FINTEL ENERGIJA AD

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

Belgrade, April 2024.

Pursuant to Articles 50 and 51 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016 and 9/2020) and pursuant to Article 3 of the Rulebook on the Content, Form and Method of Publiciation of Annual, Half-Yearly and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012, 5/2015, 24/2017 and 14/2020), Fintel Energija ad from Belgrade (registration number 20305266) hereby publishes the following:

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

Content

STAND-ALONE BALANCE SHEET
In RSD thousand

Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	ASSETS				
00	**A. SUBSCRIBED AND UNPAID CAPITAL**	0001			
	B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002		**1.496.034**	**1.637.344**
01	**I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)**	**0003**		**-**	**-**
010	1. Development investments	0004			-
011, 012 and 014	2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005			-
013	3. Goodwill	0006			-
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007			-
017	5. Advances for intangible assets	0008			-
02	**II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)**	**0009**		**0**	**0**
020, 021 and 022	1. Land and buildings	0010			
023	2. Machinery and equipment	0011			
024	3. Investment property	0012			
025 and 027	4.Property, plant and equipment leased and property, plant and equipment under construction	0013			
026 and 028	5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014			-
029 (part)	6. Advances for property, plant and equipment in the country	0015			-
029 (part)	7.Advances for property, plant and equipment foreign	0016			-
03	**III. BIOLOGICAL ASSETS**	**0017**		**-**	**-**
04 and 05	**IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)**	**0018**		**1.496.034**	**1.637.344**
040 (part), 041(part) and 042 (part)	1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019		**16.014**	**16.014**
040 (part), 041(part) and 042 (part)	2. Equity investments that are valued using the equity method	0020			-
043, 050 (part) and 051 (part)	3.Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021		**1.480.020**	**1.621.330**
044, 050 (part) and 051 (part)	4.Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022			-
045 (part) i 053 (part)	5. Long-term investments (loans and credits) in the country	0023			-
045 (part) i 053 (part)	6. Long-term investments (loans and credits) abroad	0024			-
046	7. Long-term financial investments (securities valued at amortized cost)	0025			-
047	8. Own shares purchased	0026			-
048, 052, 054, 055 i 056	9. Other long-term investments and receivables	0027			
28 (part) except 288	V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028			
288	**C. DEFERRED TAX ASSETS**	0029			

STAND-ALONE BALANCE SHEET
In RSD thousand

Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		**550.926**	**299.556**
Class 1, except group of account 14	**I.INVENTORIES (0032+0033+0034+0035+0036)**	**0031**		**13.455**	**581**
10	1. Materials, spare parts, tools and supplies	0032			
11 and 12	2. Work in progress and unfinished services	0033			
13	3. Goods	0034			
150, 152 and 154	5. Advances paid to suppliers for stock and services in country	0035		1.375	497
151, 153 and 155	6. Advances paid to suppliers for stock and services - abroad	0036		12.080	84
14	**II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS**	**0037**		-	-
20	**III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)**	**0038**		**454**	**267**
204	1. Trade receivables - domestic	0039			
205	2. Trade receivables - foreign	0040			
200 and 202	3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		454	267
201 and 203	4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042			
206	5. Other trade receivables	0043			
21, 22 and 27	**IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)**	**0044**		**295.000**	**14.909**
21, 22 except 223 and 224 and 27	1. Other receivables	0045		290.766	10.675
223	2. Receivables for prepaid CIT	0046		4.224	4.224
224	3. Receivables for prepaid other taxes & contributions	0047		10	10
23	**V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)**	**0048**		**14**	**16.498**
230	1. Short-term loans and investments - parent and subsidiaries	0049			16.484
231	2. Short-term loans and investments - other related parties	0050			-
232, 234 (part)	3. Short-term loans, borrowings and investments - domestic	0051			-
233, 234 (part)	4. Short-term loans, borrowings and investments - foreign	0052			-
235	5. Securities valued at amortized cost	0053			-
236 (part)	6. Financial instrument valued at fair value	0054			-
237	7. Bought up own shares	0055			-
236 (part), 238 and 239	8. Other Short-term financial investments	0056		14	14
24	**VI. CASH AND CASH EQUIVALENTS**	**0057**		**8.220**	**4.723**
28 (part) except 288	**VII. SHORT-TERM ACCRUALS**	**0058**		**233.783**	**262.578**
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059		**2.046.960**	**1.936.900**
88	**F. OFF-BALANCE SHEET ASSETS**	0060			

STAND-ALONE BALANCE SHEET

In RSD thousand

Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	EQUITY AND LIABILITIES				
	A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		**689.282**	**439.302**
30 except 306	I. SHARE CAPITAL	0402		4.057	4.057
31	II. SUBSCRIBED CAPITAL UNPAID	0403			
306	III. SHARE ISSUING PREMIUMS	0404		681.237	681.237
32	IV. RESERVES	0405			
330 and credit balance of account 331, 332, 333, 334, 335 336 and 337	**V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0406**		**-**	**0**
debit balance of account 331,332,333,334, 335,336 and 337	**VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0407**			
34	**VII. UNDISTRIBUTED PROFIT (0409 + 0410)**	**0408**		**249.981**	**9.285**
340	1. Retained profit from previous years	0409			1.659
341	2. Retained profit from current year	0410		249.981	**7.626**
	VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	**0411**			
35	**IX. LOSSES (0413 + 0414)**	**0412**		**245.993**	**255.277**
350	1. Losses of previous years	0413		245.993	255.277
351	2. Losses of current year	0414			
	B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		**1.073.633**	**-**
40	**I. LONG-TERM PROVISIONS (0417++0418+0419)**	**0416**		-	-
404	1. Provisions for employees benefits	0417			
400	2. Provisions for costs in warranty period	0418		-	-
40 except 400 and 404	3. Other long-term provisions	0419		**-**	**-**
41	**II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)**	**0420**		**1.073.633**	-
410	1. Liabilities which can be converted into capital	0421			
411 (part) and 412 (part)	2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422			
411 (part) and 412 (part)	3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423		1.073.633	
414 and 416 (part)	4. Long-term loans, borrowings and liabilities based on leasing - foreign	0424			
415 and 416 (part)	5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425			
413	6. Liabilities for long-term securities	0426			
419	7. Other longterm liabilities	0427			

STAND-ALONE BALANCE SHEET
In RSD thousand

Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUALS	0428		-	-
498	**C. DEFERRED TAX LIABILITIES**	0429			
495 (part)	**D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED**	0430		-	-
	E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		**284.045**	**1.497.598**
467	I. SHORT TERM PROVISIONS	0432		-	-
42 except 427	**II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)**	**0433**		**13.759**	**1.265.201**
420 (part) and 421 (part)	1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434		-	-
420 (part) and 421 (part)	2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435		13.759	1.265.201
422 (part), 424(part), 425 (part) and 429 (part)	3. Liabilities based on loans and borrowings from entities other than domestic banks	0436			
422 (part), 424(part), 425 (part) and 429 (part)	4. Liabilities based on loans and borrowings from foreign banks	0437		-	
423, 424 (part), 425 (part) and 429 (part)	5. Loans, borrowings and liabilities from abroad	0438		-	-
426	6. Liabilities for short-term securities	0439		-	-
428	7. Liabilities based on financial derivatives	0440		-	-
430	**III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES**	**0441**			
43 except 430	**IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)**	**0442**		**34.211**	**35.508**
431 and 433	1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443			
432 and 434	2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444		32.950	34.259
435	3. Trade payables - domestic	0445		1.261	1.249
436	4. Trade payables - foreign	0446			
439 (part)	5. Obligations under bills of exchange	0447			
439 (part)	6. Other business liabilities	0448			
44, 45, 46 except 467, 47 and 48	**V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)**	**0449**		**20**	**11**
44, 45 and 46 except 467	1. Other short term liabilities	0450		20	11
47, 48 except 481	2. Liabilities for VAT and other public revenues	0451			
481	3. Liabilities for income tax	0452			
427	**VI. LIABILITES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE**	**0453**		-	-
49 except 498	**VII. SHORT-TERM ACCRUALS**	**0454**		**236.055**	**196.878**
	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		**2.046.960**	**1.936.900**
89	**H. OFF-BALANCE SHEET LIABILITIES**	0457			

Belgrade
30.4.2024

Legal representive

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ... ENERGIJE FINTEL ENERGIJA AD BEOGRAD

INCOME STATEMENT

- RSD thousand -

Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001		**1.786**	**223**
60	I. REVENUES OF SOLD GOODS (1003 + 1004)	1002		-	-
600, 602 and 604	1. Income from the sale of goods - domestic market	1003		-	-
601, 603 and 605	2. Income from the sale of goods - foreign market	1004		-	-
61	II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005		**1.786**	**223**
610, 612 and 614	1. Income from the sale of products and services - domestic market	1006		1.786	223
611, 613 and 615	2. Income from the sale of products and services - foreign market	1007			
62	III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008			
630	IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009			
631	V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010			
64 and 65	VI. OTHER OPERATING INCOME	1011			
68, except 683, 685 and 686	VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012			
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		**49.677**	**42.190**
50	I. COST OF GOODS SOLD	1014			
51	II. COST OF MATERIALS, FUEL AND ENERGY	1015		20	34
52	III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016		**8.600**	**5.602**
520	1. Cost of salary and compensation of salary (gross employee)	1017		6.603	3.346
521	2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018		1.001	540
52 except 520 and 521	3. Other personal expenses and remunerations	1019		996	1.716
540	IV. DEPRECIATION EXPENSES	1020			8
58 except 583, 585 and 586	V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021			
53	VIII. COSTS OF PRODUCTION SERVICES	1022		645	485
54 except 540	X. COSTS OF LONG-TERM PROVISIONS	1023			
55	XI. INTANGIBLE EXPENSES	1024		40.412	36.061
	C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		-	-
	D. OPERETAING LOSS (1013 - 1001) ≥ 0	1026		**47.891**	**41.967**
	E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027		**351.180**	**98.692**
660 and 661	I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028		351.141	94.991
662	II. INCOME FROM INTEREST	1029			
663 and 664	III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030		39	3.701
665 and 669	IV. OTHER FINANCIAL INCOME	1031			

INCOME STATEMENT					
					- RSD thousand -
Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		**44.477**	**49.105**
560 and 561	I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033		44.217	44.468
562	II.COSTS OF INTEREST	1034		114	40
563 and 564	III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035		146	4.597
566 and 569	IV. OTHER FINANCIAL COSTS	1036			
	G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		**306.703**	**49.587**
	H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		-	-
683, 685 and 686	**I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1039		-	-
583, 585 and 586	**J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1040		**7.149**	-
67	**K. OTHER INCOME**	1041			**6**
57	**L. OTHER COSTS**	1042			
	M. TOTAL INCOME (1001+1027+1039+1041)	1043		**352.966**	**98.921**
	N. TOTAL COSTS (1013+1032+1040+1042)	1044		**101.303**	**91.295**
	O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		**251.663**	**7.626**
	P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		-	-
69-59	**Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1047		-	-
59-69	**R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1048		**1.681**	-
	S. PROFIT BEFORE TAX (1045-1046+1047-1048)≥ 0	1049		**249.982**	**7.626**
	T. LOSS BEFORE TAX (1046-1045+1048-1047)≥ 0	1050		-	-
	U. INCOME TAXES				
721	I. TAX EXPENSES FROM THE PERIOD	1051			
722 debit balance	II. DEFERRED TAX EXPENSE	1052			
722 credit balance	III. DEFERRED TAX INCOME	1053			
723	**V. EARNINGS OF EMPLOYER**	1054		-	-
	W. NET PROFIT (1049-1050-1051-1052+1053-1054)≥ 0	1055		**249.982**	**7.626**
	X. NET LOSS (1050-1049+1051+1052-1053+1054)≥ 0	1056		-	-
	I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057			
	II NET PROFIT BELONGING TO PARENT COMPANY	1058		**249.982**	**7.626**
	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		**9**	-
	2. Reduced (diluted) earnings per share	1062		**9**	-

Belgrade
30.4.2024

Legal representive

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STATEMENT OF OTHER COMPREHENSIVE INCOME

- RSD thousand -

Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET PROFIT/(LOSS)				
	I. PROFIT, NET (AOP 1055)	2001		249.982	7.626
	II. LOSS, NET (AOP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to profit or loss				
330	1. Changes in the revaluation of intangible assets, property, plant and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004			
331	2. Actuarial gains (losses) of post employment benefit obligations				
	a) gains	2005			
	b) losses	2006			
333	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				
332	1. Gains or losses on investments in equity instruments				
	a) gains	2009			
	b) losses	2010			
334	1. Gains or losses on the translation of financial statements of foreign operations				
	a) gains	2011			
	b) losses	2012			
335	2. Gains or losses on hedging instruments of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses on cash flow hedges				
	a) gains	2015		-	
	b) losses	2016			
337	4. Gains or losses on securities that are measured at fair value through other comprehensive income				
	a) gains	2017			
	b) losses	2018			
	I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		-	-
	II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		-	-
	III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021		-	
	IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		-	-
	IV. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023		-	-
	V. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		-	-
	C. TOTAL NET COMPREHENSIVE PROFIT				
	I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		249.982	7.626
	II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026		-	-
	D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027		-	-
	1. Attributable to shareholders	2028		-	-
	2. Attributable to non-controling interest	2029		-	-

