



FINTEL ENERGIJA AD

**ANNUAL REPORT OF
FINTEL ENERGIJA A.D.
FOR THE YEAR 2022**

Belgrade, April 2023.

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 2022

Content

- 1. FINANCIAL STATEMENTS OF THE FINTEL ENERGIJA A.D. for 2022 (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

STAND-ALONE BALANCE SHEET			
In RSD thousand			
POSITION	AOP Note	31 December 2022	31 December 2021
ASSETS			
A. SUBSCRIBED AND UNPAID CAPITAL	0001		
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002	1,637,344	1,502,642
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	0	8
1. Land and buildings	0010		
2. Machinery and equipment	0011	0	8
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	1,637,344	1,502,634
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019	8	16,014
2. Equity investments that are valued using the equity method	0020		16,015
3. Dugoročni plasmani matičnom, zavisnim i ostalim povezanim licimai dugoročna potraživanja od tih lica u zemlji	0021	9	1,621,330
4. Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022		1,486,619
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 2022	31 December 2021
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030	299,556	353,452
I. INVENTORIES (0032+0033+0034+0035+0036)	0031	581	581
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	84
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037		
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038	267	
1. Trade receivables - domestic	0039		
2. Trade receivables - foreign	0040		
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041	267	
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	14,909	14,254
1. Other receivables	0045 12	10,675	10,020
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	16,498	114,892
1. Short-term loans and investments - parent and subsidiaries	0049 10	16,484	114,878
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	4,723	4,383
VII. SHORT-TERM ACCRUALS	0058	262,578	219,342
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059	1,936,900	1,856,094
F. OFF-BALANCE SHEET ASSETS	0060		

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET (CONTINUED)
In RSD thousand

POSITION	AOP Note	31 December 2022	31 December 2021
EQUITY AND LIABILITIES			
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	439,302	431,676
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	9,285	1,659
1. Retained profit from previous years	0409	1,659	
2. Retained profit from current year	0410 13	7,626	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	255,277
2. Losses of current year	0414		
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		
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		
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		
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

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP Note	31 December 2022	31 December 2021
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431	1,497,598	1,424,418
I. SHORT TERM PROVISIONS	0432		
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	1,265,201	1,185,735
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	1,265,201	1,185,735
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		
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	35,508	85,120
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	34,259	83,899
3. Trade payables - domestic	0445 16	1,249	1,221
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	11	51
1. Other short term liabilities	0450	11	51
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	196,878	153,512
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	1,936,900	1,856,094
H. OFF-BALANCE SHEET LIABILITIES	0457		



STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP Note	Year ended 31 December	
		2022	2021
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001	223	
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	223	
1. Income from the sale of products and services - domestic market	1006	223	
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	42,190	36,750
I. COST OF GOODS SOLD	1014		
II. COST OF MATERIALS, FUEL AND ENERGY	1015	34	
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016	5,602	4,016
1. Cost of salary and compensation of salary (gross employee)	1017	3,346	2,628
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018	540	437
3. Other personal expenses and remunerations	1019	1,716	951
IV. DEPRECIATION EXPENSES	1020	8	25
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021		
VIII. COSTS OF PRODUCTION SERVICES	1022	485	178
X. COSTS OF LONG-TERM PROVISIONS	1023		
XI. INTANGIBLE EXPENSES	1024	18	32,531
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025	36,061	32,531
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026	41,967	36,750
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027	98,692	96,862
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	19	96,774
II. INCOME FROM INTEREST	1029		
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030	19	88
IV. OTHER FINANCIAL INCOME	1031		

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP Note	Year ended 31 December	
		2022	2021
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	49,105	58,453
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033 20	44,468	33,114
II. COSTS OF INTEREST	1034 20	40	22,471
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035 20	4,597	614
IV. OTHER FINANCIAL COSTS	1036 20		2,254
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037	49,587	38,409
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		-
I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1039		
J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1040		
K. OTHER INCOME	1041	6	
L. OTHER COSTS	1042		
M. TOTAL INCOME (1001+1027+1039+1041)	1043	98,921	96,862
N. TOTAL COSTS (1013+1032+1040+1042)	1044	91,295	95,203
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045	7,626	1,659
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	7,626	1,659
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-
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	7,626	1,659
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-
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	0.29	0.06
2. Reduced (diluted) earnings per share	1062		



STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF OTHER COMPREHENSIVE INCOME
In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2022	2021
A. NET PROFIT/(LOSS)				
I. PROFIT, NET (AOP 1055)	2001		7,626	1,659
II. LOSS, NET (AOP 1056)	2002			
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Items that will not be reclassified to profit or loss				
1. Changes in the revaluation of intangible assets, property, plant and equipment				
a) increase in revaluation reserves	2003			
b) decrease in revaluation reserves	2004			
2. Actuarial gains (losses) of post employment benefit obligations				
a) gains	2005			
b) losses	2006			
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
a) gains	2007			
b) losses	2008			
b) Items that may be subsequently reclassified to profit or loss				
1. Gains or losses on investments in equity instruments				
a) gains	2009			
b) losses	2010			
1. Gains or losses on the translation of financial statements of foreign operations				
a) gains	2011			
b) losses	2012			
2. Gains or losses on hedging instruments of net investments in foreign operations				
a) gains	2013			
b) losses	2014			
3. Gains and losses on cash flow hedges				
a) gains	2015			
b) losses	2016			
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		7,626	1,659
II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026			
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027			
1. 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	
		2022	2021
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	11,096	68,113
1. Payments and prepayments to suppliers in the country	3007	5,878	12,004
2. Payments and prepayments to suppliers abroad	3008	42	
3. Salaries, benefits and other personal expenses	3009	5,096	3,885
4. Interest paid in the country	3010	40	52,201
5. Interest paid abroad	3011		
6. Income tax paid	3012		
7. Payments for other public revenues	3013	40	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	11,096	68,113
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash flows from investing activities (1 do 5)	3017	60,710	1,037,934
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	9,412	985,557
4. Interest from investing activities	3021		
5. Dividend received	3022	51,298	52,377
II. Cash outflow from investing activities (1 do 3)	3023	49,274	167,155
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	49,274	167,155
III. Net cash inflow from investing activities (I - II)	3027	11,436	870,779
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	
		2022	2021
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
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		
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
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	60,710	1,037,934
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	60,370	1,035,308
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	340	2,626
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051		
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3052	4,383	1,757
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	4,723	4,383



STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CHANGES IN EQUITY

In RSD thousand

Position Description	AOP 4001	Share capital (group 30 without 306 and 309)	AOP 4010	Other share capital (account 309)	AOP 4019	Subscribed but unpaid capital (group 31)	AOP 4028	Share premium and reserves (account 306 and group 32)
1 Balance as at 01.01.2021	4001	4,057	4010		4019		4028	681,237
2 Adjustments of material errors and changes in accounting policies	4002		4011		4020		4029	
3 Restated opening balance as at 01.01. 2021 (1+2)	4003	4,057	4012		4021		4030	681,237
4 Net changes in 2021	4004		4013		4022		4031	
5 Balance as at 31.12.2021 (3+4)	4005	4,057	4014		4023		4032	681,237
6 Adjustments of material errors and changes in accounting policies	4006		4015		4024		4033	
7 Restated opening balance as at 01.01.2022. (5+6)	4007	4,057	4016		4025		4034	681,237
8 Net changes in 2022.	4008		4017		4026		4035	
9 Balance as at 31.12.2022. (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	Revaluation reserves and unrealized gains AOP and losses (group 33)	Retained earnings AOP (group 34)	Loss (group 35)	AOP	Non-controlling interest	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 01.01.2021	4037	4046	- 4055	255,277	4064	4073	430,017	4082
2 Adjustments of material errors and changes in accounting policies	4038	4047	4056		4065	4074		4083
3 Restated opening balance as at 01.01.2021 (1+2)	4039	4048	- 4057	255,277	4066	4075	430,017	4084
4 Net changes in 2021	4040	4049	1,659 4058		4067	4076		4085
5 Balance as at 31.12.2021 (3+4)	4041	4050	1,659 4059	255,277	4068	4077	431,676	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. 2022 (5+6)	4043	4052	1,659 4061	255,277	4070	4079	431,676	4088
8 Net changes in 2022	4044	4053	7,626 4062		4071	4080		4089
9 Balance as at 31.12.2022 (7+8)	4045	4054	9,285 4063	255,277	4072	4081	439,302	4090



**EXPLANATORY NOTES TO THE STAND-
ALONE FINANCIAL STATEMENTS 31
DECEMBER 2022**

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

1. General information

Fintel Energija A.D. (hereinafter: the "Company" or "Fintel Energija") is the leading independent producer of electricity from renewable sources in the Republic of Serbia. Subsidiaries of Fintel Energija are pioneers in the field of electricity production from renewable sources, as they are the first companies in Serbia to complete construction and manage wind parks.

