



FINTEL ENERGIJA AD

**QUARTERLY REPORT OF
FINTEL ENERGIJA A.D.
FOR PERIOD ENDED 30 JUNE 2020**

Belgrade, August 2020.

Pursuant to Article 53 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015, 108/2016 and 9/2020) and pursuant to Article 5 of the Rulebook on the Content, Form and Method of Publication of Annual, Half-Yearly and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012, 5/2015, 24/2017 and 14/2020), Fintel Energija ad from Belgrade (registration number 20305266) hereby publishes the following:

QUARTERLY REPORT OF FINTEL ENERGIJA A.D. FOR PERIOD ENDED 30 JUNE 2020

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- 1. QUARTERLY FINANCIAL STATEMENTS OF FINTEL ENERGIJA A.D. FOR PERIOD ENDED 30 JUNE 2020 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Quarterly Financial Statements)**
- 2. BUSINESS REPORT (Note Business Report and Consolidated Business Report are presented as a single report and these contain information of significance for the economic entity)**
- 3. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORT**

**QUARTERLY FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 JUNE 2020**

FINTEL ENERGIJA AD, BEOGRAD

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THE LAW ON ACCOUNTING OF THE REPUBLIC OF SERBIA

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STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE BALANCE SHEET

In RSD thousand

	AOP	Note	30 June 2020 <i>(unaudited)</i>	31 December 2019
A. SUBSCRIBED CAPITAL UNPAID	0001		-	-
B. NON-CURRENT ASSETS (0003 + 0010 + 0019+ 0024 + 0034)	0002		1,517,795	1,533,755
I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003			
1. Development investments	0004		-	-
2. Concessions, licenses, software and other rights	0005		-	-
3. Goodwill	0006		-	-
4. Other intangible assets	0007		-	-
5. Intangible assets under development	0008		-	-
6. Advances for intangible assets	0009		-	-
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		45	57
1. Land	0011		-	-
2. Buildings	0012		-	-
3. Machinery and equipment	0013		45	57
4. Investment property	0014		-	-
5. Other property, plant and equipment	0015		-	-
6. Construction in progress	0016		-	-
7. Investments in leased PP&E	0017		-	-
8. Advances for PP&E	0018		-	-
III. BIOLOGICAL ASSETS (0020+0021+0022+0023)	0019		-	-
1. Forest farming	0020		-	-
2. Livestock	0021		-	-
3. Biological assets in production	0022		-	-
4. Advances for biological assets	0023		-	-
IV. LONG-TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		1,517,750	1,533,698
1. Investments in subsidiary	0025	5	16,088	16,088
2. Investments in joint ventures	0026		-	-
3. Investments in other legal entities and other available for sales financial assets	0027		-	-
4. Long term investments in parent and subsidiaries	0028	6	1,501,662	1,517,610
5. Long-term investments in other related parties	0029		-	-
6. Long-term investments – domestic	0030		-	-
7. Long-term investments – foreign	0031		-	-
8. Securities held to maturity	0032		-	-
9. Other long-term financial investments	0033		-	-
V. LONG-TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		-	-
1. Receivables from parent company and subsidiaries	0035		-	-
2. Receivables from other related parties	0036		-	-
3. Receivables from sale of goods on credit	0037		-	-
4. Receivables arising out of finance lease contracts	0038		-	-
5. Claims arising from guarantees	0039		-	-
6. Bad and doubtful receivables	0040		-	-
7. Other long-term receivables	0041		-	-
C. DEFERRED TAX ASSETS	0042		-	-

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	Note	30 June 2020 <i>(unaudited)</i>	31 December 2019
D. CURRENT ASSETS	0043			
(0044+0051+0059+0060+0061+0062+0068+0069+0070)			251,594	200,805
I. INVENTORY (0045+0046+0047+0048+0049+0050)	0044		1,175	556
1. Materials, spare parts and tools	0045		-	-
2. Work in progress	0046		-	-
3. Finished goods	0047		-	-
4. Merchandise	0048		-	-
5. Assets held for sale	0049		-	-
6. Advances for inventory and services	0050		1,175	556
II. TRADE RECEIVABLES	0051		-	-
(0052+0053+0054+0055+0056+0057+0058)				
1. Domestic trade receivables - parents and subsidiaries	0052		-	-
2. Foreign trade receivables - parents and subsidiaries	0053		-	-
3. Domestic trade receivables - other related parties	0054		-	-
4. Foreign trade receivables - other related parties	0055		-	-
5. Trade receivables - domestic	0056		-	-
6. Trade receivables - foreign	0057		-	-
7. Other trade receivables	0058		-	-
III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059		-	-
IV. OTHER RECEIVABLES	0060	9	4,344	4,344
V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	0061		-	-
VI. SHORT TERM FINANCIAL INVESTMENTS	0062		55,157	33,175
(0063+0064+0065+0066+0067)				
1. Short-term loans and investments - parent companies and subsidiaries	0063	7	55,143	33,161
2. Short-term loans and investments - other related parties	0064		-	-
3. Short-term loans and investments - domestic	0065		-	-
4. Short-term loans and investments - foreign	0066		-	-
5. Other short-term loans and investments	0067		14	14
VII. CASH AND CASH EQUIVALENTS	0068	8	28,191	12,024
VIII. VALUE ADDED TAX	0069	9	8,895	8,775
IX. PREPAYMENTS AND ACCRUED INCOME	0070	9	153,832	141,931
E. TOTAL ASSETS (0001+0002+0042+0043)	0071		1,769,389	1,734,560
F. OFF-BALANCE SHEET ASSETS	0072	4	472,656	472,723
A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421)	0401		461,422	465,744
I. EQUITY (0403+0404+0405+0406+0407+0408+0409+0410)	0402		685,294	685,294
1. Share capital	0403	10	4,057	4,057
2. Stakes of limited liability companies	0404		-	-
3. Stakes	0405		-	-
4. State owned capital	0406		-	-
5. Socially owned capital	0407		-	-
6. Stakes in cooperatives	0408		-	-
7. Share premium	0409	10	681,237	681,237
8. Other capital	0410		-	-
II. SUBSCRIBED CAPITAL UNPAID	0411		-	-
III. OWN SHARES	0412		-	-
IV. RESERVES	0413		-	-
V. REVALUATION RESERVES FROM VALUATION OF INTANGIBLES, PROPERTIES, PLANT AND EQUIPMENT	0414		-	-
VI. UNREALISED GAINS FROM SECURITAS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0415		-	-
VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0416		-	-
VIII. RETAINED EARNINGS (0418+0419)	0417		-	-
1. Retained earnings from previous years	0418		-	-
2. Retained earnings from current year	0419		-	-
IX. NON-CONTROLLING INTEREST	0420		-	-
X. LOSS (0422+0423)	0421		223,872	219,550
1. Loss from previous years	0422	10	219,550	163,000
2. Loss from current year	0423	10	4,322	56,550

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	Note	30 June 2020 <i>(unaudited)</i>	31 December 2019
B. LONG-TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		799,517	799,631
I. LONG-TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		-	-
1. Provisions for warranty claims	0426		-	-
2. Provision for environmental rehabilitation	0427		-	-
3. Provisions for restructuring costs	0428		-	-
4. Provisions for employee benefits	0429		-	-
5. Provisions for litigations	0430		-	-
6. Other long term provisions	0431		-	-
II. LONG-TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		799,517	799,631
1. Liabilities convertible to equity	0433		-	-
2. Liabilities to parent and subsidiaries	0434		-	-
3. Liabilities to other related parties	0435		-	-
4. Liabilities for issued long-term securities	0436		-	-
5. Long term borrowings – domestic	0437	11	799,517	799,631
6. Long-term borrowings – foreign	0438		-	-
7. Finance lease liabilities	0439		-	-
8. Other long-term liabilities	0440		-	-
C. DEFERRED TAX LIABILITIES	0441		-	-
D. SHORT-TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		508,450	469,185
I. SHORT-TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		327,368	327,415
1. Short term borrowings from parent and subsidiaries	0444	12	327,368	327,415
2. Short term borrowings from other related parties	0445		-	-
3. Short-term loans and borrowings - domestic	0446		-	-
4. Short-term loans and borrowings - foreign	0447		-	-
5. Liabilities relating to current assets and held-for-sale assets attributable to discounted operations	0448		-	-
6. Other short term liabilities	0449		-	-
II. ADVANCES RECEIVED	0450		-	-
III. TRADE PAYABLES (0452+0453+0454+0455+0456+0458)	0451		48,049	34,285
1. Trade payables - parent and subsidiaries - domestic	0452		-	-
2. Trade payables - parent and subsidiaries - foreign	0453	13	41,528	27,735
3. Trade payables - other related parties - domestic	0454		-	-
4. Trade payables - other related parties - foreign	0455		-	-
5. Trade payables – domestic	0456	13	6,521	6,550
6. Trade payables – foreign	0457		-	-
7. Other operating liabilities	0458		-	-
IV. OTHER SHORT-TERM LIABILITIES	0459		15,855	265
V. LIABILITIES FOR VAT	0460		-	-
VI. LIABILITIES FOR OTHER TAXES	0461		-	-
VII. ACCRUED EXPENSES	0462	14	117,178	107,220
E. LOSS EXCEEDING EQUITY (0412+0416+0421-0420-0417- 0415-0414-0413-0411-0402)>=0=(0441+0424+0442- 0071)>=0	0463		-	-
F. TOTAL EQUITY AND LIABILITIES (0424+0442+0441+0401-0463)>=0	0464		1,769,389	1,734,560
G. OFF-BALANCE SHEET LIABILITIES	0465	4	472,656	472,723

