



FINTEL ENERGIJA AD

**CONSOLIDATED ANNUAL REPORT OF
FINTEL ENERGIJA A.D.
FOR THE YEAR 2024**

Belgrade, April 2025.

In accordance with Article 71 of the Capital Market Law ("Official Gazette of the Republic of Serbia", No. 129/2021), the Rulebook on Reporting by Public Companies ("Official Gazette of the Republic of Serbia", No. 77/2022), and the relevant provisions of the Accounting Law ("Official Gazette of the Republic of Serbia", Nos. 73/2019 and 44/2021 – other law), Fintel Energija a.d. from Belgrade (Company ID number: 20305266) hereby announces:

CONSOLIDATED ANNUAL REPORT OF FINTEL ENERGIJA A.D. FOR THE YEAR 2024

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BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
1	2	3	4	5	6
00	ASSETS				
	A. SUBSCRIBED AND UNPAID CAPITAL	0001		-	-
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	0002		11.874.610	12.348.329
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003		-	-
010	1. Investments in development	0004		-	-
011, 012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other intangible assets	0005		-	-
013	3. Goodwill	0006		-	-
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007		-	-
017	5. Advances for intangible assets	0008		-	-
02	II. REAL ESTATE, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	8	11.513.806	11.571.386
020, 021 and 022	1. Land and construction facilities	0010		4.170.612	4.305.233
023	2. Plants and equipment	0011		6.691.827	7.170.661
024	3. Investment real estate	0012		-	-
025 and 027	4. Real estate, plant and equipment leased and real estate, plant and equipment under preparation	0013		649.981	94.106
026 and 028	5. Other real estate, plants and equipment and investment in other people's real estate, plants and equipment	0014		-	-
029 (part)	6. Advances for real estate, plant and equipment in the country	0015		1.386	1.386
029 (part)	7. Advances for real estate, plants and equipment abroad	0016		-	-
03	III. BIOLOGICAL RESOURCES	0017		-	-
04 and 05	IV. LONG-TERM FINANCIAL PLACEMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018		343.556	776.943
040 (part), 041 (part) and 042 (part)	1. Share in the equity of legal entities (except for equity share that are valued using the participation method)	0019		-	-
040 (part), 041 (part) and 042 (part)	2. Equity shares valued using the share method	0020		-	-
043, 050 (part) and 051 (part)	3. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties in the country	0021		6.553	6.563
044, 050 (part) and 051 (part)	4. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties and abroad	0022		-	-
045 (part) and 053 (part)	5. Long-term placements (credits and loans given) in the country	0023		-	-
045 (part) and 053 (part)	6. Long-term placements (credits and loans given) abroad	0024		-	-
046	7. Long-term financial investments (securities valued at depreciated value)	0025		-	-
047	8. Purchased own shares and purchased own shares	0026		-	-
048, 052, 054, 055 and 056	9. Other long-term financial investments and other long-term receivables	0027	9	337.003	770.380
28 (part) except 288	V. LONG-TERM ACCRUED RECEIVABLES	0028		17.248	-
288	V. DEFERRED TAX ASSETS	0029	10	39.026	-

BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
	G. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		1.604.862	1.356.196
Class 1, except account group 14	I. SUPPLIES (0032+0033+0034+0035+0036)	0031		41.872	32.774
10	1. Material, spare parts, tools and small inventory	0032		7.313	7.312
11 and 12	2. Work-in-progress and finished products	0033		-	-
13	3. Goods	0034		-	-
150, 152 and 154	4. Paid advances for supplies and services in the country	0035		34.475	13.382
151, 153 and 155	5. Paid advances for supplies and services abroad	0036		84	12.080
14	II. FIXED ASSETS HELD FOR SALE AND CESSATION OF BUSINESS	0037		-	-
20	III. RECEIVABLES BASED ON SALES (0039+0040+0041+0042+0043)	0038	11	180.993	302.446
204	1. Receivables from customers in the country	0039		171.965	300.979
205	2. Receivables from customers abroad	0040		5	-
200 and 202	3. Receivables from the parent, dependent and other related persons in the country	0041		9.023	1.467
201 and 203	4. Receivables from parent, dependent and other related persons abroad	0042		-	-
206	5. Other receivables based on sales	0043		-	-
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	12	84.550	76.475
21, 22 except 223 and 224 and 27	1. Other receivables	0045		56.903	56.237
223	2. Receivables for overpaid profit tax	0046		26.108	18.699
224	3. Receivables based on overpaid other taxes and contributions	0047		1.539	1.539
23	V. SHORT-TERM FINANCIAL PLACEMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		459.361	14
230	1. Short-term loans and placements - parent and subsidiary legal entities	0049		-	-
231	2. Short-term loans and placements - other related parties	0050		-	-
232, 234 (part)	3. Short-term credits, loans and placements in the country	0051		459.347	-
233, 234 (part)	4. Short-term credits, loans and placements abroad	0052		-	-
235	5. Securities valued at depreciated value	0053		-	-
236 (part)	6. Financial assets valued at fair value through the Income Statement	0054		-	-
237	7. Repurchased own shares and repurchased own stakes	0055		-	-
236 (part), 238 and 239	8. Other short-term financial placements	0056		14	14
24	VI. CASH AND CASH EQUIVALENTS	0057	13	453.776	652.507
28 (part) except 288	VII. SHORT-TERM ACCRUED RECEIVABLES	0058	12	384.310	291.980
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0029+0030)	0059		13.518.498	13.704.525
88	DJ. OFF-BALANCE SHEET ASSETS	0060		-	55.127

BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
	PASSIVE				
	A. CAPITAL (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	14	3.264.050	3.119.407
30 except 306	I. SHARE CAPITAL	0402		4.057	4.057
31	II. SUBSCRIBED AND UNPAID CAPITAL	0403		-	-
306	III. ISSUE PREMIUM	0404		681.237	681.237
32	IV. RESERVES	0405		-	-
330 and credit balance for accounts 331, 332, 333, 334, 335 336 and 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0406		-	114.833
debt balance calculated 331,332,333,334, 335,336 and 337	VI. UNREALIZED LOSSES BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0407		378	-
34	VII. RETAINED EARNINGS (0409+0410)	0408		1.526.748	1.224.242
340	1. Retained earnings of previous years	0409		1.224.245	825.063
341	2. Undistributed profit of the current year	0410		302.503	399.179
	VIII. SHARE WITHOUT THE RIGHT OF CONTROL	0411		1.052.386	1.095.038
35	IX. LOSS (0413+0414)	0412		-	-
350	1. Loss of previous years	0413		-	-
351	2. Loss of the current year	0414		-	-
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0420+0428)	0415		8.282.892	8.580.069
40	I. LONG-TERM RESERVATIONS (0417++0418+0419)	0416		132	99
404	1. Provisions for compensation and other employee benefits	0417		132	99
400	2. Provisions of costs in the warranty period	0418		-	-
40 except 400 and 404	3. Other long-term provisions	0419		-	-
41	II. LONG-TERM LIABILITIES (0421 + 0422 + 0423 + 0424 + 0425 + 0426 + 0427)	0420		8.282.760	8.579.970
410	1. Liabilities that can be converted into equity	0421		-	-
411 (part) and 412 (part)	2. Long-term loans and other long-term liabilities to parent, dependent and other related persons in the country	0422	15-16	1.257.827	1.326.872
411 (part) and 412 (part)	3. Long-term loans and other long-term liabilities to parent, dependent and other related parties abroad	0423	15-16	1.365.571	1.250.388
414 and 416 (part)	4. Long-term credits, loans and obligations based on leasing in the country	0424	17	3.774.705	4.781.195
415 and 416 (part)	5. Long-term credits, loans and obligations based on leasing abroad	0425	17	1.884.657	1.221.515
413	6. Obligations for issued securities	0426		-	-
419	7. Other long-term liabilities	0427		-	-
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUED COSTS	0428		-	-

BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
498	V. DEFERRED TAX LIABILITIES	0429		-	60.554
495 (part)	G. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED	0430		-	-
	D. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		1.971.556	1.944.495
467	I. SHORT TERM PROVISIONS	0432		-	-
42 except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		914.527	886.462
420 (part) and 421 (part)	1. Liabilities based on loans to parent, dependent and other related parties in the country	0434		-	-
420 (part) and 421 (part)	2. Liabilities based on loans to parent, dependent and other related parties abroad	0435	15-16	15.794	15.375
422 (part), 424 (part), 425 (part) and 429 (part)	3. Liabilities based on credits and loans from parties other than domestic banks	0436	17	608.956	791.429
422 (part), 424 (part), 425 (part) and 429 (part)	4. Liabilities based on loans from domestic banks	0437		-	-
423, 424 (part), 425 (part) and 429 (part)	5. Credits, loans and obligations from abroad	0438	17	289.777	79.658
426	6. Liabilities for short-term securities	0439		-	-
428	7. Liabilities based on financial derivatives	0440		-	-
430	III. ADVANCES DEPOSITS AND BAILS RECEIVED	0441		-	116
43 except 430	IV. BUSINESS LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	18	219.878	123.059
431 and 433	1. Liabilities to suppliers - parent, subsidiary legal entities and other related entities in the country	0443		1.445	1.630
432 and 434	2. Liabilities to suppliers - parent, subsidiary legal entities and other related entities abroad	0444		32.902	35.171
435	3. Liabilities to suppliers in the country	0445		182.509	80.519
436	4. Liabilities to suppliers abroad	0446		3.022	5.739
439 (part)	5. Bills of exchange liabilities	0447		-	-
439 (part)	6. Other liabilities from business	0448		-	-
44, 45, 46 except 467, 47 and 48	V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		141.614	343.124
44, 45 and 46 except 467	1. Other short-term liabilities	0450		134.627	343.124
47, 48 except 481	2. Liabilities based on value added tax and other public revenues	0451		3.255	-
481	3. Liabilities based on profit tax	0452		3.732	-
427	VI. LIABILITIES BASED ON ASSETS INTENDED FOR SALES AND ASSETS OF A OPERATIONS THAT HAVE BEEN SUSPENDED BUSINESS	0453		-	-
49 except 498	VII. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	0454	19	695.537	591.734
	DJ. LOSS ABOVE CAPITAL AMOUNT (0415+0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455		-	-
	E. TOTAL LIABILITY (0401+0415+0429+0430+0431-0455)	0456		13.518.498	13.704.525
89	Z. OFF BALANCE SHEET LIABILITIES	0457			55.127

In Belgrade,
30.04.2025.

