



FINTEL ENERGIJA AD

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

Belgrade, August 2022.

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

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

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

- 2. HALF-YEAR BUSINESS REPORT**

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

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR BALANCE SHEET
In RSD thousand

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

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

Tiziano Giovannetti

Director

15 August 2022

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR INCOME STATEMENT

In RSD thousand

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR INCOME STATEMENT
In RSD thousand

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


Tiziano Giovannetti
Director

15 August 2022

CONSOLIDATED FINANCIAL STATEMENTS

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

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



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR STATEMENT OF CASH FLOWS

In RSD thousand

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

Tiziano Giovannetti
Director

15 August 2022

CONSOLIDATED FINANCIAL STATEMENTS

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

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED HALF YEAR STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(unaudited)

In RSD thousand

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



15 August 2022

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

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

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

1. General information

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

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

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

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

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

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

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

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

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

2. Summary of accounting policies and standards adopted

2.1 Basis of presentation

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

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

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

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

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

2.2 Changes in significant accounting policies

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

2.3 Going concern

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

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

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

2.4 Scope of consolidation

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

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

2.5 Principles and methods of consolidation

Subsidiaries

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

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

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

The consolidation procedures applied are as stated below.

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

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

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

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

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

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

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

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

2.6 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

2.7 Financial risk management

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

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

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

3. IFRS 8: segment information

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

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

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

a) Guarantees issued

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

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

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

b) Other

There were no other contingent liabilities of the Group

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

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

STATEMENT OF FINANCIAL POSITION

5. Other long-term financial investments

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

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

6. Deferred tax assets/ (Deferred tax liabilities)

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

7. Trade receivables

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

8. Cash and cash equivalents

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

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

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

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

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

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

9. Other current assets

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

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

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

10. Equity

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

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

The equity components and changes therein are detailed below:

Share capital

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

Shareholders' of the Company are detailed as follow:

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

FINTEL ENERGIJA AD, BEOGRAD

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

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

Share premium

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

Other components of other comprehensive income

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

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

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

Equity attributable to non-controlling interests

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

11. Liabilities to parent companies and subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

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

14. Other long-term liabilities

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

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

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

15. Trade payables

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

16. Short-term accruals

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

STATEMENT OF PROFIT OR LOSS

17. Sales of products and services

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

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

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

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

19. Cost of production services

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

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

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

20. Depreciation and amortisation and expenses for assets adjustments

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

21. Non-production costs

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

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

22. Finance income

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

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

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

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

23. Finance costs

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

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

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

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

24. Income tax expense

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

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

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

25. Earnings/(loss) per share

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

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

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

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

26. Contingent liabilities and commitments

There are not any contingent liabilities and commitments.

27. Related party transactions

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

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

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

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

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

Remuneration of Fintel Group directors

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

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

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

28. Significant subsequent events

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

Legal representative:

The person responsible for the preparation of consolidated financial statements:



Tiziano Giobannetti
Director

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

FINTEL ENERGIJA AD

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FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

1. Summary of the business activities and organizational structure

Identification data

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

Seat: Belgrade

Address: Masarikova 5

Company Identification Number: 20305266

Tax Identification Number: 105058839

Date of incorporation: 27 June 2007

Persons authorized to represent: Tiziano Giovannetti

Website: www.fintelenergija.rs

Core business activity

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

Business activities

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

Organizational structure

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

Corporate Governance

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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

Subsidiaries

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

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

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

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

Fintel Energija Development d.o.o. holds:

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

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

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

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

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

The following companies are 100% owned through Cyprus vehicles:

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

Information about the management of the company

Members of Board of Directors:

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

Key events impacting the Group in 2021

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

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

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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET

In RSD thousand

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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD thousand

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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD thousand

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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED BALANCE SHEET (CONTINUED)

In RSD thousand

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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED INCOME STATEMENT

In RSD thousand

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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED INCOME STATEMENT

In RSD thousand

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

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Financial Indicators

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

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

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

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

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

Personnel structure

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

3. Environmental protection

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

4. Significant events after the end of the year

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

FINTEL ENERGIJA AD BEOGRAD CONSOLIDATED HALF-YEAR BUSINESS REPORT

5. Planned future development

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

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

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

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

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

6. Research and development

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

There are no registered patents or licenses of the Company.

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

7. Subsidiaries

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

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

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

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

Fintel Energija Development d.o.o. holds:

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

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

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

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

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

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The following companies are 100% owned through Cyprus vehicles:

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

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

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

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

9. Related party transactions

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

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

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

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

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

FINTEL ENERGIJA AD BEOGRAD CONSOLIDATED HALF-YEAR BUSINESS REPORT

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

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

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

Remuneration of Fintel Group directors

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



Legal representative

Tiziano Giovannetti - Director

Legal representative



FINTEL ENERGIJA AD

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

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

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

Legal representative:

Fintel Energija a.d.

Director



Tiziano Giovannetti



FINTEL ENERGIJA AD

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

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

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

Legal representative:

Fintel Energija a.d.

Director