Tiziano Giovannetti
Director

7 August 2020



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

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE INCOME
STATEMENT
In RSD thousand

	AOP	Note	Three-month period ended		Six-month period ended	
			30 June	30 June	30 June	30 June
			2020	2019	2020	2019
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
INCOME FROM REGULAR OPERATING ACTIVITIES						
A. OPERATING INCOME (1002+1009+1016+1017)	1001		-	-	-	142
I. INCOME FROM THE SALE OF GOODS (1003+1004+1005+1006+1007+1008)	1002		-	-	-	-
1. Income from sales of goods to parent and subsidiaries on domestic market	1003		-	-	-	-
2. Income from sales of goods to parent and subsidiaries on foreign market	1004		-	-	-	-
3. Income from the sale of goods to other related parties on domestic market	1005		-	-	-	-
4. Income from the sale of goods to other related parties on foreign market	1006		-	-	-	-
5. Income from sale of goods on domestic market	1007		-	-	-	-
6. Income from sale of goods on foreign market	1008		-	-	-	-
II. INCOME FROM SALES OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		-	-	-	-
1. Income from sales of products and services to parent and subsidiaries on domestic market	1010		-	-	-	-
2. Income from sales of products and services to parent and subsidiaries on foreign market	1011		-	-	-	-
3. Income from sales of products and services to other related parties on domestic market	1012		-	-	-	-
4. Income from sales of products and services to other related parties on foreign market	1013		-	-	-	-
5. Income from sales of products and services – domestic	1014		-	-	-	-
6. Income from sales of products and services – foreign	1015		-	-	-	-
III. INCOME FROM PREMIUMS, SUBVENTIONS AND DONATIONS	1016		-	-	-	-
IV. OTHER OPERATING INCOME	1017		-	-	-	142
EXPENSES FROM REGULAR OPERATING ACTIVITIES						
B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029)>=0	1018		9,640	15,901	18,410	17,727
I. COST OF GOODS SOLD	1019		-	-	-	-
II. WORK PERFORMED BY THE ENTITY AND CAPITALIZED	1020		-	-	-	-
III. INCREASE IN INVENTORIES OF UNFINISHED AND FINISHED GOODS AND ONGOING SERVICES	1021		-	-	-	-
IV. DECREASE IN INVENTORIES OF UNFINISHED AND FINISHED GOODS AND ONGOING SERVICES	1022		-	-	-	-
V. COST OF MATERIAL	1023		-	5	-	21
VI. COST OF FUEL AND ENERGY	1024		-	-	-	-
VII. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1025		1,043	812	2,372	1,571
VIII. COST OF PRODUCTION SERVICES	1026		25	69	65	136
IX. DEPRECIATION, DEPLETION AND AMORTIZATION	1027		12	-	12	-
X. COST OF LONG-TERM PROVISIONING	1028		-	-	-	-
XI. NON-PRODUCTION COSTS	1029	15	8,560	15,015	15,961	15,999
C. OPERATING GAIN (1001-1018)>=0	1030		-	-	-	-
D. OPERATING LOSS (1018-1001)>=0	1031		9,640	15,901	18,410	17,585
E. FINANCE INCOME (1033+1038+1039)	1032		10,390	25,359	53,657	52,391
I. FINANCIAL INCOME FROM RELATED PARTIES AND OTHER FINANCIAL INCOME (1034+1035+1036+1037)	1033		10,267	23,193	53,534	50,191
1. Finance income - parent company and subsidiaries	1034	16	10,267	23,193	22,216	23,192
2. Finance income - other related parties	1035		-	-	-	-
3. Share of profit of associates and joint ventures	1036	16	-	-	31,318	26,999
4. Other financial income	1037		-	-	-	-
II. INTEREST INCOME (from third parties)	1038		-	-	-	-
III. FOREIGN EXCHANGE GAINS (third parties)	1039	16	123	2,166	123	2200

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE INCOME
STATEMENT
In RSD thousand

	AOP	Note	Three-month period ended		Six-month period ended	
			30 June		30 June	
			2020	2019	2020	2019
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
F. FINANCE EXPENSES (1041+1046+1047)	1040		21,827	48,291	39,557	55,815
I. FINANCIAL EXPENSES FROM RELATED PARTIES AND OTHER FINANCIAL EXPENSES (1042+1043+1044+1045)	1041		6,017	10,703	14,365	11,889
1. Finance expense - parent company and subsidiaries	1042	17	3,653	9,517	9,638	9,517
2. Finance expense - other related parties	1043		-	-	-	-
3. Share of loss of associates and joint ventures	1044		-	-	-	-
4. Other financial expense	1045	17	2,364	1,186	4,727	2,372
II. INTEREST EXPENSE (from third parties)	1046	17	15,791	33,442	25,173	39,724
III. FOREIGN EXCHANGE LOSSES (third parties)	1047	17	19	4,146	19	4,202
G. PROFIT FROM FINANCING OPERATIONS (1032-1040)	1048		-	-	14,100	-
H. LOSS FROM FINANCING OPERATIONS (1040-1032)	1049		11,437	22,932	-	3,424
I. INCOME FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1050					
J. LOSS FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1051					
K. OTHER INCOME	1052			6		6
L. OTHER EXPENSES	1053		12		12	
M. OPERATING PROFIT BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054					
N. OPERATING LOSS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		21,089	38,827	4,322	21,003
O. NET INCOME ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1056		-	-		
P. NET LOSS ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1057					
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058					
R. LOSS BEFORE TAX (1055-1054+1057-1056)	1059		21,089	38,827	4,322	21,003
II. INCOME TAX						
I. CURRENT INCOME TAX	1060					
II. DEFERRED TAX EXPENSE FOR THE PERIOD	1061					
III. DEFERRED TAX INCOME FOR THE PERIOD	1062					
S. PERSONAL INCOME PAID TO EMPLOYER	1063					
T. NET PROFIT (1058-1059-1060-1061+1062)	1064					
V. NET LOSS (1059-1058+1060+1061-1062)	1065		21,089	38,827	4,322	21,003
I. NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1066					
II. NET INCOME ATTRIBUTABLE TO THE OWNER	1067					
III. NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1068					
IV. NET LOSS ATTRIBUTABLE TO THE OWNER	1069		21,089	38,827	4,322	21,003
V. EARNINGS PER SHARE						
1. Basic earnings per share (in RSD)	1070	18	(0.80)	(1.46)	(0.16)	(0.79)
2. Diluted earnings per share (in RSD)	1071	18	(0.80)	(1.46)	(0.16)	(0.79)