Belgrade
30.4.2024

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Legal representative

STATEMENT OF CHANGES IN EQUITY

- RSD thousand -

Position	Description	AOP	Share capital (group 30 without 306 and 309)	AOP	Other share capital (account 309)	AOP	Subscribed but unpaid capital (group 31)	AOP	Share premium and reserves (account 306 and group 32)	AOP	Revaluation reserves and unrealized gains and losses (group 33)
			2		3		4		5		6
1	Balance as at 01.01.2022	4001	4.057	4010		4019	-	4028	681.237	4037	
2	Adjustments of material errors and changes in accounting policies	4002	-	4011	-	4020	-	4029	-	4038	-
3	Restated opening balance as at 01.01.2022 (1+2)	4003	4.057	4012	-	4021	-	4030	681.237	4039	-
4	Net changes in 2022	4004	-	4013		4022	-	4031	-	4040	
5	Balance as at 31.12.2022 (3+4)	4005	4.057	4014		4023	-	4032	681.237	4041	-
6	Adjustments of material errors and changes in accounting policies	4006	-	4015		4024	-	4033	-	4042	-
7	Restated opening balance as at 01.01. 2023 (5+6)	4007	4.057	4016		4025	-	4034	681.237	4043	-
8	Net changes in 2023	4008	-	4017		4026	-	4035	-	4044	- 0
9	Balance as at 31.12.2023 (7+8)	4009	4.057	4018		4027	-	4036	681.237	4045	- 0

Position	Description	AOP	Retained earnings (group 34)	AOP	Loss (group 35)	AOP	Non-controlling interest	AOP	Total (corresponds to the position of AOP 0401) (col.2+3+4+5+6+7-8+9) ≥ 0	AOP	LOSS EXCEEDING EQUITY (corresponds to the position of AOP 0455) (col.2+3+4+5+6+7-8+9)‹0
			7		8		9		10		11
1	Balance as at 01.01.2022	4046	1.659	4055	255.277	4064		4073	431.676	4082	
2	Adjustments of material errors and changes in accounting policies	4047	-	4056	-	4065	-	**4074**	-	4083	
3	Restated opening balance as at 01.01.2022 (1+2)	4048	1.659	4057	255.277	4066	-	**4075**	431.676	4084	
4	Net changes in 2022	4049	7.626	4058		4067		**4076**	7.626	4085	
5	Balance as at 31.12.2022 (3+4)	4050	9.285	4059	255.277	4068	-	4077	439.302	4086	
6	Adjustments of material errors and changes in accounting policies	4051	-	4060	-	4069	-	4078	-	4087	
7	Restated opening balance as at 01.01. 2023 (5+6)	4052	9.285	4061	255.277	4070	-	**4079**	439.302	4088	
8	Net changes in 2023	4053	240.696	4062	- 9.284	4071	-	4080		4089	
9	Balance as at 31.12.2023 (7+8)	4054	249.981	4063	245.993	4072	-	**4081**	689.282	4090	

Belgrade
30.4.2024

Legal representive

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

STATEMENT OF CASH FLOWS

- RSD thousand -

POSITION	AOP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES I. Cash inflow from operating activities (1-4)	3001	55.274	-
1. Sales and advances received in the country	3002	1.956	
2. Sales and advances received abroad	3003		
3. Interest from operating activities	3004	53.318	
4. Other inflow from operating activities	3005		
II. Cash outflow from operating activities (1 до 8)	3006	50.400	11.096
1. Payments and prepayments to suppliers in the country	3007	7.387	5.878
2.Payments and prepayments to suppliers abroad	3008	34.259	42
3. Salaries, benefits and other personal expenses	3009	8.360	5.096
4. Interest paid in the country	3010	114	40
5.Interest paid abroad	3011		
6. Income tax paid	3012		
7. Payments for other public revenues	3013	280	40
8. Other outflows from operating activities	3014		
III. Net cash inflow from operating activities (I - II)	3015	4.874	-
IV. Net cash outflow from operating activities (II - I)	3016	-	11.096
B. CASH FLOWS FROM INVESTING ACTIVITIES I.Cash flows from investing activities (1 до 5)	3017	128.895	60.710
1. Sale of shares	3018	-	-
2. Proceeds from sale of intangible assets, property, plant and equipment and and biological assets	3019	-	-
3. Other financial investments	3020	95.590	9.412
4. Interest from investing activities	3021		
5. Dividend received	3022	33.305	51.298
II. Cash outflow from investing activities (1 до 3)	3023	35.990	49.274
1. Acquisition of subsidiaries or other business	3024		
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025		
3. Other financial investments	3026	35.990	49.274
III. Net cash inflow from investing activities (I - II)	3027	92.905	11.436
IV. Net cash outflow from investing activities (II - I)	3028	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES I. Cash inflow from financing activities (1 до 7)	3029	-	-
1. Increase in share capital	3030		
2. Long-term borrowings in the country	3031		
3. Long-term borrowings abroad	3032		
4. Short-term borrowings in the country	3033		
5. Short-term borrowings abroad	3034	-	-
6. Other long-term liabilities	3035	-	-
7. Other short-term liabilities	3036	-	-
II. Cash outflow from financing activities (1 до 8)	3037	94.175	-
1. Purchase of own shares	3038		
2. Long-term borrowings in the country	3039		
3. Long-term borrowings in abroad	3040		
4. Short-term borrowings in the country	3041		
5. Short-term borrowings country abroad	3042	94.175	
6. Other liabilities	3043		
7. Financial lease	3044		
8. Dividend distribution	3045		
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	94.175	-
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	184.169	60.710
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	180.565	60.370
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	3.604	340
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	-	-
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE	3052	4.723	4.383
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3053	10	-
J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS	3054	117	-
K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (3050-3051+3052+3053-3054)	3055	8.220	4.723

Belgrade
30.4.2024

Legal representative

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ... ENERGIJE
FINTEL ENERGIJA AD
BEOGRAD

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

1. General information

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

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

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

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

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

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

The submitted individual financial statements for the period ended on December 31, 2023 were approved for issuance by the Company's directors on April 30, 2024.

On December 31, 2023, the Company had 14 employees (2022: 14 employees).

2. Overview of significant accounting policies

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

2.1 Basis for drafting and presentation of individual financial statements

The company keeps records and prepares financial reports pursuant to the Accounting Act of th Republic of Serbia ("Official Gazette of the RS", No. 73/2019 I 44/2021) and other legislation in effect in the Republic of Serbia.

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

International financial reporting standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as well as interpretations of standards issued by the Interpretation Committee accounting standards but do not include bases for conclusions, illustrative examples, instructions for application, comments, separate opinions as well as other auxiliary materials except in cases where they are explicitly included as an integral part of the standards or interpretations.

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

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

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

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

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

2. Overview of significant accounting policies (continued)

2.1 Basis for drafting and presentation of individual financial statements (continued)

The attached financial statements represent individual financial statements that include receivables, liabilities, operating results, changes in other comprehensive income, changes in equity and cash flows of the Company. The company has prepared these individual financial statements in accordance with the deadlines prescribed by the Accounting Act of the Republic of Serbia. The Company also prepares consolidated financial statements for the Company and its related parties (the Group) with a prescribed deadline of April 30, 2024. Users of these financial statements should read them together with the consolidated financial statements of the Group as at and for the year which ended on December 31, 2023, in order to obtain complete information about the financial position, results of operations and changes in the financial position of the Group as a whole. The method of recognition of equity investments in affiliates is displayed in note 3, and details of investments in affiliates are displayd in note 8.

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

2.2 Accounting basis

These financial statements have been prepared in accordance with the historical cost principle, unless the application of fair value is specifically indicated. The financial statements are presented in dinars of the Republic of Serbia ("RSD"), which is also the functional currency of the Company, and all numerical values are presented in thousand of dinars (RSD'000), unless otherwise stated. The basic accounting policies applied for the preparation of these financial statements are disclosed in Note 2.4.

Financial statements for the year ended December 31, 2022 represent the comparative data.

The financial statements have been prepared in accordance with the going concern concept, which implies that the Company will continue to operate indefinitely in the foreseeable future. In order to determine the justification of this assumption, the management analyzes plans for future cash inflows. Based on the aforementioned analyses, the management believes that the Company is capable of continuing its business activities in accordance with the principle of continuity of operations and that this principle should be applied in the preparation of these financial statements.

2.3 Conversion of foreign currencies

Functional and display currency

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

2. Overview of significant accounting policies (continued)

2.3 Foreign Currency Conversion (continued)

Transactions and balances

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

2.4 Significant accounting policies

Property, plant and equipment

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

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Property, plant and equipment (continued)

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

	Number of years
Construction objects	40
Equipment	3-20

Impairment of property

On the date of preparing the financial statements, an assessment is made of the existence of any indications of impairment of the value of tangible assets. The assets of the Company are stated at a value that does not exceed the recoverable amount. If there is an indication that, for the specified asset, there is impairment, the recoverable amount of that asset is estimated in order to determine the amount of impairment. The book value is reduced to the recoverable amount, and the difference is recognized as an expense (loss due to impairment of assets) charged to the income statement in the period in which the impairment occurred. An impairment loss is reversed if the circumstances that affected the impairment have changed.

Leasing

IFRS 16 defines new or amended requirements related to lease accounting, introducing significant changes to the lessee's (lessee's) accounting by removing the distinction between finance and operating leases and requiring the recognition of an asset representing the right to use the leased item and the lease liability at the inception date leases for all leasing contracts, except for short-term leases and those leases where the value of the lease is small.
When applying IFRS 16 to leases, the Company recognizes assets that represent right-of-use and lease obligations in the balance sheet, which are initially measured at the present value of future lease payments, and recognizes depreciation costs of assets that are right-of-use and interest expense on lease obligations in the income statement.
Leasing previously classified as a financial lease - In the case of leasing contracts that are classified as a financial lease in accordance with IAS 17, the book value of the leased item on the one hand and the liabilities based on the financial lease on the other hand, determined by the application of IAS 17 immediately before the date of initial application of the new standards are reclassified to the value of assets representing the right of use, i.e., the value of liabilities based on leasing without any corrections.

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Leasing (continued)

Valuation

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

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

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

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

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

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

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

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

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

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

Company as lessor

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Leasing (continued)

Right to use funds

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

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

Liabilities based on leasing

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

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

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

Short-term leases and leases of low-value assets

The Company applies an exemption from short-term lease recognition for its short-term leases of machinery and equipment (ie, those leases that have a term of less than 12 months from the inception date and do not include a purchase option). Leasing payments for short-term leases and leases of low-value assets are recognized as an expense, proportionately over the lease term.

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Leasing (continued)

The company as lessor

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

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

The company as the beneficiary of the lease

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

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

Financial instruments

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

Business model assessment

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Financial instruments (continued)

Cessation of recognition of financial assets and financial liabilities

The Company ceases to recognize a financial asset when the contractual rights to cash flows from the financial asset cease to be valid or when it transfers all rights to the inflows of contractually defined cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset.

Each share in such a financial asset created or held by the Company is recognized as a separate asset or liability.

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

Impairment of financial assets

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

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

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

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

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

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Financial instruments (continued)

Long-term investments

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

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

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

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

Cash and cash equivalents

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

Financial liabilities

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

Operations liability

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Provisions

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

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

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

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

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

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Revenue recognition

The company operates as a holding company and performs management and financing activities

Revenues based on contracts with customers are recognized when control over the expected products is transferred to the customer, i.e., when the service is performed, in an amount that reflects the compensation to which the Company expects to be entitled in exchange for the related products/goods or service.

Revenues from the provision of services are recognized in the accounting period in which the service was provided and are reported at the invoice value minus the approved discounts.

Contracts with customers define the key commercial terms on the basis of which customers issue their purchase orders. From the point of view of revenue recognition, the contract is viewed as a combination of the basic contract with customers and issued purchase orders.

Specifically, the revenue recognition process includes the following 5 steps:

- Step 1: Identify the contract(s) with the customer;
- Step 2: Determine performance obligations from the contract;
- Step 3: Determine the transaction price;
- Step 4: Distribute the transaction price to the performance obligations from the contract; and
- Step 5: Recognize revenue when the entity fulfills (or while fulfilling) the performance obligation.

The company recognizes income when the performance obligation is fulfilled (or during the fulfillment of that obligation), i.e., when 'control' over the goods or services underlying the specific obligation is transferred to the customer

Financial income and expenses

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

Financial expenses that can be directly attributed to the acquisition, construction or production of a qualified asset are capitalized as part of the asset's purchase price, starting from the date the Company incurs the financial expenses until the date the financed asset is ready for use.

Dividends

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to the Company's shareholders by the weighted average number of ordinary shares in circulation for the period.

