



FINTEL ENERGIJA AD

**ANNUAL REPORT OF
FINTEL ENERGIJA A.D.
FOR THE YEAR 2021**

Belgrade, April 2022.

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 Publication of Annual, Half-Yearly and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012, 5/2015, 24/2017 and 14/2020), Fintel Energija ad from Belgrade (registration number 20305266) hereby publishes the following:

ANNUAL REPORT OF FINTEL ENERGIJA A.D. FOR THE YEAR 2021

Content

- 1. FINANCIAL STATEMENTS OF THE FINTEL ENERGIJA A.D. for 2021 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Financial Statements)**
- 2. INDEPENDENT AUDITOR'S REPORT (complete report)**
- 3. ANNUAL BUSINESS REPORT (Note: Annual Business Report and Consolidated Annual Business Report are presented as a single report and these contain information of significance for the economic entity)**
- 4. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORTS**
- 5. DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF ANNUAL FINANCIAL STATEMENTS * (Note)**
- 6. DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES * (Note)**

**STAND-ALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

FINTEL ENERGIJA AD, BEOGRAD

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ACCOUNTING OF THE REPUBLIC OF SERBIA

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STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
ASSETS				
A. SUBSCRIBED AND UNPAID CAPITAL	0001			
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002		1,502,642	1,516,001
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003		-	-
1. Development investments	0004			
2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005			
3. Goodwill	0006			
4. Intangible assets leased and intangible assets in preparation	0007			
5. Advances for intangible assets	0008			
II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009		8	33
1. Land and buildings	0010			
2. Machinery and equipment	0011		8	33
3. Investment property	0012			
4. Property, plant and equipment leased and property, plant and equipment under construction	0013			
5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014			
6. Advances for property, plant and equipment in the country	0015			
7. Advances for property, plant and equipment foreign	0016			
III. BIOLOGICAL ASSETS	0017			
IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018		1,502,634	1,515,968
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019	8	16,015	16,016
2. Equity investments that are valued using the equity method	0020			
3. Dugoročni plasmani matičnom, zavisnim i ostalim povezanim licima dugoročna potraživanja od tih lica u zemlji	0021	9	1,486,619	1,499,952
4. Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022			
5. Long-term investments (loans and credits) in the country	0023			
6. Long-term investments (loans and credits) abroad	0024			
7. Long-term financial investments (securities valued at amortized cost)	0025			
8. Own shares purchased	0026			
9. Other long-term investments and receivables	0027			
V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028			
C. DEFERRED TAX ASSETS	0029			

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		353,452	253,286
I. INVENTORIES (0032+0033+0034+0035+0036)	0031		581	497
1. Materials, spare parts, tools and supplies	0032			
2. Work in progress and unfinished services	0033			
3. Goods	0034			
5. Advances paid to suppliers for stock and services in country	0035		497	497
6. Advances paid to suppliers for stock and services - abroad	0036		84	
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037			
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038		-	-
1. Trade receivables - domestic	0039			
2. Trade receivables - foreign	0040			
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041			
4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042			
5. Other trade receivables	0043			
IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044		14,254	13,731
1. Other receivables	0045	12	10,020	9,497
2. Receivables for prepaid CIT	0046	12	4,224	4,224
3. Receivables for prepaid other taxes & contributions	0047	12	10	10
V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		114,892	60,097
1. Short-term loans and investments - parent and subsidiaries	0049	10	114,878	60,083
2. Short-term loans and investments - other related parties	0050			
3. Short-term loans, borrowings and investments - domestic	0051			
4. Short-term loans, borrowings and investments - foreign	0052			
5. Securities valued at amortized cost	0053			
6. Financial instrument valued at fair value	0054			
7. Bought up own shares	0055			
8. Other Short-term financial investments	0056		14	14
VI. CASH AND CASH EQUIVALENTS	0057	11	4,383	1,757
VII. SHORT-TERM ACCRUALS	0058		219,342	177,204
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059		1,856,094	1,769,287
F. OFF-BALANCE SHEET ASSETS	0060	7		324,521

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
EQUITY AND LIABILITIES				
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		431,676	430,017
I. SHARE CAPITAL	0402	13	4,057	4,057
II. SUBSCRIBED CAPITAL UNPAID	0403			
III. SHARE ISSUING PREMIUMS	0404	13	681,237	681,237
IV. RESERVES	0405			
V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0406			
VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0407			
VII. UNDISTRIBUTED PROFIT (0409 + 0410)	0408		1,659	-
1. Retained profit from previous years	0409			
2. Retained profit from current year	0410	13	1,659	
VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	0411			
IX. LOSSES (0413 + 0414)	0412		255,277	255,277
1. Losses of previous years	0413	13	255,277	219,550
2. Losses of current year	0414	13		35,727
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		-	696,396
I. LONG-TERM PROVISIONS (0417++0418+0419)	0416		-	-
1. Provisions for employees benefits	0417			
2. Provisions for costs in warranty period	0418			
3. Other long-term provisions	0419			
II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		-	696,396
1. Liabilities which can be converted into capital	0421			
2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422			
3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423			
4. Long-term loans, borrowings and liabilities based on leasing - domestic	0424	14		696,396
5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425			
6. Liabilities for long-term securities	0426			
7. Other longterm liabilities	0427			
III. LONG-TERM ACCRUALS	0428			
C. DEFERRED TAX LIABILITIES	0429			
D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED	0430			

STAND-ALONE FINANCIAL STATEMENTS

FINTEL ENERGIJA AD, BEOGRAD

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		1,424,418	642,873
I. SHORT TERM PROVISIONS	0432			
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		1,185,735	430,530
1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434			
2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435	15	1,185,735	327,380
3. Liabilities based on loans and borrowings from entities other than domestic banks	0436			
4. Liabilities based on loans and borrowings from domestic banks	0437	14		103,150
5. Loans, borrowings and liabilities foreign	0438			
6. Liabilities for short-term securities	0439			
7. Liabilities based on financial derivatives	0440			
III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES	0441			
IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)	0442		85,120	62,826
1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443			
2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444	16	83,899	55,466
3. Trade payables - domestic	0445	16	1,221	7,360
4. Trade payables - foreign	0446			
5. Obligations under bills of exchange	0447			
6. Other business liabilities	0448			
V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		51	50
1. Other short term liabilities	0450		51	50
2. Liabilities for VAT and other public revenues	0451			
3. Liabilities for income tax	0452			
VI. LIABILITIES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE	0453			
VII. SHORT-TERM ACCRUALS	0454	17	153,512	149,467
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		1,856,094	1,769,286
H. OFF-BALANCE SHEET LIABILITIES	0457	7		324,521

Tiziano Giovannetti

Director

28 April 2022



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

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2021	2020
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001		-	-
I. REVENUES OF SOLD GOODS (1003 + 1004)	1002		-	-
1. Income from the sale of goods - domestic market	1003			
2. Income from the sale of goods - foreign market	1004			
II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005		-	-
1. Income from the sale of products and services - domestic market	1006			
2. Income from the sale of products and services - foreign market	1007			
III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008			
IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009			
V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010			
VI. OTHER OPERATING INCOME	1011			
VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012			
B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		36,750	35,667
I. COST OF GOODS SOLD	1014			
II. COST OF MATERIALS, FUEL AND ENERGY	1015			
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016		4,016	3,915
1. Cost of salary and compensation of salary (gross employee)	1017		2,930	2,918
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018		135	134
3. Other personal expenses and remunerations	1019		951	863
IV. DEPRECIATION EXPENSES	1020		25	25
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021			
VIII. COSTS OF PRODUCTION SERVICES	1022	18	178	176
X. COSTS OF LONG-TERM PROVISIONS	1023			
XI. INTANGIBLE EXPENSES	1024		32,531	31,551
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		-	-
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026		36,750	35,667
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027		96,862	76,010
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	19	96,774	75,915
II. INCOME FROM INTEREST	1029			
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030	19	88	95
IV. OTHER FINANCIAL INCOME	1031			

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2021	2020
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		58,453	77,416
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	20	33,114	19,049
II. COSTS OF INTEREST	1034	20	22,471	50,685
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035	20	614	10
IV. OTHER FINANCIAL COSTS	1036	20	2,254	7,672
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		38,409	-
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		-	1,406
I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1039			
J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1040			
K. OTHER INCOME	1041			1,488
L. OTHER COSTS	1042			142
M. TOTAL INCOME (1001+1027+1039+1041)	1043		96,862	77,498
N. TOTAL COSTS (1013+1032+1040+1042)	1044		95,203	113,225
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		1,659	-
P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	35,727
Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1047			
R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1048			
S. PROFIT BEFORE TAX (1045-1046+1047-1048) ≥ 0	1049		1,659	-
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-	35,727
U. INCOME TAXES				
I. TAX EXPENSES FROM THE PERIOD	1051			
II. DEFERRED TAX EXPENSE	1052			
III. DEFERRED TAX INCOME	1053			
V. EARNINGS OF EMPLOYER	1054			
W. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		1,659	-
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	35,727
I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057			
II NET PROFIT BELONGING TO PARENT COMPANY	1058			
III. NET LOSS BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1059			
IV. NET LOSS BELONGING TO PARENT COMPANY	1060			
V. EARNINGS PER SHARE				
1. Basic earning per share	1061		0.06	-1.35
2. Reduced (diluted) earnings per share	1062		0.06	-1.35

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF OTHER COMPREHENSIVE INCOME
 In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2021	2020
A. NET PROFIT/(LOSS)				
I. PROFIT, NET (AOP 1055)	2001		1,659	-
II. LOSS, NET (AOP 1056)	2002		-	35,727
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Items that will not be reclassified to profit or loss				
1. Changes in the revaluation of intangible assets, property, plant and equipment				
a) increase in revaluation reserves	2003			
b) decrease in revaluation reserves	2004			
2. Actuarial gains (losses) of post employment benefit obligations				
a) gains	2005			
b) losses	2006			
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
a) gains	2007			
b) losses	2008			
b) Items that may be subsequently reclassified to profit or loss				
1. Gains or losses on investments in equity instruments				
a) gains	2009			
b) losses	2010			
1. Gains or losses on the translation of financial statements of foreign operations				
a) gains	2011			
b) losses	2012			
2. Gains or losses on hedging instruments of net investments in foreign operations				
a) gains	2013			
b) losses	2014			
3. Gains and losses on cash flow hedges				
a) gains	2015			
b) losses	2016			
4. Gains or losses on securities that are measured at fair value through other comprehensive income				
a) gains	2017			
b) losses	2018			
I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			
II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020			
III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			
IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022			
IV. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023			
V. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024			
C. TOTAL NET COMPREHENSIVE PROFIT				
I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		1,659	
II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026			35,727
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027			
1. Attributable to shareholders	2028			
2. Attributable to non-controlling interest	2029			

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CASH FLOWS

In RSD thousand

POSITION	AOP	Year ended 31 December	
		2021	2020
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1-4)	3001	-	-
1. Sales and advances received in the country	3002		
2. Sales and advances received abroad	3003		
3. Interest from operating activities	3004		
4. Other inflow from operating activities	3005		
II. Cash outflow from operating activities (1 do 8)	3006	68,113	58,164
1. Payments and prepayments to suppliers in the country	3007	12,004	25,484
2. Payments and prepayments to suppliers abroad	3008		
3. Salaries, benefits and other personal expenses	3009	3,885	3,916
4. Interest paid in the country	3010	52,201	28,764
5. Interest paid abroad	3011		
6. Income tax paid	3012		
7. Payments for other public revenues	3013	23	
8. Other outflows from operating activities	3014		
III. Net cash inflow from operating activities (I - II)	3015	-	-
IV. Net cash outflow from operating activities (II - I)	3016	68,113	58,164
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash flows from investing activities (1 do 5)	3017	1,037,934	76,011
1. Sale of shares	3018		
2. Proceeds from sale of intangible assets, property, plant and equipment and biological assets	3019		
3. Other financial investments	3020	985,557	44,693
4. Interest from investing activities	3021		
5. Dividend received	3022	52,377	31,318
II. Cash outflow from investing activities (1 do 3)	3023	167,155	9,263
1. Acquisition of subsidiaries or other business	3024		
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025		
3. Other financial investments	3026	167,155	9,263
III. Net cash inflow from investing activities (I - II)	3027	870,779	66,748
IV. Net cash outflow from investing activities (II - I)	3028	-	-

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CASH FLOWS (CONTINUED)

In RSD thousand

POSITION	AOP	Year ended 31 December	
		2021	2020
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 do 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 do 8)	3037	800,040	18,851
1. Purchase of own shares	3038		
2. Long-term borrowings in the country	3039	800,040	
3. Long-term borrowings in abroad	3040		
4. Short-term borrowings in the country	3041		18,851
5. Short-term borrowings country abroad	3042		
6. Other liabilities	3043		
7. Financial lease	3044		
8. Dividend distribution	3045		
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	800,040	18,851
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	1,037,934	76,011
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	1,035,308	86,278
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	2,626	-
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	-	10,267
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3052	1,757	12,024
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	4,383	1,757

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CHANGES IN EQUITY

in 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)
1 Balance as at 01.01.2020	4001	4,057	4010		4019		4028	681,237
2 Adjustments of material errors and changes in accounting policies	4002		4011		4020		4029	
3 Restated opening balance as at 01.01. 2020 (1+2)	4003	4,057	4012		4021		4030	681,237
4 Net changes in 2020	4004		4013		4022		4031	
5 Balance as at 31.12.2020 (3+4)	4005	4,057	4014		4023		4032	681,237
6 Adjustments of material errors and changes in accounting policies	4006		4015		4024		4033	
7 Restated opening balance as at 01.01. 021 (5+6)	4007	4,057	4016		4025		4034	681,237
8 Net changes in 2021	4008		4017		4026		4035	
9 Balance as at 31.12.2021 (7+8)	4009	4,057	4018		4027		4036	681,237

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CHANGES IN EQUITY (CONTINUED)
in RSD thousand

Position Description	AOP 4037	Revaluation reserves and unrealized gains AOP and losses (group 33) 4046	Retained earnings AOP (group 34) 4055	Loss (group 35) 4064	AOP controlling Interest 4073	Total (corresponds to the position of AOP 0401) (col.2+3+4+5+6 +7-8+9) ≥ 0 465,744 4082	LOSS EXCEEDING EQUITY (corresponds to the position of AOP 0455) (col.2+3+4+5+6+7- 8+9):0 4083
1 Balance as at 01.01.2020	4037	4046	- 4055	219,550	4073	465,744 4082	
2 Adjustments of material errors and changes in accounting policies	4038	4047	4056	4065	4074	4083	
3 Restated opening balance as at 01.01.2020 (1+2)	4039	4048	- 4057	219,550	4075	465,744 4084	
4 Net changes in 2020	4040	4049	4058	35,727	4076	4085	35,727
5 Balance as at 31.12.2020 (3+4)	4041	4050	- 4059	255,277	4077	430,017 4086	
6 Adjustments of material errors and changes in accounting policies	4042	4051	4060	4069	4078	4087	
7 Restated opening balance as at 01.01. 2021 (5+6)	4043	4052	- 4061	255,277	4079	430,017 4088	
8 Net changes in 2021	4044	4053	1,659 4062	4071	4080	1,659 4089	
9 Balance as at 31.12.2021 (7+8)	4045	4054	1,659 4063	255,277	4081	431,676 4090	

**EXPLANATORY NOTES TO THE STAND-
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FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
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(All amounts are in 000 RSD, unless otherwise stated)

1. General information

Fintel Energija A.D. (hereinafter the “**Company**” or “**Fintel Energija**”) is a Serbian holding leading independent renewable energy generator in Serbia. The Company through its subsidiaries acted as the pioneer in the Serbian wind business being the first ever to install and operate wind farms in the country.