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE STATEMENT OF OTHER COMPREHENSIVE INCOME In RSD thousand	AOP Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2020	2019	2020	2019
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
A. NET PROFIT/(LOSS)					
I. PROFIT, NET (AOP 1064)	2001	-	-	-	-
II. LOSS, NET (AOP 1065)	2002	21,089	38,827	4,322	21,003
B. OTHER COMPREHENSIVE PROFIT OR LOSS					
<i>a) Items that will not be reclassified to profit or loss</i>					
1. Changes in the revaluation of intangible assets, property, plant and equipment					
a) increase in revaluation reserves	2003				
b) decrease in revaluation reserves	2004				
2. Actuarial gains (losses) of post-employment benefit obligations					
a) gains	2005				
b) losses	2006				
3. Gains and losses arising from equity investments					
a) gains	2007				
b) losses	2008				
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss					
a) gains	2009				
b) losses	2010				
<i>b) Items that may be subsequently reclassified to profit or loss</i>					
1. Gains (losses) from currency translation differences					
a) gains	2011				
b) losses	2012				
2. Gains (losses) on investment hedging instruments in foreign business					
a) gains	2013				
b) losses	2014				
3. Gains and losses on cash flow hedges					
a) gains	2015				
b) losses	2016				
4. Gains (losses) from change in value of available-for-sale financial assets					
a) gains	2017				
b) losses	2018				
I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003+2005+2007+2009+2011+2013+2015+2017)- (2004+2006+2008+2010+2012+2014+2016+2018)>=0	2019				
II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004+2006+2008+2010+2012+2014+2016+2018)- (2003+2005+2007+2009+2009+2011+2013+2015+2017)>=0	2020				
III. TAX ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	2021				
IV. TOTAL NET COMPREHENSIVE PROFIT (2019-2020-2021)>=0	2022				
V. TOTAL NET COMPREHENSIVE LOSS (2020-2019+2021)>=0	2023				
C. TOTAL NET COMPREHENSIVE PROFIT					
I. TOTAL COMPREHENSIVE PROFIT, NET (2001-2002+2022-2023)>=0	2024				
II. TOTAL COMPREHENSIVE LOSS, NET (2002-2001+2023-2022)>=0	2025	21,089	38,827	4,322	21,003
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2027+2028)=AOP 2024>=0 или AOP 2025>0	2026				
1. Attributable to shareholders	2027	21,089	38,827	4,322	21,003
2. Attributable to non-controlling interest	2028	-	-		

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE STATEMENT OF CASH FLOWS In RSD thousand

	AOP	Note	Six-month period ended 30 June	
			2020 (unaudited)	2019 (unaudited)
A. CASH FLOWS FROM OPERATING ACTIVITIES				
I. Cash inflow from operating activities (1 to 3)	3001		-	-
1. Sales and advances received	3002		-	-
2. Interest from operating activities	3003		-	-
3. Other inflow from operating activities	3004		-	-
II. Cash outflow from operating activities (1 to 5)	3005		21,940	109,212
1. Payments and prepayments to suppliers	3006		9,680	63,369
2. Salaries, benefits and other personal expenses	3007		2,372	1,571
3. Interest paid	3008		9,888	44,272
4. Income tax paid	3009		-	-
5. Payments for other public revenues	3010		-	-
III. Net cash inflow from operating activities (I - II)	3011			
IV. Net cash outflow from operating activities (II - I)	3012		21,940	109,212
B. CASH FLOWS FROM INVESTING ACTIVITIES				
I. Cash flows from investing activities (1 to 5)	3013		47,623	29,324
1. Sale of shares (net inflow)	3014		-	-
2. Proceeds from sale of intangible assets, property, plant and equipment	3015		-	-
3. Other financial investments (net inflow)	3016		16,080	-
4. Interest from investing activities	3017		225	2,325
5. Dividend received	3018		31,318	26,999
II. Cash outflow from investing activities (1 to 3)	3019		9,516	20,598
1. Acquisition of subsidiaries or other business (net outflow)	3020		-	1
2. Purchase of intangible assets, property, plant and equipment	3021		-	-
3. Other financial investments (net outflow)	3022		9,516	20,597
III. Net cash inflow from investing activities (I - II)	3023		38,107	8,726
IV. Net cash outflow from investing activities (II - I)	3024			
C. CASH FLOWS FROM FINANCING ACTIVITIES				
I. Cash inflow from financing activities (1 to 5)	3025		-	74,674
1. Increase in share capital	3026		-	-
2. Proceeds from long-term borrowings (net inflow)	3027		-	74,674
3. Proceeds from short-term borrowings (net inflow)	3028		-	-
4. Other long-term liabilities	3029		-	-
5. Other short-term liabilities	3030		-	-
II. Cash outflow from financing activities (1 to 6)	3031		-	35,452
1. Purchase of own shares	3032		-	-
2. Repayment of long-term borrowings (net outflow)	3033		-	35,452
3. Repayment of short-term borrowings (net outflow)	3034		-	-
4. Repayment of other liabilities (net outflow)	3035		-	-
5. Financial lease	3036		-	-
6. Dividend distribution	3037		-	-
III. Net cash inflow from financing activities (I - II)	3038		-	39,222
IV. Net cash outflow from financing activities (II - I)	3039		-	-
D. TOTAL CASH INFLOW (3001+3013+3025)	3040		47,623	103,998
E. TOTAL CASH OUTFLOW (3005+3019+3031)	3041		31,456	165,262
F. NET CASH INFLOW (340-341)	3042		16,167	-
G. NET CASH OUTFLOW (341-340)	3043		-	61,264
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3044		12,024	101,990
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3045		-	-
J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS	3046		-	-
K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (3042-3043+3044+3045-3046)	3047		28,191	40,726

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STATEMENT OF CHANGES IN EQUITY (unaudited)

RSD THOUSAND	Equity components							
	AOP	Share Capital	AOP	Reserves	AOP	Loss	AOP	Retained earnings
Balance as at 1 January 2019								
a) debit (3a+4a-4b)>=0	4001		4037		4055	163,000	4091	
b) credit (3b-4a+4b)>=0	4002	685,294	4038		4056		4092	-
Adjustments of material errors and changes in accounting policies								
a) debit	4003		4039		4057		4093	
b) credit	4004		4040		4058		4094	
Restated opening balance as at 1 January 2019								
a) debit (5a+6a-6b)>=0	4005		4041		4059	163,000	4095	
b) credit (5b-6a+6b)>=0	4006	685,294	4042		4060		4096	
Changes in period								
a) debit	4007		4043		4061	21,003	4097	
b) credit	4008		4044		4062		4098	
Balance as at 30 June 2019						184,003		
a) debit (7a+8a-8b)>=0								
b) credit (7b-8a+8b)>=0		685,294						
Balance as at 1 January 2010								
a) debit (7a+8a-8b)>=0	4009		4045		4063	219,550	4099	
b) credit (7b-8a+8b)>=0	4010	685,294	4046		4064		4100	
Adjustments of material errors and changes in accounting policies								
a) debit	4011		4047		4065		4101	
b) credit	4012		4048		4066		4102	
Restated opening balance as at 1 January 2020								
a) debit (5a+6a-6b)>=0	4013		4049		4067	219,550	4103	
b) credit (5b-6a+6b)>=0	4014	685,294	4050		4068		4104	
Changes in period								
a) debit	4015		4051		4069	4,322	4105	
b) credit	4016		4052		4070		4106	
Balance as at 30 June 2020						223,872		
a) debit (7a+8a-8b)>=0	4017		4053		4071		4107	
b) credit (7b-8a+8b)>=0	4018	685,294	4054		4072		4108	

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STATEMENT OF CHANGES IN EQUITY (CONTINUED) (unaudited)

RSD THOUSAND	Other comprehensive income components						Total Equity
	AOP	Revaluation reserves	AOP	Actuarial gain/(loss)	AOP	Gains (losses) from change in value of available-for-sale financial assets	
Balance as at 1 January 2019							
a) debit (3a+4a-4b)>=0	4109		4127		4217		163,000
b) credit (3b-4a+4b)>=0	4110		4128		4218		685,294
Adjustments of material errors and changes in accounting policies							
a) debit	4111		4129		4219	4236	
b) credit	4112		4130		4220		
Restated opening balance as at 1 January 2019							
a) debit (5a+6a-6b)>=0	4113		4131		4221	4237	163,000
b) credit (5b-6a+6b)>=0	4114		4132		4222		685,294
Changes in period							
a) debit	4115		4133		4223	4238	21,003
b) credit	4116		4134		4224		
Balance as at 30 June 2019							184,003
a) debit (7a+8a-8b)>=0							685,294
b) credit (7b-8a+8b)>=0							
Balance as at 1 January 2020							
a) debit (7a+8a-8b)>=0	4117		4135		4225	4239	219,550
b) credit (7b-8a+8b)>=0	4118		4136		4226		685,294
Adjustments of material errors and changes in accounting policies							
a) debit	4119		4137		4227	4240	-
b) credit	4120		4138		4228		-
Restated opening balance as at 1 January 2020							
a) debit (5a+6a-6b)>=0	4121		4139		4229	4241	219,550
b) credit (5b-6a+6b)>=0	4122		4140		4230		685,294
Changes in period							
a) debit	4123		4141		4231	4242	4,322
b) credit	4124		4142		4232		
Balance as at 30 June 2020							
a) debit (7a+8a-8b)>=0	4125		4143		4233	4243	223,872
b) credit (7b-8a+8b)>=0	4126		4144		4234		685,294

