



FINTEL ENERGIJA AD

**QUARTERLY REPORT OF
FINTEL ENERGIJA A.D.
FOR PERIOD ENDED 30 JUNE 2021**

Belgrade, August 2021.

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

QUARTERLY REPORT OF FINTEL ENERGIJA A.D. FOR PERIOD ENDED 30 JUNE 2021

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- 1. QUARTERLY FINANCIAL STATEMENTS OF FINTEL ENERGIJA A.D. FOR PERIOD ENDED 30 JUNE 2021 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Quarterly Financial Statements)**
- 2. BUSINESS REPORT (Note Business Report and Consolidated Business Report are presented as a single report and these contain information of significance for the economic entity)**
- 3. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORT**

**QUARTERLY FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 JUNE 2021**

FINTEL ENERGIJA AD, BEOGRAD

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THE LAW ON ACCOUNTING OF THE REPUBLIC OF SERBIA

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STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE BALANCE SHEET

In RSD thousand

	AOP	Note	30 June 2021 <i>(unaudited)</i>	31 December 2020
A. SUBSCRIBED CAPITAL UNPAID	0001		-	-
B. NON-CURRENT ASSETS (0003 + 0010 + 0019+ 0024 + 0034)	0002		1,515,807	1,516,001
I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003			
1. Development investments	0004			
2. Concessions, licenses, software and other rights	0005			
3. Goodwill	0006			
4. Other intangible assets	0007			
5. Intangible assets under development	0008			
6. Advances for intangible assets	0009			
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		20	33
1. Land	0011			
2. Buildings	0012			
3. Machinery and equipment	0013		20	33
4. Investment property	0014			
5. Other property, plant and equipment	0015			
6. Construction in progress	0016			
7. Investments in leased PP&E	0017			
8. Advances for PP&E	0018			
III. BIOLOGICAL ASSETS (0020+0021+0022+0023)	0019			
1. Forest farming	0020			
2. Livestock	0021			
3. Biological assets in production	0022			
4. Advances for biological assets	0023			
IV. LONG-TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		1,515,787	1,515,968
1. Investments in subsidiary	0025	5	16,016	16,016
2. Investments in joint ventures	0026			
3. Investments in other legal entities and other available for sales financial assets	0027			
4. Long term investments in parent and subsidiaries	0028	6	1,499,771	1,499,952
5. Long-term investments in other related parties	0029			
6. Long-term investments – domestic	0030			
7. Long-term investments – foreign	0031			
8. Securities held to maturity	0032			
9. Other long-term financial investments	0033			
V. LONG-TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034			
1. Receivables from parent company and subsidiaries	0035			
2. Receivables from other related parties	0036			
3. Receivables from sale of goods on credit	0037			
4. Receivables arising out of finance lease contracts	0038			
5. Claims arising from guarantees	0039			
6. Bad and doubtful receivables	0040			
7. Other long-term receivables	0041			
C. DEFERRED TAX ASSETS	0042			

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	Note	30 June 2021 <i>(unaudited)</i>	31 December 2020
D. CURRENT ASSETS	0043			
(0044+0051+0059+0060+0061+0062+0068+0069+0070)			327,248	253,285
I. INVENTORY (0045+0046+0047+0048+0049+0050)	0044		953	497
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		953	497
II. TRADE RECEIVABLES	0051			
(0052+0053+0054+0055+0056+0057+0058)				
1. Domestic trade receivables - parents and subsidiaries	0052			
2. Foreign trade receivables - parents and subsidiaries	0053			
3. Domestic trade receivables - other related parties	0054			
4. Foreign trade receivables - other related parties	0055			
5. Trade receivables - domestic	0056			
6. Trade receivables - foreign	0057			
7. Other trade receivables	0058			
III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059			
IV. OTHER RECEIVABLES	0060	9	4,344	4,344
V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	0061			
VI. SHORT TERM FINANCIAL INVESTMENTS	0062		84,156	60,097
(0063+0064+0065+0066+0067)				
1. Short-term loans and investments - parent companies and subsidiaries	0063	7	84,142	60,083
2. Short-term loans and investments - other related parties	0064			
3. Short-term loans and investments - domestic	0065			
4. Short-term loans and investments - foreign	0066			
5. Other short-term loans and investments	0067		14	14
VII. CASH AND CASH EQUIVALENTS	0068	8	30,301	1,757
VIII. VALUE ADDED TAX	0069	9	9,626	9,386
IX. PREPAYMENTS AND ACCRUED INCOME	0070	9	197,868	177,204
E. TOTAL ASSETS (0001+0002+0042+0043)	0071		1,843,055	1,769,286
F. OFF-BALANCE SHEET ASSETS	0072	4	324,482	324,521
A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421)	0401		450,885	430,017
I. EQUITY (0403+0404+0405+0406+0407+0408+0409+0410)	0402		685,294	685,294
1. Share capital	0403	10	4,057	4,057
2. Stakes of limited liability companies	0404			
3. Stakes	0405			
4. State owned capital	0406			
5. Socially owned capital	0407			
6. Stakes in cooperatives	0408			
7. Share premium	0409	10	681,237	681,237
8. Other capital	0410			
II. SUBSCRIBED CAPITAL UNPAID	0411			
III. OWN SHARES	0412			
IV. RESERVES	0413			
V. REVALUATION RESERVES FROM VALUATION OF INTANGIBLES, PROPERTIES, PLANT AND EQUIPMENT	0414			
VI. UNREALISED GAINS FROM SECURITAS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0415			
VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0416			
VIII. RETAINED EARNINGS (0418+0419)	0417		20,868	
1. Retained earnings from previous years	0418			
2. Retained earnings from current year	0419	10	20,868	
IX. NON-CONTROLLING INTEREST	0420			
X. LOSS (0422+0423)	0421		255,277	255,277
1. Loss from previous years	0422	10	255,277	219,550
2. Loss from current year	0423	10		35,727

