



FINTEL ENERGIJA AD

**QUARTERLY REPORT OF
FINTEL ENERGIJA A.D. FOR THE PERIOD
ENDED 31 MARCH 2020**

Belgrade, June 2020

Pursuant to Article 53 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:

QUARTERLY REPORT OF FINTEL ENERGIJA A.D. FOR THE PERIOD ENDED 31 MARCH 2020

CONTENT

- 1. QUARTERLY FINANCIAL STATEMENTS OF FINTEL ENERGIJA A.D. FOR THE PERIOD ENDED 31 MARCH 2020
(Balance Sheet, Income Statement, Report on Other Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Quarterly Financial Statements)**
- 2. QUARTERLY BUSINESS REPORT FOR THE PERIOD ENDED 31 MARCH 2020**
- 3. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORT**

**QUARTERLY FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 MARCH 2020**

FINTEL ENERGIJA AD, BEOGRAD

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STAND-ALONE QUARTERLY BALANCE SHEET In RSD thousand

	AOP	Note	31 March 2020	31 December 2019
			<i>(unaudited)</i>	<i>(in the audit process)</i>
A. SUBSCRIBED CAPITAL UNPAID	0001			
B. NON-CURRENT ASSETS	0002		1,516,890	1,533,755
(0003 + 0010 + 0019+ 0024 + 0034)				
I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003			
1. Development investments	0004			
2. Concessions, licenses, software and other rights	0005			
3. Goodwill	0006			
4. Other intangible assets	0007			
5. Intangible assets under development	0008			
6. Advances for intangible assets	0009			
II. PROPERTY, PLANT AND EQUIPMENT	0010		57	57
(0011+0012+0013+0014+0015+0016+0017+0018)				
1. Land	0011			
2. Buildings	0012			
3. Machinery and equipment	0013		57	57
4. Investment property	0014			
5. Other property, plant and equipment	0015			
6. Construction in progress	0016			
7. Investments in leased PP&E	0017			
8. Advances for PP&E	0018			
III. BIOLOGICAL ASSETS (0020+0021+0022+0023)	0019		-	-
1. Forest farming	0020			
2. Livestock	0021			
3. Biological assets in production	0022			
4. Advances for biological assets	0023			
IV. LONG-TERM FINANCIAL INVESTMENTS	0024		1,516,833	1,533,698
(0025+0026+0027+0028+0029+0030+0031+0032+0033)				
1. Investments in subsidiary	0025	5	16,088	16,088
2. Investments in joint ventures	0026			
3. Investments in other legal entities and other available for sales financial assets	0027			
4. Long term investments in parent and subsidiaries	0028	6	1,500,745	1,517,610
5. Long-term investments in other related parties	0029			
6. Long-term investments – domestic	0030			
7. Long-term investments – foreign	0031			
8. Securities held to maturity	0032			
9. Other long-term financial investments	0033			
V. LONG-TERM RECEIVABLES	0034		-	-
(0035+0036+0037+0038+0039+0040+0041)				
1. Receivables from parent company and subsidiaries	0035			
2. Receivables from other related parties	0036			
3. Receivables from sale of goods on credit	0037			
4. Receivables arising out of finance lease contracts	0038			
5. Claims arising from guarantees	0039			
6. Bad and doubtful receivables	0040			
7. Other long-term receivables	0041			
C. DEFERRED TAX ASSETS	0042			

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STAND-ALONE QUARTERLY BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	Note	31 March 2020 <i>(unaudited)</i>	31 December 2019 <i>(in the audit process)</i>
D. CURRENT ASSETS				
(0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		244,455	200,805
I. INVENTORY (0045+0046+0047+0048+0049+0050)	0044		1,300	556
1. Materials, spare parts and tools	0045			
2. Work in progress	0046			
3. Finished goods	0047			
4. Merchandise	0048			
5. Assets held for sale	0049			
6. Advances for inventory and services	0050		1,300	556
II. TRADE RECEIVABLES	0051		-	-
(0052+0053+0054+0055+0056+0057+0058)				
1. Domestic trade receivables - parents and subsidiaries	0052			
2. Foreign trade receivables - parents and subsidiaries	0053			
3. Domestic trade receivables - other related parties	0054			
4. Foreign trade receivables - other related parties	0055			
5. Trade receivables – domestic	0056			
6. Trade receivables – foreign	0057			
7. Other trade receivables	0058			
III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059			
IV. OTHER RECEIVABLES	0060		4,344	4,344
V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	0061			
VI. SHORT TERM FINANCIAL INVESTMENTS	0062		46,898	33,175
(0063+0064+0065+0066+0067)				
1. Short-term loans and investments - parent companies and subsidiaries	0063	7	46,884	33,161
2. Short-term loans and investments – other related parties	0064			
3. Short-term loans and investments – domestic	0065			
4. Short-term loans and investments – foreign	0066			
5. Other short-term loans and investments	0067		14	14
VII. CASH AND CASH EQUIVALENTS	0068	8	40,441	12,024
VIII. VALUE ADDED TAX	0069	9	8,830	8,775
IX. PREPAYMENTS AND ACCRUED INCOME	0070	9	142,642	141,931
E. TOTAL ASSETS (0001+0002+0042+0043)	0071		1,761,345	1,734,560
F. OFF-BALANCE SHEET ASSETS	0072	4	472,367	472,723
A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421)	0401		482,511	465,744
I. EQUITY (0403+0404+0405+0406+0407+0408+0409+0410)	0402		685,294	685,294
1. Share capital	0403	10	4,057	4,057
2. Stakes of limited liability companies	0404			
3. Stakes	0405			
4. State owned capital	0406			
5. Socially owned capital	0407			
6. Stakes in cooperatives	0408			
7. Share premium	0409	10	681,237	681,237
8. Other capital	0410			
II. SUBSCRIBED CAPITAL UNPAID	0411			
III. OWN SHARES	0412			
IV. RESERVES	0413			
V. REVALUATION RESERVES FROM VALUATION OF INTANGIBLES, PROPERTIES, PLANT AND EQUIPMENT	0414			
VI. UNREALISED GAINS FROM SECURITAS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0415			
VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0416			
VIII. RETAINED EARNINGS (0418+0419)	0417		16,767	
1. Retained earnings from previous years	0418			
2. Retained earnings from current period	0419	10	16,767	
IX. NON-CONTROLLING INTEREST	0420			
X. LOSS (0422+0423)	0421		219,550	219,550
1. Loss from previous years	0422	10	219,550	163,000
1. Loss from current year	0423	10		56,550

