incurred for the production of inventory) in the period in which the events or conditions giving rise to the payment occur.

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate on the lease commencement date, as the implicit lease interest rate is not easily determined. After the start date, the amount of leasing liabilities is increased by the accrued interest for the past period and decreased by the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a contract modification, a change in the lease term, a change in the lease payments (e.g., changes in future payments resulting from a change in the index or rate used to determine such lease payments) or a change in the valuation of the purchase option of the fixed asset that is the subject of the lease.

Short-term leases and leases of low-value assets

The Group applies the exemption from short-term lease recognition for its short-term leases, as well as for low-value leases. Leasing payments for short-term leases and leases of low-value assets are recognized as an expense, proportionately over the lease term.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Leasing (continued)

Group as lessor

Leasing is classified as operating in the case where the contract stipulates that all risks and benefits related to the ownership of the asset are not transferred to the lessee.

All payments during the year on the basis of operational leasing, which refer to the turnover of services and goods that do not have a one-time effect, are allocated linearly and recorded as an expense in the income statement during the lease period.

The group as the beneficiary of the lease

Assets held under finance lease agreements are initially recognized as assets of the company at the present value of the minimum lease instalments determined at the beginning of the lease period. The corresponding liability to the lessor is included in the balance sheet as a liability under a finance lease.

The payment of the leasing instalment is distributed between the financial costs and the reduction of liabilities based on the leasing obligations with the aim of achieving a constant rate of participation in the outstanding amount

Financial instruments

Financial assets and financial liabilities are recorded in the balance sheet of the Group, from the moment when the Group was bound to the instrument by contractual provisions. The purchase or sale of financial assets is recognized by applying the calculation on the settlement date, that is, the date when the asset is delivered to the other party.

Financial assets cease to be recognized when the Group loses control over the contractual rights over those instruments, which happens when the rights to use the instruments are realized, expired, abandoned or assigned. A financial liability ceases to be recognized when the contractual obligation is fulfilled, cancelled or expired.

As of 01.01.2020., the Group applies IFRS 9. Accordingly, the Group classifies its financial assets into the following categories: financial assets measured at depreciated value, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through the income statement.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

***Financial instruments*(continued)**

A financial asset shall be measured at depreciated value if both of the following conditions are met and it is not indicated at fair value through the income statement:

- The asset is held within the framework of a business model whose objective is to hold the asset with the intention of collecting contractual cash flows, and

- The contractual terms of the asset result on given dates in cash flows that are exclusively payments of principal and interest on the remaining principal amount.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met and it is not indicated at fair value through the income statement:

- The asset is held within the framework of a business model whose goal was achieved through the collection of contractual cash flows and the sale of financial assets, and

- The contractual terms of the asset result on given dates in cash flows that are exclusively payments of principal and interest on the remaining principal amount.

All financial assets that are not classified into the depreciated value or fair value through other comprehensive income categories, as described above, are measured at fair value through the income statement.

This includes financial assets that are held for trading and managed and whose performance is measured on a fair value basis. Additionally, during the initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at depreciated value or at fair value through other comprehensive income, at fair value through the income statement if in this way it eliminates or significantly reduces the accounting inconsistency that would otherwise arise.

A financial asset is classified into one of these categories upon initial recognition.

Financial assets are reclassified only when the Group changes the business model that affects the asset, in which case all financial assets that suffer that impact are reclassified on the first day of the reporting period after the business model change.

<u>Business model assessment</u>

The business model is evaluated with the aim of determining whether a financial asset with exclusive payment of principal and interest is classified at depreciated value or fair value through other comprehensive income. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of a financial asset, or both.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Financial instruments **(continued)**

Cessation of recognition of financial assets and financial liabilities

The Group ceases to recognize a financial asset when the contractual rights to the cash flows from the financial asset cease to be valid or when it transfers all rights to the credits of contractually defined cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset.
Any interest in such financial asset created or held by the Group is recognized as a separate asset or liability.

A financial asset ceases to be recognized when it is written off. Also, a financial asset ceases to be recognized when compensation changes to the contractual terms of the financial asset occur, which result in a significant change in cash flows from the financial asset.

Impairment of financial assets

In accordance with IFRS 9, the Group applies a forward-looking "expected credit losses" model, which requires significant judgment regarding how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

The "expected credit loss" model is applied to financial assets measured at depreciated cost, contractual assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments.

In accordance with IFRS 9, provisions for losses will be measured on one of the following two bases:

- 12-month expected credit losses – these are the expected credit losses arising from all possible default events during the 12 months after the reporting date, and

- Expected credit losses during the life of the instrument - these are the expected credit losses arising from all possible events of default during the expected life of the financial instrument.

The impairment requirements in IFRS 9 are complex and require management judgment, as well as estimates and assumptions, particularly regarding the following:

- Determining whether the credit risk of the financial asset has significantly increased since initial recognition, and

- Taking into account information about future circumstances when assessing expected credit losses.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Financial instruments **(continued)**

Long-term investments

Shares in the capital of other legal entities listed on the stock exchange are initially measured at cost. Subsequent measurement is performed, on each balance sheet date, in order to harmonize their value with the market value.

Long-term financial placements, which include participation in the capital of affiliated legal entities, commercial banks and other legal entities that are not listed on the stock exchange, are reported according to the purchase value method, which is reduced by impairments based on the management's assessment in order to reduce them to their recoverable value.

Receivables from customers, short-term placements and other short-term receivables

Receivables from customers, short-term placements and other short-term receivables are stated at nominal value, less value adjustments made based on management's assessment of their collectability.

Cash and cash equivalents

Cash and cash equivalents include: cash on hand, demand deposits with banks or other financial institutions for current transactions, postal current accounts and other cash equivalents, as well as other investments with an original maturity of up to three months.

Financial liabilities

Financial liability instruments are classified according to the substance of the contractual provisions. Financial liabilities are stated at nominal value, increased by interest on the basis of concluded contracts.

Operations liability

Accounts payable and other operations liability are valued at their nominal value.

Off-balance sheet assets and liabilities

Off-balance sheet assets and liabilities include: goods on consignment, material received for processing and finishing and other assets not owned by the Group, as well as claims/ liabilities under payment security instruments such as guarantees and other forms of collateral.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Reservations

Provisions are recognized when the Group has an existing legal or contractual obligation resulting from past events and when it is probable that settlement of the obligation will require an outflow of funds. The amount recognized represents the best possible estimate of the expenditure required to settle the liability. When the time value of money is significant and the settlement date of the liability can be approximately determined, the provision is measured at the present value of the expenditure required to settle the liability, using a pre-tax discount rate that reflects the current market assessment of value for money and the risks associated with the liability. The increase in provisions due to the expiration of time is reported as interest expense.

If the provision relates to dismantling and removal, the provision is recognized as part of the asset to which it relates and the cost is recognized within the consolidated income statement as depreciation of the asset to which the cost relates.

Changes in accounting estimates are reflected in the income statement in the year in which the change occurred, except for changes in the expected costs of dismantling and removal due to changes in the time and use of economic resources required to settle the obligation, or changes resulting from changes in the discount rate.

Such changes are added to or subtracted from the book value of the assets to which they relate and are recognized within the consolidated income statement through depreciation. If changes are added to the asset's book value, the Group makes an assessment as to whether the new present value will be fully compensated; if not, the present value of the asset is reduced to take into account the irrecoverable value and the loss is recognized in the consolidated income statement.

If the changes are subtracted from the book value of the asset, the decrease is recognized as a reduction of the asset up to the amount of its book value, any amount in excess is immediately recognized within the consolidated income statement.

Regarding the adopted assessment criteria for determining the deactivation or renewal of funds, it is explained in the section Assessments and assumptions.

Risks that may cause an increase in the possible liability are disclosed in the section of possible liabilities and risks, but are not recognized.

A potential liability that arose as a result of a business combination is measured at a value higher than that which would be recognized applying the above-mentioned policy for cost provisions and the present value of the initially defined liability.

Derivative financial instruments

The Group owns derivatives to protect against the risk of interest rate fluctuations.

Transactions, in accordance with risk management policies, that meet the requirements of risk accounting from the International Financial Reporting Standards are designated as hedging relationships (calculated as indicated below), while those concluded with the intention of hedging, but that do not meet the hedge accounting requirements of International Financial Reporting Standards are classified as business transactions. In this case, changes in the fair value of derivatives are recognized in the consolidated income statement in the period in which they occur. Fair value is determined by reference to an active market.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Derivative financial instruments (continued)

For accounting purposes, hedging transactions are classified as fair value if they are entered into to hedge exposure to changes in the market value of underlying assets or liabilities; or as a cash flow hedge if entered into to hedge exposure to variability in cash flows arising from an existing asset or liability or highly probable forecast transaction.

For derivatives classified as fair value hedges, which meet the requirements of accounting for risk protection, gains and losses resulting from their measurement at market value are recognized in the consolidated income statement. Gains and losses arising from hedge fair value measurements are also recognized within the consolidated income statement.

The effective part of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other financial results and accumulated in the capital reserve "cash flow hedge reserve". This reserve is subsequently reclassified in the consolidated income statement in the periods when the hedged item affects profit or loss. The change in fair value attributable to the ineffective portion is recognized immediately in the consolidated income statement. If a derivative instrument is sold and, accordingly, no longer qualifies as an effective hedge of the exposure for which the transaction was made, the portion of the "cash flow hedging reserve" relating to it remains there until the underlying transaction affects profit or loss. When the forecasted transaction is no longer considered probable, the corresponding portion of the cash flow hedging reserve is immediately reclassified to the consolidated income statement.

Embedded derivatives present in financial assets / liabilities are separated and independently measured at fair value, except in cases where, according to IFRS 9, the price of the derived derivative on the day it was entered represents an approximate amount determined by measuring assets / liabilities at depreciated value. In this case, the measurement of the embedded derivative is absorbed by that present in the financial asset/liability.

Income

The group analyses contracts with customers to identify key liabilities. If the contract includes more goods or services, the Group assesses whether these components should be recognized separately in accordance with IFRS 15. Taking into account the characteristics of the contracts concluded by the companies of the Group, no contracts with multiple liabilities have been identified.

The Group evaluates each performance obligation contained in the contracts to determine whether it meets the criteria for recognition over time in accordance with IFRS 15; Contractual revenues are recognized in relation to the stage of completion of the contractual activity at the end of the reporting period according to the percentage of completion method. The percentage of completion is determined using the cost-to-cost method, applying the percentage of completion to revenues as the ratio of incurred costs to the estimated total costs required to complete the project.

Otherwise, revenue is recognized when the customer obtains control of the asset or service.

Revenue includes the fair value of the amount received or receivable from the sale of goods and services in the course of the Group's regular operations. Revenue is reported without returns, discounts, rebates and allowances and value added tax.

(All amounts are expressed in RSD '000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Revenue (continued)

Revenue is recognized when the amount of revenue can be reliably measured, and when it is probable that the Group will receive economic benefits in the future.

Sales revenue is recognized in the income statement after the transfer of the risks and rewards of ownership of the product sold to the customer, which usually coincides with the delivery of the product and/or goods to the customer and his acceptance of delivery.

Revenue from the provision of services is recognized upon the transfer of control resulting from the completion of the service rendered.

Revenues include only received economic benefits or claims of Group members on their own behalf. Accordingly, compensation received in favor of third parties is excluded from income.

a) Revenue from the sale of electricity

Revenue from the sale of electricity mainly refers to the sold produced electricity calculated at the incentive purchase price of the Fid-in tariff (FiT), which was obtained for the energy produced in the period, although it has not yet been invoiced, and determined on the basis of data recorded on the basis of EPS measurements (national electricity supplier in state ownership).

The FiT mechanism is a system in which a producer who has obtained the status of a Preferred Electricity Producer (PEP) using renewable energy sources (wind, solar, hydraulic, biomass, biogas), a status such as the Group has, is entitled to a FiT purchase price for the generated power contracted in accordance with a bilateral agreement (PPA or power purchase agreement). The national electricity supplier EPS, which is state-owned, is under the obligation to purchase all produced energy, which is measured and fed into the distribution network and comes from renewable sources, during the FiT mechanism (12 years from the date of acquisition of the status of privileged electricity supplier) energy produced by a company that has PPP status, as the Group has.

b) Other income

Revenue from the sale of goods other than the Feed-in tariff and from other services provided is recognized when the customer acquires control of the asset or service, which usually coincides with the time of shipment or completion of the service.

c) State grants

Government grants are recognized where there is reasonable assurance that the grant will be received and that the Group shall comply with all attached conditions. Government grants are recognized in the income statement during the period in which the related costs are recognized.