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

Fintel Energija's registered office is located at Bulevar Mihajla Pupina 115e, Beograd, Serbia.

At 31 December 2021, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

In 2018 the Company listed its shares on the stock market. The process of Initial Public Offering of the Company's shares ended on 30. October 2018, and during the offering period 1,510,506 shares were registered. Initial price on the stock market was RSD 500 per share.

The company's shares are traded on the organized market – Belgrade Stock Exchange. The symbol of the shares is FINT, and ISIN number is RSFINEE60549. The market capitalization of the Company as at 31 December 2021 is RSD 16,966,724 thousand (as at 31. December 2020 is RSD 16.569.066 thousand). Fintel Energia Group SpA, the majority shareholder of the Company, constitute a vertical operator in the integrated energy supply chain, which engages in the sale of electricity and natural gas in Italy and in the development and exploitation of renewable energy power plants (photovoltaic, wind and mini wind) in Italy and Serbia.

These stand-alone financial statements for the year ended 31 December 2021 have been approved on the 28 April 2022. The approved stand-alone financial statements may be amended based on the auditor's opinion, in accordance with legislation.

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

2. Summary of accounting policies and standards adopted

2.1 Basis of presentation

The Company has prepared these stand-alone financial statements in accordance with the Law on Accounting of the Republic of Serbia (the "Law"), statements be prepared in accordance with all International Financial Reporting Standards (IFRS) translated into Serbian by 31 July 2013, as well as other regulations issued by the Ministry of Finance of the Republic of Serbia. The Law requires certain presentations and treatments of accounts and balances which results in the following additional departures from IFRS:

1. The Group has prepared these financial statements in accordance with the requirements of the Ordinance on the chart of accounts and content of accounts in the chart of accounts for companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020) and the format prescribed by the Ordinance on the content and form of financial statements, and the content and form of the statistical report form for companies, cooperatives and entrepreneurs ("Official Gazette of RS", No. 89/2020), which deviates from the format defined in IAS 1 (revised) - "Presentation of financial statements" and IAS 7 - "Cash flow statement."
2. Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4980 / 2019-16 of 21st November 2019 (Official Gazette of the Republic of Serbia No. 92/2019) stipulate that official standards are consist of: official translations of International Financial Reporting Standards which include the Conceptual Framework for Financial Reporting, the basic texts of International Accounting standards (IAS), basic texts of IFRS issued by the International Accounting Standards Board, as well as interpretations issued by the Accounting Standards Interpretation Committee in the form in which they were issued or adopted and which do not include basis for conclusions, illustrative examples, guidelines, comments, dissenting opinions, elaborated examples and other additional explanatory material that can be adopted in connection with standards, interpretations, unless it is explicitly stated that it is an integral part of the standard or interpretation.
3. Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4351 / 2020-16 of 10 September 2020 (Official Gazette of the Republic of Serbia No. 123/20 125/20) of the newly translated standards are published IFRS 16: Leasing and Interpretation IFRIC 23 - Uncertainty about Treatment income tax. These translations begin to be applied from the financial statements prepared as of December 31, 2021, with the possibility of application when compiling the financial statements as of December 31, 2020. The Group has implemented this option in earlier periods.

According to the above, and bearing in mind the potential material effects that the deviation of the accounting regulations of the Republic of Serbia from IFRSs and IASs can have on the reality and objectivity of the Group's consolidated financial statements, the accompanying consolidated financial statements cannot be considered as financial statements prepared in accordance with IFRS and IAS.

The preparation of stand-alone financial statements in conformity with Law on Accounting of the Republic of Serbia requires the use of certain critical accounting estimates. It also requires management

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

to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Going concern

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. Bearing in mind the foregoing, management considers that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its stand-alone financial statements. Further information on the Company's borrowings is given in Note 14.

2.3 Foreign currency translation

Functional and presentation currency

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

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

2. Summary of accounting policies and standards adopted (Continued)

2.3 Foreign currency translation (Continued)

Transactions and balances

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

2.4 Significant accounting policies

Property, plant and equipment

Property, plant and equipment is stated at purchase cost less depreciation and impairment. Cost includes all costs necessary to bring an asset to working condition for its intended use. This cost is increased by the present value of the estimated cost of site clearance when there is a legal or constructive obligation to decommission the asset. The corresponding liability is recognised in provisions for risks and charges. The accounting treatment of revised estimates of these costs, of the time value of money and of the discount rate are indicated in the point on provisions for risks and charges.

Borrowing costs directly attributable to the acquisition or construction of property, plant and equipment are included in the cost of the asset only if the asset in question is a qualifying asset, i.e. one that necessarily takes a substantial period of time to get ready for its intended use or sale.

Costs incurred on ordinary and/or cyclical repairs and maintenance are recognised directly in profit or loss. Costs incurred for the expansion, modernisation or improvement of structural elements owned by the Company or used by third parties are capitalised to the extent that they meet the requirements for recognition as a separate asset or as part of an asset.

Depreciation is calculated on a straight line basis using rates that allow assets to be depreciated over their estimated useful lives. When a depreciable asset is composed of separately identifiable elements, the useful life of which differs significantly from the other component parts of the asset, depreciation is computed separately for each of these parts in accordance with the "component approach".

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

2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Property, plant and equipment (Continued)

The useful life estimated by the Company for each category of property, plant and equipment is as follows:

	No. of years
Equipment	3

Property, plant and equipment held under finance leases, whereby substantially all of the risks and benefits of ownership are transferred to the Company, are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, inclusive of the amount payable to exercise the purchase option. The corresponding lease obligation is recognised under financial liabilities. Assets held under finance leases are depreciated by applying the policy and rates previously indicated for property, plant and equipment, except where the lease term is shorter than an asset's useful life and there is no reasonable certainty that the Company will obtain ownership at the end of the lease term; in this case, the depreciation period coincides with the lease term. Any gain on sale of an asset arising from a sale and leaseback transaction is deferred and amortised over the lease term.

Leasing arrangements, whereby the lessor retains substantially all the risks and rewards incidental to ownership of an asset, are accounted for as operating leases. Costs relating to operating leases are recognised in profit or loss on a straight-line basis over the lease term.

Other current and non-current assets, trade receivables and other receivables

On initial recognition, financial assets are measured at fair value and are classified in one of the following categories based on their nature and the purpose for which the investments were acquired:

- held-to-maturity investments;
- loans and receivables;
- available-for-sale financial assets; and
- financial assets at fair value through profit or loss.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the assets have expired and the company that held them has transferred substantially all the risks and rewards of ownership.

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

2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Other current and non-current assets, trade receivables and other receivables (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which mainly relate to receivables due from customers or Group companies. Loans and receivables are classified in the statement of financial position as trade receivables and other receivables. These assets are measured at amortised cost, using the effective interest rate, less impairment. Impairment losses on receivables are recognised if there is objective evidence that the Company will not be able to recover the receivable due from the counterparty in accordance with contractual terms. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Company regarding the following loss events:

- significant financial difficulties on the part of the issuer or borrower;
- the existence of ongoing legal disputes with the debtor relating to a receivable;
- reasonable likelihood that the beneficiary will declare bankruptcy or other debt restructuring or insolvency procedures.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the loss is recognised in profit or loss as "Allocations to provisions and impairment".

Receivables are stated in the financial statements net of the provision for doubtful debts.

Cash and cash equivalents

These include cash on hand, deposits held at call with banks or other financial institutions for current operations, post office current accounts and other cash equivalents, as well as investments with original maturities of three months or less. The components of cash and cash equivalents are measured at fair value and changes therein are recognised in profit or loss.

Off balance sheet assets/liabilities

Those include: assets held under leases, other than financial leases, consignment stock, material received from third parties for further processing and other assets not owned by the Company, as well as receivables/payables relating to collaterals received/given such as guarantees and other warrants.

Trade payables, financial and other payables

Trade payables, financial and other payables are recognised initially at their fair value, net of directly attributable ancillary costs, and subsequently measured at amortised cost using the effective interest method. If there is a change in estimated cash flow that can be reliably measured, the carrying amount of the liability is remeasured to reflect the change, based on the present value of the new estimated cash flow and on the initially determined internal rate. Borrowings are classified as current liabilities unless

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

2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Trade payables, financial and other payables (Continued)

the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are recognised on the trade date of the related transactions and are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired and when the company that had contracted the debt has transferred all of the risks and obligations related thereto.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. The amount recognised represents the best estimate of the expenditure required to settle the obligation. When the time value of money is significant and the settlement date of the obligations can be reliably estimated, the provisions are measured at the present value of the expected disbursement using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

If the liability relates to decommissioning and/or restoration of assets, the provision is recognised as an opposite entry to the asset to which it relates and the cost is recognised in the income statements via the 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 takes place, except for changes in expected decommissioning and clearance costs due to changes in timing and the use of economic resources necessary to discharge the obligation or resulting from a change in the discount rate.

Such changes are added to or deducted from the carrying amount of the assets to which they relate and are recognised as depreciation charges in income statement. If changes are added to an asset's carrying amount, an assessment is made as to whether the new carrying amount is likely to be fully recovered; if not, the carrying amount of the asset is reduced to take account of the unrecoverable amount and the loss arising from the reduction is recognised in the income statement.

If changes are deducted from an asset's carrying amount, the decrease is recognised as an opposite entry to the asset up to the amount of its carrying amount; any excess is recognised immediately in the income statement.

As regards estimation criteria adopted for the determination of the asset decommissioning and restoration provision, reference should be made to the paragraph on use of estimates.

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2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Provisions (Continued)

Risks that could give rise to a probable liability are disclosed in the section on commitments and risks, but are not provided for.

A contingent liability that was separately recognised in the initial accounting for a business combination as a liability, is measured at the higher of the amount the liability would be recognised by applying the above policy for provisions for risks and charges and the present value of the initially determined liability.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and relates to the sale of goods and the rendering of services that constitute the Company's core business. Revenue is recorded net of returns, discounts, rebates and allowances and excluding value added tax.

Revenue is recognised to the extent that it can be reliably measured and it is probable that future economic benefits will flow to the Company.

Revenue arising from the sale of goods and finished products is recognised in the income statement upon the transfer to the customer of the risks and rewards of ownership of the product sold, which normally coincides with the shipment of the goods to the customer and their acceptance thereby.

Revenue arising from the rendering of services is recognised in the accounting period in which the services are rendered by reference to the stage of completion at the reporting date.

Revenue only includes economic benefits received or receivable flowing to the Company in their own name and on their own behalf. Consequently, consideration received on behalf of third parties is excluded from revenue.

Cost recognition

Costs are recognised when they relate to goods and services purchased or consumed in the period or by systematic allocation.

Finance income and costs

Finance income and costs are recognised on an accrual basis that takes account of the effective return/charge on related assets/liabilities.

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset, commencing from the date on which the Company companies start incurring the finance costs until the date on which the asset financed is ready for use.

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

2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case deferred tax liability is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in Serbia, where the Company operates and generates taxable profit. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Related-party transactions

Related party transactions are conducted at arm's length, based on efficiency and cost-effectiveness criteria.

Dividends

Dividends to be distributed to the shareholders of the Parent Company are recognised as a liability in the financial statements in the period in which the distribution has been approved by the shareholders.

Earnings per share

The Company calculates and discloses the basic earnings per share. Basic earnings per share is calculated by dividing the net income that belongs to shareholders, the owners of ordinary shares of the Company, by the weighted average number of ordinary shares issued during the period.

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

3. Estimates and assumptions

The preparation of the stand-alone financial statements requires the directors to apply accounting policies and methods, which, in certain circumstances, are based on accounting assessments and estimates and which may also be based on past experience and on assumptions that are deemed to be reasonable and realistic. The use of such estimates and assumptions has an impact on the stand-alone financial statements, including the balance sheet, the income statement, the statement of comprehensive income and the statement of cash flows, as well as on related disclosures. The actual amounts of stand-alone financial statement components for which the aforementioned estimates and assumptions have been used may differ from the amounts reported in the financial statements that recognise the occurrence of the event linked to the estimate, because of the uncertainty of the assumptions and the conditions on which the estimates have been based.

A brief description is provided below of the key accounting policies used in the preparation of stand-alone financial statements.

Impairment of investments in subsidiaries

Investments in subsidiaries are tested for impairment when impairment indicators exist, which is recognised by a write-down when there are indicators that suggest it may be difficult to recover the related net carrying amount. The verification of the existence of the aforementioned indicators requires subjective assessments to be made by directors, based on information available within the Company, on information sourced from the market and on past experience. Moreover, if it has been established that there may be a case of potential impairment, as well as the computation of estimates for the determination thereof depend on factors that may change over time and which may affect the assessments and estimates made by the directors.

Based on assessments made by Fintel Group Directors, there are no indicators of impairment of investments in subsidiaries.

Provisions

Other provisions for risks and charges relate mainly to probable liabilities for penalties and interest on overdue amounts payable to the tax authorities. Allocations to provisions are made based on a best estimate at the reporting date of costs likely to be incurred to settle the liability, after having sought legal opinion.

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4. Financial risk management

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

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

Credit risk

Credit risk represents the exposure to potential losses arising from the failure by commercial and financial counterparties to fulfil their contractual obligations.

The Company's maximum exposure to credit risk at 31 December 2021 and 2020 is the carrying amount of each class of assets indicated in the following table:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Other receivables	14.255	13.731
Long-term loans and investments	1.486.619	1.499.952
Short-term loans and investments	114.878	60.083
Prepayments and accrued income	219.342	177.204
TOTAL	1.835.094	1.750.970

Prepayments and accrued income mainly refer to receivables from subsidiaries MK Fintel Wind ad, MK Fintel Wind Holding doo, VP Lipar doo, VP Lipar 2 doo, VP Maestrals Ring d.o.o., Project Torak doo and Fintel Energija Development doo for interest, while Long-term loans and investments relate specifically to financing provided to the subsidiaries MK Fintel Wind ad and MK Fintel Wind Holding doo. Short-term loans relate to financing provided to the subsidiaries VP Lipar doo, VP Lipar 2 doo, VP Maestrals Ring d.o.o., Project Torak doo and Fintel Energija Development doo.

Those represent a low level of credit risk.

Liquidity risk

Liquidity risk is associated with the ability to meet the commitments arising from financial liabilities assumed by the Company. Prudent risk management of liquidity arising in the course of ordinary activities implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

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4. Financial risk management (Continued)

Liquidity risk (Continued)

Liquidity risk is managed centrally by the Ultimate Parent, given that the administration department periodically monitors the Company's net cash/debt through the preparation of appropriate actual and forecast cash inflow and outflow reports. In this manner, the Company aims to ensure it has adequate cover for its financing needs, by accurately monitoring financing, credit facilities opened and utilisations thereof, in order to optimise its resources and manage any temporary liquidity surplus.