Seal

Legal representative

INCOME STATEMENT FOR THE PERIOD 01.01. TO 31.12.2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. BUSINESS INCOME (1002 + 1005+1008+1009-1010+1011+1012)	1001	20	2.765.433	2.739.292
60	I. INCOME FROM THE SALE OF GOODS (1003 + 1004)	1002		-	-
600, 602 and 604	1. Income from the sale of goods on the domestic market	1003		-	-
601, 603 and 605	2. Income from the sale of goods on the foreign market	1004		-	-
61	II. INCOME FROM THE SALE OF PRODUCTS AND SERVICES (1006+1007)	1005		2.738.117	2.714.764
610, 612 and 614	1. Income from the sale of products and services on the domestic market	1006		2.738.117	2.714.764
611, 613 and 615	2. Income from the sale of products and services on the foreign market	1007		-	-
62	III. INCOME FROM ACTIVATION OF GOODS AND EFFECTS	1008		-	-
630	IV. INCREASE OF VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1009		-	-
631	V. DECREASE IN THE VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1010		-	-
64 and 65	VI. OTHER OPERATING INCOME	1011		27.316	21.704
68, except for 683, 685 and 686	VII. INCOME FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1012		-	2.824
	B. BUSINESS EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		1.358.042	1.257.741
50	I. PURCHASE VALUE OF SOLD GOODS	1014		-	-
51	II. COSTS OF MATERIALS, FUEL AND ENERGY	1015		16.948	18.093
52	III. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	21	44.334	38.806
520	1. Salary expenses and salary compensation	1017		31.720	27.104
521	2. Costs of taxes and contributions on wages and salary benefits	1018		4.745	4.045
52 except 520 and 521	3. Other personal expenses and compensation	1019		7.869	7.657
540	IV. DEPRECIATION COSTS	1020	22	615.129	615.210
58 except 583, 585 and 586	V. COSTS FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1021			1.495
53	VI. COSTS OF PRODUCTION SERVICES	1022	23	339.484	206.478
54 except 540	VII. RESERVATION COSTS	1023		33	
55	VIII. IMMATERIAL COSTS	1024	24	342.114	377.659
	V. BUSINESS PROFIT (1001 - 1013) ≥ 0	1025		1.407.391	1.481.551
	G. BUSINESS LOSS (1013 - 1001) ≥ 0	1026			

INCOME STATEMENT FOR THE PERIOD 01.01. TO 31.12.2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027	25	45.470	31.291
660 and 661	I. FINANCIAL INCOME FROM RELATIONS WITH PARENT, DEPENDENT AND OTHER RELATED PARTIES	1028		11.765	3.662
662	II. INTEREST INCOME	1029		2.401	3.663
663 and 664	III. POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	1030		31.304	23.966
665 and 669	IV. OTHER FINANCIAL INCOME	1031		-	-
	Đ. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	26	810.677	618.892
560 and 561	I. FINANCIAL EXPENSES FROM RELATIONS WITH PARENT, SUBSIDIARY AND OTHER RELATED PARTIES	1033		137.839	93.317
562	II. INTEREST EXPENSE	1034		318.049	371.994
563 and 564	III. NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	1035		21.572	14.966
566 and 569	IV. Other financial expenses	1036		333.217	138.615
	E. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037			
	Z. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		765.207	587.601
683, 685 and 686	Z. INCOME FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT	1039		9.686	-
583, 585 and 586	I. COSTS FROM THE ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT	1040		-	7.149
67	J. OTHER INCOME	1041	27	11.021	76.909
57	K. OTHER EXPENSES	1042	27	11.755	7.923
	L. TOTAL INCOME (1001+1027+1039+1041)	1043		2.831.610	2.847.492
	LJ. TOTAL EXPENSES (1013+1032+1040+1042)	1044		2.180.474	1.891.705
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (1043-1044) ≥ 0	1045		651.136	955.787
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAXATION (1044-1043) ≥ 0	1046		-	-
69-59	NJ. POSITIVE NET EFFECT ON THE RESULT BASED ON PROFIT OF DISCONTINUED OPERATIONS, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS	1047		-	-
59-69	A. NEGATIVE NET EFFECT ON THE RESULT DUE TO LOSS OF BUSINESS THAT IS SUSPENDED, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS	1048		277	1.681
	P. PROFIT BEFORE TAXATION (1045 - 1046 + 1047 - 1048) ≥ 0	1049		650.859	954.106
	R. LOSS BEFORE TAXATION (1046- 1045 + 1048 - 1047) ≥ 0	1050		-	-
	S. INCOME TAX			-	-
721	I. TAX EXPENSE OF THE PERIOD	1051	28	166.133	190.400
722 debt. Balance	II. DEFERRED TAX EXPENSES OF THE PERIOD	1052		-	-
722 pot. Balance	III. DEFERRED TAX REVENUE OF THE PERIOD	1053		61.852	32.547
723	T. PAID PERSONAL INCOME OF THE EMPLOYER	1054		-	-
	Ć. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		546.578	796.253

INCOME STATEMENT FOR THE PERIOD 01.01. TO 31.12.2024

U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056	-	-
I. NET PROFIT ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	1057	244.075	397.074
II. NET PROFIT ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1058	302.503	399.179
III. NET LOSS ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	1059	-	-
IV. NET LOSS ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1060	-	-
V. EARNINGS PER SHARE			
1. Basic earnings per share	1061	11	15
2. Decreased (diluted) earnings per share	1062	11	15

In Belgrade ,
30.04.2025.

Seal

Legal representative



REPORT ON OTHER COMPREHENSIVE INCOME
for the period from 01.01. until 31.12.2024.

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET RESULT FROM OPERATIONS				
	I. NET PROFIT (EDP 1055)	2001		546.578	796.253
	II. NET LOSS (EDP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified in the Income Statement in future periods				
330	1. Changes in revaluation of intangible assets, real estate, plant and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease of revaluation reserves	2004			
331	2. Actuarial gains or losses under defined benefit plans				
	a) profits	2005			
	b) losses	2006			
333	3. Proits or losses based on shares in other comprehensive income or loss of associated companies				
	a) gains	2007			
	b) losses	2008			
	b) Items that may subsequently be reclassified to the Income Statement in future periods				
332	1. Proits or losses based on investments in equity instruments				
	a) profits	2009			
	b) losses	2010			
334	1. Proits or losses based on the recalculation of financial statements of foreign operations				
	a) profits	2011			
	b) losses	2012			
335	2. Proits or losses from hedging instruments for net investment in foreign operations				
	a) profits	2013			
	b) losses	2014			
336	3. Proits or losses based on cash flow risk protection (hedging) instruments				
	a) profits	2015			716.701
	b) losses	2016		251.108	
337	4. Proits or losses based on HOV that are valued at fair value through other comprehensive income				
	a) profits	2017			
	b) losses	2018			
	I. OTHER GROSS COMPREHENSIVE INCOME (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			716.701
	II. OTHER GROSS COMPREHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		251.108	
	III. DEFERRED TAX EXPENSE ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	2021			107.505
	IV. DEFERRED TAX INCOME ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	2022		37.686	
	IV. NET OTHER COMPREHENSIVE INCOME (2019 - 2020 - 2021+2022) ≥ 0	2023			609.196
	V. NET OTHER COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		213.422	
	C. TOTAL NET COMPREHENSIVE INCOME FOR THE PERIOD				
	I. TOTAL NET COMPREHENSIVE PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0	2025		333.156	1.405.449
	II. TOTAL NET COMPREHENSIVE LOSS (2002 - 2001 + 2024 - 2023) ≥ 0	2026			
	D. TOTAL NET COMPREHENSIVE INCOME OR LOSS (2028 + 2029) = EDP 2025 ≥ 0 or EDP 2026 > 0	2027		333.156	1.405.449
	1. Attributed to the parent legal entity	2028		187.292	726.040
	2. Attributed to non-controlling interests	2029		145.864	679.409

In Belgrade ,
30.04.2024.

Legal representative

REPORT ON CHANGES IN EQUITY
for the period from 01.01. until 31.12.2024.

Item	Description	EDP	Share capital (group 30 excluding 306 and 309)	EDP	Other share capital (m 309)	EDP	Subscribed and unpaid capital (group 31)	EDP	Issue premium and reserves (acc 306 and group 32)	EDP	Rev. res. and undistr profit and loss (group 33)
	1		2		3		4		5		6
1	Balance as of 01.01.2023.	4001	4.057	4010	-	4019	-	4028	681.237	4037	- 214.173
2	Effect and retroactive corrections of material errors and changes in accounting policies	4002	-	4011	-	4020	-	4029	-	4038	-
3	Corrected initial balance as of 01.01.2023 (s. no. 1+2)	4003	4.057	4012	-	4021	-	4030	681.237	4039	- 214.173
4	Net changes in 2023	4004	-	4013	-	4022	-	4031	-	4040	329.006
5	Balance as of 12/31/2023. (s. no. 3+4)	4005	4.057	4014	-	4023	-	4032	681.237	4041	114.833
6	Effects and retroactive corrections of material errors and changes in accounting policies	4006	-	4015	-	4024	-	4033	-	4042	-
7	Corrected initial balance as of 01.01.2024 (years 5+6)	4007	4.057	4016	-	4025	-	4034	681.237	4043	114.833
8	Net changes in 2024	4008	-	4017	-	4026	-	4035	-	4044	- 115.211
9	Balance as of 31.12.2024. (s. no. 7+8)	4009	4.057	4018	-	4027	-	4036	681.237	4045	- 378

REPORT ON CHANGES IN EQUITY
for the period from 01.01. until 31.12.2024.

- in 000 dinars -

Item	Description	EDP	Retained profit (group 34)	EDP	Loss (Group 35)	EDP	Participation without the right of control	EDP	Total (correspond s to position EDP 0401) (col.2+3+4+ 5+6+7-8+9) ≥ 0	EDP	Loss above the capital limit (correspon ds to position EDP 0455) (col. 2+3+4+5+ 6+7-8+9)<0
	1		7		8		9		10		11
1	Balance as of 01.01.2023.	4046	825.276	4055	-	4064	673.665	4073	1.970.062	4082	-
2	Effect and retroactive corrections of material errors and changes in accounting policies	4047	-	4056	-	4065	-	4074	-	4083	-
3	Corrected initial balance as of 01.01.2023 (s. no. 1+2)	4048	825.276	4057	-	4066	673.665	4075	1.970.062	4084	-
4	Net changes in 2023	4049	398.966	4058	-	4067	421.373	4076	-	4085	-
5	Balance as of 12/31/2023. (s. no. 3+4)	4050	1.224.242	4059	-	4068	1.095.038	4077	3.119.407	4086	-
6	Effects and retroactive corrections of material errors and changes in accounting policies	4051	-	4060	-	4069	-	4078	-	4087	-
7	Corrected initial balance as of 01.01.2024 (years 5+6)	4052	1.224.242	4061	-	4070	1.095.038	4079	3.119.407	4088	-
8	Net changes in 2024	4053	302.506	4062	-	4071	- 42.652	4080	-	4089	-
9	Balance as of 31.12.2024. (s. no. 7+8)	4054	1.526.748	4063	-	4072	1.052.386	4081	3.264.050	4090	-

In Belgrade ,
30.04.2025.

