



**FINTEL ENERGIJA AD**

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

**Belgrade, August 2021.**

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

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

**CONTENT**

- 1. CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS OF FINTEL ENERGIJA A.D. FOR PERIOD ENDED 30 JUNE 2021 (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Report on Other Income, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Notes to Consolidated Half-Year Financial Statements)**
  
- 2. HALF-YEAR BUSINESS REPORT**  
  
(Note: Business Report and Consolidated Business Report are presented as one report, containing information of significance for the economic overview)
  
- 3. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORTS**

**CONSOLIDATED HALF-YEAR FINANCIAL  
STATEMENTS FOR THE PERIOD  
ENDED 30 JUNE 2021**

**FINTEL ENERGIJA AD, BEOGRAD**

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THE LAW ON ACCOUNTING OF THE REPUBLIC OF SERBIA

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# CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

## CONSOLIDATED HALF-YEAR BALANCE SHEET

In RSD thousand

	AOP	Note	30 June 2021 <i>(unaudited)</i>	31 December 2020
<b>A. SUBSCRIBED CAPITAL UNPAID</b>	<b>0001</b>		-	-
<b>B. NON-CURRENT ASSETS (0003 + 0010 + 0019+ 0024 + 0034)</b>	<b>0002</b>		<b>12,959,617</b>	<b>12,726,198</b>
<b>I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)</b>	<b>0003</b>			
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			
<b>II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)</b>	<b>0010</b>		<b>12,635,422</b>	<b>12,666,820</b>
1. Land	0011	5	40,145	40,145
2. Buildings	0012	5	4,329,009	4,256,106
3. Machinery and equipment	0013	5	8,106,867	8,237,667
4. Investment property	0014			
5. Other property, plant and equipment	0015			
6. Construction in progress	0016	5	159,401	132,901
7. Investments in leased PP&E	0017			
8. Advances for PP&E	0018			
<b>III. BIOLOGICAL ASSETS (0020+0021+0022+0023)</b>	<b>0019</b>			
1. Forest farming	0020			
2. Livestock	0021			
3. Biological assets in production	0022			
4. Advances for biological assets	0023			
<b>IV. LONG-TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)</b>	<b>0024</b>		<b>324,195</b>	<b>59,378</b>
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	6	324,195	59,378
<b>V. LONG-TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)</b>	<b>0034</b>			
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			
<b>C. DEFERRED TAX ASSETS</b>	<b>0042</b>	<b>7</b>		<b>61,539</b>

# CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

## CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	Note	30 June 2021 <i>(unaudited)</i>	31 December 2020
<b>D. CURRENT ASSETS</b>				
<b>(0044+0051+0059+0060+0061+0062+0068+0069+0070)</b>	<b>0043</b>		<b>837,944</b>	<b>771,307</b>
<b>I. INVENTORY (0045+0046+0047+0048+0049+0050)</b>	<b>0044</b>		<b>13,894</b>	<b>10,799</b>
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	8	13,894	10,799
<b>II. TRADE RECEIVABLES</b>				
<b>(0052+0053+0054+0055+0056+0057+0058)</b>	<b>0051</b>		<b>215,268</b>	<b>65,868</b>
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	9	215,268	65,868
6. Trade receivables - foreign	0057			
7. Other trade receivables	0058			
<b>III. RECEIVABLES FROM SPECIFIC OPERATIONS</b>	<b>0059</b>			
<b>IV. OTHER RECEIVABLES</b>	<b>0060</b>		<b>16,591</b>	<b>17,556</b>
<b>V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>0061</b>			
<b>VI. SHORT TERM FINANCIAL INVESTMENTS</b>				
<b>(0063+0064+0065+0066+0067)</b>	<b>0062</b>		<b>14</b>	<b>14</b>
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		14	14
<b>VII. CASH AND CASH EQUIVALENTS</b>	<b>0068</b>	<b>10</b>	<b>447,671</b>	<b>309,064</b>
<b>VIII. VALUE ADDED TAX</b>	<b>0069</b>	<b>11</b>	<b>30,526</b>	<b>31,008</b>
<b>IX. PREPAYMENTS AND ACCRUED INCOME</b>	<b>0070</b>	<b>11</b>	<b>113,980</b>	<b>336,998</b>
<b>E. TOTAL ASSETS (0001+0002+0042+0043)</b>	<b>0071</b>		<b>13,797,561</b>	<b>13,559,044</b>
<b>F. OFF-BALANCE SHEET ASSETS</b>	<b>0072</b>	<b>4</b>	<b>324,482</b>	<b>379,649</b>
<b>A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421)</b>	<b>0401</b>		<b>1,019,011</b>	<b>386,439</b>
<b>I. SHARE CAPITAL</b>				
<b>(0403+0404+0405+0406+0407+0408+0409+0410)</b>	<b>0402</b>		<b>685,294</b>	<b>685,294</b>
1. Share capital	0403	12	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	12	681,237	681,237
8. Other capital	0410			
<b>II. SUBSCRIBED CAPITAL UNPAID</b>	<b>0411</b>			
<b>III. OWN SHARES</b>	<b>0412</b>			
<b>IV. RESERVES</b>	<b>0413</b>			
<b>V. REVALUATION RESERVES FROM VALUATION OF INTANGIBLES, PROPERTIES, PLANT AND EQUIPMENT</b>	<b>0414</b>			
<b>VI. UNREALISED GAINS FROM SECURITAS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME</b>	<b>0415</b>			
<b>VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME</b>	<b>0416</b>	<b>12</b>	<b>189,048</b>	<b>249,094</b>
<b>VIII. RETAINED EARNINGS (0418+0419)</b>	<b>0417</b>		<b>296,042</b>	<b>30,816</b>
1. Retained earnings from previous years	0418	12	7,752	30,816
2. Retained earnings from current year	0419	12	288,290	
<b>IX. NON-CONTROLLING INTEREST</b>	<b>0420</b>	<b>12</b>	<b>226,723</b>	<b>(57,517)</b>
<b>X. LOSS (0422+0423)</b>	<b>0421</b>			<b>23,060</b>
1. Loss from previous years	0422			
2. Loss from current year	0423			23,060

# CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

## CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	Note	30 June 2021 <i>(unaudited)</i>	31 December 2020
<b>B. LONG-TERM PROVISIONS AND LIABILITIES (0425+0432)</b>	<b>0424</b>		<b>9,947,193</b>	<b>11,039,393</b>
<b>I. LONG-TERM PROVISIONS (0426+0427+0428+0429+0430+4031)</b>	<b>0425</b>		<b>71</b>	<b>71</b>
1. Provisions for warranty claims	0426			
2. Provision for environmental rehabilitation	0427			
3. Provisions for restructuring costs	0428			
4. Provisions for employee benefits	0429		71	71
5. Provisions for litigations	0430			
6. Other long term provisions	0431			
<b>II. LONG-TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)</b>	<b>0432</b>		<b>9,947,122</b>	<b>11,039,322</b>
1. Liabilities convertible to equity	0433			
2. Liabilities to parent and subsidiaries	0434	13	14,108	14,110
3. Liabilities to other related parties	0435	14	1,424,368	1,424,540
4. Liabilities for issued long-term securities	0436			
5. Long term borrowings - domestic	0437	15	8,096,778	9,057,983
6. Long-term borrowings - foreign	0438			
7. Finance lease liabilities	0439			
8. Other long-term liabilities	0440	16	411,868	542,689
<b>C. DEFERRED TAX LIABILITIES 0441</b>	<b>0441</b>	<b>7</b>	<b>29,112</b>	
<b>D. SHORT-TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)</b>	<b>0442</b>		<b>2,802,245</b>	<b>2,133,212</b>
<b>I. SHORT-TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)</b>	<b>0443</b>		<b>2,066,550</b>	<b>1,309,868</b>
1. Short term borrowings from parent and subsidiaries	0444	13	1,337,930	479,755
2. Short term borrowings from other related parties	0445	14	568	
3. Short-term loans and borrowings - domestic	0446	15	728,052	830,113
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			
<b>II. ADVANCES RECEIVED 0450</b>	<b>0450</b>		<b>39</b>	
<b>III. TRADE PAYABLES (0452+0453+0454+0455+0456+0458)</b>	<b>0451</b>		<b>179,932</b>	<b>235,382</b>
1. Trade payables - parent and subsidiaries - domestic	0452			
2. Trade payables - parent and subsidiaries - foreign	0453	17	69,329	55,466
3. Trade payables - other related parties - domestic	0454	17	792	1,504
4. Trade payables - other related parties - foreign	0455			
5. Trade payables - domestic	0456	17	109,811	175,743
6. Trade payables - foreign	0457			2,669
7. Other operating liabilities	0458			
<b>IV. OTHER SHORT-TERM LIABILITIES 0459</b>	<b>0459</b>		<b>84,046</b>	<b>83,692</b>
<b>V. LIABILITIES FOR VAT 0460</b>	<b>0460</b>			
<b>VI. LIABILITIES FOR OTHER TAXES 0461</b>	<b>0461</b>		<b>1,651</b>	<b>13,285</b>
<b>VII. ACCRUED EXPENSES 0462</b>	<b>0462</b>	<b>18</b>	<b>470,027</b>	<b>490,985</b>
<b>E. LOSS EXCEEDING EQUITY (0412+0416+0421-0420-0417- 0415-0414-0413-0411-0402)&gt;=0=(0441+0424+0442- 0071)&gt;=0</b>	<b>0463</b>			
<b>F. TOTAL EQUITY AND LIABILITIES (0424+0442+0441+0401-0463)&gt;=0</b>	<b>0464</b>		<b>13,797,561</b>	<b>13,559,044</b>
<b>G. OFF-BALANCE SHEET LIABILITIES 0465</b>	<b>0465</b>		<b>324,482</b>	<b>379,649</b>