The company was established on June 27, 2007 as a closed joint-stock company under the name "Company for the production of electricity Fintel Energija a.d. Belgrade" by "Fintel Energia Group S.P.A." (registration number 02658620402) who is also the sole shareholder of the company ("Owner"). "Fintel Energia Group S.P.A." is 86.22% owned by Hopafi Srl ("Beneficial Owner").

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

As of December 31, 2022, the Company has subscribed and paid-up share capital in the amount of RSD 4,057 thousand, which consists of 26,510,506 ordinary shares with an individual nominal value of RSD 0.153.

In 2018, the Company made an initial public offering of shares (IPO) on the Belgrade Stock Exchange. The process of the Initial Public Offering of the Company's shares was completed on October 30, 2018, and during the duration of the offer, 1,510,506 shares were subscribed. The initial price on the Stock Exchange was RSD 500 per share.

The Company's shares are traded on the organized market - the Belgrade Stock Exchange. The stock symbol is FINT, and the ISIN number is RSFINEE60549. The market capitalization of the Company as of December 31, 2022 is RSD 17,231,828 thousand. Fintel Energia Group S.P.A., the majority shareholder of the Company, is a joint-stock company established in accordance with the law in force in the Republic of Italy, and represents a vertically integrated operator in the energy supply chain, whose activity is the sale of electricity and natural gas in Italy, as well as the development and exploitation of renewable energy sources (solar energy and wind energy) in Italy and Serbia.

Submitted individual financial statements may be amended in accordance with legal regulations.

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

2. Summary of accounting policies and standards adopted

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

2.1 Basis of presentation

The Company has prepared these financial statements in accordance with the current Accounting Law of the Republic of Serbia (hereinafter referred to as "the Law"), as well as other regulations issued by the Ministry of Finance of the Republic of Serbia. The regulations of the Republic of Serbia that apply to the Company's financial statements as of and for the year ended December 31, 2022 deviate from IFRS and IAS in the following aspects of financial reporting:

- The company has prepared these financial reports in accordance with the requirements of the Rulebook on the Accounting Framework and the Content of Accounts in the Accounting Framework for Companies, Cooperatives and Entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020) and the format prescribed by the Rulebook on the Content and Form of Financial Statement Forms 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".
- Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4980/2019-16 from November 21 2019 (Official Gazette of the Republic of Serbia No. 92/2019) establishes that the official standards consist of official translations of the International Financial Reporting Standards, which include the Conceptual Framework for Financial Reporting, the basic texts of the International Accounting Standards (IAS), the basic texts of the IFRS issued by the Board of International Accounting Standards, as well as interpretations issued by the Committee for the Interpretation of Accounting Standards in the form in which they were issued, i.e. adopted and which do not include bases for conclusions, illustrative examples, guidelines, comments, contrary opinions, elaborated examples and other supplementary explanatory material that may be adopted in connection with the standards, i.e. interpretations, unless it is expressly stated that it is an integral part of the standards, i.e. interpretations.
- Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4351/2020-16 from September 10 2020 (Official Gazette of the Republic of Serbia No. 123/20 125/20) of the new translated standards, IFRS 16 was published as follows: Leasing and interpretation of IFRIC 23 - Uncertainty regarding the treatment of income tax. These translations begin to be applied for financial statements prepared on December 31, 2021, with the possibility of application when preparing financial statements on December 31, 2020.

Accordingly, and bearing in mind the potentially material effects that the deviations of the accounting regulations of the Republic of Serbia from IFRS and IAS can have on the reality and objectivity of the

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Company's financial statements, the attached financial statements may not be considered financial statements prepared in accordance with IFRS and IAS.

The attached financial statements represent individual financial statements that include receivables, liabilities, operating results, changes in other comprehensive income, changes in equity and cash flows of the Company.

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

The Company has prepared these individual financial statements in accordance with the deadlines prescribed by the Accounting Law of the Republic of Serbia. The Company also prepares consolidated financial statements for the Company and its related parties (the Group) with a prescribed deadline of April 30, 2023. Users of these financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2022, in order to obtain complete information about the financial position, results of operations and changes in the financial position of the Group as a whole. The method of recognition of equity investments in subsidiaries is shown in note 3, and details of investments in subsidiaries are shown in note 8.

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

2.2 Going concern

In 2022, the Company operated with a profit in the amount of RSD 7,626 thousand. For financing operating assets, the Company uses loans from the parent Company. The Company has the support of the parent Company, which submitted a letter of support on April 7, 2023, in which it disclosed its intention to support the Company's operations for a period of no less than 14 months from the date of the letter of support. The Company's forecasts and projections, which take into account reasonably possible changes in the Company's operating results, show that the Company should be able to operate with the assistance of the existing level of loan. Having the above in mind, the management believes that the Company has adequate funds to continue operations in the foreseeable future. Consequently, the Company has prepared individual financial statements in accordance with the concept of going concern. Additional information on the Company's loans 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.

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2.3 Foreign currency translation (Continued)

Transactions and balances

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

2.4 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".

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

	No. of years
Equipment	3

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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.

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

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.

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.

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

2.4 Significant accounting policies (Continued)

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

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.

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

2.4 Significant accounting policies (Continued)

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.

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.

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

2.4 Significant accounting policies (Continued)

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 2022 and 2021 is the carrying amount of each class of assets indicated in the following table:

<i>RSD thousand</i>	31 December 2022	31 December 2021
Other receivables	14,909	14,255
Long-term loans and investments	1,621,330	1,486,619
Short-term loans and investments	16,484	114,878
Prepayments and accrued income	262,578	219,342
TOTAL	1,915,301	1,835,094

Active prepayments and accrued income mostly refer to interest receivables based on loans given to affiliated legal entities 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 d.o.o., while long-term receivables and investments refer to loans given to subsidiary legal entities MK Fintel Wind ad, MK Fintel Wind Holding doo and MK Fintel Wind Development doo. Short-term receivables and investments refer to loans given to dependent legal entities VP Lipar doo, VP Lipar 2 doo, VP Maestrals Ring d.o.o., Project Torak doo and Fintel Energija Development doo.

According to the cash flow projections of the subsidiaries, these assets carry a low level of credit risk.

Liquidity risk

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

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4. Financial risk management (Continued)

Liquidity risk (Continued)

Liquidity risk is managed by the Company centrally, since the administration department periodically monitors the Company's net cash / debt through the preparation of appropriate reports on cash inflows and outflows. In this way, the Company aims to ensure adequate coverage for financing needs, by precise monitoring of financing, open credit facilities and their use, and all with the aim of optimizing its resources and managing temporary liquidity surplus.

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

The following table presents an analysis of the maturities of liabilities on December 31, 2022 and 2021. Different maturity dates are determined based on the period between the reporting date and the agreed maturity date of the Company's liabilities, gross of accrued interest as of December 31. Interest is calculated in accordance with the contractual conditions for financing.

		At 31 December 2022			
<i>RSD thousand</i>		Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders		1.265.201			
Bank loans		-			
Trade payables		35.508			
Other liabilities		152.748			
Total		1,453,457			
		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		1,423,603			-

(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

The risk of exchange rate differences is associated with doing business in currencies other than RSD. The company is exposed to the risk of exchange rate fluctuations, considering that it conducts business in Serbia through its subsidiaries, which are companies dedicated to the study, construction, development and management of wind farms and other projects in the field of renewable resources. The impact is shown in the balance sheet and income statement of subsidiaries.

By performing an accounting sensitivity analysis on December 31, 2022, if the currency had strengthened / weakened by 5% compared to the EUR and all other variables had remained constant, the result after taxation would have amounted to RSD 53,771 thousand (2021: RSD 50,394 thousand) more / less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR.

Risk of fluctuation in interest rates

The risk of interest rate fluctuations to which the Company is exposed originates from financial liabilities. Debt with a fixed interest rate exposes the Company to the risk of changes in the fair value of the debt associated with changes in the reference rate market. The cost with a variable interest rate exposes the Company to the risk of cash flow arising from the instability of interest rates.

The Company's financial indebtedness consists of current debt to the parent company, where the interest rate is fixed.