The convenience of a state loan at a lower interest rate is treated as state aid. Eligibility is determined at the inception of the loan as the difference between the initial book value of the loan (fair value plus arrangement costs directly attributable to the loan) and the income received and is subsequently recognized in the income statement in accordance with the rules applicable to the recognition of government grants.

Dividends

The distribution of dividends to the Group's shareholders is recognized as a liability in the consolidated financial statements in the period in which the Group's shareholders approved the dividends.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Revenue (continued)

Business expenses

Business expenses include general expenses such as rent, marketing, insurance, payment transactions, taxes and other expenses incurred in the current accounting period.

Other expenses

Other expenses include losses from the sale and disposal of real estate, plant, equipment and intangible investments, losses from the sale of securities and participation in the capital of legal entities, losses from the sale of materials, deficits, expenses from direct write-offs of receivables, expenses on the basis of asset impairment, the negative effects of value adjustment of intangible investments, real estate, plant, equipment, long-term and short-term financial placements, inventories, securities and receivables in accordance with the Group's accounting policy.

Financial income and expenses

Financial income and expenses

Financial income consists of interest on loans, interest receivables from invested funds and positive exchange differences. Interest income is recognized in the income statement on an accrual basis, using the method of effective income from assets. Interest income is, in accordance with the principle of causation, recognized in the income statement of the period to which it relates.

Financial expenses directly attributable to the acquisition, construction or production of a qualified asset are capitalized as part of the asset's cost, starting from the date the Group incurs the financial expenses until the date the financed asset is ready for use. Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to the Group's shareholders by the weighted average number of ordinary shares outstanding for the period.

Employee benefits

a) Taxes and contributions to employee social security funds

In accordance with the regulations applied in the Republic of Serbia, the Company is obliged to pay taxes and contributions to the tax authorities and state funds that ensure the social security of employees. These liabilities include taxes and contributions for employees at the expense of the employer in amounts calculated at the rates prescribed by law. The company is also obliged to withhold contributions from the employees' gross salary and to pay them to the funds on behalf of the employees. Taxes and contributions payable by the employer and taxes and contributions payable by the employee are charged to the expenses of the period to which they relate.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Financial income and expenses (continued)

b) Liabilities based on severance pay

In accordance with the provisions of the Labour Law, the Group is obliged to pay an employee upon retirement a severance pay in the amount of three average wages in the Republic of Serbia, determined according to the last published data of the republican authority responsible for statistics.

To employees whose work has ceased to be necessary, and who are not provided with any of the rights established by law, the employer will pay severance pay in the sum of a third of the employee's salary for each completed year of work in the first 10 years spent in the employment relationship and a quarter of the employee's salary for each subsequent completed year of work in an employment relationship over 10 years spent in an employment relationship. Salary in the sense of the previous paragraph is considered the average salary of the employee paid for the last 3 months preceding the month in which the severance pay is paid.

Income tax

Current income tax

The current income tax is the amount that is calculated by applying the prescribed tax rate of 15% on the base determined by the tax balance sheet, which is the amount of profit before taxation after deducting the effects of adjustment of income and expenses, in accordance with the tax regulations of the Republic of Serbia, with a reduction for prescribed tax credits.

The Law on Profit Tax of the Republic of Serbia does not provide that tax losses from the current period can be used as a basis for the refund of tax paid in previous periods. However, losses from the current period shown in the tax balance can be used to reduce the tax base of future accounting periods, but not longer than five years. Tax losses incurred before January 1, 2010 can be carried forward to future profits for a period not longer than ten years.

Deferred income tax

Deferred income tax is determined using the method of determining liabilities according to the balance sheet, for temporary differences resulting from the difference between the tax base of receivables and liabilities and their book value. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses and credits, which can be carried forward to subsequent fiscal periods, to the extent that it is probable that taxable profit will exist against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities are calculated at the tax rate that is expected to be applied in the period when the asset will be realized or the liability will be settled. As at December 31, 2023, deferred tax assets and liabilities were calculated at a rate of 15% (December 31, 2022: 15%)

Deferred tax is debited or credited to the income statement, except when it relates to positions that are directly credited or debited to equity, in which case the deferred tax is also allocated within equity.

2. Overview of significant accounting policies and adopted standards (continued)

2.6 Significant accounting policies (continued)

Transactions with related parties

For the purposes of these financial statements, legal entities are treated as related if one legal entity has the ability to control another legal entity or exerts significant influence on the financial and business decisions of another entity in accordance with the provisions of IAS 24: "Related Party Disclosures".

The Group considers related legal entities in the sense of the aforementioned standard to be legal entities in which it has a share in the capital, i.e. legal entities with a share in the Group's capital.

Related parties may enter into transactions that unrelated parties may not engage in and transactions with related parties may be conducted under different terms and amounts compared to the same transactions with unrelated legal entities.

The Group provides services to related parties and at the same time is a user of their services. Relations between the Group of related parties are regulated on a contractual basis and according to market conditions.

In the attached financial statements, the Group disclosed all transactions with related legal entities, as required by IAS 24 - "Related Party Disclosures".

(All amounts are expressed in RSD '000, unless otherwise indicated)

3. Estimates and assumptions

The preparation of consolidated financial statements requires management to apply accounting policies and methods, which in certain circumstances are based on estimates and assumptions, which may also be based on past experience and assumptions that are considered reasonable and realistic. The use of such estimates and assumptions affects the consolidated financial statements, including the consolidated balance sheet, consolidated income statement, consolidated statement of other income and consolidated statement of cash flows, and related disclosures in the notes to the consolidated financial statements. The actual amounts of positions in the consolidated financial statements for which the aforementioned estimates and assumptions were used may differ from the amounts recognized in the consolidated financial statements due to the uncertainty of the assumptions and conditions on which the estimates are based.

Below is a brief description of the key accounting estimates used in the preparation of the consolidated financial statements.

Impairment of property value

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment, which is recognized on write-down when there are indications that it is difficult to recover the net book value. Checking the existence of the mentioned indicators requires subjective assessments by the management, based on information available within the Group members, information on the market and based on past experience. Furthermore, if it is determined that a potential impairment may occur, the Group's management proceeds with its determination using appropriate valuation techniques. The exact identification of indicators of potential impairment, as well as the calculation of estimates for its determination, depends on factors that can change over time and that can affect the assumptions and estimates made by the management.

Based on the assessments made by Fintel Group's management, there are no indicators of impairment of assets with a finite useful life.

Deferred tax assets

Deferred tax assets are recognized based on estimated future taxable income. Determining projected future taxable income for the purpose of recognizing deferred tax assets depends on factors that may change over time and may significantly affect the recovery of deferred tax assets.

Reservations

Other provisions for risks and fees refer mainly to possible liabilities for fines and interest on amounts due to be paid to tax authorities. The allocation of provisions is made on the basis of the best estimates of the costs, at the reporting date, that are likely to be incurred to settle the liability, after seeking a legal opinion.

(All amounts are expressed in RSD '000, unless otherwise indicated)

4. Financial risk management

Coordination and monitoring of key financial risks is performed by the central treasury department of the parent company Fintel Energija, which provides guidelines for managing various types of risks 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 related to market, liquidity and cash flow risks;
- monitoring of achieved results;
- diversification of assumed liabilities / liabilities and product portfolio.

Credit risk

Credit risk represents exposure to potential losses resulting from the failure of business and financial counterparties to fulfil their contractual liabilities.

The maximum credit risk exposure of the Group as at December 31, 2023 and 2022 is the carrying amount of each class of assets as indicated in the following table:

RSD '000	**December 31, 2023**	**December 31, 2022**
Cash and cash equivalents	652,507	203,183
Buyer receivables	302,446	376,952
Other receivables	76,475	222,907
Prepayments and deferred expenses	291,980	602,157
TOTAL	**1,323,408**	**1,405,199**

Accounts receivable refers to EPS claims for energy produced by wind farms in November.

Accruals are mainly related to the calculated income, receivables from EPS for the energy produced in the wind farms in December, while Other receivables mostly refer to higher paid income tax.

These funds carry a low level of credit risk, since most of the above-mentioned claims are against the state or a state-owned company in Serbia.

Based on the director's assessment, there is no need to reduce the value of the said receivables.

Liquidity risk

Liquidity risk is related to the ability to meet liabilities arising from financial liabilities assumed by the Group. Prudent liquidity risk management in the course of regular activities implies maintaining sufficient cash and marketable securities and the availability of financing through an adequate amount of term loans.

Liquidity risk is managed centrally by the Group, as the administration department periodically monitors the Group's net cash/debt through the preparation of appropriate cash inflow and outflow reports. In this way, the Group aims to ensure adequate coverage for financing needs, by precisely monitoring financing, open credit lines and their use, and all with the aim of optimizing its resources and managing temporary liquidity surplus.

The Group's goal is to establish a financing structure that, in accordance with its business goals, guarantees sufficient Group liquidity, minimizes opportunity costs and maintains a balance in terms of maturity and debt composition.

(All amounts are expressed in RSD '000, unless otherwise indicated)

4. Financial risk management (continued)

Liquidity risk (continued)

The following table provides an analysis of the maturities of liabilities as at December 31, 2023 and 2022. Different maturities are determined based on the period between the reporting date and the contractual maturity of the Group's liabilities, gross of accrued interest as at December 31. Interest is calculated in accordance with the contractual conditions for financing.

RSD '000	December 31, 2023	
	Short-term maturity	**Long-term maturity**
Financial liabilities to shareholders	15,375	2,577,260
Liabilities for loans to banks	791,429	6,002,710
Payables	123,059	-
Other liabilities	934,858	-
Total	**1,864,721**	**8,579,970**

RSD '000	December 31, 2022	
	Short-term maturity	**Long-term maturity**
Financial liabilities to shareholders	1,633,094	1,129,295
Liabilities for loans to banks	812,584	6,843,418
Payables	464,473	-
Other liabilities	785,675	4,520
Total	**3,695,826.**	**7,977,234**

The analysis of financial liabilities by maturity shows a decrease in liabilities due up to one year on December 31, 2023 compared to those on December 31, 2022.

Consequently, taking into account the fact that the shareholders have confirmed that they do not intend to request repayment of the loan before the end of 2027, as well as the presence of liquid assets of 1,171,650 thousand dinars (including financial assets) and receiving the full feed-in tariff from 2020 for all wind farms, it is believed that the Company and the Group will be able to meet their obligations in the foreseeable future.

Market risk

In performing its business, the Group is potentially exposed to the following market risks:

- the risk of exchange rate fluctuations;
- the risk of interest rate fluctuations.

These risks are essentially managed centrally by the parent company Fintel Energija.

4. Financial risk management (continued)

Market Risk (continued)

Risk of exchange rate fluctuations

The risk of exchange rate differences is associated with doing business in currencies other than RSD. Fintel Group is exposed to the risk of exchange rate fluctuations, considering that it conducts business in Serbia through its affiliates, which are companies dedicated to the study, construction, development and management of wind farms and other projects in the field of renewable sources. The Group has loans denominated in foreign currencies, mainly in EUR and RSD, which puts the Company at risk of exchange rate changes. Exposure to changes in exchange rates arising from foreign currency loans is managed by having loans denominated in the group's functional currency in the total loan portfolio.

On December 31, 2023, if the RSD currency had strengthened/weakened by 5% compared to the EUR and all other variables had remained constant, the result after taxation would have amounted to RSD 402,323 thousand (2022: RSD 430,312) more/less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR

Risk of interest rate fluctuations

The risk of fluctuating interest rates to which Fintel Group is exposed originates from financial liabilities. Debt with a fixed interest rate exposes the Group to the risk related to changes in the fair value of the debt associated with changes in the reference rate market. The variable interest rate expense exposes the Group to cash flow risk arising from interest rate volatility.