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STAND-ALONE QUARTERLY BALANCE SHEET (CONTINUED)
In RSD thousand

	AOP	Note	31 March 2020 <i>(unaudited)</i>	31 December 2019 <i>(in the audit process)</i>
B. LONG-TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		799,029	799,631
I. LONG-TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		-	-
1. Provisions for warranty claims	0426			
2. Provision for environmental rehabilitation	0427			
3. Provisions for restructuring costs	0428			
4. Provisions for employee benefits	0429			
5. Provisions for litigations	0430			
6. Other long term provisions	0431			
II. LONG-TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		799,029	799,631
1. Liabilities convertible to equity	0433			
2. Liabilities to parent and subsidiaries	0434			
3. Liabilities to other related parties	0435			
4. Liabilities for issued long-term securities	0436			
5. Long term borrowings - domestic	0437	11	799,029	799,631
6. Long-term borrowings - foreign	0438			
7. Finance lease liabilities	0439			
8. Other long-term liabilities	0440			
C. DEFFERED TAX LIABILITIES	0441			
D. SHORT-TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		479,805	469,185
I. SHORT-TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		327,230	327,415
1. Short term borrowings from parent and subsidiaries	0444	12	327,230	327,415
2. Short term borrowings from other related parties	0445			
3. Short-term loans and borrowings - domestic	0446			
4. Short-term loans and borrowings - foreign	0447			
5. Liabilities relating to current assets and held-for-sale assets attributable to discounted operations	0448			
6. Other short term liabilities	0449			
II. ADVANCES RECEIVED	0450			
III. TRADE PAYABLES (0452+0453+0454+0455+0456+0458)	0451		40,676	34,285
1. Trade payables - parent and subsidiaries - domestic	0452			
2. Trade payables - parent and subsidiaries - foreign	0453	13	34,604	27,735
3. Trade payables - other related parties - domestic	0454			
4. Trade payables - other related parties - foreign	0455			
5. Trade payables - domestic	0456	13	6,072	6,550
6. Trade payables - foreign	0457			
7. Other operating liabilities	0458			
IV. OTHER SHORT-TERM LIABILITIES	0459		274	265
V. LIABILITIES FOR VAT	0460			
VI. LIABILITIES FOR OTHER TAXES	0461			
VII. ACCRUED EXPENSES	0462	14	111,625	107,220
E. LOSS EXCEEDING EQUITY (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)>=0=(0441+0424+0442-0071)>=0	0463		-	-
F. TOTAL EQUITY AND LIABILITIES (0424+0442+0441+0401-0463)>=0	0464		1,761,345	1,734,560
G. OFF-BALANCE SHEET LIABILITIES	0465	4	472,367	472,723

Tiziano Novati
Director
22 June 2020



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

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STAND-ALONE QUARTERLY INCOME STATEMENT