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE BALANCE SHEET (CONTINUED)

In RSD thousand

	AOP	Note	30 June 2021 <i>(unaudited)</i>	31 December 2020
B. LONG-TERM PROVISIONS AND LIABILITIES (0425+0432)	0424			696,396
I. LONG-TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425			
1. Provisions for warranty claims	0426			
2. Provision for environmental rehabilitation	0427			
3. Provisions for restructuring costs	0428			
4. Provisions for employee benefits	0429			
5. Provisions for litigations	0430			
6. Other long term provisions	0431			
II. LONG-TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432			696,396
1. Liabilities convertible to equity	0433			
2. Liabilities to parent and subsidiaries	0434			
3. Liabilities to other related parties	0435			
4. Liabilities for issued long-term securities	0436			
5. Long term borrowings – domestic	0437	11		696,396
6. Long-term borrowings – foreign	0438			
7. Finance lease liabilities	0439			
8. Other long-term liabilities	0440			
C. DEFERRED TAX LIABILITIES	0441			
D. SHORT-TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		1,392,170	642,873
I. SHORT-TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		1,185,574	430,530
1. Short term borrowings from parent and subsidiaries	0444	12	1,185,574	327,380
2. Short term borrowings from other related parties	0445			
3. Short-term loans and borrowings - domestic	0446			103,150
4. Short-term loans and borrowings - foreign	0447			
5. Liabilities relating to current assets and held-for-sale assets attributable to discounted operations	0448			
6. Other short term liabilities	0449			
II. ADVANCES RECEIVED	0450			
III. TRADE PAYABLES (0452+0453+0454+0455+0456+0458)	0451		76,043	62,826
1. Trade payables - parent and subsidiaries - domestic	0452			
2. Trade payables - parent and subsidiaries - foreign	0453	13	69,329	55,466
3. Trade payables - other related parties - domestic	0454			
4. Trade payables - other related parties - foreign	0455			
5. Trade payables – domestic	0456	13	6,714	7,360
6. Trade payables – foreign	0457			
7. Other operating liabilities	0458			
IV. OTHER SHORT-TERM LIABILITIES	0459		289	50
V. LIABILITIES FOR VAT	0460			
VI. LIABILITIES FOR OTHER TAXES	0461			
VII. ACCRUED EXPENSES	0462	14	130,264	149,467
E. LOSS EXCEEDING EQUITY (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)>=0=(0441+0424+0442-0071)>=0	0463			
F. TOTAL EQUITY AND LIABILITIES (0424+0442+0441+0401-0463)>=0	0464		1,843,055	1,769,286
G. OFF-BALANCE SHEET LIABILITIES	0465	4	324,482	324,521

Tiziano Giannetti
Director

9 August 2021



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

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE INCOME
STATEMENT
In RSD thousand

	AOP	Note	Three-month period ended		Six-month period ended	
			30 June	30 June	30 June	30 June
			2021	2020	2021	2020
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
INCOME FROM REGULAR OPERATING ACTIVITIES						
A. OPERATING INCOME (1002+1009+1016+1017)	1001					
I. INCOME FROM THE SALE OF GOODS (1003+1004+1005+1006+1007+1008)	1002					
1. Income from sales of goods to parent and subsidiaries on domestic market	1003					
2. Income from sales of goods to parent and subsidiaries on foreign market	1004					
3. Income from the sale of goods to other related parties on domestic market	1005					
4. Income from the sale of goods to other related parties on foreign market	1006					
5. Income from sale of goods on domestic market	1007					
6. Income from sale of goods on foreign market	1008					
II. INCOME FROM SALES OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009					
1. Income from sales of products and services to parent and subsidiaries on domestic market	1010					
2. Income from sales of products and services to parent and subsidiaries on foreign market	1011					
3. Income from sales of products and services to other related parties on domestic market	1012					
4. Income from sales of products and services to other related parties on foreign market	1013					
5. Income from sales of products and services – domestic	1014					
6. Income from sales of products and services – foreign	1015					
III. INCOME FROM PREMIUMS, SUBVENTIONS AND DONATIONS	1016					
IV. OTHER OPERATING INCOME	1017					
EXPENSES FROM REGULAR OPERATING ACTIVITIES						
B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029)>=0	1018		9,879	9,640	18,294	18,410
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					
VI. COST OF FUEL AND ENERGY	1024					
VII. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1025		1,602	1,043	2,381	2,372
VIII. COST OF PRODUCTION SERVICES	1026		45	25	89	65
IX. DEPRECIATION, DEPLETION AND AMORTIZATION	1027		6	12	12	12
X. COST OF LONG-TERM PROVISIONING	1028					
XI. NON-PRODUCTION COSTS	1029	15	8,226	8,560	15,812	15,961
C. OPERATING GAIN (1001-1018)>=0	1030					
D. OPERATING LOSS (1018-1001)>=0	1031		9,879	9,640	18,294	18,410
E. FINANCE INCOME (1033+1038+1039)	1032		11,370	10,390	74,687	53,657
I. FINANCIAL INCOME FROM RELATED PARTIES AND OTHER FINANCIAL INCOME (1034+1035+1036+1037)	1033		11,328	10,267	74,638	53,534
1. Finance income - parent company and subsidiaries	1034	16	11,328	10,267	22,261	22,216
2. Finance income - other related parties	1035					
3. Share of profit of associates and joint ventures	1036	16			52,377	31,318
4. Other financial income	1037					
II. INTEREST INCOME (from third parties)	1038					
III. FOREIGN EXCHANGE GAINS (third parties)	1039	16	42	123	49	123