The Group's financial indebtedness consists of current bank debt, medium-term / long-term loans approved by banks.

In order to protect themselves from the risk of interest rate changes, the affiliates of Vetropark Kula doo and MK Fintel Wind ad entered into contracts for interest rate swaps and interest rate fixing, in order to finance the Kula wind farms and the first phase of the Košava wind farm.

As a result of the aforementioned hedging transactions, the impact of the expected change in interest rates in the next twelve months is considered negligible in the context of the Group's financial statements.

4. Financial risk management (continued)

Market Risk (continued)

Capital management risk

The Group's objective in terms of capital risk management is to preserve business continuity in order to guarantee returns to shareholders and benefits to other stakeholders. Moreover, the Group aims to maintain an optimal capital structure to reduce borrowing costs.

The Group monitors its capital based on the ratio of net debt to net invested capital (ratio of indebtedness). Net debt is calculated as total debt, including current and long-term loans and borrowings, plus net exposure to banks. Net invested capital is calculated as the sum of total capital and net debt.

The debt ratio as at December 31, 2023 and 2022 is shown in the following table:

RSD '000	December 31, 2023	December 31, 2022
Long-term financial liabilities:		
- Financial liabilities to shareholders	2,577,260	1,129,295
- Liabilities for loans from banks	6,002,710	6,843,418
Short-term financial liabilities:		
- Liabilities for loans from banks	791,429	812,584
- Financial liabilities to shareholders	15,375	1,633,094
Financial resources	(770,380)	(519,802)
Cash and cash equivalents	(652,507)	(203,183)
Net Debt (A)	**7,963,887**	**9,695,406**
Capital (B)	**3,119,407**	**1,970,062**
Net capital employed (C=A+B)	**11,083,293**	**11,665,468**
Indebtedness ratio (A/C)	***71.9%***	***83.1%***

The indebtedness ratio improved in 2023 compared to the previous year due to the increase in own capital for the total result of the year.

(All amounts are expressed in RSD '000, unless otherwise indicated)

5. Financial assets and liabilities by class

In accordance with IFRS 13, financial instruments stated at fair value are categorized into levels of the hierarchy that reflect the importance of the inputs used to determine their fair value. The levels are as follows:

Level 1: quoted prices in active markets for the assets or liabilities being measured;

Level 2: inputs other than level 1 inputs that are directly observable (prices) or indirectly (derived from prices) market inputs;

Level 3: inputs not based on observable market data.

The following table shows the Group's financial assets and liabilities by class, with an indication of the corresponding fair value, as at December 31, 2023 and 2022:

	December 31, 2023					
RSD '000	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Funding	770,380	-	-	-	770,380	
Trade receivables	300,979	-	-	-	300,979	
Other short-term receivables	368,455	-	-	-	368,455	
Cash and cash equivalents	652,507	-	-	-	652,507	
Assets based on derivatives	-	-	-	251,236	251.236	
Total	**2,092,321**	**-**	**-**	**251,236**	**2,343,5571**	
Loans	6,873,797	-	-	-	6,873,797	
Financial liabilities to shareholders	2,592,635	-	-	-	2,592,635	
Operations liability	123,059	-	-	-	123,059	
Other short-term liabilities	934,858	-	-	-	934,858	
Liabilities based on derivatives	-	-	-	-	-	2
Total	**10,524,349**	**-**	**-**	**-**	**10,524,349**	

	December 31, 2022					
RSD '000	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Funding	519,802	-	-	-	519,802	
Trade receivables	376,952	-	-	-	376,952	
Other short-term receivables	825,064	-	-	-	825,064	
Cash and cash equivalents	203.183	-	-	-	203,183	
Total	**1,925,001**	**-**	**-**	**-**	**1,925,001**	
Loans	7,660,523	-	-	-	7,660,523	
Financial liabilities to shareholders	2,762,389	-	-	-	2,762,389	
Operations liability	464,473	-	-	-	464,473	
Other short-term liabilities	785,675	-	-	-	785,675	
Liabilities based on derivatives	-	-	-	465,465	465,465	2
Total	**11,673,060**	**-**	**-**	**465,465**	**12,138,525**	

6. Segment reporting

Based on the fact that Fintel Group operates only in the sector of renewable energy sources and in Serbia, information, there is only one reporting segment.

7. Information about assumed guarantees, actual and other potential liabilities

Below is a summary of Fintel Group's guarantees to third parties, as well as the Group's liabilities and other potential liabilities.

a) Guarantees for payments to third parties

The issued guarantees amount to RSD 55,127 thousand as at December 31, 2023 and RSD 55,127 thousand as at December 31, 2022 and refer to the 4P status for wind farms.

They were issued in favor of the Transmission System Operator in the Republic of Serbia (RSD 55,127 thousand).

The aforementioned guarantees are recorded as an off-balance sheet liability in the financial statements.

b) Other

There were no other potential liabilities of the Group.

8. Real estate, plant and equipment

The table of movements of real estate, plant and equipment as at December 31, 2023 and 2022 is shown below:

	December 31, 2023								
RSD '000	Initial balance NV	Initial balance IV	Opening balance of net book value	Procurement	Depreciation	Transfers	End balance NV	End balance IV	End balance of net book value
Land	40,145	0	40,145	1,328	-	-	41,474	-	41,474
Construction objects	4,800,702	-501,390	4,299,312	100,700	-136,254	-	4,901,402	-637,644	4,263,758
Equipment	9,652,778	-2,003,251	7,649,527	88	-478,956	-	9,652,866	-2,482,207	7,170,662
Construction facilities under preparation	88,636	0	88,636	5,470	-	94	94.106	-	94.106
Advances for NPOs	130	0	130	1.256	-	-94	1.386	-	1.386
Total	**14,582,391**	**-2,504,641**	**12,077,750**	**108,842**	**-615,210**	**-**	**14,691,234**	**-3,119,851**	**11,571,386**

	December 31, 2022										
RSD '000	Initial balance NV	Initial balance IV	Initial state of net book value	Procurement	Depreciation	Alienation	Changes in the field of consolidation	Transfers	End balance NV	End balance IV	End balance of net book value
Land	40,145	-	40,145	-	-	-	-	-	40,145	-	40,145
Construction objects	4,732,878	-367,653	4,365,225	-	-133,737	-	-	67,824	4,800,702	-501,390	4,299,312
Equipment	9,319,949	-1,525,656	7,794,293	358,174	-477,595	-16,817	-8,528	-	9,652,778	-2,003,251	7,649,527
Construction facilities under preparation	177,684	-	177,684	15,634	-	-	-36,858	-67,824	88,636	-	88,636
Advances for NPOs	-	-	-	130	-	-	-	-	130	-	130
Property, plant and equipment	**14,270,656**	**-1,893,309**	**12,377,347**	**373,938**	**-611,332**	**-16,817**	**-45,386**	**0**	**14,582,391**	**-2,504,641**	**12,077,750**

Land and buildings include land and construction works such as wind farm foundations, access roads, etc.

8. Property, plant and equipment (continued)

The machines and equipment mainly include wind turbines and towers. They refer to the wind farms that are already in operation, "Kula" (9.9 MW), "La Piccolina" (6.6 MW) and Košava Phase I (69 MW).

Construction in progress and advances for Property, plant and equipment as at December 31, 2023 mainly relate to investments in all other facilities, except those already in the operational phase, as given in more detail above.

Wind farms owned by the companies VP Kula, Energobalkan and MKFW are mortgaged in favor of banks.

9. Other long-term financial placements

Other long-term financial placements in the total amount of RSD 770,380 thousand as at December 31, 2023 (RSD 519,802 thousand as at December 31, 2022) are entirely related to the following long-term assets:

- Long-term deposits - cash with limited right of use in the amount of RSD 459,971 thousand (RSD 460,555 thousand as at December 31, 2022), which belong to the affiliate legal company MK-Fintel Wind AD and which was deposited in 2023 as collateral in accordance with the loan agreement in order to have the repayment of the loan guaranteed.
- Long-term deposits - cash with limited right of use in the amount of RSD 38,081 thousand (RSD 38,130 thousand as at December 31, 2022), belonging to the affiliate Vetropark Kula d.o.o. and deposited as collateral with Erste Bank in accordance with the loan agreement in order to have repayment of the loan guaranteed.
- Long-term deposits - cash with limited right of use in the amount of RSD 21,091 thousand (RSD 21,117 thousand as at December 31, 2022), belonging to the affiliate Energobalkan doo and deposited as collateral with Unicredit Bank Serbia in accordance with the loan agreement in order to have repayment of the loan guaranteed.
- The fair value of the interest rate SWAP in the amount of RSD 251,237 thousand - refers to the fair value on the reporting date of the derivative related to the affiliate company Vetropark Kula d.o.o. (RSD 9,378 thousand as at December 31, 2023) and MK Fintel Wind (RSD 241,859 thousand as at December 31, 2023), used to hedge interest rate risk arising from loan agreements concluded by companies. The contract on derivatives, which was concluded in 2015 by the affiliate company Vetropark Kula, refers to an interest rate swap, with a term of 10 years and an initial nominal amount of EUR 9,650 thousand. The derivative agreement entered into in 2018 by the affiliate MK Fintel Wind, refers to an interest rate swap with a term of 12 years and an initial nominal amount of EUR 60,496 thousand.

  The primary risk managed by the use of derivative financial instruments is the risk of interest rate changes.

  Cash flow hedging

  In order to manage its interest rate risk, the Group enters into interest rate swaps, in which it agrees to exchange, at certain intervals, the difference between the amount of interest with a fixed and variable interest rate calculated on the basis of the agreed nominal amount of the principal. As at 31 December 2023, after taking into account the effects of interest rate swaps, approximately 100% of the Group's borrowings have a fixed interest rate (2022: 100%).

(All amounts are expressed in RSD '000, unless otherwise indicated)

9. Other long-term financial placements (continued)

As at December 31, 2023, the Group had interest rate swap contracts amounting to a nominal amount of RSD 6,878,140 thousand (EUR 58,700,375) (2022: RSD 7,730,562 thousand).

To test the effectiveness of hedging, the Group uses the hypothetical derivatives method and compares changes in the fair value of the hedging instrument with changes in the fair value of the hedging item attributable to the hedging risk.

Hedging ineffectiveness can occur due to:

- Different interest rate curves applied to discount the hedging item and the hedging instrument.
- Timing differences in the cash flows of the hedging item and the hedging instrument.
- The credit risk of the counterparty affects the movement of the fair value of the hedging instrument and the hedging item differently.

No ineffective portion has been recognized in the income statement for the year ending on December 31, 2023 (2022: Nil).

The effect of the hedging instrument on the statement of financial position as at December 31, 2023 and December 31, 2022 is as follows:

	2023			2022		
	Other long-term financial assets	Cash flow hedging reserve	Cash flow hedging reserve belonging to the minority shareholder	Other long-term financial liabilities	Cash flow hedging reserve	Cash flow hedging reserve belonging to the minority shareholder
Interest rate swaps	251,236	115,318	98,233	465,465	(213,649)	(181,997)

The entire change in the fair value of the hedging was recognized in 2023 through other income, without affecting the income statement.

10. Deferred tax assets

There were no deferred tax assets as at December 31, 2023. Deferred tax assets on December 31, 2022 amounted to RSD 14,398 thousand. On December 31, 2023, there were deferred tax liabilities in the amount of RSD 60,554 thousand.

(All amounts are expressed in RSD '000, unless otherwise indicated)

11. Sales receivables

Sales receivables in the amount of RSD 300,979 thousand as at December 31, 2023 (RSD 376,952 thousand as at December 31, 2022), mostly refer to the receivable from EPS for electricity production for the month of November.

12. Other short-term assets

Other short-term assets in the amount of RSD 368,455 thousand as at December 31, 2023 (RSD 825,064 thousand as at December 31, 2022) are displayed in more detail in the following table:

RSD '000	**December 31, 2023**	**December 31, 2022**
Other receivables	56,237	210,669
Receivables for prepaid CIT	18,699	10,699
Receivables for other prepaid expenses	1,539	1,539
Short term accruals	291,980	602,157
Total	**368,455**	**825,064**

Short-term accruals mainly include receivables from EPS for the electricity produced by the wind farms "Kula", "La Piccolina" and "Kosava Phase I" in December. For the year 2022, they also included the calculation of insurance income based on damages incurred in 2022 and paid in 2023.