Tiziano Giovannetti  
Director

09 August 2021



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

# CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

## CONSOLIDATED HALF-YEAR INCOME STATEMENT

In RSD thousand

	AOP	Note	Six-month period ended	
			30 June 2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
<b>INCOME FROM REGULAR OPERATING ACTIVITIES</b>				
<b>A. OPERATING INCOME (1002+1009+1016+1017)</b>	<b>1001</b>		<b>1,284,239</b>	<b>720,166</b>
<b>I. INCOME FROM THE SALE OF GOODS (1003+1004+1005+1006+1007+1008)</b>	<b>1002</b>			-
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			-
<b>II. INCOME FROM SALES OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)</b>	<b>1009</b>		<b>1,284,239</b>	<b>720,166</b>
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	19	1,284,239	720,166
6. Income from sales of products and services – foreign	1015			-
<b>III. INCOME FROM PREMIUMS, SUBVENTIONS AND DONATIONS</b>	<b>1016</b>			-
<b>IV. OTHER OPERATING INCOME</b>	<b>1017</b>			-
<b>EXPENSES FROM REGULAR OPERATING ACTIVITIES</b>				
<b>B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029)&gt;=0</b>	<b>1018</b>		<b>564,959</b>	<b>484,315</b>
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		2,333	110
VI. COST OF FUEL AND ENERGY	1024	20	4,508	5,346
VII. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1025		17,501	17,135
VIII. COST OF PRODUCTION SERVICES	1026	21	95,216	75,379
IX. DEPRECIATION, DEPLETION AND AMORTIZATION	1027	22	297,222	286,690
X. COST OF LONG-TERM PROVISIONING	1028			-
XI. NON-PRODUCTION COSTS	1029	23	148,179	99,655
<b>C. OPERATING GAIN (1001-1018)&gt;=0</b>	<b>1030</b>		<b>719,280</b>	<b>235,851</b>
<b>D. OPERATING LOSS (1018-1001)&gt;=0</b>	<b>1031</b>			-
<b>E. FINANCE INCOME (1033+1038+1039)</b>	<b>1032</b>		<b>407,625</b>	<b>3,281</b>
I. FINANCIAL INCOME FROM RELATED PARTIES AND OTHER FINANCIAL INCOME (1034+1035+1036+1037)	1033		286	1,660
1. Finance income - parent company and subsidiaries	1034	24	114	1,431
2. Finance income - other related parties	1035	25	172	229
3. Share of profit of associates and joint ventures	1036			-
4. Other financial income	1037			-
II. INTEREST INCOME (from third parties)	1038	24	406,101	58
III. FOREIGN EXCHANGE GAINS (third parties)	1039	24	1,238	1,563
<b>F. FINANCE EXPENSES (1041+1046+1047)</b>	<b>1040</b>		<b>452,982</b>	<b>344,782</b>



# CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

## CONSOLIDATED HALF-YEAR INCOME STATEMENT

In RSD thousand

	AOP	Note	Six-month period ended	
			2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
<b>30 June</b>				
I. FINANCIAL EXPENSES FROM RELATED PARTIES AND OTHER				
FINANCIAL EXPENSES (1042+1043+1044+1045)	1041		208,225	35,437
1. Finance expense - parent company and subsidiaries	1042	25	13,352	10,389
2. Finance expense - other related parties	1043	25	19,994	20,430
3. Share of loss of associates and joint ventures	1044			-
4. Other financial expense	1045	25	174,879	4,618
II. INTEREST EXPENSE (from third parties)	1046	25	244,543	309,314
III. FOREIGN EXCHANGE LOSSES (third parties)	1047	25	214	31
<b>G. PROFIT FROM FINANCING OPERATIONS (1032-1040)</b>	<b>1048</b>			-
<b>H. LOSS FROM FINANCING OPERATIONS (1040-1032)</b>	<b>1049</b>		<b>45,357</b>	<b>341,501</b>
<b>I. INCOME FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>	<b>1050</b>			-
<b>J. LOSS FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>	<b>1051</b>			-
<b>K. OTHER INCOME</b>	<b>1052</b>		<b>554</b>	<b>8,195</b>
<b>L. OTHER EXPENSES</b>	<b>1053</b>		<b>16,455</b>	
<b>M. OPERATING PROFIT BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)</b>	<b>1054</b>		<b>658,022</b>	-
<b>N. OPERATING LOSS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)</b>	<b>1055</b>			97,456
<b>O. NET INCOME ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS</b>	<b>1056</b>			-
<b>P. NET LOSS ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS</b>	<b>1057</b>			-
<b>Q. PROFIT BEFORE TAX (1054-1055+1056-1057)</b>	<b>1058</b>		<b>658,022</b>	-
<b>R. LOSS BEFORE TAX (1055-1054+1057-1056)</b>	<b>1059</b>			<b>97,456</b>
II. INCOME TAX				
I. CURRENT INCOME TAX	1060	26	20,992	15,188
II. DEFERRED TAX EXPENSE FOR THE PERIOD	1061	26	71,030	-
III. DEFERRED TAX INCOME FOR THE PERIOD	1062			7,886
<b>S. PERSONAL INCOME PAID TO EMPLOYER</b>	<b>1063</b>			-
<b>T. NET PROFIT (1058-1059-1060-1061+1062)</b>	<b>1064</b>		<b>566,000</b>	-
<b>V. NET LOSS (1059-1058+1060+1061-1062)</b>	<b>1065</b>			<b>104,758</b>
I. NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1066		277,709	-
II. NET INCOME ATTRIBUTABLE TO THE OWNER	1067		288,290	-
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	27	10.87	(2.84)
2. Diluted earnings per share (in RSD)	1071	27	10.87	(2.84)

# CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR STATEMENT OF OTHER COMPREHENSIVE INCOME In RSD thousand	Six-month period ended 30 June			
	AOP	Note	2021 (unaudited)	2020 (unaudited)
<b>A. NET PROFIT/(LOSS)</b>				
<b>I. PROFIT, NET (AOP 1064)</b>	<b>2001</b>		<b>566,000</b>	-
<b>II. LOSS, NET (AOP 1065)</b>	<b>2002</b>			<b>104,758</b>
<b>B. OTHER COMPREHENSIVE PROFIT OR LOSS</b>				
<i>a) Items that will not be reclassified to profit or loss</i>				
<b>1. Changes in the revaluation of intangible assets, property, plant and equipment</b>				
a) increase in revaluation reserves	2003			-
b) decrease in revaluation reserves	2004			-
<b>2. Actuarial gains (losses) of post-employment benefit obligations</b>				
a) gains	2005			-
b) losses	2006			-
<b>3. Gains and losses arising from equity investments</b>				
a) gains	2007			-
b) losses	2008			-
<b>4. Gains or losses arising from a share in the associate's other comprehensive profit or loss</b>				
a) gains	2009			-
b) losses	2010			-
<i>b) Items that may be subsequently reclassified to profit or loss</i>				
<b>1. Gains (losses) from currency translation differences</b>				
a) gains	2011			-
b) losses	2012			-
<b>2. Gains (losses) on investment hedging instruments in foreign business</b>				
a) gains	2013			-
b) losses	2014			-
<b>3. Gains and losses on cash flow hedges</b>				
a) gains	2015		130,821	-
b) losses	2016			90,930
<b>4. Gains (losses) from change in value of available-for-sale financial assets</b>				
a) gains	2017			-
b) losses	2018			-
<b>I. OTHER COMPREHENSIVE PROFIT BEFORE TAX</b> (2003+2005+2007+2009+2011+2013+2015+2017)- (2004+2006+2008+2010+2012+2014+2016+2018)>=0	2019		130,821	-
<b>II. OTHER COMPREHENSIVE LOSS BEFORE TAX</b> (2004+2006+2008+2010+2012+2014+2016+2018)- (2003+2005+2007+2009+2009+2011+2013+2015+2017)>=0	2020			90,930
<b>III. TAX ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>	2021		(19,623)	13,640
<b>IV. TOTAL NET COMPREHENSIVE PROFIT (2019-2020-2021)&gt;=0</b>	<b>2022</b>		<b>111,198</b>	-
<b>V. TOTAL NET COMPREHENSIVE LOSS (2020-2019+2021)&gt;=0</b>	<b>2023</b>			<b>77,291</b>
<b>C. TOTAL NET COMPREHENSIVE PROFIT</b>				
<b>I. TOTAL COMPREHENSIVE PROFIT, NET</b> (2001-2002+2022-2023)>=0	2024		677,198	-
<b>II. TOTAL COMPREHENSIVE LOSS, NET</b> (2002-2001+2023-2022)>=0	2025			182,049
<b>D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS)</b> <b>(2027+2028)=AOP 2024&gt;=0 или AOP 2025&gt;0</b>	<b>2026</b>			
1. Attributable to shareholders	2027		348,337	(117,115)
2. Attributable to non-controlling interest	2028		328,860	(64,934)

# CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

## CONSOLIDATED HALF-YEAR STATEMENT OF CASH FLOWS In RSD thousand

	AOP	Note	Six-month period ended	
			30 June	
			2021	2020
			<i>(unaudited)</i>	<i>(unaudited)</i>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>I. Cash inflow from operating activities (1 to 3)</b>	<b>3001</b>		<b>1,360,766</b>	<b>910,142</b>
1. Sales and advances received	3002		1,360,766	910,142
2. Interest from operating activities	3003		-	-
3. Other inflow from operating activities	3004		-	-
<b>II. Cash outflow from operating activities (1 to 5)</b>	<b>3005</b>		<b>669,057</b>	<b>608,278</b>
1. Payments and prepayments to suppliers	3006		218,445	318,101
2. Salaries, benefits and other personal expenses	3007		17,501	17,135
3. Interest paid	3008		414,554	261,542
4. Income tax paid	3009		18,557	11,500
5. Payments for other public revenues	3010		-	-
<b>III. Net cash inflow from operating activities (I - II)</b>	<b>3011</b>		<b>691,709</b>	<b>301,864</b>
<b>IV. Net cash outflow from operating activities (II - I)</b>	<b>3012</b>		<b>-</b>	<b>-</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>I. Cash flows from investing activities (1 to 5)</b>	<b>3013</b>		<b>-</b>	<b>-</b>
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		-	-
4. Interest from investing activities	3017		-	-
5. Dividend received	3018		-	-
<b>II. Cash outflow from investing activities (1 to 3)</b>	<b>3019</b>		<b>673,602</b>	<b>59,275</b>
1. Acquisition of subsidiaries or other business (net outflow)	3020		-	-
2. Purchase of intangible assets, property, plant and equipment	3021		408,785	59,274
3. Other financial investments (net outflow)	3022		264,817	1
<b>III. Net cash inflow from investing activities (I - II)</b>	<b>3023</b>		<b>-</b>	<b>-</b>
<b>IV. Net cash outflow from investing activities (II - I)</b>	<b>3024</b>		<b>673,602</b>	<b>59,275</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>I. Cash inflow from financing activities (1 to 5)</b>	<b>3025</b>		<b>1,407,573</b>	<b>238,002</b>
1. Increase in share capital	3026		-	-
2. Proceeds from long-term borrowings (net inflow)	3027		546,795	238,002
3. Proceeds from short-term borrowings (net inflow)	3028		860,777	-
4. Other long-term liabilities	3029		-	-
5. Other short-term liabilities	3030		-	-
<b>II. Cash outflow from financing activities (1 to 6)</b>	<b>3031</b>		<b>1,287,073</b>	<b>352,596</b>
1. Purchase of own shares	3032		-	-
2. Repayment of long-term borrowings (net outflow)	3033		1,242,450	311,958
3. Repayment of short-term borrowings (net outflow)	3034		-	13,956
4. Repayment of other liabilities (net outflow)	3035		-	-
5. Financial lease	3036		-	-
6. Dividend distribution	3037		44,623	26,682
<b>III. Net cash inflow from financing activities (I - II)</b>	<b>3038</b>		<b>120,500</b>	<b>-</b>
<b>IV. Net cash outflow from financing activities (II - I)</b>	<b>3039</b>		<b>-</b>	<b>114,594</b>
<b>D. TOTAL CASH INFLOW (3001+3013+3025 )</b>	<b>3040</b>		<b>2,768,339</b>	<b>1,148,144</b>
<b>E. TOTAL CASH OUTFLOW (3005+3019+3031)</b>	<b>3041</b>		<b>2,629,732</b>	<b>1,020,149</b>
<b>F. NET CASH INFLOW (340-341)</b>	<b>3042</b>		<b>138,607</b>	<b>127,995</b>
<b>G. NET CASH OUTFLOW (341-340)</b>	<b>3043</b>		<b>-</b>	<b>-</b>
<b>H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3044</b>		<b>309,064</b>	<b>277,063</b>
<b>I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS</b>	<b>3045</b>		<b>-</b>	<b>-</b>
<b>J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS</b>	<b>3046</b>		<b>-</b>	<b>-</b>
<b>K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (3042-3043+3044+3045-3046)</b>	<b>3047</b>		<b>447,671</b>	<b>405,058</b>

## CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

### CONSOLIDATED HALF YEAR STATEMENT OF CHANGES IN EQUITY (unaudited)

RSD THOUSAND	Equity components							
	AOP	Share Capital	AOP	Reserves	AOP	Loss	AOP	Retained earnings
<b>Balance as at 1 January 2020</b>								
a) debit (3a+4a-4b)>=0	4001		4037		4055	23,729	4091	
b) credit (3b-4a+4b)>=0	4002	685,294	4038		4056		4092	54,584
<b>Adjustments of material errors and changes in accounting policies</b>								
a) debit	4003		4039		4057		4093	
b) credit	4004		4040		4058		4094	
<b>Restated opening balance as at 1 January 2020</b>								
a) debit (5a+6a-6b)>=0	4005		4041		4059		4095	
b) credit (5b-6a+6b)>=0	4006		4042		4060		4096	
<b>Changes in period</b>								
a) debit	4007		4043		4061	75,378	4097	23,838
b) credit	4008		4044		4062	23,729	4098	
<b>Balance as at 30 June 2020</b>								
a) debit (7a+8a-8b)>=0						75,378		
b) credit (7b-8a+8b)>=0		685,294						30,745
<b>Balance as at 1 January 2021</b>								
a) debit (7a+8a-8b)>=0	4009		4045		4063	23,060	4099	
b) credit (7b-8a+8b)>=0	4010	685,294	4046		4064		4100	30,816
<b>Adjustments of material errors and changes in accounting policies</b>								
a) debit	4011		4047		4065		4101	
b) credit	4012		4048		4066		4102	
<b>Restated opening balance as at 1 January 2021</b>								
a) debit (5a+6a-6b)>=0	4013		4049		4067		4103	
b) credit (5b-6a+6b)>=0	4014		4050		4068		4104	
<b>Changes in period</b>								
a) debit	4015		4051		4069		4105	23,062
b) credit	4016		4052		4070	23,060	4106	288,290
<b>Balance as at 30 June 2021</b>								
a) debit (7a+8a-8b)>=0	4017		4053		4071	0	4107	
b) credit (7b-8a+8b)>=0	4018	685,294	4054		4072		4108	296,043

## CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

### CONSOLIDATED HALF YEAR STATEMENT OF CHANGES IN EQUITY (CONTINUED) (unaudited)

RSD THOUSAND	Other comprehensive income components						Total Equity
	AOP	Revaluation reserves	AOP	Cash flow hedge gain/(loss)	AOP	Gains (losses) from currency translation reserve	
<b>Balance as at 1 January 2020</b>							
a) debit (3a+4a-4b)>=0	4109		4199	211,305	4217	4235	235,034
b) credit (3b-4a+4b)>=0	4110		4200		4218		739,877
<b>Adjustments of material errors and changes in accounting policies</b>							
a) debit	4111		4201		4219	4236	
b) credit	4112		4202		4220		
<b>Restated opening balance as at 1 January 2020</b>							
a) debit (5a+6a-6b)>=0	4113		4203		4221	4237	
b) credit (5b-6a+6b)>=0	4114		4204		4222		
<b>Changes in period</b>							
a) debit	4115		4205	41,721	4223	4238	140,938
b) credit	4116		4206		4224		23,729
<b>Balance as at 30 June 2020</b>							
a) debit (7a+8a-8b)>=0				253,026			328,404
b) credit (7b-8a+8b)>=0							716,039
<b>Balance as at 1 January 2021</b>							
a) debit (7a+8a-8b)>=0	4117		4207	249,094	4225	4239	272,154
b) credit (7b-8a+8b)>=0	4118		4208		4226		716,109
<b>Adjustments of material errors and changes in accounting policies</b>							
a) debit	4119		4209		4227	4240	
b) credit	4120		4210		4228		
<b>Restated opening balance as at 1 January 2021</b>							
a) debit (5a+6a-6b)>=0	4121		4211		4229	4241	
b) credit (5b-6a+6b)>=0	4122		4212		4230		
<b>Changes in period</b>							
a) debit	4123		4213		4231	4242	23,062
b) credit	4124		4214	60,047	4232		371,397
<b>Balance as at 30 June 2021</b>							
a) debit (7a+8a-8b)>=0	4125		4215	189,047	4233	4243	189,047
b) credit (7b-8a+8b)>=0	4126		4216		4234		981,337

**EXPLANATORY NOTES TO THE  
CONSOLIDATED HALF-YEAR FINANCIAL  
STATEMENTS FOR THE PERIOD  
ENDED 30 JUNE 2021**

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

## 1. General information

Fintel Energija A.D., Beograd (hereinafter the “**Company**” or “**Fintel Energija**”) and its subsidiaries (together, “**Fintel Group**” or the “**Group**”) are 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.