In RSD thousand

	AOP	Note	Three-month period ended	
			31 March 2020 (unaudited)	2019 (unaudited)
A. OPERATING INCOME (1002+1009+1016+1017)	1001		-	142
I. INCOME FROM THE SALE OF GOODS (1003+1004+1005+1006+1007+1008)	1002		-	-
1. Income from sales of goods to parent and subsidiaries on domestic market	1003			
2. Income from sales of goods to parent and subsidiaries on foreign market	1004			
3. Income from the sale of goods to other related parties on domestic market	1005			
4. Income from the sale of goods to other related parties on foreign market	1006			
5. Income from sale of goods on domestic market	1007			
6. Income from sale of goods on foreign market	1008			
II. INCOME FROM SALES OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		-	-
1. Income from sales of products and services to parent and subsidiaries on domestic market	1010			
2. Income from sales of products and services to parent and subsidiaries on foreign market	1011			
3. Income from sales of products and services to other related parties on domestic market	1012			
4. Income from sales of products and services to other related parties on foreign market	1013			
5. Income from sales of products and services – domestic	1014			
6. Income from sales of products and services – foreign	1015			
III. INCOME FROM PREMIUMS, SUBVENTIONS AND DONATIONS	1016			
IV. OTHER OPERATING INCOME	1017			142
EXPENSES FROM REGULAR OPERATING ACTIVITIES				
B. OPERATING EXPENSES (1019-1020- 1021+1022+1023+1024+1025+1026+1027+1028+1029)>=0	1018		8,770	1,826
I. COST OF GOODS SOLD	1019			
II. WORK PERFORMED BY THE ENTITY AND CAPITALIZED	1020			
III. INCREASE IN INVENTORIES OF UNFINISHED AND FINISHED GOODS AND ONGOING SERVICES	1021			
IV. DECREASE IN INVENTORIES OF UNFINISHED AND FINISHED GOODS AND ONGOING SERVICES	1022			
V. COST OF MATERIAL	1023			16
VI. COST OF FUEL AND ENERGY	1024			
VII. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1025		1,329	759
VIII. COST OF PRODUCTION SERVICES	1026		40	67
IX. DEPRECIATION, DEPLETION AND AMORTIZATION	1027			
X. COST OF LONG-TERM PROVISIONING	1028			
XI. NON-PRODUCTION COSTS	1029	15	7,401	984
C. OPERATING GAIN (1001-1018)>=0	1030		-	-
D. OPERATING LOSS (1018-1001)>=0	1031		8,770	1,684

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STAND-ALONE QUARTERLY INCOME STATEMENT
(CONTINUED)
In RSD thousand

	AOP	Note	Three-month period ended	
			31 March 2020 (unaudited)	2019 (unaudited)
E. FINANCE INCOME (1033+1038+1039)	1032		43,267	27,033
I. FINANCIAL INCOME FROM RELATED PARTIES AND OTHER FINANCIAL INCOME (1034+1035+1036+1037)	1033		42,320	26,999
1. Finance income - parent company and subsidiaries	1034	16	11,002	
2. Finance income - other related parties	1035			
3. Share of profit of associates and joint ventures	1036	16	31,318	26,999
4. Other financial income	1037			
II. INTEREST INCOME (from third parties)	1038			
III. FOREIGN EXCHANGE GAINS (third parties)	1039	16	947	34
F. FINANCE EXPENSES (1041+1046+1047)	1040		17,730	7,525
I. FINANCIAL EXPENSES FROM RELATED PARTIES AND OTHER FINANCIAL EXPENSES (1042+1043+1044+1045)	1041		7,051	1,187
1. Finance expense - parent company and subsidiaries	1042	17	4,688	
2. Finance expense - other related parties	1043			
3. Share of loss of associates and joint ventures	1044			
4. Other financial expense	1045	17	2,363	1,187
II. INTEREST EXPENSE (from third parties)	1046	17	9,382	6,282
III. FOREIGN EXCHANGE LOSSES (third parties)	1047	17	1,297	56
G. PROFIT FROM FINANCING OPERATIONS (1032-1040)	1048		25,537	19,508
H. LOSS FROM FINANCING OPERATIONS (1040-1032)	1049		-	-
I. INCOME FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1050			
J. LOSS FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1051			
K. OTHER INCOME	1052			
L. OTHER EXPENSES	1053			
M. OPERATING PROFIT BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		16,767	17,824
N. OPERATING LOSS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		-	-
O. NET INCOME ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1056			
P. NET LOSS ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1057			
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058		16,767	17,824
R. LOSS BEFORE TAX (1055-1054+1057-1056)	1059		-	-
II. INCOME TAX				
I. CURRENT INCOME TAX	1060			
II. DEFERRED TAX EXPENSE FOR THE PERIOD	1061			
III. DEFERRED TAX INCOME FOR THE PERIOD	1062			
S. PERSONAL INCOME PAID TO EMPLOYER	1063			
T. NET PROFIT (1058-1059-1060-1061+1062)	1064		16,767	17,824
V. NET LOSS (1059-1058+1060+1061-1062)	1065		-	-
I. NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1066			
II. NET INCOME ATTRIBUTABLE TO THE OWNER	1067		16,767	17,824
III. NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1068			
IV. NET LOSS ATTRIBUTABLE TO THE OWNER	1069		-	-
V. EARNINGS PER SHARE				
1. Basic earnings per share	1070	18	0.63	0.67
2. Diluted earnings per share	1071	18	0.63	0.67

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STAND-ALONE QUARTERLY STATEMENT OF OTHER
COMPREHENSIVE INCOME
In RSD thousand