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE INCOME
STATEMENT
In RSD thousand

	AOP	Note	Three-month period ended		Six-month period ended	
			30 June	30 June	30 June	30 June
			2021	2020	2021	2020
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
F. FINANCE EXPENSES (1041+1046+1047)	1040		17,545	21,827	35,525	39,557
I. FINANCIAL EXPENSES FROM RELATED PARTIES AND OTHER FINANCIAL EXPENSES (1042+1043+1044+1045)	1041		7,610	6,017	13,048	14,365
1. Finance expense - parent company and subsidiaries	1042	17	6,775	3,653	11,402	9,638
2. Finance expense - other related parties	1043					
3. Share of loss of associates and joint ventures	1044					
4. Other financial expense	1045	17	835	2,364	1,646	4,727
II. INTEREST EXPENSE (from third parties)	1046	17	9,932	15,791	22,471	25,173
III. FOREIGN EXCHANGE LOSSES (third parties)	1047	17	3	19	6	19
G. PROFIT FROM FINANCING OPERATIONS (1032-1040)	1048				39,162	14,100
H. LOSS FROM FINANCING OPERATIONS (1040-1032)	1049		6,175	11,437		
I. INCOME FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1050					
J. LOSS FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1051					
K. OTHER INCOME	1052					
L. OTHER EXPENSES	1053			12		12
M. OPERATING PROFIT BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054				20,868	
N. OPERATING LOSS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		16,054	21,089		4,322
O. NET INCOME ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1056					
P. NET LOSS ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1057					
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058				20,868	
R. LOSS BEFORE TAX (1055-1054+1057-1056)	1059		16,054	21,089		4,322
II. INCOME TAX						
I. CURRENT INCOME TAX	1060					
II. DEFERRED TAX EXPENSE FOR THE PERIOD	1061					
III. DEFERRED TAX INCOME FOR THE PERIOD	1062					
S. PERSONAL INCOME PAID TO EMPLOYER	1063					
T. NET PROFIT (1058-1059-1060-1061+1062)	1064				20,868	
V. NET LOSS (1059-1058+1060+1061-1062)	1065		16,054	21,089		4,322
I. NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1066					
II. NET INCOME ATTRIBUTABLE TO THE OWNER	1067				20,868	
III. NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1068					
IV. NET LOSS ATTRIBUTABLE TO THE OWNER	1069		16,054	21,089		4,322
V. EARNINGS PER SHARE						
1. Basic earnings per share (in RSD)	1070	18	(0.61)	(0.80)	0.79	(0.16)
2. Diluted earnings per share (in RSD)	1071	18	(0.61)	(0.80)	0.79	(0.16)

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE STATEMENT OF OTHER COMPREHENSIVE INCOME In RSD thousand		Three-month period ended 30 June		Six-month period ended 30 June	
	AOP Note	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
A. NET PROFIT/(LOSS)					
I. PROFIT, NET (AOP 1064)	2001			20,868	
II. LOSS, NET (AOP 1065)	2002	16,054	21,089		4,322
B. OTHER COMPREHENSIVE PROFIT OR LOSS					
<i>a) Items that will not be reclassified to profit or loss</i>					
1. Changes in the revaluation of intangible assets, property, plant and equipment					
a) increase in revaluation reserves	2003				
b) decrease in revaluation reserves	2004				
2. Actuarial gains (losses) of post-employment benefit obligations					
a) gains	2005				
b) losses	2006				
3. Gains and losses arising from equity investments					
a) gains	2007				
b) losses	2008				
4. Gains or losses arising from a share in the associate's other comprehensive profit or loss					
a) gains	2009				
b) losses	2010				
<i>b) Items that may be subsequently reclassified to profit or loss</i>					
1. Gains (losses) from currency translation differences					
a) gains	2011				
b) losses	2012				
2. Gains (losses) on investment hedging instruments in foreign business					
a) gains	2013				
b) losses	2014				
3. Gains and losses on cash flow hedges					
a) gains	2015				
b) losses	2016				
4. Gains (losses) from change in value of available-for-sale financial assets					
a) gains	2017				
b) losses	2018				
I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003+2005+2007+2009+2011+2013+2015+2017)- (2004+2006+2008+2010+2012+2014+2016+2018)>=0	2019				
II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004+2006+2008+2010+2012+2014+2016+2018)- (2003+2005+2007+2009+2009+2011+2013+2015+2017)>=0	2020				
III. TAX ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	2021				
IV. TOTAL NET COMPREHENSIVE PROFIT (2019-2020-2021)>=0	2022				
V. TOTAL NET COMPREHENSIVE LOSS (2020-2019+2021)>=0	2023				
C. TOTAL NET COMPREHENSIVE PROFIT					
I. TOTAL COMPREHENSIVE PROFIT, NET (2001-2002+2022-2023)>=0	2024			20,868	
II. TOTAL COMPREHENSIVE LOSS, NET (2002-2001+2023-2022)>=0	2025	16,054	21,089		4,322
D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2027+2028)=AOP 2024>=0 или AOP 2025>0	2026				
1. Attributable to shareholders	2027	(16,054)	(21,089)	20,868	(4,322)
2. Attributable to non-controlling interest	2028				

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STAND-ALONE STATEMENT OF CASH FLOWS In RSD thousand