**EXPLANATORY NOTES TO THE QUARTERLY
FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30 JUNE 2020**

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

2. General information

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

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

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

At 30 June 2020, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

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

The company's shares are traded on the organized market – Belgrade Stock Exchange. The symbol of the shares is FINT, and ISIN number is RSFINEE60549. The market capitalization of the Company as at 30 June 2020 is RSD 16,436,514 thousand (unit price per share of RSD 620). Fintel Energia Group SpA, the majority shareholder of the Company, is listed joint stock company under Italian law. It constitute a vertical operator in the integrated energy supply chain, which engages in the sale of electricity and natural gas in Italy and in the development and exploitation of renewable energy power plants (photovoltaic, wind and mini wind) in Italy and Serbia.

These stand-alone quarterly financial statements for the period ended 30 June 2020 have approved and authorized for issue by Director. The Company prepared these stand-alone financial statements based on and in accordance with the requirements of the laws and regulations of the Republic of Serbia where investments in subsidiaries in these stand-alone financial statements are stated as cost less any impairment.

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020

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

1. General information (Continued)

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

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

2. Summary of accounting policies and standards adopted

2.1 Basis of presentation

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

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

The Company does not disclose information which would substantially duplicate the disclosures contained in its audited Financial Statements for 2019, such as significant accounting policies, significant estimates and judgements, financial risk disclosures or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Company believes that the disclosures in these Interim Condensed Financial Statements are adequate to make the information presented not misleading if these Interim Condensed Financial Statements are read in conjunction with the Company's Financial Statements for 2019.

Subsequent events occurring after 30 June 2019 were evaluated through 7 August 2020, the date these Interim Condensed Financial Statements were authorised for issue.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

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

2.1 Basis of presentation (Continued)

The results for the six month period ended 30 June 2020 are not necessarily indicative of the results expected for the full year. The Company as a whole is not subject to significant seasonal fluctuations.

2.2 Changes in significant accounting policies

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Financial Statements are consistent with those applied during the preparation of Financial Statements as of and for the year ended 31 December 2019.

2.3 Going concern

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

2.4 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

3. IFRS 8: segment information

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

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

a) Guarantees issued

Guarantees issued amount to RSD 472,656 thousand as of 30 June 2020. They have been issued in favor of Lenders of Kosava project phase I, for cost overrun during construction and till COD.

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

a) Other

There were no other contingent liabilities of the Company.

STATEMENT OF FINANCIAL POSITION

5. Investments in subsidiary

Investments in subsidiary is detailed as follow:

- RSD 16,009 thousand for 54% owned of MK-Fintel Wind AD (RSD 16.009 thousand at 31 December 2018).
- RSD 5 thousand for 54% owned of MK-Fintel Wind Holding Doo (RSD 5 thousand at 31 December 2018).
- RSD 72 thousand for 100% owned of Fintel Russian Ventures ooo (RSD 72 thousand at 31 December 2018).
- RSD 100 for 100% owned of Lipar Doo (company founded in 2019).
- RSD 100 for 100% owned of Lipar 2 Doo (company founded in 2019).
- RSD 100 for 100% owned of Maestrale Ring Doo (company founded in 2019).
- RSD 100 for 100% owned of Project Torak Doo (company founded in 2019).
- RSD 200 for 100% owned of Fintel Energija Development Doo (company founded in 2019).

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

6. Long-term financial investments in parents and subsidiaries

The balance amounts to RSD 1,501,662 thousand and they only refer to financing provided to the subsidiaries MK-Fintel Wind AD (RSD 1,415,831 thousand at 30 June 2020) and MK-Fintel Wind Holding Doo (RSD 85,830 thousand at 30 June 2020).

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

Recipient of the loan	Amount 30.06.2020 EUR	Amount 30.06.2020 000 RSD	Maturity
MK Fintel Wind ad	1,158,300	136,188	2021
MK Fintel Wind ad	10,883,539	1,279,643	2021
MK Fintel Wind Holding d.o.o.	730,000	85,830	2021
Total	12,905,639	1,501,662	

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

The balance amounts to RSD 55,143 thousand (RSD 33,161 thousand at 31 December 2020) and they refer to financing provided to the subsidiaries Lipar Doo (RSD 18,224 thousand at 30 June 2020), Lipar 2 Doo (RSD 4,350 thousand at 30 June 2020), Maestrle Ring Doo (RSD 28,218 thousand at 30 June 2020), Fintel Energija Developm Doo (RSD 588 thousand at 30 June 2020) and Project Torak Doo (RSD 4,350 thousand at 30 June 2020).

8. Cash and cash equivalents

“Cash and cash equivalents” at 30 June 2020 and 31 December 2019 are detailed as follows:

	30 June 2020	31 December 2019
Current account		
- in dinars	28,134	11,968
- in foreign currency	56	56
Cash and cash equivalents	28,190	12,024

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

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

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

9. Other current assets

“Other current assets” of RSD 167,071 thousand at 30 June 2020 (RSD 155,050 thousand at 31 December 2019) are detailed in the following table:

<i>RSD thousand</i>	30 June 2020	31 December 2019
Other receivables	4,344	4,344
Value added tax	8,895	8,775
Prepayments and accrued income	153,832	141,931
Total	167,071	155,050

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

10. Equity

Equity at 30 June 2020 and 31 December 2018 is detailed in the following table:

<i>RSD thousand</i>	30 June 2020	31 December 2019
Share capital	4,057	4,057
Share premium	681,237	681,237
Loss from previous years	(219,550)	(163,000)
Loss from current year	(4,322)	(56,550)
TOTAL EQUITY	461,422	465,744

The equity components and changes therein are detailed below:

Share capital

As of 30 June 2020, the Company's fully subscribed and paid up share capital amounted to RSD 4,056,524 (RSD 4,056,524 as at 31 December 2019) consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Share premium

At 30 June 2020, such Reserve includes the share premium resulting from the capital increase related to the IPO of the Company on the Prime Listing Segment of the Belgrade Stock Exchange. The share premium worths RSD 755,022 Thousands (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

10. Equity (Continued)

Retained earnings/(Losses)

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

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

Set out below are details of long and short term loans and borrowings at 30 June 2020 and 31 December 2019:

<i>RSD thousand</i>	30 June 2020	31 December 2019
Long term borrowings	799,517	799,631
Short-term loans and borrowings	-	-
Total	799,517	799,631

Details of bank loans outstanding at 30 June 2020 are summarised in the following table:

Beneficiary company	Creditor	Residual debt at 30.06.2020	Long term	Short term	Maturity
<i>(Amounts in RSD thousand)</i>					
Fintel Energija	AIK Bank	799,517	799,517	-	2024
		799,517	799,517	-	

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

Loans and borrowings to parent and subsidiaries of RSD 327,369 thousand as at 30 June 2020 (RSD 327,415 thousand at 31 December 2019), mainly consist of revocable loans to be repaid to the Ultimate Parent company Fintel Energia Group Spa that were granted for the benefit of Fintel Energija. The loan of EUR 2,667,000 is interest bearing, interest is 6%. Other loans are non-interest bearing. The loans are due in 2020.

13. Trade payables

Trade payables amounted to RSD 34,256 thousand at 30 June 2020 (RSD 34,285 thousand at 31 December 2019) consist mainly of payables for invoice to be received from the Parent Company for management fee services.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

14. Accruals

Accruals amounted to RSD 130,970 thousand at 30 June 2020 (RSD 107,220 thousand at 31 December 2019) consist mainly of interests on shareholders loan due to Fintel Energia Group SpA (RSD 110,842 thousand) and accrued interests on financial loans with AIK Bank (RSD 6,335 thousand).