	AOP	Note	Three-month period ended	
			31 March 2020 (unaudited)	2019 (unaudited)
A. NET PROFIT/(LOSS)				
I. PROFIT, NET (AOP 1064)	2001		16,767	17,824
II. LOSS, NET (AOP 1065)	2002		-	-
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
<i>a) Items that will not be reclassified to profit or loss</i>				
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			
3. Gains and losses arising from equity investments				
a) gains	2007			
b) losses	2008			
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
a) gains	2009			
b) losses	2010			
<i>b) Items that may be subsequently reclassified to profit or loss</i>				
1. Gains (losses) from currency translation differences				
a) gains	2011			
b) losses	2012			
2. Gains (losses) on investment hedging instruments in foreign business				
a) gains	2013			
b) losses	2014			
3. Gains and losses on cash flow hedges				
a) gains	2015			
b) losses	2016			
4. Gains (losses) from change in value of available-for-sale financial assets				
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				
II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004+2006+2008+2010+2012+2014+2016+2018)- (2003+2005+2007+2009+2009+2011+2013+2015+2017)>=0		2020		
III. TAX ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD		2021		
IV. TOTAL NET COMPREHENSIVE PROFIT (2019-2020-2021)>=0		2022		
V. TOTAL NET COMPREHENSIVE LOSS (2020-2019+2021)>=0		2023		
C. TOTAL NET COMPREHENSIVE PROFIT				
I. TOTAL COMPREHENSIVE PROFIT, NET (2001-2002+2022-2023)>=0		2024	16,767	17,824
II. TOTAL COMPREHENSIVE LOSS, NET (2002-2001+2023-2022)>=0		2025	-	-
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2027+2028)=AOP 2024>=0 or AOP 2025>0		2026		
1. Attributable to shareholders	2027		16,767	17,824
2. Attributable to non-controlling interest	2028			

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS		Three-month period ended	
In RSD thousand		31 March	
	AOP	Note	
			2020
			2019
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	3001		-
1. Sales and advances received	3002		-
2. Interest from operating activities	3003		-
3. Other inflow from operating activities	3004		-
II. Cash outflow from operating activities (1 to 5)	3005		15,018
1. Payments and prepayments to suppliers	3006		4,177
2. Salaries, benefits and other personal expenses	3007		1,177
3. Interest paid	3008		9,664
4. Income tax paid	3009		-
5. Payments for other public revenues	3010		-
III. Net cash inflow from operating activities (I - II)	3011		-
IV. Net cash outflow from operating activities (II - I)	3012		15,018
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash flows from investing activities (1 to 5)	3013		43,435
1. Sale of shares (net inflow)	3014		-
2. Proceeds from sale of intangible assets, property, plant and equipment	3015		-
3. Other financial investments (net inflow)	3016		12,117
4. Interest from investing activities	3017		-
5. Dividend received	3018		31,318
II. Cash outflow from investing activities (1 to 3)	3019		-
1. Acquisition of subsidiaries or other business (net outflow)	3020		-
2. Purchase of intangible assets, property, plant and equipment	3021		-
3. Other financial investments (net outflow)	3022		-
III. Net cash inflow from investing activities (I - II)	3023		43,435
IV. Net cash outflow from investing activities (II - I)	3024		26,999
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025		-
1. Increase in share capital	3026		-
2. Proceeds from long-term borrowings (net inflow)	3027		57,533
3. Proceeds from short-term borrowings (net inflow)	3028		-
4. Other long-term liabilities	3029		-
5. Other short-term liabilities	3030		-
II. Cash outflow from financing activities (1 to 6)	3031		103,255
1. Purchase of own shares	3032		-
2. Repayment of long-term borrowings (net outflow)	3033		35,452
3. Repayment of short-term borrowings (net outflow)	3034		67,803
4. Repayment of other liabilities (net outflow)	3035		-
5. Financial lease	3036		-
6. Dividend distribution	3037		-
III. Net cash inflow from financing activities (I - II)	3038		-
IV. Net cash outflow from financing activities (II - I)	3039		45,722
D. TOTAL CASH INFLOW (3001+3013+3025)	3040		43,435
E. TOTAL CASH OUTFLOW (3005+3019+3031)	3041		15,018
F. NET CASH INFLOW (340-341)	3042		28,417
G. NET CASH OUTFLOW (341-340)	3043		23,769
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3044		12,024
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3045		
J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS	3046		
K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3047		40,441
(3042-3043+3044+3045-3046)			78,220

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

STAND-ALONE QUARTERLY STATEMENT OF CHANGES IN EQUITY (unaudited)

RSD THOUSAND	Equity components							
	AOP	Share Capital	AOP	Reserves	AOP	Loss	AOP	Retained earnings
Balance as at 1 January 2019								
a) debit (3a+4a-4b)>=0	4001		4037		4055	163,000	4091	
b) credit (3b-4a+4b)>=0	4002	685,294	4038		4056		4092	-
Adjustments of material errors and changes in accounting policies								
a) debit	4003		4039		4057		4093	
b) credit	4004		4040		4058		4094	
Restated opening balance as at 1 January 2019								
a) debit (5a+6a-6b)>=0	4005		4041		4059	163,000	4095	
b) credit (5b-6a+6b)>=0	4006	685,294	4042		4060		4096	-
Changes in period								
a) debit	4007		4043		4061	56,550	4097	
b) credit	4008		4044		4062		4098	-
Balance as at 31 December 2019								
a) debit (7a+8a-8b)>=0						219,550		
b) credit (7b-8a+8b)>=0		685,294						-
Balance as at 1 January 2020								
a) debit (7a+8a-8b)>=0	4009		4045		4063	219,550	4099	
b) credit (7b-8a+8b)>=0	4010	685,294	4046		4064		4100	-
Adjustments of material errors and changes in accounting policies								
a) debit	4011		4047		4065		4101	
b) credit	4012		4048		4066		4102	-
Restated opening balance as at 1 January 2020								
a) debit (5a+6a-6b)>=0	4013		4049		4067	219,550	4103	
b) credit (5b-6a+6b)>=0	4014	685,294	4050		4068		4104	-
Changes in period								
a) debit	4015		4051		4069		4105	
b) credit	4016		4052		4070		4106	16,767
Balance as at 31 March 2020								
a) debit (7a+8a-8b)>=0						219,550		
b) credit (7b-8a+8b)>=0		685,294						16,767