The Company's objective is to establish a financing structure that, consistent with its business objectives, guarantees sufficient liquidity for the Company, minimises the related opportunity cost and maintains an equilibrium in terms of term to maturity and composition of the debt.

The following table provides a maturity analysis of liabilities at 31 December 2021 and 2020. The various maturity bands are determined based on the period between the reporting date and the contractual maturity of the Company's obligations, gross of accrued interest at 31 December. Interest is calculated in accordance with contractual terms for the financing.

At 31 December 2021				
<i>RSD thousand</i>	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	1.185.735	-	-	-
Bank loans	-	-	-	-
Trade payables	85.120	-	-	-
Other liabilities	152.748	-	-	-
Total	1.270.855	-	-	-

At 31 December 2020				
<i>RSD thousand</i>	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	327.380	-	-	-
Bank loans	159.018	156.375	665.227	-
Trade payables	62.827	-	-	-
Other liabilities	119.680	-	-	-
Total	549.225	156.375	665.227	-

An analysis of the financial liabilities by maturity shows an increase of liabilities less than 1 year as at 31 December 2021, compared to those at 31 December 2020. In more detail, Financial payables due to shareholders increased of RSD 858,355 mainly due a new loan of Euro 7,3 million that Fintel Energija AD received from its Parent Company. Increase in Trade payables refer to accrued expenses for services provided by Fintel Energia Group SpA.

In addition, it should be noted that in 2021 Fintel Energija AD early repaid all outstanding loans toward AIK Bank.

Accordingly, taking in account of the foregoing and as detailed in Note 2.1 above, of the fact that the shareholders have confirmed that they do not intend to request the repayment of the loan prior to the forthcoming year end it is believed that the Company and the Group will be able to meet its obligations in the foreseeable future.

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

4. Financial risk management (continued)

Market risk

In the conduct of its operations, the Company is potentially exposed to the following market risks:

- risk of fluctuation in exchange rates;
- risk of fluctuation in interest rates.

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

Risk of fluctuation in exchange rates

Exchange rate risk is linked to operations in currency other than the RSD. Fintel is exposed to the risk of fluctuation in exchange rates, given that it conducts business in Serbia through its subsidiaries, which are companies committed to the study, construction, development and management of wind farms and other projects in the field of renewables. The consequent impact is reflected in the statement of profit or loss of the subsidiaries.

As at 31 December 2021, if the currency RSD had strengthened/weaken by 5% against the EUR with all other variables held constant, post-tax profit for the year would have been RSD 50,394 thousand (2020: RSD 47,894 thousand) higher/lower, mainly as a result of foreign exchange gains/losses on translation of EUR – denominated borrowings.

Risk of fluctuation in interest rates

The risk of fluctuation in interest rates to which Fintel is exposed originates from financial payables. Fixed rate debt exposes the Company to risk linked to changes in the fair value of the debt for their part linked to changes in the reference rate market. Floating rate debt exposes the Company to cash flow risk originating from the volatility of interest rates.

The Company's financial indebtedness consists of current bank debt, medium/long term loans granted by banks and lease liabilities.

As a result of the aforementioned hedging transactions, the impact of the expected change in interest rates in the coming twelve months is deemed to be insignificant in the context of the Company's financial statements.

Capital management risk

The Company's objective as far as capital risk management is concerned is mainly to safeguard business continuity in order to guarantee returns to shareholders and benefits to other stakeholders. Moreover, the Company aims to maintain an optimal capital structure in order to reduce the cost of borrowing.

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

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4. Financial risk management (Continued)

The gearing ratio at 31 December 2021 and 2020 is shown in the following table:

<i>RSD thousand</i>	31.12.2021	31.12.2020
<i>Non-current financial payables:</i>		
- Bank loans	-	799.545
<i>Current financial payables:</i>		
- Financial payables due to shareholders	1.185.735	327.380
Cash and cash equivalents	(4.383)	(1.757)
Net debt (A)	1.181.352	1.125.168
Equity (B)	431.676	430.017
Net capital employed (C=A+B)	1.613.028	1.555.185
Gearing ratio (A/C)	73,2%	72,3%

5. Financial assets and liabilities by class

The following table shows the Company's financial assets and liabilities by class, with an indication of the corresponding fair value, at 31 December 2021 and 2020:

<i>RSD thousand</i>	At 31 December 2021				Total
	Amortised cost	Fair value through OCI	Fair value through profit or loss	Hedge accounting	
Financial assets	1.601.497	-	-	-	1.601.497
Receivables due from subsidiaries related parties	-	-	-	-	-
Other short-term assets	233.611	-	-	-	233.611
Cash and cash equivalents	4.383	-	-	-	4.383
Total	1.601.497	-	-	-	1.601.497
Borrowings	-	-	-	-	-
Financial payables due to shareholders	1.185.735	-	-	-	1.185.735
Trade payables	85.120	-	-	-	85.120
Other current liabilities	153.564	-	-	-	153.564
Total	1.270.855	-	-	-	1.270.855

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5. Financial assets and liabilities by class (Continued)

<i>RSD thousand</i>	At 31 December 2020				
	Amortised cost	Fair value through OCI	Fair value through profit or loss	Hedge accounting	Total
Financial assets	1.560.035	-	-	-	-1.560.035
Receivables due from subsidiaries related parties	-	-	-	-	-
Other short-term assets	190.949	-	-	-	- 190.949
Cash and cash equivalents	1.757	-	-	-	-
Total	1.752.741	-	-	-	-1.750.984
Borrowings	799.545	-	-	-	- 799.545
Financial payables due to shareholders	327.380	-	-	-	- 327.380
Trade payables	62.827	-	-	-	- 62.827
Other current liabilities	149.517	-	-	-	- 149.517
Total	390.207	-	-	-	- 390.207

6. IFRS 8: segment information

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

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

a) Guarantees issued

There were no issued guarantees.

a) Other

There were no other contingent liabilities of the Company.

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

8. Investments in subsidiary

Investments in subsidiary is detailed as follow:

- RSD 16,009 thousand for 54% owned in of MK-Fintel Wind AD(RSD 16.009 thousand at 31 December 2019).
- RSD 5 thousand for 54% owned in of MK-Fintel Wind Holding Doo (RSD 5 thousand at 31 December 2019).
- RSD 200 for 100% owned in Fintel Energija Development Doo(RSD 200 at 31 December 2019).

9. Long-term loans and investments - parent companies and subsidiaries

The balance amounts to RSD 1,486,619 thousand and they only refer to financing provided to the subsidiaries MK-Fintel Wind AD (RSD 1,415,905 thousand at 31 December 2021) and MK-Fintel Wind Holding Doo (RSD 70,714 thousand at 31 December 2021).

Summary of given loans, with maturities in the following table:

Recipient of the loan	Amount 31.12.2021 EUR	Amount 31.12.2021 RSD	Maturity
MK Fintel Wind ad	12.041.839	1.415.904.717	2023
MK Fintel Wind Holding d.o.o.	601.400	70.713.875	2023
Total	12.643.239	1.486.618.592	

10. Short-term loans and investments - parent companies and subsidiaries

Short-term loans and investments to parents' companies and subsidiaries amount to RSD 14,878 thousand and they refer to financing provided to the subsidiaries Lipar Doo (RSD 29,748 thousand at 31 December 2021), Lipar 2 Doo (RSD 14,110 thousand at 31 December 2021), Maestralski Ring Doo (RSD 58,438 thousand at 31 December 2021), Project Torak Doo (RSD 7,878 thousand at 31 December 2021) and Fintel Energija Development Doo (RSD 4,702 thousand at 31 December 2021).

Summary of given loans, with interest rates and maturities in the following table:

Recipient of the loan	Amount 31.12.2021 EUR	Amount 31.12.2021 RSD	Maturity
VP Lipar d.o.o.	253.000	29.748.271	2022
VP Lipar 2 d.o.o.	120.000	14.109.852	2022
VP Maestralski Ring d.o.o.	497.000	58.438.304	2022
Project Torak d.o.o.	67.000	7.878.001	2022
Fintel Energija Development d.o.o.	40.000	4.703.284	2022
Total	977.000	114.877.712	

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

11. Cash and cash equivalents

"Cash and cash equivalents" at 31 December 2021 and 2020 are detailed as follows:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Current account		
- in dinars	4.343	1.701
- in foreign currency	40	56
Cash and cash equivalents	4.383	1.757

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

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

12. Other current assets

"Other current assets" of RSD 233,597 thousand at 31 December 2021 (RSD 190,935 thousand at 31 December 2020) are detailed in the following table:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Other receivables	10.021	9.497
Receivables for prepaid CIT	4.224	4.224
Receivables for prepaid other taxes & contributions	10	10
Total	14.255	13.731

13. Equity

Equity at 31 December 2021 and 2020 is detailed in the following table:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Share capital	4.057	4.057
Share premium	681.237	681.237
Retained profit from current year	1.859	-
Loss from previous years	(255.277)	(219.550)
Loss from current year	-	(35.727)
TOTAL EQUITY	431.676	430.017

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

13. Equity (Continued)

The equity components and changes therein are detailed below:

Share capital

As of 31 December 2021, the Company's fully subscribed and paid up share capital amounted to RSD 4,056,524 (RSD 4.057 thousand as at 31. december 2020) consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Share premium

At 31 December 2021, such Reserve includes the share premium resulting from the capital increase related to the IPO of the Company on the Prime Listing Segment of the Belgrade Stock Exchange. The share premium worths RSD 755,022 Thousands (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

Retained earnings/(Losses)

These consist of earnings/(Losses) from previous years. They also include net profit/(losses) for the current year.

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

Set out below are details of long and short term loans and borrowings at 31 December 2021 and 2020:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Long term borrowings	-	696.396
Short-term loans and borrowings	-	103.150
Total	-	799.545

Decrease of long and short term loans and borrowings is mainly due to early repayment of all outstanding amounts of AIK loans.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

15. Long and short term loans and borrowings from parent and subsidiaries

Loans and borrowings to parent and subsidiaries of RSD 1,185,735 thousand as at 31 December 2021 (RSD 327,380 thousand at 31 December 2020), mainly consist of revocable loans to be repaid to the Ultimate Parent company Fintel Energija Group Spa that were granted for the benefit of Fintel Energija. The loan of EUR 9,967,000 is interest bearing, interest is from 3% to 6%. Other loans are non-interest bearing. The loans are due in 2023. The company intends to settle its liabilities by the end of 2022.

16. Trade payables

Trade payables amounted to RSD 85,120 thousand at 31 December 2021 (RSD 62,827 thousand at 31 December 2020) consist of domestic trade payables for services and payables to the parent company for services.

17. Accruals

Accruals amounted to RSD 153,512 thousand at 31 December 2021 (RSD 149,467 thousand at 31 December 2020) consist mainly of interests on shareholders loan due to Fintel Energija Group Spa accrued interests on financial loan.

18. Non-production costs

Non-production costs amount to RSD 32,531 thousand in 2021 (RSD 31,551 thousand in 2020) and relate to accounting services, management fee costs from Parent Company (invoices issued in according management fee contract), costs of other services.

19. Finance income

	2021	2020
FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	96.774	75.915
INCOME FROM INTEREST	-	-
FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	88	95
OTHER FINANCIAL INCOME	-	-
Total	96.862	76.010

20. Finance expense

	2021	2020
FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	33.114	19.049
COSTS OF INTEREST	22.471	50.685
FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	614	10
OTHER FINANCIAL COSTS	2.254	7.672
Total	58.452	77.416

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

21. Income tax expense

Income tax expenses for the years ended 31 December 2021 and 2020 are detailed as follows:

	Year ended 31 December	
	2021	2020
Income tax for the year	-	-
Deferred income tax for the period (note 12)	-	-
Origination and reversal of temporary differences	-	-
	-	-

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

	Year ended 31 December	
	2021	2020
Profit before tax	1.659	(35.727)
Tax calculated at domestic tax rates applicable to profits in the respective countries	-	-
<i>Tax effect on:</i>		
Depreciation effects	-	-
Revenues exempt from taxation	(25)	(25)
Expenses not deductible for tax purposes	-	-
- Transfer pricing effect for interest expense	-	-
- Other expenses not deductible	-	-
Tax losses for which no deferred income tax asset was recognized (utilized recognised tax credit), net	-	-
Losses from subsidiaries	-	-
Other tax effects for reconciliation between accounting profit and tax expense	-	-
Adjustment in respect of prior years	-	-
Effective income tax rate	0%	0%

The weighted average applicable tax rate was 0% (2020: 0%).

22. Earnings/(loss) per share

The basic result per share has gone from a loss per share of RSD 1.35 in 2020 to profit per share of RSD 0.06 for the year ended 31 December 2021. It has been computed by dividing the Group's net result by the number of Fintel Energija shares outstanding in the years in question (number of shares outstanding of 26,511 thousand).

There were no dilutive effects at 31 December 2021. Accordingly, diluted earnings per share thus coincide with basic earnings per share.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

23. Related party transactions

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

A summary provided below of the Company's transactions with related parties in 2021 and 2020. All transactions with related parties are entered into at market value.

As of 31 December 2021 and 31 December 2020 the outstanding balances with related parties were as follows:

RSD thousand	At 31 December 2021			
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans	-	-	114.878	114.878
Long-term loans	-	-	1.486.619	1.486.619
Other current assets	-	-	219.342	219.342
Other current liabilities	(152.748)	-	-	(152.748)
Trade payables	(83.899)	-	-	(83.899)
Shareholder's loan	(1.185.735)	-	-	(1.185.735)
Total	(1.422.381)	-	1.820.839	398.458

RSD thousand	At 31 December 2020			
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans	-	-	60.083	60.083
Long-term loans	-	-	1.499.952	1.499.952
Other current assets	-	-	177.204	177.204
Other current liabilities	(119.629)	-	-	(119.629)
Trade payables	(83.201)	-	-	(83.201)
Shareholder's loan	(327.380)	-	-	(327.380)
Total	(530.210)	-	1.737.239	1.207.029

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

23. Related party transactions (Continued)

For the year ended 31 December 2021 and 2020 the following transaction occurred with related parties:

<i>RSD thousand</i>	At 31 December 2021				
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Other related parties	Total
Revenues	-	-	-	-	-
Selling, general and administrative expenses	(28.432)	-	-	-	(28.432)
Finance income	-	-	96.774	-	96.774
Finance expense	(33.114)	-	-	-	(33.114)
Total	(61.546)	-	96.774	-	35.229

<i>RSD thousand</i>	At 31 December 2020				
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Other related parties	Total
Revenues	-	-	-	-	-
Selling, general and administrative expenses	(27.735)	-	-	-	(27.735)
Finance income	51	-	74.701	-	74.752
Finance expense	(1.818)	-	(231)	-	(2.049)
Total	(29.502)	-	74.470	-	44.968

Remuneration of Fintel's directors

Members of Board of Directors have not received any remuneration in 2021. Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for 2021 amounted to RSD 236 thousand.