13. Cash and cash equivalents

"Cash and cash equivalents" as at December 31, 2023 and 2022 were as displayed:

RSD '000	**December 31, 2023**	**December 31, 2022**
Current account		
- in dinars	144,383	70,651
- dedicated account in dinars	144,328	95,132
- in foreign currency	78,055	47
- dedicated account in foreign currency	21,906	203
Other funds	**263,835**	**37,150**
Cash and cash equivalents	**652,507**	**203,183**

The market value of cash and cash equivalents matches its book value.

For the purpose of preparing the cash flow statement, investments and financing transactions that did not require the use of cash or cash equivalents were excluded.

(All amounts are expressed in RSD '000, unless otherwise indicated)

14. Equity

Equity as at December 31, 2023 and 2022 is displayed in more detail in the following table:

RSD '000	**December 31, 2023**	**December 31, 2022**
Share capital	4,057	4,057
Issue premium	681,237	681,237
Other components of other comprehensive income	114,833	(214,173)
Retained profit of the previous year	825,063	470,331
Current year's retained profit	399,179	354,945
Loss of previous years	-	-
Current year loss	-	-
Equity belonging to the Group	**2,024,369**	**1,296,397**
Capital and reserves belonging to minority shares	600,144	514,856
Other components of other comprehensive income	97,821	(182,444)
Profit (loss) of the current year	397,074	341,253
Capital belonging to minority shares	**1,095,039**	**673,665**
TOTAL CAPITAL	**3,119,408**	**1,970,062**

Capital components and changes in them are displayed in more detail below:

Share capital

As at December 31, 2023, the paid-up registered share capital of the Company amounted to RSD 4,057 thousand, which consisted of 26,510,506 ordinary shares of RSD 0.153 each.

The share capital structure is as follows:

Member	**In '000 of dinars**	**% of ownership**
Fintel Energia Group SpA	3,825	94.30%
BDD M&V INVESTMENTS AD Beograd - SUMMARY ACCOUNT	194	4.79%
SOCIETE GENERALE BANKA SERBIA – CUSTODY ACC - FO	15	0.37%
Other	23	0.54%
Total	**4,057**	**100.00%**

Issue premium

As at December 31, 2023, the reserves include the issue premium realized by the capital increase in 2018, which refers to the initial public offering of shares of the Company Fintel Energija a.d., the Prime share segment of the Belgrade Stock Exchange. Issue premium in the amount of RSD 755,022 thousand (equivalent to RSD 499,847 for each new share issued by the Company). The value of the issue premium is stated in the net amount with costs related to the IPO (RSD 73,785 thousand).

Other components of other comprehensive income

Reserves for hedging result from the valuation, in accordance with the current accounting standards (IFRS 9), of derivatives entered into by Group companies to hedge the risk of interest rate fluctuations applied to loans for the construction of certain wind farms.

Retained profit / (losses) and other reserves arising during consolidation

They consist of losses and other reserves of affiliates and arise during consolidation. They also include net profit / (loss) for the current year.

Equity attributable to non-controlling interests

The amount results from the consolidation of companies with non-controlling interests outside the Fintel Group.

(All amounts are expressed in RSD '000, unless otherwise indicated)

15. Liabilities and credits and loans from other affiliated parties

The balance in the amount of RSD 1,339,311 thousand as at December 31, 2023 (RSD 1,413,145 thousand as at December 31, 2022) includes mainly financial liabilities towards MK Holding d.o.o., a minority investor in affiliates: this amount consists of obligation for loans to a minority investor on the basis of loans approved for the financing of wind farms in Serbia.

Liabilities, credits and loans from other affiliated parties as at December 31, 2023 are displayed in more detail in the following table:

Loan beneficiary	Lender	Amount EUR	Amount in '000 RSD	Maturity
MK Fintel Wind ad	MK Holding doo	9,479,276	1,110,722	2030
MK Fintel Wind Development d.o.o	Lamium Trade	92,365	10,823	2027
Fintel Energy Development Ltd	Namipo Management Ltd	13,790	1,616	2027
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,844,700	216,150	2027
Total		**11,430,131**	**1,339,311**	

Liabilities, loans and borrowings from other affiliated parties as at December 31, 2022 are detailed in the following table:

Loan beneficiary	Lender	Amount EUR	Amount in '000 RSD	Maturity
MK Fintel Wind ad	MK Holding doo	10,173,976	1,193,635	2030
MK Fintel Wind Development d.o.o.	Lamium Trade	22,935	2,691	2025
Fintel Energy Development Ltd	Namipo Management Ltd	3,350	394	2027
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,844,700	216,425	2025
Total		**12,044,961**	**1,413,145**	

The interest rate for the mentioned loans is defined by the arm's length interest rate in the Republic of Serbia and for the year 2023 it was 3.22%, except for the loan that Fintel Energija Development Ltd received from Namipo Management Ltd, where the interest rate was defined as 5%.

(All amounts are expressed in RSD '000, unless otherwise indicated)

16. Liabilities towards parent and affiliate legal entities

The balance in the amount of RSD 1,265,739 thousand as at December 31, 2023 (RSD 1,349,244 thousand as at December 31, 2022) includes financial liabilities to the parent company:

	December 31, 2023	December 31, 2022
Long-term loans	1,250,365	14,079
Minus: Current maturity of long-term liabilities	-	-
	1,250,365	14,079
Short-term loans	15,375	1,335,165
Total	**1,265,739**	**1,349,244**

An overview of loans from the parent company and the maturity date are shown in the following table:

Loan beneficiary	Lender	Amount EUR	Amount in '000 RSD	Maturity
MK-Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A.	1,416,000	165,909	2027
Fintel Energija ad	Fintel Energia Group S.p.A.	9,162,747	1,073,633	2027
Fintel Energija ad	Fintel Energia Group S.p.A.	117,422	13,759	2027
Total		**10,696,169**	**1,253,301**	

The interest rate for the mentioned loans is defined by the interest rate at arm's length in the Republic of Serbia and for the year 2023 it was 3.22%. During 2023, annexes to the agreement were signed, which extended the maturity date until 2027.

17. Long-term and short-term loans and advances

The following shows data on long-term and short-term loans and borrowings as at December 31, 2023 and 2022:

RSD '000	December 31, 2023	December 31, 2022
Long-term credit	6,002,710	6,847,939
Short-term loans and advances	871,087	812,584
Total	**6,873,797**	**7,659,977**

Detailed data on debt under the bank loan as at December 31, 2023 are summarized in the following table:

User	Balance of the debt on 31.12.2023	Long-term part	Short-term part	Maturity
RSD				
MK Fintel Wind	6,114,808,713	4,373,891,701	1,740,917,012	2030
Vetropark Kula	437,384,091	314,247,358	123,136,732	2027
Energobalkan	318,276,355	252,349,149	65,927,206	2028
Leasing	3,327,943	3,327,943	-	2026
	6,873,797,102	**4,943,816,151**	**1,929,980,950**	

(All amounts are expressed in RSD '000, unless otherwise indicated)

17. Long-term and short-term loans and borrowings (continued)

MK Fintel Wind's credit refers to the funds received from Erste Banka Srbija, Banca Intesa, Unicredit Srbija and Zagrebačka banka, for the development and construction of the Košava wind farm Phase I. Its maturity is 12 years, and the interest rate is variable, ranging from 2.69% to 3.15% + EURIBOR. The first loan withdrawal was made in 2018.

The loan granted to the affiliate company Vetropark Kula refers to financing received from Erste Bank in 2015 for the development and construction of the Kula wind farm. The maturity period is 12 years, and the interest rate is variable in the interval of EURIBOR+3.55%-4.00% per year.

The loan granted to the affiliate Energobalkan refers to financing received from Unicredit Bank for the development and construction of the La Piccolina wind farm. The maturity period is 9 years and matures on December 1, 2027, and the interest rate is fixed at 4.5%. The first loan withdrawal was in 2016.

The shares of MK-Fintel Wind ad are pledged in favor of Erste Bank ad, Novi Sad, UniCredit Bank Srbija ad, Belgrade, Zagrebačka banka dd, Zagreb and Banca Intesa.

18. Liabilities from operations

Liabilities from operations, which amount to RSD 123,059 thousand as at December 31, 2023 and RSD 464,473 as at December 31, 2022, mainly refer to the obligation to Fintel Energia Group SpA for management fees and those arising from O&M services of all wind farms.

19. Short-term accrued costs and deferred revenues

Accrued costs and deferred revenues amounting to RSD 591,732 thousand as at December 31, 2023 and RSD 607,192 as at December 31, 2022, refer mainly to accrued interest on loans from the owner Fintel Energia Group SpA and from MK Holding doo.

20. Revenue from the sale of products and services

Revenues from the sale of products and services amount to RSD 2,739,292 thousand and RSD 2,172,310 thousand for the year which ended on December 31, 2023 and December 31, 2022, respectively.

21. Salary costs, salary compensation and other personal expenses

Salary costs include all employee costs, including merit increases, category changes, cost-of-living increases, vacation payments, allocations for provisions in accordance with the law and collective labour agreements, as well as directors' fees, including related contributions.
As at December 31, 2023, the Group had 11 employees.

22. Depreciation and asset adjustment costs

Depreciation and assets adjustment costs amount to RSD 616,705 thousand (RSD 674,414 thousand for the year which ended on December 31, 2022).

(All amounts are expressed in RSD '000, unless otherwise indicated)

23. Costs of production services

They include all costs incurred during the year and related to services related to regular business. Details of production services costs for 2023 and 2022 are displayed in the table below:

RSD '000	**2023**	**2022**
Costs of ongoing maintenance of wind farms	196,496	189,903
Land lease	1,338	1,399
Lease costs - other affiliated parties	-	1,263
Other	8,644	4,456
Costs of production services	**206,478**	**197,021**

24. Immaterial costs

Intangible costs for the year ended December 31, 2023 and 2022 are detailed in the following table:

RSD '000	**2023**	**2022**
Costs of consulting services	179,366	167,073
Property tax	46,996	47,133
Costs of legal services	1,735	44
Withholding tax on interest paid	16,966	-
Insurance costs of fixed assets	103,303	41,635
Other non-production costs	11,804	11,234
Costs of accounting services - Other affiliated parties	-	1,469
Administrative and legal fees	2,564	996
Audit services	4,534	2,173
Other intangible costs	10,391	15,354
Total	**377,659**	**287,111**

(All amounts are expressed in RSD '000, unless otherwise indicated)

25. Financial income

Financial income for the year ended 31 December 2023 and 2022 is detailed in the following table:

RSD '000	2023	2022
Financial income with parent and other affiliated legal entities	3,662	654
Financial income (third parties)	139,796	3,405
Income from positive exchange differences (third parties)	23,966	45,321
Total financial income	**167,424**	**49,380**

Financial income (third parties) for the year ended December 31, 2023 mostly refers to interest rate SWAP income.

26. Financial expenses

Financial expenses for the year ended December 31, 2023 and 2022 are detailed in the following table:

RSD '000	2023	2022
Financial expenses with parent and other affiliated legal entities	93,317	81,466
Financial expenses - third parties	508.127	364,028
Expenses based on negative exchange differences (third parties)	14,966	32,592
Other financial expenses	138,615	43,386
Total financial expenses	**755,025**	**521,472**

Financial expenses mainly include interest on shareholder loans and interest on loans received by Group companies.

27. Other income

Other income as at December 31, 2023 amounts to RSD 76,909 thousand and mainly refers to income from the insurance company for damage caused in Kosovo, phase I.

28. Tax expense of the period

Tax expense for the years ended on December 31, 2023 and 2022 are shown in the table below:

	Year which ended on	
	December 31, 2023	**December 31, 2022**
Tax expense of the period	190,400	169,061
Deferred tax expense of the period	(32,547)	(21,125)
Deferred tax income of the period	-	-
	157,852	**147,936**

(All amounts are expressed in RSD '000, unless otherwise indicated)

28. Tax expense of the period (continued)

The Group's pre-tax earnings differs from the theoretical amount of tax that would arise if the tax rate were applied to the Group's comprehensive income:

	Year which ended on December 31, 2023	December 31, 2022
Earnings (loss) before tax	**961,255**	**844,134**
Tax calculated at domestic tax rates applicable to profits in the respective countries	144.188	126,620
Tax effect:		
Expenses that are not recognized for tax purposes and other tax effects	46,212	42,441
	190,400	**169,061**

The average weighted tax rate is 15% (2022: 15%).