STAND-ALONE QUARTERLY STATEMENT OF CHANGES IN EQUITY (CONTINUED) (unaudited)

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

RSD THOUSAND	Other comprehensive income components						Total Equity	
	AOP	Revaluation reserves	AOP	Actuarial gain/(loss)	AOP	Gains (losses) from change in value of available-for-sale financial assets		AOP
Balance as at 1 January 2019								
a) debit (3a+4a-4b)>=0	4109		4127		4217		4235	163,000
b) credit (3b-4a+4b)>=0	4110		4128		4218			685,294
Adjustments of material errors and changes in accounting policies								
a) debit	4111		4129		4219		4236	-
b) credit	4112		4130		4220			-
Restated opening balance as at 1 January 2019								
a) debit (5a+6a-6b)>=0	4113		4131		4221		4237	163,000
b) credit (5b-6a+6b)>=0	4114		4132		4222			685,294
Changes in period								
a) debit	4115		4133		4223		4238	56,550
b) credit	4116		4134		4224			-
Balance as at 31 March 2018								
a) debit (7a+8a-8b)>=0								219,550
b) credit (7b-8a+8b)>=0								685,294
Balance as at 1 January 2020								
a) debit (7a+8a-8b)>=0	4117		4135		4225		4239	219,550
b) credit (7b-8a+8b)>=0	4118		4136		4226			685,294
Adjustments of material errors and changes in accounting policies								
a) debit	4119		4137		4227		4240	-
b) credit	4120		4138		4228			-
Restated opening balance as at 1 January 2020								
a) debit (5a+6a-6b)>=0	4121		4139		4229		4241	219,550
b) credit (5b-6a+6b)>=0	4122		4140		4230			685,294
Changes in period								
a) debit	4123		4141		4231		4242	-
b) credit	4124		4142		4232			16,767
Balance as at 31 March 2020								
a) debit (7a+8a-8b)>=0	4125		4143		4233		4243	219,550
b) credit (7b-8a+8b)>=0	4126		4144		4234			702,061

**EXPLANATORY NOTES TO THE QUARTERLY
FINANCIAL STATEMENTS FOR THE PERIOD
ENDEND 31 MARCH 2020**

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

2. General information

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

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

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

At 30 September 2019, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

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

The company's shares are traded on the organized market – Belgrade Stock Exchange. The symbol of the shares is FINT, and ISIN number is RSFINEE60549. The market capitalization of the Company as at 31 March 2020 is RSD 14,156,610 thousand (unit price per share of RSD 534).

Fintel Energia Group SpA, the majority shareholder of the Company, constitute a vertical operator in the integrated energy supply chain, which engages in the sale of electricity and natural gas in Italy and in the development and exploitation of renewable energy power plants (photovoltaic, wind and mini wind) in Italy and Serbia.

These stand-alone quarterly financial statements for the period ended 31 March 2020 have approved and authorized for issue by Director. The Company prepared these stand-alone financial statements based on and in accordance with the requirements of the laws and regulations of the Republic of Serbia where investments in subsidiaries in these stand-alone financial statements are stated as cost less any impairment.

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

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

1. General information (Continued)

The company is the parent company of the Group, consisting of the following entities:

Company	City
Fintel Energija ad	Belgrade (Serbia)
MK-Fintel Wind ad	Belgrade (Serbia)
MK-Fintel Wind Holding doo	Belgrade (Serbia)
Energobalkan doo	Belgrade (Serbia)
Vetropark Ram doo	Belgrade (Serbia)
Vetropark Kula doo	Belgrade (Serbia)
Vetropark Dunav 3 doo	Belgrade (Serbia)
Vetropark Dunav 1 doo	Belgrade (Serbia)
Vetropark Torak doo	Belgrade (Serbia)
Vetropark Košava 2 doo	Belgrade (Serbia)
MK-Fintel Wind Development doo	Belgrade (Serbia)
Fintel Russian Ventures ooo	Ulyanovsk (Russia)
Lipar doo	Belgrade (Serbia)
Lipar 2 doo	Belgrade (Serbia)
Maestrle Ring doo	Belgrade (Serbia)
Project Torak doo	Belgrade (Serbia)
Fintel Energija development doo	Belgrade (Serbia)

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 2019, 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 2019.

Subsequent events occurring after 31 March 2020 were evaluated through 22 June 2020, the date these Interim Condensed Financial Statements were authorised for issue.

The results for the three month period ended 31 March 2020 are not necessarily indicative of the results expected for the full year. The Company as a whole is not subject to significant seasonal fluctuations.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

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

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 2019.

2.3 Going concern

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. Bearing in mind the foregoing, management considers that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its quarterly stand-alone financial statements. Further information on the Company's borrowings is given in Note 11.

2.4 Foreign currency translation

Functional and presentation currency

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

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.