24. Tax risk

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have rights to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 31 December 2021.

25. Significant subsequent events

In 2021, the COVID-19 virus continued to spread globally and its negative impact gained in importance. Although it is uncertain at this time to forecast the consequences of the pandemic on the financial condition and results of operations, at the time of issuing these consolidated financial statements there was no visible impact on the Group's operations, but future effects cannot be predicted. Management will continue to monitor the potential impact of the virus on the Group's operations and take all possible steps to mitigate any effects.

At the beginning of 2022, there was increased volatility in the financial and commodity markets due to the escalation of political tensions in Ukraine, followed by international sanctions against certain Russian companies and individuals. Although this situation is still ongoing at the date of these consolidated financial statements and there is an expectation of negative consequences for the economy in general, there was no visible impact on the Group's operations, nor does the Group have

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

significant exposure to vulnerable or sanctioned effects cannot be predicted at this time. Management will continue to monitor potential impact and will take further action as necessary to mitigate all possible effects on this basis.

Management is not aware of any other significant events after the balance sheet date that could affect the financial statements as at 31 December 2021 or require separate disclosure.

Legal representative:

The person responsible for the preparation of consolidated financial statements is:





Independent Auditor's Report

To the Shareholders of Fintel Energija a.d., Beograd

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fintel Energija a.d., Beograd (the "Company") as at 31 December 2021, and the Company's financial performance and cash flows for the year then ended in accordance with the Law on Accounting in the Republic of Serbia.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2021;
- the income statement for the year then ended;
- the statement of other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Law on Auditing in the Republic of Serbia. Our responsibilities under this law are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Law on Auditing in the Republic of Serbia that are relevant to our audit of the financial statements in the Republic of Serbia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law on Auditing in the Republic of Serbia.

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



Our audit approach

Overview

Materiality

- Overall Company materiality: RSD 18,560 thousand, which represents 1% of the Company's total assets as at 31 December 2021.
-

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

Overall Company materiality	RSD 18,560 thousand
------------------------------------	---------------------

How we determined it	1% of the Company's total assets as at 31 December 2021
-----------------------------	---

Rationale for the materiality benchmark applied	The Company acts as a holding company of the group of seventeen subsidiaries engaged in development, construction and operation of wind farms. Due to fact that the most of subsidiaries are still in development phase, with limited number of operating turbines, we chose total assets as the benchmark. We chose 1% which we, based on our professional judgement, considered as appropriate threshold in these circumstances.
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We agreed with the those charged with governance that we would report to them misstatements identified during our audit above RSD 1,856 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.



Key audit matters

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

We have determined that there are no key audit matters to be communicated in our report.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law on Auditing 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The licensed auditor engaged as partner on the audit resulting in this independent auditor's report is Biljana Bogovac.

Refer to the original signed
Serbian version

Biljana Bogovac
Licensed Auditor

Belgrade, 29 April 2022

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Serbian version

PricewaterhouseCoopers d.o.o., Beograd

**STAND-ALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

FINTEL ENERGIJA AD, BEOGRAD

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ACCOUNTING OF THE REPUBLIC OF SERBIA

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STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
ASSETS				
A. SUBSCRIBED AND UNPAID CAPITAL	0001			
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002		1,502,642	1,516,001
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003		-	-
1. Development investments	0004			
2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005			
3. Goodwill	0006			
4. Intangible assets leased and intangible assets in preparation	0007			
5. Advances for intangible assets	0008			
II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009		8	33
1. Land and buildings	0010			
2. Machinery and equipment	0011		8	33
3. Investment property	0012			
4. Property, plant and equipment leased and property, plant and equipment under construction	0013			
5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014			
6. Advances for property, plant and equipment in the country	0015			
7. Advances for property, plant and equipment foreign	0016			
III. BIOLOGICAL ASSETS	0017			
IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018		1,502,634	1,515,968
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019	8	16,015	16,016
2. Equity investments that are valued using the equity method	0020			
3. Dugoročni plasmani matičnom, zavisnim i ostalim povezanim licima dugoročna potraživanja od tih lica u zemlji	0021	9	1,486,619	1,499,952
4. Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022			
5. Long-term investments (loans and credits) in the country	0023			
6. Long-term investments (loans and credits) abroad	0024			
7. Long-term financial investments (securities valued at amortized cost)	0025			
8. Own shares purchased	0026			
9. Other long-term investments and receivables	0027			
V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028			
C. DEFERRED TAX ASSETS	0029			

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		353,452	253,286
I. INVENTORIES (0032+0033+0034+0035+0036)	0031		581	497
1. Materials, spare parts, tools and supplies	0032			
2. Work in progress and unfinished services	0033			
3. Goods	0034			
5. Advances paid to suppliers for stock and services in country	0035		497	497
6. Advances paid to suppliers for stock and services - abroad	0036		84	
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037			
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038		-	-
1. Trade receivables - domestic	0039			
2. Trade receivables - foreign	0040			
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041			
4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042			
5. Other trade receivables	0043			
IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044		14,254	13,731
1. Other receivables	0045	12	10,020	9,497
2. Receivables for prepaid CIT	0046	12	4,224	4,224
3. Receivables for prepaid other taxes & contributions	0047	12	10	10
V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		114,892	60,097
1. Short-term loans and investments - parent and subsidiaries	0049	10	114,878	60,083
2. Short-term loans and investments - other related parties	0050			
3. Short-term loans, borrowings and investments - domestic	0051			
4. Short-term loans, borrowings and investments - foreign	0052			
5. Securities valued at amortized cost	0053			
6. Financial instrument valued at fair value	0054			
7. Bought up own shares	0055			
8. Other Short-term financial investments	0056		14	14
VI. CASH AND CASH EQUIVALENTS	0057	11	4,383	1,757
VII. SHORT-TERM ACCRUALS	0058		219,342	177,204
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059		1,856,094	1,769,287
F. OFF-BALANCE SHEET ASSETS	0060	7		324,521

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
EQUITY AND LIABILITIES				
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		431,676	430,017
I. SHARE CAPITAL	0402	13	4,057	4,057
II. SUBSCRIBED CAPITAL UNPAID	0403			
III. SHARE ISSUING PREMIUMS	0404	13	681,237	681,237
IV. RESERVES	0405			
V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0406			
VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0407			
VII. UNDISTRIBUTED PROFIT (0409 + 0410)	0408		1,659	-
1. Retained profit from previous years	0409			
2. Retained profit from current year	0410	13	1,659	
VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	0411			
IX. LOSSES (0413 + 0414)	0412		255,277	255,277
1. Losses of previous years	0413	13	255,277	219,550
2. Losses of current year	0414	13		35,727
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		-	696,396
I. LONG-TERM PROVISIONS (0417++0418+0419)	0416		-	-
1. Provisions for employees benefits	0417			
2. Provisions for costs in warranty period	0418			
3. Other long-term provisions	0419			
II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		-	696,396
1. Liabilities which can be converted into capital	0421			
2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422			
3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423			
4. Long-term loans, borrowings and liabilities based on leasing - domestic	0424	14		696,396
5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425			
6. Liabilities for long-term securities	0426			
7. Other longterm liabilities	0427			
III. LONG-TERM ACCRUALS	0428			
C. DEFERRED TAX LIABILITIES	0429			
D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED	0430			

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP	Note	31 December 2021	31 December 2020
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		1,424,418	642,873
I. SHORT TERM PROVISIONS	0432			
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		1,185,735	430,530
1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434			
2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435	15	1,185,735	327,380
3. Liabilities based on loans and borrowings from entities other than domestic banks	0436			
4. Liabilities based on loans and borrowings from domestic banks	0437	14		103,150
5. Loans, borrowings and liabilities foreign	0438			
6. Liabilities for short-term securities	0439			
7. Liabilities based on financial derivatives	0440			
III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES	0441			
IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)	0442		85,120	62,826
1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443			
2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444	16	83,899	55,466
3. Trade payables - domestic	0445	16	1,221	7,360
4. Trade payables - foreign	0446			
5. Obligations under bills of exchange	0447			
6. Other business liabilities	0448			
V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		51	50
1. Other short term liabilities	0450		51	50
2. Liabilities for VAT and other public revenues	0451			
3. Liabilities for income tax	0452			
VI. LIABILITIES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE	0453			
VII. SHORT-TERM ACCRUALS	0454	17	153,512	149,467
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		1,856,094	1,769,286
H. OFF-BALANCE SHEET LIABILITIES	0457	7		324,521

Tiziano Giovannetti

Director

28 April 2022



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

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2021	2020
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001		-	-
I. REVENUES OF SOLD GOODS (1003 + 1004)	1002		-	-
1. Income from the sale of goods - domestic market	1003			
2. Income from the sale of goods - foreign market	1004			
II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005		-	-
1. Income from the sale of products and services - domestic market	1006			
2. Income from the sale of products and services - foreign market	1007			
III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008			
IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009			
V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010			
VI. OTHER OPERATING INCOME	1011			
VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012			
B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		36,750	35,667
I. COST OF GOODS SOLD	1014			
II. COST OF MATERIALS, FUEL AND ENERGY	1015			
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016		4,016	3,915
1. Cost of salary and compensation of salary (gross employee)	1017		2,930	2,918
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018		135	134
3. Other personal expenses and remunerations	1019		951	863
IV. DEPRECIATION EXPENSES	1020		25	25
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021			
VIII. COSTS OF PRODUCTION SERVICES	1022	18	178	176
X. COSTS OF LONG-TERM PROVISIONS	1023			
XI. INTANGIBLE EXPENSES	1024		32,531	31,551
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		-	-
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026		36,750	35,667
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027		96,862	76,010
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	19	96,774	75,915
II. INCOME FROM INTEREST	1029			
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030	19	88	95
IV. OTHER FINANCIAL INCOME	1031			

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2021	2020
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		58,453	77,416
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	20	33,114	19,049
II. COSTS OF INTEREST	1034	20	22,471	50,685
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035	20	614	10
IV. OTHER FINANCIAL COSTS	1036	20	2,254	7,672
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		38,409	-
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		-	1,406
I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1039			
J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1040			
K. OTHER INCOME	1041			1,488
L. OTHER COSTS	1042			142
M. TOTAL INCOME (1001+1027+1039+1041)	1043		96,862	77,498
N. TOTAL COSTS (1013+1032+1040+1042)	1044		95,203	113,225
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		1,659	-
P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	35,727
Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1047			
R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1048			
S. PROFIT BEFORE TAX (1045-1046+1047-1048) ≥ 0	1049		1,659	-
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-	35,727
U. INCOME TAXES				
I. TAX EXPENSES FROM THE PERIOD	1051			
II. DEFERRED TAX EXPENSE	1052			
III. DEFERRED TAX INCOME	1053			
V. EARNINGS OF EMPLOYER	1054			
W. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		1,659	-
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	35,727
I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057			
II NET PROFIT BELONGING TO PARENT COMPANY	1058			
III. NET LOSS BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1059			
IV. NET LOSS BELONGING TO PARENT COMPANY	1060			
V. EARNINGS PER SHARE				
1. Basic earning per share	1061		0.06	-1.35
2. Reduced (diluted) earnings per share	1062		0.06	-1.35

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF OTHER COMPREHENSIVE INCOME
 In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2021	2020
A. NET PROFIT/(LOSS)				
I. PROFIT, NET (AOP 1055)	2001		1,659	-
II. LOSS, NET (AOP 1056)	2002		-	35,727
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Items that will not be reclassified to profit or loss				
1. Changes in the revaluation of intangible assets, property, plant and equipment				
a) increase in revaluation reserves	2003			
b) decrease in revaluation reserves	2004			
2. Actuarial gains (losses) of post employment benefit obligations				
a) gains	2005			
b) losses	2006			
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
a) gains	2007			
b) losses	2008			
b) Items that may be subsequently reclassified to profit or loss				
1. Gains or losses on investments in equity instruments				
a) gains	2009			
b) losses	2010			
1. Gains or losses on the translation of financial statements of foreign operations				
a) gains	2011			
b) losses	2012			
2. Gains or losses on hedging instruments of net investments in foreign operations				
a) gains	2013			
b) losses	2014			
3. Gains and losses on cash flow hedges				
a) gains	2015			
b) losses	2016			
4. Gains or losses on securities that are measured at fair value through other comprehensive income				
a) gains	2017			
b) losses	2018			
I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			
II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020			
III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			
IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022			
IV. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023			
V. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024			
C. TOTAL NET COMPREHENSIVE PROFIT				
I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		1,659	
II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026			35,727
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027			
1. Attributable to shareholders	2028			
2. Attributable to non-controlling interest	2029			

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CASH FLOWS

In RSD thousand

POSITION	AOP	Year ended 31 December	
		2021	2020
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1-4)	3001	-	-
1. Sales and advances received in the country	3002		
2. Sales and advances received abroad	3003		
3. Interest from operating activities	3004		
4. Other inflow from operating activities	3005		
II. Cash outflow from operating activities (1 do 8)	3006	68,113	58,164
1. Payments and prepayments to suppliers in the country	3007	12,004	25,484
2. Payments and prepayments to suppliers abroad	3008		
3. Salaries, benefits and other personal expenses	3009	3,885	3,916
4. Interest paid in the country	3010	52,201	28,764
5. Interest paid abroad	3011		
6. Income tax paid	3012		
7. Payments for other public revenues	3013	23	
8. Other outflows from operating activities	3014		
III. Net cash inflow from operating activities (I - II)	3015	-	-
IV. Net cash outflow from operating activities (II - I)	3016	68,113	58,164
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash flows from investing activities (1 do 5)	3017	1,037,934	76,011
1. Sale of shares	3018		
2. Proceeds from sale of intangible assets, property, plant and equipment and biological assets	3019		
3. Other financial investments	3020	985,557	44,693
4. Interest from investing activities	3021		
5. Dividend received	3022	52,377	31,318
II. Cash outflow from investing activities (1 do 3)	3023	167,155	9,263
1. Acquisition of subsidiaries or other business	3024		
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025		
3. Other financial investments	3026	167,155	9,263
III. Net cash inflow from investing activities (I - II)	3027	870,779	66,748
IV. Net cash outflow from investing activities (II - I)	3028	-	-

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CASH FLOWS (CONTINUED)

In RSD thousand

POSITION	AOP	Year ended 31 December	
		2021	2020
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 do 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 do 8)	3037	800,040	18,851
1. Purchase of own shares	3038		
2. Long-term borrowings in the country	3039	800,040	
3. Long-term borrowings in abroad	3040		
4. Short-term borrowings in the country	3041		18,851
5. Short-term borrowings country abroad	3042		
6. Other liabilities	3043		
7. Financial lease	3044		
8. Dividend distribution	3045		
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	800,040	18,851
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	1,037,934	76,011
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	1,035,308	86,278
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	2,626	-
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	-	10,267
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3052	1,757	12,024
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	4,383	1,757