15. Non-production costs

Non-production costs amount to RSD 15,961 thousand for six-month ended 30 June 2020 (RSD 15,999 thousand for six-month ended 30 June 2019) and relate to accounting services and management fee costs (invoices issued in according management fee contract).

16. Finance income – parent company and subsidiaries

Finance income for six-month period ended 30 June 2020 and 2019 are detailed as follows:

	Six-month ended	
	2020	30 June 2019
Finance income - parent company and subsidiaries	22,216	23,192
Share of profit of associates and joint ventures	31,318	26,999
Foreign exchange gains (third parties)	123	2,200
Total	53,657	52,391

For six-month period ended 30 June 2020, finance income include dividends from subsidiary MK-Fintel Wind Holding of RSD 31,318 thousand and interests from subsidiaries of RSD 22,216 thousand.

17. Finance expenses

Finance expenses for six-month period ended 30 June 2020 and 2019 are detailed as follows:

	Six-month ended	
	2019	30 June 2018
Finance expense - parent company and subsidiaries	9,638	9,517
Other financial expense	4,727	2,373
Interest expense (from third parties)	25,173	39,725
Foreign exchange losses (third parties)	19	4,202
Total	39,558	55,817

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

18. Earnings/(loss) per share

The basic result per share has gone from a loss per share of RSD 0.79 for six-month period ended 30 June 2019 to RSD 0.16 for the period ended 30 June 2020. It has been computed by dividing the Group's net result by the number of Fintel Energija shares outstanding in the years in question (number of shares outstanding of 26,511 thousand).

There were no dilutive effects at 30 June 2020. Accordingly, diluted earnings per share thus coincide with basic earnings per share.

19. Related party transactions

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

A summary is provided below of the Group's transactions with related parties at 30 June 2020 and 31 December 2019. All transactions with related parties are entered into at market value.

As of 30 June 2020 and 31 December 2019 the outstanding balances with related parties were as follows:

<i>RSD thousand</i>	At 30 June 2020		
	Parent Company	Subsidiaries	Total
Loans	-	1,556,805	1,556,805
Other current assets	-	152,713	152,713
Other current liabilities	(110,166)	-	(110,166)
Trade payables	(41,528)	-	(41,528)
Shareholder's loan	(327,368)	-	(327,368)
Total	(479,062)	1,709,518	1,230,455

<i>RSD thousand</i>	At 31 December 2019		
	Parent Company	Subsidiaries	Total
Loans	-	1,550,771	1,550,771
Other current assets	-	141,931	141,931
Other current liabilities	(100,824)	-	(100,824)
Trade payables	(27,735)	-	(27,735)
Shareholder's loan	(327,415)	-	(327,415)
Total	(455,974)	1,692,702	1,236,728

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

19. Related party transactions (Continued)

For six-month period ended 30 June 2020 and 2019 the following transactions occurred with related parties:

<i>RSD thousand</i>	Period ended 30 June 2020		
	Parent Company	Subsidiaries	Total
Revenues	-	-	-
Selling, general and administrative expenses	(13,793)	-	(13,793)
Dividends	-	31,318	31,318
Finance income	-	22,216	22,216
Finance expense	(9,638)	-	(9,638)
Total	(23,431)	53,535	30,104

<i>RSD thousand</i>	Period ended 30 June 2019		
	Parent Company	Subsidiaries	Total
Revenues	-	-	-
Selling, general and administrative expenses	(13,952)	-	(13,952)
Dividends	-	26,999	26,999
Finance income	-	23,192	23,192
Finance expense	(9,517)	-	(9,517)
Total	(23,469)	50,191	26,722

Remuneration of Fintel's directors

Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for first half of 2020 amounted to RSD 102 thousand.

20. Significant subsequent events

On July 28th 2020 the NBS Executive Board held an extraordinary session and adopted regulations which enable bank borrowers and financial lessees to further postpone their liabilities under loans, loan products and leasing.

An additional suspension in the settlement of liabilities has been prescribed by:

- the Decision on Temporary Measures for Banks for the Purpose of Mitigating the Consequences of COVID-19 Pandemic in Order to Preserve Financial System Stability, and
- the Decision on Temporary Measures for Financial Lessors for the Purpose of Mitigating the Consequences of COVID-19 Pandemic in Order to Preserve Financial System Stability.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

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

20. Significant subsequent events (Continued)

In accordance with the regulations adopted today, borrowers have been offered one more suspension in the settlement of their liabilities to banks/financial lessors, maturing in the period between 1 August 2020 and 30 September 2020, as well as a suspension in the payment of liabilities that matured in July 2020, and which the borrower has not settled.

Legal representative:

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



A handwritten signature in blue ink is positioned to the left of a circular blue stamp. The stamp contains the text "FINTEL ENERGIJA AD" in the center, with "POSREDOVANJE ZA PROIZVODUJU ELETRIČNE ENERGIJE" around the top inner edge and "BEOGRAD" at the bottom.

**CONSOLIDATED HALF-YEAR BUSINESS
REPORT FOR THE PERIOD ENDED
30 JUNE 2020**

FINTEL ENERGIJA AD

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FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

1. Summary of the business activities and organizational structure

Identification data

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

Seat: Belgrade

Address: Bulevar Mihaila Pupina 115e

Company Identification Number: 20305266

Tax Identification Number: 105058839

Date of incorporation: 27 June 2007

Persons authorized to represent: Tiziano Giovannetti

Website: www.fintelenergija.rs

Core business activity

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

Business activities

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

Organizational structure

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

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

Subsidiaries

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

- Lipar d.o.o. Beograd, ID number 21452149 ("**Lipar**"), whereby the Company holds 100,00% of the share capital,
- Lipar 2 d.o.o. Beograd, ID number 21452122 ("**Lipar 2**"), whereby the Company holds 100,00% of the share capital,
- Maestrle Ring d.o.o. Beograd, ID number 21452068 ("**Maestrle Ring**"), whereby the Company holds 100,00% of the share capital,
- Project Torak d.o.o. Beograd, ID number 21459631 ("**Project Torak**"), whereby the Company holds 100,00% of the share capital,
- Fintel Energija development d.o.o. Beograd, ID number 21522732 ("**Fintel Energija Development**"), whereby the Company holds 100,00% of the share capital,
- Fintel Russian Ventures ooo, whereby the Company holds 99,00% of the share capital ("**Fintel Russian Ventures o.o.o.**"),
- MK-Fintel Wind Holding d.o.o. za holding poslove Beograd, ID number 21280275, whereby the Company holds 53,99737% of the share capital ("**MK Fintel d.o.o.**"), while the remaining 46,00263% is held by the company *MK Holding d.o.o. za holding poslove Beograd*,
- MK-Fintel Wind akcionarsko društvo Beograd, ID number 20392126, whereby the Company holds 53,99737% of the share capital ("**MK Fintel a.d.**", "."), while the remaining 46,00263% is held by the company *MK Holding d.o.o. za holding poslove Beograd*.

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

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

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

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

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

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

Information about the management of the company

Members of Board of Directors:

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

Key events impacting the Group in first half of 2020

Key events impacting the Group in first half of 2020 are as following:

- At the end of 2019, China for the first time announced news about COVID-19 (coronavirus). At that time a limited number of cases of an unknown virus reported to the World Health Organization. In the first few months of 2020, the virus spread globally and caused significant negative effect. Management believes that this epidemic is an event after the date of the reporting period that does not require adjustments to the consolidated financial statements. Although the virus is still evolving, at the time of issuing these consolidated financial statements, the Group's management does not expect an impact on operations in 2020. The Group does not expect difficulties in collecting receivables and believes that liquidity will be stable in the future, due to the strong support of foreign partners (Group owners). Due to the pandemic related to COVID 19, Serbian Government took some kind of measures that affected also the business in which the Group operates. In detail, based on these new measures, Banks and Lessors are obligated to offer a moratorium on debt payments to their clients. The moratorium is a suspension of repayment of loan, as well as all other obligations to a bank. The moratorium lasts for at least 90 days, i.e. for the duration of the emergency state declared due to the pandemic. In addition, for a period of 90 days, Serbian Government suspended recognition of Feed in Tariff. During this period, the energy produced by the wind farms is temporarily sold to a market price of 28€/MWh.
- On 28 May 2020, the Serbian Ministry of Energy and Mining notified the subsidiary MK Fintel Wind that it had been awarded 3P status for the 68 MW Kosava Phase I wind farm in Vrsac, approximately 85 km north east of Belgrade. The 3P status grants Fintel's subsidiary the right to the immediate receipt of a feed-in tariff of 98.9 Euro/MWh + inflation for the next 12 years, that is, until 2032. Note that, during the trial period, the plant earned 50% of the expected feed-in-tariff.