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

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

At 30 June 2021, 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 2021 is RSD 16,171,409 thousand (unit price per share of RSD 610).

Fintel Energia Group SpA, the Principal Shareholder, 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 consolidated half-year financial statements for the period ended 30 June 2021 have been approved and authorized for issue by Director.

**FINTEL ENERGIJA AD, BEOGRAD**  
**EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

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

**2. Summary of accounting policies and standards adopted**

**2.1 Basis of presentation**

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

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

The Company does not disclose information which would substantially duplicate the disclosures contained in its audited Financial Statements for 2020, 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 2020.

Subsequent events occurring after 30 June 2021 were evaluated through 9 August 2021, the date these Interim Condensed Financial Statements were authorised for issue.

The results for the six month period ended 30 June 2021 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 2020, except for those described in the Application of new IFRS paragraph.

**2.3 Application of new IFRS**

Application of amendments to the existing standards:

The following amendments to the existing standards which become effective did not have any material impact on the Company: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued in September 2020 and effective for annual periods beginning on or after 1 January 2021).

**2.4 Going concern**

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. Bearing in mind the foregoing, management considers that the Group has adequate resources to continue in operational



**FINTEL ENERGIJA AD, BEOGRAD**  
**EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**  
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*(All amounts are in 000 RSD, unless otherwise stated)*

existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its half-year consolidated financial statements. Further information on the Group's borrowings is given in Note 15.

**2.5 Scope of consolidation**

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

Name	Share Capital (RSD '000)	Head office	30/06/2021 % held	31/12/2020 % held	
Fintel Energija ad	4,057	Belgrade (Serbia)	Parent Company	Parent Company	
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Direct
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Direct
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Kula doo	314,032	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Torak doo	240	Belgrade( Serbia)	54%	54%	Indirect
Fintel Energija Development doo	0	Belgrade (Serbia)	100%	100%	Direct
MK-Fintel Wind Development doo	0	Belgrade (Serbia)	54%	54%	Indirect
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Direct
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Direct
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Direct
Vetropark Maestrane Ring	0	Belgrade (Serbia)	100%	100%	Direct
Vetropark Torak LTD	118	Cyprus	100%	-	Indirect
Fintel Energija Development LTD	118	Cyprus	100%	-	Indirect
Vetropark Ring LTD	118	Cyprus	100%	-	Indirect

During first half of 2021 subsidiaries Fintel Energija development Doo has established new SPVs in Cyprus for the development of new wind power plant construction projects: Fintel Energija Development LTD, Vetropark Torak LTD and Vetropark Ring LTD.

**FINTEL ENERGIJA AD, BEOGRAD**  
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*(All amounts are in 000 RSD, unless otherwise stated)*

## **2.6 Principles and methods of consolidation**

### Subsidiaries

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

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

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

The consolidation procedures applied are as stated below.

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

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

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

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

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

**FINTEL ENERGIJA AD, BEOGRAD**  
**EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**  
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*(All amounts are in 000 RSD, unless otherwise stated)*

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

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

## **2.7 Foreign currency translation**

### Functional and presentation currency

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

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at half-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.

## **2.8 Financial risk management**

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

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

Above mentioned Financial risk management procedures are consistent with those applied during the preparation of Financial Statements as of and for the year ended 31 December 2020.

# FINTEL ENERGIJA AD, BEOGRAD

## EXPLANATORY NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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

### 3. IFRS 8: segment information

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

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

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

#### a) Guarantees issued

Guarantees issued amount to RSD 324,482 thousand as of 30 June 2021 and RSD 379,649 thousand as of 31 December 2020 and refer to the 4P status for wind plants. They have been issued in favor of:

- Lenders of Kosava project phase I, for cost overrun during construction and till COD (RSD 324,482 thousand);

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

#### b) Other

There were no other contingent liabilities of the Group.

## STATEMENT OF FINANCIAL POSITION

### 5. Property, plant and equipment

Movement table of PEE as at 30 June 2021 is presented in the table below:

RSD thousand	Half-year ended 30 June 2021									
	Opening historical cost	Opening accumulated depreciation	Opening net book amount	Additions	Depreciation and impairment	Disposals	Transfers	Closing historical cost	Closing accumulated depreciation	Closing net book amount
Land	40,145	-	40,145	-	-	-	-	40,145	-	40,145
Buildings	4,493,645	(237,538)	4,256,106	235,909	(66,020)	-	3,298	4,732,852	(303,559)	4,429,293
Machinery and equipment	9,186,768	(949,100)	8,237,667	118	(231,202)	-	-	9,186,885	(1,180,302)	8,006,583
Construction in progress	132,901	-	132,901	29,797	-	-	(3,298)	159,401	-	159,401
Advances for PP&E	-	-	-	-	-	-	-	-	-	-
<b>Property, plant and equipment</b>	<b>13,853,459</b>	<b>(1,186,639)</b>	<b>12,666,820</b>	<b>265,824</b>	<b>(297,222)</b>	<b>-</b>	<b>-</b>	<b>14,119,283</b>	<b>(1,483,861)</b>	<b>12,635,422</b>

Buildings include civil works such as foundation of the wind farms, access roads etc.

Machinery and equipment mainly includes wind turbines and towers. They refer to the wind farms already in operation, "Kula" (9,9 MW), "La Piccolina" (6,6 MW) and Kosava Phase I (69 MW).

Construction in progress and advances for PP&E as at 30 June 2021, mainly relate to investment of all other plants except those already in operation, as detailed above.

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

Wind plants owned by VP Kula, Energobalkan and MKFW have been mortgaged in favour of the Banks. Net value of fixed assets at 30 June 2021 are RSD 1,235,426 thousand, RSD 841,584 thousand and RSD 10,453,001 thousand respectively for Vetropark Kula, Energobalkan and MK-Fintel Wind.

## 6. Other long-term financial investments

Other long-term financial investments in amount of RSD 324,195 thousand at 30 June 2021 (RSD 59,378 thousand at 31 December 2020) consisted entirely of non-current assets, relate to:

- Long-term deposits - restricted cash of RSD 38,214 thousand (RSD 38,218 thousand as of 31 December 2020) attributable to the subsidiary Vetropark Kula doo that has been deposited as collateral to Erste in accordance with the loan agreement to guarantee the repayment of the loan.
- Long-term deposits - restricted cash of RSD 21,164 thousand (RSD 21,167 thousand as of 31 December 2020) attributable to the subsidiary Energobalkan doo that has been deposited as collateral to Unicredit Serbia in accordance with the loan agreement to guarantee the repayment of the loan.
- Long-term deposits - restricted cash of RSD 264,817 thousand (RSD 0 thousand as of 31 December 2020) attributable to the subsidiary MK-Fintel Wind AD that has been deposited in first half of 2021 as collateral to the Lenders in accordance with the facility agreement to guarantee the repayment of the loans.

## 7. Deferred tax assets

Deferred tax assets amounted to RSD 61,539 thousand at 31 December 2020. At 30 June 2021 Deferred tax liabilities amount to RSD 29,112. Movement table of Deferred tax assets/liabilities as at 30 June 2021 is presented in the table below:

RSD thousand	Half-year ended 30 June 2021				
	Opening balance	Additions	Utilisations	Other changes	Closing balance
IRS/Derivatives	81,403	-	-	(19,623)	61,780
PPE Depreciation	40,323	4,718	-	-	45,041
Amortized cost on Borrowings	(10,580)	(77,173)	-	-	(87,753)
Capitalized Interests	(57,732)	-	1,681	-	(56,051)
Other	8,125	-	(255)	-	7,870
<b>Total deferred tax assets/(liabilities)</b>	<b>61,539</b>	<b>(72,455)</b>	<b>1,426</b>	<b>(19,623)</b>	<b>(29,112)</b>

## 8. Advance for inventory and services

Advance for inventory and services amounts to RSD 13,894 thousands at 30 June 2021 (RSD 10,799 thousand at 31 December 2020) and it refers to advances for services for project documentation and wind farm connection studies.

*(All amounts are in 000 RSD, unless otherwise stated)***9. Trade receivables**

The amount of RSD 215,268 thousand at 30 June 2021 mainly refers to receivables from EPS for the production of electricity for May 2021 of Kosava Phase I plant.

**10. Cash and cash equivalents**

“Cash and cash equivalents” at 30 June 2021 and 31 December 2020 are detailed as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Current account		
- in dinars	186,433	147,547
- purpose account in dinars	10,639	18,448
- in foreign currency	47	64
- purpose account in foreign currency	250,822	143,005
<b>Cash and cash equivalents</b>	<b>447,671</b>	<b>309,064</b>

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.