Business expenses

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

Other expenses

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

Employee benefits

a) Taxes and contributions to employee social security funds

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

b) Obligations based on severance pay

Pursuant to the provisions of the Labour Act, the company is under the obligation to pay the employee upon retirement a severance pay equal to three average wages in the Republic of Serbia, determined according to the last published data of the republican authority responsible for statistics.

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Income tax

Current income tax

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

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

Deferred income tax

Deferred income tax is determined using the method of determining liabilities according to the balance sheet, for temporary differences resulting from the difference between the tax base of receivables and liabilities and their book value. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses and credits, which can be carried forward to subsequent fiscal periods, to the extent that it is probable that taxable profit will exist against which the deferred tax assets can be utilised. Deferred tax assets and liabilities are calculated at the tax rate that is expected to be applied in the period when the asset will be realized or the liability will be settled. As at December 31, 2023, deferred tax assets and liabilities were calculated at a rate of 15% (December 31, 2022: 15%)

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

Transactions with related entities

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

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

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

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

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

3. Estimates and assumptions

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

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

Decrease in the value of participation in the capital of affiliates

Investments in affiliates are tested for impairment, which, when there are indications that it is difficult to recover the net book value, should be recognized as impairment. Checking the existence of the mentioned indicators requires subjective assessments by the management, based on information available to the Company, information on the market and based on past experience. If it is determined that a potential impairment may occur, the Company's management uses the valuation technique to calculate the amount of the potential impairment. The exact identification of indicators of potential impairment, as well as the calculation of estimates for its determination, depends on factors that can change over time and that can affect the assumptions and estimates made by the management.

Based on the assessments made by the Company's management, there are no indicators of impairment of the share in the capital.

Provisions

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

4. Financial risk management

Coordination and monitoring of key financial risks is carried out by the owner's central treasury department, which provides guidelines for the management of various types of risks and for the use of financial instruments. The main characteristics of the Company's risk management policies are:

- central determination of operational risk management guidelines related to market, liquidity and cash flow risks;
- monitoring of achieved results;
- diversification of assumed liabilities / liabilities and product portfolio.

Credit risk

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

The Company's maximum exposure to credit risk as at December 31, 2023 and 2022 is the book value of each asset class as indicated in the following table:

RSD '000	**December 31, 2023**	**December 31, 2022**
Other receivables	295,000	14,909
Long-term receivables and investments	1,480,020	1,621,330
Short-term receivables and investments	14	16,484
Prepayments and deferred expenses	233,783	262,578
TOTAL	**2,008,816**	**1,915,301**

Other receivables mostly refer to claims for dividends from affiliated legal entities, receivables for contractual and default interest from other related parties and total claims for previous VAT in the tax period.

Accruals consist of interest claims based on loans granted to affiliated legal entities (MK Fintel Wind ad., MK Fintel Wind Holding doo, VP Lipar doo, VP Lipar 2 doo, Project Torak doo, Fintel Energija Development doo...), while long-term receivables and investments refer to loans given to affiliated legal entities (MK Fintel Wind ad, MK Fintel Wind Holding doo, MK Fintel Wind Development doo, VP Lipar doo, VP Lipar 2 doo, Project Torak doo, Fintel Energija Development doo and others). Short-term receivables and investments refer to loans given to affiliated legal entities, with the fact that in 2023 annexes to the contract were signed, which transferred short-term receivables to long-term ones.

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

4. Financial risk management (continued)

Liquidity risk

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

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

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

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

RSD thousand	December 31, 2023			
	Less than a year	**1-2 years**	**2-5 years**	**Over 5 years**
Financial liabilities to shareholders	13,759		1,073,633	
Liabilities for loans to banks	-			
Accounts payable	34.,11			
Other liabilities	236,075			
In total	**284,045**		**1,073,633**	

RSD thousand	December 31, 2022			
	Less than a year	**1-2 years**	**2-5 years**	**Over 5 years**
Financial liabilities to shareholders	1,265,201			
Liabilities for loans to banks	-			
Accounts payable	35,508			
Other liabilities	196,889			
In total	**1,497,598**			

4. Financial risk management (continued)

Market risk

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

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

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

Risk of exchange rate fluctuations

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

By performing an accounting sensitivity analysis on December 31, 2023, if the currency had strengthened/weakened by 5% compared to the EUR and all other variables had remained constant, the result after taxation would have amounted to RSD 46,214 thousand (2022: RSD 53,771 thousand) more / less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR.

Risk of interest rate fluctuations

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

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

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

Capital management risk

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

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

4. Financial risk management (continued)

Market Risk (continued)

Financial risk management (continued)

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

RSD thousand	**31.12.2023**	**31.12.2022**
Long-term financial liabilities:		
- Bank loans	-	-
Short-term financial liabilities:		
- Financial obligations to shareholders	1,087,392	1,265,201
Cash and cash equivalents	(8,220)	(4,723)
Net Debt (A)	**1,079,172**	**1,260,478**
Capital (B)	**689,282**	**439,302**
Net capital employed (C=A+B)	**1,768,454**	**1,669,780**
Indebtedness ratio (A/C)	***61.0%***	***74.2%***

5. Financial assets and liabilities by class

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

	December 31, 2023				
RSD thousand	Depreciated cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedge accounting	Total
Funding	1,480,020	-	-	-	1,480,020
Receivables from affiliated legal entities	454	-	-	-	454
Other short-term assets	528,797	-	-	-	528,797
Cash and cash equivalents	8,220	-	-	-	8,220
Total	**2,017,491**	-	-	-	**2,017,491**
Loans		-	-	-	
Financial obligations towards the parent legal entity	1,087,392	-	-	-	1,087,392
Operations liabilities	34.211	-	-	-	34.211
Other short-term liabilities	236,075	-	-	-	236,075
Total	**1,357,678**	-	-	-	**1,357,678**

5. Financial assets and liabilities by class (continued)

	December 31, 2022				
RSD thousand	Adepreciated cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedge accounting	In total
Funding	1,637,814	-	-	-	1,637,814
Receivables from dependent legal entities	267	-	-	-	267
Other short-term assets	277,501	-	-	-	277,501
Cash and cash equivalents	4,723	-	-	-	4,723
In total	**1,920,305**	**-**	**-**	**-**	**1,920,305**
Loans	-	-	-	-	-
Financial obligations towards the parent legal entity	1,265,201	-	-	-	1,265,201
Operations liability	35,508	-	-	-	35,508
Other short-term liabilities	196,889	-	-	-	196,889
In total	**1,497,598**	**-**	**-**	**-**	**1,497,598**

6. IFRS 8: segment information

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

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

a) Guarantees issued

No guarantees were issued.

a) Other

There were no other potential liabilities of the Company.

8. Shares in the equity of affiliated legal entities

Direct investments in related companies are presented below:

- RSD 16,009 thousand refers to 54% ownership in MK-Fintel Wind AD (RSD 16,009 thousand as at December 31, 2022).
- RSD 5 thousand refers to 54% ownership in MK-Fintel Wind Holding Doo (RSD 5 thousand as at December 31, 2022).
- RSD 200 for 100% ownership in Fintel Energija Development Doo (RSD 200 on December 31, 2022).

In 2023, the Company, as the parent legal entity of the business group, had a share in the equity of the following affiliated legal entities:

Name	Share capital (RSD '000)	Head office	31/12/2023% down payment	31/12/2022% down payment	
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Directly
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Directly
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Kula doo	314,032	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Torak doo	240	Belgrade (Serbia)	54%	54%	Indirectly
Fintel Energy Dev. doo	0	Belgrade (Serbia)	100%	100%	Directly
MK-Fintel Wind Dev. doo	0	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Fintel Energija Dev. Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Vetropark Torak Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Staklenik Jedan d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Dva d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Tri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Četiri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Sklenik Pet d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Šest d.o.o.	0	Belgrade (Serbia)	100%	-	Indirectly

9. Long-term loans and placements - parent and affiliated legal entities

Long-term financial liabilities - parent and affiliated legal entities amount to RSD 1,480,020 thousand (2022: RSD 1,621,330 thousand and refer to financing provided to affiliated legal entities and other related entities, as indicated in the tables below:

Loan beneficiary	Amount 31.12.2023 EUR	Amount 31.12.2023 RSD	Amount 31.12.2023 RSD	Maturity
MK Fintel Wind ad	11,226,449	1,315,444,567	1,412,777,452	2030
MK Fintel Wind Holding d.o.o.	601,400	70,468,263	70,557,691	2027
MK-Fintel Wind Development d.o.o.	43,200	5,061,904	5,068,328	2027
Maestrale Ring d.o.o.	50,000	5,858,685	75,320,981	2027
VP Lipar d.o.o.	322,000	37,729,931	30,503,824	2027
VP Lipar 2 d.o.o.	174,000	20,388,224	14,547,978	2027
Project Torak d.o.o.	67,000	7,850,638	7,860,601	2027
Fintel Energija Development d.o.o.	126,440	14,815,443	4,692,896	2027
Staklenik 1 d.o.o.	2,000	234,347	-	2027
Staklenik 2 d.o.o.	4,000	468,695	-	2027
Staklenik 3 d.o.o.	4,500	527,282	-	2027
Staklenik 4 d.o.o.	2,000	234,347	-	2027
Staklenik 5 d.o.o.	2,000	234,347	-	2027
Viafast d.o.o.	4,000	468,695	-	2027
Punware d.o.o.	2,000	234,347	-	2027
In total	**12,630,989**	**1,480,019,716**	**1,621,329,751**	

Long-term financial placements are given to dependents and other related parties. The interest rate on given placements and loans is fixed and ranges from 2.25% to 8%.

The company has no significant expected credit losses related to the mentioned placements and loans.

10. Short-term loans and placements - parent and affiliated legal entities

Short-term loans and placements - parent and affiliated legal entities, amount to RSD 0 thousand (RSD 16,484 thousand as at December 31, 2022) and refer to financing given to affiliates Lipar Doo and Maestrale Ring Doo. In 2023, the loan given to Lipar Ltd was classified as a long-term one, and the loans given to Maestrale Ring were partially repaid, while the rest of the placement was classified as long-term.

An overview of the loans granted on 31.12.2022, with maturity dates is in the following table:

Loan beneficiary	Amount 31.12.2022 EUR	Amount 31.12.2022 RSD	Maturity
VP Lipar doo	12,000	1,407,869	in 2023
VP Maestrale Ring doo	128,500	15,075,928	in 2023
Total	**140,500**	**16,483,797**	

11. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2023 and 2022 are:

RSD thousand	December 31, 2023	December 31, 2022
Current account		
- in dinars	8,180	4,683
- in foreign currency	40	40
Cash and cash equivalents	**8,220**	**4,723**

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

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

12. Other short-term assets

Other short-term assets in the amount of RSD 295,000 thousand as at December 31, 2023 (RSD 14,909 thousand as at December 31, 2022) are given in more detail in the following table:

RSD thousand	**December 31, 2023**	**December 31, 2022**
Other claims	290,766	10,675
Claims for multi-paid income tax	4.224	4.224
Receivables for prepaid other taxes and contributions	10	10
Total	**295,000**	**14,909**

Other receivables mainly refer to receivables based on dividends from dependent legal entities in the amount of RSD 266,920 thousand (2022: RSD 0)

13. Equity

Equity as at December 31, 2023 and 2022 is shown in the table below:

RSD thousand	**December 31, 2023**	**December 31, 2022**
Share capital	4,057	4,057
Issue premium	681,237	681,237
Retained earnings of the current year	-	1,659
Retained earnings from previous years	249,981	7,626
Previous year loss	(245,993)	(255,277)
Current year loss	-	-
TOTAL EQUITY	**689,282**	**439,302**

Description	**Basic capital**	**Issue premium and provisions**	**Retained earnings**	**Loss**	**Participation without the right of control**	**Total**
Balance as at January 1, 2022.	4,057	681,237	1,659	255,277	-	431,676
Effects of retroactive correction of material errors and changes in accounting policies	-	-	-	-	-	-
Corrected initial balance on 01.01.2022	4,057	681,237	1,659	255,277	-	431,676
Net changes in 2022.	-	-	7,626	-	-	
Balance as at 31.12.2022.	4,057	681,237	9,285	255,277	-	439,302
Effects of retroactive correction of material errors and changes in accounting policies	-	-		-	-	-
Corrected initial balance on 01.01. in 2023	4,057	681,237	9,285	255,277	-	439,302
Net changes in 2023.	-	-	240,696	9,284	-	249,980
Balance as at 31.12.2023.	**4,057**	**681,237**	**249,981**	**245,993**	**-**	**689,282**

13. Equity (continued)

Equity components and changes are given in more detail below:

Share capital

As at December 31, 2023, the paid-up registered share capital of the Company was RSD 4,057 (RSD 4,057 thousand as at December 31, 2021) thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

Issue premium

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

Retained earnings / (losses)

They consist of profits / (losses) of previous years. They also include net profit / (loss) for the current year.