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

Fintel Energija has a position of pioneer among independent producers of electrical energy from wind power in the territory of the Republic of Serbia. The total installed capacity of all wind turbines in Serbia is 398 MW, of which 89.5 MW is held in the ownership of the Company (22,5%). Out of the total current quota for construction of wind farms under preferential conditions, which is 500 MW, Fintel has been granted the right to build wind farms of a total capacity of 85.5 MW (17,1%).

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED HALF-YEAR INCOME STATEMENT
 In RSD thousand

	AOP	Six-month period ended	
		30 June 2020 <i>(unaudited)</i>	2019 <i>(unaudited)</i>
INCOME FROM REGULAR OPERATING ACTIVITIES			
A. OPERATING INCOME (1002+1009+1016+1017)	1001	720,166	242,825
I. INCOME FROM THE SALE OF GOODS (1003+1004+1005+1006+1007+1008)	1002	-	-
1. Income from sales of goods to parent and subsidiaries on domestic market	1003	-	-
2. Income from sales of goods to parent and subsidiaries on foreign market	1004	-	-
3. Income from the sale of goods to other related parties on domestic market	1005	-	-
4. Income from the sale of goods to other related parties on foreign market	1006	-	-
5. Income from sale of goods on domestic market	1007	-	-
6. Income from sale of goods on foreign market	1008	-	-
II. INCOME FROM SALES OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009	720,166	242,825
1. Income from sales of products and services to parent and subsidiaries on domestic market	1010	-	-
2. Income from sales of products and services to parent and subsidiaries on foreign market	1011	-	-
3. Income from sales of products and services to other related parties on domestic market	1012	-	-
4. Income from sales of products and services to other related parties on foreign market	1013	-	-
5. Income from sales of products and services – domestic	1014	720,166	242,825
6. Income from sales of products and services – foreign	1015	-	-
III. INCOME FROM PREMIUMS, SUBVENTIONS AND DONATIONS	1016	-	-
IV. OTHER OPERATING INCOME	1017	-	-
EXPENSES FROM REGULAR OPERATING ACTIVITIES			
B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029)>=0	1018	484,315	145,320
I. COST OF GOODS SOLD	1019	-	-
II. WORK PERFORMED BY THE ENTITY AND CAPITALIZED	1020	-	-
III. INCREASE IN INVENTORIES OF UNFINISHED AND FINISHED GOODS AND ONGOING SERVICES	1021	-	-
IV. DECREASE IN INVENTORIES OF UNFINISHED AND FINISHED GOODS AND ONGOING SERVICES	1022	-	-
V. COST OF MATERIAL	1023	110	21
VI. COST OF FUEL AND ENERGY	1024	5,346	1,082
VII. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1025	17,135	10,209
VIII. COST OF PRODUCTION SERVICES	1026	75,379	22,429
IX. DEPRECIATION, DEPLETION AND AMORTIZATION	1027	268,690	69,390
X. COST OF LONG-TERM PROVISIONING	1028	-	-
XI. NON-PRODUCTION COSTS	1029	99,655	42,189
C. OPERATING GAIN (1001-1018)>=0	1030	235,851	97,505
D. OPERATING LOSS (1018-1001)>=0	1031	-	-
E. FINANCE INCOME (1033+1038+1039)	1032	3,281	27,830
I. FINANCIAL INCOME FROM RELATED PARTIES AND OTHER FINANCIAL INCOME (1034+1035+1036+1037)	1033	1,660	4,858
1. Finance income - parent company and subsidiaries	1034	1,431	1,382

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED HALF-YEAR INCOME STATEMENT
 In RSD thousand

	AOP	Six-month period ended	
		2020 <i>(unaudited)</i>	2019 <i>(unaudited)</i>
		30 June	
2. Finance income - other related parties	1035	229	3,476
3. Share of profit of associates and joint ventures	1036	-	-
4. Other financial income	1037	-	-
II. INTEREST INCOME (from third parties)	1038	58	296
III. FOREIGN EXCHANGE GAINS (third parties)	1039	1,563	22,676
F. FINANCE EXPENSES (1041+1046+1047)	1040	344,782	69,628
I. FINANCIAL EXPENSES FROM RELATED PARTIES AND OTHER FINANCIAL EXPENSES (1042+1043+1044+1045)	1041	35,437	12,915
1. Finance expense - parent company and subsidiaries	1042	10,389	9,432
2. Finance expense - other related parties	1043	20,430	3,483
3. Share of loss of associates and joint ventures	1044	-	-
4. Other financial expense	1045	4,618	-
II. INTEREST EXPENSE (from third parties)	1046	309,314	54,994
III. FOREIGN EXCHANGE LOSSES (third parties)	1047	31	1,719
G. PROFIT FROM FINANCING OPERATIONS (1032-1040)	1048	-	-
H. LOSS FROM FINANCING OPERATIONS (1040-1032)	1049	341,501	41,798
I. INCOME FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1050	-	-
J. LOSS FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1051	-	-
K. OTHER INCOME	1052	1,212,106	250
L. OTHER EXPENSES	1053	1,203,912	612
M. OPERATING PROFIT BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054	-	55,345
N. OPERATING LOSS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055	97,456	-
O. NET INCOME ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1056	-	-
P. NET LOSS ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1057	-	-
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	-	55,345
R. LOSS BEFORE TAX (1055-1054+1057-1056)	1059	97,456	-
II. INCOME TAX			
I. CURRENT INCOME TAX	1060	15,188	19,330
II. DEFERRED TAX EXPENSE FOR THE PERIOD	1061	-	1,081
III. DEFERRED TAX INCOME FOR THE PERIOD	1062	7,886	-
S. PERSONAL INCOME PAID TO EMPLOYER	1063	-	-
T. NET PROFIT (1058-1059-1060-1061+1062)	1064	-	34,934
V. NET LOSS (1059-1058+1060+1061-1062)	1065	104,758	-
I. NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1066	-	24,084
II. NET INCOME ATTRIBUTABLE TO THE OWNER	1067	-	10,850
III. NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1068	29,380	-
IV. NET LOSS ATTRIBUTABLE TO THE OWNER	1069	75,378	-
V. EARNINGS PER SHARE			
1. Basic earnings per share (in RSD)	1070	(2,84)	0,41
2. Diluted earnings per share (in RSD)	1071	(2,84)	0,41

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED HALF-YEAR BALANCE SHEET
 In RSD thousand

	AOP	30 June 2020 <i>(unaudited)</i>	31 December 2019
A. SUBSCRIBED CAPITAL UNPAID	0001	-	-
B. NON-CURRENT ASSETS (0003 + 0010 + 0019+ 0024 + 0034)	0002	13,009,746	13,264,122
I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003	-	-
1. Development investments	0004	-	-
2. Concessions, licenses, software and other rights	0005	-	-
3. Goodwill	0006	-	-
4. Other intangible assets	0007	-	-
5. Intangible assets under development	0008	-	-
6. Advances for intangible assets	0009	-	-
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010	12,950,361	13,204,738
1. Land	0011	40,145	40,145
2. Buildings	0012	4,316,464	3,154,811
3. Machinery and equipment	0013	8,470,947	8,700,161
4. Investment property	0014	-	-
5. Other property, plant and equipment	0015	-	-
6. Construction in progress	0016	118,879	1,305,695
7. Investments in leased PP&E	0017	-	-
8. Advances for PP&E	0018	3,926	3,926
III. BIOLOGICAL ASSETS (0020+0021+0022+0023)	0019	-	-
1. Forest farming	0020	-	-
2. Livestock	0021	-	-
3. Biological assets in production	0022	-	-
4. Advances for biological assets	0023	-	-
IV. LONG-TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024	59,385	59,384
1. Investments in subsidiary	0025	-	-
2. Investments in joint ventures	0026	-	-
3. Investments in other legal entities and other available for sales financial assets	0027	-	-
4. Long term investments in parent and subsidiaries	0028	-	-
5. Long-term investments in other related parties	0029	-	-
6. Long-term investments – domestic	0030	-	-
7. Long-term investments – foreign	0031	-	-
8. Securities held to maturity	0032	-	-
9. Other long-term financial investments	0033	59,385	59,384
V. LONG-TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034	-	-
1. Receivables from parent company and subsidiaries	0035	-	-
2. Receivables from other related parties	0036	-	-
3. Receivables from sale of goods on credit	0037	-	-
4. Receivables arising out of finance lease contracts	0038	-	-
5. Claims arising from guarantees	0039	-	-
6. Bad and doubtful receivables	0040	-	-
7. Other long-term receivables	0041	-	-
C. DEFERRED TAX ASSETS	0042	54,995	33,468