The Group did not choose to apply tax consolidation, and the tax losses of one company within the Group are not applicable to the consolidation new and are excluded for the purposes of calculating the average weighted tax rate.

29. Basic earnings per share

Basic earnings per share ranged from earnings per share of RSD 13.39 in 2022 to earnings per share of RSD 15.06 for the year ended 31 December 2023. Basic earnings per share was calculated by dividing the Group's net result by the average number of shares of the parent company Fintel Energija (the average number of shares is 26,511 thousand).

Diluted earnings per share ranged from earnings per share of RSD 13.39 in 2022 to earnings per share of RSD 15.06 for the year ended 31 December 2023. It was calculated by dividing the Group's net result by the average number of Fintel shares Energy (average number of shares is 26,511 thousand).

30. Potential and assumed liabilities

The issued guarantees amount to RSD 55,127 thousand as at December 31, 2023 and RSD 55,127 thousand as at December 31, 2022 and refer to the 4P status for wind farms.

(All amounts are expressed in RSD '000, unless otherwise indicated)

31. Transactions with affiliated entities

As previously explained, the majority shareholder is Fintel EnergiaGroup SpA.

Below is an overview of the Group's transactions with affiliated legal entities in 2023 and 2022. All transactions with affiliated parties were carried out according to market conditions.

As at December 31, 2023 and December 31, 2022, the overview of receivables and liabilities based on transactions with affiliated parties was as follows:

	December 31, 2023		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Short-term loans	(13,759)	-	(13,759)
Liabilities from business and other liabilities	(35,171)	-	(35,171)
Other short-term liabilities	(325,342)	-	(325,342)
Long-term credit	(1,239,566)	-	(1,239,566)
Total	**(1,613,838)**	**-**	**(1,613,838)**

	December 31, 2022		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Liabilities from business and other liabilities	(85,351)	-	(85,351)
Other short-term liabilities	(306,266)	-	(306,266)
Long-term credit	(14,871)	-	(14,871)
Short-term credits	(1,181,487)	-	(1,181,487)
Total	**(1,587,975)**	**-**	**(1,587,975)**

Overview of affiliated party transactions for the years ended December 31, 2023 and 2022:

	December 31, 2023		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Sales, general and administrative expenses	(34,820)	-	(34,820)
Financial expenses	(47,127)	-	(47,127)
Total	**(81,947)**	**-**	**(81,947)**

	December 31, 2022		
RSD '000	Owner	Dependent and affiliated owner's company	Total
Sale, general and administrative expenses	(30,979)	-	(30,979)
Financial expenses	(46,415)	-	(46,415)
Total	**(77,394)**	**-**	**(77,394)**

Compensation of key management

The members of the Board of Directors were paid fees during 2023 in the gross amount of RSD 1,071 thousand. Tiziano Giovannetti is the sole executive director of Fintel Energija AD Beograd and its affiliates.

32. Events after the balance sheet date

Management is not aware of any significant events after the balance sheet date that could affect the financial statements as at December 31, 2023 or require separate disclosure.

33. Tax risks

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of the tax laws by the tax authorities in relation to the transactions and activities of the Company or the Group may differ from the interpretation of the management. As a result of the above, the transactions may be contested by the tax authorities and the Company, that is, the Group may be assessed an additional amount of taxes, fines and interest. The statute of limitations for tax liability is five years. This practically means that the tax authorities have the right to determine the payment of outstanding liabilities within five years from when the liability arose. Management has estimated that the Group has paid all tax obligations as at December 31, 2023.

Tiziano Giovannetti, General Manager

Legal representative:

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE
FINTEL ENERGIJA AD
* BEOGRAD *

Biljana Bogdanov, accountant

The person responsible for compiling the consolidated financial statements:

Biljana Bogdanov

CONSOLIDATED ANNUAL BUSINESS REPORT FOR THE YEAR WHICH ENDED ON DECEMBER 31, 2023.

FINTEL ENERGIJA AD

Content

1. Summary of business activities and organizational structure

Basic information

Business name: PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD (COMPANY FOR ELECTRICITY PRODUCTION FINTEL ENERGIJA AD BELGRADE)

Head office: Belgrade

Address: Masarikova Street No. 5

Registration number: 20305266

TIN: 105058839

Date of establishment: June 27, 2007

Authorized representative: Tiziano Giovannetti

Internet address: www.fintelenergija.rs

Prevailing business activity

Description and code of business activity: 3511 - Electricity production.

Business activities

Fintel Energija AD (hereinafter: "Company" or "Fintel Energy") and its affiliated legal entities (hereinafter collectively: "Fintel Group" or "Group") is the leading independent producer of electricity from renewable sources in the Republic of Serbia. The Company and the Group represent pioneers in the field of electricity production from renewable sources, as they were the first in Serbia to build and manage wind farms. The sale of all produced energy is carried out through an arrangement (electricity purchase agreement) with Public Company Elektroprivreda Srbije (EPS), and there is no direct supply to end consumers.

Organizational structure and corporate governance

By harmonizing the bodies and acts with the Companies Act (Official Gazette of RS No. 36/2011, 99/2011, 83/2014- other law and 5/2015, 95/2018, 91/2019 and 109/2021), the Company operates with the following internal organizational structure: the Shareholders' Assembly (consisting of the sole shareholder Fintel Energia Group SpA) and the Board of Directors.

Purchase of own shares

There was no purchase of own shares during the year of 2023.

Branch offices

The company does not have separate business units or branch offices.

1. Summary of business activities and organizational structure (Continued)

Affiliated legal entities

The company operates as the parent company of the following affiliated legal entities:

- MK-Fintel Wind akcionarsko društvo Beograd, registration number 20392126, where the Company owns 53.99737% of the share capital ("MK Fintel ad"), .), the remaining 46.00263% is owned by MK Holding d.o.o. za holding poslove Beograd.
- MK-Fintel Wind Holding d.o.o. za holding poslove Beograd, registration number 21280275, where the Company owns 53.99737% of the share capital ("MK Fintel d.o.o."), the remaining 46.00263% is owned by MK Green Energy Limited from Cyprus,
- Fintel Energija development d.o.o. Beograd, registration number 21522732 ("Fintel Energija Development"), where the Company owns 100.00% of the share capital,

MK-Fintel Wind Holding d.o.o. owns 100% of the share capital in the following ffiliate legal entities, companies for special purposes for other projects:

- Vetropark Kula d.o.o. Beograd, registration number 20901659 - a company for special purposes established for the Kula wind farm project ("Kula"),
- Energobalkan d.o.o. Beograd, registration number 20833122 - special purpose company established for the La Piccolina wind farm project ("Energobalkan"),

Fintel Energija Development d.o.o. owns:

- Fintel Energija Development Ltd Cyprus, registration number HE 419780 ("Fintel Energija Development Cyprus"), where the Company owns 100.00% of the share capital;
- MK-Fintel Wind Development d.o.o. Beograd, registration number 21528536 ("MK-Fintel Wind Development"), where the Company owns 54.00% of the share capital;
- Lipar d.o.o. Beograd, registration number 21452149 ("Lipar"), where the Company owns 100.00% of the share capital;
- Lipar 2 d.o.o. Beograd, registration number 21452122 ("Lipar 2"), where the Company owns 100.00% of the share capital.

MK-Fintel Wind Development owns 100% in the following affiliated legal entities:

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

1. Summary of business activities and organizational structure (Continued)

Affiliated legal entities (Continued)

Fintel Energija Development Ltd owns 100% in the following affiliates, special purpose companies for other projects:

- Vetropark Torak Ltd Cyprus, registration number HE 423070;
- Staklenik 1 d.o.o. Beograd, registration number 21861103 ("Staklenik 1"), where the Company owns 100.00% of the share capital.
- Staklenik 2 d.o.o. Beograd, registration number 21861111 ("Staklenik 2"), where the Company owns 100.00% of the share capital.
- Staklenik 3 d.o.o. Beograd, registration number 21861120 ("Staklenik 3"), where the Company owns 100.00% of the share capital.
- Staklenik 4 d.o.o. Beograd, registration number 21861081 ("Staklenik 4"), where the Company owns 100.00% of the share capital.
- Staklenik 5 d.o.o. Beograd, registration number 21861090 ("Staklenik 5"), where the Company owns 100.00% of the share capital
- Staklenik 6 d.o.o. Beograd, registration number 21974455 ("Staklenik 6"), where the Company owns 100.00% of the share capital.

The following companies are 100% owned through Cypriot companies:

- Project Torak d.o.o. Beograd, registration number 21459631 ("Project Torak").

Information about the Company management

Members of the Board of Directors:

- ✓ Claudio Nardone, President
- ✓ Tiziano Giovannetti
- ✓ Giulio Moreno
- ✓ Tamara Mladjenović
- ✓ Jovan Purar (member of the Board of Directors until November 3, 2023)

Key events that affected the Company during 2023

In 2023, there were no significant events that affected the Company.

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

Fintel Energija is a leading independent producer operating in the area of renewable energy sources in Serbia. The total installed power of all wind farms is 398 MW, of which 85.5 MW is owned by the Company (21.5%). From the total current quota for the construction of wind farms under preferential conditions, which is 500 MW, Fintel Energija received the right to build wind farms with a total capacity of 85.5 MW (17.1%).

BALANCE SHEET
on December 31, 2023

- in 000 dinars -

Account group, account	ITEM	EDP	Amount		
				Previous year	
			Current year	End balance 31.12.2022.	Initial balance 01.01.2022.
1	2	3	5	6	7
	ASSETS				
00	**A. SUBSCRIBED CAPITAL UNPAID**	0001		-	-
	B. FIXED ASSETS (0003 + 0009 + +0017 + 0018 + 0028)	0002	**12,348,329**	**12,672,885**	**12,841,038**
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	-	-	-
010	1. Investments in development	0004	-	-	-
011, 012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other intangible assets	0005	-	-	-
013	3. Goodwill	0006	-	-	-
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007	-	-	-
017	5. Advances for intangible assets	0008	-	-	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	**11,571,386**	**12,077,750**	**12,377,347**
020, 021 and 022	1. Land and construction facilities	0010	**4,305,233**	**4,339,457**	**4,405,370**
023	2. Plants and equipment	0011	**7,170,661**	**7,649,657**	**7,794,293**
024	3. Investment real estate	0012	-	-	-
025 and 027	4. Real estate, plant and equipment leased and real estate, plant and equipment under preparation	0013	**94.106**	**88,636**	**177,684**
026 and 028	5. Other real estate, plants and equipment and investment in other people's real estate, plants and equipment	0014	-	-	-
029 (part)	6. Advances for real estate, plant and equipment in the country	0015	**1.386**	-	-
029 (part)	7. Advances for real estate, plants and equipment abroad	0016	-	-	-
03	III. BIOLOGICAL RESOURCES	0017	-	-	-
04 and 05	IV. LONG-TERM FINANCIAL PLACEMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018	**776,943**	**595.135**	**463.691**
040 (part), 041 (part) and 042 (part)	1. Share in the euquity of legal entities (except for equity share that are valued using the participation method)	0019	-	-	-
040 (part), 041 (part) and 042 (part)	2. Equity shares valued using the share method	0020	-	-	-
043, 050 (part) and 051 (part)	3. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties in the country	0021	**6,563**	**75,333**	-
044, 050 (part) and 051 (part)	4. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties and abroad	0022	-	-	-
045 (part) and 053 (part)	5. Long-term placements (credits and loans given) in the country	0023	-	-	-
045 (part) and 053 (part)	6. Long-term placements (credits and loans given) abroad	0024	-	-	-
046	7. Long-term financial investments (securities valued at depreciated value)	0025	-	-	-
047	8. Purchased own shares and purchased own shares	0026	-	-	-
048, 052, 054, 055 and 056	9. Other long-term financial investments and other long-term receivables	0027	**770,380**	**519,802**	**463.691**
28 (part) except 288	V. LONG-TERM ACCRUED RECEIVABLES	0028	-	-	-
288	V. DEFERRED TAX ASSETS	0029	-	**14,398**	-