14. Long-term and short-term loans from the parent and related parties

Loans from parent and related legal entities in the amount of RSD 1,087,392 thousand as at December 31, 2023 (RSD 1,265,201 thousand as at December 31, 2022), in the amount of RSD 1,073,633 thousand refer to loans of the majority shareholder Fintel Energia Group Spa. In 2023, the loans were annexed, so reclassification was carried out and the loans in the previously mentioned amount were classified as long-term. The loans are interest-bearing, the interest is from 3% to 6%.

15. Operations liability

Operations liability in the amount of RSD 34,211 thousand as at December 31, 2023 (RSD 35,508 thousand as at December 31, 2022) mostly refer to the obligation to the majority shareholder abroad.

16. Passive time allocations

Short-term accruals in the amount of RSD 236,055 thousand as at December 31, 2023 (RSD 196,878 thousand as at December 31, 2022) mainly consist of interest on loans from the parent company Fintel Energia Group SpA, in the amount of RSD 233,805 thousand.

17. Intangible costs

Intangible costs amount to RSD 40,412 thousand for the twelve-month period which ended on December 31, 2023 (RSD 36,061 thousand as at December 31, 2022) refer to accounting services and costs of services from the parent company based on a service contract in the amount of 34,820 thousand RSD (30,979 thousand RSD on December 31, 2022 - invoices issued in accordance with the contract for consulting services).

18. Financial income

Financial income for the twelve month period ended December 31, 2023 and 2022 is shown in the following table:

	in 2023	in 2022
FINANCIAL INCOME FROM RELATIONS WITH THE PARENT, AFFILIATED AND OTHER LEGAL ENTITIES	351.141	94,991
INTEREST INCOME	-	-
POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	39	3.701
Total	**351.180**	**98,692**

Financial income mostly refers to income from dividends in the amount of RSD 300,226 thousand (2022: 51,297 thousand). The rest of the amount refers to interest income.

19. Financial expenses

Financial expenses for the period of twelve months which ended on December 31, 2023 and 2022 are presented in the following table:

	in 2023	in 2022
FINANCIAL EXPENSES FROM RELATIONS WITH THE PARENT, AFFILIATED AND OTHER LEGAL ENTITIES	44.217	44,468
INTEREST EXPENSES	114	40
NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	146	4,597
OTHER FINANCIAL EXPENSES	-	-
Total	**44,477**	**49.105**

20. Tax expense of the period

The company had no tax expense for the year which ended on December 31, 2023 and 2022.

21. Basic earnings/(loss) per share

Basic earnings per share ranged from earnings in the amount of RSD 0.29 for the twelve-month period which ended on December 31, 2022 to earnings per share in the amount of RSD 9.43 for the period which ended on December 31, 2023. Basic earnings per share were calculated by dividing the Company's net result by the average number of shares of Fintel Energy (the average number of shares is 26,511 thousand).

Diluted earnings per share equals basic earnings per share on both dates.

22. Related Party Transactions

As previously indicated, the majority shareholder of the Company is Fintel EnergiaGroup SpA.

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

As at December 31, 2023 and December 31, 2022, an overview of the amount of receivables and liabilities based on transactions with related parties is shown in the table below:

	December 31, 2023			
RSD thousand	Parent company	Affiliated and associated companies of the owner	Affiliated companies	Total
Short-term loans	-	-	-	-
Long-term loans	-	-	1,480,020	1,480,020
Other short-term assets	-	-	233,783	233,783
Other short-term liabilities	(236,055)	-	-	(236,055)
Operations liability	(32,950)	-	-	(32,950)
Loan from the owner	(1,087,392)	-	-	(1,087,392)
Total	**(1,356,397)**	-	**1,713,802**	**357,405**

	December 31, 2022			
RSD thousand	Parent company	Affiliated and associated companies owner	Affiliated companies	Total
Short-term loans	-	-	16,484	16,484
Long-term loans	-	-	1,621,330	1,621,330
Other short-term assets	-	-	262,578	262,578
Other short-term liabilities	(196,878)	-	-	(196,878)
Operations liability	(34,259)	-	-	(34,259)
Loan from the owner	(1,265,201)	-	-	(1,265,201)
Total	**(1,496,338)**	-	**1,900,392**	**404,054**

For the year ended December 31, 2023 and 2022, the following transactions took place with related legal entities:

	December 31, 2023				
RSD thousand	The owner	Affiliated and associated companies of the owner	Affiliated companies	Other related legal entities	Total
General and administrative expenses	(32,950)	-	-	-	(32,950)
Financial income	-	-	351,141	-	351,141
Financial expenses	(44,217)	-	-	-	(44,217)
Total	**(77,167))**	-	**351,141**	-	**273,974**

	December 31, 2022				
RSD thousand	The owner	Affiliates and associated companies of the owner	Affiliated companies	Other related legal entities	Total
General and administrative expenses	(30,979)	-	-	-	(30,979)
Financial income	-	-	94,991	-	94,991
Financial expenses	(44,468)	-	-	-	(44,468)
Total	**(75,446)**	-	**94,991**	-	**19,544**

22. Related Party Transactions (continued)

Compensation of key management

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

23. Tax risk

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

24. Events after the balance sheet date

There were no events occurring after the balance sheet date that could require the correction of the financial statements as at December 31, 2023, nor disclosure in the Notes to the Company's financial statements.

Legal representative:

Tiziano Giovannetti
General Manager

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Person responsible for drafting individual financial statements:

Biljana Bogdanov
Accountant

Biljana Bogdanov

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

INDEPENDENT AUDITORS' REPORT

TO SHAREHOLDERS OF FINTEL ENERGIJA AD, BEOGRAD

Opinion

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

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

Basis for Opinion

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

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

Key audit matters

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

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

Key audit matter	How we addressed the key audit matter
Recoverability of long-term loans given to related parties.	
The gross balance of long-term loans given to related parties' as of 31 December 2023 amounted to RSD 1,480,020 thousand and corresponding accrued interest on such loans amounted to RSD 233,748 thousand. Long-term loans given to related parties comprise 83% of the Company's total assets. The assessment of the impairment of loans given to related parties' requires significant management judgment in assessing the related parties' ability to pay, which in turn impacts the recoverability of the majority of the Company's assets.	Our audit procedures included considering the appropriateness of accounting policies,evaluation of the loan impairment methodologies at the financial statement level, and their comparison to the requirements of IFRS 9, Financial Instruments and **the Accounting Law and other accounting regulations in the Republic of Serbia.** We inspected relevant contracts with the related parties and assessed their creditworthiness with reference to available information, where applicable.
In assessing the recoverability of long-term loans given to related parties, management exercised significant judgements to evaluate the collectability from individual related parties, after considering their financial position and expected future results and cash flows.	We evaluated management's process for identifying impairment indicators, based on IFRS 9, *Financial instruments* and **the Accounting Law and other accounting regulations in the Republic of Serbia.** and related parties' specific factors, if any.
Considering materiality of the amounts involved, as well as the fact that this area requires a significant level of management judgement, recoverability of loans given to related parties was determined to be a key audit matter in our audit of the Company's financial statements.	We assessed the appropriateness of disclosures in relation to long-term loans given to related parties' included in the Note 9 of the accompanying financial statements prepared in accordance with **the Accounting Law and other accounting regulations in the Republic of Serbia.** and IFRS 9, Financial Instruments.

Other matter

The financial statements of the Company for the year ended on 31 December 2022 were audited by another auditor who expressed unmodified opinion on those statements as of 21 April 2023.

The accompanying financial statements represent the Company's separate financial statements. Consolidated financial statements of the Group of which the Company is a parent, and which reflect the Group's overall financial position as at 31 December 2023, will be issued separately.

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

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Belgrade, 30 April 2024

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

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

STAND-ALONE BALANCE SHEET
In RSD thousand

Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	ASSETS				
00	**A. SUBSCRIBED AND UNPAID CAPITAL**	0001			
	B. NON-CURRENT ASSETS (0003 + 0009 + 0018 + 0028)	0002		**1.496.034**	**1.637.344**
01	**I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)**	**0003**		**-**	**-**
010	1. Development investments	0004			-
011, 012 and 014	2. Concessions, patents, licenses, trademarks, software and other intangible assets	0005			-
013	3. Goodwill	0006			-
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007			-
017	5. Advances for intangible assets	0008			-
02	**II. PROPERTY, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)**	**0009**		**0**	**0**
020, 021 and 022	1. Land and buildings	0010			
023	2. Machinery and equipment	0011			
024	3. Investment property	0012			
025 and 027	4.Property, plant and equipment leased and property, plant and equipment under construction	0013			
026 and 028	5. Other property, plant and equipment and investing in third-party property, plant and equipment	0014			-
029 (part)	6. Advances for property, plant and equipment in the country	0015			-
029 (part)	7.Advances for property, plant and equipment foreign	0016			-
03	**III. BIOLOGICAL ASSETS**	**0017**		**-**	**-**
04 and 05	**IV. LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)**	**0018**		**1.496.034**	**1.637.344**
040 (part), 041(part) and 042 (part)	1. Equity investments in legal entities (excluding equity investments valued using the equity method)	0019		**16.014**	**16.014**
040 (part), 041(part) and 042 (part)	2. Equity investments that are valued using the equity method	0020			-
043, 050 (part) and 051 (part)	3.Long-term investments to parent companies, to subsidiaries and to other associated companies in the country	0021		**1.480.020**	**1.621.330**
044, 050 (part) and 051 (part)	4.Long-term investments to parent companies, to subsidiaries and to other associated companies abroad	0022			-
045 (part) i 053 (part)	5. Long-term investments (loans and credits) in the country	0023			-
045 (part) i 053 (part)	6. Long-term investments (loans and credits) abroad	0024			-
046	7. Long-term financial investments (securities valued at amortized cost)	0025			-
047	8. Own shares purchased	0026			-
048, 052, 054, 055 i 056	9. Other long-term investments and receivables	0027			
28 (part) except 288	V. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0028			
288	**C. DEFERRED TAX ASSETS**	0029			

STAND-ALONE BALANCE SHEET
In RSD thousand

Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		**550.926**	**299.556**
Class 1, except group of account 14	**I.INVENTORIES (0032+0033+0034+0035+0036)**	**0031**		**13.455**	**581**
10	1. Materials, spare parts, tools and supplies	0032			
11 and 12	2. Work in progress and unfinished services	0033			
13	3. Goods	0034			
150, 152 and 154	5. Advances paid to suppliers for stock and services in country	0035		1.375	497
151, 153 and 155	6. Advances paid to suppliers for stock and services - abroad	0036		12.080	84
14	**II. FIXED ASSETS HELD FOR SALE AND CESSATION OF OPERATIONS**	**0037**		-	-
20	**III. RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)**	**0038**		**454**	**267**
204	1. Trade receivables - domestic	0039			
205	2. Trade receivables - foreign	0040			
200 and 202	3. Trade receivables domestic - parent companies, subsidiaries and other related parties	0041		454	267
201 and 203	4. Trade receivables foreign - parent companies, subsidiaries and other related parties	0042			
206	5. Other trade receivables	0043			
21, 22 and 27	**IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)**	**0044**		**295.000**	**14.909**
21, 22 except 223 and 224 and 27	1. Other receivables	0045		290.766	10.675
223	2. Receivables for prepaid CIT	0046		4.224	4.224
224	3. Receivables for prepaid other taxes & contributions	0047		10	10
23	**V. SHORT- TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)**	**0048**		**14**	**16.498**
230	1. Short-term loans and investments - parent and subsidiaries	0049			16.484
231	2. Short-term loans and investments - other related parties	0050			-
232, 234 (part)	3. Short-term loans, borrowings and investments - domestic	0051			-
233, 234 (part)	4. Short-term loans, borrowings and investments - foreign	0052			-
235	5. Securities valued at amortized cost	0053			-
236 (part)	6. Financial instrument valued at fair value	0054			-
237	7. Bought up own shares	0055			-
236 (part), 238 and 239	8. Other Short-term financial investments	0056		14	14
24	**VI. CASH AND CASH EQUIVALENTS**	**0057**		**8.220**	**4.723**
28 (part) except 288	**VII. SHORT-TERM ACCRUALS**	**0058**		**233.783**	**262.578**
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 0029+0030)	0059		**2.046.960**	**1.936.900**
88	**F. OFF-BALANCE SHEET ASSETS**	0060			