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	30 June 2020 <i>(unaudited)</i>	31 December 2019
D. CURRENT ASSETS	0043		
(0044+0051+0059+0060+0061+0062+0068+0069+0070)		888,691	728,003
I. INVENTORY (0045+0046+0047+0048+0049+0050)	0044	19,861	10,068
1. Materials, spare parts and tools	0045	-	-
2. Work in progress	0046	-	-
3. Finished goods	0047	-	-
4. Merchandise	0048	-	-
5. Assets held for sale	0049	-	-
6. Advances for inventory and services	0050	19,861	10,068
II. TRADE RECEIVABLES			
(0052+0053+0054+0055+0056+0057+0058)	0051	-	183,304
1. Domestic trade receivables - parents and subsidiaries	0052	-	-
2. Foreign trade receivables - parents and subsidiaries	0053	-	-
3. Domestic trade receivables - other related parties	0054	-	-
4. Foreign trade receivables - other related parties	0055	-	-
5. Trade receivables – domestic	0056	-	183,304
6. Trade receivables – foreign	0057	-	-
7. Other trade receivables	0058	-	-
III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059	-	-
IV. OTHER RECEIVABLES	0060	14,945	14,683
V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	0061	-	-
VI. SHORT TERM FINANCIAL INVESTMENTS	0062	900	900
(0063+0064+0065+0066+0067)			
1. Short-term loans and investments - parent companies and subsidiaries	0063	-	-
2. Short-term loans and investments – other related parties	0064	-	-
3. Short-term loans and investments – domestic	0065	-	-
4. Short-term loans and investments – foreign	0066	-	-
5. Other short-term loans and investments	0067	900	900
VII. CASH AND CASH EQUIVALENTS	0068	405,058	277,063
VIII. VALUE ADDED TAX	0069	262,006	39,178
IX. PREPAYMENTS AND ACCRUED INCOME	0070	185,921	202,807
E. TOTAL ASSETS (0001+0002+0042+0043)	0071	13,953,432	14,025,593
F. OFF-BALANCE SHEET ASSETS	0072	527,783	956,738
A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421)	0401	251,521	460,346
I. SHARE CAPITAL			
(0403+0404+0405+0406+0407+0408+0409+0410)	0402	685,294	685,294
1. Share capital	0403	4,057	4,057
2. Stakes of limited liability companies	0404	-	-
3. Stakes	0405	-	-
4. State owned capital	0406	-	-
5. Socially owned capital	0407	-	-
6. Stakes in cooperatives	0408	-	-
7. Share premium	0409	681,237	681,237
8. Other capital	0410	-	-
II. SUBSCRIBED CAPITAL UNPAID	0411	-	-
III. OWN SHARES	0412	-	-
IV. RESERVES	0413	-	-
V. REVALUATION RESERVES FROM VALUATION OF INTANGIBLES, PROPERTIES, PLANT AND EQUIPMENT	0414	-	-
VI. UNREALISED GAINS FROM SECURITAS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0415	-	-
VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0416	253,026	211,305
VIII. RETAINED EARNINGS (0418+0419)	0417	30,744	54,584

FINTEL ENERGIJA AD BEOGRAD
CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	30 June 2020 <i>(unaudited)</i>	31 December 2019
1. Retained earnings from previous years	0418	30,744	-
2. Retained earnings from current year	0419	-	54,584
IX. NON-CONTROLLING INTEREST	0420	(136,113)	(44,498)
X. LOSS (0422+0423)	0421	75,378	23,729
1. Loss from previous years	0422	-	23,729
2. Loss from current year	0423	75,378	-
B. LONG-TERM PROVISIONS AND LIABILITIES (0425+0432)	0424	11,469,129	11,729,668
I. LONG-TERM PROVISIONS (0426+0427+0428+0429+0430+4031)	0425	-	-
1. Provisions for warranty claims	0426	-	-
2. Provision for environmental rehabilitation	0427	-	-
3. Provisions for restructuring costs	0428	-	-
4. Provisions for employee benefits	0429	-	-
5. Provisions for litigations	0430	-	-
6. Other long term provisions	0431	-	-
II. LONG-TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432	11,469,129	11,729,668
1. Liabilities convertible to equity	0433	-	-
2. Liabilities to parent and subsidiaries	0434	14,109	14,111
3. Liabilities to other related parties	0435	1,425,953	1,425,880
4. Liabilities for issued long-term securities	0436	-	-
5. Long term borrowings - domestic	0437	9,477,811	9,829,351
6. Long-term borrowings - foreign	0438	-	-
7. Finance lease liabilities	0439	-	-
8. Other long-term liabilities	0440	551,256	460,326
C. DEFERRED TAX LIABILITIES	0441	-	-
D. SHORT-TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442	2,232,782	1,835,579
I. SHORT-TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	1,440,155	1,159,028
1. Short term borrowings from parent and subsidiaries	0444	479,738	479,806
2. Short term borrowings from other related parties	0445	-	13,876
3. Short-term loans and borrowings - domestic	0446	960,417	665,346
4. Short-term loans and borrowings - foreign	0447	-	-
5. Liabilities relating to current assets and held-for-sale assets attributable to discounted operations	0448	-	-
6. Other short term liabilities	0449	-	-
II. ADVANCES RECEIVED	0450	-	-
III. TRADE PAYABLES (0452+0453+0454+0455+0456+0458)	0451	222,482	240,607
1. Trade payables - parent and subsidiaries - domestic	0452	-	-
2. Trade payables - parent and subsidiaries - foreign	0453	41,528	27,735
3. Trade payables - other related parties - domestic	0454	1,963	1,469
4. Trade payables - other related parties - foreign	0455	-	-
5. Trade payables - domestic	0456	176,039	209,520
6. Trade payables - foreign	0457	2,952	1,883
7. Other operating liabilities	0458	-	-
IV. OTHER SHORT-TERM LIABILITIES	0459	80,226	85,006
V. LIABILITIES FOR VAT	0460	-	-
VI. LIABILITIES FOR OTHER TAXES	0461	24,451	20,132
VII. ACCRUED EXPENSES	0462	465,468	330,806
E. LOSS EXCEEDING EQUITY (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)>=0=(0441+0424+0442-0071)>=0	0463	-	-
F. TOTAL EQUITY AND LIABILITIES (0424+0442+0441+0401-0463)>=0	0464	13,953,432	14,025,593
G. OFF-BALANCE SHEET LIABILITIES	0465	527,783	956,738

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

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

Financial Indicators

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

Ratios and KPI	30/06/2020	30/06/2019
Revenues	720.166	242.825
EBITDA (RSD thousands)	522.542	166.894
(Operating profit+Depreciation and amortization)		
Operating result (RSD thousands)	235.851	97.505
Cash flows from operating activities (RSD thousands)	301.865	64.982
Investments (RSD thousands)	59.275	1.147.425

Sales of products and services amounts to RSD 720,166 thousand and RSD 242,825 thousand for the period ended 30 June 2020 and 30 June 2019 respectively.

The increase in revenue is mainly attributable to the increase of volume power produced from 21,2 GWh to 106.5 GWh in first half of 2020 compared to the same period of 2019.

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

Due to the pandemic related to COVID 19, Serbian Government took some kind of measures that affected also the business in which the Group operates. In detail, for a period of 90 days, Serbian Government suspended recognition of Feed in Tariff. During this period, the energy produced by all wind farms owned by the Group has been temporarily sold to a market price of 28€/MWh.

In addition, it should be noted, that "Kosava Phase I" received half of the FiT during trial period for the energy produced in January and February 2020.

On 28 May 2020, the Serbian Ministry of Energy and Mining notified the subsidiary MK Fintel Wind that it had been awarded 3P status for the 68 MW Kosava Phase I wind farm. The 3P status grants Fintel's subsidiary the right to the immediate receipt of a feed-in tariff of 98.9 Euro/MWh + inflation for the next 12 years, that is, until 2032.