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

Capital management risk

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

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

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4. Financial risk management (Continued)

The debt ratio as of December 31, 2022 and 2021 is shown in the following table:

<i>RSD thousand</i>	31.12.2022	31.12.2021
<i>Non-current financial payables:</i>		
- Bank loans	-	-
<i>Current financial payables:</i>		
- Financial payables due to shareholders	1,265,201	1,185,735
Cash and cash equivalents	(4,723)	(4,383)
Net debt (A)	1,260,478	1,181,352
Equity (B)	439,302	431,676
Net capital employed (C=A+B)	1,699,780	1,613,028
Gearing ratio (A/C)	74,2%	73,2%

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 2022 and 2021:

<i>RSD thousand</i>	At 31 December 2022					Total
	Amortised cost	Fair value through OCI	Fair value through profit or loss	Hedge accounting		
Financial assets	1,637,814	-	-	-	-	1,637,814
Receivables due from subsidiaries related parties						
Other short-term assets	277,501	-	-	-	-	277,501
Cash and cash equivalents	4,723	-	-	-	-	4,723
Total	1,920,038	-	-	-	-	1,920,038
Borrowings						
Financial payables due to shareholders	1,265,201	-	-	-	-	1,265,201
Trade payables	35,508	-	-	-	-	35,508
Other current liabilities	196,889	-	-	-	-	196,889
Total	1,497,598	-	-	-	-	1,497,598

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5. Financial assets and liabilities by class (Continued)

<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	1,839,491	-	-	-	-	1,839,491
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	1,424,419	-	-	-	-	1,424,419

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 2021).
- RSD 5 thousand for 54% owned in of MK-Fintel Wind Holding Doo (RSD 5 thousand at 31 December 2021).
- RSD 200 for 100% owned in Fintel Energija Development Doo (RSD 200 at 31 December 2021).

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

Long-term loans and placements - parent and subsidiary legal entities amount to RSD 1,621,329 thousand and refer only to financing provided to subsidiary legal entities MK-Fintel Wind AD (RSD 1,412,777 thousand as of December 31, 2022), MK-Fintel Wind Holding Doo (RSD 70,557 thousand as of December 31, 2022), MK-Fintel Wind Development Doo (RSD 5,068 thousand as of December 31, 2022), VP Lipar Doo (RSD 30,503 thousand as of December 31, 2022), VP Lipar 2 Doo (RSD 14,547 thousand as of December 31, 2022), VP Maestrale Ring Doo (RSD 75,320 thousand as of December 31, 2022), Project Torak Doo (RSD 7,860 thousand as of December 31, 2022) and Fintel Energija Development Doo (RSD 4,692 thousand as of December 31, 2022). Summary of given loans, with maturities in the following table:

Loan recipient	Amount as of 31.12.2021 EUR	Amount as of 31.12.2021 RSD	
MK Fintel Wind ad	12,041,839	1,412,777,452	2023
MK Fintel Wind Holding d.o.o.	601,400	70,557,691	2023
MK Fintel Wind Development d.o.o.	43,200	5,068,328	2024
VP Lipar d.o.o.	260,000	30,503,824	2024
VP Lipar 2 d.o.o.	124,000	14,547,978	2024
VP Maestrale Ring d.o.o.	642,000	75,320,981	2024
Project Torak d.o.o.	67,000	7,860,601	2024
Fintel Energija Development d.o.o.	40,000	4,692,896	2024
Ukupno	13,819,439	1,621,329,751	

An overview of the loans granted as of December 31 2021, with maturity dates is given in the following table :

Loan recipient	Amount as of 31.12.2021 EUR	Amount as of 31.12.2021 RSD	
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
Ukupno	12,643,239	1,486,618,592	

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

Short-term loans and placements - parent and subsidiary legal entities amount to RSD 16,484 thousand and refer only to financing given to subsidiary legal entities Lipar Doo (RSD 1,407 thousand as of December 31, 2022) and Maestrale Ring Doo (RSD 15,075 thousand as of 31 December 2022)

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

Primalac zajma	Iznos 31.12.2022 EUR	Iznos 31.12.2022 RSD	Dospeće
VP Lipar d.o.o.	12,000	1,407,869	2023
VP Maestrale Ring d.o.o.	128,500	15,075,928	2023
Ukupno	140,500	16,483,797	

11. Cash and cash equivalents

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

<i>RSD thousand</i>	31 December 2022	31 December 2021
Current account		
- In dinars	4,683	4,343
- in foreign currency	40	40
Cash and cash equivalents	4,723	4,383

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 14,910 thousand at 31 December 2022 (RSD 14,255 thousand at 31 December 2021) are detailed in the following table:

<i>RSD thousand</i>	31 December 2022	31 December 2021
Other receivables	10,676	10,021
Receivables for prepaid CIT	4,224	4,224
Receivables for prepaid other taxes & contributions	10	10
Total	14,910	14,255

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

13. Equity

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

<i>RSD thousand</i>	31 December 2022	31 December 2021
Share capital	4,057	4,057
Share premium	681,237	681,237
Retained profit from current year	7,626	1,659
Retained profit from previous year	1,659	
Loss from previous years	(255,277)	(255,277)
Loss from current year	-	-
TOTAL EQUITY	439,302	431,676

Description	Share capital	Issue premium and reserves	Retained earnings	Loss	Non-controlling interest	Total
Balance as of January 1, 2021	4,057	681,237	-	255,277	-	430,017
Effects of retroactive correction of material errors and changes in accounting policies	-	-	-	-	-	-
Corrected initial balance on 01.01.2021	4,057	681,237	-	255,277	-	430,017
Net changes in 2021	-	-	1,659	-	-	1,659
Balance as of 31/12/2021	4,057	681,237	1,659	255,277	-	431,676
Effects of retroactive correction of material errors and changes in accounting policies	-	-	-	-	-	-
Corrected initial balance on 01.01.2022.	4,057	681,237	1,659	-	-	431,676
Net changes in 2022	-	-	7,626	-	-	7,626
Balance as of 31/12/2022	4,057	681,237	9,285	255,277	-	439,302

The equity components and changes therein are detailed below:

Share capital

As of 31 December 2022, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand (RSD 4.057 thousand as at 31. december 2021) consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Share premium

At 31 December 2022, 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 thousand (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

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 from parent and subsidiaries

Loans from the parent and related parties in the amount of RSD 1,265,201 thousand as of December 31, 2022 (RSD 1,185,735 thousand as of December 31, 2021), mostly consist of callable loans and which will be repaid to the owner Fintel Energia Group Spa. The loan in the amount of EUR 9,967,000 is interest-bearing, the interest is from 3% to 6%. Other loans are interest-free. The loans mature in 2023.

15. Trade payables

Trade payables amounted to RSD 35,508 thousand at 31 December 2022 consist of domestic trade payables for services and payables to the parent company for services.

16. Accruals

Accruals amounted to RSD 196,878 thousand at 31 December 2022 consist mainly of interests on shareholders loan due to Fintel Energia Group SpA accrued interests on financial loan.

17. Non-production costs

Non-production costs amount to RSD 36,061 thousand in 2022 (RSD 32,531 thousand in 2021) and relate to accounting services, management fee costs from Parent Company (invoices issued in according management fee contract), costs of other services.

18. Finance income

	2022	2021
FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	94,991	96,774
INCOME FROM INTEREST	-	-
FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	3,701	87
OTHER FINANCIAL INCOME	-	-
Total	96.692	96.861

19. Finance expense

	2022	2021
FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	44,468	33,114
COSTS OF INTEREST	40	22,471
FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	4,597	614
OTHER FINANCIAL COSTS	-	2,254
Total	49,105	58,453

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

20. Income tax expense

Income tax expenses for the years ended 31 December 2022 and 2021 are detailed as follows:

	Year ended 31 December	
	2022	2021
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	
	2022	2021
Profit before tax	7,626	1,659
Tax calculated at domestic tax rates applicable to profits in the respective countries	-	-
<i>Tax effect on:</i>		
Depreciation effects	(8)	(25)
Revenues exempt from taxation	-	-
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% (2021: 0%).

21. Earnings/(loss) per share

The basic result per share has gone from a profit per share of RSD 0.06 in 2021 to profit per share of RSD 0.29 for the year ended 31 December 2022. It has been computed by dividing the Group's net result by the number of Fintel Energija shares outstanding in the years in question (number of shares outstanding of 26,511 thousand).

There were no dilutive effects at 31 December 2022. 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 2022

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

22. 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 2022 and 2021. All transactions with related parties are entered into at market value.

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

<i>RSD thousand</i>	At 31 December 2022			
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans		-	16,484	16,484
Long-term loans		-	1,621,330	1,621,330
Other current assets		-	262,578	262,578
Other current liabilities	(32,622)	-	-	(32,622)
Trade payables	(34,259)	-	-	(34,259)
Shareholder's loan	(1,265,201)	-	-	(1,265,201)
Total	(1,332,082)	-	1,900,392	568,310

<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	(1,422,382)	-	1,820,839	398,458

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

23. Related party transactions (Continued)

For the year ended 31 December 2022 and 2021 the following transaction occurred with related parties:

<i>RSD thousand</i>	At 31 December 2022			Total
	Parent Company	Parent's subsidiaries and associates	Other related parties	
Revenues	-	-	-	223
Selling, general and administrative expenses	(30,979)	-	-	(30,979)
Finance income	-	-	94,991	94,991
Finance expense	(44,468)	-	-	(44,468)
Total	(75,446)	-	(95,214)	19,768

<i>RSD thousand</i>	At 31 December 2021			Total
	Parent Company	Parent's subsidiaries and associates	Other related parties	
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

Remuneration of Fintel's directors

Members of Board of Directors have not received any remuneration in 2022. Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for 2022 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 2022.