STAND-ALONE BALANCE SHEET					
In RSD thousand					
Group of accounts, account	POSITION	AOP	Note	31 December 2023	31 December 2022
	EQUITY AND LIABILITIES				
	A. EQUITY (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		**689.282**	**439.302**
30 except 306	I. SHARE CAPITAL	0402		4.057	4.057
31	II. SUBSCRIBED CAPITAL UNPAID	0403			
306	III. SHARE ISSUING PREMIUMS	0404		681.237	681.237
32	IV. RESERVES	0405			
330 and credit balance of account 331, 332, 333, 334, 335 336 and 337	**V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0406**		**-**	**0**
debit balance of account 331,332,333,334, 335,336 and 337	**VI. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS**	**0407**			
34	**VII. UNDISTRIBUTED PROFIT (0409 + 0410)**	**0408**		**249.981**	**9.285**
340	1. Retained profit from previous years	0409			1.659
341	2. Retained profit from current year	0410		249.981	**7.626**
	VIII. PARTICIPATION WITHOUT CONTROL RIGHTS	**0411**			
35	**IX. LOSSES (0413 + 0414)**	**0412**		**245.993**	**255.277**
350	1. Losses of previous years	0413		245.993	255.277
351	2. Losses of current year	0414			
	B. LONG-TERM LIABILITIES AND PROVISIONS (0416+0420+0428)	0415		**1.073.633**	**-**
40	**I. LONG-TERM PROVISIONS (0417++0418+0419)**	**0416**		-	-
404	1. Provisions for employees benefits	0417			
400	2. Provisions for costs in warranty period	0418		-	-
40 except 400 and 404	3. Other long-term provisions	0419		-	-
41	**II. LONGTERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)**	**0420**		**1.073.633**	-
410	1. Liabilities which can be converted into capital	0421			
411 (part) and 412 (part)	2. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - domestic	0422			
411 (part) and 412 (part)	3. Long-term loans and other liabilities to parent companies, subsidiaries and other related parties - foreign	0423		1.073.633	
414 and 416 (part)	4. Long-term loans, borrowings and liabilities based on leasing - foreign	0424			
415 and 416 (part)	5. Long-term loans, borrowings and liabilities based on leasing - foreign	0425			
413	6. Liabilities for long-term securities	0426			
419	7. Other longterm liabilities	0427			

STAND-ALONE BALANCE SHEET In RSD thousand					
Group of accounts, account	**POSITION**	**AOP**	**Note**	**31 December 2023**	**31 December 2022**
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUALS	0428		-	-
498	**C. DEFERRED TAX LIABILITIES**	0429			
495 (part)	**D. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED**	0430		-	-
	E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		**284.045**	**1.497.598**
467	I. SHORT TERM PROVISIONS	0432		-	-
42 except 427	**II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)**	**0433**		**13.759**	**1.265.201**
420 (part) and 421 (part)	1. Short-term loans from parent companies, subsidiaries and other related parties - domestic	0434		-	-
420 (part) and 421 (part)	2. Short-term loans from parent companies, subsidiaries and other related parties - foreign	0435		13.759	1.265.201
422 (part), 424(part), 425 (part) and 429 (part)	3. Liabilities based on loans and borrowings from entities other than domestic banks	0436			
422 (part), 424(part), 425 (part) and 429 (part)	4. Liabilities based on loans and borrowings from foreign banks	0437		-	
423, 424 (part), 425 (part) and 429 (part)	5. Loans, borrowings and liabilities from abroad	0438		-	-
426	6. Liabilities for short-term securities	0439		-	-
428	7. Liabilities based on financial derivatives	0440		-	-
430	**III. RECEIVED ADVANCES, DEPOSITS AND GUARANTEES**	**0441**			
43 except 430	**IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)**	**0442**		**34.211**	**35.508**
431 and 433	1. Trade payables - parent companies, subsidiaries and other related parties - domestic	0443			
432 and 434	2. Trade payables - parent companies, subsidiaries and other related parties - foreign	0444		32.950	34.259
435	3. Trade payables - domestic	0445		1.261	1.249
436	4. Trade payables - foreign	0446			
439 (part)	5. Obligations under bills of exchange	0447			
439 (part)	6. Other business liabilities	0448			
44, 45, 46 except 467, 47 and 48	**V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)**	**0449**		**20**	**11**
44, 45 and 46 except 467	1. Other short term liabilities	0450		20	11
47, 48 except 481	2. Liabilities for VAT and other public revenues	0451			
481	3. Liabilities for income tax	0452			
427	**VI. LIABILITES FOR FIXED ASSETS AND ASSETS OF DISCOUNTING OPERATIONS HELD FOR SALE**	**0453**		-	-
49 except 498	**VII. SHORT-TERM ACCRUALS**	**0454**		**236.055**	**196.878**
	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		**2.046.960**	**1.936.900**
89	**H. OFF-BALANCE SHEET LIABILITIES**	0457			

Belgrade
30.4.2024

Legal representive

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

INCOME STATEMENT

- RSD thousand -

Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005+1008+1009-1010+1011+1012)	1001		**1.786**	**223**
60	I. REVENUES OF SOLD GOODS (1003 + 1004)	1002		-	-
600, 602 and 604	1. Income from the sale of goods - domestic market	1003		-	-
601, 603 and 605	2. Income from the sale of goods - foreign market	1004		-	-
61	II. REVENUES OF SOLD PRODUCTS AND SERVICES (1006+1007)	1005		**1.786**	**223**
610, 612 and 614	1. Income from the sale of products and services - domestic market	1006		1.786	223
611, 613 and 615	2. Income from the sale of products and services - foreign market	1007			
62	III. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1008			
630	IV. INCREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1009			
631	V. DECREASE OF STOCK VALUE FOR WORK IN PROGRESS AND FINISHED GOODS	1010			
64 and 65	VI. OTHER OPERATING INCOME	1011			
68, except 683, 685 and 686	VII. INCOME FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1012			
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		**49.677**	**42.190**
50	I. COST OF GOODS SOLD	1014			
51	II. COST OF MATERIALS, FUEL AND ENERGY	1015		20	34
52	III. COST OF SALARIES, WAGES AND OTHER PERSONNEL EXPENSES (1017+1018+1019)	1016		**8.600**	**5.602**
520	1. Cost of salary and compensation of salary (gross employee)	1017		6.603	3.346
521	2. Costs of taxes and contributions on salaries and compensation of salaries (employer)	1018		1.001	540
52 except 520 and 521	3. Other personal expenses and remunerations	1019		996	1.716
540	IV. DEPRECIATION EXPENSES	1020			8
58 except 583, 585 and 586	V. EXPENSES FROM ASSETS ADJUSTMENTS (EXCEPT FINANCIAL)	1021			
53	VIII. COSTS OF PRODUCTION SERVICES	1022		645	485
54 except 540	X. COSTS OF LONG-TERM PROVISIONS	1023			
55	XI. INTANGIBLE EXPENSES	1024		40.412	36.061
	C. OPERATING PROFIT (1001 - 1013) ≥ 0	1025		-	-
	D. OPERETAING LOSS (1013 - 1001) ≥ 0	1026		**47.891**	**41.967**
	E. FINANCIAL REVENUE (1028+1029+1030+1031)	1027		**351.180**	**98.692**
660 and 661	I. FINANCIAL INCOME INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1028		351.141	94.991
662	II. INCOME FROM INTEREST	1029			
663 and 664	III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	1030		39	3.701
665 and 669	IV. OTHER FINANCIAL INCOME	1031			

INCOME STATEMENT					
					- RSD thousand -
Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		**44.477**	**49.105**
560 and 561	I. FINANCIAL EXPENSES INCURRED WITH PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033		44.217	44.468
562	II.COSTS OF INTEREST	1034		114	40
563 and 564	III. FX LOSSES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	1035		146	4.597
566 and 569	IV. OTHER FINANCIAL COSTS	1036			
	G. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		**306.703**	**49.587**
	H. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		**-**	**-**
683, 685 and 686	**I. INCOME FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1039		**-**	**-**
583, 585 and 586	**J. COSTS FROM VALUATION ADJUSTMENT OF FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH P&L**	1040		**7.149**	**-**
67	**K. OTHER INCOME**	1041			**6**
57	**L. OTHER COSTS**	1042			
	M. TOTAL INCOME (1001+1027+1039+1041)	1043		**352.966**	**98.921**
	N. TOTAL COSTS (1013+1032+1040+1042)	1044		**101.303**	**91.295**
	O. OPERATING PROFIT BEFORE TAX (1043-1044) ≥ 0	1045		**251.663**	**7.626**
	P. OPERATING LOSS BEFORE TAX (11044-1043) ≥ 0	1046		**-**	**-**
69-59	**Q. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1047		**-**	**-**
59-69	**R. NET LOSS FROM DISCONTINUED OPERATIONS, LOSS CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD**	1048		**1.681**	**-**
	S. PROFIT BEFORE TAX (1045-1046+1047-1048)≥ 0	1049		**249.982**	**7.626**
	T. LOSS BEFORE TAX (1046-1045+1048-1047)≥ 0	1050		**-**	**-**
	U. INCOME TAXES				
721	I. TAX EXPENSES FROM THE PERIOD	1051			
722 debit balance	II. DEFERRED TAX EXPENSE	1052			
722 credit balance	III. DEFERRED TAX INCOME	1053			
723	**V. EARNINGS OF EMPLOYER**	1054		**-**	**-**
	W. NET PROFIT (1049-1050-1051-1052+1053-1054)≥ 0	1055		**249.982**	**7.626**
	X. NET LOSS (1050-1049+1051+1052-1053+1054)≥ 0	1056		**-**	**-**
	I. NET PROFIT BELONGING TO PARTICIPATION WITHOUT CONTROLLING RIGHTS	1057			
	II NET PROFIT BELONGING TO PARENT COMPANY	1058		**249.982**	**7.626**
	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		**9**	**-**
	2. Reduced (diluted) earnings per share	1062		**9**	**-**

Belgrade
30.4.2024

Legal representive

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

STATEMENT OF OTHER COMPREHENSIVE INCOME

- RSD thousand -

Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET PROFIT/(LOSS)				
	I. PROFIT, NET (AOP 1055)	2001		249.982	7.626
	II. LOSS, NET (AOP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to profit or loss				
330	1. Changes in the revaluation of intangible assets, property, plant and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004			
331	2. Actuarial gains (losses) of post employment benefit obligations				
	a) gains	2005			
	b) losses	2006			
333	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				
332	1. Gains or losses on investments in equity instruments				
	a) gains	2009			
	b) losses	2010			
334	1. Gains or losses on the translation of financial statements of foreign operations				
	a) gains	2011			
	b) losses	2012			
335	2. Gains or losses on hedging instruments of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses on cash flow hedges				
	a) gains	2015		-	
	b) losses	2016			
337	4. Gains or losses on securities that are measured at fair value through other comprehensive income				
	a) gains	2017			
	b) losses	2018			
	I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		-	-
	II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		-	-
	III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021		-	
	IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		-	-
	IV. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023		-	-
	V. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		-	-
	C. TOTAL NET COMPREHENSIVE PROFIT				
	I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		249.982	7.626
	II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026		-	-
	D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027		-	-
	1. Attributable to shareholders	2028		-	-
	2. Attributable to non-controling interest	2029		-	-

Belgrade
30.4.2024

Legal representative

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

STATEMENT OF CHANGES IN EQUITY

- RSD thousand -

Position	Description	AOP	Share capital (group 30 without 306 and 309)	AOP	Other share capital (account 309)	AOP	Subscribed but unpaid capital (group 31)	AOP	Share premium and reserves (account 306 and group 32)	AOP	Revaluation reserves and unrealized gains and losses (group 33)
			2		3		4		5		6
1	Balance as at 01.01.2022	4001	4.057	4010		4019	-	4028	681.237	4037	
2	Adjustments of material errors and changes in accounting policies	4002	-	4011	-	4020	-	4029	-	4038	-
3	Restated opening balance as at 01.01.2022 (1+2)	4003	4.057	4012	-	4021	-	4030	681.237	4039	-
4	Net changes in 2022	4004	-	4013		4022	-	4031	-	4040	
5	Balance as at 31.12.2022 (3+4)	4005	4.057	4014		4023	-	4032	681.237	4041	-
6	Adjustments of material errors and changes in accounting policies	4006	-	4015		4024	-	4033	-	4042	-
7	Restated opening balance as at 01.01. 2023 (5+6)	4007	4.057	4016		4025	-	4034	681.237	4043	-
8	Net changes in 2023	4008	-	4017		4026	-	4035	-	4044	- 0
9	Balance as at 31.12.2023 (7+8)	4009	4.057	4018		4027	-	4036	681.237	4045	- 0

Position	Description	AOP	Retained earnings (group 34)	AOP	Loss (group 35)	AOP	Non-controlling interest	AOP	Total (corresponds to the position of AOP 0401) (col.2+3+4+5+6+7-8+9) ≥ 0	AOP	LOSS EXCEEDING EQUITY (corresponds to the position of AOP 0455) (col.2+3+4+5+6+7-8+9)‹0
			7		8		9		10		11
1	Balance as at 01.01.2022	4046	1.659	4055	255.277	4064		4073	431.676	4082	
2	Adjustments of material errors and changes in accounting policies	4047	-	4056	-	4065	-	4074	-	4083	
3	Restated opening balance as at 01.01.2022 (1+2)	4048	1.659	4057	255.277	4066	-	4075	431.676	4084	
4	Net changes in 2022	4049	7.626	4058		4067		4076	7.626	4085	
5	Balance as at 31.12.2022 (3+4)	4050	9.285	4059	255.277	4068	-	4077	439.302	4086	
6	Adjustments of material errors and changes in accounting policies	4051	-	4060	-	4069	-	4078	-	4087	
7	Restated opening balance as at 01.01. 2023 (5+6)	4052	9.285	4061	255.277	4070	-	4079	439.302	4088	
8	Net changes in 2023	4053	240.696	4062	- 9.284	4071	-	4080		4089	
9	Balance as at 31.12.2023 (7+8)	4054	249.981	4063	245.993	4072	-	4081	689.282	4090	