3. IFRS 8: segment information

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

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

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

a) Guarantees issued

Guarantees issued amount to RSD 472,367 thousand as of 31 March 2020. They have been issued in favor of Lenders of Kosava project phase I, for cost overrun during construction and till COD. These guarantees have been classified as Off-balance sheet liabilities.

b) Other

There were no other contingent liabilities of the Company.

STATEMENT OF FINANCIAL POSITION

5. Investments in subsidiary

Investments in subsidiary is detailed as follow:

- RSD 16,009 thousand for 54% owned in of MK-Fintel Wind AD(RSD 16.009 thousand at 31 December 2019).
- RSD 5 thousand for 54% owned in of MK-Fintel Wind Holding Doo (RSD 5 thousand at 31 December 2019).
- RSD 72 thousand for 100% owned in of Fintel Russian Ventures ooo (RSD 72 thousand at 31 December 2019).
- RSD 100 for 100% owned in Lipar Doo.
- RSD 100 for 100% owned in Lipar 2 Doo.
- RSD 100 for 100% owned in Maestrle Ring Doo.
- RSD 100 for 100% owned in Project Torak Doo.
- RSD 200 for 100% owned in Fintel Energija Development Doo.

6. Long-term financial investments in parents and subsidiaries

The balance amounts to RSD 1,500,745 thousand and they only refer to financing provided to the subsidiaries MK-Fintel Wind AD (RSD 1,414,967 thousand at 31 March 2020) and MK-Fintel Wind Holding Doo (RSD 85,778 thousand at 31 March 2020).

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

Recipient of the loan	Amount 31.03.2020 EUR	Amount 31.03.2020 000 RSD	Maturity
MK Fintel Wind ad	12,041,839	1,414,967	2021
MK Fintel Wind Holding d.o.o.	730,000	85,778	2021
Total	12,771,839	1,500,745	

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

7. Short-term loans and investments – parent companies and subsidiaries

The balance amounts to RSD 46,884 thousand (RSD 33,161 thousand at 31 December 2019) and they refer to financing provided to the subsidiaries Lipar Doo (RSD 19,388 thousand at 31 March 2020), Lipar 2 Doo (RSD 2,585 thousand at 31 March 2020), Maestrale Ring Doo (RSD 19,976 thousand at 31 March 2020), Project Torak Doo (RSD 4,348 thousand at 31 March 2020) and Fintel Energija Development Doo (RSD 587 thousand at 31 March 2020).

8. Cash and cash equivalents

“Cash and cash equivalents” at 31 March 2020 and 31 December 2019 are detailed as follows:

	31 March 2020 <i>(unaudited)</i>	31 December 2019 <i>(in the audit process)</i>
Current account		
- in dinars	40,385	11,967
- in foreign currency	56	56
Cash and cash equivalents	40,441	12,024

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.

9. Other current assets

“Other current assets” of RSD 151,472 thousand at 31 March 2020 (RSD 150,706 thousand at 31 December 2019) are detailed in the following table:

<i>RSD thousand</i>	31 March 2020 <i>(unaudited)</i>	31 December 2019 <i>(in the audit process)</i>
Value added tax	8,830	8,775
Prepayments and accrued income	142,642	141,931
Total	151,472	150,706

Prepayments and accrued income includes interests accrued during the years for the shareholder’s loans to the subsidiaries. Accrued interest is due on payment by the end of 2020.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

10. Equity

Equity at 31 March 2020 and 31 December 2019 is detailed in the following table:

<i>RSD thousand</i>	31 March 2020 (unaudited)	31 December 2019 (in the audit process)
Share capital	4,057	4,057
Share premium	681,237	681,237
Loss from previous years	(219,550)	(163,000)
Loss from current period	-	(56,550)
Retained earnings from current period	16,767	-
TOTAL EQUITY	482,511	465,744

The equity components and changes therein are detailed below:

Share capital

As of 31 March 2020, the Company's fully subscribed and paid up share capital amounted to RSD 4,056,524 (RSD 4,056,524 as at 31 December 2019) consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Share premium

At 31 March 2020, such Reserve includes the share premium resulting from the capital increase related to the IPO of the Company on the Prime Listing Segment of the Belgrade Stock Exchange. The share premium worths RSD 755,022 Thousands (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

Retained earnings/(Losses)

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

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

Set out below are details of long and short term loans and borrowings at 31 March 2020 and 31 December 2019:

<i>RSD thousand</i>	31 March 2010 (unaudited)	31 December 2019 (in the audit process)
Long term borrowings	799,029	799,631
Short-term loans and borrowings	-	-
Total	799,029	799,631

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

11. Long and short term loans and borrowings to external parties (Continued)

Details of bank loans outstanding at 31 March 2020 are summarised in the following table:

Beneficiary company	Creditor	Residual debt at 31.03.2020	Long term	Short term	Maturity
<i>(Amounts in RSD thousand)</i>					
Fintel Energija	AIK Bank	799,029	799,029	-	2024
		799,029	799,029	-	

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

Loans and borrowings to parent and subsidiaries of RSD 327,230 thousand as at 31 March 2020 (RSD 327,415 thousand at 31 December 2019), mainly consist of revocable loans to be repaid to the Ultimate Parent company Fintel Energia Group Spa that were granted for the benefit of Fintel Energija. The loan of EUR 2,667,000 is interest bearing, interest is 6%. Other loans are non-interest bearing. The loans are due in 2020.