BALANCE SHEET (continued)
on December 31, 2023

- in 000 dinars -

Account group, account	ITEM	EDP	Amount		
			Current year	Previous year End balance 31.12.2022.	Previous year Initial balance 01.01.2022.
	G. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030	**1,356,196**	**1,421,519**	**1,217,599**
Class 1, except account group 14	I. SUPPLIES (0032+0033+0034+0035+0036)	0031	32,774	16.306	21,314
10	1. Material, spare parts, tools and small inventory	0032	7,312	7,312	7,312
11 and 12	2. Work-in-progress and finished products	0033	-	-	-
13	3. Goods	0034	-	-	-
150, 152 and 154	4. Paid advances for supplies and services in the country	0035	13,382	8,910	13,918
151, 153 and 155	5. Paid advances for supplies and services abroad	0036	12,080	84	84
14	II. FIXED ASSETS HELD FOR SALE AND CESSATION OF BUSINESS	0037	-	-	-
20	III. RECEIVABLES BASED ON SALES (0039+0040+0041+0042+0043)	0038	302.446	376,952	209,684
204	1. Receivables from customers in the country	0039	300,979	376,952	209,684
205	2. Receivables from customers abroad	0040	-	-	-
200 and 202	3. Receivables from the parent, dependent and other related persons in the country	0041	1,467	-	-
201 and 203	4. Receivables from parent, dependent and other related persons abroad	0042	-	-	-
206	5. Other receivables based on sales	0043	-	-	-
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	76,475	222.907	195,587
21, 22 except 223 and 224 and 27	1. Other receivables	0045	56,237	210,669	183.351
223	2. Receivables for overpaid profit tax	0046	18,699	10,699	10,697
224	3. Receivables based on overpaid other taxes and contributions	0047	1.539	1.539	1.539
23	V. SHORT-TERM FINANCIAL PLACEMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048	14	14	14
230	1. Short-term loans and placements - parent and subsidiary legal entities	0049	-	-	-
231	2. Short-term loans and placements - other related parties	0050	-	-	-
232, 234 (part)	3. Short-term credits, loans and placements in the country	0051	-	-	-
233, 234 (part)	4. Short-term credits, loans and placements abroad	0052	-	-	-
235	5. Securities valued at depreciated value	0053	-	-	-
236 (part)	6. Financial assets valued at fair value through the Income Statement	0054	-	-	-
237	7. Repurchased own shares and repurchased own stakes	0055	-	-	-
236 (part), 238 and 239	8. Other short-term financial placements	0056	14	14	14
24	VI. CASH AND CASH EQUIVALENTS	0057	652.507	203.183	525.003
28 (part) except 288	VII. SHORT-TERM ACCRUED RECEIVABLES	0058	291,980	602.157	265,997
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0029+0030)	0059	13,704,525	14.108.802	14,058,637
88	DJ. OFF-BALANCE SHEET ASSETS	0060	55.127	55.127	55.127

BALANCE SHEET (continued)
on December 31, 2023

- in 000 dinars -

Account group, account	ITEM	EDP	Amount		
			Current year	Previous year	
				End balance 31.12.2022.	Initial balance 01.01.2022.
	PASSIVE				
	A. CAPITAL (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	3,119,407	1,970,062	1,455,100
30 except 306	I. SHARE CAPITAL	0402	4,057	4,057	4,057
31	II. SUBSCRIBED UNPAID CAPITAL	0403	-	-	-
306	III. ISSUE PREMIUM	0404	681.237	681.237	681.237
32	IV. RESERVES	0405	-	-	-
330 and credit balance for accounts 331, 332, 333, 334, 335 336 and 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0406	114,833	-	-
debt balance calculated 331,332,333,334, 335,336 and 337	VI. UNREALIZED LOSSES BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0407	-	214.173	139,721
34	VII. RETAINED EARNINGS (0409+0410)	0408	1,224,242	825,276	470,385
340	1. Retained earnings of previous years	0409	825.063	470.331	7,752
341	2. Undistributed profit of the current year	0410	399,179	354,945	462.633
	VIII. SHARE WITHOUT THE RIGHT OF CONTROL	0411	1,095,038	673,665	439.142
35	IX. LOSS (0413+0414)	0412	-	-	-
350	1. Loss of previous years	0413	-	-	-
351	2. Loss of the current year	0414	-	-	-
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0420+0428)	0415	8,580,070	8,442,798	9,490,683
40	I. LONG-TERM RESERVATIONS (0417++0418+0419)	0416	99	99	99
404	1. Provisions for compensation and other employee benefits	0417	99	99	99
400	2. Provisions of costs in the warranty period	0418	-	-	-
40 except 400 and 404	3. Other long-term provisions	0419	-	-	-
41	II. LONG-TERM LIABILITIES (0421 + 0422 + 0423 + 0424 + 0425 + 0426 + 0427)	0420	8,579,970	8,442,699	9,490,584
410	1. Liabilities that can be converted into equity	0421	-	-	-
411 (part) and 412 (part)	2. Long-term loans and other long-term liabilities to parent, dependent and other related persons in the country	0422	1,326,872	1,115,216	1,413,181
411 (part) and 412 (part)	3. Long-term loans and other long-term liabilities to parent, dependent and other related parties abroad	0423	1,250,388	14,079	14.110
414 and 416 (part)	4. Long-term credits, loans and obligations based on leasing in the country	0424	4,781,195	6,847,939	7,758,924
415 and 416 (part)	5. Long-term credits, loans and obligations based on leasing abroad	0425	1,221,515	-	-
413	6. Obligations for issued securities	0426	-	-	-
419	7. Other long-term liabilities	0427	-	465,465	304.369
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUED COSTS	0428	-	-	-

BALANCE SHEET (continued)
on December 31, 2023

- in 000 of dinars -

Account group, account	ITEM	EDP	Amount		
			Current year	Previous year	
				End balance 31.12.2022.	Initial balance 01.01.2022.
498	**V. DEFERRED TAX LIABILITIES**	0429	**60,554**		**30,908**
495 (part)	**G. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED**	0430	-	-	-
	D. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431	**1,944,495**	**3,695,942**	**3,081,946**
467	I. SHORT TERM PROVISIONS	0432	-		
42 except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	**886,462**	**2,445,678**	**2,090,689**
420 (part) and 421 (part)	1. Liabilities based on loans to parent, dependent and other related parties in the country	0434	-	**297,929**	-
420 (part) and 421 (part)	2. Liabilities based on loans to parent, dependent and other related parties abroad	0435	**15,375**	**1,335,165**	**1,338,112**
422 (part), 424 (part), 425 (part) and 429 (part)	3. Liabilities based on credits and loans from parties other than domestic banks	0436	**791.429**	**812.584**	**752.577**
422 (part), 424 (part), 425 (part) and 429 (part)	4. Liabilities based on loans from domestic banks	0437	-	-	-
423, 424 (part), 425 (part) and 429 (part)	5. Credits, loans and obligations from abroad	0438	**79,658**	-	-
426	6. Liabilities for short-term securities	0439	-	-	-
428	7. Liabilities based on financial derivatives	0440	-	-	-
430	III. ADVANCES DEPOSITS AND BAILS RECEIVED	0441	**116**	**116**	**77**
43 except 430	IV. BUSINESS LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	**123,059**	**464.473**	**214.609**
431 and 433	1. Liabilities to suppliers - parent, subsidiary legal entities and other related entities in the country	0443	**1,630**	**1.223**	**3,740**
432 and 434	2. Liabilities to suppliers - parent, subsidiary legal entities and other related entities abroad	0444	**35.171**	**86,415**	**83,900**
435	3. Liabilities to suppliers in the country	0445	**80,519**	**369,023**	**126,956**
436	4. Liabilities to suppliers abroad	0446	**5,739**	**7,812**	**13**
439 (part)	5. Bills of exchange liabilities	0447	-	-	-
439 (part)	6. Other liabilities from business	0448	-	-	-
44, 45, 46 except 467, 47 and 48	V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449	**343.124**	**178,483**	**168,650**
44, 45 and 46 except 467	1. Other short-term liabilities	0450	**343.124**	**98.127**	**99,730**
47, 48 except 481	2. Liabilities based on value added tax and other public revenues	0451	-	-	-
481	3. Liabilities based on profit tax	0452	-	**80,356**	**68,920**
427	VI. LIABILITIES BASED ON ASSETS INTENDED FOR SALES AND ASSETS OF A OPERATIONS THAT HAVE BEEN SUSPENDED BUSINESS	0453	-	-	-
49 except 498	VII. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	0454	**591,734**	**607.192**	**607.921**
	DJ. LOSS ABOVE EQUITY AMOUNT (0415+0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455	-	-	-
	E. TOTAL LIABILITY (0401+0415+0429+0430+0431-0455)	0456	**13,704,525**	**14.108.802**	**14,058,637**
89	**Z. OFF BALANCE SHEET LIABILITIES**	0457	**55.127**	**55.127**	**55.127**

INCOME STATEMENT
in the period from 01.01 to 31.12.2023.

- in 000 of dinars -

Account group, account	ITEM	EDP	Amount	
			Current year	Previous year
1	2	3	5	6
	A. OPERATING INCOME (1002 + 1005+1008+1009-1010+1011+1012)	1001	**2,739,292**	**2,172,310**
60	I. INCOME FROM THE SALE OF GOODS (1003 + 1004)	1002	-	-
600, 602 and 604	1. Income from the sale of goods on the domestic market	1003	-	-
601, 603 and 605	2. Income from the sale of goods on the foreign market	1004	-	-
61	II. INCOME FROM THE SALE OF PRODUCTS AND SERVICES (1006+1007)	1005	**2,714,764**	**2,172,310**
610, 612 and 614	1. Income from the sale of products and services on the domestic market	1006	**2,714,764**	**2,172,310**
611, 613 and 615	2. Income from the sale of products and services on the foreign market	1007	-	-
62	III. INCOME FROM ACTIVATION OF GOODS AND EFFECTS	1008	-	-
630	IV. INCREASE OF VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1009	-	-
631	V. DECREASE IN THE VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1010	-	-
64 and 65	VI. OTHER OPERATING INCOME	1011	**21,704**	-
68, except 683, 685 and 686	VII. INCOME FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1012	**2,824**	-
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013	**1,257,741**	**1,207,992**
50	I. PURCHASE VALUE OF SOLD GOODS	1014	-	-
51	II. COSTS OF MATERIALS, FUEL AND ENERGY	1015	**18,093**	**14,456**
52	III. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	**38,806**	**34,990**
520	1. Salary expenses and salary compensation	1017	**27.104**	**18,519**
521	2. Costs of taxes and contributions on wages and salary benefits	1018	**4,045**	**9,965**
52 except 520 and 521	3. Other personal expenses and compensation	1019	**7,657**	**6,506**
540	IV. DEPRECIATION COSTS	1020	**615.210**	**611.332**
58 except 583, 585 and 586	V. COSTS FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1021	**1,495**	**63,082**
53	VI. COSTS OF PRODUCTION SERVICES	1022	**206,478**	**197.021**
54 except 540	VII. PROVISION COSTS	1023	-	-
55	VIII. IMMATERIAL COSTS	1024	**377,659**	**287.111**
	V. BUSINESS PROFIT (1001 - 1013) ≥ 0	1025	**1,481,551**	**964.318**
	G. BUSINESS LOSS (1013 - 1001) ≥ 0	1026	-	-

INCOME STATEMENT (continued)
in the period from 01.01 to 31.12.2023.