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CHANGES IN EQUITY

in 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)
1 Balance as at 01.01.2020	4001	4,057	4010		4019		4028	681,237
2 Adjustments of material errors and changes in accounting policies	4002		4011		4020		4029	
3 Restated opening balance as at 01.01. 2020 (1+2)	4003	4,057	4012		4021		4030	681,237
4 Net changes in 2020	4004		4013		4022		4031	
5 Balance as at 31.12.2020 (3+4)	4005	4,057	4014		4023		4032	681,237
6 Adjustments of material errors and changes in accounting policies	4006		4015		4024		4033	
7 Restated opening balance as at 01.01. 021 (5+6)	4007	4,057	4016		4025		4034	681,237
8 Net changes in 2021	4008		4017		4026		4035	
9 Balance as at 31.12.2021 (7+8)	4009	4,057	4018		4027		4036	681,237

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CHANGES IN EQUITY (CONTINUED)
In RSD thousand

Position Description	AOP 4037	Revaluation reserves and unrealized gains AOP and losses (group 33) 4046	Retained earnings AOP (group 34) - 4055	Loss (group 35) 219,550	AOP 4064	Non- controlling Interest 4073	Total (corresponds to the position of AOP 0401) (col.2+3+4+5+6 +7-8+9) ≥ 0	LOSS EXCEEDING EQUITY (corresponds to the position of AOP 0455) (col.2+3+4+5+6+7- 8+9):0
1 Balance as at 01.01.2020	4037	4046	- 4055	219,550	4064	4073	465,744	4082
2 Adjustments of material errors and changes in accounting policies	4038	4047	4056	4065	4065	4074	4083	
3 Restated opening balance as at 01.01.2020 (1+2)	4039	4048	- 4057	219,550	4066	4075	465,744	4084
4 Net changes in 2020	4040	4049	4058	35,727	4067	4076	4085	
5 Balance as at 31.12.2020 (3+4)	4041	4050	- 4059	255,277	4068	4077	430,017	35,727
6 Adjustments of material errors and changes in accounting policies	4042	4051	4060	4069	4069	4078	4087	
7 Restated opening balance as at 01.01. 2021 (5+6)	4043	4052	- 4061	255,277	4070	4079	430,017	4088
8 Net changes in 2021	4044	4053	1,659	4062	4071	4080	1,659	4089
9 Balance as at 31.12.2021 (7+8)	4045	4054	1,659	4063	4072	4081	431,676	4090

**EXPLANATORY NOTES TO THE STAND-
ALONE FINANCIAL STATEMENTS 31
DECEMBER 2021**

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

1. General information

Fintel Energija A.D. (hereinafter the “**Company**” or “**Fintel Energija**”) is a Serbian holding leading independent renewable energy generator in Serbia. The Company through its subsidiaries acted as the pioneer in the Serbian wind business being the first ever to install and operate wind farms in the country.

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

Fintel Energija's registered office is located at Bulevar Mihajla Pupina 115e, Beograd, Serbia.

At 31 December 2021, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

In 2018 the Company listed its shares on the stock market. The process of Initial Public Offering of the Company's shares ended on 30. October 2018, and during the offering period 1,510,506 shares were registered. Initial price on the stock market was RSD 500 per share.

The company's shares are traded on the organized market – Belgrade Stock Exchange. The symbol of the shares is FINT, and ISIN number is RSFINEE60549. The market capitalization of the Company as at 31 December 2021 is RSD 16,966,724 thousand (as at 31. December 2020 is RSD 16.569.066 thousand). Fintel Energia Group SpA, the majority shareholder of the Company, constitute a vertical operator in the integrated energy supply chain, which engages in the sale of electricity and natural gas in Italy and in the development and exploitation of renewable energy power plants (photovoltaic, wind and mini wind) in Italy and Serbia.

These stand-alone financial statements for the year ended 31 December 2021 have been approved on the 28 April 2022. The approved stand-alone financial statements may be amended based on the auditor's opinion, in accordance with legislation.

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

2. Summary of accounting policies and standards adopted

2.1 Basis of presentation

The Company has prepared these stand-alone financial statements in accordance with the Law on Accounting of the Republic of Serbia (the "Law"), statements be prepared in accordance with all International Financial Reporting Standards (IFRS) translated into Serbian by 31 July 2013, as well as other regulations issued by the Ministry of Finance of the Republic of Serbia. The Law requires certain presentations and treatments of accounts and balances which results in the following additional departures from IFRS:

1. The Group has prepared these financial statements in accordance with the requirements of the Ordinance on the chart of accounts and content of accounts in the chart of accounts for companies, cooperatives and entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020) and the format prescribed by the Ordinance on the content and form of financial statements, and the content and form of the statistical report form for companies, cooperatives and entrepreneurs ("Official Gazette of RS", No. 89/2020), which deviates from the format defined in IAS 1 (revised) - "Presentation of financial statements" and IAS 7 - "Cash flow statement."
2. Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4980 / 2019-16 of 21st November 2019 (Official Gazette of the Republic of Serbia No. 92/2019) stipulate that official standards are consist of: official translations of International Financial Reporting Standards which include the Conceptual Framework for Financial Reporting, the basic texts of International Accounting standards (IAS), basic texts of IFRS issued by the International Accounting Standards Board, as well as interpretations issued by the Accounting Standards Interpretation Committee in the form in which they were issued or adopted and which do not include basis for conclusions, illustrative examples, guidelines, comments, dissenting opinions, elaborated examples and other additional explanatory material that can be adopted in connection with standards, interpretations, unless it is explicitly stated that it is an integral part of the standard or interpretation.
3. Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4351 / 2020-16 of 10 September 2020 (Official Gazette of the Republic of Serbia No. 123/20 125/20) of the newly translated standards are published IFRS 16: Leasing and Interpretation IFRIC 23 - Uncertainty about Treatment income tax. These translations begin to be applied from the financial statements prepared as of December 31, 2021, with the possibility of application when compiling the financial statements as of December 31, 2020. The Group has implemented this option in earlier periods.

According to the above, and bearing in mind the potential material effects that the deviation of the accounting regulations of the Republic of Serbia from IFRSs and IASs can have on the reality and objectivity of the Group's consolidated financial statements, the accompanying consolidated financial statements cannot be considered as financial statements prepared in accordance with IFRS and IAS.

The preparation of stand-alone financial statements in conformity with Law on Accounting of the Republic of Serbia requires the use of certain critical accounting estimates. It also requires management

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

to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Going concern

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. Bearing in mind the foregoing, management considers that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its stand-alone financial statements. Further information on the Company's borrowings is given in Note 14.

2.3 Foreign currency translation

Functional and presentation currency

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

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

2. Summary of accounting policies and standards adopted (Continued)

2.3 Foreign currency translation (Continued)

Transactions and balances

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

2.4 Significant accounting policies

Property, plant and equipment

Property, plant and equipment is stated at purchase cost less depreciation and impairment. Cost includes all costs necessary to bring an asset to working condition for its intended use. This cost is increased by the present value of the estimated cost of site clearance when there is a legal or constructive obligation to decommission the asset. The corresponding liability is recognised in provisions for risks and charges. The accounting treatment of revised estimates of these costs, of the time value of money and of the discount rate are indicated in the point on provisions for risks and charges.

Borrowing costs directly attributable to the acquisition or construction of property, plant and equipment are included in the cost of the asset only if the asset in question is a qualifying asset, i.e. one that necessarily takes a substantial period of time to get ready for its intended use or sale.

Costs incurred on ordinary and/or cyclical repairs and maintenance are recognised directly in profit or loss. Costs incurred for the expansion, modernisation or improvement of structural elements owned by the Company or used by third parties are capitalised to the extent that they meet the requirements for recognition as a separate asset or as part of an asset.

Depreciation is calculated on a straight line basis using rates that allow assets to be depreciated over their estimated useful lives. When a depreciable asset is composed of separately identifiable elements, the useful life of which differs significantly from the other component parts of the asset, depreciation is computed separately for each of these parts in accordance with the "component approach".

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

2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Property, plant and equipment (Continued)

The useful life estimated by the Company for each category of property, plant and equipment is as follows:

	No. of years
Equipment	3

Property, plant and equipment held under finance leases, whereby substantially all of the risks and benefits of ownership are transferred to the Company, are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, inclusive of the amount payable to exercise the purchase option. The corresponding lease obligation is recognised under financial liabilities. Assets held under finance leases are depreciated by applying the policy and rates previously indicated for property, plant and equipment, except where the lease term is shorter than an asset's useful life and there is no reasonable certainty that the Company will obtain ownership at the end of the lease term; in this case, the depreciation period coincides with the lease term. Any gain on sale of an asset arising from a sale and leaseback transaction is deferred and amortised over the lease term.

Leasing arrangements, whereby the lessor retains substantially all the risks and rewards incidental to ownership of an asset, are accounted for as operating leases. Costs relating to operating leases are recognised in profit or loss on a straight-line basis over the lease term.

Other current and non-current assets, trade receivables and other receivables

On initial recognition, financial assets are measured at fair value and are classified in one of the following categories based on their nature and the purpose for which the investments were acquired:

- held-to-maturity investments;
- loans and receivables;
- available-for-sale financial assets; and
- financial assets at fair value through profit or loss.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the assets have expired and the company that held them has transferred substantially all the risks and rewards of ownership.

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

2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Other current and non-current assets, trade receivables and other receivables (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which mainly relate to receivables due from customers or Group companies. Loans and receivables are classified in the statement of financial position as trade receivables and other receivables. These assets are measured at amortised cost, using the effective interest rate, less impairment. Impairment losses on receivables are recognised if there is objective evidence that the Company will not be able to recover the receivable due from the counterparty in accordance with contractual terms. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Company regarding the following loss events:

- significant financial difficulties on the part of the issuer or borrower;
- the existence of ongoing legal disputes with the debtor relating to a receivable;
- reasonable likelihood that the beneficiary will declare bankruptcy or other debt restructuring or insolvency procedures.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the loss is recognised in profit or loss as "Allocations to provisions and impairment".

Receivables are stated in the financial statements net of the provision for doubtful debts.

Cash and cash equivalents

These include cash on hand, deposits held at call with banks or other financial institutions for current operations, post office current accounts and other cash equivalents, as well as investments with original maturities of three months or less. The components of cash and cash equivalents are measured at fair value and changes therein are recognised in profit or loss.

Off balance sheet assets/liabilities

Those include: assets held under leases, other than financial leases, consignment stock, material received from third parties for further processing and other assets not owned by the Company, as well as receivables/payables relating to collaterals received/given such as guarantees and other warrants.

Trade payables, financial and other payables

Trade payables, financial and other payables are recognised initially at their fair value, net of directly attributable ancillary costs, and subsequently measured at amortised cost using the effective interest method. If there is a change in estimated cash flow that can be reliably measured, the carrying amount of the liability is remeasured to reflect the change, based on the present value of the new estimated cash flow and on the initially determined internal rate. Borrowings are classified as current liabilities unless

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2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Trade payables, financial and other payables (Continued)

the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are recognised on the trade date of the related transactions and are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired and when the company that had contracted the debt has transferred all of the risks and obligations related thereto.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. The amount recognised represents the best estimate of the expenditure required to settle the obligation. When the time value of money is significant and the settlement date of the obligations can be reliably estimated, the provisions are measured at the present value of the expected disbursement using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

If the liability relates to decommissioning and/or restoration of assets, the provision is recognised as an opposite entry to the asset to which it relates and the cost is recognised in the income statements via the 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 takes place, except for changes in expected decommissioning and clearance costs due to changes in timing and the use of economic resources necessary to discharge the obligation or resulting from a change in the discount rate.

Such changes are added to or deducted from the carrying amount of the assets to which they relate and are recognised as depreciation charges in income statement. If changes are added to an asset's carrying amount, an assessment is made as to whether the new carrying amount is likely to be fully recovered; if not, the carrying amount of the asset is reduced to take account of the unrecoverable amount and the loss arising from the reduction is recognised in the income statement.

If changes are deducted from an asset's carrying amount, the decrease is recognised as an opposite entry to the asset up to the amount of its carrying amount; any excess is recognised immediately in the income statement.

As regards estimation criteria adopted for the determination of the asset decommissioning and restoration provision, reference should be made to the paragraph on use of estimates.

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2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Provisions (Continued)

Risks that could give rise to a probable liability are disclosed in the section on commitments and risks, but are not provided for.

A contingent liability that was separately recognised in the initial accounting for a business combination as a liability, is measured at the higher of the amount the liability would be recognised by applying the above policy for provisions for risks and charges and the present value of the initially determined liability.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and relates to the sale of goods and the rendering of services that constitute the Company's core business. Revenue is recorded net of returns, discounts, rebates and allowances and excluding value added tax.

Revenue is recognised to the extent that it can be reliably measured and it is probable that future economic benefits will flow to the Company.

Revenue arising from the sale of goods and finished products is recognised in the income statement upon the transfer to the customer of the risks and rewards of ownership of the product sold, which normally coincides with the shipment of the goods to the customer and their acceptance thereby.

Revenue arising from the rendering of services is recognised in the accounting period in which the services are rendered by reference to the stage of completion at the reporting date.

Revenue only includes economic benefits received or receivable flowing to the Company in their own name and on their own behalf. Consequently, consideration received on behalf of third parties is excluded from revenue.

Cost recognition

Costs are recognised when they relate to goods and services purchased or consumed in the period or by systematic allocation.

Finance income and costs

Finance income and costs are recognised on an accrual basis that takes account of the effective return/charge on related assets/liabilities.

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset, commencing from the date on which the Company companies start incurring the finance costs until the date on which the asset financed is ready for use.

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

2. Summary of accounting policies and standards adopted (Continued)

2.4 Significant accounting policies (Continued)

Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case deferred tax liability is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in Serbia, where the Company operates and generates taxable profit. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Related-party transactions

Related party transactions are conducted at arm's length, based on efficiency and cost-effectiveness criteria.

Dividends

Dividends to be distributed to the shareholders of the Parent Company are recognised as a liability in the financial statements in the period in which the distribution has been approved by the shareholders.

Earnings per share

The Company calculates and discloses the basic earnings per share. Basic earnings per share is calculated by dividing the net income that belongs to shareholders, the owners of ordinary shares of the Company, by the weighted average number of ordinary shares issued during the period.

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3. Estimates and assumptions

The preparation of the stand-alone financial statements requires the directors to apply accounting policies and methods, which, in certain circumstances, are based on accounting assessments and estimates and which may also be based on past experience and on assumptions that are deemed to be reasonable and realistic. The use of such estimates and assumptions has an impact on the stand-alone financial statements, including the balance sheet, the income statement, the statement of comprehensive income and the statement of cash flows, as well as on related disclosures. The actual amounts of stand-alone financial statement components for which the aforementioned estimates and assumptions have been used may differ from the amounts reported in the financial statements that recognise the occurrence of the event linked to the estimate, because of the uncertainty of the assumptions and the conditions on which the estimates have been based.

A brief description is provided below of the key accounting policies used in the preparation of stand-alone financial statements.