25. Significant subsequent events

Management is not aware of any other significant events after the balance sheet date that could affect the financial statements as at 31 December 2022 or require separate disclosure.

Legal representative:

The person responsible for the preparation of consolidated financial statements:



FINTEL ENERGIJA A.D., BELGRADE

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
AND THE INDEPENDENT AUDITOR'S REPORT**

FINTEL ENERGIJA A.D., BELGRADE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022.

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Statement of Other Comprehensive Income	
Statement of Changes in Equity	
Cash Flow Statement	
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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 2022, 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 2022;
- 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 19,368 thousand, which represents 1% of the Company's total assets as at 31 December 2022.
-

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 19,368 thousand
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How we determined it	1% of the Company's total assets as at 31 December 2022
-----------------------------	---

Rationale for the materiality benchmark applied

The Company acts as a holding company of the group of twenty-two 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.

We agreed with the those charged with governance that we would report to them misstatements identified during our audit above RSD 1,936 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

Refer to the original signed
Serbian version

PricewaterhouseCoopers d.o.o., Beograd

Belgrade, 21 April 2023

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET			
In RSD thousand			
POSITION	AOP Note	31 December 2022	31 December 2021
ASSETS			
A. SUBSCRIBED AND UNPAID CAPITAL	0001		
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002	1,637,344	1,502,642
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	0	8
1. Land and buildings	0010		
2. Machinery and equipment	0011	0	8
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	1,637,344	1,502,634
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019 8	16,014	16,015
2. Equity investments that are valued using the equity method	0020		
3. Dugoročni plasmani matičnom, zavisnim i ostalim povezanim licimaj dugoročna potraživanja od tih lica u zemlji	0021 9	1,621,330	1,486,619
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 2022	31 December 2021
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030	299,556	353,452
I. INVENTORIES (0032+0033+0034+0035+0036)	0031	581	581
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	84
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037		
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038	267	
1. Trade receivables - domestic	0039		
2. Trade receivables - foreign	0040		
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041	267	
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	14,909	14,254
1. Other receivables	0045 12	10,675	10,020
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 (0048	16,498	114,892
0049+0050+0051+0052+0053+0054+0055+0056)			
1. Short-term loans and investments - parent and subsidiaries	0049 10	16,484	114,878
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	4,723	4,383
VII. SHORT-TERM ACCRUALS	0058	262,578	219,342
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059	1,936,900	1,856,094
F. OFF-BALANCE SHEET ASSETS	0060		

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP Note	31 December 2022	31 December 2021
EQUITY AND LIABILITIES			
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	439,302	431,676
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	9,285	1,659
1. Retained profit from previous years	0409	1,659	
2. Retained profit from current year	0410 13	7,626	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	255,277
2. Losses of current year	0414		
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		
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		
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		
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

STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

POSITION	AOP Note	31 December 2022	31 December 2021
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431	1,497,598	1,424,418
I. SHORT TERM PROVISIONS	0432		
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	1,265,201	1,185,735
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	1,265,201	1,185,735
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		
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	35,508	85,120
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	34,259	83,899
3. Trade payables - domestic	0445 16	1,249	1,221
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	11	51
1. Other short term liabilities	0450	11	51
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	196,878	153,512
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	1,936,900	1,856,094
H. OFF-BALANCE SHEET LIABILITIES	0457		



STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP Note	Year ended 31 December	
		2022	2021
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001	223	
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	223	
1. Income from the sale of products and services - domestic market	1006	223	
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	42,190	36,750
I. COST OF GOODS SOLD	1014		
II. COST OF MATERIALS, FUEL AND ENERGY	1015	34	
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016	5,602	4,016
1. Cost of salary and compensation of salary (gross employee)	1017	3,346	2,628
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018	540	437
3. Other personal expenses and remunerations	1019	1,716	951
IV. DEPRECIATION EXPENSES	1020	8	25
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021		
VIII. COSTS OF PRODUCTION SERVICES	1022	485	178
X. COSTS OF LONG-TERM PROVISIONS	1023		
XI. INTANGIBLE EXPENSES	1024		
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025	36,061	32,531
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026	41,967	36,750
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027	98,692	96,862
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028 19	94,991	96,774
II. INCOME FROM INTEREST	1029		
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030 19	3,701	88
IV. OTHER FINANCIAL INCOME	1031		

STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE INCOME STATEMENT

In RSD thousand

POSITION	AOP Note	Year ended 31 December	
		2022	2021
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	49,105	58,453
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033 20	44,468	33,114
II. COSTS OF INTEREST	1034 20	40	22,471
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035 20	4,597	614
IV. OTHER FINANCIAL COSTS	1036 20		2,254
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037	49,587	38,409
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		-
I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1039		
J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L	1040		
K. OTHER INCOME	1041	6	
L. OTHER COSTS	1042		
M. TOTAL INCOME (1001+1027+1039+1041)	1043	98,921	96,862
N. TOTAL COSTS (1013+1032+1040+1042)	1044	91,295	95,203
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045	7,626	1,659
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	7,626	1,659
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050		-
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	7,626	1,659
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-
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	0.29	0.06
2. Reduced (diluted) earnings per share	1062		



STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF OTHER COMPREHENSIVE INCOME
In RSD thousand

POSITION	AOP	Note	Year ended 31 December	
			2022	2021
A. NET PROFIT/(LOSS)				
I. PROFIT, NET (AOP 1055)	2001		7,626	1,659
II. LOSS, NET (AOP 1056)	2002			
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Items that will not be reclassified to profit or loss				
1. Changes in the revaluation of intangible assets, property, plant and equipment				
a) increase in revaluation reserves	2003			
b) decrease in revaluation reserves	2004			
2. Actuarial gains (losses) of post employment benefit obligations				
a) gains	2005			
b) losses	2006			
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
a) gains	2007			
b) losses	2008			
b) Items that may be subsequently reclassified to profit or loss				
1. Gains or losses on investments in equity instruments				
a) gains	2009			
b) losses	2010			
1. Gains or losses on the translation of financial statements of foreign operations				
a) gains	2011			
b) losses	2012			
2. Gains or losses on hedging instruments of net investments in foreign operations				
a) gains	2013			
b) losses	2014			
3. Gains and losses on cash flow hedges				
a) gains	2015			
b) losses	2016			
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		7,626	1,659
II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026			
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027			
1. 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	
		2022	2021
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	11,096	68,113
1. Payments and prepayments to suppliers in the country	3007	5,878	12,004
2. Payments and prepayments to suppliers abroad	3008	42	
3. Salaries, benefits and other personal expenses	3009	5,096	3,885
4. Interest paid in the country	3010	40	52,201
5. Interest paid abroad	3011		
6. Income tax paid	3012		
7. Payments for other public revenues	3013	40	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	11,096	68,113
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash flows from investing activities (1 do 5)	3017	60,710	1,037,934
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	9,412	985,557
4. Interest from investing activities	3021		
5. Dividend received	3022	51,298	52,377
II. Cash outflow from investing activities (1 do 3)	3023	49,274	167,155
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	49,274	167,155
III. Net cash inflow from investing activities (I - II)	3027	11,436	870,779
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	
		2022	2021
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
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		
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
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	60,710	1,037,934
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	60,370	1,035,308
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	340	2,626
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051		
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3052	4,383	1,757
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	4,723	4,383



STAND-ALONE FINANCIAL STATEMENTS

STAND-ALONE STATEMENT OF CHANGES IN EQUITY

In RSD thousand

Position Description	AOP (group 30 without 306 and 309)	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 01.01.2021	4001	4,057	4010		4019		4028	681,237
2 Adjustments of material errors and changes in accounting policies	4002		4011		4020		4029	
3 Restated opening balance as at 01.01. 2021 (1+2)	4003	4,057	4012		4021		4030	681,237
4 Net changes in 2021	4004		4013		4022		4031	
5 Balance as at 31.12.2021 (3+4)	4005	4,057	4014		4023		4032	681,237
6 Adjustments of material errors and changes in accounting policies	4006		4015		4024		4033	
7 Restated opening balance as at 01.01.2022. (5+6)	4007	4,057	4016		4025		4034	681,237
8 Net changes in 2022.	4008		4017		4026		4035	
9 Balance as at 31.12.2022. (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	Revaluation reserves and unrealized gains AOP and losses (group 33)	Retained earnings AOP (group 34)	Loss (group 35)	AOP	Non-controlling interest	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 01.01.2021	4037	4046	- 4055	255,277	4064	4073	430,017	4082
2 Adjustments of material errors and changes in accounting policies	4038	4047	4056		4065	4074		4083
3 Restated opening balance as at 01.01.2021 (1+2)	4039	4048	- 4057	255,277	4066	4075	430,017	4084
4 Net changes in 2021	4040	4049	1,659 4058		4067	4076		4085
5 Balance as at 31.12.2021 (3+4)	4041	4050	1,659 4059	255,277	4068	4077	431,676	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. 2022 (5+6)	4043	4052	1,659 4061	255,277	4070	4079	431,676	4088
8 Net changes in 2022	4044	4053	7,626 4062		4071	4080		4089
9 Balance as at 31.12.2022 (7+8)	4045	4054	9,285 4063	255,277	4072	4081	439,302	4090



**EXPLANATORY NOTES TO THE STAND-
ALONE FINANCIAL STATEMENTS 31
DECEMBER 2022**

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

1. General information

Fintel Energija A.D. (hereinafter: the "Company" or "Fintel Energija") is the leading independent producer of electricity from renewable sources in the Republic of Serbia. Subsidiaries of Fintel Energija are pioneers in the field of electricity production from renewable sources, as they are the first companies in Serbia to complete construction and manage wind parks.