- in 000 of dinars -

Account group, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027		**167,424**	**49,380**
660 and 661	I. FINANCIAL INCOME FROM RELATIONS WITH PARENT, DEPENDENT AND OTHER RELATED PARTIES	1028		**3,662**	**654**
662	II. INTEREST INCOME	1029		**139,796**	**3.405**
663 and 664	III. POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	1030		**23,966**	**45,321**
665 and 669	IV. OTHER FINANCIAL INCOME	1031		-	-
	Đ. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		**755,025**	**521,472**
560 and 561	I. FINANCIAL EXPENSES FROM RELATIONS WITH PARENT, SUBSIDIARY AND OTHER RELATED PARTIES	1033		**93,317**	**81,466**
562	II. INTEREST EXPENSE	1034		**508.127**	**364,028**
563 and 564	III. NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	1035		**14,966**	**32,592**
566 and 569	IV. Other financial expenses	1036		**138,615**	**43,386**
	E. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
	Ž. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		**587.601**	**472.092**
683, 685 and 686	**Z. INCOME FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT**	1039		-	-
583, 585 and 586	**I. COSTS FROM THE ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT**	1040		**7.149**	**3,875**
67	**J. OTHER INCOME**	1041		**76,909**	**430,416**
57	**K. OTHER EXPENSES**	1042		**7,923**	**74,633**
	L. TOTAL INCOME (1001+1027+1039+1041)	1043		**2,983,625**	**2.652.106**
	LJ. TOTAL EXPENSES (1013+1032+1040+1042)	1044		**2,027,838**	**1,807,972**
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (1043-1044)≥ 0	1045		**955,787**	**844.134**
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAXATION (1044-1043) ≥ 0	1046		-	-
69-59	**NJ. POSITIVE NET EFFECT ON THE RESULT BASED ON PROFIT OF DISCONTINUED OPERATIONS, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS**	1047		-	-
59-69	**O. NEGATIVE NET EFFECT ON THE RESULT DUE TO LOSS OF BUSINESS THAT IS SUSPENDED, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS**	1048		**1.681**	-
	P. PROFIT BEFORE TAXATION (1045 - 1046 + 1047 - 1048) ≥ 0	1049		**954.106**	**844.134**
	R. LOSS BEFORE TAXATION (1046- 1045 + 1048 - 1047) ≥ 0	1050		-	-
	S. INCOME TAX				
721	I. TAX EXPENSE OF THE PERIOD	1051		**190,400**	**169.061**
722 debt. Balance	II. DEFERRED TAX EXPENSES OF THE PERIOD	1052			-
722 pot. Balance	III. DEFERRED TAX REVENUE OF THE PERIOD	1053		**32,547**	**21.125**
723	**T. PAID PERSONAL INCOME OF THE EMPLOYER**	1054		-	-
	Ć. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		**796.253**	**696.198**
	U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
	I. NET PROFIT ATTRIBUTABLE TO NON-CONTROLING INTERESTS	1057		**397,074**	**341.253**
	II. NET PROFIT ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1058		**399,179**	**354,945**
	III. NET LOSS ATTRIBUTABLE TO NON-CONTROLING INTERESTS	1059		-	-
	IV. NET LOSS ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1060		-	-
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061		**15.06**	**13.39**
	2. Decreased (diluted) earnings per share	1062		**15.06**	**13.39**

2. Presentation of the development, financial position and activities of the Company, relevant financial information and non-financial indicators, structure of employees (continued)

Financial indicators

The key indicators from the consolidated financial statements are given in more detail in the table below:

Ratios and key performance indicators	31.12.2023	31.12.2022
Revenues (thousand RSD)	2,739,292	2,172,310
EBITDA (thousand RSD) (Operating income + Depreciation)	2,098,256	1,638,732
Operating income (thousand RSD)	1,481,551	946.318
Net profit (thousand RSD)	796.253	696.198
Earnings per share	15.06	13.39
Cash flow from business activities (thousand RSD)	1,754,977	1,270,151
Investments (thousand RSD)	292.004	657.102
EBITDA per turbine (thousand RSD)	83,930	65,549
Net profit per turbine (thousand RSD)	31,850	27,848

Revenues amount to RSD 2,739,292 thousand and RSD 2,172,310 thousand for the year which ended on December 31, 2023 and December 31, 2022, respectively, and refer to FiT received by all wind farms which are productive.

Compared to 2022, EBITDA and operating profit increased in 2023 due to the increase in production and the increase in the selling price of electricity due to inflation.

The net profit for 2023 is 796,254 thousand dinars compared to 696,198 thousand dinars in 2022. This income was significantly influenced by the above-mentioned increase in production and the increase in the selling price of electricity.

2. Presentation of the development, financial position and activities of the Company, relevant financial information and non-financial indicators, structure of employees (continued)

Structure of employees

The Company's employees have the appropriate qualifications, knowledge and experience necessary for quality provision of the Company's services. In addition to the General Manager, the Company has 14 other employees in affiliates who work on the maintenance of existing wind farms.

3. Environment Protection

Fintel Energija contributes to the protection of the environment mostly through investing in the construction of capacities for the production of electricity from renewable sources (green energy). The construction of wind farms significantly reduces the emission of CO2, one of the leading harmful factors for the environment.

4. Significant events after the end of the business year

There were no events that occurred after the balance sheet date that required an adjustment to the consolidated financial statements as of December 31, 2023, or disclosure in the notes to the Group's financial statements

5. Planned future development

Since September 2019, the Company has increased its production of electricity from wind by 85.5 MW through the construction of three projects "Kula", "La Piccolina" and "Košava faza I". The company also has development projects related to wind farms with a total installed capacity of about 1 GW. The list of projects is being actively developed through development and obtaining appropriate regulatory approvals. All projects are developed in accordance with the phased approval process (eng. gateway) so that the dynamics of development depends on a number of internal and external factors. Counting the ongoing projects, the projects whose development has advanced the most are the Torak Wind Farm - Kula 2-10 MW project, the Lipar Wind Farm - Kula 3-10 MW project, the Lipar Wind Farm 2 - Kula 4-10 MW project and Košava faza II - the project acquired all licenses and it is planned to have 19 turbines with a power of up to 68.4 MW, depending on the selection of the type of turbines, expected to be operational and in full capacity in 2026.

The growth of the Company's and Group's operations will primarily be stimulated by the expansion of ongoing projects related to wind farms, as well as solar power plants, with a total capacity of about 1 GW.

The Company's management expects that 80% to 90% of the investments shall be financed from loans, while the rest would be financed from subordinated debt or the Company's cash flows. Also, the Company's management intends to approach the development of wind farm projects in a flexible manner with the aim of achieving growth without jeopardizing the Company's ability to pay dividends in accordance with the Company's dividend policies. Although the Group is focused on organic growth, growth through acquisitions could also be considered on an opportunity basis.

5. Planned future development (continued)

The Group's wind farms in operation and projects in the development/approval phase as of the date of the Annual Business Report are the following:

WIND PARK		LOCATION	DESIGN	THE OWNER	CAPACITY [MW]	STATUS
LA PICCOLINA	Wind	Vršac	Energogreen doo	Energobalkan doo	6.6	In progress
KULA	Wind	Kula	Energogreen doo	Wind park Kula doo	9.9	In progress
KOŠAVA phase I	Wind	Vršac	Energogreen doo	MK Fintel Wind AD	69	In progress
KOŠAVA phase II	Wind	Vršac	Energogreen doo	MK Fintel Wind AD	68.4	Under construction
RAM	Wind	Veliko Gradište	Energogreen doo	RAM doo wind farm	10	Under construction
KULA 2	Wind	Kula	Energogreen doo	Vetropark Torak doo	10	Under construction
LIPAR	Wind	Kula	Energogreen doo	Vetropark Lipar doo	10	Under construction
LIPAR 2	Wind	Kula	Energogreen doo	Wind park Lipar 2 doo	10	Under construction
DUNAV 1	Wind	Veliko Gradište	Energogreen doo	Wind farm DUNAV 1 doo	10	In the development phase
DUNAV 3	Wind	Veliko Gradište	Energogreen doo	Wind farm DUNAV 3 doo	10	In the development phase
PROJECT TORAK	Wind	Sombor	Energogreen doo	Project TORAK doo.	300	Under development
KOŠAVA 2	Wind	Vršac	Energogreen doo	Wind park KOSAVA 2 doo	25	Under development
STAKLENIK 1	Sun		Energogreen doo	Staklenik 1 d.o.o. Beograd	10	Under development
STAKLENIK 2	Sun		Energogreen doo	Staklenik 2 d.o.o. Beograd	10	Under development
STAKLENIK 3	Sun		Energogreen doo	Staklenik 3 d.o.o. Beograd	9.9	Under development
STAKLENIK 4	Sun		Energogreen doo	Staklenik 4 d.o.o. Beograd	6	Under development
STAKLENIK 5	Sun		Energogreen doo	Staklenik 5 d.o.o. Beograd	10	Under development
STAKLENIK 6	Sun		Energogreen doo	Staklenik 6 d.o.o. Beograd	10	Under development
TOTAL					**594.8**	

6. Research & Development

There are no research and development programs relevant to the Company's operations.

There are no registered patents and licenses of the Company.

The company manages, monitors and controls its production facilities from a control center situated in Belgrade ("Logistics Control Center") 24 hours a day, 7 days a week. The company has adopted a model of service provision, according to which none of its facilities are continuously operated by humans. The Company's facilities are managed by a team of 7 people, most of whom work remotely. The Company's personnel carry out a program of preventive maintenance and ongoing operational tasks according to the plan set at the central level by the Logistics Control Center through Vestas asset management software and respond to unplanned breakdowns. Remote monitoring is based on a generally adopted SCADA system that can be used in multiple production technologies. This enables the Company to monitor, in real time, the operation of turbines and generators, including defects, breakdowns and any other issues that may occur. The wind turbines can be remotely started and shut down from the Logistics Control Center, thus avoiding the need to engage an on-site technician in the event of a minor breakdown.

7. Objectives and policies related to the management of financial risks, credit risks, liquidity risk and market risk

Coordination and monitoring of key financial risks is performed by the central treasury department of the parent company Fintel Energija, which provides guidelines for managing various types of risks 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 related to market, liquidity and cash flow risks;
- monitoring of achieved results;
- diversification of assumed obligations / obligations and product portfolio.

7. Objectives and policies related to the management of financial risks, credit risks, liquidity risk and market risk (continued)

Credit risk

Credit risk represents exposure to potential losses resulting from the failure of business and financial counterparties to fulfill their contractual obligations.

The maximum credit risk exposure of the Group as of December 31, 2023 and 2022 is the carrying amount of each class of assets as indicated in the following table:

RSD thousand	**December 31, 2023**	**December 31, 2022**
Cash and cash equivalents	652,507	203,183
Buyer claims	302,446	376,952
Other claims	76,475	222,907
Prepayments and deferred expenses	291,980	602,156
TOTAL	**1,323,408**	**1,405,198**

Accounts receivable refers to EPS receivables for energy produced by wind farms in November.

Accruals are mainly related to the calculated income, claims from EPS for the energy produced in the wind farms in December, while Other receivables mostly refer to higher paid income tax.

These funds carry a low level of credit risk, since most of the above-mentioned claims are against the state or a state-owned company in Serbia.

Based on the director's assessment, there is no need to reduce the value of the said receivables.

Liquidity risk

Liquidity risk is related to the ability to meet obligations arising from financial obligations assumed by the Group. Prudent liquidity risk management in the course of regular activities implies maintaining sufficient cash and marketable securities and the availability of financing through an adequate amount of term loans.

Liquidity risk is managed centrally by the Group, as the administration department periodically monitors the Group's net cash/debt through the preparation of appropriate cash inflow and outflow reports. In this way, the Group aims to ensure adequate coverage for financing needs, by precisely monitoring financing, open credit lines and their use, and all with the aim of optimizing its resources and managing temporary liquidity surplus.

The Group's goal is to establish a financing structure that, in accordance with its business goals, guarantees sufficient Group liquidity, minimizes opportunity costs and maintains a balance in terms of maturity and debt composition.

7. Objectives and policies related to the management of financial risks, credit risks, liquidity risk and market risk (continued)

Liquidity risk (Continued)

The following table provides an analysis of the maturities of liabilities as of December 31, 2023 and 2022. Different maturities are determined based on the period between the reporting date and the contractual maturity of the Group's liabilities, gross of accrued interest as of December 31. Interest is calculated in accordance with the contractual conditions for financing.