**11. Other current assets**

“Other current assets” of RSD 144,506 thousand at 30 June 2021 (RSD 368,006 thousand at 31 December 2020) are detailed in the following table:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Value added tax	30,526	31,008
Prepayments and accrued income	113,980	336,998
<b>Total</b>	<b>144,506</b>	<b>368,006</b>

The balance of Value added tax receivables mainly relates to refundable VAT coming from investments in PPE.

Prepayments and accrued income includes receivables from EPS for the production of electricity from the wind farms. The decrease in 2021 relates to the lower energy production for June in respect of December for all wind farms “Kula”, “La Piccolina” and “Kosava Phase I” plants.

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**12. Equity**

Equity as at 30 June 2021 and 31 December 2020 is detailed in the following table:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Share capital	4,057	4,057
Share premium	681,237	681,237
Other components of other comprehensive income	(189,048)	(249,094)
Retained earnings from previous years	7,752	30,815
Retained earnings from current year	288,290	-
Loss from previous years	-	-
Loss from current year	-	(23,060)
<b>Equity attributable to the Group</b>	<b>792,290</b>	<b>443,955</b>
Capital and reserves attributable to non-controlling interests	110,054	108,809
Other components of other comprehensive income	(161,040)	(212,191)
Profit (loss) for the year	277,709	45,865
<b>Equity attributable to non-controlling interests</b>	<b>226,723</b>	<b>(57,517)</b>
<b>TOTAL EQUITY</b>	<b>1,019,011</b>	<b>386,437</b>

The equity components and changes therein are detailed below:

Share capital

At 30 June 2021, the Company's fully subscribed and paid up share capital amounted to RSD 4,057 thousand consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Shareholders' of the Company are detailed as follow:

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

Share premium

At 30 June 2021, 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 made in 2018. The share premium worth 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.

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Other components of other comprehensive income

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

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

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

Equity attributable to non-controlling interests

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

**13. Liabilities to parent companies and subsidiaries**

“Liabilities to parent companies and subsidiaries” at 30 June 2021 and 31 December 2020 are detailed as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Long-term loans	14,108	14,110
Short-term loans	1,337,930	479,755
<b>Total</b>	<b>1,352,038</b>	<b>493,865</b>

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

<b>Recipient</b>	<b>Lenders</b>	<b>Amount EUR</b>	<b>Amount in 000 RSD</b>	<b>Maturity</b>
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	80,000	9,405	31.12.2022
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	30,000	3,527	31.12.2022
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	10,000	1,176	31.12.2022
MK Fintel Wind Holding d.o.o.	Fintel Energia Group S.p.A	1,296,000	152,366	31.12.2021
Fintel Energija a.d.	Fintel Energia Group S.p.A	7,300,000	858,242	15.06.2023
Fintel Energija a.d.	Fintel Energia Group S.p.A	2,667,000	313,549	30.11.2023
Fintel Energija a.d.	Fintel Energia Group S.p.A	117,154	13,773	31.12.2021
<b>Total</b>		<b>11,500,154</b>	<b>1,352,038</b>	

Increase of liabilities to parent companies in first half of 2021 is mainly due to a new loan received from Fintel Energia Group Spa of Euro 7,300 thousand.



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

#### 14. Liabilities and short term loans and borrowings from other related parties

The balance amounts to RSD 1,424,936 thousand at 30 June 2021 (RSD 1,424,540 thousand at 31 December 2020) includes financial payables to MK Holding d.o.o., a non-controlling interest holder in subsidiaries: this amount consists of the non-controlling interest holder's share of shareholder loans granted to finance the construction of the wind farms in Serbia.

Receipt	Lender	Amount EUR	Amount 000 RSD	Maturity
MK Fintel Wind ad	MK Holding d.o.o.	899,700	105,774	2023
MK Fintel Wind ad	MK Holding d.o.o.	9,274,276	1,090,340	2023
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,946,330	228,822	2023
<b>Total</b>		<b>12,120,306</b>	<b>1,424,936</b>	

#### 15. 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 2021 and 31 December 2020:

RSD thousand	30 June 2021	31 December 2020
Long term borrowings	8,096,778	9,057,983
Short-term loans and borrowings	728,052	830,113
<b>Total</b>	<b>8,824,830</b>	<b>9,888,096</b>

Details of bank loans outstanding at 30 June 2021 are summarised in the following table:

Beneficiary company	Residual debt at 30 June 2021	Residual debt at 30 June 2021		Maturity
		Long term	Short term	
MK Fintel Wind - Erste/Unicredit	4,883,305	4,531,581	351,723	2030
MK Fintel Wind - Intesa	2,736,593	2,519,249	217,343	2030
Vetropark Kula	740,557	638,005	102,552	2027
Energobalkan	464,376	407,943	56,433	2028
	<b>8,824,830</b>	<b>8,096,778</b>	<b>728,052</b>	

Decrease on long and short term loans is mainly due to the prepayment during first half of 2021 of the whole outstanding amount and accrued interests for AIK loan (Euro 7,100 thousand) by Fintel Energija AD.

Loans of MK Fintel Wind refer to the financing received from a pool of Banks including Erste Bank Serbia, Banca Intesa Serbia, Unicredit Serbia and Zagrebacka Banka, for the development and construction of Kosava phase I wind farm.

On 29 March 2021, the "Amendment and Restatement Facility Agreement" was signed to refinance the Serbian wind power plant Kosava Phase I. The new contract envisages the replacement of the portion previously financed by OeB (Austrian Development Bank) with Banca Intesa. In the restated facility agreement, duration of the loan was unchanged (2030) while spread on interest rate was reduced to

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3.15% for the portion financed by Erste Bank Serbia, Unicredit Serbia and Zagrebacka Banka and to 2,69% on the portion financed by Banca Intesa Serbia.

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

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

#### **16. Other long-term liabilities**

Other long-term liabilities consist of the fair value measurement at the reporting date of the derivative pertaining to the subsidiary Vetropark Kula Doo (RSD 22,039 thousand and RSD 28,517 thousand at 30 June 2021 and 31 December 2020) and MK Fintel Wind (RSD 389,829 thousand and RSD 514,172 thousand at 30 June 2021 and 31 December 2020) used to hedge the interest rate risk arising from loan agreements entered into by the companies.

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

The derivative contract entered into in 2019 by MK Fintel Wind is an interest rate swap with a term of 12 years and an initial notional of Euro 60,496 thousand.

#### **17. Trade payables**

Trade payables, which amounted to RSD 179,932 thousand as at 30 June 2021 and to RSD 235,382 as at 31 December 2020, consist mainly of payables to Fintel Energia Group SpA for management fee and those arising from maintenance of all existing wind plants.

#### **18. Accrued expenses**

Accrued liabilities, which amounts to RSD 470,027 thousand at 30 June 2021 and to RSD 490,985 at 31 December 2020, consist mainly of interests on shareholders loan due to Fintel Energia Group SpA and MK Group, accrued interests on financial loans and accrued expenses for O&M services. Decrease in respect of 31 December 2020 is mainly due to the payment of accrued interests on AIK loan.

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### 19. Sales of products and services

Sales of products and services amounts to RSD 1,284,239 thousand and RSD 720,166 thousand for the period ended 30 June 2021 and 30 June 2020 respectively.

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

The increase in revenue is attributable to:

- full FiT received by all wind plants in first half of 2021 differently from first half of 2020, in which "Kosava Phase I" received half of the FiT till COD and all 3 plants received 28€/MWh in March and April due to suspension of the recognition of Feed in Tariff by Serbian Government following the pandemic related to COVID 19.

- increase of volume power produced from 106,5 GWh to 110.6 GWh in first half of 2021 compared to the same period of 2020.

### 20. Cost of salaries, fringe benefits and other personal expenses

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

Labour costs (RSD 17,501 thousand in first half of 2021 and to RSD 17,135 in 2020) is substantially aligned to previous year.

At 30 June 2021, Group employees consist of 14 units.

### 21. Cost of production services

It includes all costs arising from the purchase of services during first half of the year in the ordinary course of business. Details of cost of services for six-month period ended 30 June 2021 and 2020 are provided in the following table:

	Six-month period ended 30 June	
	2021	2020
Costs of ongoing maintenance services of wind farms	88,709	72,530
Costs of space rent	2,870	2,030
Others	3,637	819
<b>Cost of production services</b>	<b>95,216</b>	<b>75,379</b>

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**22. Depreciation and amortisation**

Depreciation and amortisation amounts to RSD 297,222 thousand (RSD 268,690 thousand for the period year ended 30 June 2020). They refer to depreciation of all 3 existing wind plants.

**23. Non-production costs**

Non-production costs for six-month period ended 30 June 2021 and 2020 are detailed as follows:

	<b>Six-month period ended</b>	
	<b>2021</b>	<b>30 June 2020</b>
Consulting services	91,208	37,306
Property tax	21,506	18,230
Withholding tax on interest paid	9,168	13,462
Costs of fixed assets insurance	14,344	8,797
Costs of audit services	911	1,205
Other non production costs	11,042	20,651
<b>Non-production costs</b>	<b>148,179</b>	<b>99,655</b>

**24. Finance income**

Finance income for six-month period ended 30 June 2021 and 2020 are detailed as follows:

	<b>Six-month period ended</b>	
	<b>2021</b>	<b>30 June 2020</b>
Finance income – parent company	114	1,431
Finance income – other related parties	172	228
Interest income (from third parties)	406,101	58
Foreign exchange gains (third parties)	1,238	1,563
<b>Total finance income</b>	<b>407,625</b>	<b>3,281</b>

In accordance with IFRS 9, interest income, which amounted to RSD 406,108 thousand, mainly refer to the the recognition of income arising from the renegotiation of interest rates applicable to loans granted to the subsidiary MK-Fintel AD.