Seal

Legal representative

CASH FLOW STATEMENT
for the period from 01.01. until 31.12.2024.

- in 000 of dinars -

POSITION	EDP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (1-4)	3001	2.809.083	3.130.380
1. Sales and received advances in the country	3002	2.781.964	2.792.618
2. Sales and advances received abroad	3003		
3. Received interest from operating activities	3004		
4. Other inflows from regular operations	3005	27.119	337.762
II. Cash outflows from operating activities (1 to 8)	3006	1.137.544	1.375.403
1. Payments to suppliers and advances made in the country	3007	581.553	446.112
2. Payments to suppliers and advances made abroad	3008		128.434
3. Earnings salary compensation and other personal expenses	3009	44.367	38.806
4. Interest paid in the country	3010	341.813	419.414
5. Interest paid abroad	3011		
6. Income tax	3012	169.811	278.756
7. Outflows based on other public revenues	3013		46.915
8. Other outflows from operating activities	3014		16.966
III. Net cash inflow from operating activities (I - II)	3015	1.671.539	1.754.977
IV. Net cash outflow from operating activities (II - I)	3016	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES I. Cash inflows from investing activities (1 to 5)	3017	-	-
1. Sale of shares and stakes	3018		
2. Sale of intangible assets, real estate, plants, equipment and biological resources	3019		
3. Other financial placements	3020		
4. Received interest from investment activities	3021		
5. Dividends received	3022		
II. Cash outflows from investing activities (1 to 3)	3023	854.708	292.004
1. Purchase of shares and stakes	3024	-	-
2. Purchase of intangible assets, real estate, plants, equipment and biological resources	3025	576.989	285.435
3. Other financial placements	3026	277.719	6.569
III. Net cash inflow from investing activities (I - II)	3027		
IV. Net cash outflow from investing activities (II - I)	3028	854.708	292.004
C. CASH FLOWS FROM FINANCING ACTIVITIES I. Cash inflows from financing activities (1 to 7)	3029	6.895.612	-
1. Increase of the share capital	3030	-	-
2. Long-term loans in the country	3031	6.895.587	-
3. Long-term loans abroad	3032		-
4. Short-term loans in the country	3033	-	-
5. Short-term loans abroad	3034	-	-
6. Other long-term liabilities	3035	-	-
7. Other short-term liabilities	3036	25	-
II. Cash outflows from financing activities (1 to 8)	3037	7.911.174	1.013.649
1. Purchase of own shares and stakes	3038	-	-
2. Long-term loans in the country	3039	7.495.267	985.266
3. Long-term loans abroad	3040		
4. Short-term loans in the country	3041		
5. Short-term loans abroad	3042		
6. Other liabilities	3043		-
7. Financial leasing	3044	-	-
8. Dividends paid	3045	415.907	28.383
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	1.015.562	1.013.649
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	9.704.695	3.130.380
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	9.903.426	2.681.056
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050		449.324
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	198.731	
H. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	3052	652.507	203.183
I. POSITIVE EXCHANGE RATE DIFFERENCES BASED ON CASH CONVERSION	3053		
J. NEGATIVE EXCHANGE RATE DIFFERENCES BASED ON CASH CONVERSION	3054		
K. CASH AT THE END OF THE ACCOUNTING PERIOD (3050-3051+3052+3053-3054)	3055	453.776	652.507

In Belgrade,
30.04.2025.

Seal



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

(All amounts are expressed in RSD 000, unless otherwise indicated)

1. General information

Fintel Energija AD, Beograd (hereinafter: "Company" or "Fintel Energija") and its subsidiaries (hereinafter: "Fintel Group" or "Group") are the leading independent producer of electricity from renewable sources in the Republic of Serbia. The Company and the Group are pioneers in the field of electricity production from renewable sources, having been the first in Serbia to build and operate wind farms. The sale of all produced energy is carried out through an arrangement (power purchase agreement) with JP Elektroprivreda Srbije (EPS) and there is no direct supply to end consumers.

The Company was founded on 27 June 2007 as a closed joint-stock company under the name "PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD" ("Electricity Production Company Fintel Energija ad Beograd"), by the foreign legal entity "Fintel Energia Group SPA", Italy (registration number 02658620402) ("Owner"). "Fintel Energia Group SPA" is 86.22% owned by Hopafi Srl ("Ultimate Owner").

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

As of December 31, 2024, the Company has subscribed and paid-up share capital in the amount of RSD 4,057 thousand, consisting of 26,510,506 ordinary shares with an individual nominal value of RSD 0.153.

The Company's shares have been traded on the organized market - the Belgrade Stock Exchange since November 2018. The stock symbol is FINT, and the ISIN number is RSFINEE60549. The Company's market capitalization as of December 31, 2024 is RSD 17,762,039 thousand (value per share is RSD 670).

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

These Consolidated Financial Statements for the year ended 31 December 2024 have been prepared by the Group's general manager, and they have been approved on 30 April 2025. Approved consolidated financial statements may be amended based on the opinion of the independent auditor, in accordance with legal regulations.

As of December 31, 2024, the Group had 14 employees (2023: 14 employees).

2. Overview of significant accounting policies and adopted standards

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

2.1. Basis for the preparation and presentation of consolidated financial statements

The Group keeps records and prepares consolidated financial statements in accordance with the Accounting Law of the Republic of Serbia ("Official Gazette of the Republic of Serbia", No. 73/2019 I 44/2021) and other legislation in effect in the Republic of Serbia.

In accordance with the Accounting Law, large legal entities, legal entities that have the obligation to prepare consolidated financial statements (parent legal entities), public companies, i.e., companies that are preparing to become public in accordance with the Capital Market Law of the Republic of Serbia, regardless of size, apply International Financial Reporting Standards (IFRS), whose translation into Serbian has been published by the ministry responsible for finance, for the recognition, valuation, presentation and disclosure of positions in consolidated financial statements.

(All amounts are expressed in RSD'000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.1. Basis for preparation and presentation of consolidated financial statements (continued)

International Financial Reporting Standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as well as interpretations of standards issued by the Accounting Standards Interpretations Committee, but do not include bases for conclusions, illustrative examples, application guidance, commentaries, dissenting opinions, or other supporting materials except in cases where they are explicitly included as an integral part of the standard or interpretations.

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements of the Group include the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated statement of other income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as an overview of significant accounting policies and notes to the consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated in the accounting policies presented below.

In compiling these consolidated financial statements, the Group has applied the accounting policies explained in note 2.6. The stated accounting policies have been applied consistently to all reporting periods presented.

The consolidated financial statements are presented in Serbian dinars "RSD" and all reported numerical values are presented in thousands of dinars RSD'000 unless otherwise stated.

2. Overview of significant accounting policies and adopted standards (continued)

2.1. Basis for preparation and presentation of consolidated financial statements (continued)

Consolidated financial statements (continued)

The preparation of consolidated financial statements in accordance with the Accounting Law of the Republic of Serbia requires the application of certain key accounting estimates. It also requires Management to exercise its judgment in applying the Group's accounting policies. Areas that require judgment of a higher degree of or greater complexity, that is, areas where assumptions and estimates are material to the consolidated financial statements, are disclosed in Note 3.

2.2. Accounting basis

The Group uses bank loans to finance its working capital. The Group's forecasts and projections, which take into account reasonably possible changes in the Group's operating results, indicate that the Group should be able to operate with the existing credit levels. With the above in mind, management believes that the Group has adequate funds to continue operations in the foreseeable future. The Group does not expect difficulties in collecting receivables and believes that liquidity will remain stable in the future, due to the strong support of foreign partners (owners of the Group). Accordingly, the Group has prepared the consolidated financial statements in accordance with the going concern concept. Additional information on the Group's loans is provided in Note 18.

2.3. Scope of consolidation

These Consolidated Financial Statements of the Group include the financial statements of Fintel Energija and its subsidiaries for the year ended 31 December 2024, which have been approved by the directors. These consolidated financial statements have been prepared in accordance with the Accounting Law of the Republic of Serbia and other applicable legal regulations in the Republic of Serbia.

The companies included in the scope of consolidation are listed in the table below:

Name	Share capital (RSD '000)	Head office	31/12/2024 % down payment	31/12/2023 % down payment	
Fintel Energija ad	4,057	Belgrade (Serbia)	Parent company		
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Directly
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Directly
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Kula doo	314,032	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Torak doo	240	Belgrade (Serbia)	54%	54%	Indirectly
Fintel Energija Dev. doo	0	Belgrade (Serbia)	100%	100%	Directly
MK-Fintel Wind Dev. doo	0	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Fintel Energija Dev. Ltd.	0	Nicosia (Cyprus)	100%	100%	Indirectly
Vetropark Torak Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Staklenik Jedan d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Dva d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Tri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Četiri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Pet d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Šest d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.3. Scope of consolidation (continued)

The shares of the subsidiary MK-Fintel Wind ad are pledged in favour of NLB KOMERCIJALNA BANKA AD based on the Long-Term Loan Agreement signed on December 23, 2024 with NLB KOMERCIJALNA BANKA AD AND NOVA LJUBLJANSKA BANKA DD. The maturity date is December 31, 2035.

The shares of the subsidiary Energobalkan doo are pledged in favour of Unicredit Bank Srbija ad, Belgrade, based on the Long-term Loan Agreement signed on May 18, 2015 with Unicredit Bank Srbija ad, Belgrade.

2.4. Principles and methods of consolidation

Subsidiaries are consolidated starting from the acquisition date, i.e., the date on which the Group acquired control of the subsidiary, and continue to be consolidated until the date on which such control ceases. An acquisition of control is considered to have occurred if the Group is exposed or entitled to variable returns from its involvement in the entity it invested in and has the ability to influence those returns through the influence it has over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Influence on the investee's existing rights that give it the ongoing ability to direct the relevant activities of the investee
- Exposure or rights to variable returns from its involvement with the investee, and
- The ability to use influence over the entity in which it has invested to influence its returns.