	AOP	Note	Six-month period ended 30 June	
			2021 (unaudited)	2020 (unaudited)
A. CASH FLOWS FROM OPERATING ACTIVITIES				
I. Cash inflow from operating activities (1 to 3)	3001			
1. Sales and advances received	3002			
2. Interest from operating activities	3003			
3. Other inflow from operating activities	3004			
II. Cash outflow from operating activities (1 to 5)	3005		59,356	21,940
1. Payments and prepayments to suppliers	3006		5,052	9,680
2. Salaries, benefits and other personal expenses	3007		2,084	2,372
3. Interest paid	3008		52,201	9,888
4. Income tax paid	3009			
5. Payments for other public revenues	3010		19	
III. Net cash inflow from operating activities (I - II)	3011			
IV. Net cash outflow from operating activities (II - I)	3012		59,356	21,940
B. CASH FLOWS FROM INVESTING ACTIVITIES				
I. Cash flows from investing activities (1 to 5)	3013		52,377	47,623
1. Sale of shares (net inflow)	3014			
2. Proceeds from sale of intangible assets, property, plant and equipment	3015			
3. Other financial investments (net inflow)	3016			16,080
4. Interest from investing activities	3017			225
5. Dividend received	3018		52,377	31,318
II. Cash outflow from investing activities (1 to 3)	3019		22,724	9,516
1. Acquisition of subsidiaries or other business (net outflow)	3020			
2. Purchase of intangible assets, property, plant and equipment	3021			
3. Other financial investments (net outflow)	3022		22,724	9,516
III. Net cash inflow from investing activities (I - II)	3023		29,653	38,107
IV. Net cash outflow from investing activities (II - I)	3024			
C. CASH FLOWS FROM FINANCING ACTIVITIES				
I. Cash inflow from financing activities (1 to 5)	3025		858,288	
1. Increase in share capital	3026			
2. Proceeds from long-term borrowings (net inflow)	3027			
3. Proceeds from short-term borrowings (net inflow)	3028		858,288	
4. Other long-term liabilities	3029			
5. Other short-term liabilities	3030			
II. Cash outflow from financing activities (1 to 6)	3031		800,041	
1. Purchase of own shares	3032			
2. Repayment of long-term borrowings (net outflow)	3033		800,041	
3. Repayment of short-term borrowings (net outflow)	3034			
4. Repayment of other liabilities (net outflow)	3035			
5. Financial lease	3036			
6. Dividend distribution	3037			
III. Net cash inflow from financing activities (I - II)	3038		58,247	
IV. Net cash outflow from financing activities (II - I)	3039			
D. TOTAL CASH INFLOW (3001+3013+3025)	3040		910,665	47,623
E. TOTAL CASH OUTFLOW (3005+3019+3031)	3041		882,121	31,456
F. NET CASH INFLOW (340-341)	3042		28,544	16,167
G. NET CASH OUTFLOW (341-340)	3043			
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3044		1,757	12,024
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3045			
J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS	3046			
K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (3042-3043+3044+3045-3046)	3047		30,301	28,191

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

QUARTERLY STATEMENT OF CHANGES IN EQUITY (unaudited)

RSD THOUSAND	Equity components							
	AOP	Share Capital	AOP	Reserves	AOP	Loss	AOP	Retained earnings
Balance as at 1 January 2020								
a) debit (3a+4a-4b)>=0	4001		4037		4055	219,550	4091	
b) credit (3b-4a+4b)>=0	4002	685,294	4038		4056		4092	-
Adjustments of material errors and changes in accounting policies								
a) debit	4003		4039		4057		4093	
b) credit	4004		4040		4058		4094	
Restated opening balance as at 1 January 2020								
a) debit (5a+6a-6b)>=0	4005		4041		4059	219,550	4095	
b) credit (5b-6a+6b)>=0	4006	685,294	4042		4060		4096	
Changes in period								
a) debit	4007		4043		4061	4,322	4097	
b) credit	4008		4044		4062		4098	
Balance as at 30 June 2020								
a) debit (7a+8a-8b)>=0						223,872		
b) credit (7b-8a+8b)>=0		685,294						
Balance as at 1 January 2021								
a) debit (7a+8a-8b)>=0	4009		4045		4063	255,277	4099	
b) credit (7b-8a+8b)>=0	4010	685,294	4046		4064		4100	
Adjustments of material errors and changes in accounting policies								
a) debit	4011		4047		4065		4101	
b) credit	4012		4048		4066		4102	
Restated opening balance as at 1 January 2021								
a) debit (5a+6a-6b)>=0	4013		4049		4067	255,277	4103	
b) credit (5b-6a+6b)>=0	4014	685,294	4050		4068		4104	
Changes in period								
a) debit	4015		4051		4069		4105	
b) credit	4016		4052		4070		4106	20,868
Balance as at 30 June 2021								
a) debit (7a+8a-8b)>=0	4017		4053		4071	255,277	4107	
b) credit (7b-8a+8b)>=0	4018	685,294	4054		4072		4108	20,868