**25. Finance expenses**

Finance expenses for six-month period ended 30 June 2021 and 2020 are detailed as follows:

	<b>Six-month period ended</b>	
	<b>2021</b>	<b>30 June 2020</b>
Finance expense – parent company	13,352	10,389
Finance expense – other related parties	19,994	20,430
Other financial expense	174,879	4,618
Finance expense – third parties	244,543	309,314
Foreign exchange losses (third parties)	214	31
<b>Total finance expenses</b>	<b>452,982</b>	<b>344,782</b>

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Finance costs mainly include interests on shareholder's loans and interests on financing received by Group's Companies.

Other financial expenses mainly refer to prepayment fee paid to OeB for re-financing as mentioned in Note 15.

## **26. Income tax expense**

Income tax expenses for six-month period ended 30 June 2021 and 2020 are detailed as follows:

	<b>Six-month period ended</b>	
	<b>2021</b>	<b>30 June 2020</b>
Income tax for the year	20.992	15.188
Deferred income tax for the period	71,030	(7,885)
	<b>92.023</b>	<b>7.303</b>

The Group does not choose to consolidate for tax purpose and the losses of one group company are not available for the consolidated entity, which is why the losses of subsidiaries must be encountered as correction for the purpose of calculating the effective income tax rate.

## **27. Earnings/(loss) per share**

The basic result per share has gone from a loss per share of RSD 2.84 for six-month period ended 30 June 2020 to an earning per share of RSD 10.87 for the period ended 30 June 2021. 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 2021. Accordingly, diluted earnings per share thus coincide with basic earnings per share.

## **28. Contingent liabilities and commitments**

There are not any contingent liabilities and commitments.

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**29. 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 2021 and 31 December 2020. All transactions with related parties are entered into at market value.

As of 30 June 2021 and 31 December 2020 the outstanding balances with related parties were as follows:

	<b>At 30 June 2021</b>		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(69,329)	-	(69,329)
Other current liabilities	(210,613)	-	(210,613)
Long term debt	(14,108)	-	(14,108)
Short term debt	(1,337,930)	-	(1,337,930)
<b>Total</b>	<b>(1,631,980)</b>	<b>-</b>	<b>(1,631,980)</b>

	<b>At 31 December 2020</b>		
	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)
<b>Total</b>	<b>(721,321)</b>	<b>-</b>	<b>(721,321)</b>

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For six-month period ended 30 June 2021 and 2020 the following transactions occurred with related parties:

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

	<b>Six-month period ended 30 June 2020</b>		
	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)
<b>Total</b>	<b>(25,392)</b>	<b>-</b>	<b>(25,392)</b>

Remuneration of Fintel Group directors

Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries.

His salary for first half of 2021 amounted to RSD 117 thousand.

**30. Significant subsequent events**

There were no events occurring after the balance sheet date that could require an adjustment to the consolidated financial statements as at 30 June 2021, nor disclosures in the Notes to the Group's financial statements.

Legal representative:

Tiziano Giovannetti  
 Director



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## **1. Summary of the business activities and organizational structure**

### ***Identification data***

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

Seat: Belgrade

Address: 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](http://www.fintelenergija.rs)

### ***Core business activity***

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

### ***Business activities***

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

### ***Organizational structure***

By aligning corporate bodies and documents with the Companies Law (“Official Gazette of the RS” no. 36/2011, 99/2011, 83/2014, - other law, and 5/2015, 44/2018, 95/2018 and 91/2019) the Company has the following internal organizational structure: Shareholder Assembly (consisting of the only shareholder Finte Energia Group S.p.A.) and Board of Directors.

### ***Subsidiaries***

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

- 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,
- Maestrale Ring d.o.o. Beograd, ID number 21452068 (“**Maestrale 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

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- 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,
  - 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*;
  - Fintel Energija Development Ltd Cyprus, ID number HE 419780, whereby the Company holds 100,00% of the share capital,
  - Vetropark Torak Ltd Cyprus, ID number HE 423070, whereby the Company holds 100,00% of the share capital,
  - Vetropark Ring Ltd Cyprus, ID number HE 420088, whereby the Company holds 100,00% of the share capital.

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

- Vetropark Kula d.o.o. Beograd, ID number 20901659 – SPV established for the project wind farm Kula ("**Kula**"),
- Energobalkan d.o.o. Beograd, ID number 20833122 – SPV established for the project wind farm 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 Ram d.o.o. Beograd, ID number 20927119 ("**Ram**"),

#### ***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 2021***

Key events impacting the Group in first half of 2021 are as following:

- On 29 March 2021, the "Amendment and Restatement Facility Agreement" was signed to refinance the Serbian wind power plant Kosava Phase I. The new contract has the following characteristics:
  - Maximum total amount of the refinancing: Euro 78 million, of which Euro 28 million reserved for Banca Intesa to replace the portion previously reserved for OeB;

- Duration of the loan: 30 December 2030;
- Repayment terms: six-monthly instalments due on June 30 and December 31 of each year.
- Interest rate: 6 month Euribor + 3.15% for the portion financed by Erste Bank Serbia, Unicredit Serbia and Zagrebacka Banka and 6 month Euribor + 2.69% on the portion financed by Banca Intesa Serbia.

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

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

# FINTEL ENERGIJA AD BEOGRAD

## CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED HALF-YEAR INCOME STATEMENT  
In RSD thousand

	AOP	Six-month period ended	
		2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
<b>INCOME FROM REGULAR OPERATING ACTIVITIES</b>			
<b>A. OPERATING INCOME (1002+1009+1016+1017)</b>	<b>1001</b>	<b>1,284,239</b>	<b>720,166</b>
<b>I. INCOME FROM THE SALE OF GOODS (1003+1004+1005+1006+1007+1008)</b>	<b>1002</b>		-
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		-
<b>II. INCOME FROM SALES OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)</b>	<b>1009</b>	<b>1,284,239</b>	<b>720,166</b>
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	1,284,239	720,166
6. Income from sales of products and services – foreign	1015		-
<b>III. INCOME FROM PREMIUMS, SUBVENTIONS AND DONATIONS</b>	<b>1016</b>		-
<b>IV. OTHER OPERATING INCOME</b>	<b>1017</b>		-
<b>EXPENSES FROM REGULAR OPERATING ACTIVITIES</b>			
<b>B. OPERATING EXPENSES (1019-1020- 1021+1022+1023+1024+1025+1026+1027+1028+1029)&gt;=0</b>	<b>1018</b>	<b>564,959</b>	<b>484,315</b>
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	2,333	110
VI. COST OF FUEL AND ENERGY	1024	4,508	5,346
VII. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1025	17,501	17,135
VIII. COST OF PRODUCTION SERVICES	1026	95,216	75,379
IX. DEPRECIATION, DEPLETION AND AMORTIZATION	1027	297,222	286,690
X. COST OF LONG-TERM PROVISIONING	1028		-
XI. NON-PRODUCTION COSTS	1029	148,179	99,655
<b>C. OPERATING GAIN (1001-1018)&gt;=0</b>	<b>1030</b>	<b>719,280</b>	<b>235,851</b>
<b>D. OPERATING LOSS (1018-1001)&gt;=0</b>	<b>1031</b>		-
<b>E. FINANCE INCOME (1033+1038+1039)</b>	<b>1032</b>	<b>407,625</b>	<b>3,281</b>
I. FINANCIAL INCOME FROM RELATED PARTIES AND OTHER FINANCIAL INCOME (1034+1035+1036+1037)	1033	286	1,660
1. Finance income - parent company and subsidiaries	1034	114	1,431
2. Finance income - other related parties	1035	172	229
3. Share of profit of associates and joint ventures	1036		-
4. Other financial income	1037		-
II. INTEREST INCOME (from third parties)	1038	406,101	58
III. FOREIGN EXCHANGE GAINS (third parties)	1039	1,238	1,563