The assumption is that a majority of voting rights results in control. To justify this assumption if the Group has less than a majority of voting rights or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has influence over the investee, including:

- Contractual arrangements with other holders of voting rights over the entity in which it has invested
- Rights arising from contractual arrangements
- Existing and potential voting rights.

The Group re-evaluates whether there is control over the entity in which it has invested if facts or circumstances indicate that there have been changes in one or more factors of control.

Financial statements of subsidiaries are prepared for the same reporting period as for the parent company using consistent accounting policies. All intercompany balances, transactions, unrealized gains and losses arising from intercompany transactions and dividends are completely eliminated. Changes in ownership interests in a subsidiary that do not result in a loss of control are accounted for as transactions within equity.

2. Overview of significant accounting policies and adopted standards (continued)

2.4. Principles and methods of consolidation (continued)

If the Group loses control over a subsidiary, the following occurs:

- Derecognition of assets (including goodwill) and liabilities of a subsidiary;
- Derecognition of the present value of minority interest, if any;
- Derecognition of accumulated exchange rate differences previously recognized within equity;
- Posting the fair value of sales receipts;
- Posting the fair value of the remaining interest in the subsidiary, if any;
- Posting the resulting profit or loss through the income statement;
- Reclassification of the parent company's share of components previously recognized directly in equity to profit or loss or retained earnings as appropriate.

The financial statements of subsidiaries abroad, expressed in their functional currencies, were converted into the reporting currency of the parent company, RSD, by converting assets and liabilities into dinars at the official exchange rate on the balance sheet date. The income statement and cash flows are translated into dinars at the middle exchange rate. The effects resulting from the translation of financial statements in foreign currencies into the reporting currency are presented within equity.

2.5. Foreign currency conversion

Functional and display currency

Items included in the Group's financial statements are measured and presented in thousands of dinars (RSD 000). The dinar is the official reporting currency in the Republic of Serbia.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates valid at the date of the transaction or at the date of the valuation if the items have been remeasured. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end are recognised in the income statement, except when they are deferred in equity as cash flow hedges and net investment hedges.

2.6. Significant accounting policies

Real estate, plant and equipment

Real estate, plant and equipment are stated at purchase value less accumulated depreciation and any impairment losses. The purchase price includes all expenditure necessary to bring the asset to its intended use. This amount is increased by the present value of the estimated cost of reclamation of the site when there is a legal or construction obligation to remove the asset. The corresponding liability is recognised as a provision for the costs of removing the asset. The accounting treatment of revised estimates of these costs, the time value of money and the discount rates are highlighted in the section on provisions for these costs.

Borrowing costs that are directly attributed to the acquisition or construction of an asset that qualifies for the attribution of borrowing costs are included in the purchase value of the qualifying asset, i.e., one that takes a substantial period of time to get ready for its planned use or sale.

Costs incurred for regular and/or periodic repairs and maintenance are recognised directly in the consolidated income statement. Costs incurred for the expansion, modernisation or improvement of structural elements owned by the Group or used by third parties are capitalised to the extent that they qualify for recognition as a separate asset or part of an asset.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Real estate, plant and equipment (continued)

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

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

	Number of years
Buildings	40
Equipment	3-20

The residual value and useful life of the asset are reviewed, and adjusted, if necessary, at each balance sheet date. Depreciation begins when the plant is ready for its planned use, as assessed by management (which coincides with the end of the testing period).

Intangible assets

Intangible assets consist of identifiable non-monetary assets which have no physical substance that are controlled by the Group as a result of past events and from which future economic benefits are expected. Intangible assets that meet the relevant criteria on initial recognition are valued at cost or production cost, including directly attributable costs necessary for preparing the asset for its planned use, less depreciation and impairment losses.

Borrowing costs that can be directly attributed to the acquisition or construction of an intangible asset that qualifies for the attribution of borrowing costs are included in the purchase value of the qualifying asset, i.e., one that takes a significant amount of time to get ready for its planned use or sale.

Depreciation begins when the assets are ready for their planned use and is applied over their estimated useful life.

The useful life estimated by the Group for each category of intangible assets is as follows:

	Number of years
Other intangible assets	Duration of rights

There are no intangible assets with an indefinite useful life.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Impairment of real estate, plant and equipment and intangible assets

At the end of each reporting period, property, plant and equipment and intangible assets that have not been fully amortized are tested for impairment. If indicators of impairment are identified, the recoverable amount is estimated and any loss relative to the carrying amount is recognized in the consolidated income statement. Recoverable value is the greater of fair value less costs to sell or value in use, which represents the present value of the future cash flows that the asset will generate. For assets that do not generate separately identifiable cash flows, the recoverable amount is defined based on the cash-generating unit to which the asset belongs. To determine value in use, expected future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money and the risks associated with the business. An impairment loss is recognized in the consolidated income statement in the amount by which the carrying amount of the fixed asset is greater than the recoverable amount. When there are no more impairment indicators, the current value of the asset is increased to the new amount of the recoverable amount, but so that it does not exceed the amount of the net book value that the asset would have had if it had never been impaired.

Leasing

IFRS 16 defines new or revised requirements for lease accounting, introducing significant changes to the accounting of the lessee by removing the distinction between finance and operating leases and requiring the recognition of an asset representing the right to use the leased asset and a lease liability at the commencement date for all leases, except for short-term leases and those leases where the lease value is small.

When applying IFRS 16 to leases, the Group recognizes assets representing the right-of-use and lease liabilities in the balance sheet, initially measured at the present value of future lease payments, and recognizes depreciation expense on the right-of-use assets and interest expense on the lease liability in the income statement.

Lease previously classified as a finance lease – In the case of lease agreements that are classified as a finance lease in accordance with IAS 17, the book value amounts of the leased asset on the one hand and the finance lease liabilities on the other hand, determined by applying IAS 17 immediately before the date of initial application of the new standard, are reclassified to the value of the right-of-use assets and the value of the lease liabilities without any adjustments.

Valuation

The lease liability is initially valued at the net present value of all future lease payments discounted at the interest rate implicit in the lease (the implicit interest rate). If this cannot be readily determined, the Group uses its incremental borrowing rate.

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

- fixed payments (including variable payments that are essentially fixed) less any lease incentives received
- variable lease payments, i.e., payments that depend on market indices or rates, which are initially measured on the lease commencement date, using the market index or rate
- the cost price of the call option if it is reasonably certain that the option will be exercised
- penalties for termination of the contract, if it is reasonably likely that the termination option will be exercised.

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Impairment of property, plant and equipment and intangible assets (continued)

Leasing (continued)

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

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

Variable payments that are not index- or rate-dependent are not included in the valuation of the lease liability or asset with the right-of-use. Such payments are recognized as an expense in the period in which they are incurred.

Group as tenant

The Group applies a single recognition and valuation approach to all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities for lease payments and the right-of-use asset, which represents the right to use fixed assets.

Right to use funds

The Group recognises the right to use an asset at the commencement date (i.e. the date the asset is available for use). The right to use an asset is measured at cost, less accumulated depreciation and impairment losses, and adjusted for any subsequent measurement of the lease liability. The cost of the right to use an asset includes the amount of the recognised lease liability, initial direct costs and lease payments made on or before the commencement date, less any lease incentives received.

The right to use assets is depreciated proportionally over the shorter of the lease term or the estimated useful life of the asset.

Leasing liabilities

On the lease commencement date, the Group recognizes lease liabilities valued at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments, net of any lease incentive receivables, variable lease payments that are index-linked or rate-linked, and amounts that are expected to be reliably payable for the residual value. Lease payments also include the exercise price of a purchase option that is reasonably expected to be exercised by the Group and the payment of a termination penalty, if the termination option is exercisable by the Group during the term of the lease.

Variable lease payments that are not index- or rate-linked are recognized as expenses (unless incurred for the production of inventories) in the period in which the events or conditions giving rise to the payment occur.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Impairment of property, plant and equipment and intangible assets (continued)

Leasing (continued)

When calculating the present value of lease payments, the Group uses its incremental borrowing rate at the inception date, as the implicit interest rate for the lease is not readily determinable. After the inception date, the amount of the lease liability is increased by accrued interest for the past period and reduced by lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a modification to the contract, a change in the lease term, a change in the lease payments (e.g. changes in future payments resulting from a change in the index or rate used to determine such lease payments) or a change in the estimate of the option to purchase the underlying asset that is the subject of the lease.

Short-term leases and leases of assets of low value

The Group applies the short-term lease recognition exemption for its short-term leases, as well as for low-value leases. Lease payments for short-term leases and leases of low-value assets are recognized as an expense, proportionally over the lease term.

Group as lessor

Leasing is classified as operating where the contract stipulates that not all the risks and rewards incidental to ownership of the asset are transferred to the lessee.

All payments during the year under operating leases, which relate to the supply of services and goods that do not have a one-time effect, are accrued on a straight-line basis and recorded as an expense in the income statement over the lease term.

Group as the beneficiary of the lease

Assets held under finance leases are initially recognised as assets of the company at the present value of the minimum lease payments determined at the beginning of the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease liability.

Lease instalment payments are allocated between financial expenses and reductions in lease liabilities with the aim of achieving a constant rate of participation in the outstanding amount.

Financial instruments

Financial assets and financial liabilities are recorded in the Group's balance sheet from the moment the Group becomes contractually bound to the instrument. Purchases or sales of financial assets are recognized using the settlement date method, which is the date on which the asset is delivered to the other party.

Financial assets are derecognized when the Group loses control of the contractual rights to those instruments, which occurs when the rights to use the instruments are exercised, expired, abandoned or assigned. A financial liability is derecognized when the obligation stipulated in the contract is discharged, cancelled or expired.

The Group has been applying IFRS 9 since January 1, 2020. Accordingly, the Group classifies its financial assets into the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial instruments (continued)

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

- The asset is held within a business model whose objective is to hold the asset with the intention of collecting contractual cash flows, and
- The contractual terms of the asset result on given dates in cash flows that are solely payments of principal and interest on the remaining principal amount.

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

- The asset is held within a business model whose objective is achieved both through the collection of contractual cash flows and the sale of financial assets, and
- The contractual terms of the asset result on given dates in cash flows that are solely payments of principal and interest on the remaining principal amount.