13. Trade payables

Trade payables amounted to RSD 40,676 thousand at 31 March 2020 (RSD 34,284 thousand at 31 December 2019) consist mainly of payables for invoice to be received from the Parent Company for management fee services.

14. Accruals

Accruals amounted to RSD 111,625 thousand at 31 March 2020 (RSD 107,220 thousand at 31 December 2019) consist mainly of interests on shareholders loan due to Fintel Energia Group SpA (RSD 105.437 thousand) and accrued interests on financial loans with AIK Bank (RSD 6,129 thousand).

INCOME STATEMENT

15. Non-production costs

Non-production costs amount to RSD 7,401 thousand for three-month ended 31 March 2020 relate to accounting services and management fee costs (invoices issued in according management fee contract).

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

16. Finance income

Finance income for three-month period ended 31 March 2020 and 2019 are detailed as follows:

	Three-month period ended	
	2020	31 March
	(unaudited)	2019 (unaudited)
Finance income - parent company and subsidiaries	42,320	26,999
Foreign exchange gains (third parties)	947	34
Total	43,267	27,033

For three-month period ended 31 March 2020, finance income include dividends from subsidiary MK-Fintel Wind Holding of RSD 31,318 thousand and interests from subsidiaries of RSD 11,002 thousand.

17. Finance expenses

Finance expenses for three-month period ended 31 March 2020 and 2019 are detailed as follows:

	Three-month period ended	
	2020	31 March
	(unaudited)	2019 (unaudited)
Finance expense - parent company and subsidiaries	4,688	-
Other financial expense	2,363	1,187
Interest expense (from third parties)	9,382	6,282
Foreign exchange losses (third parties)	1,297	56
Total	17,730	7,525

For three-month period ended 31 March 2019, finance expenses include interests from parent Company of RSD 4,688 thousand and interests from AIK Bank of RSD 9,382 thousand.

18. Earnings/(loss) per share

The basic result per share has gone from a loss per share of RSD 0.67 for three-month period ended 31 March 2019 to RSD 0.63 for the period ended 31 March 2020. It has been computed by dividing the Group's net result by the number of Fintel Energija shares outstanding in the years in question (number of shares outstanding of 26,511 thousand).

There were no dilutive effects at 31 March 2020. Accordingly, diluted earnings per share thus coincide with basic earnings per share.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

19. Related party transactions

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

A summary is provided below of the Group's transactions with related parties at 31 March 2020 and 31 December 2019. All transactions with related parties are entered into at market value.

As of 31 March 2020 and 31 December 2019 the outstanding balances with related parties were as follows:

At 31 March 2020				
<i>RSD thousand</i>	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans	-	-	46,884	46,884
Long-term loans	-	-	1,500,745	1,500,745
Other current assets	-	-	142,729	142,729
Other current liabilities	(105,437)	-	-	(105,437)
Trade payables	(34,604)	-	-	(34,604)
Shareholder's loan	(327,230)	-	-	(327,230)
Total	(467,271)	-	1,690,358	1,223,087
At 31 December 2019				
<i>RSD thousand</i>	Parent Company	Parent's subsidiaries and associates	Subsidiaries	Total
Short-term loans	-	-	33,161	33,161
Long-term loans	-	-	1,517,610	1,517,610
Other current assets	-	-	141,931	141,931
Other current liabilities	(100,825)	-	-	(100,825)
Trade payables	(27,735)	-	-	(27,735)
Shareholder's loan	(327,415)	-	-	(327,415)
Total	(455,974)	-	1,692,702	1,236,728

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

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

19. Related party transactions (Continued)

For three-month period ended 31 March 2020 and 2019 the following transactions occurred with related parties:

<i>RSD thousand</i>	Three-month period ended 31 March 2020		
	Parent Company	Subsidiaries	Total
Selling, general and administrative expenses	(6,929)	-	(6,929)
Finance income	-	42,408	42,408
Dividends	-	31,318	31,318
Finance expense	(4,688)	-	(4,688)
Total	(11,616)	73,726	62,110

<i>RSD thousand</i>	Three-month period ended 31 March 2019		
	Parent Company	Subsidiaries	Total
Finance income	-	-	-
Dividends	-	26,999	26,999
Finance expense	-	-	-
Total	-	26,999	26,999

20. Significant subsequent events

There were no events occurring after the balance sheet date that could require a correction of the quarterly financial statements as at 31 March 2020, nor disclosure in the Notes to the quarterly financial statements of the Company.

Legal representative:

The image shows a handwritten signature in blue ink over a circular blue stamp. The stamp contains the text: "POSREDOVANJE ZA PROIZVODNI ELEKTRICNE ENERGIJE", "FINTEL ENERGIJA AD", and "BEOGRAD".