The company was established on June 27, 2007 as a closed joint-stock company under the name "Company for the production of electricity Fintel Energija a.d. Belgrade" by "Fintel Energia Group S.P.A." (registration number 02658620402) who is also the sole shareholder of the company ("Owner"). "Fintel Energia Group S.P.A." is 86.22% owned by Hopafi Srl ("Beneficial Owner").

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

As of December 31, 2022, the Company has subscribed and paid-up share capital in the amount of RSD 4,057 thousand, which consists of 26,510,506 ordinary shares with an individual nominal value of RSD 0.153.

In 2018, the Company made an initial public offering of shares (IPO) on the Belgrade Stock Exchange. The process of the Initial Public Offering of the Company's shares was completed on October 30, 2018, and during the duration of the offer, 1,510,506 shares were subscribed. The initial price on the Stock Exchange was RSD 500 per share.

The Company's shares are traded on the organized market - the Belgrade Stock Exchange. The stock symbol is FINT, and the ISIN number is RSFINEE60549. The market capitalization of the Company as of December 31, 2022 is RSD 17,231,828 thousand. Fintel Energia Group S.P.A., the majority shareholder of the Company, is a joint-stock company established in accordance with the law in force in the Republic of Italy, and represents an vertically integrated operator in the energy supply chain, whose activity is the sale of electricity and natural gas in Italy, as well as the development and exploitation of renewable of energy sources (solar energy and wind energy) in Italy and Serbia.

Submitted individual financial statements may be amended in accordance with legal regulations.

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

2. Summary of accounting policies and standards adopted

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

2.1 Basis of presentation

The Company has prepared these financial statements in accordance with the current Accounting Law of the Republic of Serbia (hereinafter referred to as "the Law"), as well as other regulations issued by the Ministry of Finance of the Republic of Serbia. The regulations of the Republic of Serbia that apply to the Company's financial statements as of and for the year ended December 31, 2022 deviate from IFRS and IAS in the following aspects of financial reporting:

- The company has prepared these financial reports in accordance with the requirements of the Rulebook on the Accounting Framework and the Content of Accounts in the Accounting Framework for Companies, Cooperatives and Entrepreneurs (Official Gazette of the Republic of Serbia No. 89/2020) and the format prescribed by the Rulebook on the Content and Form of Financial Statement Forms 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".
- Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4980/2019-16 from November 21 2019 (Official Gazette of the Republic of Serbia No. 92/2019) establishes that the official standards consist of official translations of the International Financial Reporting Standards, which include the Conceptual Framework for Financial Reporting, the basic texts of the International Accounting Standards (IAS), the basic texts of the IFRS issued by the Board of International Accounting Standards, as well as interpretations issued by the Committee for the Interpretation of Accounting Standards in the form in which they were issued, i.e. adopted and which do not include bases for conclusions, illustrative examples, guidelines, comments, contrary opinions, elaborated examples and other supplementary explanatory material that may be adopted in connection with the standards, i.e. interpretations, unless it is expressly stated that it is an integral part of the standards, i.e. interpretations.
- Decision of the Ministry of Finance of the Republic of Serbia no. 401-00-4351/2020-16 from September 10 2020 (Official Gazette of the Republic of Serbia No. 123/20 125/20) of the new translated standards, IFRS 16 was published as follows: Leasing and interpretation of IFRIC 23 - Uncertainty regarding the treatment of income tax. These translations begin to be applied for financial statements prepared on December 31, 2021, with the possibility of application when preparing financial statements on December 31, 2020.

Accordingly, and bearing in mind the potentially material effects that the deviations of the accounting regulations of the Republic of Serbia from IFRS and IAS can have on the reality and objectivity of the

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

Company's financial statements, the attached financial statements may not be considered financial statements prepared in accordance with IFRS and IAS.

The attached financial statements represent individual financial statements that include receivables, liabilities, operating results, changes in other comprehensive income, changes in equity and cash flows of the Company.

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

The Company has prepared these individual financial statements in accordance with the deadlines prescribed by the Accounting Law of the Republic of Serbia. The Company also prepares consolidated financial statements for the Company and its related parties (the Group) with a prescribed deadline of April 30, 2023. Users of these financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2022, in order to obtain complete information about the financial position, results of operations and changes in the financial position of the Group as a whole. The method of recognition of equity investments in subsidiaries is shown in note 3, and details of investments in subsidiaries are shown in note 8.

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

2.2 Going concern

In 2022, the Company operated with a profit in the amount of RSD 7,626 thousand. For financing operating assets, the Company uses loans from the parent Company. The Company has the support of the parent Company, which submitted a letter of support on April 7, 2023, in which it disclosed its intention to support the Company's operations for a period of no less than 14 months from the date of the letter of support. The Company's forecasts and projections, which take into account reasonably possible changes in the Company's operating results, show that the Company should be able to operate with the assistance of the existing level of loan. Having the above in mind, the management believes that the Company has adequate funds to continue operations in the foreseeable future. Consequently, the Company has prepared individual financial statements in accordance with the concept of going concern. Additional information on the Company's loans 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)

2.3 Foreign currency translation (Continued)

Transactions and balances

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

2.4 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".

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

	No. of years
Equipment	3

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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.

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

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.

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.

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

2.4 Significant accounting policies (Continued)

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

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.

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

2.4 Significant accounting policies (Continued)

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.

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.

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

2.4 Significant accounting policies (Continued)

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.

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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 2022 and 2021 is the carrying amount of each class of assets indicated in the following table:

<i>RSD thousand</i>	31 December 2022	31 December 2021
Other receivables	14,909	14,255
Long-term loans and investments	1,621,330	1,486,619
Short-term loans and investments	16,484	114,878
Prepayments and accrued income	262,578	219,342
TOTAL	1,915,301	1,835,094

Active prepayments and accrued income mostly refer to interest receivables based on loans given to affiliated legal entities MK Fintel Wind ad., MK Fintel Wind Holding doo, VP Lipar doo, VP Lipar 2 doo, VP Maestrle Ring d.o.o., Project Torak doo and Fintel Energija Development d.o.o., while long-term receivables and investments refer to loans given to subsidiary legal entities MK Fintel Wind ad, MK Fintel Wind Holding doo and MK Fintel Wind Development doo. Short-term receivables and investments refer to loans given to dependent legal entities VP Lipar doo, VP Lipar 2 doo, VP Maestrle Ring d.o.o., Project Torak doo and Fintel Energija Development doo.

According to the cash flow projections of the subsidiaries, these assets carry a low level of credit risk.

Liquidity risk

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

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4. Financial risk management (Continued)

Liquidity risk (Continued)

Liquidity risk is managed by the Company centrally, since the administration department periodically monitors the Company's net cash / debt through the preparation of appropriate reports on cash inflows and outflows. In this way, the Company aims to ensure adequate coverage for financing needs, by precise monitoring of financing, open credit facilities and their use, and all with the aim of optimizing its resources and managing temporary liquidity surplus.

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

The following table presents an analysis of the maturities of liabilities on December 31, 2022 and 2021. Different maturity dates are determined based on the period between the reporting date and the agreed maturity date of the Company's liabilities, gross of accrued interest as of December 31. Interest is calculated in accordance with the contractual conditions for financing.

At 31 December 2022				
<i>RSD thousand</i>	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	1,265,201			
Bank loans	-			
Trade payables	35,508			
Other liabilities	152,748			
Total	1,453,457			
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	1,423,603			-

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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

The risk of exchange rate differences is associated with doing business in currencies other than RSD. The company is exposed to the risk of exchange rate fluctuations, considering that it conducts business in Serbia through its subsidiaries, which are companies dedicated to the study, construction, development and management of wind farms and other projects in the field of renewable resources. The impact is shown in the balance sheet and income statement of subsidiaries.

By performing an accounting sensitivity analysis on December 31, 2022, if the currency had strengthened / weakened by 5% compared to the EUR and all other variables had remained constant, the result after taxation would have amounted to RSD 53,771 thousand (2021: RSD 50,394 thousand) more / less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR.

Risk of fluctuation in interest rates

The risk of interest rate fluctuations to which the Company is exposed originates from financial liabilities. Debt with a fixed interest rate exposes the Company to the risk of changes in the fair value of the debt associated with changes in the reference rate market. The cost with a variable interest rate exposes the Company to the risk of cash flow arising from the instability of interest rates.