Belgrade
30.4.2024

Legal representative

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

STATEMENT OF CASH FLOWS

- RSD thousand -

POSITION	AOP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES I. Cash inflow from operating activities (1-4)	3001	55.274	-
1. Sales and advances received in the country	3002	1.956	
2. Sales and advances received abroad	3003		
3. Interest from operating activities	3004	53.318	
4. Other inflow from operating activities	3005		
II. Cash outflow from operating activities (1 до 8)	3006	50.400	11.096
1. Payments and prepayments to suppliers in the country	3007	7.387	5.878
2.Payments and prepayments to suppliers abroad	3008	34.259	42
3. Salaries, benefits and other personal expenses	3009	8.360	5.096
4. Interest paid in the country	3010	114	40
5.Interest paid abroad	3011		
6. Income tax paid	3012		
7. Payments for other public revenues	3013	280	40
8. Other outflows from operating activities	3014		
III. Net cash inflow from operating activities (I - II)	3015	4.874	-
IV. Net cash outflow from operating activities (II - I)	3016	-	11.096
B. CASH FLOWS FROM INVESTING ACTIVITIES I.Cash flows from investing activities (1 до 5)	3017	128.895	60.710
1. Sale of shares	3018	-	-
2. Proceeds from sale of intangible assets, property, plant and equipment and and biological assets	3019	-	-
3. Other financial investments	3020	95.590	9.412
4. Interest from investing activities	3021		
5. Dividend received	3022	33.305	51.298
II. Cash outflow from investing activities (1 до 3)	3023	35.990	49.274
1. Acquisition of subsidiaries or other business	3024		
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025		
3. Other financial investments	3026	35.990	49.274
III. Net cash inflow from investing activities (I - II)	3027	92.905	11.436
IV. Net cash outflow from investing activities (II - I)	3028	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES I. Cash inflow from financing activities (1 до 7)	3029	-	-
1. Increase in share capital	3030		
2. Long-term borrowings in the country	3031		
3. Long-term borrowings abroad	3032		
4. Short-term borrowings in the country	3033		
5. Short-term borrowings abroad	3034	-	-
6. Other long-term liabilities	3035	-	-
7. Other short-term liabilities	3036	-	-
II. Cash outflow from financing activities (1 до 8)	3037	94.175	-
1. Purchase of own shares	3038		
2. Long-term borrowings in the country	3039		
3. Long-term borrowings in abroad	3040		
4. Short-term borrowings in the country	3041		
5. Short-term borrowings country abroad	3042	94.175	
6. Other liabilities	3043		
7. Financial lease	3044		
8. Dividend distribution	3045		
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	94.175	-
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	184.169	60.710
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	180.565	60.370
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	3.604	340
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	-	-
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE	3052	4.723	4.383
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3053	10	-
J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS	3054	117	-
K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (3050-3051+3052+3053-3054)	3055	8.220	4.723

Belgrade
30.4.2024

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ... ENERGIJE
FINTEL ENERGIJA AD
BEOGRAD

Legal representive

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

1. General information

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

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

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

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

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

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

The submitted individual financial statements for the period ended on December 31, 2023 were approved for issuance by the Company's directors on April 30, 2024.

On December 31, 2023, the Company had 14 employees (2022: 14 employees).

2. Overview of significant accounting policies

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

2.1 Basis for drafting and presentation of individual financial statements

The company keeps records and prepares financial reports pursuant to the Accounting Act of th Republic of Serbia ("Official Gazette of the RS", No. 73/2019 I 44/2021) and other legislation in effect in the Republic of Serbia.

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

International financial reporting standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as well as interpretations of standards issued by the Interpretation Committee accounting standards but do not include bases for conclusions, illustrative examples, instructions for application, comments, separate opinions as well as other auxiliary materials except in cases where they are explicitly included as an integral part of the standards or interpretations.

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

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

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

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

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

2. Overview of significant accounting policies (continued)

2.1 Basis for drafting and presentation of individual financial statements (continued)

The attached financial statements represent individual financial statements that include receivables, liabilities, operating results, changes in other comprehensive income, changes in equity and cash flows of the Company. The company has prepared these individual financial statements in accordance with the deadlines prescribed by the Accounting Act of the Republic of Serbia. The Company also prepares consolidated financial statements for the Company and its related parties (the Group) with a prescribed deadline of April 30, 2024. Users of these financial statements should read them together with the consolidated financial statements of the Group as at and for the year which ended on December 31, 2023, in order to obtain complete information about the financial position, results of operations and changes in the financial position of the Group as a whole. The method of recognition of equity investments in affiliates is displayed in note 3, and details of investments in affiliates are displayd in note 8.

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

2.2 Accounting basis

These financial statements have been prepared in accordance with the historical cost principle, unless the application of fair value is specifically indicated. The financial statements are presented in dinars of the Republic of Serbia ("RSD"), which is also the functional currency of the Company, and all numerical values are presented in thousand of dinars (RSD'000), unless otherwise stated. The basic accounting policies applied for the preparation of these financial statements are disclosed in Note 2.4.

Financial statements for the year ended December 31, 2022 represent the comparative data.

The financial statements have been prepared in accordance with the going concern concept, which implies that the Company will continue to operate indefinitely in the foreseeable future. In order to determine the justification of this assumption, the management analyzes plans for future cash inflows. Based on the aforementioned analyses, the management believes that the Company is capable of continuing its business activities in accordance with the principle of continuity of operations and that this principle should be applied in the preparation of these financial statements.

2.3 Conversion of foreign currencies

Functional and display currency

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

2. Overview of significant accounting policies (continued)

2.3 Foreign Currency Conversion (continued)

Transactions and balances

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

2.4 Significant accounting policies

Property, plant and equipment

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

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Property, plant and equipment (continued)

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

	Number of years
Construction objects	40
Equipment	3-20

Impairment of property

On the date of preparing the financial statements, an assessment is made of the existence of any indications of impairment of the value of tangible assets. The assets of the Company are stated at a value that does not exceed the recoverable amount. If there is an indication that, for the specified asset, there is impairment, the recoverable amount of that asset is estimated in order to determine the amount of impairment. The book value is reduced to the recoverable amount, and the difference is recognized as an expense (loss due to impairment of assets) charged to the income statement in the period in which the impairment occurred. An impairment loss is reversed if the circumstances that affected the impairment have changed.

Leasing

IFRS 16 defines new or amended requirements related to lease accounting, introducing significant changes to the lessee's (lessee's) accounting by removing the distinction between finance and operating leases and requiring the recognition of an asset representing the right to use the leased item and the lease liability at the inception date leases for all leasing contracts, except for short-term leases and those leases where the value of the lease is small.
When applying IFRS 16 to leases, the Company recognizes assets that represent right-of-use and lease obligations in the balance sheet, which are initially measured at the present value of future lease payments, and recognizes depreciation costs of assets that are right-of-use and interest expense on lease obligations in the income statement.
Leasing previously classified as a financial lease - In the case of leasing contracts that are classified as a financial lease in accordance with IAS 17, the book value of the leased item on the one hand and the liabilities based on the financial lease on the other hand, determined by the application of IAS 17 immediately before the date of initial application of the new standards are reclassified to the value of assets representing the right of use, i.e., the value of liabilities based on leasing without any corrections.

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Leasing (continued)

Valuation

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

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

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

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

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

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

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

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

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

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

Company as lessor

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Leasing (continued)

Right to use funds

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

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

Liabilities based on leasing

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

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

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

Short-term leases and leases of low-value assets

The Company applies an exemption from short-term lease recognition for its short-term leases of machinery and equipment (ie, those leases that have a term of less than 12 months from the inception date and do not include a purchase option). Leasing payments for short-term leases and leases of low-value assets are recognized as an expense, proportionately over the lease term.

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Leasing (continued)

The company as lessor

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

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

The company as the beneficiary of the lease

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

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

Financial instruments

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

Business model assessment

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Financial instruments (continued)

Cessation of recognition of financial assets and financial liabilities

The Company ceases to recognize a financial asset when the contractual rights to cash flows from the financial asset cease to be valid or when it transfers all rights to the inflows of contractually defined cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset.

Each share in such a financial asset created or held by the Company is recognized as a separate asset or liability.

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

Impairment of financial assets

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

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

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

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

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

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Financial instruments (continued)

Long-term investments

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

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

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

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

Cash and cash equivalents

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

Financial liabilities

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

Operations liability

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Provisions

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

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

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

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

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

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

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

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Revenue recognition

The company operates as a holding company and performs management and financing activities

Revenues based on contracts with customers are recognized when control over the expected products is transferred to the customer, i.e., when the service is performed, in an amount that reflects the compensation to which the Company expects to be entitled in exchange for the related products/goods or service.

Revenues from the provision of services are recognized in the accounting period in which the service was provided and are reported at the invoice value minus the approved discounts.

Contracts with customers define the key commercial terms on the basis of which customers issue their purchase orders. From the point of view of revenue recognition, the contract is viewed as a combination of the basic contract with customers and issued purchase orders.

Specifically, the revenue recognition process includes the following 5 steps:

- Step 1: Identify the contract(s) with the customer;
- Step 2: Determine performance obligations from the contract;
- Step 3: Determine the transaction price;
- Step 4: Distribute the transaction price to the performance obligations from the contract; and
- Step 5: Recognize revenue when the entity fulfills (or while fulfilling) the performance obligation.

The company recognizes income when the performance obligation is fulfilled (or during the fulfillment of that obligation), i.e., when 'control' over the goods or services underlying the specific obligation is transferred to the customer

Financial income and expenses

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

Financial expenses that can be directly attributed to the acquisition, construction or production of a qualified asset are capitalized as part of the asset's purchase price, starting from the date the Company incurs the financial expenses until the date the financed asset is ready for use.

Dividends

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies(continued)

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to the Company's shareholders by the weighted average number of ordinary shares in circulation for the period.

Business expenses

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

Other expenses

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

Employee benefits

a) Taxes and contributions to employee social security funds

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

b) Obligations based on severance pay

Pursuant to the provisions of the Labour Act, the company is under the obligation to pay the employee upon retirement a severance pay equal to three average wages in the Republic of Serbia, determined according to the last published data of the republican authority responsible for statistics.

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

2. Overview of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

Income tax

Current income tax

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

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

Deferred income tax

Deferred income tax is determined using the method of determining liabilities according to the balance sheet, for temporary differences resulting from the difference between the tax base of receivables and liabilities and their book value. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses and credits, which can be carried forward to subsequent fiscal periods, to the extent that it is probable that taxable profit will exist against which the deferred tax assets can be utilised. Deferred tax assets and liabilities are calculated at the tax rate that is expected to be applied in the period when the asset will be realized or the liability will be settled. As at December 31, 2023, deferred tax assets and liabilities were calculated at a rate of 15% (December 31, 2022: 15%)

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

Transactions with related entities

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

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

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

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

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

3. Estimates and assumptions

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

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

Decrease in the value of participation in the capital of affiliates

Investments in affiliates are tested for impairment, which, when there are indications that it is difficult to recover the net book value, should be recognized as impairment. Checking the existence of the mentioned indicators requires subjective assessments by the management, based on information available to the Company, information on the market and based on past experience. If it is determined that a potential impairment may occur, the Company's management uses the valuation technique to calculate the amount of the potential impairment. The exact identification of indicators of potential impairment, as well as the calculation of estimates for its determination, depends on factors that can change over time and that can affect the assumptions and estimates made by the management.

Based on the assessments made by the Company's management, there are no indicators of impairment of the share in the capital.

Provisions

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

4. Financial risk management

Coordination and monitoring of key financial risks is carried out by the owner's central treasury department, which provides guidelines for the management of various types of risks and for the use of financial instruments. The main characteristics of the Company's risk management policies are:

- central determination of operational risk management guidelines related to market, liquidity and cash flow risks;
- monitoring of achieved results;
- diversification of assumed liabilities / liabilities and product portfolio.

Credit risk

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

The Company's maximum exposure to credit risk as at December 31, 2023 and 2022 is the book value of each asset class as indicated in the following table:

RSD '000	**December 31, 2023**	**December 31, 2022**
Other receivables	295,000	14,909
Long-term receivables and investments	1,480,020	1,621,330
Short-term receivables and investments	14	16,484
Prepayments and deferred expenses	233,783	262,578
TOTAL	**2,008,816**	**1,915,301**

Other receivables mostly refer to claims for dividends from affiliated legal entities, receivables for contractual and default interest from other related parties and total claims for previous VAT in the tax period.