# FINTEL ENERGIJA AD BEOGRAD

## CONSOLIDATED HALF-YEAR BUSINESS REPORT

CONSOLIDATED HALF-YEAR INCOME STATEMENT  
In RSD thousand

	AOP	Six-month period ended	
		2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
<b>F. FINANCE EXPENSES (1041+1046+1047)</b>	<b>1040</b>	<b>452,982</b>	<b>344,782</b>
I. FINANCIAL EXPENSES FROM RELATED PARTIES AND OTHER			
FINANCIAL EXPENSES (1042+1043+1044+1045)	1041	208,225	35,437
1. Finance expense - parent company and subsidiaries	1042	13,352	10,389
2. Finance expense - other related parties	1043	19,994	20,430
3. Share of loss of associates and joint ventures	1044	-	-
4. Other financial expense	1045	174,879	4,618
II. INTEREST EXPENSE (from third parties)	1046	244,543	309,314
III. FOREIGN EXCHANGE LOSSES (third parties)	1047	214	31
<b>G. PROFIT FROM FINANCING OPERATIONS (1032-1040)</b>	<b>1048</b>		-
<b>H. LOSS FROM FINANCING OPERATIONS (1040-1032)</b>	<b>1049</b>	<b>45,357</b>	<b>341,501</b>
<b>I. INCOME FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>	<b>1050</b>		-
<b>J. LOSS FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>	<b>1051</b>		-
<b>K. OTHER INCOME</b>	<b>1052</b>	<b>554</b>	<b>8,195</b>
<b>L. OTHER EXPENSES</b>	<b>1053</b>	<b>16,455</b>	
<b>M. OPERATING PROFIT BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)</b>	<b>1054</b>	<b>658,022</b>	-
<b>N. OPERATING LOSS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)</b>	<b>1055</b>		97,456
<b>O. NET INCOME ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS</b>	<b>1056</b>		-
<b>P. NET LOSS ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS</b>	<b>1057</b>		-
<b>Q. PROFIT BEFORE TAX (1054-1055+1056-1057)</b>	<b>1058</b>	<b>658,022</b>	-
<b>R. LOSS BEFORE TAX (1055-1054+1057-1056)</b>	<b>1059</b>		<b>97,456</b>
II. INCOME TAX			
I. CURRENT INCOME TAX	1060	20,992	15,188
II. DEFERRED TAX EXPENSE FOR THE PERIOD	1061	71,030	-
III. DEFERRED TAX INCOME FOR THE PERIOD	1062		7,886
<b>S. PERSONAL INCOME PAID TO EMPLOYER</b>	<b>1063</b>		-
<b>T. NET PROFIT (1058-1059-1060-1061+1062)</b>	<b>1064</b>	<b>566,000</b>	-
<b>V. NET LOSS (1059-1058+1060+1061-1062)</b>	<b>1065</b>		<b>104,758</b>
I. NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1066	277,709	-
II. NET INCOME ATTRIBUTABLE TO THE OWNER	1067	288,290	-
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	10.87	(2.84)
2. Diluted earnings per share (in RSD)	1071	10.87	(2.84)

# FINTEL ENERGIJA AD BEOGRAD

## CONSOLIDATED HALF-YEAR BUSINESS REPORT

### CONSOLIDATED HALF-YEAR BALANCE SHEET

In RSD thousand

	AOP	30 June 2021 <i>(unaudited)</i>	31 December 2020
<b>A. SUBSCRIBED CAPITAL UNPAID</b>	<b>0001</b>	-	-
<b>B. NON-CURRENT ASSETS (0003 + 0010 + 0019+ 0024 + 0034)</b>	<b>0002</b>	12,959,617	12,726,198
<b>I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)</b>	<b>0003</b>		
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		
<b>II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)</b>	<b>0010</b>	12,635,422	12,666,820
1. Land	0011	40,145	40,145
2. Buildings	0012	4,329,009	4,256,106
3. Machinery and equipment	0013	8,106,867	8,237,667
4. Investment property	0014		
5. Other property, plant and equipment	0015		
6. Construction in progress	0016	159,401	132,901
7. Investments in leased PP&E	0017		
8. Advances for PP&E	0018		
<b>III. BIOLOGICAL ASSETS (0020+0021+0022+0023)</b>	<b>0019</b>		
1. Forest farming	0020		
2. Livestock	0021		
3. Biological assets in production	0022		
4. Advances for biological assets	0023		
<b>IV. LONG-TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)</b>	<b>0024</b>	324,195	59,378
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	324,195	59,378
<b>V. LONG-TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)</b>	<b>0034</b>		
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		
<b>C. DEFERRED TAX ASSETS</b>	<b>0042</b>		61,539

# FINTEL ENERGIJA AD BEOGRAD

## CONSOLIDATED HALF-YEAR BUSINESS REPORT

### CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	30 June 2021 <i>(unaudited)</i>	31 December 2020
<b>D. CURRENT ASSETS</b>			
<b>(0044+0051+0059+0060+0061+0062+0068+0069+0070)</b>	<b>0043</b>	<b>837,944</b>	<b>771,307</b>
<b>I. INVENTORY (0045+0046+0047+0048+0049+0050)</b>	<b>0044</b>	<b>13,894</b>	<b>10,799</b>
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	13,894	10,799
<b>II. TRADE RECEIVABLES</b>			
<b>(0052+0053+0054+0055+0056+0057+0058)</b>	<b>0051</b>	<b>215,268</b>	<b>65,868</b>
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	215,268	65,868
6. Trade receivables - foreign	0057		
7. Other trade receivables	0058		
<b>III. RECEIVABLES FROM SPECIFIC OPERATIONS</b>	<b>0059</b>		
<b>IV. OTHER RECEIVABLES</b>	<b>0060</b>	<b>16,591</b>	<b>17,556</b>
<b>V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>0061</b>		
<b>VI. SHORT TERM FINANCIAL INVESTMENTS</b>			
<b>(0063+0064+0065+0066+0067)</b>	<b>0062</b>	<b>14</b>	<b>14</b>
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	14	14
<b>VII. CASH AND CASH EQUIVALENTS</b>	<b>0068</b>	<b>447,671</b>	<b>309,064</b>
<b>VIII. VALUE ADDED TAX</b>	<b>0069</b>	<b>30,526</b>	<b>31,008</b>
<b>IX. PREPAYMENTS AND ACCRUED INCOME</b>	<b>0070</b>	<b>113,980</b>	<b>336,998</b>
<b>E. TOTAL ASSETS (0001+0002+0042+0043)</b>	<b>0071</b>	<b>13,797,561</b>	<b>13,559,044</b>
<b>F. OFF-BALANCE SHEET ASSETS</b>	<b>0072</b>	<b>324,482</b>	<b>379,649</b>
<b>A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421)</b>	<b>0401</b>	<b>1,019,011</b>	<b>386,439</b>
<b>I. SHARE CAPITAL</b>			
<b>(0403+0404+0405+0406+0407+0408+0409+0410)</b>	<b>0402</b>	<b>685,294</b>	<b>685,294</b>
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		
<b>II. SUBSCRIBED CAPITAL UNPAID</b>	<b>0411</b>		
<b>III. OWN SHARES</b>	<b>0412</b>		
<b>IV. RESERVES</b>	<b>0413</b>		
<b>V. REVALUATION RESERVES FROM VALUATION OF INTANGIBLES, PROPERTIES, PLANT AND EQUIPMENT</b>	<b>0414</b>		
<b>VI. UNREALISED GAINS FROM SECURITAS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME</b>	<b>0415</b>		
<b>VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME</b>	<b>0416</b>	<b>189,048</b>	<b>249,094</b>
<b>VIII. RETAINED EARNINGS (0418+0419)</b>	<b>0417</b>	<b>296,042</b>	<b>30,816</b>
1. Retained earnings from previous years	0418	7,752	30,816
2. Retained earnings from current year	0419	288,290	
<b>IX. NON-CONTROLLING INTEREST</b>	<b>0420</b>	<b>226,723</b>	<b>(57,517)</b>