Impairment of investments in subsidiaries

Investments in subsidiaries are tested for impairment when impairment indicators exist, which is recognised by a write-down when there are indicators that suggest it may be difficult to recover the related net carrying amount. The verification of the existence of the aforementioned indicators requires subjective assessments to be made by directors, based on information available within the Company, on information sourced from the market and on past experience. Moreover, if it has been established that there may be a case of potential impairment, as well as the computation of estimates for the determination thereof depend on factors that may change over time and which may affect the assessments and estimates made by the directors.

Based on assessments made by Fintel Group Directors, there are no indicators of impairment of investments in subsidiaries.

Provisions

Other provisions for risks and charges relate mainly to probable liabilities for penalties and interest on overdue amounts payable to the tax authorities. Allocations to provisions are made based on a best estimate at the reporting date of costs likely to be incurred to settle the liability, after having sought legal opinion.

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4. Financial risk management

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

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

Credit risk

Credit risk represents the exposure to potential losses arising from the failure by commercial and financial counterparties to fulfil their contractual obligations.

The Company's maximum exposure to credit risk at 31 December 2021 and 2020 is the carrying amount of each class of assets indicated in the following table:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Other receivables	14.255	13.731
Long-term loans and investments	1.486.619	1.499.952
Short-term loans and investments	114.878	60.083
Prepayments and accrued income	219.342	177.204
TOTAL	1.835.094	1.750.970

Prepayments and accrued income mainly refer to receivables from subsidiaries MK Fintel Wind ad, MK Fintel Wind Holding doo, VP Lipar doo, VP Lipar 2 doo, VP Maestrals Ring d.o.o., Project Torak doo and Fintel Energija Development doo for interest, while Long-term loans and investments relate specifically to financing provided to the subsidiaries MK Fintel Wind ad and MK Fintel Wind Holding doo. Short-term loans relate to financing provided to the subsidiaries VP Lipar doo, VP Lipar 2 doo, VP Maestrals Ring d.o.o., Project Torak doo and Fintel Energija Development doo.

Those represent a low level of credit risk.

Liquidity risk

Liquidity risk is associated with the ability to meet the commitments arising from financial liabilities assumed by the Company. Prudent risk management of liquidity arising in the course of ordinary activities implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

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4. Financial risk management (Continued)

Liquidity risk (Continued)

Liquidity risk is managed centrally by the Ultimate Parent, given that the administration department periodically monitors the Company's net cash/debt through the preparation of appropriate actual and forecast cash inflow and outflow reports. In this manner, the Company aims to ensure it has adequate cover for its financing needs, by accurately monitoring financing, credit facilities opened and utilisations thereof, in order to optimise its resources and manage any temporary liquidity surplus.

The Company's objective is to establish a financing structure that, consistent with its business objectives, guarantees sufficient liquidity for the Company, minimises the related opportunity cost and maintains an equilibrium in terms of term to maturity and composition of the debt.

The following table provides a maturity analysis of liabilities at 31 December 2021 and 2020. The various maturity bands are determined based on the period between the reporting date and the contractual maturity of the Company's obligations, gross of accrued interest at 31 December. Interest is calculated in accordance with contractual terms for the financing.

	At 31 December 2021			
<i>RSD thousand</i>	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	1.185.735	-	-	-
Bank loans	-	-	-	-
Trade payables	85.120	-	-	-
Other liabilities	152.748	-	-	-
Total	1.270.855	-	-	-

	At 31 December 2020			
<i>RSD thousand</i>	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	327.380	-	-	-
Bank loans	159.018	156.375	665.227	-
Trade payables	62.827	-	-	-
Other liabilities	119.680	-	-	-
Total	549.225	156.375	665.227	-

An analysis of the financial liabilities by maturity shows an increase of liabilities less than 1 year as at 31 December 2021, compared to those at 31 December 2020. In more detail, Financial payables due to shareholders increased of RSD 858,355 mainly due a new loan of Euro 7,3 million that Fintel Energija AD received from its Parent Company. Increase in Trade payables refer to accrued expenses for services provided by Fintel Energia Group SpA.

In addition, it should be noted that in 2021 Fintel Energija AD early repaid all outstanding loans toward AIK Bank.

Accordingly, taking in account of the foregoing and as detailed in Note 2.1 above, of the fact that the shareholders have confirmed that they do not intend to request the repayment of the loan prior to the forthcoming year end it is believed that the Company and the Group will be able to meet its obligations in the foreseeable future.

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4. Financial risk management (continued)

Market risk

In the conduct of its operations, the Company is potentially exposed to the following market risks:

- risk of fluctuation in exchange rates;
- risk of fluctuation in interest rates.

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

Risk of fluctuation in exchange rates

Exchange rate risk is linked to operations in currency other than the RSD. Fintel is exposed to the risk of fluctuation in exchange rates, given that it conducts business in Serbia through its subsidiaries, which are companies committed to the study, construction, development and management of wind farms and other projects in the field of renewables. The consequent impact is reflected in the statement of profit or loss of the subsidiaries.

As at 31 December 2021, if the currency RSD had strengthened/weaken by 5% against the EUR with all other variables held constant, post-tax profit for the year would have been RSD 50,394 thousand (2020: RSD 47,894 thousand) higher/lower, mainly as a result of foreign exchange gains/losses on translation of EUR – denominated borrowings.

Risk of fluctuation in interest rates

The risk of fluctuation in interest rates to which Fintel is exposed originates from financial payables. Fixed rate debt exposes the Company to risk linked to changes in the fair value of the debt for their part linked to changes in the reference rate market. Floating rate debt exposes the Company to cash flow risk originating from the volatility of interest rates.

The Company's financial indebtedness consists of current bank debt, medium/long term loans granted by banks and lease liabilities.

As a result of the aforementioned hedging transactions, the impact of the expected change in interest rates in the coming twelve months is deemed to be insignificant in the context of the Company's financial statements.

Capital management risk

The Company's objective as far as capital risk management is concerned is mainly to safeguard business continuity in order to guarantee returns to shareholders and benefits to other stakeholders. Moreover, the Company aims to maintain an optimal capital structure in order to reduce the cost of borrowing.

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

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4. Financial risk management (Continued)

The gearing ratio at 31 December 2021 and 2020 is shown in the following table:

<i>RSD thousand</i>	31.12.2021	31.12.2020
<i>Non-current financial payables:</i>		
- Bank loans	-	799.545
<i>Current financial payables:</i>		
- Financial payables due to shareholders	1.185.735	327.380
Cash and cash equivalents	(4.383)	(1.757)
Net debt (A)	1.181.352	1.125.168
Equity (B)	431.676	430.017
Net capital employed (C=A+B)	1.613.028	1.555.185
Gearing ratio (A/C)	73,2%	72,3%

5. Financial assets and liabilities by class

The following table shows the Company's financial assets and liabilities by class, with an indication of the corresponding fair value, at 31 December 2021 and 2020:

<i>RSD thousand</i>	At 31 December 2021				Total
	Amortised cost	Fair value through OCI	Fair value through profit or loss	Hedge accounting	
Financial assets	1.601.497	-	-	-	1.601.497
Receivables due from subsidiaries related parties	-	-	-	-	-
Other short-term assets	233.611	-	-	-	233.611
Cash and cash equivalents	4.383	-	-	-	4.383
Total	1.601.497	-	-	-	1.601.497
Borrowings	-	-	-	-	-
Financial payables due to shareholders	1.185.735	-	-	-	1.185.735
Trade payables	85.120	-	-	-	85.120
Other current liabilities	153.564	-	-	-	153.564
Total	1.270.855	-	-	-	1.270.855

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5. Financial assets and liabilities by class (Continued)

<i>RSD thousand</i>	At 31 December 2020				
	Amortised cost	Fair value through OCI	Fair value through profit or loss	Hedge accounting	Total
Financial assets	1.560.035	-	-	-	-1.560.035
Receivables due from subsidiaries related parties	-	-	-	-	-
Other short-term assets	190.949	-	-	-	- 190.949
Cash and cash equivalents	1.757	-	-	-	-
Total	1.752.741	-	-	-	-1.750.984
Borrowings	799.545	-	-	-	- 799.545
Financial payables due to shareholders	327.380	-	-	-	- 327.380
Trade payables	62.827	-	-	-	- 62.827
Other current liabilities	149.517	-	-	-	- 149.517
Total	390.207	-	-	-	- 390.207

6. IFRS 8: segment information

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

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

a) Guarantees issued

There were no issued guarantees.

a) Other

There were no other contingent liabilities of the Company.

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8. Investments in subsidiary

Investments in subsidiary is detailed as follow:

- RSD 16,009 thousand for 54% owned in of MK-Fintel Wind AD(RSD 16.009 thousand at 31 December 2019).
- RSD 5 thousand for 54% owned in of MK-Fintel Wind Holding Doo (RSD 5 thousand at 31 December 2019).
- RSD 200 for 100% owned in Fintel Energija Development Doo(RSD 200 at 31 December 2019).

9. Long-term loans and investments - parent companies and subsidiaries

The balance amounts to RSD 1,486,619 thousand and they only refer to financing provided to the subsidiaries MK-Fintel Wind AD (RSD 1,415,905 thousand at 31 December 2021) and MK-Fintel Wind Holding Doo (RSD 70,714 thousand at 31 December 2021).

Summary of given loans, with maturities in the following table:

Recipient of the loan	Amount 31.12.2021 EUR	Amount 31.12.2021 RSD	Maturity
MK Fintel Wind ad	12.041.839	1.415.904.717	2023
MK Fintel Wind Holding d.o.o.	601.400	70.713.875	2023
Total	12.643.239	1.486.618.592	

10. Short-term loans and investments - parent companies and subsidiaries

Short-term loans and investments to parents' companies and subsidiaries amount to RSD 14,878 thousand and they refer to financing provided to the subsidiaries Lipar Doo (RSD 29,748 thousand at 31 December 2021), Lipar 2 Doo (RSD 14,110 thousand at 31 December 2021), Maestrals Ring Doo (RSD 58,438 thousand at 31 December 2021), Project Torak Doo (RSD 7,878 thousand at 31 December 2021) and Fintel Energija Development Doo (RSD 4,702 thousand at 31 December 2021).

Summary of given loans, with interest rates and maturities in the following table:

Recipient of the loan	Amount 31.12.2021 EUR	Amount 31.12.2021 RSD	Maturity
VP Lipar d.o.o.	253.000	29.748.271	2022
VP Lipar 2 d.o.o.	120.000	14.109.852	2022
VP Maestrals Ring d.o.o.	497.000	58.438.304	2022
Project Torak d.o.o.	67.000	7.878.001	2022
Fintel Energija Development d.o.o.	40.000	4.703.284	2022
Total	977.000	114.877.712	

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11. Cash and cash equivalents

"Cash and cash equivalents" at 31 December 2021 and 2020 are detailed as follows:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Current account		
- in dinars	4.343	1.701
- in foreign currency	40	56
Cash and cash equivalents	4.383	1.757

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

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

12. Other current assets

"Other current assets" of RSD 233,597 thousand at 31 December 2021 (RSD 190,935 thousand at 31 December 2020) are detailed in the following table:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Other receivables	10.021	9.497
Receivables for prepaid CIT	4.224	4.224
Receivables for prepaid other taxes & contributions	10	10
Total	14.255	13.731

13. Equity

Equity at 31 December 2021 and 2020 is detailed in the following table:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Share capital	4.057	4.057
Share premium	681.237	681.237
Retained profit from current year	1.859	-
Loss from previous years	(255.277)	(219.550)
Loss from current year	-	(35.727)
TOTAL EQUITY	431.676	430.017

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13. Equity (Continued)

The equity components and changes therein are detailed below:

Share capital

As of 31 December 2021, the Company's fully subscribed and paid up share capital amounted to RSD 4,056,524 (RSD 4.057 thousand as at 31. december 2020) consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Share premium

At 31 December 2021, such Reserve includes the share premium resulting from the capital increase related to the IPO of the Company on the Prime Listing Segment of the Belgrade Stock Exchange. The share premium worths RSD 755,022 Thousands (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

Retained earnings/(Losses)

These consist of earnings/(Losses) from previous years. They also include net profit/(losses) for the current year.

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

Set out below are details of long and short term loans and borrowings at 31 December 2021 and 2020:

<i>RSD thousand</i>	31 December 2021	31 December 2020
Long term borrowings	-	696.396
Short-term loans and borrowings	-	103.150
Total	-	799.545

Decrease of long and short term loans and borrowings is mainly due to early repayment of all outstanding amounts of AIK loans.

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15. Long and short term loans and borrowings from parent and subsidiaries

Loans and borrowings to parent and subsidiaries of RSD 1,185,735 thousand as at 31 December 2021 (RSD 327,380 thousand at 31 December 2020), mainly consist of revocable loans to be repaid to the Ultimate Parent company Fintel Energija Group Spa that were granted for the benefit of Fintel Energija. The loan of EUR 9,967,000 is interest bearing, interest is from 3% to 6%. Other loans are non-interest bearing. The loans are due in 2023. The company intends to settle its liabilities by the end of 2022.

16. Trade payables

Trade payables amounted to RSD 85,120 thousand at 31 December 2021 (RSD 62,827 thousand at 31 December 2020) consist of domestic trade payables for services and payables to the parent company for services.

17. Accruals

Accruals amounted to RSD 153,512 thousand at 31 December 2021 (RSD 149,467 thousand at 31 December 2020) consist mainly of interests on shareholders loan due to Fintel Energija Group Spa accrued interests on financial loan.

18. Non-production costs

Non-production costs amount to RSD 32,531 thousand in 2021 (RSD 31,551 thousand in 2020) and relate to accounting services, management fee costs from Parent Company (invoices issued in according management fee contract), costs of other services.

19. Finance income

	2021	2020
FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	96.774	75.915
INCOME FROM INTEREST	-	-
FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	88	95
OTHER FINANCIAL INCOME	-	-
Total	96.862	76.010

20. Finance expense

	2021	2020
FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	33.114	19.049
COSTS OF INTEREST	22.471	50.685
FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	614	10
OTHER FINANCIAL COSTS	2.254	7.672
Total	58.452	77.416

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21. Income tax expense

Income tax expenses for the years ended 31 December 2021 and 2020 are detailed as follows:

	Year ended 31 December	
	2021	2020
Income tax for the year	-	-
Deferred income tax for the period (note 12)	-	-
Origination and reversal of temporary differences	-	-
	-	-

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

	Year ended 31 December	
	2021	2020
Profit before tax	1.659	(35.727)
Tax calculated at domestic tax rates applicable to profits in the respective countries	-	-
<i>Tax effect on:</i>		
Depreciation effects	-	-
Revenues exempt from taxation	(25)	(25)
Expenses not deductible for tax purposes	-	-
- Transfer pricing effect for interest expense	-	-
- Other expenses not deductible	-	-
Tax losses for which no deferred income tax asset was recognized (utilized recognised tax credit), net	-	-
Losses from subsidiaries	-	-
Other tax effects for reconciliation between accounting profit and tax expense	-	-
Adjustment in respect of prior years	-	-
Effective income tax rate	0%	0%

The weighted average applicable tax rate was 0% (2020: 0%).