STAND-ALONE QUARTERLY FINANCIAL STATEMENTS

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

RSD THOUSAND	Other comprehensive income components						Total Equity
	AOP	Revaluation reserves	AOP	Actuarial gain/(loss)	AOP	Gains (losses) from change in value of available-for-sale financial assets	
Balance as at 1 January 2020							
a) debit (3a+4a-4b)>=0	4109		4127		4217		219,550
b) credit (3b-4a+4b)>=0	4110		4128		4218	4235	685,294
Adjustments of material errors and changes in accounting policies							
a) debit	4111		4129		4219	4236	
b) credit	4112		4130		4220		
Restated opening balance as at 1 January 2020							
a) debit (5a+6a-6b)>=0	4113		4131		4221	4237	219,550
b) credit (5b-6a+6b)>=0	4114		4132		4222		685,294
Changes in period							
a) debit	4115		4133		4223	4238	4,322
b) credit	4116		4134		4224		
Balance as at 30 June 2020							
a) debit (7a+8a-8b)>=0							223,872
b) credit (7b-8a+8b)>=0							685,294
Balance as at 1 January 2021							
a) debit (7a+8a-8b)>=0	4117		4135		4225	4239	255,277
b) credit (7b-8a+8b)>=0	4118		4136		4226		685,294
Adjustments of material errors and changes in accounting policies							
a) debit	4119		4137		4227	4240	
b) credit	4120		4138		4228		
Restated opening balance as at 1 January 2021							
a) debit (5a+6a-6b)>=0	4121		4139		4229	4241	255,277
b) credit (5b-6a+6b)>=0	4122		4140		4230		685,294
Changes in period							
a) debit	4123		4141		4231	4242	
b) credit	4124		4142		4232		20,868
Balance as at 30 June 2021							
a) debit (7a+8a-8b)>=0	4125		4143		4233	4243	255,277
b) credit (7b-8a+8b)>=0	4126		4144		4234		706,162

**EXPLANATORY NOTES TO THE QUARTERLY
FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30 JUNE 2021**

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

2. General information

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

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

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

At 30 June 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 majority shareholder of the Company, is listed joint stock company under Italian law. It constitute a vertical operator in the integrated energy supply chain, which engages in the sale of electricity and natural gas in Italy and in the development and exploitation of renewable energy power plants (photovoltaic, wind and mini wind) in Italy and Serbia.

These stand-alone quarterly financial statements for the period ended 30 June 2021 have approved and authorized for issue by Director. The Company prepared these stand-alone financial statements based on and in accordance with the requirements of the laws and regulations of the Republic of Serbia where investments in subsidiaries in these stand-alone financial statements are stated as cost less any impairment.

FINTEL ENERGIJA AD, BEOGRAD

EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2021

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

1. General information (Continued)

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

Company	City
Fintel Energija ad	Belgrade (Serbia)
MK-Fintel Wind ad	Belgrade (Serbia)
MK-Fintel Wind Holding doo	Belgrade (Serbia)
Energobalkan doo	Belgrade (Serbia)
Vetropark Ram doo	Belgrade (Serbia)
Vetropark Kula doo	Belgrade (Serbia)
Vetropark Torak doo	Belgrade (Serbia)
Lipar doo	Belgrade (Serbia)
Lipar 2 doo	Belgrade (Serbia)
Maestralski Ring doo	Belgrade (Serbia)
Fintel Energija Development doo	Belgrade (Serbia)
MK-Fintel Wind Development doo	Belgrade (Serbia)
Project Torak doo	Belgrade (Serbia)
Fintel Energija Development LTD	Cyprus
Vetropark Torak LTD	Cyprus
Vetropark Ring LTD	Cyprus

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.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY 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 (Continued)

2.1 Basis of presentation (Continued)

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.

2.3 Going concern

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

2.4 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

3. IFRS 8: segment information

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

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

a) Guarantees issued

Guarantees issued amount to RSD 324,482 thousand as of 30 June 2021. They have been issued in favor of Lenders of Kosava project phase I, for cost overrun during construction and till COD.

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

a) Other

There were no other contingent liabilities of the Company.

STATEMENT OF FINANCIAL POSITION

5. Investments in subsidiary

Investments in subsidiary is detailed as follow:

- RSD 16,009 thousand for 54% owned of MK-Fintel Wind AD (RSD 16,009 thousand at 31 December 2020).
- RSD 5 thousand for 54% owned of MK-Fintel Wind Holding Doo (RSD 5 thousand at 31 December 2020).
- RSD 100 for 100% owned of Lipar Doo (RSD 100 at 31 December 2020).
- RSD 100 for 100% owned of Lipar 2 Doo (RSD 100 at 31 December 2020).
- RSD 100 for 100% owned of Maestrle Ring Doo (RSD 100 at 31 December 2020).
- RSD 100 for 100% owned of Project Torak Doo (RSD 100 at 31 December 2020).
- RSD 200 for 100% owned of Fintel Energija Development Doo (RSD 200 at 31 December 2020).

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

6. Long-term financial investments in parents and subsidiaries

The balance amounts to RSD 1,499,771 thousand and they only refer to financing provided to the subsidiaries MK-Fintel Wind AD (RSD 1,415,711 thousand at 30 June 2021) and MK-Fintel Wind Holding Doo (RSD 84,060 thousand at 30 June 2021).

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

Recipient of the loan	Amount 30.06.2021 EUR	Amount 30.06.2021 000 RSD	Maturity
MK Fintel Wind ad	12,041,839	1,415,711	2023
MK Fintel Wind Holding d.o.o.	715,000	84,060	2023
Total	12,756,839	1,499,771	

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

The balance amounts to RSD 84,142 thousand (RSD 60,083 thousand at 31 December 2020) and they refer to financing provided to the subsidiaries Lipar Doo (RSD 25,865 thousand at 30 June 2021), Lipar 2 Doo (RSD 10,581 thousand at 30 June 2021), Maestrale Ring Doo (RSD 39,972 thousand at 30 June 2021), Fintel Energija Developm Doo (RSD 2,351 thousand at 30 June 2021), MK-Fintel Wind Holding doo (RSD 670 thousand at 30 June 2021) and Project Torak Doo (RSD 4,703 thousand at 30 June 2021).