**FINTEL ENERGIJA AD BEOGRAD**  
**CONSOLIDATED HALF-YEAR BUSINESS REPORT**

CONSOLIDATED HALF-YEAR BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	30 June 2021 <i>(unaudited)</i>	31 December 2020
<b>X. LOSS (0422+0423)</b>	<b>0421</b>		<b>23,060</b>
1. Loss from previous years	0422		
2. Loss from current year	0423		23,060
<b>B. LONG-TERM PROVISIONS AND LIABILITIES (0425+0432)</b>	<b>0424</b>	<b>9,947,193</b>	<b>11,039,393</b>
<b>I. LONG-TERM PROVISIONS (0426+0427+0428+0429+0430+4031)</b>	<b>0425</b>	<b>71</b>	<b>71</b>
1. Provisions for warranty claims	0426		
2. Provision for environmental rehabilitation	0427		
3. Provisions for restructuring costs	0428		
4. Provisions for employee benefits	0429	71	71
5. Provisions for litigations	0430		
6. Other long term provisions	0431		
<b>II. LONG-TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)</b>	<b>0432</b>	<b>9,947,122</b>	<b>11,039,322</b>
1. Liabilities convertible to equity	0433		
2. Liabilities to parent and subsidiaries	0434	14,108	14,110
3. Liabilities to other related parties	0435	1,424,368	1,424,540
4. Liabilities for issued long-term securities	0436		
5. Long term borrowings - domestic	0437	8,096,778	9,057,983
6. Long-term borrowings - foreign	0438		
7. Finance lease liabilities	0439		
8. Other long-term liabilities	0440	411,868	542,689
<b>C. DEFERRED TAX LIABILITIES</b>	<b>0441</b>	<b>29,112</b>	
<b>D. SHORT-TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)</b>	<b>0442</b>	<b>2,802,245</b>	<b>2,133,212</b>
<b>I. SHORT-TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)</b>	<b>0443</b>	<b>2,066,550</b>	<b>1,309,868</b>
1. Short term borrowings from parent and subsidiaries	0444	1,337,930	479,755
2. Short term borrowings from other related parties	0445	568	
3. Short-term loans and borrowings - domestic	0446	728,052	830,113
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		
<b>II. ADVANCES RECEIVED</b>	<b>0450</b>	<b>39</b>	
<b>III. TRADE PAYABLES (0452+0453+0454+0455+0456+0458)</b>	<b>0451</b>	<b>179,932</b>	<b>235,382</b>
1. Trade payables - parent and subsidiaries - domestic	0452		
2. Trade payables - parent and subsidiaries - foreign	0453	69,329	55,466
3. Trade payables - other related parties - domestic	0454	792	1,504
4. Trade payables - other related parties - foreign	0455		
5. Trade payables - domestic	0456	109,811	175,743
6. Trade payables - foreign	0457		2,669
7. Other operating liabilities	0458		
<b>IV. OTHER SHORT-TERM LIABILITIES</b>	<b>0459</b>	<b>84,046</b>	<b>83,692</b>
<b>V. LIABILITIES FOR VAT</b>	<b>0460</b>		
<b>VI. LIABILITIES FOR OTHER TAXES</b>	<b>0461</b>	<b>1,651</b>	<b>13,285</b>
<b>VII. ACCRUED EXPENSES</b>	<b>0462</b>	<b>470,027</b>	<b>490,985</b>
<b>E. LOSS EXCEEDING EQUITY (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)&gt;=0=(0441+0424+0442-0071)&gt;=0</b>	<b>0463</b>		
<b>F. TOTAL EQUITY AND LIABILITIES (0424+0442+0441+0401-0463)&gt;=0</b>	<b>0464</b>	<b>13,797,561</b>	<b>13,559,044</b>
<b>G. OFF-BALANCE SHEET LIABILITIES</b>	<b>0465</b>	<b>324,482</b>	<b>379,649</b>

# FINTEL ENERGIJA AD BEOGRAD

## CONSOLIDATED HALF-YEAR BUSINESS REPORT

### *Financial Indicators*

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

Ratios and KPI	30/06/2021	30/06/2020
<b>Revenues</b>	1.284.239	720.166
<b>EBITDA (RSD thousands)</b> (Operating profit+Depreciation and amortization)	1.016.503	522.542
<b>Operating result (RSD thousands)</b>	719.281	235.851
<b>Net profit / (net loss) (RSD thousands)</b>	566.000	( 104.758)
<b>Earnings per share</b>	10,87	( 2,84)
<b>Cash flows from operating activities (RSD thousands)</b>	691.709	301.865
<b>Investments (RSD thousands)</b>	408.785	59.275

Revenues amounts to RSD 1,284,239 thousand and RSD 720,166 thousand for the period ended 30 June 2021 and 30 June 2020 respectively.

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

The increase in revenue is attributable to:

- full FiT received by all wind plants in first half of 2021, differently from first half of 2020, in which “Kosava Phase I” received half of the FiT till COD and all 3 plants received 28€/MWh in March and April due to suspension of the recognition of Feed in Tariff by Serbian Government following the pandemic measures related to COVID 19.

- increase of volume power produced from 106,5 GWh to 110.6 GWh in first half of 2021 compared to the same period of 2020.

EBITDA and operating result grew in first half of 2021 compared to the same period of 2020 due to the aforementioned impact of full FiT received for all 3 wind plants, despite an increase of cost of services and depreciation.

Net financial expenses amount to RSD 45.358 thousand for the period ended 30 June 2021 (RSD 341.501 thousand at 30 June 2020). They include finance income of RSD 406,108 thousand for the recognition of income arising from the renegotiation of interest rates applicable to loans granted to the subsidiary MK-Fintel Wind AD and other financial expenses of RSD 96,395 for prepayment fee paid to OeB for re-financing as mentioned above.

The profit for the period ended 30 June 2020 of RSD 566,000 thousand is also increased on the prior year figure (negative for RSD 104,758 thousand), due to increase in revenues and reduction of net financial expenses, partially offset by an increase in cost of services and depreciation.

### **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, Group employees consists of 14 units, and they mainly work on maintenance of existing wind farms.

### **3. Environmental protection**

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

### **4. Significant events after the end of the period**

There were no events occurring after the balance sheet date that could require an adjustment to the consolidated financial statements as at 30 June 2021.

### **5. Planned future development**

As of June 2021, the Group has increased its production of electrical energy from wind of 85.5 MW, through the construction of three projects, "Kula", "La Piccolina" and "Kosava phase I". The Group also has ongoing further onshore wind farms development of above 1 GW. The pipeline is being actively developed and projects are continuously progressed through the development and obtaining the appropriate regulatory consents. Projects are all developed in accordance with the "gateway" approval process, so the pace of development will depend on a number of internal and external factors. Out of the ongoing project, the project that has most advanced is Kosava Phase II - a project that obtained all licenses and that plans to have 19 turbines with capacity of up 68.4 MW, subject to turbine selection. which is estimated to become fully operational in the financial year 2022.

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 78,5 MW, including 68.4 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.

## FINTEL ENERGIJA AD BEOGRAD

### CONSOLIDATED HALF-YEAR BUSINESS REPORT

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

PLANT	LOCATION		DESIGN	OWNED BY	CAPACITY [MW]	STATUS
<b>LA PICCOLINA</b>	Wind	Vrsac	Energogr. doo	Energobalkan doo	6.6	in operation
<b>KULA</b>	Wind	Kula	Energogr. doo	Vetropark Kula doo	9.9	in operation
<b>KOSAVA phase I</b>	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	69	in operation
<b>KOSAVA phase II</b>	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	68.4	under construction
<b>RAM</b>	Wind	Veliko Gradiste	Energogr. doo	Vetropark RAM doo	10	under construction
<b>KULA 2</b>	Wind	Kula	Energogr. doo	Vetropark Torak doo	10	under final phase of development
<b>LIPAR</b>	Wind	Kula	Energogr. doo	Vetropark Lipar doo	10	under final phase of development
<b>LIPAR 2</b>	Wind	Kula	Energogr. doo	Vetropark Lipar 2 doo	10	under final phase of development
<b>DUNAV 1</b>	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 1 doo	10	under final phase of development
<b>DUNAV 3</b>	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 3 doo	10	under final phase of development
<b>MAESTRALE RING</b>	Wind	Subotica	Energogr. doo	Vetropark Maestrале Ring doo	678	under development
<b>PROJECT TORAK</b>	Wind	Sombor	Energogr. doo	Project TORAK doo.	238	under development
<b>KOSAVA 2</b>	Wind	Vrsac	Energogr. doo	Vetropark KOSAVA 2 doo	9.9	under development
<b>TOTAL</b>					<b>1,139.8</b>	

## **6. Research and development**

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

There are no registered patents or licenses of the Company.

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

## **7. Subsidiaries**

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

- 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,
- 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*;
- Fintel Energija Development Ltd Cyprus, ID number HE 419780, whereby the Company holds 100,00% of the share capital,
- Vetropark Torak Ltd Cyprus, ID number HE 423070, whereby the Company holds 100,00% of the share capital,
- Vetropark Ring Ltd Cyprus, ID number HE 420088 , whereby the Company holds 100,00% of the share capital.

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**"),

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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 Ram d.o.o. Beograd, ID number 20927119 (“**Ram**”),

### 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 2020.

### 9. Related party transactions

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

A summary is provided below of the Group's transactions with related parties at 30 June 2021 and 31 December 2020. All transactions with related parties are entered into at market value.

As of 30 June 2021 and 31 December 2020 the outstanding balances with related parties were as follows:

	At 30 June 2021		
	Parent Company	Parent's subsidiaries and associates	Total
<i>RSD thousand</i>			
Trade and other payables	(69,329)	-	(69,329)
Other current liabilities	(210,613)	-	(210,613)
Long term debt	(14,108)	-	(14,108)
Short term debt	(1,337,930)	-	(1,337,930)
<b>Total</b>	<b>(1,631,980)</b>	<b>-</b>	<b>(1,631,980)</b>

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At 31 December 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)
<b>Total</b>	<b>(721,321)</b>	<b>-</b>	<b>(721,321)</b>

For six-month period ended 30 June 2021 and 2020 the following transactions occurred with related parties:

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

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)
<b>Total</b>	<b>(25,392)</b>	<b>-</b>	<b>(25,392)</b>

### Remuneration of Fintel Group directors

Tiziano Giovannetti acts as sole director in of Fintel Energija's subsidiaries. His salary for first half of 2021 amounted to RSD 117 thousand.

Legal representative

Tiziano Giovannetti - Director





**FINTEL ENERGIJA AD**

## STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Half-Year Financial Statements of the Fintel Energija a.d. Beograd for period ended 30 June 2021 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Consolidated Statements.

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

Legal representative:

Fintel Energija a.d.

Director

Tiziano Giovannetti