All financial assets that are not classified as valued at depreciated value or fair value through other comprehensive income, as described above, are valued at fair value through the income statement.

This includes financial assets held for trading and managed and whose performance is valued at fair value. In addition, upon initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be valued at depreciated value or at fair value through other comprehensive income, at fair value through the income statement if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Financial assets are reclassified only when the Group changes its business model that affects the asset, in which case all financial assets affected are reclassified on the first day of the reporting period following the change in business model.

Business model assessment

The business model is assessed to determine whether a financial asset with only principal and interest payments is classified at depreciated value or fair value through other comprehensive income. The business model determines whether the cash flows result from collecting contractual cash flows, selling the financial asset, or both.

Cessation of recognition of financial assets and financial liabilities

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

Any interest in such a financial asset that is created or retained by the Group is recognized as a separate asset or liability.

A financial asset ceases to be recognized when it is written off. A financial asset ceases to be recognized also when there is a change in the contractual terms of the financial asset that results in a significant change in the cash flows from the financial asset.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial instruments(continued)

Impairment of financial assets

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

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

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

- 12-month expected credit losses – these are expected credit losses arising from all possible default events during the 12 months following the reporting date, and
- Expected credit losses over the life of the instrument – these are expected credit losses arising from all possible default events over the expected life of the financial instrument.

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

- Determining whether the credit risk of a financial asset has increased significantly since initial recognition, and
- Taking into account information about future circumstances when estimating expected credit losses.

Long-term financial investments

Equity investments in other listed companies are initially valued at cost. Subsequent valuation is performed at each balance sheet date to adjust their value to market value.

Long-term financial investments that include equity investments in related legal entities, commercial banks and other legal entities that are not listed on the stock exchange are reported at cost less impairment based on management's assessment in order to reduce them to their recoverable amount.

Trade receivables, short-term placements and other short-term receivables

Trade receivables, short-term placements and other short-term receivables are stated at nominal value, less any allowances made based on management's assessment of their collectability.

Cash and cash equivalents

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

Financial obligations

Financial liabilities are classified in accordance with the substance of the contractual provisions. Financial liabilities are stated at nominal value, increased by interest based on concluded contracts.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial instruments(continued)

Operating liabilities

Trade payables and other operating liabilities are valued at their nominal value.

Off-balance sheet assets and liabilities

Off-balance sheet assets and liabilities include: goods on consignment, materials received for processing and finishing and other assets not owned by the Group, as well as receivables/liabilities under payment security instruments such as guarantees and other forms of collateral.

Provisions

Provisions are recognized when the Group has a present legal or contractual obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. The amount recognized is the best estimate of the expenditure required to settle the obligation. When the time value of money is significant and the date of settlement can be determined reliably, the provision is measured at the present value of the expenditure required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as interest expense.

If the provision relates to dismantling and removal, the provision is recognised as part of the asset to which it relates and the expense is recognised in the consolidated income statement as depreciation of the asset to which the expense relates.

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

Such changes are added to or subtracted from the book value of the asset to which they relate and are recognised in the consolidated income statement through depreciation. If changes are added to the book value of the asset, the Group assesses whether the new present value will be fully recoverable; if not, the present value of the asset is reduced to take into account the irrecoverable amount and a loss is recognised in the consolidated income statement.

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

Regarding the adopted assessment criteria for determining the deactivation or recovery of assets, it is explained in the paragraph Estimates and assumptions.

Risks that may cause an increase in a contingent liability are disclosed in the contingent liabilities and risks section, but are not recognized.

A contingent liability arising from a business combination is valued at the higher of the amount that would have been recognized applying the above policy for provisioning costs and the present value of the initially defined liability.

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Derivative financial instruments

During 2024, the Group discontinued the application of the interest rate hedging strategy. As of 31 December 2024, the Group did not hold any derivative financial instruments.

Transactions, in accordance with risk management policies, that meet the hedge accounting requirements of International Financial Reporting Standards are designated as hedging relationships (accounted for as presented below), while those entered into with the intention of hedging but that do not meet the hedge accounting requirements of International Financial Reporting Standards are classified as trading transactions. In this case, changes in the fair value of derivatives are recognised in the consolidated income statement in the period in which they arise. Fair value is determined by reference to an active market.

For accounting purposes, hedging transactions are classified as fair value if they are entered into to hedge exposure to changes in the market value of underlying assets or liabilities; or as cash flow hedges if they are entered into to hedge exposure to variability in cash flows arising from an existing asset or liability or a highly probable forecast of the transaction.

For derivatives classified as fair value hedges that meet the requirements of hedge accounting, gains and losses arising from their fair value measurement are recognized in the consolidated income statement. Gains and losses arising from fair value hedge measurement are also recognized in the consolidated income statement.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recognized in other comprehensive income and accumulated in the equity reserve "cash flow hedge reserve". This reserve is subsequently reclassified to the consolidated income statement in the periods when the hedged item affects profit or loss. The change in fair value attributable to the ineffective portion is recognized immediately in the consolidated income statement. If a derivative instrument is sold and, accordingly, no longer qualifies as an effective hedge of the exposure for which the transaction was entered into, the portion of the "cash flow hedge reserve" relating to it remains there until the underlying transaction affects profit or loss. When the forecast transaction is no longer considered probable, the corresponding portion of the cash flow hedge reserve is immediately reclassified to the consolidated income statement.

Embedded derivatives present in financial assets/liabilities are separated and measured independently at fair value, except when, under IFRS 9, the price of the derivative at the date of its recognition approximates the amount determined by measuring the asset/liability at amortized cost. In this case, the measurement of the embedded derivative is absorbed by that present in the financial asset/liability.

Revenues

The Group analyses contracts with customers to identify the underlying obligations. If a contract includes multiple goods or services, the Group assesses whether these components should be recognized separately in accordance with IFRS 15. Considering the characteristics of the contracts entered into by the Group companies, no contracts with multiple obligations have been identified.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Revenues (continued)

The Group assesses each performance obligation contained in contracts to determine whether it meets the criteria for recognition over time in accordance with IFRS 15; Contract revenue is recognized in relation to the stage of completion of the contract activity at the end of the reporting period using the percentage of completion method. The percentage of completion is determined using the cost-to-cost method, applying the percentage of completion to revenue as the ratio of costs incurred to the estimated total costs required to complete the project.

Otherwise, revenue is recognized when the customer obtains control of the asset or service.

Revenue includes the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's business. Revenue is reported net of returns, discounts, rebates and allowances, and value added tax.

Revenue is recognized when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the Group.

Sales revenue is recognized in the income statement upon transfer of the risks and rewards of ownership of the product sold to the customer, which usually coincides with the delivery of the product and/or goods to the customer and their acceptance of the delivery.

Revenue from the provision of services is recognized upon the transfer of control resulting from the completion of the service provided.

Revenues include only received economic benefits or claims of Group members on their own behalf. Accordingly, compensation received in favour of third parties is excluded from income.

a) Revenue from the sale of electricity

Revenue from the sale of electricity mainly relates to the sold generated electricity calculated at the incentive purchase price of the Feed-in Tariff (FiT), which is obtained for the energy produced in the period, although not yet invoiced, and determined based on data recorded based on measurements of EPS ((national electricity supplier in state ownership).).

The FiT mechanism is a system in which a producer that has obtained the status of a Privileged Electricity Producer (PPP) using renewable energy sources (wind, solar, hydraulic, biomass, biogas), a status such as the Group has, is entitled to a FiT purchase price for the generated power contracted in accordance with a bilateral agreement (PPA or power purchase agreement). The national electricity supplier EPS, which is state-owned, is under the obligation to purchase all the energy produced, measured and fed into the distribution network, and originating from renewable energy sources produced by a company that has PPP status, such as the Group has.

b) Other revenues

Revenue from the sale of goods other than FiT-in tariffs and from other services provided is recognized when the customer obtains control of the asset or service, which usually coincides with the time of shipment or completion of the service.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Revenues (continued)

c) Government subsidies

Government subsidies are recognized where there is reasonable assurance that the subsidy will be received and that the Group will comply with all attached conditions. Government subsidies are recognized in the income statement in the period in which the related expenses are recognized.

The benefit of a government loan at a lower interest rate is treated as government subsidy. The benefit is determined at the initial stage of the loan as the difference between the initial book value of the loan (fair value plus arrangement costs directly attributable to the loan) and the income received and is subsequently recognized in the income statement in accordance with the rules applicable to the recognition of government subsidies.

Dividends

Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Operating expenses

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

Other expenses

Other expenses include losses from the sale and disposal of property, plant, equipment and intangible assets, losses from the sale of securities and equity interests in legal entities, losses from the sale of materials, deficits, expenses from direct write-offs of receivables, expenses from asset impairment, negative effects of value adjustments of intangible assets, real estate, plant, equipment, long-term and short-term financial investments, inventories, securities and receivables in accordance with the Group's accounting policy.

Financial income and expenses

Financial income and expenses

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

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset, starting from the date the Group incurs the finance costs until the date the financed asset is ready for use.

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to shareholders of the Group by the weighted average number of ordinary shares outstanding for the period.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial income and expenses (continued)

Employee benefits

a) Taxes and contributions to employee social security funds

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

b) Severance pay liabilities

In accordance with the provisions of the Labor Law, the Group is under the obligation to pay an employee a severance pay upon retirement in the amount of three average salaries in the Republic of Serbia, determined according to the latest published data from the republic's authority responsible for statistics.

To employees whose work is no longer needed and who are not provided with any of the rights established by law, the employer shall pay severance pay in the amount of the sum of one third of the employee's salary for each completed year of work in the first 10 years of employment and one quarter of the employee's salary for each subsequent completed year of employment over 10 years of employment. Earnings for the purposes of the previous paragraph shall be considered the average salary of the employee paid for the last 3 months preceding the month in which the severance pay is paid.

Income tax

Deferred income tax

Deferred income tax represents the amount calculated by applying the prescribed tax rate of 15% to the base determined by the tax balance, which represents the amount of profit before tax after deducting the effects of adjusting income and expenses, in accordance with the tax regulations of the Republic of Serbia, with a reduction for prescribed tax credits.

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

Deferred income tax

Deferred income tax is calculated using the balance sheet liability method for temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses and credits that can be carried forward to future fiscal periods, to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized.

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial income and expenses (continued)

Deferred income tax (continued)

Deferred tax assets and liabilities are calculated at the tax rate expected to apply in the period when the asset is realized or the liability is settled. As of 31 December 2023, deferred tax assets and liabilities were calculated at a rate of 15% (31 December 2022: 15%).