RSD thousands	December 31, 2023	
	Short-term maturity	Long-term maturity
Financial obligations to shareholders	15,375	2,577,260
Obligations for banks loans	791,429	6,002,710
Obligations to suppliers	123,059	-
Other obligations	934,858	-
In total	**1,864,721**	**8,579,970**

RSD thousands	December 31, 2022	
	Short-term maturity	Long-term maturity
Financial obligations to shareholders	1,633,094	1,129,295
Obligations for banks loans	812,584	6,843,418
Obligations to suppliers	464,473	-
Other obligations	785,675	4,521
In total	**3,695,826**	**7,977,234**

The analysis of financial obligations by maturity shows a decrease in obligations due up to one year on December 31, 2023 compared to those on December 31, 2022.

Consequently, taking into account the fact that the shareholders have confirmed that they do not intend to request repayment of the loan before the end of 2027, as well as the presence of liquid assets of 1,171,650 thousand dinars (including financial assets) and receiving the full feed-in tariff from 2020 for all wind farms, it is believed that the Company and the Group will be able to meet their obligations in the foreseeable future.

Market risk

In performing its business, the Group is potentially exposed to the following market risks:

- the risk of exchange rate fluctuations;
- the risk of interest rate fluctuations.

These risks are essentially managed centrally by the parent company Fintel Energija.

Risk of exchange rate fluctuations

The risk of exchange rate differences is associated with doing business in currencies other than RSD. Fintel Group is exposed to the risk of exchange rate fluctuations, considering that it conducts business in Serbia through its affiliates, which are companies dedicated to the study, construction, development and management of wind farms and other projects in the field of renewable sources. The Group has loans denominated in foreign currencies, mainly in EUR and RSD, which puts the Company at risk of exchange rate changes. Exposure to changes in exchange rates arising from foreign currency loans is managed by having loans denominated in the group's functional currency in the total loan portfolio.

On December 31, 2023, if the RSD currency had strengthened/weakened by 5% compared to the EUR and all other variables had remained constant, the earnings after taxation would have amounted to RSD 402,323 thousand (2022: RSD 430,312) more/less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR.

7. Objectives and policies related to the management of financial risks, credit risks, liquidity risk and market risk (continued)

Market Risk (Continued)

Risk of interest rate fluctuations

The risk of fluctuating interest rates to which Fintel Group is exposed originates from financial obligations. Debt with a fixed interest rate exposes the Group to the risk related to changes in the fair value of the debt associated with changes in the reference rate market. The variable interest rate expense exposes the Group to cash flow risk arising from interest rate volatility.

The Group's financial indebtedness consists of current bank debt, medium-term / long-term loans approved by banks.

In order to protect themselves from the risk of interest rate changes, the affiliates of Vetropark Kula doo and MK Fintel Wind ad entered into contracts for interest rate swaps and interest rate fixing, in order to finance the wind farms Kula and the first phase of the Košava wind farm.

As a result of the aforementioned hedging transactions, the impact of the expected change in interest rates in the next twelve months is considered negligible in the context of the Group's financial statements.

Capital management risk

The Group's objective in terms of capital risk management is to preserve business continuity in order to guarantee returns to shareholders and benefits to other stakeholders. Moreover, the Group aims to maintain an optimal capital structure to reduce borrowing costs.

The Group monitors its capital based on the ratio of net debt to net invested capital (indebtedness ratio). Net debt is calculated as total debt, including current and long-term loans and borrowings, plus net exposure to banks. Net invested capital is calculated as the sum of total capital and net debt.

The debt ratio as of December 31, 2023 and 2022 is shown in the following table:

RSD thousands	**December 31, 2023**	**December 31, 2022**
Long-term financial obligations:		
- Liabilities to shareholders	2,577,260	1,129,295
- Liabilities for bank loans	6,002,710	6,843,418
Short-term financial liabilities:		
- Liabilities for bank loans	791,429	812,,84
- Liabilities to shareholders	15,375	1,633,094
Financial resources	(770,380)	(519,802)
Cash and cash equivalents	(652,507)	(203.183)
Net Debt (A)	**7,963,887**	**9,695,406**
Capital (B)	**3,119,407**	**1,970,062**
Net capital employed (C=A+B)	**11,083,293**	**11,665,468**
Leverage ratio (A/C)	***71.9%***	***83.1%***

The debt ratio improved in 2023 compared to the previous year due to the increase in own capital for the total result of the year.

8. Corporate Governance Report

Statement on the application of the corporate governance code

Pursuant to Article 368 of the Companies Act ("Official Gazette of RS", no. 36/2011, 99/2011, 83/2014 - other laws, 5/2015, 44/2018, 95/2018 and 91/2019) the company Fintel Energija ad Beograd declares that it applies the Code of Corporate Governance, which is available on the company's website www.fintelenergija.rs. The Corporate Governance Code contains an overview of corporate governance practices applied by the Company.

The Company's Corporate Governance Code sets out the principles of corporate practice and organizational culture in accordance with which the bearers of the Company's corporate management behave, and especially in relation to shareholder rights, obligations and responsibilities of the Company's management, stakeholders' role in corporate governance and data disclosure obligations and transparency of the Company.

System of internal controls and risk reduction related to financial reporting

The system of internal controls and supervision consists of all measures and methods applied in the Company with the aim of securing its assets, improving the accuracy and reliability of accounting and operational data, reducing risks related to financial reporting, compliance with procedures, standards, laws and regulations.

The regulatory framework of the work of the internal supervision sector, i.e. internal audit, is harmonized with the Companies Act ("Official Gazette of RS", no. 36/2011, 99/2011, 83/2014 - other laws, 5/2015, 44/2018, 95/2018 91/2019, and 109/2021), Standards for the professional practice of internal auditing and other legal and professional regulations.

The tasks of internal supervision and internal control include:

- ✓ Control of compliance of the Company's operations with the law, other regulations and acts of the Company;
- ✓ Supervision over the implementation of accounting policies and financial reporting;
- ✓ Checking the implementation of risk management policies;
- ✓ Monitoring compliance of the Company's organization and operations with the corporate governance code;
- ✓ Evaluating policies and processes in the Company, as well as proposing their improvement.

The company hires at least one person responsible for the internal control of operations, and he/she must meet the requirements prescribed for an internal auditor in accordance with the law regulating accounting and auditing.

The person in charge of internal supervision is under the obligation to report on the conducted business supervision to the audit committee, i.e. the board of directors.

8. Corporate Governance Report (continued)

System of internal controls and risk reduction related to financial reporting (Continued)

Audit Committee:

- ✓ Prepares, proposes and checks the implementation of accounting and risk management policies:
- ✓ Makes a proposal to the board of directors for the appointment and dismissal of persons responsible for performing the function of internal supervision in the Company;
- ✓ Supervises the work of internal supervision in the Company;
- ✓ Examines the application of accounting standards in the preparation of financial statements and evaluates the content of financial statements;
- ✓ Examines the fulfillment of the requirements for the preparation of consolidated financial statements of the Company;
- ✓ Conducts the selection procedure of the Company's auditor and proposes a candidate for the Company's auditor, with an opinion on his expertise and independence in relation to the Company,
- ✓ Gives an opinion on the proposal of the contract with the Company's auditor and, in case of need, gives a reasoned proposal for the cancellation of the contract with the Company's auditor;
- ✓ Supervises the audit process, including determining the key issues that should be audited and checking the auditor's independence and objectivity.

External auditor

The Company's annual financial reports are subject to external audit.
In accordance with the law and the Articles of Association of the Company, the Assembly of Shareholders of the Company decides on the election of the auditor and compensation for his work, with all mandatory elements prescribed by law.

The auditor's reports on the audit of the Company's financial statements and consolidated financial statements for 2022 were adopted at the regular meeting of the Company's Shareholders' Assembly on June 29, 2023. At the same session, the Company's Shareholders' Assembly elected the audit company Ernst & Young d.o.o. Beograd.

Management bodies of the Company

The management of the Company is organized as a unicameral body. The bodies of the Company are:

- ✓ Shareholders Assembly;
- ✓ Board of Directors.

The Company's Articles of Association defines the scope of work of the Shareholders' Assembly and the Board of Directors.

Board of Directors

The members of the board of directors are:

- ✓ Claudio Nardone, President
- ✓ Tiziano Giovannetti
- ✓ Giulio Moreno
- ✓ Tamara Mlađenović
- ✓ Jovan Purar (member of the Board of Directors until November 3, 2023)

8. Corporate Governance Report (continued)

Board of Directors (Continued)

Activities of the board of directors in 2023

In 2023, the Board of Directors performed its duties in accordance with the applicable regulations, with the optimal number, composition and qualifications of its members. The agenda of the Board of Directors included regular activities related to the approval of the consolidated and individual financial statements of the Company, the convening of regular and extraordinary meetings of the shareholders' assembly, and consideration of the results of key business indicators.

In the course of 2023, no non-conformities or irregularities were observed in the work of the Company. Based on the information available to the Board of Directors, the Company's operations are fully compliant with the law, other positive regulations and the Company's internal acts.

Shareholders meetings

The Rules of Procedure on the work of the Shareholders' Assembly regulate and determine the manner of work and decision-making process of the Shareholders' Assembly. The provisions of these rules of procedure apply and are binding for all persons who participate or attend the work of the assembly.

The Assembly consists of all shareholders of the Company. In order to personally participate in the work of the Assembly, a shareholder must own a minimum of 0.1% of the total number of shares of the corresponding class. Shareholders who individually do not own 0.1% of the total number of shares have the right to participate in the work of the assembly through a common proxy.

Activities of the Shareholders' Assembly in 2023

In the course of 2023, two sessions of the Assembly of Shareholders were held. The Shareholders' Assembly considered the annual financial reports and consolidated financial reports of the Company, reports of the independent auditor on the audit of the Company's financial statements and the election of auditors for 2023, on the compensation policy of the members of the Company's Board of Directors.

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD * BEOGRAD *

Legal representative

STATEMENT ON CODE OF CORPORATE GOVERNANCE IMPLEMENTATION

Fintel Energija a.d. implements Code of Corporate Governance, adopted April 19, 2018. and the Code has been made publicly available on the Company's Internet page (www.fintelenergija.rs).

The Company's Code on Corporate Governance set out the principles of corporate practices and organizational culture that the principal holders of the corporate governance function of the Fintel Energija a.d. comply with, with regard to the shareholders' rights, corporate governance frameworks and methods, public relations and transparency of the Company's business operations. The main objective of this Code is to introduce good business practice in the field of corporate management, which should provide for the right balance between the influences exerted by the principal corporate governance holders, consistency of the control system and strengthening of shareholders' and investors' trust in the Company, all with the aim to achieve long-term development of the Company.

Relevant Company's bodies make a point of presenting the principles laid down in the Code in greater detail in other general acts of the Company.

Fintel Energija a.d. Beograd

Legal representative

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Tiziano Giovannetti

FINTEL ENERGIJA AD

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Annual Financial Statements of the Fintel Energija a.d. for 2023 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.

Legal representative:

Fintel Energija a.d.

Director

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEK... FINTEL ENERGIJA AD BEOGRAD

Tiziano Giovannetti

FINTEL ENERGIJA AD

DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF COMPANY'S ANNUAL CONSOLIDATED FINANCIAL STATEMENTS*

Note*:

Consolidated Financial Statements of Fintel Energija a.d. for 2023 were approved on April 30, 2024 by CEO of the Group.. At the moment when the Consolidated Annual Report of the Company is published, it has not yet been adopted by the competent Company's body (Shareholders' Assembly). The Company shall publish the complete the Decision of the competent body on the adoption of Company's Consolidated Annual Report at a later date.

DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES *

Note*:

Decisions on distribution of profit or coverage of losses of the Fintel Energija a.d. and all its subsidiaries in the Fintel Energija Group for 2023 shall be passed in the regular annual Shareholders' Assembly meeting..

A public company is legally obliged to prepare their annual consolidated financial statements, to disclose them and to deliver them to the Commission, and, providing that the securities of such company are admitted for trading, to deliver these Statements to the regulated market or to the MTP and to ensure that the annual financial statements are available to the general public over the course of five years at the minimum from the date of its disclosure.

The Company shall be held responsible for the accurancy and veracity of data presented in the Annual Consolidated Report.

Belgrade, April 2024

Legal representative:

Fintel Energija a.d.

Director

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Tiziano Giovannetti