8. Cash and cash equivalents

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

	30 June 2021	31 December 2020
Current account		
- in dinars	30,261	1,701
- in foreign currency	40	56
Cash and cash equivalents	30,301	1,757

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

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

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

9. Other current assets

“Other current assets” of RSD 211,838 thousand at 30 June 2021 (RSD 190,934 thousand at 31 December 2020) are detailed in the following table:

<i>RSD thousand</i>	30 June 2021	31 December 2020
Other receivables	4,344	4,344
Value added tax	9,626	9,386
Prepayments and accrued income	197,868	177,204
Total	211,838	190,934

Prepayments and accrued income includes interests accrued during the years for the shareholder’s loans to the subsidiaries. Accrued interest is due on payment by the end of 2021.

10. Equity

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

<i>RSD thousand</i>	30 June 2021	31 December 2020
Share capital	4,057	4,057
Share premium	681,237	681,237
Loss from previous years	(255,277)	(219,550)
Loss from current year	-	(35,727)
Retained earnings from current year	20,868	-
TOTAL EQUITY	450,885	430,017

The equity components and changes therein are detailed below:

Share capital

As of 30 June 2021, the Company's fully subscribed and paid up share capital amounted to RSD 4,056,524 (RSD 4,056,524 as at 31 December 2019) consisting of 26,510,506 ordinary shares with nominal value of RSD 0.153 each.

Share premium

At 30 June 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. The share premium worths RSD 755,022 Thousands (equivalent to RSD 499,847 per each new share issued by the Company). Such value is reported net of the IPO related costs.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

10. Equity (Continued)

Retained earnings/(Losses)

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

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

Set out below are details of long and short term loans and borrowings at 30 June 2021 and 31 December 2020:

<i>RSD thousand</i>	30 June 2021	31 December 2020
Long term borrowings	-	696,396
Short-term loans and borrowings	-	103,150
Total	-	799,546

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 loans.

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

Loans and borrowings to parent and subsidiaries of RSD 1,185,574 thousand as at 30 June 2021 (RSD 327,380 thousand at 31 December 2020), mainly consist of revocable loans to be repaid to the Ultimate Parent company Fintel Energiya Group Spa that were granted for the benefit of Fintel Energiya. The loan of EUR 9,967,000 is interest bearing, interest is from 3% to 6%. Other loans are non-interest bearing. The loans are due in 2021.

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

13. Trade payables

Trade payables amounted to RSD 76,043 thousand at 30 June 2021 (RSD 62,826 thousand at 31 December 2020) consist mainly of payables for invoice to be received from the Parent Company for management fee services.

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

14. Accruals

Accruals amounted to RSD 130,264 thousand at 30 June 2021 (RSD 149,467 thousand at 31 December 2020) consist mainly of interests on shareholders loan due to Fintel Energia Group SpA.

15. Non-production costs

Non-production costs amount to RSD 15,812 thousand for six-month ended 30 June 2021 (RSD 15,961 thousand for six-month ended 30 June 2020) and relate to accounting services and management fee costs (invoices issued in according management fee contract).

16. Finance income – parent company and subsidiaries

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

	Six-month ended	
	2021	30 June
	2021	2020
Finance income - parent company and subsidiaries	22,141	22,216
Share of profit of associates and joint ventures	52,377	31,318
Foreign exchange gains (third parties)	49	123
Total	74,567	53,657

For six-month period ended 30 June 2021, finance income include dividends from subsidiary MK-Fintel Wind Holding of RSD 52,377 thousand and interests from subsidiaries of RSD 22,141 thousand.

17. Finance expenses

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

	Six-month ended	
	2021	30 June
	2021	2020
Finance expense - parent company and subsidiaries	10,650	9,638
Other financial expense	1,646	4,727
Interest expense (from third parties)	22,471	25,173
Foreign exchange losses (third parties)	6	19
Total	34,772	39,557

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

18. Earnings/(loss) per share

The basic result per share has gone from a loss per share of RSD 0.16 for six-month period ended 30 June 2020 to income per share of RSD 0.79 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.

19. Related party transactions

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

A summary is provided below of the Group's transactions with related parties at 30 June 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:

<i>RSD thousand</i>	At 30 June 2021		
	Parent Company	Subsidiaries	Total
Short-term loans	-	84,142	84,142
Long-term loans	-	1,499,771	1,499,771
Other current assets	-	197,868	197,868
Other current liabilities	(130,264)	-	(130,264)
Trade payables	(69,329)	-	(69,329)
Shareholder's loan	(1,185,574)	-	(1,185,574)
Total	(1,385,166)	1,781,781	396,614

<i>RSD thousand</i>	At 31 December 2020		
	Parent Company	Subsidiaries	Total
Short-term loans	-	60,083	60,083
Long-term loans	-	1,499,952	1,499,952
Other current assets	-	177,204	177,204
Other current liabilities	(119,629)	-	(119,629)
Trade payables	(55,466)	-	(55,466)
Shareholder's loan	(327,380)	-	(327,380)
Total	(502,475)	1,737,239	1,234,764

FINTEL ENERGIJA AD, BEOGRAD
EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

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

19. Related party transactions (Continued)

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

<i>RSD thousand</i>	Period ended 30 June 2021		
	Parent Company	Subsidiaries	Total
Selling, general and administrative expenses	(13,866)	-	(13,866)
Dividends	-	52,377	52,377
Finance income	-	22,141	22,141
Finance expense	(10,650)	-	(10,650)
Total	(24,515)	74,518	50,003

<i>RSD thousand</i>	Period ended 30 June 2020		
	Parent Company	Subsidiaries	Total
Selling, general and administrative expenses	(13,793)	-	(13,793)
Dividends	-	31,318	31,318
Finance income	-	22,216	22,216
Finance expense	(9,638)	-	(9,638)
Total	(23,431)	53,534	30,103

Remuneration of Fintel's 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.