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

Transactions with related legal entities

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

The Group considers related legal entities within the meaning of the above standard to be legal entities in which it has a share in the capital, or legal entities with a share in the Group's capital.

Related parties may enter into transactions that unrelated parties might not, and transactions with related parties may be conducted under different terms and for different amounts than the same transactions with unrelated legal entities.

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

The Group has disclosed all transactions with related parties in the accompanying financial statements, as required by IAS 24 - "Related Party Disclosures".

3. Estimates and assumptions

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

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

3. Estimates and assumptions (continued)

Impairment of assets

Real estate, plant and equipment and intangible assets with limited useful life are tested for impairment, which is recognized upon write-off when there are indicators that indicate that it is difficult to recover the net book value. Verification of the existence of the aforementioned indicators requires subjective assessments by management, based on information available within the Group's members, market information and based on past experience. Moreover, if it is determined that potential impairment may occur, the Group's management proceeds with its determination using appropriate valuation techniques. The accurate identification of indicators of potential impairment, as well as the calculation of estimates for its determination, depends on factors that may change over time and that may affect the assumptions and estimates made by management.

Based on the assessments made by the management of Fintel Group, there are no indicators of impairment of assets with limited useful life.

Deferred tax assets

Deferred tax assets are recognized based on estimated future taxable income. The determination of estimated future taxable income for the purpose of recognizing deferred tax assets depends on factors that may change over time and may significantly affect the recovery of deferred tax assets.

Provisions

Other provisions for risks and charges relate mainly to possible liabilities for penalties and interest on amounts due to tax authorities. The attribution of provisions is made based on the best estimates of the costs, at the reporting date, that are likely to be incurred to settle the obligation, after seeking legal advice.

4. Financial risk management

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

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

Credit risk

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

The maximum credit risk exposure of the Group as of December 31, 2024 and 2023 is the book value of each class of assets, which is presented in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
Cash and cash equivalents	453,776	652,507
Accounts receivable	180,993	302,446
Other receivables	84,550	76,475
Active time limits	384,310	291,980
TOTAL	1,103,629	1,323,408

(All amounts are expressed in RSD 000, unless otherwise indicated)

4. Financial risk management (continued)

Credit risk (continued)

Accounts receivables mostly relate to receivables from EPS for energy produced in wind farms in December, and re-invoiced services for management fees.

Accrued income mainly relates to accrued income from the closing of the interest rate SWAP for which the contract was terminated on 30.12.2024, while the payment of funds occurred during 2024, receivables from EPS for energy produced in wind farms in December, deferred insurance costs and receivables for interest from other related parties. Other receivables mainly relate to value added tax and receivables from employees.

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

There is no need to reduce the value of the above receivables.

Liquidity risk

Liquidity risk is related to the ability to meet obligations arising from financial commitments undertaken by the Group. Prudent management of liquidity risk in the course of regular activities involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of term loan facilities.

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

The Group's objective is to establish a financing structure that, in line with its business objectives, guarantees sufficient liquidity for the Group, minimizes opportunity costs and maintains a balance in terms of maturity and debt composition.

The following table provides an analysis of the maturity of liabilities as at 31 December 2024 and 2023. Different maturities are determined based on the period between the reporting date and the contractual maturity of the Group's liabilities, gross of accrued interest as at 31 December. Interest is calculated in accordance with the contractual terms of the financing.

<i>RSD thousands</i>	December 31, 2024.	
	Short-term maturity	Long-term maturity
Financial obligations to shareholders	15,794	2,623,398
Obligations for loans to banks	898,733	5,659,362
Liabilities to suppliers	219,878	-
Other obligations	837,151	-
Total	1,971,556	8,282,760

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

4. Financial risk management (continued)

Liquidity risk (continued)

The analysis of financial liabilities by maturity shows an increase in liabilities maturing within one year as of December 31, 2024 compared to those as of December 31, 2023.

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

Market risk

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

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

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

Risk of exchange rate fluctuations

Foreign exchange risk is associated with operations in currencies other than RSD. Fintel Group is exposed to foreign exchange rate fluctuations, as it conducts business in Serbia through its subsidiaries, which are companies dedicated to the study, construction, development and management of wind farms and other renewable energy projects. The Group has loans denominated in foreign currencies, mainly in EUR and RSD, which exposes the Company to foreign exchange rate risk. Foreign exchange rate exposure arising from foreign currency loans is managed by having loans denominated in the functional currency of the Group in the total loan portfolio.

As of 31 December 2024, if the dinar (RSD) were to strengthen or weaken by 5% against the euro (EUR), and all other variables remained unchanged, the result after tax would be higher or lower by RSD 390,855 thousand (2023: RSD 402,323 thousand), mainly as a result of net exchange differences arising from the revaluation of liabilities and receivables denominated in euros. A strengthening dinar would have a positive effect on profit by reducing liabilities denominated in RSD, while a weakening dinar would have a negative effect by increasing liabilities denominated in RSD.

Risk of interest rate fluctuations

The interest rate risk to which the Fintel Group is exposed arises from financial liabilities. Fixed interest rate debt exposes the Group to the risk of changes in the fair value of the debt depending on changes in market reference rates, while floating interest rate debt exposes the Group to cash flow risk due to the volatility of interest rates. The Group's financial indebtedness consists of current bank liabilities and medium-term and long-term loans granted by banks. Given that the hedging instrument (interest rate SWAP) that previously reduced the exposure to interest rate risk expired in 2024, the Group is now more exposed to the risk of fluctuations in variable interest rates.

Capital management risk

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

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

4. Financial risk management (continued)

Market risk (continued)

Capital management risk (continued)

The gearing ratio as of December 31, 2024 and 2023 is shown in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
<i>Long-term financial liabilities:</i>		
- Financial obligations to shareholders	2,623,398	2,577,260
- Obligations for loans from banks	5,659,362	6,002,710
<i>Short-term financial liabilities:</i>		
- Obligations for loans from banks	608.9	791,429
- Financial obligations to shareholders	15,794	15,375
Financial resources	(337,003)	(770,380)
Cash and cash equivalents	(453,776)	(652,507)
Net debt (A)	8,116,731	7,963,887
Capital (B)	3,264,049	3,119,407
Net capital employed (C=A+B)	11,380,780	11,083,293
Debt ratio (A/C)	71.3%	71.9%

(All amounts are expressed in RSD 000, unless otherwise indicated)

5. Financial assets and liabilities by class

In accordance with IFRS 13, financial instruments carried at fair value are categorized into hierarchy levels that reflect the significance of the inputs used to determine their fair value. The levels are as follows:

- Level 1: quoted prices in active markets for the assets or liabilities being measured;
- Level 2: inputs other than Level 1 inputs that are directly observable (prices) or indirectly (derived from prices) market inputs;
- Level 3: inputs that are not based on observable market data.

The following table shows the Group's financial assets and liabilities by class, with an indication of the corresponding fair value, as of 31 December 2024 and 2023:

RSD thousands	December 31, 2024.					
	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Financial resources	337,003	-	-	-	337,003	
Trade receivables	180,993	-	-	-	180,993	
Other short-term receivables	928,221	-	-	-	928,221	
Cash and cash equivalents	453,776	-	-	-	453,776	
Derivative assets	-	-	-	-	-	
Total	1,899,993	-	-	-	1,899,993	
Loans	6,558,095	-	-	-	6,873,797	
Financial obligations to shareholders	2,639,192	-	-	-	2,592,635	
Operating liabilities	219,878	-	-	-	123,059	
Other short-term liabilities	837,151	-	-	-	934,858	
Liabilities based on derivatives	-	-	-	-	-	
Total	10,254,316	-	-	-	10,524,349	

RSD thousands	December 31, 2023.					
	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Financial resources	770,380	-	-	-	770,380	
Trade receivables	300,979	-	-	-	300,979	
Other short-term receivables	368,455	-	-	-	368,455	
Cash and cash equivalents	652,507	-	-	-	652,507	
Derivative assets	-	-	-	251,236	251,236	
Total	2,092,321	-	-	251,236	2,343,557	
Credits	6,873,797	-	-	-	6,873,797	
Financial obligations to shareholders	2,592,635	-	-	-	2,592,635	
Operating liabilities	123,059	-	-	-	123,059	
Other short-term liabilities	934,858	-	-	-	934,858	
Liabilities based on derivatives	-	-	-	-	-	
Total	10,524,349	-	-	-	10,524,349	

(All amounts are expressed in RSD 000, unless otherwise indicated)

6. Segment reporting

Based on the fact that Fintel Group operates only in the renewable energy sector and in Serbia, there is only one reporting segment.

7. Information on guarantees assumed, actual and other contingent liabilities

Below is a summary of the Fintel Group's guarantees to third parties, as well as the Group's liabilities and other contingent liabilities.

a) *Guarantees for payments to third parties*

As of 31 December 2023, the issued guarantees amounted to RSD 55,127 thousand and related to the 4P status for wind farms. They were issued in favour of the Transmission System Operator in the Republic of Serbia. The aforementioned guarantees were recorded as off-balance sheet liabilities in the financial statements. The bank guarantee expired in November 2024, so as of 31.12.2024. there are no guarantees for payments to third parties.

b) *Other*

There were no other potential liabilities of the Group.

(All amounts are expressed in RSD 000, unless otherwise indicated)

8. Real estate, plant and equipment

The table of movements in real estate, plant and equipment as of December 31, 2024 and 2023 is presented below:

	December 31, 2024.				
<i>RSD thousands</i>	Initial balance of NV	Initial balance of IV	Initial balance of unwritten value	Procurement	Depreciation
Land	41,474	-	41,474	-	-
Buildings	4,901,402	(637,644)	4,263,758	1,676	(136,296)
Equipment	9,652,866	(2,482,207)	7,170,662	-	(478,834)
Construction facilities under preparation	94,106	-	94,106	555,876	-
Advances for NPOs	1,386	-	1,386	-	-
Total	14,691,234	(3,119,851)	11,571,386	557,552	(615,129)
			15,167,037		(3,653,231)
					11,513,806

	December 31, 2023.				
<i>RSD thousands</i>	Initial balance of NV	Initial balance of IV	Initial balance of unwritten value	Procurement	Depreciation
Land	40,145	-	40,145	1,328	-
Buildings	4,800,702	(501,390)	4,299,312	100,700	(136,254)
Equipment	9,652,778	(2,003,251)	7,649,527	88	(478,956)
Construction facilities under preparation	88,636	-	88,636	5,470	-
Advances for NPOs	130	-	130	1,256	-
Total	14,582,391	(2,504,641)	12,077,750	108,842	(615,210)
			14,691,234		(3,119,851)
					11,571,386

Land and buildings include land and construction works such as wind farm foundations, access roads, etc.