Compared to the same period of 2019, also EBITDA, operating result and cash flow from operating activities grew in first half of 2020 due primarily the starting of operation of Kosava Phase I.

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

Financial Indicators (Continued)

First half 2020 net loss amounts to RSD 104,758 thousand compared to RSD 34.934 a net profit of the same period of the previous year. This result was significantly affected by the suspension of the Feed in Tariff during first half as above mentioned and the obtainment of the full FiT for Kosava Phase I only at the end of May 2020. Without Serbian Government COVID 19 measures and the recognition of full FiT for Kosava Phase I since January 2020, revenues, EBITDA and profit before tax should have been higher for RSD 512.569 thousand compared to actual results at the end of first half 2020.

Personnel structure

The employees in the company have the appropriate qualifications, knowledge and experience necessary for the quality performance of the services provided by the Company. In addition to the Director, the Company has further 12 employees its subsidiaries who work mainly on maintenance of existing wind farms.

3. Environmental protection

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

4. Significant events after the end of the period

On July 28th 2020 the NBS Executive Board held an extraordinary session and adopted regulations which enable bank borrowers and financial lessees to further postpone their liabilities under loans, loan products and leasing.

An additional suspension in the settlement of liabilities has been prescribed by:

- the Decision on Temporary Measures for Banks for the Purpose of Mitigating the Consequences of COVID-19 Pandemic in Order to Preserve Financial System Stability, and
- the Decision on Temporary Measures for Financial Lessors for the Purpose of Mitigating the Consequences of COVID-19 Pandemic in Order to Preserve Financial System Stability.

In accordance with the regulations adopted today, borrowers have been offered one more suspension in the settlement of their liabilities to banks/financial lessors, maturing in the period between 1 August 2020 and 30 September 2020, as well as a suspension in the payment of liabilities that matured in July 2020, and which the borrower has not settled.

5. Planned future development

As of June 2020, the Group has increased its production of electrical energy from wind of 85.5 MW, through the construction of three projects, "Kula", "La Piccolina" and "Kosava phase I". The Group also has ongoing further onshore wind farms development of 908 MW. The pipeline is being actively developed and projects are continuously progressed through the development and obtaining the appropriate regulatory consents. Projects are all developed in accordance with the "gateway" approval process, so the pace of development will depend on a number of internal and external factors. Out of the ongoing project, the project that has most advanced is Kosava Phase II - a project that obtained all licenses and that plans to have 19 turbines with capacity of up 65.5 MW, subject to turbine selection. which is estimated to become fully operational in the financial year 2021.

The growth of the Company's and Group's business will be driven primarily by the build of the Company's Development Pipeline Business, comprising approximately 861 MW of total capacity. Out of this amount, 125 MW is at an advanced development stage (building permits has been obtained for 75,5 MW, including 65 MW under construction) and approximately 693 MW where planning applications will be soon submitted or were submitted already).

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

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

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5. Planned future development (Continued)

PLANT	LOCATION		DESIGN	OWNED BY	CAPACITY [MW]	STATUS
LA PICCOLINA	Wind	Vrsac	Energogr. doo	Energobalkan doo	6.6	in operation
KULA	Wind	Kula	Energogr. doo	Vetropark Kula doo	9.9	in operation
KOSAVA phase I	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	69	in operation
KOSAVA phase II	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	65.5	under construction
RAM	Wind	Veliko Gradiste	Energogr. doo	Vetropark RAM doo	10	under construction
KULA 2	Wind	Kula	Energogr. doo	Vetropark Torak doo	10	under final phase of development
LIPAR	Wind	Kula	Energogr. doo	Vetropark Lipar doo	10	under final phase of development
LIPAR 2	Wind	Kula	Energogr. doo	Vetropark Lipar 2 doo	10	under final phase of development
DUNAV 1	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 1 doo	10	under final phase of development
DUNAV 3	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 3 doo	10	under final phase of development
MAESTRALE RING	Wind	Subotica	Energogr. doo	Vetropark Maestrale Ring doo	632.8	under development
PROJECT TORAK	Wind	Sombor	Energogr. doo	Project TORAK doo.	140	under development
KOSAVA 2	Wind	Vrsac	Energogr. doo	Vetropark KOSAVA 2 doo	9.9	under development
TOTAL					993.7	

6. Research and development

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

There are no registered patents or licenses of the Company.

The Company manages, monitors and controls its generating power plants from 24/7 central control centre (the "Logistic Control Centre") at its head office in Belgrade. The Company has adopted a service model under which none of its plants is manned on a continued basis. The operating assets are

6. Research and development (Continued)

managed by a team of four persons, the majority of whom operate remotely. These personnel execute a program preventive maintenance and ongoing operational tasks under the schedule set centrally by the Logistics Control Centre through the Vestas asset management software and respond to unscheduled breakdowns. The remote monitoring is based on the universally adopted SCADA system, which can be used across various generation technologies. This enables the Company to track, in real-time, turbine and generator performance, including faults, breakdowns and any other issues that might occur. Wind turbines can be remotely started and switched off from the Logistics Control Centre, avoiding the need to dispatch a technician on location if a minor fault occurs.

7. Subsidiaries

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

- Lipar d.o.o. Beograd, ID number 21452149 ("**Lipar**"), whereby the Company holds 100,00% of the share capital,
- Lipar 2 d.o.o. Beograd, ID number 21452122 ("**Lipar 2**"), whereby the Company holds 100,00% of the share capital,
- Maestrle Ring d.o.o. Beograd, ID number 21452068 ("**Maestrle Ring**"), whereby the Company holds 100,00% of the share capital,
- Project Torak d.o.o. Beograd, ID number 21459631 ("**Project Torak**"), whereby the Company holds 100,00% of the share capital,
- Fintel Energija development d.o.o. Beograd, ID number 21522732 ("**Fintel Energija Development**"), whereby the Company holds 100,00% of the share capital,
- Fintel Russian Ventures ooo, whereby the Company holds 99,00% of the share capital ("**Fintel Russian Ventures o.o.o.**"),
- MK-Fintel Wind Holding d.o.o. za holding poslove Beograd, ID number 21280275, whereby the Company holds 53,99737% of the share capital ("**MK Fintel d.o.o.**"), while the remaining 46,00263% is held by the company *MK Holding d.o.o. za holding poslove Beograd*,
- MK-Fintel Wind akcionarsko društvo Beograd, ID number 20392126, whereby the Company holds 53,99737% of the share capital ("**MK Fintel a.d.**", "."), while the remaining 46,00263% is held by the company *MK Holding d.o.o. za holding poslove Beograd*.

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

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

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

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

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

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

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

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

Above mentioned Financial risk management procedures are consistent with those applied during the preparation of Financial Statements as of and for the year ended 31 December 2019.

9. Related party transactions

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

A summary is provided below of the Group's transactions with related parties at 30 June 2020 and 31 December 2019. All transactions with related parties are entered into at market value.

As of 30 June 2020 and 31 December 2019 the outstanding balances with related parties were as follows:

	At 30 June 2020		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(41,528)	-	(41,528)
Other current liabilities	(185,946)	-	(185,946)
Long term debt	(14,109)	-	(14,109)
Short term debt	(479,738)	-	(479,738)
Total	(721,321)	-	(721,321)

	At 31 December 2019		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(27,735)	-	(27,735)
Other current liabilities	(174,361)	-	(174,361)
Long term debt	(14,111)	-	(14,111)
Short term debt	(479,806)	-	(479,806)
Total	(696,013)	-	(696,013)

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9. Related party transactions (Continued)

For six-month period ended 30 June 2020 and 2019 the following transactions occurred with related parties:

	Six-month period ended 30 June 2020		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Selling, general and administrative expenses	(13,793)	-	(13,793)
Finance expense	(11,599)	-	(11,599)
Total	(25,392)	-	(25,392)

	Six-month period ended 30 June 2019		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Selling, general and administrative expenses	(13,952)	-	(13,952)
Finance expense	(11,896)	-	(11,896)
Total	(25,848)	-	(25,848)

Remuneration of Fintel Group directors

Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for first half of 2020 amounted to RSD 102 thousand.




Legal representative

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Quarterly Financial Statements of the Fintel Energija a.d. for period ended 30 June 2020 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

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

Legal representative:

Fintel Energija a.d.

Director



Ljiljana Giovannetti