22. Earnings/(loss) per share

The basic result per share has gone from a loss per share of RSD 1.35 in 2020 to profit per share of RSD 0.06 for the year ended 31 December 2021. It has been computed by dividing the Group's net result by the number of Fintel Energija shares outstanding in the years in question (number of shares outstanding of 26,511 thousand).

There were no dilutive effects at 31 December 2021. Accordingly, diluted earnings per share thus coincide with basic earnings per share.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

23. Related party transactions

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

A summary provided below of the Company's transactions with related parties in 2021 and 2020. All transactions with related parties are entered into at market value.

As of 31 December 2021 and 31 December 2020 the outstanding balances with related parties were as follows:

<i>RSD thousand</i>	At 31 December 2021			
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans	-	-	114.878	114.878
Long-term loans	-	-	1.486.619	1.486.619
Other current assets	-	-	219.342	219.342
Other current liabilities	(152.748)	-	-	(152.748)
Trade payables	(83.899)	-	-	(83.899)
Shareholder's loan	(1.185.735)	-	-	(1.185.735)
Total	(1.422.381)	-	1.820.839	398.458

<i>RSD thousand</i>	At 31 December 2020			
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans	-	-	60.083	60.083
Long-term loans	-	-	1.499.952	1.499.952
Other current assets	-	-	177.204	177.204
Other current liabilities	(119.629)	-	-	(119.629)
Trade payables	(83.201)	-	-	(83.201)
Shareholder's loan	(327.380)	-	-	(327.380)
Total	(530.210)	-	1.737.239	1.207.029

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2021

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

23. Related party transactions (Continued)

For the year ended 31 December 2021 and 2020 the following transaction occurred with related parties:

<i>RSD thousand</i>	At 31 December 2021				
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Other related parties	Total
Revenues	-	-	-	-	-
Selling, general and administrative expenses	(28.432)	-	-	-	(28.432)
Finance income	-	-	96.774	-	96.774
Finance expense	(33.114)	-	-	-	(33.114)
Total	(61.546)	-	96.774	-	35.229

<i>RSD thousand</i>	At 31 December 2020				
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Other related parties	Total
Revenues	-	-	-	-	-
Selling, general and administrative expenses	(27.735)	-	-	-	(27.735)
Finance income	51	-	74.701	-	74.752
Finance expense	(1.818)	-	(231)	-	(2.049)
Total	(29.502)	-	74.470	-	44.968

Remuneration of Fintel's directors

Members of Board of Directors have not received any remuneration in 2021. Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for 2021 amounted to RSD 236 thousand.

24. Tax risk

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have rights to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 31 December 2021.

25. Significant subsequent events

In 2021, the COVID-19 virus continued to spread globally and its negative impact gained in importance. Although it is uncertain at this time to forecast the consequences of the pandemic on the financial condition and results of operations, at the time of issuing these consolidated financial statements there was no visible impact on the Group's operations, but future effects cannot be predicted. Management will continue to monitor the potential impact of the virus on the Group's operations and take all possible steps to mitigate any effects.

At the beginning of 2022, there was increased volatility in the financial and commodity markets due to the escalation of political tensions in Ukraine, followed by international sanctions against certain Russian companies and individuals. Although this situation is still ongoing at the date of these consolidated financial statements and there is an expectation of negative consequences for the economy in general, there was no visible impact on the Group's operations, nor does the Group have

FINTEL ENERGIJA AD, BEOGRAD
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significant exposure to vulnerable or sanctioned effects cannot be predicted at this time. Management will continue to monitor potential impact and will take further action as necessary to mitigate all possible effects on this basis.

Management is not aware of any other significant events after the balance sheet date that could affect the financial statements as at 31 December 2021 or require separate disclosure.

Legal representative:

The person responsible for the preparation of consolidated financial statements is:



**CONSOLIDATED ANNUAL BUSINESS
REPORT FOR THE YEAR ENDING 31
DECEMBER 2021**

FINTEL ENERGIJA AD

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1. Summary of the business activities and organizational structure

Identification data

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

Seat: Belgrade

Address: Bulevar Mihaila Pupina 115e

Company Identification Number: 20305266

Tax Identification Number: 105058839

Date of incorporation: 27 June 2007

Persons authorized to represent: Tiziano Giovannetti

Website: www.fintelenergija.rs

Core business activity

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

Business activities

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

Organizational structure

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

Corporate Governance

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

Subsidiaries

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

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

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

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

Fintel Energija Development d.o.o. holds:

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

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

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

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

- Vetropark Torak Ltd Cyprus, ID number HE 423070;
- Vetropark Ring Ltd Cyprus, ID number HE 420088;
- Kula Solar LTD Cyprus, ID Number HE 424176.

The following companies are 100% owned through Cyprus vehicles:

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

Information about the management of the company

Members of Board of Directors:

- ✓ Claudio Nardone, chairman
- ✓ Tiziano Giovannetti
- ✓ Paolo Martini
- ✓ Aleksandra Stojanovic
- ✓ Giulio Moreno

Key events impacting the Group in 2021

Key events impacting the Group in first half of 2021 are as following:

- On 29 March 2021, the "Amendment and Restatement Facility Agreement" was signed to refinance the Serbian wind power plant Kosava Phase I. The new contract has the following characteristics:
 - Maximum total amount of the refinancing: Euro 78 million, of which Euro 28 million reserved for Banca Intesa to replace the portion previously reserved for OeB;
 - Duration of the loan: 30 December 2030;
 - Repayment terms: six-monthly instalments due on June 30 and December 31 of each year.
 - Interest rate: 6 month Euribor + 3.15% for the portion financed by Erste Bank Serbia, Unicredit Serbia and Zagrebacka Banka and 6 month Euribor + 2.69% on the portion financed by Banca Intesa Serbia.

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

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

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED BALANCE SHEET

In RSD
thousand

POSITION	AOP	31 December 2021	31 December 2020
ASSETS			
A. SUBSCRIBED AND UNPAID CAPITAL	0001		
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002	12,841,038	12,726,198
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	-	-
1. Development investments	0004		
2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005		
3. Goodwill	0006		
4. Intangible assets leased and intangible assets in preparation	0007		
5. Advances for intangible assets	0008		
II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	12,377,347	12,666,820
1. Land and buildings	0010	4,405,370	4,296,251
2. Machinery and equipment	0011	7,794,293	8,237,668
3. Investment property	0012		
4. Property, plant and equipment leased and property, plant and equipment under construction	0013	177,684	132,901
5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014		
6. Advances for property, plant and equipment in the country	0015		
7. Advances for property, plant and equipment foreign	0016		
III. BIOLOGICAL ASSETS	0017		
IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018	463,691	59,378
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019	-	-
2. Equity investments that are valued using the equity method	0020		
3. Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021		
4. Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022		
5. Long-term investments (loans and credits) in the country	0023		
6. Long-term investments (loans and credits) abroad	0024		
7. Long-term financial investments (securities valued at amortized cost)	0025		
8. Own shares purchased	0026		
9. Other long-term investments and receivables	0027	463,691	59,378
V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028		
C. DEFERRED TAX ASSETS	0029	-	61,539

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD
thousand

POSITION	AOP	31 December 2021	31 December 2020
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030	1,217,600	771,307
I. INVENTORIES (0032+0033+0034+0035+0036)	0031	21,314	10,799
1. Materials, spare parts, tools and supplies	0032	7,312	-
2. Work in progress and unfinished services	0033		
3. Goods	0034		
5. Advances paid to suppliers for stock and services in country	0035	13,918	10,799
6. Advances paid to suppliers for stock and services - abroad	0036	84	-
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037		
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038	209,684	65,868
1. Trade receivables - domestic	0039	209,684	65,868
2. Trade receivables - foreign	0040		
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		
4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042		
5. Other trade receivables	0043		
IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	195,588	49,172
1. Other receivables	0045	183,351	32,168
2. Receivables for prepaid CIT	0046	10,697	10,630
3. Receivables for prepaid other taxes & contributions	0047	1,539	6,375
V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048	14	14
1. Short-term loans and investments - parent and subsidiaries	0049		
2. Short-term loans and investments - other related parties	0050		
3. Short-term loans, borrowings and investments - domestic	0051		
4. Short-term loans, borrowings and investments - foreign	0052		
5. Securities valued at amortized cost	0053		
6. Financial instrument valued at fair value	0054		
7. Bought up own shares	0055		
8. Other Short-term financial investments	0056	14	14
VI. CASH AND CASH EQUIVALENTS	0057	525,003	309,064
VII. SHORT-TERM ACCRUALS	0058	265,997	336,890
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059	14,058,637	13,559,044
F. OFF-BALANCE SHEET ASSETS	0060	55,127	379,649

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD
thousand

POSITION	AOP	31 December 2021	31 December 2020
EQUITY AND LIABILITIES			
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	1,455,100	386,438
I. SHARE CAPITAL	0402	4,057	4,057
II. SUBSCRIBED CAPITAL UNPAID	0403		
III. SHARE ISSUING PREMIUMS	0404	681,237	681,237
IV. RESERVES	0405		
V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0406		
VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0407	139,721	249,094
VII. UNDISTRIBUTED PROFIT (0409 + 0410)	0408	470,386	30,815
1. Retained profit from previous years	0409	7,752	30,815
2. Retained profit from current year	0410	462,633	-
VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	0411	439,142	(57,517)
IX. LOSSES (0413 + 0414)	0412	-	23,060
1. Losses of previous years	0413		
2. Losses of current year	0414		23,060
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415	-	-
I. LONG-TERM PROVISIONS (0417++0418+0419)	0416	99	71
1. Provisions for employees benefits	0417	99	71
2. Provisions for costs in warranty period	0418		
3. Other long-term provisions	0419		
II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420	9,490,585	11,039,321
1. Liabilities which can be converted into capital	0421		
2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422	1,413,181	1,424,540
3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423	14,110	14,110
4. Long-term loans, borrowings and liabilities based on leasing - domestic	0424	7,758,924	9,057,983
5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425		
6. Liabilities for long-term securities	0426		
7. Other long term liabilities	0427	304,369	542,689
III. LONG-TERM ACCRUALS	0428		
C. DEFERRED TAX LIABILITIES	0429	30,908	-
D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED	0430		

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD
thousand

POSITION	AOP	31 December 2021	31 December 2020
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431	3,081,946	2,133,214
I. SHORT TERM PROVISIONS	0432		
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	2,090,689	1,309,868
1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434		
2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435	1,338,112	479,755
3. Liabilities based on loans and borrowings from entities other than domestic banks	0436	752,577	830,113
4. Liabilities based on loans and borrowings from domestic banks	0437		
5. Loans, borrowings and liabilities foreign	0438		
6. Liabilities for short-term securities	0439		
7. Liabilities based on financial derivatives	0440		
III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES	0441	77	
IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)	0442	214,608	235,382
1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443	3,740	1,504
2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444	83,900	55,466
3. Trade payables - domestic	0445	126,956	175,743
4. Trade payables - foreign	0446	13	2,669
5. Obligations under bills of exchange	0447		
6. Other business liabilities	0448		
V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449	168,651	96,979
1. Other short term liabilities	0450	99,730	96,979
2. Liabilities for VAT and other public revenues	0451		
3. Liabilities for income tax	0452	68,920	
VI. LIABILITIES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE	0453		
VII. SHORT-TERM ACCRUALS	0454	607,921	490,985
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	14,058,637	13,559,044
H. OFF-BALANCE SHEET LIABILITIES	0457	55,127	379,649

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED INCOME STATEMENT
In RSD thousand

POSITION	AOP	Year ended 31 December	
		2021	2020
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001	2,480,896	1,791,293
I. REVENUES OF SOLD GOODS (1003 + 1004)	1002	-	-
1. Income from the sale of goods - domestic market	1003		
2. Income from the sale of goods - foreign market	1004		
II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005	2,480,896	1,791,293
1. Income from the sale of products and services - domestic market	1006	2,480,896	1,791,293
2. Income from the sale of products and services - foreign market	1007		
III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008		
IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009		
V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010		
VI. OTHER OPERATING INCOME	1011		
VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012		
B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013	1,240,567	1,104,387
I. COST OF GOODS SOLD	1014		
II. COST OF MATERIALS, FUEL AND ENERGY	1015	13,932	11,761
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016	34,240	33,879
1. Cost of salary and compensation of salary (gross employee)	1017	18,546	18,549
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018	10,461	10,516
3. Other personal expenses and remunerations	1019	5,234	4,813
IV. DEPRECIATION EXPENSES	1020	593,038	588,736
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021	113,633	-
VIII. COSTS OF PRODUCTION SERVICES	1022	191,041	222,366
X. COSTS OF LONG-TERM PROVISIONS	1023	1,284	1,207
XI. INTANGIBLE EXPENSES	1024	293,399	246,438
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025	1,240,329	686,906
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026	-	-
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027	406,845	2,160
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	20	732
II. INCOME FROM INTEREST	1029	406,225	119
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030	600	1,308
IV. OTHER FINANCIAL INCOME	1031		

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED INCOME STATEMENT
In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2021	2020
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		739,846	672,804
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	28	73,511	60,035
II. COSTS OF INTEREST	1034	28	565,643	606,795
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035	28	2,034	631
IV. OTHER FINANCIAL COSTS	1036	28	98,657	5,342
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		333,001	670,644
I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1039			
J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1040			
K. OTHER INCOME	1041		179,845	21,195
L. OTHER COSTS	1042		19,513	278
M. TOTAL INCOME (1001+1027+1039+1041)	1043		3,067,586	1,814,647
N. TOTAL COSTS (1013+1032+1040+1042)	1044		1,999,925	1,777,468
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		1,067,661	37,179
P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	-
Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1047			
R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1048			
S. PROFIT BEFORE TAX (1045-1046+1047-1048) ≥ 0	1049		1,067,661	37,179
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-	-
U. INCOME TAXES				
I. TAX EXPENSES FROM THE PERIOD	1051	29	100,219	30,089
II. DEFERRED TAX EXPENSE	1052	29	56,699	
III. DEFERRED TAX INCOME	1053	29		15,716
V. EARNINGS OF EMPLOYER	1054			
W. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		910,743	22,805
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057		448,110	45,865
II. NET PROFIT BELONGING TO PARENT COMPANY	1058		462,633	
III. NET LOSS BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1059			
IV. NET LOSS BELONGING TO PARENT COMPANY	1060			23,060
V. EARNINGS PER SHARE				
1. Basic earning per share	1061	30	17,45	(0,87)
2. Reduced (diluted) earnings per share	1062	30	17,45	(0,87)

Financial Indicators

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

Ratios and KPI	31.12.2021	31.12.2020
Revenues (RSD thousands)	2.480.896	1.791.293
EBITDA (RSD thousands) (Operating profit+Depreciation and amortization)	1.947.000	1.275.642
Business profit (RSD thousands)	1.240.329	686.906
Net profit (RSD thousands)	910.743	22.805
Earnings per share	17,45	(0,87)
Cash flows from operating activities (RSD thousands)	1.442.138	800.199
Investments (RSD thousands)	964.470	83.346
EBITDA per turbine (RSD thousands)	77.880	51.026
Net profit per turbine (RSD thousands)	36.430	912

Revenues amount to RSD 2,480,896 thousand and RSD 1,791,293 thousand for the year ended 31 December 2021 and 31 December 2020 respectively.