20. Significant subsequent events

There were no events occurring after the balance sheet date that could require a correction of the quarterly financial statements as at 30 June 2021, nor disclosure in the Notes to the quarterly financial statements of the Company.

Legal representative:

Tiziano Giovannetti
 Director



**CONSOLIDATED HALF-YEAR BUSINESS
REPORT FOR THE PERIOD ENDED 30 JUNE
2021**

FINTEL ENERGIJA AD

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FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

1. Summary of the business activities and organizational structure

Identification data

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

Seat: Belgrade

Address: Bulevar Mihaila Pupina 115e

Company Identification Number: 20305266

Tax Identification Number: 105058839

Date of incorporation: 27 June 2007

Persons authorized to represent: Tiziano Giovannetti

Website: www.fintelenergija.rs

Core business activity

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

Business activities

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

Organizational structure

By aligning corporate bodies and documents with the Companies Law (“Official Gazette of the RS” no. 36/2011, 99/2011, 83/2014, - other law, and 5/2015, 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

FINTEL ENERGIJA AD BEOGRAD

CONSOLIDATED HALF-YEAR BUSINESS REPORT

- 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>
INCOME FROM REGULAR OPERATING ACTIVITIES			
A. OPERATING INCOME (1002+1009+1016+1017)	1001	1,284,239	720,166
I. INCOME FROM THE SALE OF GOODS (1003+1004+1005+1006+1007+1008)	1002		-
1. Income from sales of goods to parent and subsidiaries on domestic market	1003		-
2. Income from sales of goods to parent and subsidiaries on foreign market	1004		-
3. Income from the sale of goods to other related parties on domestic market	1005		-
4. Income from the sale of goods to other related parties on foreign market	1006		-
5. Income from sale of goods on domestic market	1007		-
6. Income from sale of goods on foreign market	1008		-
II. INCOME FROM SALES OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009	1,284,239	720,166
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		-
III. INCOME FROM PREMIUMS, SUBVENTIONS AND DONATIONS	1016		-
IV. OTHER OPERATING INCOME	1017		-
EXPENSES FROM REGULAR OPERATING ACTIVITIES			
B. OPERATING EXPENSES (1019-1020- 1021+1022+1023+1024+1025+1026+1027+1028+1029)>=0	1018	564,959	484,315
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
C. OPERATING GAIN (1001-1018)>=0	1030	719,280	235,851
D. OPERATING LOSS (1018-1001)>=0	1031		-
E. FINANCE INCOME (1033+1038+1039)	1032	407,625	3,281
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>
F. FINANCE EXPENSES (1041+1046+1047)	1040	452,982	344,782
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
G. PROFIT FROM FINANCING OPERATIONS (1032-1040)	1048		-
H. LOSS FROM FINANCING OPERATIONS (1040-1032)	1049	45,357	341,501
I. INCOME FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1050		-
J. LOSS FROM VALUATION OF ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	1051		-
K. OTHER INCOME	1052	554	8,195
L. OTHER EXPENSES	1053	16,455	
M. OPERATING PROFIT BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054	658,022	-
N. OPERATING LOSS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		97,456
O. NET INCOME ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1056		-
P. NET LOSS ATTRIBUTABLE TO DISCONTINUED OPERATIONS, EXPENSES ARISING FROM CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF PRIOR PERIOD ERRORS	1057		-
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	658,022	-
R. LOSS BEFORE TAX (1055-1054+1057-1056)	1059		97,456
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
S. PERSONAL INCOME PAID TO EMPLOYER	1063		-
T. NET PROFIT (1058-1059-1060-1061+1062)	1064	566,000	-
V. NET LOSS (1059-1058+1060+1061-1062)	1065		104,758
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
A. SUBSCRIBED CAPITAL UNPAID	0001	-	-
B. NON-CURRENT ASSETS			
(0003 + 0010 + 0019+ 0024 + 0034)	0002	12,959,617	12,726,198
I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008+0009)	0003		
1. Development investments	0004		
2. Concessions, licenses, software and other rights	0005		
3. Goodwill	0006		
4. Other intangible assets	0007		
5. Intangible assets under development	0008		
6. Advances for intangible assets	0009		
II. PROPERTY, PLANT AND EQUIPMENT		12,635,422	12,666,820
(0011+0012+0013+0014+0015+0016+0017+0018)	0010		
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		
III. BIOLOGICAL ASSETS (0020+0021+0022+0023)	0019		
1. Forest farming	0020		
2. Livestock	0021		
3. Biological assets in production	0022		
4. Advances for biological assets	0023		
IV. LONG-TERM FINANCIAL INVESTMENTS		324,195	59,378
(0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		
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
V. LONG-TERM RECEIVABLES			
(0035+0036+0037+0038+0039+0040+0041)	0034		
1. Receivables from parent company and subsidiaries	0035		
2. Receivables from other related parties	0036		
3. Receivables from sale of goods on credit	0037		
4. Receivables arising out of finance lease contracts	0038		
5. Claims arising from guarantees	0039		
6. Bad and doubtful receivables	0040		
7. Other long-term receivables	0041		
C. DEFFERED TAX ASSETS	0042		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
D. CURRENT ASSETS			
(0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043	837,944	771,307
I. INVENTORY (0045+0046+0047+0048+0049+0050)	0044	13,894	10,799
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
II. TRADE RECEIVABLES			
(0052+0053+0054+0055+0056+0057+0058)	0051	215,268	65,868
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		
III. RECEIVABLES FROM SPECIFIC OPERATIONS	0059		
IV. OTHER RECEIVABLES	0060	16,591	17,556
V. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	0061		
VI. SHORT TERM FINANCIAL INVESTMENTS			
(0063+0064+0065+0066+0067)	0062	14	14
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
VII. CASH AND CASH EQUIVALENTS	0068	447,671	309,064
VIII. VALUE ADDED TAX	0069	30,526	31,008
IX. PREPAYMENTS AND ACCRUED INCOME	0070	113,980	336,998
E. TOTAL ASSETS (0001+0002+0042+0043)	0071	13,797,561	13,559,044
F. OFF-BALANCE SHEET ASSETS	0072	324,482	379,649
A. EQUITY (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421)	0401	1,019,011	386,439
I. SHARE CAPITAL			
(0403+0404+0405+0406+0407+0408+0409+0410)	0402	685,294	685,294
1. Share capital	0403	4,057	4,057
2. Stakes of limited liability companies	0404		
3. Stakes	0405		
4. State owned capital	0406		
5. Socially owned capital	0407		
6. Stakes in cooperatives	0408		
7. Share premium	0409	681,237	681,237
8. Other capital	0410		
II. SUBSCRIBED CAPITAL UNPAID	0411		
III. OWN SHARES	0412		
IV. RESERVES	0413		
V. REVALUATION RESERVES FROM VALUATION OF INTANGIBLES, PROPERTIES, PLANT AND EQUIPMENT	0414		
VI. UNREALISED GAINS FROM SECURITAS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0415		
VII. UNREALIZED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0416	189,048	249,094
VIII. RETAINED EARNINGS (0418+0419)	0417	296,042	30,816
1. Retained earnings from previous years	0418	7,752	30,816
2. Retained earnings from current year	0419	288,290	
IX. NON-CONTROLLING INTEREST	0420	226,723	(57,517)