Accruals consist of interest claims based on loans granted to affiliated legal entities (MK Fintel Wind ad., MK Fintel Wind Holding doo, VP Lipar doo, VP Lipar 2 doo, Project Torak doo, Fintel Energija Development doo...), while long-term receivables and investments refer to loans given to affiliated legal entities (MK Fintel Wind ad, MK Fintel Wind Holding doo, MK Fintel Wind Development doo, VP Lipar doo, VP Lipar 2 doo, Project Torak doo, Fintel Energija Development doo and others). Short-term receivables and investments refer to loans given to affiliated legal entities, with the fact that in 2023 annexes to the contract were signed, which transferred short-term receivables to long-term ones.

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

4. Financial risk management (continued)

Liquidity risk

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

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

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

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

RSD thousand	December 31, 2023			
	Less than a year	**1-2 years**	**2-5 years**	**Over 5 years**
Financial liabilities to shareholders	13,759		1,073,633	
Liabilities for loans to banks	-			
Accounts payable	34.,11			
Other liabilities	236,075			
In total	**284,045**		**1,073,633**	

RSD thousand	December 31, 2022			
	Less than a year	**1-2 years**	**2-5 years**	**Over 5 years**
Financial liabilities to shareholders	1,265,201			
Liabilities for loans to banks	-			
Accounts payable	35,508			
Other liabilities	196,889			
In total	**1,497,598**			

4. Financial risk management (continued)

Market risk

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

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

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

Risk of exchange rate fluctuations

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

By performing an accounting sensitivity analysis on December 31, 2023, if the currency had strengthened/weakened by 5% compared to the EUR and all other variables had remained constant, the result after taxation would have amounted to RSD 46,214 thousand (2022: RSD 53,771 thousand) more / less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR.

Risk of interest rate fluctuations

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

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

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

Capital management risk

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

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

4. Financial risk management (continued)

Market Risk (continued)

Financial risk management (continued)

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

RSD thousand	**31.12.2023**	**31.12.2022**
Long-term financial liabilities:		
- Bank loans	-	-
Short-term financial liabilities:		
- Financial obligations to shareholders	1,087,392	1,265,201
Cash and cash equivalents	(8,220)	(4,723)
Net Debt (A)	**1,079,172**	**1,260,478**
Capital (B)	**689,282**	**439,302**
Net capital employed (C=A+B)	**1,768,454**	**1,669,780**
Indebtedness ratio (A/C)	***61.0%***	***74.2%***

5. Financial assets and liabilities by class

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

	December 31, 2023				
RSD thousand	Depreciated cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedge accounting	Total
Funding	1,480,020	-	-	-	1,480,020
Receivables from affiliated legal entities	454	-	-	-	454
Other short-term assets	528,797	-	-	-	528,797
Cash and cash equivalents	8,220	-	-	-	8,220
Total	**2,017,491**	-	-	-	**2,017,491**
Loans		-	-	-	
Financial obligations towards the parent legal entity	1,087,392	-	-	-	1,087,392
Operations liabilities	34.211	-	-	-	34.211
Other short-term liabilities	236,075	-	-	-	236,075
Total	**1,357,678**	-	-	-	**1,357,678**

5. Financial assets and liabilities by class (continued)

	December 31, 2022				
RSD thousand	Adepreciated cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedge accounting	In total
Funding	1,637,814	-	-	-	1,637,814
Receivables from dependent legal entities	267	-	-	-	267
Other short-term assets	277,501	-	-	-	277,501
Cash and cash equivalents	4,723	-	-	-	4,723
In total	**1,920,305**	-	-	-	**1,920,305**
Loans	-	-	-	-	-
Financial obligations towards the parent legal entity	1,265,201	-	-	-	1,265,201
Operations liability	35,508	-	-	-	35,508
Other short-term liabilities	196,889	-	-	-	196,889
In total	**1,497,598**	-	-	-	**1,497,598**

6. IFRS 8: segment information

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

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

a) Guarantees issued

No guarantees were issued.

a) Other

There were no other potential liabilities of the Company.

8. Shares in the equity of affiliated legal entities

Direct investments in related companies are presented below:

- RSD 16,009 thousand refers to 54% ownership in MK-Fintel Wind AD (RSD 16,009 thousand as at December 31, 2022).
- RSD 5 thousand refers to 54% ownership in MK-Fintel Wind Holding Doo (RSD 5 thousand as at December 31, 2022).
- RSD 200 for 100% ownership in Fintel Energija Development Doo (RSD 200 on December 31, 2022).

In 2023, the Company, as the parent legal entity of the business group, had a share in the equity of the following affiliated legal entities:

Name	Share capital (RSD '000)	Head office	31/12/2023% down payment	31/12/2022% down payment	
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Directly
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Directly
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Kula doo	314,032	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Torak doo	240	Belgrade (Serbia)	54%	54%	Indirectly
Fintel Energy Dev. doo	0	Belgrade (Serbia)	100%	100%	Directly
MK-Fintel Wind Dev. doo	0	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Fintel Energija Dev. Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Vetropark Torak Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Staklenik Jedan d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Dva d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Tri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Četiri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Sklenik Pet d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Šest d.o.o.	0	Belgrade (Serbia)	100%	-	Indirectly

9. Long-term loans and placements - parent and affiliated legal entities

Long-term financial liabilities - parent and affiliated legal entities amount to RSD 1,480,020 thousand (2022: RSD 1,621,330 thousand and refer to financing provided to affiliated legal entities and other related entities, as indicated in the tables below:

Loan beneficiary	Amount 31.12.2023 EUR	Amount 31.12.2023 RSD	Amount 31.12.2023 RSD	Maturity
MK Fintel Wind ad	11,226,449	1,315,444,567	1,412,777,452	2030
MK Fintel Wind Holding d.o.o.	601,400	70,468,263	70,557,691	2027
MK-Fintel Wind Development d.o.o.	43,200	5,061,904	5,068,328	2027
Maestrale Ring d.o.o.	50,000	5,858,685	75,320,981	2027
VP Lipar d.o.o.	322,000	37,729,931	30,503,824	2027
VP Lipar 2 d.o.o.	174,000	20,388,224	14,547,978	2027
Project Torak d.o.o.	67,000	7,850,638	7,860,601	2027
Fintel Energija Development d.o.o.	126,440	14,815,443	4,692,896	2027
Staklenik 1 d.o.o.	2,000	234,347	-	2027
Staklenik 2 d.o.o.	4,000	468,695	-	2027
Staklenik 3 d.o.o.	4,500	527,282	-	2027
Staklenik 4 d.o.o.	2,000	234,347	-	2027
Staklenik 5 d.o.o.	2,000	234,347	-	2027
Viafast d.o.o.	4,000	468,695	-	2027
Punware d.o.o.	2,000	234,347	-	2027
In total	**12,630,989**	**1,480,019,716**	**1,621,329,751**	

Long-term financial placements are given to dependents and other related parties. The interest rate on given placements and loans is fixed and ranges from 2.25% to 8%.

The company has no significant expected credit losses related to the mentioned placements and loans.

10. Short-term loans and placements - parent and affiliated legal entities

Short-term loans and placements - parent and affiliated legal entities, amount to RSD 0 thousand (RSD 16,484 thousand as at December 31, 2022) and refer to financing given to affiliates Lipar Doo and Maestrale Ring Doo. In 2023, the loan given to Lipar Ltd was classified as a long-term one, and the loans given to Maestrale Ring were partially repaid, while the rest of the placement was classified as long-term.

An overview of the loans granted on 31.12.2022, with maturity dates is in the following table:

Loan beneficiary	Amount 31.12.2022 EUR	Amount 31.12.2022 RSD	Maturity
VP Lipar doo	12,000	1,407,869	in 2023
VP Maestrale Ring doo	128,500	15,075,928	in 2023
Total	**140,500**	**16,483,797**	

11. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2023 and 2022 are:

RSD thousand	December 31, 2023	December 31, 2022
Current account		
- in dinars	8,180	4,683
- in foreign currency	40	40
Cash and cash equivalents	**8,220**	**4,723**

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

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

12. Other short-term assets

Other short-term assets in the amount of RSD 295,000 thousand as at December 31, 2023 (RSD 14,909 thousand as at December 31, 2022) are given in more detail in the following table:

RSD thousand	**December 31, 2023**	**December 31, 2022**
Other claims	290,766	10,675
Claims for multi-paid income tax	4.224	4.224
Receivables for prepaid other taxes and contributions	10	10
Total	**295,000**	**14,909**

Other receivables mainly refer to receivables based on dividends from dependent legal entities in the amount of RSD 266,920 thousand (2022: RSD 0)

13. Equity

Equity as at December 31, 2023 and 2022 is shown in the table below:

RSD thousand	**December 31, 2023**	**December 31, 2022**
Share capital	4,057	4,057
Issue premium	681,237	681,237
Retained earnings of the current year	-	1,659
Retained earnings from previous years	249,981	7,626
Previous year loss	(245,993)	(255,277)
Current year loss	-	-
TOTAL EQUITY	**689,282**	**439,302**

Description	**Basic capital**	**Issue premium and provisions**	**Retained earnings**	**Loss**	**Participation without the right of control**	**Total**
Balance as at January 1, 2022.	4,057	681,237	1,659	255,277	-	431,676
Effects of retroactive correction of material errors and changes in accounting policies	-	-	-	-	-	-
Corrected initial balance on 01.01.2022	4,057	681,237	1,659	255,277	-	431,676
Net changes in 2022.	-	-	7,626	-	-	
Balance as at 31.12.2022.	4,057	681,237	9,285	255,277	-	439,302
Effects of retroactive correction of material errors and changes in accounting policies	-	-		-	-	-
Corrected initial balance on 01.01. in 2023	4,057	681,237	9,285	255,277	-	439,302
Net changes in 2023.	-	-	240,696	9,284	-	249,980
Balance as at 31.12.2023.	**4,057**	**681,237**	**249,981**	**245,993**	-	**689,282**

13. Equity (continued)

Equity components and changes are given in more detail below:

Share capital

As at December 31, 2023, the paid-up registered share capital of the Company was RSD 4,057 (RSD 4,057 thousand as at December 31, 2021) thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

Issue premium

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

Retained earnings / (losses)

They consist of profits / (losses) of previous years. They also include net profit / (loss) for the current year.

14. Long-term and short-term loans from the parent and related parties

Loans from parent and related legal entities in the amount of RSD 1,087,392 thousand as at December 31, 2023 (RSD 1,265,201 thousand as at December 31, 2022), in the amount of RSD 1,073,633 thousand refer to loans of the majority shareholder Fintel Energia Group Spa. In 2023, the loans were annexed, so reclassification was carried out and the loans in the previously mentioned amount were classified as long-term. The loans are interest-bearing, the interest is from 3% to 6%.

15. Operations liability

Operations liability in the amount of RSD 34,211 thousand as at December 31, 2023 (RSD 35,508 thousand as at December 31, 2022) mostly refer to the obligation to the majority shareholder abroad.

16. Passive time allocations

Short-term accruals in the amount of RSD 236,055 thousand as at December 31, 2023 (RSD 196,878 thousand as at December 31, 2022) mainly consist of interest on loans from the parent company Fintel Energia Group SpA, in the amount of RSD 233,805 thousand.

17. Intangible costs

Intangible costs amount to RSD 40,412 thousand for the twelve-month period which ended on December 31, 2023 (RSD 36,061 thousand as at December 31, 2022) refer to accounting services and costs of services from the parent company based on a service contract in the amount of 34,820 thousand RSD (30,979 thousand RSD on December 31, 2022 - invoices issued in accordance with the contract for consulting services).

18. Financial income

Financial income for the twelve month period ended December 31, 2023 and 2022 is shown in the following table:

	in 2023	in 2022
FINANCIAL INCOME FROM RELATIONS WITH THE PARENT, AFFILIATED AND OTHER LEGAL ENTITIES	351.141	94,991
INTEREST INCOME	-	-
POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	39	3.701
Total	**351.180**	**98,692**

Financial income mostly refers to income from dividends in the amount of RSD 300,226 thousand (2022: 51,297 thousand). The rest of the amount refers to interest income.

19. Financial expenses

Financial expenses for the period of twelve months which ended on December 31, 2023 and 2022 are presented in the following table:

	in 2023	in 2022
FINANCIAL EXPENSES FROM RELATIONS WITH THE PARENT, AFFILIATED AND OTHER LEGAL ENTITIES	44.217	44,468
INTEREST EXPENSES	114	40
NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	146	4,597
OTHER FINANCIAL EXPENSES	-	-
Total	**44,477**	**49.105**

20. Tax expense of the period

The company had no tax expense for the year which ended on December 31, 2023 and 2022.

21. Basic earnings/(loss) per share

Basic earnings per share ranged from earnings in the amount of RSD 0.29 for the twelve-month period which ended on December 31, 2022 to earnings per share in the amount of RSD 9.43 for the period which ended on December 31, 2023. Basic earnings per share were calculated by dividing the Company's net result by the average number of shares of Fintel Energy (the average number of shares is 26,511 thousand).

Diluted earnings per share equals basic earnings per share on both dates.

22. Related Party Transactions

As previously indicated, the majority shareholder of the Company is Fintel EnergiaGroup SpA.