Those of 2021 refer for RSD 2,480,896 thousand to *FiT* received by all in operation wind farms (RSD 1.791.293 thousand).

The increase in *FiT* is attributable to:

- full *FiT* received by all wind plants in 2021 differently from 2020, in which "Kosava Phase I" for some months received half of the *FiT* and all 3 plants received 28€/MWh in March and April due to suspension of the recognition of Feed in Tariff by Serbian Government following the pandemic related to COVID 19.

- increase of volume power produced from 198.6 GWh of 2020 to 213.9 GWh of 2021 compared to 2020.

Compared to 2020, also EBITDA, business profit result and cash flow from operating activities grew in 2021 due to the aforementioned impact of full *FiT* received by all 3 wind plants, despite an increase of cost of services and depreciation.

Net profit for 2021 amounts to RSD 910,743 thousand compared to RSD 22.805 in 2020. This result was significantly affected by above mentioned increase of revenue and by financial income booked in 2021 in accordance with IFRS 9 for RSD 406,225 thousand, arising from the renegotiation of interest rates applicable to loans granted to the subsidiary MK-Fintel AD.

Personnel structure

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

3. Environmental protection

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

4. Significant events after the end of the year

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

5. Planned future development

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

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

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

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

PLANT	LOCATION		DESIGN	OWNED BY	CAPACITY [MW]	STATUS
LA PICCOLINA	Wind	Vrsac	Energogr. doo	Energobalkan doo	6.6	in operation
KULA	Wind	Kula	Energogr. doo	Vetropark Kula doo	9.9	in operation
KOSAVA phase I	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	69	in operation
KOSAVA phase II	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	70	under construction
RAM	Wind	Veliko Gradiste	Energogr. doo	Vetropark RAM doo	10	under construction
KULA 2	Wind	Kula	Energogr. doo	Vetropark Torak doo	10	under final phase of development
LIPAR	Wind	Kula	Energogr. doo	Vetropark Lipar doo	10	under final phase of development
LIPAR 2	Wind	Kula	Energogr. doo	Vetropark Lipar 2 doo	10	under final phase of development
DUNAV 1	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 1 doo	10	under final phase of development
DUNAV 3	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 3 doo	10	under final phase of development
MAESTRALE RING	Wind	Subotica	Energogr. doo	Vetropark Maestrale Ring doo	768,4	under development
PROJECT TORAK	Wind	Sombor	Energogr. doo	Project TORAK doo.	238	under development
KOSAVA 2	Wind	Vrsac	Energogr. doo	Vetropark KOSAVA 2 doo	9.9	under development
TOTAL					1,231.8	

6. Research and development

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

There are no registered patents or licenses of the Company.

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

7. Subsidiaries

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

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

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

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

Fintel Energija Development d.o.o. holds:

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

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

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

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

- Vetropark Torak Ltd Cyprus, ID number HE 423070;
- Vetropark Ring Ltd Cyprus, ID number HE 420088;
- Kula Solar LTD Cyprus, ID Number HE 424176.

The following companies are 100% owned through Cyprus vehicles:

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

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

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

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

Credit risk

Credit risk represents the exposure to potential losses arising from the failure by commercial and financial counterparties to fulfil their contractual obligations.

The Group's maximum exposure to credit risk at 31 December 2021 and 2020 is the carrying amount of each class of assets indicated in the following table:

	31 December 2021	31 December 2020
Trade receivables	209,684	65,868
Other receivables	195,588	49,172
Prepayments and accrued income	265,997	336,390
TOTAL	671,269	451,431

Trade receivables mainly refer to those from EPS for sale of electricity of Kosava wind farm produced in November.

Prepayments and accrued income mainly refer to receivables from EPS for electricity of all wind farms produced in December, while other receivables relate to overpaid income taxes and to insurance proceeds.

Those represent a low level of credit risk since most of the above mentioned receivables are towards the Serbian State, State owned company and related parties.

Based on the evaluation made by the sole Director, there is not any impairment for the above receivables.

Liquidity risk

Liquidity risk is associated with the ability to meet the commitments arising from financial liabilities assumed by the Group. Prudent risk management of liquidity arising in the course of ordinary activities implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Liquidity risk is managed centrally by the Principal Shareholder, given that the administration department periodically monitors the Group's net cash/debt through the preparation of appropriate actual and forecast cash inflow and outflow reports. In this manner, the Group aims to ensure it has adequate cover for its financing needs, by accurately monitoring financing, credit facilities opened and utilisations thereof, in order to optimise its resources and manage any temporary liquidity surplus.

The Group's objective is to establish a financing structure that, consistent with its business objectives, guarantees sufficient liquidity for the Group, minimises the related opportunity cost and maintains an equilibrium in terms of term to maturity and composition of the debt.

The following table provides a maturity analysis of liabilities at 31 December 2021 and 2020. The various maturity bands are determined based on the period between the reporting date and the contractual maturity of the Group's obligations, gross of accrued interest at 31 December. Interest is calculated in accordance with contractual terms for the financing.

At 31 December 2021				
	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	1,338,112	-	-	1,427,291
Bank loans	1,099,084	1,132,212	3,542,790	4,484,042
Trade payables	214,608	-	-	-
Other liabilities	751,032	-	-	-
Total	3,402,837	1,132,212	3,542,790	5,911,333

At 31 December 2020				
	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	479,755	-	-	1,438,650
Bank loans	1,283,751	1,288,420	4,178,676	5,563,425
Trade payables	235,382	-	-	-
Other liabilities	528,404	-	-	-
Total	2,527,292	1,288,420	4,178,676	7,002,075

An analysis of the financial liabilities by maturity shows an increase of liabilities less than 1 year as at 31 December 2021, compared to those at 31 December 2020. In more detail, Financial payables due to shareholders increased of RSD 858,357 mainly due a new loan of Euro 7,3 million that Fintel Energija AD received from its Parent Company, while Bank loans decreased of RSD 184,667 thousand mainly due to early repayment by Fintel Energija AD of all outstanding loans toward AIK Bank.

Accordingly, taking in account of the fact that the shareholders have confirmed that they do not intend to request the repayment of the loan prior to the forthcoming year end, as well as the presence of liquid funds of RSD 988,693 thousand (including financial assets) and the obtainment of the full feed in tariff since 2020 for all wind farms, it is believed that the Company and the Group will be able to meet its obligations in the foreseeable future.

Market risk

In the conduct of its operations, the Group is potentially exposed to the following market risks:

- risk of fluctuation in exchange rates;
- risk of fluctuation in interest rates.

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

Risk of fluctuation in exchange rates

Exchange rate risk is linked to operations in currency other than the RSD. Fintel Group is exposed to the risk of fluctuation in exchange rates, given that it conducts business in Serbia through its subsidiaries, which are companies committed to the study, construction, development and management of wind farms and other projects in the field of renewables. The Group has borrowings denominated in foreign currency mainly in EUR and USD which predominantly expose group to the foreign currency translation risk. Currency exposure arising from the borrowings is managed through the participation of the borrowing denominated in functional currency of the Group in the total credit portfolio.

As at 31 December 2021, if the currency RSD had strengthened/weaken by 5% against the EUR with all other variables held constant, post-tax profit for the year would have been RSD 479,268 thousand (2020: RSD 501,776) higher/lower, mainly as a result of foreign exchange gains/losses on translation of EUR – denominated borrowings.

Risk of fluctuation in interest rates

The risk of fluctuation in interest rates to which Fintel Group is exposed originates from financial payables. Fixed rate debt exposes the Group to risk linked to changes in the fair value of the debt for their part linked to changes in the reference rate market. Floating rate debt exposes the Group to cash flow risk originating from the volatility of interest rates.

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

In order to hedge the risk of fluctuation in interest rates the subsidiaries Vetropark Kula and MK-Fintel Wind also entered into agreements for an interest rate cap with spread in relation to financing for the "Kula" and "Kosava phase I" wind power plants.

As a result of the aforementioned hedging transactions, the impact of the expected change in interest rates in the coming twelve months is deemed to be insignificant in the context of the Group's consolidated financial statements.

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Capital management risk

The Group's objective as far as capital risk management is concerned is mainly to safeguard business continuity in order to guarantee returns to shareholders and benefits to other stakeholders. Moreover, the Group aims to maintain an optimal capital structure in order to reduce the cost of borrowing.

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

The gearing ratio at 31 December 2021 and 2020 is shown in the following table:

<i>RSD thousand</i>	31 December 2021	31 December 2020
<i>Non-current financial payables:</i>		
- Financial payables due to shareholders	1,427,291	1,438,650
- Bank loans	7,758,924	9,057,983
<i>Current financial payables:</i>		
- Bank loans	752,577	830,113
- Financial payables due to shareholders	1,338,112	479,755
- Financial assets	(463,691)	(59,378)
Cash and cash equivalents	(525,003)	(309,064)
Net debt (A)	10,288,211	11,438,059
Equity (B)	1,455,100	386,437
Net capital employed (C=A+B)	11,743,311	11,824,497
Gearing ratio (A/C)	87,6%	96,7%

The gearing ratio improved in 2021 compared to that of the previous year since the increase of equity for net profit of the year and decrease of net debt, partially compensated by the increase of financial payables due to shareholders.

9. Corporate governance report

Statement on application of corporate governance code

In accordance with Article 368 of the Company Law (Official Gazette of RS, No 36/2011, 99/2011, 83/2014 - other laws, 5/2015, 44/2018, 95/2018 and 91/2019) company Fintel Energija ad states that it applies the Code of Corporate Governance which is available on the company website www.fintelenergija.rs. The Code of Corporate Governance contains outline of corporate governance practices implemented by the Company.

The Corporate Governance Code of the Company set out the principles of corporate practice and organizational culture according to which the corporate governance bodies of the Company behave, in particular with regard to the rights of shareholders, obligations and responsibilities of the Company's management, the role of stakeholders in corporate governance and disclosure of information and transparency of the Company

The internal control system and reducing the risk related to the financial reporting process

The system of internal controls and supervision consists of all measures and methods applied in the Company in order to secure his funds, improving the accuracy and reliability of accounting and operational data, risk reduction related to financial reporting, compliance with procedures, standards, laws and regulations.

Regulatory framework of the internal control sector or internal audit is in compliance with the Companies Law (Official Gazette of RS, No36/2011, 99/2011, 83/2014 – other laws, 5/2015, 44/2018, 95/2018 i 91/2019), Standards for the Professional Practice of Internal Auditing and other legal and professional regulations.

Internal control duties include:

- ✓ Control of compliance of the Company's operations with the law, other regulations and acts of the Company;
- ✓ Supervision of the implementation of accounting policies and financial reporting;
- ✓ Checking the implementation of risk management policies;
- ✓ Monitoring the compliance of the organization and activities of the Company with the corporate governance code;
- ✓ Evaluating the policies and processes in the Company, and proposing their improvement.

The Company hire at least one person in charge of internal control of business and shall meet the requirements prescribed for the internal auditor in accordance with the law governing accounting and auditing.

The person that manages internal control duties is obliged to regularly report to the Audit Committee about the conducted business supervision.

Audit Committee:

- ✓ Prepare, propose and verify the implementation of accounting policies and risk management policies;
- ✓ Proposes to the Board of Directors for the appointment and dismissal of persons in charge of performing the function of internal control in the Company;

- ✓ Supervise the internal control of the Company;
- ✓ Examine the application of accounting standards in the preparation of financial statements and assess the content of financial statements;
- ✓ Examine the fulfilment of conditions for the preparation of the consolidated financial statements of the Company;
- ✓ Conduct the procedure for selecting an auditor of the company and propose a candidate for the auditor of the company, with an opinion on its expertise and independence in relation to the Company,
- ✓ Give opinion on the proposal of the contract with the auditor of the Company and, if necessary, provides a reasoned proposal for the cancellation of the contract with the auditor of the Company;
- ✓ Supervise the audit process, including determining the key issues to be audited and verifying the independence and objectivity of the auditor.

External auditor

The Company's annual financial statements are subject to external audit.

In accordance with the Law and the Statute of the Company, the Shareholders' Assembly decided on the selection of auditor and compensation for his work.

The auditor's reports on the audit of the Company's financial statements and consolidated financial statements for 2020 were adopted at the Regular session of the Shareholders' Assembly held 23 June 2021. At the same meeting, the Shareholders Assembly elected the same auditing company, PricewaterhouseCoopers d.o.o. Beograd for audit of financial statements for 2021.

Bodies of Company governance

The Company shall be governed as a one-tire structure. The bodies of the Company are:

- ✓ Shareholders' assembly;
- ✓ Board of Directors.

The Statute of the Company define the scope of work of the Shareholders' assembly and Board of Directors.

Board of directors

Members of Board of Directors:

- ✓ Claudio Nardone, President;
- ✓ Tiziano Giovannetti;
- ✓ Giulio Moreno;
- ✓ Paolo Martini;
- ✓ Aleksandra Stojanovic.

Board of Directors' Activities in 2021

During 2021 the Board of Directors performed its duties in accordance with the applicable regulations, in the optimum number, composition and qualifications of its members. The agenda of the Board of Directors included regular activities related to the approval of consolidated and stand-alone financial

statements of the Company, convening of the regular and extraordinary meetings of the Shareholders' Assembly, consideration of the results of key business indicators.

In the course of 2021, there were no discrepancies or irregularities in the work of the Company. Based on the information available to the Board of Directors, the Company's operations are fully harmonized with the law, other positive regulations and internal acts of the Company.

Shareholders' Assembly

Rules of procedure regulate and determine the manner of operation and decision making of the Shareholder Assembly.

The provisions of these Rules apply and shall be 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, the shareholder must own at least 0.1% of the total number of shares of the appropriate 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 joint proxy.

Shareholders' assembly Activities in 2021

During 2021 the Shareholders' assembly held two sessions. Shareholders' assembly considered the Company's annual financial and consolidated financial statements, the independent auditor's reports on the audit of the Company's financial statements and the selection of auditors for 2021, the removal and the appointment of the member of the Board of Directors.

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.

In compliance with the Rules on Listing and Quotation of the Belgrade Stock Exchange, parallel with the disclosure of Annual Report, Fintel Energija a.d. delivers and the completed Questionnaire on Corporate Governance Practices and has agreed to its online publication on the internet page of the Belgrade Stock Exchange.

Fintel Energija a.d. Beograd

Legal representative



Tiziano Giovannetti

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Annual Financial Statements of the Fintel Energija a.d. for 2021 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

Legal representative:

Fintel Energija a.d.

Director



Tiziano Giovannetti

DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF COMPANY'S ANNUAL FINANCIAL STATEMENTS*

Note*:

Financial Statements of Fintel Energija a.d. for 2021 were approved on April 28, 2022 in the meeting of the Board of Director. At the moment when the 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 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. for 2021 shall be passed in the regular annual Shareholders' Assembly meeting..

A public company is legally obliged to prepare their annual 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 teh 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 accuracy and veracity of data presented in the Annual Report.

Belgrade, April 2022

Legal representative:

Fintel Energija a.d.

Director



Tiziano Giovannetti