The Company's financial indebtedness consists of current debt to the parent company, where the interest rate is fixed.

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

Capital management risk

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

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

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4. Financial risk management (Continued)

The debt ratio as of December 31, 2022 and 2021 is shown in the following table:

<i>RSD thousand</i>	31.12.2022	31.12.2021
<i>Non-current financial payables:</i>		
- Bank loans	-	-
<i>Current financial payables:</i>		
- Financial payables due to shareholders	1,265,201	1,185,735
Cash and cash equivalents	(4,723)	(4,383)
Net debt (A)	1,260,478	1,181,352
Equity (B)	439,302	431,676
Net capital employed (C=A+B)	1,669,780	1,613,028
Gearing ratio (A/C)	74,2%	73,2%

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 2022 and 2021:

<i>RSD thousand</i>	At 31 December 2022				Total
	Amortised cost	Fair vaule through OCI	Fair vaule through profit or loss	Hedge accounting	
Financial assets	1,637,814	-	-	-	1,637,814
Receivables due from subsidiaries related parties		-	-	-	-
Other short-term assets	277,501	-	-	-	277,501
Cash and cash equivalents	4,723	-	-	-	4,723
Total	1,920,038	-	-	-	1,920,038
Borrowings		-	-	-	-
Financial payables due to shareholders	1,265,201	-	-	-	1,265,201
Trade payables	35,508	-	-	-	35,508
Other current liabilities	196,889	-	-	-	196,889
Total	1,497,598	-	-	-	1,497,598

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5. Financial assets and liabilities by class (Continued)

<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	1,839,491	-	-	-	-	1,839,491
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	1,424,419	-	-	-	-	1,424,419

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 2021).
- RSD 5 thousand for 54% owned in of MK-Fintel Wind Holding Doo (RSD 5 thousand at 31 December 2021).
- RSD 200 for 100% owned in Fintel Energija Development Doo (RSD 200 at 31 December 2021).

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

Long-term loans and placements - parent and subsidiary legal entities amount to RSD 1,621,329 thousand and refer only to financing provided to subsidiary legal entities MK-Fintel Wind AD (RSD 1,412,777 thousand as of December 31, 2022), MK-Fintel Wind Holding Doo (RSD 70,557 thousand as of December 31, 2022), MK-Fintel Wind Development Doo (RSD 5,068 thousand as of December 31, 2022), VP Lipar Doo (RSD 30,503 thousand as of December 31, 2022), VP Lipar 2 Doo (RSD 14,547 thousand as of December 31, 2022), VP Maestrale Ring Doo (RSD 75,320 thousand as of December 31, 2022), Project Torak Doo (RSD 7,860 thousand as of December 31, 2022) and Fintel Energija Development Doo (RSD 4,692 thousand as of December 31, 2022). Summary of given loans, with maturities in the following table:

Loan recipient	Amount as of 31.12.2021 EUR	Amount as of 31.12.2021 RSD	
MK Fintel Wind ad	12,041,839	1,412,777,452	2023
MK Fintel Wind Holding d.o.o.	601,400	70,557,691	2023
MK Fintel Wind Development d.o.o.	43,200	5,068,328	2024
VP Lipar d.o.o.	260,000	30,503,824	2024
VP Lipar 2 d.o.o.	124,000	14,547,978	2024
VP Maestrale Ring d.o.o.	642,000	75,320,981	2024
Project Torak d.o.o.	67,000	7,860,601	2024
Fintel Energija Development d.o.o.	40,000	4,692,886	2024
Ukupno	13,819,439	1,621,329,751	

An overview of the loans granted as of December 31 2021, with maturity dates is given in the following table :

Loan recipient	Amount as of 31.12.2021 EUR	Amount as of 31.12.2021 RSD	
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
Ukupno	12,643,239	1,486,618,592	

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

Short-term loans and placements - parent and subsidiary legal entities amount to RSD 16,484 thousand and refer only to financing given to subsidiary legal entities Lipar Doo (RSD 1,407 thousand as of December 31, 2022) and Maestrle Ring Doo (RSD 15,075 thousand as of 31 December 2022)

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

Primalac zajma	Iznos 31.12.2022 EUR	Iznos 31.12.2022 RSD	Dospeće
VP Lipar d.o.o.	12,000	1,407,869	2023
VP Maestrle Ring d.o.o.	128,500	15,075,928	2023
Ukupno	140,500	16,483,797	

11. Cash and cash equivalents

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

<i>RSD thousand</i>	31 December 2022	31 December 2021
Current account		
- in dinars	4,683	4,343
- in foreign currency	40	40
Cash and cash equivalents	4,723	4,383

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 14,910 thousand at 31 December 2022 (RSD 14,255 thousand at 31 December 2021) are detailed in the following table:

<i>RSD thousand</i>	31 December 2022	31 December 2021
Other receivables	10,676	10,021
Receivables for prepaid CIT	4,224	4,224
Receivables for prepaid other taxes & contributions	10	10
Total	14,910	14,255

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13. Equity

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

<i>RSD thousand</i>	31 December 2022	31 December 2021
Share capital	4,057	4,057
Share premium	681,237	681,237
Retained profit from current year	7,626	1,659
Retained profit from previous year	1,659	
Loss from previous years	(255,277)	(255,277)
Loss from current year	-	-
TOTAL EQUITY	439,302	431,676

Description	Share capital	Issue premium and reserves	Retained earnings	Loss	Non-controlling interest	Total
Balance as of January 1, 2021	4,057	681,237	-	255,277	-	430,017
Effects of retroactive correction of material errors and changes in accounting policies	-	-	-	-	-	-
Corrected initial balance on 01.01.2021	4,057	681,237	-	255,277	-	430,017
Net changes in 2021	-	-	1,659	-	-	1,659
Balance as of 31/12/2021	4,057	681,237	1,659	255,277	-	431,676
Effects of retroactive correction of material errors and changes in accounting policies	-	-	-	-	-	-
Corrected initial balance on 01.01.2022.	4,057	681,237	1,659		-	431,676
Net changes in 2022	-	-	7,626	-	-	7,626
Balance as of 31/12/2022	4,057	681,237	9,285	255,277	-	439,302

The equity components and changes therein are detailed below:

Share capital

As of 31 December 2022, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand (RSD 4.057 thousand as at 31. december 2021) consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Share premium

At 31 December 2022, 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 thousand (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

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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 from parent and subsidiaries

Loans from the parent and related parties in the amount of RSD 1,265,201 thousand as of December 31, 2022 (RSD 1,185,735 thousand as of December 31, 2021), mostly consist of callable loans and which will be repaid to the owner Fintel Energia Group Spa. The loan in the amount of EUR 9,967,000 is interest-bearing, the interest is from 3% to 6%. Other loans are interest-free. The loans mature in 2023.

15. Trade payables

Trade payables amounted to RSD 35,508 thousand at 31 December 2022 consist of domestic trade payables for services and payables to the parent company for services.

16. Accruals

Accruals amounted to RSD 196,878 thousand at 31 December 2022 consist mainly of interests on shareholders loan due to Fintel Energia Group SpA accrued interests on financial loan.

17. Non-production costs

Non-production costs amount to RSD 36,061 thousand in 2022 (RSD 32,531 thousand in 2021) and relate to accounting services, management fee costs from Parent Company (invoices issued in according management fee contract), costs of other services.

18. Finance income

	2022	2021
FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	94,991	96,774
INCOME FROM INTEREST	-	-
FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	3,701	87
OTHER FINANCIAL INCOME	-	-
Total	96.692	96.861

19. Finance expense

	2022	2021
FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	44,468	33,114
COSTS OF INTEREST	40	22,471
FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	4,597	614
OTHER FINANCIAL COSTS	-	2,254
Total	49,105	58,453

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE STAND-ALONE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

20. Income tax expense

Income tax expenses for the years ended 31 December 2022 and 2021 are detailed as follows:

	Year ended 31 December	
	2022	2021
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	
	2022	2021
Profit before tax	7,626	1,659
Tax calculated at domestic tax rates applicable to profits in the respective countries	-	-
<i>Tax effect on:</i>		
Depreciation effects	-	-
Revenues exempt from taxation	(8)	(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% (2021: 0%).

21. Earnings/(loss) per share

The basic result per share has gone from a profit per share of RSD 0.06 in 2021 to profit per share of RSD 0.29 for the year ended 31 December 2022. It has been computed by dividing the Group's net result by the number of Fintel Energija shares outstanding in the years in question (number of shares outstanding of 26,511 thousand).

There were no dilutive effects at 31 December 2022. 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 2022

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

22. Related party transactions

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

A summary provided below of the Company's transactions with related parties in 2022 and 2021. All transactions with related parties are entered into at market value.