The person responsible for the preparation of stand alone quarterly financial statements:

**QUARTERLY BUSINESS REPORT
FOR THE PERIOD ENDED
31 MARCH 2020**

FINTEL ENERGIJA AD, BEOGRAD

Content

1. Summary of the business activities	1
2. Presentation of development and activities of the legal entity, personnel structure	3
3. Environmental protection	3
4. Planned future development	3
5. Significant transactions with related parties	4
6. Goals and policies in connection with managing financial risks, credit risks, liquidity risk and market risk	4

QUARTERLY BUSINESS REPORT FOR THE PERIOD
ENDED 30 SEPTEMBER 2019**1. Summary of the business activities*****Identification data***

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

Seat: Belgrade

Address: Bulevar Mihajla Pupina 115e

Company Identification Number: 20305266

Tax Identification Number: 105058839

Date of incorporation: 27 June 2007

Persons authorized to represent: Tiziano Giovannetti

Website: www.fintelenergija.rs

Core business activity

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

Business activities

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

Organizational structure

By aligning corporate bodies and documents with the Companies Law (“Official Gazette of the RS” no. 36/2011, 99/2011, 83/2014, - other law, and 5/2015, 44/2018 and 95/2018) the Company has the following internal organizational structure: Shareholder Assembly and Board of Directors.

QUARTERLY BUSINESS REPORT FOR THE PERIOD
ENDED 31 MARCH 2020

1. Summary of the business activities (Continued)

Subsidiaries

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

- 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,
- Maestrle Ring d.o.o. Beograd, ID number 21452068 ("**Maestrle Ring**"), whereby the Company holds 100,00% of the share capital,
- Project Torak d.o.o. Beograd, ID number 21459631 ("**Project Torak**"), whereby the Company holds 100,00% of the share capital,
- Fintel Energija development d.o.o. Beograd, ID number 21522732 ("**Fintel Energija Development**"), whereby the Company holds 100,00% of the share capital,
- Fintel Russian Ventures ooo, whereby the Company holds 99,00% of the share capital ("**Fintel Russian Ventures o.o.o.**"),
- MK-Fintel Wind Holding d.o.o. za holding poslove Beograd, ID number 21280275, whereby the Company holds 53,99737% of the share capital ("**MK Fintel d.o.o.**"), while the remaining 46,00263% is held by the company *MK Holding d.o.o. za holding poslove Beograd*,
- MK-Fintel Wind akcionarsko društvo Beograd, ID number 20392126, whereby the Company holds 53,99737% of the share capital ("**MK Fintel a.d.**", "."), while the remaining 46,00263% is held by the company *MK Holding d.o.o. za holding poslove Beograd*.

MK-Fintel Wind Holding d.o.o. 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 Vetroparka La Piccolina ("**Energobalkan**"),

Fintel Energija Development d.o.o. holds 54% in the following subsidiary: MK-Fintel Wind Development d.o.o. Beograd, ID number 21528536 ("**MK-Fintel Wind Development**").

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

- Vetropark Torak d.o.o. Beograd, ID number 21040339 ("**Torak**"),
- Vetropark Košava 2 d.o.o. Beograd, ID number 21064742 ("**Košava 2**"),
- Vetropark Ram d.o.o. Beograd, ID number 20927119 ("**Ram**"),
- Vetropark Dunav 1 d.o.o. Beograd, ID number 20926392 ("**Dunav 1**"),
- Vetropark Dunav 3 d.o.o. Beograd, ID number 20927089 ("**Dunav 3**").

**QUARTERLY BUSINESS REPORT FOR THE PERIOD
ENDED 31 MARCH 2020****1. Summary of the business activities (Continued)*****Information about the management of the company***

Members of Board of Directors:

- ✓ Claudio Nardone, President
- ✓ Tiziano Giovannetti
- ✓ Luka Bjeković
- ✓ Paolo Martini
- ✓ Aleksandra Stojanovic

2. Presentation of development and activities of the legal entity, personnel structure

Fintel Energija has a position of pioneer among independent producers of electrical energy form wind power in the territory of the Republic of Serbia. The total installed capacity of all wind turbines in Serbia is 398 MW, of which 89.5 MW is held in the ownership of the Company (22,5%). 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%).

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 another 12 employees its subsidiaries who work 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. Planned future development

As of June 2019, 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 908 MW. The pipeline is being actively developed and projects are continuously progressed through the development and obtaining the appropriate regulatory consents. Projects are all developed in accordance with the "gateway" approval process, so the pace of development will depend on a number of internal and external factors. Out of the ongoing project, the project that has most advanced is Kosava Phase II - a project that obtained all licenses and that plans to have 19 turbines with capacity of up 65.5 MW, subject to turbine selection. which is estimated to become fully operational in the financial year 2021.

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 861 MW of total capacity. Out of this amount, 125 MW is at an advanced development stage (building permits has been obtained for 75,5 MW, including 65 MW under construction) and approximately 693 MW where planning applications will be soon submitted or were submitted already).

**QUARTERLY BUSINESS REPORT FOR THE PERIOD
ENDED 31 MARCH 2020****4. Planned future development (Continued)**

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.

5. Significant transactions with related parties

The representation of the Company's relations with related parties is presented in point 19 of the Notes to the Financial Statements for the period ended 31 March 2020.

In the first quarter of 2020, there were no significant transactions of the Company with related parties.

6. 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.

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 2019.

Tiziano Giovannetti
Director





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 31 March 2020 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

Legal representative:

Fintel Energija a.d.

Director



Piziano Giovannetti