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
X. LOSS (0422+0423)	0421		23,060
1. Loss from previous years	0422		
2. Loss from current year	0423		23,060
B. LONG-TERM PROVISIONS AND LIABILITIES (0425+0432)	0424	9,947,193	11,039,393
I. LONG-TERM PROVISIONS (0426+0427+0428+0429+0430+4031)	0425	71	71
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		
II. LONG-TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432	9,947,122	11,039,322
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
C. DEFERRED TAX LIABILITIES	0441	29,112	
D. SHORT-TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442	2,802,245	2,133,212
I. SHORT-TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	2,066,550	1,309,868
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		
II. ADVANCES RECEIVED	0450	39	
III. TRADE PAYABLES (0452+0453+0454+0455+0456+0458)	0451	179,932	235,382
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		
IV. OTHER SHORT-TERM LIABILITIES	0459	84,046	83,692
V. LIABILITIES FOR VAT	0460		
VI. LIABILITIES FOR OTHER TAXES	0461	1,651	13,285
VII. ACCRUED EXPENSES	0462	470,027	490,985
E. LOSS EXCEEDING EQUITY (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)>=0=(0441+0424+0442-0071)>=0	0463		
F. TOTAL EQUITY AND LIABILITIES (0424+0442+0441+0401-0463)>=0	0464	13,797,561	13,559,044
G. OFF-BALANCE SHEET LIABILITIES	0465	324,482	379,649

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
Revenues	1.284.239	720.166
EBITDA (RSD thousands) (Operating profit+Depreciation and amortization)	1.016.503	522.542
Operating result (RSD thousands)	719.281	235.851
Net profit / (net loss) (RSD thousands)	566.000	(104.758)
Earnings per share	10,87	(2,84)
Cash flows from operating activities (RSD thousands)	691.709	301.865
Investments (RSD thousands)	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.

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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
LA PICCOLINA	Wind	Vrsac	Energogr. doo	Energobalkan doo	6.6	in operation
KULA	Wind	Kula	Energogr. doo	Vetropark Kula doo	9.9	in operation
KOSAVA phase I	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	69	in operation
KOSAVA phase II	Wind	Vrsac	Energogr. doo	MK Fintel Wind A.D.	68.4	under construction
RAM	Wind	Veliko Gradiste	Energogr. doo	Vetropark RAM doo	10	under construction
KULA 2	Wind	Kula	Energogr. doo	Vetropark Torak doo	10	under final phase of development
LIPAR	Wind	Kula	Energogr. doo	Vetropark Lipar doo	10	under final phase of development
LIPAR 2	Wind	Kula	Energogr. doo	Vetropark Lipar 2 doo	10	under final phase of development
DUNAV 1	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 1 doo	10	under final phase of development
DUNAV 3	Wind	Veliko Gradiste	Energogr. doo	Vetropark DUNAV 3 doo	10	under final phase of development
MAESTRALE RING	Wind	Subotica	Energogr. doo	Vetropark Maestrале Ring doo	678	under development
PROJECT TORAK	Wind	Sombor	Energogr. doo	Project TORAK doo.	238	under development
KOSAVA 2	Wind	Vrsac	Energogr. doo	Vetropark KOSAVA 2 doo	9.9	under development
TOTAL					1,139.8	

6. Research and development

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

There are no registered patents or licenses of the Company.

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

7. Subsidiaries

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

- 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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CONSOLIDATED HALF-YEAR BUSINESS REPORT

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)
Total	(1,631,980)	-	(1,631,980)

FINTEL ENERGIJA AD BEOGRAD

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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)
Total	(721,321)	-	(721,321)

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)
Total	(26,747)	-	(26,747)

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

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



STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Quarterly Financial Statements of the Fintel Energija a.d. for period ended 30 June 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 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