(All amounts are expressed in RSD 000, unless otherwise indicated)

8. Property, plant and equipment (continued)

Machinery and equipment mainly include wind turbines and towers. They relate to the wind farms already in operation, "Kula" (9.9 MW), "La Piccolina" (6.6 MW) and Košava Phase I (69 MW).

Construction in progress and advances for real estate, plants and equipment as of December 31, 2024 mainly refer to investments in all other plants, primarily in Vetropark Lipar, Vetropark Lipar 2 and Vetropark Torak.

The wind park owned by Energobalkan companies is mortgaged in favour of the bank.

9. Other long-term financial investments

Other long-term financial investments in the total amount of RSD 337,003 thousand as of December 31, 2024 (RSD 770,380 thousand as of December 31, 2023) relate entirely to the following long-term assets:

- Long-term deposits - cash with limited use in the amount of RSD 315,940 thousand (RSD 459,971 thousand as of 31 December 2023), belonging to the subsidiary MK-Fintel Wind AD and deposited in 2024 as collateral in accordance with a new loan agreement with NLB Bank. In 2024, the loan that MK-Fintel Wind AD had with a group of banks was fully repaid, and a new loan was taken from NLB Bank Serbia and NLB Bank Slovenia. The amount of RSD 459,347 thousand (RSD 459,971 thousand as of 31 December 2023) that served as collateral for Erste Bank last year at the end of 2024 was classified as short-term placement in the country. In February 2025, the funds were released and transferred to the company's current account.
- Long-term deposits - cash with restricted use rights in the amount of RSD 0 thousand (RSD 38,081 thousand as of 31 December 2023) belonging to the subsidiary Vetropark Kula doo and deposited as collateral with Erste Bank in accordance with the loan agreement to guarantee the repayment of the loan. In June 2024, the loan was pre-paid and the funds were transferred to the company's current account.
- Long-term deposits - cash with restricted use rights in the amount of RSD 21,063 thousand (RSD 21,091 thousand as of December 31, 2023) belonging to the subsidiary Energobalkan doo and deposited as collateral with Unicredit Banka Srbija in accordance with the loan agreement to guarantee loan repayment.
- As of 31.12.2023, the fair value of the interest rate SWAP amounted to RSD 251,237 thousand and related to the fair value at the reporting date of derivatives related to the subsidiary Vetropark Kula doo (RSD 9,378 thousand as of 31 December 2023) and MK Fintel Wind (RSD 241,859 thousand as of 31 December 2023) used to hedge interest rate risk. The derivative agreement, which was concluded by the subsidiary Vetropark Kula in 2015, related to an interest rate swap, with a term of 10 years and an initial nominal amount of EUR 9,650 thousand. The derivative agreement, which was concluded by the subsidiary MK Fintel Wind in 2018, related to an interest rate swap with a term of 12 years and an initial nominal amount of EUR 60,496 thousand.

During 2024, loans that were previously subject to hedging were refinanced, and the aforementioned loans (see more details in Note 17) were fully repaid. Upon repayment, the Group also terminated the Agreements relating to the interest rate SWAP, and as of 31.12.2024, the Group did not hold any derivative financial instruments.

(All amounts are expressed in RSD 000, unless otherwise indicated)

9. Other long-term financial investments (continued)

As of 31 December 2023, the Group had interest rate swap agreements with a nominal amount of RSD 6,878,140 thousand (EUR 58,700,375) (2022: RSD 7,730,562 thousand).

To test the effectiveness of hedging, the Group uses the hypothetical derivatives method and compares changes in the fair value of the hedging instrument with changes in the fair value of the hedging item that are attributable to the hedged risk.

Hedging inefficiency can arise due to:

- Different interest rate curves applied to discount the hedging item and the hedging instrument.
- Time differences in the cash flows of the hedging item and the hedging instrument.
- Counterparty credit risk affects the fair value movements of the hedging instrument and the hedging item differently.

No ineffective portion has been recognized in the income statement for the year ended December 31, 2023. As of December 31, 2024, the Group did not hold any derivative financial instruments.

The impact of the hedging instrument on the statement of financial position as of December 31, 2024 and December 31, 2023 is as follows:

	2024			2023		
	Other long-term financial assets	Cash flow hedging reserve	Cash flow hedging reserve attributable to minority shareholder	Other long-term financial liabilities	Cash flow hedging reserve	Cash flow hedging reserve attributable to minority shareholder
Interest rate swaps	-	-	-	251,236	115,318	98,233

The entire change in the fair value of the hedge was recognized in 2023 through other comprehensive income, without impacting the income statement. During 2024, due to the refinancing of loans from banks, the interest rate SWAP agreement was terminated, and the amount of the cash flow hedging reserve was reclassified to the income statement.

10. Deferred tax assets

Deferred tax assets as of December 31, 2024 amounted to RSD 39,026 thousand. There were no deferred tax liabilities. As of December 31, 2023, there were deferred tax liabilities in the amount of RSD 60,554 thousand.

11. Trade receivables

As of 31 December 2024, trade receivables amounted to RSD 180,993 thousand (31 December 2023: RSD 302,446 thousand). Domestic receivables amounted to RSD 171,965 thousand (31 December 2023: RSD 300,979 thousand) and mainly relate to the receivable that MKFW has from EPS for electricity delivered in December, as well as to the receivable of Fintel Energija from Energogreen based on re-invoiced services for management fees. During the previous year, the number of domestic receivables was significantly higher, mainly due to EPS's delay in paying invoices for November.

(All amounts are expressed in RSD 000, unless otherwise indicated)

11. Accounts Receivable (continued)

Accounts receivables from customers abroad amount to RSD 5 thousand. In 2023, there were no receivables from sales from abroad.

Receivables from the parent company, subsidiaries and other related parties as of 31 December 2024 amount to RSD 9,023 thousand (31 December 2023: RSD 1,467 thousand). The increase in this amount is mainly the result of re-invoicing of management fee services to other related parties.

12. Other short-term assets

Other short-term assets in the amount of RSD 468,860 thousand as of December 31, 2024 (RSD 368,455 thousand as of December 31, 2023) are detailed in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
Other receivables	56,903	56,237
Receivables for prepaid income tax	26,108	18,699
Receivables based on prepaid other taxes and contributions	1,539	1,539
Short-term active accruals	384,310	291,980
Total	468,860	368,455

Receivables for prepaid income tax as of 31.12.2024 amount to RSD 26,108 thousand (31. December 2023: RSD 18,699 thousand).

Short-term accrued income mainly relates to accrued income from the closing of the interest rate SWAP, which closed on 30.12.2024, receivables from EPS for energy produced in wind farms in December, accrued insurance costs and receivables for interest from other related parties.

13. Cash and cash equivalents

"Cash and cash equivalents" as of December 31, 2024 and 2023 were as shown:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
<i>Current account</i>		
- in dinars	268,357	144,383
- dedicated account in dinars	157,589	144,328
- in foreign currency	27,628	78,055
- dedicated account in foreign currency	202	21,906
Other funds	-	263,835
Cash and cash equivalents	453,776	652,507

As of 31 December 2024, other cash assets amounted to RSD 0, while as of 31 December 2023 they amounted to RSD 263,835 thousand. The decrease in the amount of other cash assets is the result of internal transfers of funds from the special purpose account to the current account carried out on 30 December 2024, in order to secure funds for the settlement of loan obligations. Namely, on 31 December 2024, the first instalments of loans approved by NLB Bank Serbia and NLB Bank Slovenia were paid.

(All amounts are expressed in RSD 000, unless otherwise indicated)

13. Cash and cash equivalents (continued)

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

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

14. Equity

Equity as at December 31, 2024 and 2023 is presented in more detail in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023
Share capital	4,057	4,057
Share premium	681,237	681,237
Other components of other comprehensive income	(378)	114,833
Retained profit of the previous year	1,224,244	825,063
Current year retained profit	302,503	399,179
Loss of previous years	-	-
Current year loss	-	-
Equity belonging to the Group	2,211,663	2,024,369
Capital and reserves belonging to minority shares	808,633	600,144
Other components of other comprehensive income	(322)	97,821
Profit (loss) of the current year	244,075	397,074
Capital belonging to minority shares	1,052,386	1,095,039
TOTAL EQUITY	3,264,049	3,119,408

Capital components and changes in them are detailed below:

Share capital

As of December 31, 2024, the paid-up subscribed share capital of the Company amounted to RSD 4,057 thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

The share capital structure is as follows:

Member	<i>In thousands of dinars</i>	<i>% ownership</i>
Fintel Energia Group SpA	3,825	94.30%
BDD M&V INVESTMENTS AD Beograd-SUMMARY ACCOUNT	194	4.79%
SOCIETE GENERALE BANKA SERBIA - KASTODI RN - FO	15	0.37%
Others	23	0.54%
Total	4,057	100.00%

Share premium

As of December 31, 2024, reserves include the share premium generated by the capital increase in 2018 related to the initial public offering of shares of the Company Fintel Energija ad, segment Premium shares of the Belgrade Stock Exchange. Share premium in the amount of RSD 755,022 thousand (equivalent to RSD 499,847 per each new share issued by the Company). The value of the share premium is stated net of costs related to the IPO (RSD 73,785 thousand).

(All amounts are expressed in RSD 000, unless otherwise indicated)

14. Capital (continued)

Other components of other comprehensive income

Hedging reserves result from the valuation, in accordance with applicable accounting standards (IFRS 9), of derivatives entered into by Group companies to hedge the risk of interest rate fluctuations applied to loans for the construction of certain wind farms. During 2024, due to the refinancing of loans from banks, the interest rate SWAP agreement was terminated, and the amount of the cash flow hedging reserve was reclassified to the income statement.

Retained profits/(losses) and other reserves arising on consolidation

They consist of losses and other reserves of subsidiaries and arise upon consolidation. They also include net profit/(loss) for the current year.

Equity attributable to non-controlling interests

The amount results from the consolidation of companies with non-controlling interests outside the Fintel Group.

15. Liabilities and loans and borrowings from other related parties

The balance in the amount of RSD 1,378,773 thousand as of 31 December 2024 (RSD 1,339,311 thousand as of 31 December 2023) includes mainly financial liabilities to MK Holding d.o.o., a minority investor in subsidiaries. This amount consists of loan liabilities to the minority investor based on loans granted for financing wind farms in Serbia.