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

As at December 31, 2023 and December 31, 2022, an overview of the amount of receivables and liabilities based on transactions with related parties is shown in the table below:

	December 31, 2023			
RSD thousand	Parent company	Affiliated and associated companies of the owner	Affiliated companies	Total
Short-term loans	-	-	-	-
Long-term loans	-	-	1,480,020	1,480,020
Other short-term assets	-	-	233,783	233,783
Other short-term liabilities	(236,055)	-	-	(236,055)
Operations liability	(32,950)	-	-	(32,950)
Loan from the owner	(1,087,392)	-	-	(1,087,392)
Total	**(1,356,397)**	-	**1,713,802**	**357,405**

	December 31, 2022			
RSD thousand	Parent company	Affiliated and associated companies owner	Affiliated companies	Total
Short-term loans	-	-	16,484	16,484
Long-term loans	-	-	1,621,330	1,621,330
Other short-term assets	-	-	262,578	262,578
Other short-term liabilities	(196,878)	-	-	(196,878)
Operations liability	(34,259)	-	-	(34,259)
Loan from the owner	(1,265,201)	-	-	(1,265,201)
Total	**(1,496,338)**	-	**1,900,392**	**404,054**

For the year ended December 31, 2023 and 2022, the following transactions took place with related legal entities:

	December 31, 2023				
RSD thousand	The owner	Affiliated and associated companies of the owner	Affiliated companies	Other related legal entities	Total
General and administrative expenses	(32,950)	-	-	-	(32,950)
Financial income	-	-	351,141	-	351,141
Financial expenses	(44,217)	-	-	-	(44,217)
Total	**(77,167))**	-	**351,141**	-	**273,974**

	December 31, 2022				
RSD thousand	The owner	Affiliates and associated companies of the owner	Affiliated companies	Other related legal entities	Total
General and administrative expenses	(30,979)	-	-	-	(30,979)
Financial income	-	-	94,991	-	94,991
Financial expenses	(44,468)	-	-	-	(44,468)
Total	**(75,446)**	-	**94,991**	-	**19,544**

22. Related Party Transactions (continued)

Compensation of key management

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

23. Tax risk

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

24. Events after the balance sheet date

There were no events occurring after the balance sheet date that could require the correction of the financial statements as at December 31, 2023, nor disclosure in the Notes to the Company's financial statements.

Legal representative:

Tiziano Giovannetti
General Manager

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Person responsible for drafting individual financial statements:

Biljana Bogdanov
Accountant

Biljana Bogdanov

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

FINTEL ENERGIJA AD

Content

1. Summary of business activities and organizational structure

Basic information

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

Head office: Belgrade

Address: Masarikova Street No. 5

Registration number: 20305266

TIN: 105058839

Date of establishment: June 27, 2007

Authorized representative: Tiziano Giovannetti

Internet address: www.fintelenergija.rs

Prevailing business activity

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

Business activities

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

Organizational structure and corporate governance

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

Purchase of own shares

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

Branch offices

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

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

Affiliated legal entities

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

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

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

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

Fintel Energija Development d.o.o. owns:

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

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

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

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

Affiliated legal entities (Continued)

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

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

The following companies are 100% owned through Cypriot companies:

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

Information about the Company management

Members of the Board of Directors:

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

Key events that affected the Company during 2023

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

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

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

BALANCE SHEET
on December 31, 2023

- in 000 dinars -

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

BALANCE SHEET (continued)
on December 31, 2023

- in 000 dinars -

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

BALANCE SHEET (continued)
on December 31, 2023

- in 000 dinars -

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

BALANCE SHEET (continued)
on December 31, 2023

- in 000 of dinars -

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

INCOME STATEMENT
in the period from 01.01 to 31.12.2023.

- in 000 of dinars -

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

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

- in 000 of dinars -

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

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

Financial indicators

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

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

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

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

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

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

Structure of employees

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

3. Environment Protection

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

4. Significant events after the end of the business year

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

5. Planned future development

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

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

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

5. Planned future development (continued)

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

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

6. Research & Development

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

There are no registered patents and licenses of the Company.

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

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

Coordination and monitoring of key financial risks is performed by the central treasury department of the parent company Fintel Energija, which provides guidelines for managing various types of risks and for the use of financial instruments. The main features of Fintel Group's risk management policy are:

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

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

Credit risk

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

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

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

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

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

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

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

Liquidity risk

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

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

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

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

Liquidity risk (Continued)

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

RSD thousands	**December 31, 2023**	
	Short-term maturity	**Long-term maturity**
Financial obligations to shareholders	15,375	2,577,260
Obligations for banks loans	791,429	6,002,710
Obligations to suppliers	123,059	-
Other obligations	934,858	-
In total	**1,864,721**	**8,579,970**

RSD thousands	**December 31, 2022**	
	Short-term maturity	**Long-term maturity**
Financial obligations to shareholders	1,633,094	1,129,295
Obligations for banks loans	812,584	6,843,418
Obligations to suppliers	464,473	-
Other obligations	785,675	4,521
In total	**3,695,826**	**7,977,234**

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

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

Market risk

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

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

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

Risk of exchange rate fluctuations

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

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

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

Market Risk (Continued)

Risk of interest rate fluctuations

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

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

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

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

Capital management risk

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

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

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

RSD thousands	**December 31, 2023**	**December 31, 2022**
Long-term financial obligations:		
- Liabilities to shareholders	2,577,260	1,129,295
- Liabilities for bank loans	6,002,710	6,843,418
Short-term financial liabilities:		
- Liabilities for bank loans	791,429	812,,84
- Liabilities to shareholders	15,375	1,633,094
Financial resources	(770,380)	(519,802)
Cash and cash equivalents	(652,507)	(203.183)
Net Debt (A)	**7,963,887**	**9,695,406**
Capital (B)	**3,119,407**	**1,970,062**
Net capital employed (C=A+B)	**11,083,293**	**11,665,468**
Leverage ratio (A/C)	***71.9%***	***83.1%***

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

8. Corporate Governance Report

Statement on the application of the corporate governance code

Pursuant to Article 368 of the Companies Act ("Official Gazette of RS", no. 36/2011, 99/2011, 83/2014 - other laws, 5/2015, 44/2018, 95/2018 and 91/2019) the company Fintel Energija ad Beograd declares that it applies the Code of Corporate Governance, which is available on the company's website www.fintelenergija.rs. The Corporate Governance Code contains an overview of corporate governance practices applied by the Company.

The Company's Corporate Governance Code sets out the principles of corporate practice and organizational culture in accordance with which the bearers of the Company's corporate management behave, and especially in relation to shareholder rights, obligations and responsibilities of the Company's management, stakeholders' role in corporate governance and data disclosure obligations and transparency of the Company.

System of internal controls and risk reduction related to financial reporting

The system of internal controls and supervision consists of all measures and methods applied in the Company with the aim of securing its assets, improving the accuracy and reliability of accounting and operational data, reducing risks related to financial reporting, compliance with procedures, standards, laws and regulations.

The regulatory framework of the work of the internal supervision sector, i.e. internal audit, is harmonized with the Companies Act ("Official Gazette of RS", no. 36/2011, 99/2011, 83/2014 - other laws, 5/2015, 44/2018, 95/2018 91/2019, and 109/2021), Standards for the professional practice of internal auditing and other legal and professional regulations.

The tasks of internal supervision and internal control include:

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

The company hires at least one person responsible for the internal control of operations, and he/she must meet the requirements prescribed for an internal auditor in accordance with the law regulating accounting and auditing.

The person in charge of internal supervision is under the obligation to report on the conducted business supervision to the audit committee, i.e. the board of directors.

8. Corporate Governance Report (continued)

System of internal controls and risk reduction related to financial reporting (Continued)

Audit Committee:

- ✓ Prepares, proposes and checks the implementation of accounting and risk management policies:
- ✓ Makes a proposal to the board of directors for the appointment and dismissal of persons responsible for performing the function of internal supervision in the Company;
- ✓ Supervises the work of internal supervision in the Company;
- ✓ Examines the application of accounting standards in the preparation of financial statements and evaluates the content of financial statements;
- ✓ Examines the fulfillment of the requirements for the preparation of consolidated financial statements of the Company;
- ✓ Conducts the selection procedure of the Company's auditor and proposes a candidate for the Company's auditor, with an opinion on his expertise and independence in relation to the Company,
- ✓ Gives an opinion on the proposal of the contract with the Company's auditor and, in case of need, gives a reasoned proposal for the cancellation of the contract with the Company's auditor;
- ✓ Supervises the audit process, including determining the key issues that should be audited and checking the auditor's independence and objectivity.

External auditor

The Company's annual financial reports are subject to external audit.
In accordance with the law and the Articles of Association of the Company, the Assembly of Shareholders of the Company decides on the election of the auditor and compensation for his work, with all mandatory elements prescribed by law.

The auditor's reports on the audit of the Company's financial statements and consolidated financial statements for 2022 were adopted at the regular meeting of the Company's Shareholders' Assembly on June 29, 2023. At the same session, the Company's Shareholders' Assembly elected the audit company Ernst & Young d.o.o. Beograd.

Management bodies of the Company

The management of the Company is organized as a unicameral body. The bodies of the Company are:

- ✓ Shareholders Assembly;
- ✓ Board of Directors.

The Company's Articles of Association defines the scope of work of the Shareholders' Assembly and the Board of Directors.

Board of Directors

The members of the board of directors are:

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

8. Corporate Governance Report (continued)

Board of Directors (Continued)

Activities of the board of directors in 2023

In 2023, the Board of Directors performed its duties in accordance with the applicable regulations, with the optimal number, composition and qualifications of its members. The agenda of the Board of Directors included regular activities related to the approval of the consolidated and individual financial statements of the Company, the convening of regular and extraordinary meetings of the shareholders' assembly, and consideration of the results of key business indicators.

In the course of 2023, no non-conformities or irregularities were observed in the work of the Company. Based on the information available to the Board of Directors, the Company's operations are fully compliant with the law, other positive regulations and the Company's internal acts.

Shareholders meetings

The Rules of Procedure on the work of the Shareholders' Assembly regulate and determine the manner of work and decision-making process of the Shareholders' Assembly. The provisions of these rules of procedure apply and are binding for all persons who participate or attend the work of the assembly.

The Assembly consists of all shareholders of the Company. In order to personally participate in the work of the Assembly, a shareholder must own a minimum of 0.1% of the total number of shares of the corresponding class. Shareholders who individually do not own 0.1% of the total number of shares have the right to participate in the work of the assembly through a common proxy.

Activities of the Shareholders' Assembly in 2023

In the course of 2023, two sessions of the Assembly of Shareholders were held. The Shareholders' Assembly considered the annual financial reports and consolidated financial reports of the Company, reports of the independent auditor on the audit of the Company's financial statements and the election of auditors for 2023, on the compensation policy of the members of the Company's Board of Directors.

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

Legal representative

STATEMENT ON CODE OF CORPORATE GOVERNANCE IMPLEMENTATION

Fintel Energija a.d. implements Code of Corporate Governance, adopted April 19, 2018. and the Code has been made publicly available on the Company's Internet page (www.fintelenergija.rs).

The Company's Code on Corporate Governance set out the principles of corporate practices and organizational culture that the principal holders of the corporate governance function of the Fintel Energija a.d. comply with, with regard to the shareholders' rights, corporate governance frameworks and methods, public relations and transparency of the Company's business operations. The main objective of this Code is to introduce good business practice in the field of corporate management, which should provide for the right balance between the influences exerted by the principal corporate governance holders, consistency of the control system and strengthening of shareholders' and investors' trust in the Company, all with the aim to achieve long-term development of the Company.

Relevant Company's bodies make a point of presenting the principles laid down in the Code in greater detail in other general acts of the Company.

Fintel Energija a.d. Beograd

Legal representative

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD

Tiziano Giovannetti

FINTEL ENERGIJA AD

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Annual Financial Statements of the Fintel Energija a.d. for 2023 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

Legal representative:

Fintel Energija a.d.

Director

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ... FINTEL ENERGIJA AD BEOGRAD

Tiziano Giovannetti

FINTEL ENERGIJA AD

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

Note*:

Financial Statements of Fintel Energija a.d. for 2022 were approved on April 30, 2024 by CEO of the Group. At the moment when the Annual Report of the Company is published, it has not yet been adopted by the competent Company's body (Shareholders' Assembly). The Company shall publish the complete the Decision of the competent body on the adoption of Company's Annual Report at a later date.

DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES *

Note*:

Decisions on distribution of profit or coverage of losses of the Fintel Energija a.d. for 2023 shall be passed in the regular annual Shareholders' Assembly meeting..

A public company is legally obliged to prepare their annual financial statements, to disclose them and to deliver them to the Commission, and, providing that the securities of such company are admitted for trading, to deliver these Statements to teh regulated market or to the MTP and to ensure that the annual financial statements are available to the general public over the course of five years at the minimum from the date of its disclosure.

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

Belgrade, April 2024

Legal representative:

Fintel Energija a.d.

Director

PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA A.D. BEOGRAD

Tiziano Giovannetti