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

<i>RSD thousand</i>	At 31 December 2022			
	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans		-	16,484	16,484
Long-term loans		-	1,621,330	1,621,330
Other current assets		-	262,578	262,578
Other current liabilities	(32,622)	-	-	(32,622)
Trade payables	(34,259)	-	-	(34,259)
Shareholder's loan	(1,265,201)	-	-	(1,265,201)
Total	(1,332,082)	-	1,900,392	568,310

<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	(1,422,382)	-	1,820,839	398,458

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

23. Related party transactions (Continued)

For the year ended 31 December 2022 and 2021 the following transaction occurred with related parties:

RSD thousand	At 31 December 2022			Total
	Parent Company	Parent's subsidiaries and associates	Other related parties	
Revenues	-	-	-	223
Selling, general and administrative expenses	(30,979)	-	-	(30,979)
Finance income	-	-	94,991	94,991
Finance expense	(44,468)	-	-	(44,468)
Total	(75,446)	(95,214)	-	19,768

RSD thousand	At 31 December 2021			Total
	Parent Company	Parent's subsidiaries and associates	Other related parties	
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

Remuneration of Fintel's directors

Members of Board of Directors have not received any remuneration in 2022. Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for 2022 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 2022.

25. Significant subsequent events

Management is not aware of any other significant events after the balance sheet date that could affect the financial statements as at 31 December 2022 or require separate disclosure.

Legal representative:

The person responsible for the preparation of consolidated financial statements:



**CONSOLIDATED ANNUAL BUSINESS
REPORT FOR THE YEAR ENDING 31
DECEMBER 2022**

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: Masarikova 5

Company Identification Number: 20305266

Tax Identification Number: 105058839

Date of incorporation: 27 June 2007

Persons authorized to represent: Tiziano Giovannetti

Website: www.fintelenergija.rs

Core business activity

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

Business activities

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

Organizational structure

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

Corporate Governance

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

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;
- Staklenik 1 d.o.o, ID number 21861103;
- Staklenik 2 d.o.o, ID number 21861111;
- Staklenik 3 d.o.o, ID number 21861120;
- Staklenik 4 d.o.o, ID number 21861081;
- Staklenik 5 d.o.o, ID number 21861090.

The following companies are 100% owned through Cyprus vehicles:

- Project Torak d.o.o. Beograd, ID number 21459631 ("**Project Torak**");

Information about the management of the company

Members of Board of Directors:

- ✓ Claudio Nardone, chairman
- ✓ Tiziano Giovannetti
- ✓ Giulio Moreno
- ✓ Tamara Mladenović
- ✓ Jovan Purar

Key events impacting the Group in 2022 and 2021

In 2022, there were no significant events that affected the Company.

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 2022	31 December 2021
ASSETS			
A. SUBSCRIBED AND UNPAID CAPITAL	0001		
B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002	12,672,885	12,841,038
I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	-	-
1. Development investments	0004		
2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005		
3. Goodwill	0006		
4. Intangible assets leased and intangible assets in preparation	0007		
5. Advances for intangible assets	0008		
II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	12,077,750	12,377,347
1. Land and buildings	0010	4,339,457	4,405,370
2. Machinery and equipment	0011	7,649,657	7,794,293
3. Investment property	0012		
4. Property, plant and equipment leased and property, plant and equipment under construction	0013	88,636	177,684
5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014		
6. Advances for property, plant and equipment in the country	0015		
7. Advances for property, plant and equipment foreign	0016		
III. BIOLOGICAL ASSETS	0017	-	-
IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018	595,135	463,691
1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019		-
2. Equity investments that are valued using the equity method	0020		
3. Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021	75,333	
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	519,802	463,691
V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028	-	-
C. DEFERRED TAX ASSETS	0029	14,398	-

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD
thousand

POSITION	AOP	31 December 2022	31 December 2021
D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030	1,421,519	1,217,599
I. INVENTORIES (0032+0033+0034+0035+0036)	0031	16,306	21,314
1. Materials, spare parts, tools and supplies	0032	7,312	7,312
2. Work in progress and unfinished services	0033		
3. Goods	0034		
5. Advances paid to suppliers for stock and services in country	0035	8,910	13,918
6. Advances paid to suppliers for stock and services - abroad	0036	84	84
II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS	0037		
III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038	376,952	209,684
1. Trade receivables - domestic	0039	376,952	209,684
2. Trade receivables - foreign	0040		
3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		
4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042		
5. Other trade receivables	0043		
IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	222,907	195,587
1. Other receivables	0045	210,669	183,351
2. Receivables for prepaid CIT	0046	10,699	10,697
3. Receivables for prepaid other taxes & contributions	0047	1,539	1,539
V. SHORT-TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048	14	14
1. Short-term loans and investments - parent and subsidiaries	0049		
2. Short-term loans and investments - other related parties	0050		
3. Short-term loans, borrowings and investments - domestic	0051		
4. Short-term loans, borrowings and investments - foreign	0052		
5. Securities valued at amortized cost	0053		
6. Financial instrument valued at fair value	0054		
7. Bought up own shares	0055		
8. Other Short-term financial investments	0056	14	14
VI. CASH AND CASH EQUIVALENTS	0057	203,183	525,003
VII. SHORT-TERM ACCRUALS	0058	602,157	265,997
E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059	14,108,802	14,058,637
F. OFF-BALANCE SHEET ASSETS	0060	55,127	55,127

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD
thousand

POSITION	AOP	31 December 2022	31 December 2021
EQUITY AND LIABILITIES			
A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	1,970,062	1,455,100
I. SHARE CAPITAL	0402	4,057	4,057
II. SUBSCRIBED CAPITAL UNPAID	0403		
III. SHARE ISSUING PREMIUMS	0404	681,237	681,237
IV. RESERVES	0405		
V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0406		
VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0407	214,173	139,721
VII. UNDISTRIBUTED PROFIT (0409 + 0410)	0408	825,276	470,385
1. Retained profit from previous years	0409	470,331	7,752
2. Retained profit from current year	0410	354,945	462,633
VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	0411	673,665	439,142
IX. LOSSES (0413 + 0414)	0412	-	-
1. Losses of previous years	0413		
2. Losses of current year	0414		
B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415	8,442,798	9,490,683
I. LONG-TERM PROVISIONS (0417++0418+0419)	0416	99	99
1. Provisions for employees benefits	0417	99	99
2. Provisions for costs in warranty period	0418	-	
3. Other long-term provisions	0419	-	
II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420	8,442,699	9,490,584
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	1,115,216	1,413,181
3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423	14,079	14,110
4. Long-term loans, borrowings and liabilities based on leasing - domestic	0424	6,847,939	7,758,924
5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425		
6. Liabilities for long-term securities	0426		
7. Other long term liabilities	0427	465,465	304,369
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 2022	31 December 2021
E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431	3,695,942	3,081,946
I. SHORT TERM PROVISIONS	0432	-	
II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	2,445,678	2,090,689
1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434	297,929	
2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435	1,335,165	1,338,112
3. Liabilities based on loans and borrowings from entities other than domestic banks	0436	812,584	752,577
4. Liabilities based on loans and borrowings from domestic banks	0437	-	
5. Loans, borrowings and liabilities foreign	0438	-	
6. Liabilities for short-term securities	0439	-	
7. Liabilities based on financial derivatives	0440	-	
III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES	0441	116	77
IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)	0442	464,473	214,609
1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443	1,223	3,740
2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444	86,415	83,900
3. Trade payables - domestic	0445	369,023	126,956
4. Trade payables - foreign	0446	7,812	13
5. Obligations under bills of exchange	0447		
6. Other business liabilities	0448		
V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449	178,483	168,650
1. Other short term liabilities	0450	98,127	99,730
2. Liabilities for VAT and other public revenues	0451	-	
3. Liabilities for income tax	0452	80,356	68,920
VI. LIABILITIES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE	0453	-	
VII. SHORT-TERM ACCRUALS	0454	607,192	607,921
F. LOSS OVER CAPITAL (0415+0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455	-	-
G. TOTAL EQUITY AND LIABILITIES (0401+0415+0429+0430+0431-0455)	0456	14,108,802	14,058,637
H. OFF-BALANCE SHEET LIABILITIES	0457	55,127	55,127

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED ANNUAL BUSINESS REPORT

CONSOLIDATED INCOME STATEMENT

In RSD thousand

POSITION	AOP	Year ended 31 December	
		2022	2021
A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001	2,172,310	2,659,034
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	2,172,310	2,480,896
1. Income from the sale of products and services - domestic market	1006	2,172,310	2,480,896
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	1,207,992	1,240,567
I. COST OF GOODS SOLD	1014	-	-
II. COST OF MATERIALS, FUEL AND ENERGY	1015	14,456	13,932
III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016	34,990	34,240
1. Cost of salary and compensation of salary (gross employee)	1017	18,519	18,546
2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018	9,965	10,461
3. Other personal expenses and remunerations	1019	6,506	5,233
IV. DEPRECIATION EXPENSES	1020	611,332	593,038
V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021	63,082	113,633
VIII. COSTS OF PRODUCTION SERVICES	1022	197,021	191,041
X. COSTS OF LONG-TERM PROVISIONS	1023	-	1,284
XI. INTANGIBLE EXPENSES	1024	287,111	293,399
C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025	964,318	1,240,329
D. OPERATING LOSS (1013 - 1001) ≥ 0	1026	-	-
E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027	49,380	406,845
I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028	654	20
II. INCOME FROM INTEREST	1029	3,405	406,225
III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030	45,321	600
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	
			2022	2021
F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		521,472	739,846
I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033	28	81,466	73,511
II. COSTS OF INTEREST	1034	28	364,028	565,643
III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035	28	32,592	2,034
IV. OTHER FINANCIAL COSTS	1036	28	43,386	98,657
G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037			-
H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		472,092	333,000
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		3,875	
K. OTHER INCOME	1041		430,416	179,845
L. OTHER COSTS	1042		74,633	19,513
M. TOTAL INCOME (1001+1027+1039+1041)	1043		2,652,106	3,067,586
N. TOTAL COSTS (1013+1032+1040+1042)	1044		1,807,972	1,999,925
O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		844,134	1,067,661
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		844,134	1,067,661
T. LOSS BEFORE TAX (1046-1045+1048-1047) ≥ 0	1050			-
U. INCOME TAXES				
I. TAX EXPENSES FROM THE PERIOD	1051	29	169,061	100,219
II. DEFERRED TAX EXPENSE	1052	29		56,699
III. DEFERRED TAX INCOME	1053	29	21,125	
V. EARNINGS OF EMPLOYER	1054			
W. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		696,198	910,743
X. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056			-
I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057		341,253	448,110
II NET PROFIT BELONGING TO PARENT COMPANY	1058		354,945	462,633
III. NET LOSS BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1059			
IV. NET LOSS BELONGING TO PARENT COMPANY	1060			
V. EAERNINGS PER SHARE				
1. Basic earning per share	1061	30	13,39	17,45
2. Reduced (diluted) earnings per share	1062	30		

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Financial Indicators

Key indicators from consolidated financial statements are detailed as follow:

Ratios and KPI	12/31/2022	12/31/2021
Revenues (RSD thousands)	2,172,310	2,480,896
EBITDA (RSD thousands) (Operating profit+Depreciation and amortization)	1,638,732	1,947,000
Business profit (RSD thousands)	946,318	1,240,329
Net profit (RSD thousands)	696,198	910,743
Earnings per share	13,39	17,45
Cash flows from operating activities (RSD thousands)	1,270,151	1,442,139
Investments (RSD thousands)	657,102	964,471
EBITDA per turbine (RSD thousands)	65,549	77,880
Net profit per turbine (RSD thousands)	27,848	36,430

Revenues amount to RSD 2,172,310 thousand and RSD 2,480,896 thousand for the year ended 31 December 2022 and 31 December 2021, respectively, and refer to *FiT* received by all in operation wind farms.

The slightly lower realized revenues in the current year compared to the previous year were influenced by weaker weather conditions, fewer windy days, which entailed lower realized production and therefore lower revenues

Compared to 2021, EBITDA and operating profit decreased in 2022 due to the above-mentioned impact of weather conditions on the realized result..

Net profit for 2022 is 696,198 thousand dinars compared to 910,743 thousand dinars in 2021. This result was significantly affected by the above-mentioned decrease in income. Also, in 2021 we had financial income recorded in accordance with IFRS 9 of 406,225 thousand dinars, arising from the renegotiation of interest rates applied to loans granted to the subsidiary company MK-Fintel AD, which also increased the net profit in 2021. year.

Personnel structure

The employees in the company have the appropriate qualifications, knowledge and experience necessary for the quality performance of the services provided by the Company. In addition to the Director, the Company has further 11 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 2022, 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 19 turbines with capacity of up 70.0 MW, subject to turbine selection, which is estimated to become fully operational in the financial year 2024.

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

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 farm projects, 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:

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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.	69	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
PROJECT TORAK	Wind Sombor	Energogr. doo	Project TORAK doo.	300	under development
KOSAVA 2	Wind Vrsac	Energogr. doo	Vetropark KOSAVA 2 doo	10	under development
STAKLENIK 1	Sun	Energogr. doo	Staklenik 1 d.o.o. Beograd	10	under development
STAKLENIK 2	Sun	Energogr. doo	Staklenik 2 d.o.o. Beograd	10	under development
STAKLENIK 3	Sun	Energogr. doo	Staklenik 3 d.o.o. Beograd	10	under development
STAKLENIK 4	Sun	Energogr. doo	Staklenik 4 d.o.o. Beograd	10	under development
STAKLENIK 5	Sun	Energogr. doo	Staklenik 5 d.o.o. Beograd	10	under development
TOTAL				575	

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 7 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 53,99737% of the share capital ("**MK Fintel a.d.**",), while the remaining 46,00263% 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 53,99737% of the share capital ("**MK Fintel Holding d.o.o.**"), while the remaining 46,00263% 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;
- Staklenik 1 d.o.o. Beograd, ID number 21861103 ("**Staklenik 1**"), whereby the Company holds 100,00% of the share capital.
- Staklenik 2 d.o.o. Beograd, ID number 21861111 ("**Staklenik 2**"), whereby the Company holds 100,00% of the share capital.
- Staklenik 3 d.o.o. Beograd, ID number 21861120 ("**Staklenik 3**"), whereby the Company holds 100,00% of the share capital.
- Staklenik 4 d.o.o. Beograd, ID number 21861081 ("**Staklenik 4**"), whereby the Company holds 100,00% of the share capital.

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- Staklenik 5 d.o.o. Beograd, ID number 21861090 ("**Staklenik 5**"), whereby the Company holds 100,00% of the share capital.

The following companies are 100% owned through Cyprus vehicles:

- Project Torak d.o.o. Beograd, ID number 21459631 ("**Project Torak**");

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 2022 and 2021 is the carrying amount of each class of assets indicated in the following table:

	31 December 2022	31 December 2021
Trade receivables	376,952	209,684
Other receivables	222,907	56,725
Prepayments and accrued income	602,156	404,860
TOTAL	1,202,015	671,269

Trade receivables mainly refer to those from EPS for sale of electricity in wind farms produced in November:

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

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 2022 and 2021. 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 2022				
	Less than 1 year	1-2 years	2-5 years	Beyond 5 years
Financial payables due to shareholders	1,633,093			1,129,295
Bank loans	812,584			6,843,418
Trade payables	464,473			
Other liabilities				4,520
Total	2,910,150			7,977,233

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

An analysis of the financial liabilities by maturity shows a decrease of liabilities less than 1 year as at 31 December 2022, compared to those at 31 December 2021. In more detail, Financial payables due to shareholders increased slightly compared to last year.

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 year end, as well as the presence of liquid funds of RSD

722,985 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/weakened by 5% against the EUR with all other variables held constant, post-tax profit for the year would have been RSD 442,904 thousand (2020: RSD 479,268) 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 2022	31 December 2021
<i>Non-current financial payables:</i>		
- Financial payables due to shareholders	1.129.295	1,427,291
- Bank loans	6.843.418	7,758,924
<i>Current financial payables:</i>		
- Bank loans	812.584	752,577
- Financial payables due to shareholders	1.633.093	1,338,112
- Financial assets	(519.802)	(463,691)
Cash and cash equivalents	(203.183)	(525,003)
Net debt (A)	9.695.405	10,288,211
Equity (B)	1.970.062	1,455,100
Net capital employed (C=A+B)	11.665.467	11,743,311
Gearing ratio (A/C)	83,1%	87,6%

The gearing ratio improved in 2022 compared to that of the previous year since the increase of equity for net profit of the year and decrease of net debt.

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 fulfillment 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 2021 were adopted at the Regular session of the Shareholders' Assembly held 26 June 2022. At the same meeting, the Shareholders Assembly elected the same auditing company, PricewaterhouseCoopers d.o.o. Beograd for audit of financial statements for 2022.

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;
- ✓ Tamara Mlađenović
- ✓ Jovan Purar

Board of Directors' Activities in 2022

During 2022 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 2022, 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 Assmblly.

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 2022

During 2022 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 2022, 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



FINTEL ENERGIJA AD

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

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

Legal representative:

Fintel Energija a.d.

Director

Tiziano Giovannetti





FINTEL ENERGIJA AD

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

Note*:

Financial Statements of Fintel Energija a.d. for 2022 were approved on April 28, 2023 by CEO of the Group. 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 2022 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 the regulated market or to the MTP and to ensure that the annual financial statements are available to the general public over the course of five years at the minimum from the date of its disclosure.

The Company shall be held responsible for the accuracy and veracity of data presented in the Annual Report.

Belgrade, April 2023

Legal representative:

Fintel Energija a.d.

Director

Tiziano Giovannetti