Liabilities, loans and borrowings from other related parties as of December 31, 2024 are presented in more detail in the following table:

Loan beneficiary	Lender	Amount EUR	Amount 000 RSD	Maturity
MK Fintel Wind ad	MK Holding d.o.o.	8,829,276	1,033,157	2036
MK Fintel Wind Development d.o.o.	MK Green Energy Ltd. (ex Lamium Trade)	127,365	14,904	2027
Fintel Energija Development Ltd	Namipo Management Ltd.	17,513	2,049	2025
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,844,700	215,857	2027
MK Fintel Wind Holding d.o.o.	MK Green Energy Ltd. (ex Lamium Trade).	964,027	112,806	2027
Total		11,782,881	1,378,773	

Liabilities, loans and borrowings from other related parties as of December 31, 2023 are detailed in the following table:

Loan beneficiary	Lender	Amount EUR	Amount 000 RSD	Maturity
MK Fintel Wind ad	MK Holding doo	9,479,276	1,110,722	2030
MK Fintel Wind Development d.o.o.	Lamium Trade	92,365	10,823	2027
Fintel Energy Development Ltd	Namipo Management Ltd.	13,790	1,616	2027
MK Fintel Wind Holding d.o.o.	MK Holding doo	1,844,700	216,150	2027
Total		11,430,131	1,339,311	

The interest rate for the above loans is defined as the arm's length interest rate in the Republic of Serbia and for 2024 it was 6.23%, except for the loan that Fintel Energija Development Ltd received from Namipo Management Ltd where the interest rate is defined as 5%.

(All amounts are expressed in RSD 000, unless otherwise indicated)

16. Liabilities towards parent and dependent legal entities

The balance of RSD 1,265,739 thousand as of December 31, 2024 (RSD 1,265,739 thousand as of December 31, 2023) includes financial liabilities to the parent company:

	December 31, 2024.	December 31, 2023.
Long-term loans	2,623,398	2,577,260
Minus: Current maturity of long-term liabilities		-
	2,623,398	2,577,260
Short-term loans	15,794	15,375
Total	2,639,192	2,592,635

An overview of loans from the Parent Company and their maturity dates are presented in the following table:

Loan beneficiary	Lender	Amount EUR	Amount 000 RSD	Maturity
MK-Fintel Wind Holding d.o.o.	Fintel Energia Group SpA	1,415,925	165,684	2027
Fintel Energija ad	Fintel Energia Group SpA	9,162,747	1,072,178	2027
Fintel Energija ad	Fintel Energia Group SpA	117,465	13,745	2025
Total		10,578,790	1 251,607	

The interest rate for the loans that MKFW Holding received from Fintel Energia Group SpA is defined by the arm's length interest rate in the Republic of Serbia and for 2024 was 6.23%. The interest rate for the loans that Fintel Energija ad received from Fintel Energia Group SpA ranges from 3% to 6%. The loans that Fintel Energija ad received from Fintel Energia Group SpA in the amount of EUR 117,465 are interest-free.

17. Long-term and short-term loans and advances

The following is the data on long-term and short-term loans and borrowings as of December 31, 2024 and 2023:

RSD thousands	December 31, 2024.	December 31, 2023.
Long-term loans	5,659,362	6,002,710
Short-term loans and borrowings	898,733	871,087
Total	6,558,095	6,873,797

Detailed data on debt under bank loans and loans from third parties as of December 31, 2024 are summarized in the following table:

Beneficiary	Remaining debt as of 31.12.2024.	Long-term part	Short-term part	Maturity
RSD				
MK Fintel Wind	6,212,668,084	5,384,212,231	828,455,853	2036
Vetropark Kula	-	-	-	
Energobalkan	252,017,421	181,740,460	70,276,961	2028
Leasing	2,137,060	2,137,060	-	2026
VP Torak	91,271,622	91,271,622	-	2027
	6,558,094,187	5,659,361,373	898,732,814	

(All amounts are expressed in RSD 000, unless otherwise indicated)

17. Long-term and short-term loans and borrowings (continued)

In 2024, the loan of MK Fintel Wind, provided by Erste Banka Srbija, Banca Intesa, Unicredit Banka Srbija and Zagrebačka banka, and used for the construction of the Košava wind farm - phase I, was fully repaid. The refinancing was carried out through a new loan arrangement concluded with NLB Banka Srbija and NLB Banka Slovenija. The interest rate on the new loan is 2.50% increased by the six-month EURIBOR. The last instalment is due on 31.12.2036.

The loan granted to the subsidiary Vetropark Kula relates to financing received from Erste Bank in 2015 for the development and construction of the Kula wind farm. The loan was repaid early during the year, and as of 31 December 2024, there is no liability under this loan.

The loan granted to the subsidiary Energobalkan relates to financing received from Unicredit Bank for the development and construction of the La Piccolina wind farm. The maturity is 9 years and matures on 1 December 2027, and the interest rate is fixed at 4.5%. The first drawdown of the loan was in 2016.

In 2024, Vetropark Torak received a loan from a third party, Energogreen, in the amount of EUR 780,000. The interest rate is 3%.

The shares of MK-Fintel Wind ad are pledged in favour of NLB banka Srbija.

18. Business liabilities

Operating liabilities, amounting to RSD 219,878 thousand as of December 31, 2024 and RSD 123,059 as of December 31, 2023, mainly relate to the liability to Fintel Energia Group SpA for management fees and those arising from O&M services of all wind farms as well as liabilities to suppliers for fixed assets under construction at VP Lipar, VP Lipar 2 and VP Torak.

19. Short-term passive accruals

Accrued expenses amounting to RSD 695,537 thousand as of 31 December 2024 and RSD 591,734 as of 31 December 2023, relate mainly to accrued interest on loans from the owner of Fintel Energia Group SpA and from MK Holding doo, a related party.

20. Revenue from sales of products and services

Revenues from sales of products and services amount to RSD 2,765,434 thousand and RSD 2,739,292 thousand for the year ended December 31, 2024 and December 31, 2023, respectively.

(All amounts are expressed in RSD 000, unless otherwise indicated)

21. Salary expenses, salary compensation and other personal expenses

Salaries and wages include all employee costs, including merit increases, category changes, cost of living increases, vacation payments, provisions in accordance with the law and collective labour agreements, as well as director fees, including related contributions.

As of December 31, 2023, the Group had 14 employees.

<i>RSD thousands</i>	2024	2023
Salary expenses and salary compensation	31,720	27,104
Costs of taxes and contributions on wages and salary benefits	4,745	4,045
Other	7,869	7,657
Costs of production services	44,334	38,806

22. Depreciation and asset adjustment expenses

Depreciation and asset adjustment expenses amounted to RSD 615,129 thousand (RSD 616,705 thousand for the year ended 31 December 2023). There were no asset adjustment expenses in 2024.

23. Costs of production services

They include all costs incurred during the year that relate to services related to regular business operations.

Details of production service costs for 2024 and 2023 are shown in the table below:

<i>RSD thousands</i>	2024	2023
Costs of ongoing maintenance of wind farms	328,493	196,496
Land lease	1,335	1,338
Costs of renting office space	-	-
Other	9,656	8,644
Costs of production services	339,484	206,478

The table of production service costs shows that the costs of ongoing maintenance services are significantly higher compared to the previous year. The reason for this is that in 2024, repairs and removal of minor damage were carried out on some wind turbines. The costs for the aforementioned repairs could not be capitalized.

Also, the equipment supplier, Vestas, with whom we have signed contracts for the maintenance of operational wind farms, adjusts prices every year in accordance with the contracts. In 2024, a large number of suppliers increased prices due to inflation, therefore the amount of other production costs is higher compared to last year.

(All amounts are expressed in RSD 000, unless otherwise indicated)

24. Intangible costs

Intangible costs for the year ended December 31, 2024 and 2023 are detailed in the following table:

<i>RSD thousands</i>	2024	2023
Costs of consulting services	153,695	179,366
Property tax	45,898	46,996
Legal fees	528	1,735
Withholding tax on interest paid	10,517	16,966
Costs of insurance of fixed assets	106,019	103,303
Other non-production costs	10,540	11,804
Costs of accounting services - Other affiliated parties	880	-
Administrative and legal fees	1,344	2,564
Audit services	4,507	4,534
Other intangible costs	8,186	10,391
Total	342,114	377,659

25. Financial income

Financial income for the year ended 31 December 2024 and 2023 is detailed in the following table:

<i>RSD thousands</i>	2024	2023
Financial income with parent and other affiliated legal entities	11,765	3,662
Financial income (third parties)	2,401	3,663
Income from positive exchange rate differences (third parties)	31,304	23,966
Total financial income	45,470	31,291

26. Financial expenses

Financial expenses for the year ended 31 December 2024 and 2023 are detailed in the following table:

<i>RSD thousands</i>	2024	2023
Financial expenses with parent and other affiliated legal entities	137,839	93,317
Financial expenses - third parties	318,049	371,994
Expenses based on negative exchange rate differences (third parties)	21,572	14,966
Financial expenses based on refinancing	265,313	-
Other financial expenses	67,904	138,615
Total financial expenses	810,677	618,892

Financial expenses with parent and other related affiliated entities in 2024 amount to 137,839 thousand RSD, which represents an increase compared to 93,317 thousand RSD in 2023.

For the calculation of interest on loans from affiliated legal entities, the reference interest rate "out of reach" is applied, in accordance with the Regulation of the Ministry of Finance of the Republic of Serbia. This rate for 2024 was 6.23%, while in 2023 it was 3.22%.

(All amounts are expressed in RSD 000, unless otherwise indicated)

26. Financial expenses (continued)

In 2024, the loan of MK Fintel Wind, a subsidiary, secured by Erste Banka Srbija, Banca Intesa, Unicredit Banka Srbija and Zagrebačka banka, and used for the construction of the Košava wind farm - phase I, was fully repaid. The refinancing was carried out through a new loan arrangement concluded with NLB Banka Srbija and NLB Banka Slovenija. The interest rate on the new loan is 2.50% increased by the six-month EURIBOR. The loan is due for repayment by 31 December 2035. The difference between the book value of the extinguished financial liabilities and the amount paid was recognized as an expense in the income statement, in the amount of RSD 394,431 thousand. As part of the same transaction, the Group also terminated the Agreements relating to the interest rate SWAP, and as of 31.12.2024, the Group did not hold any derivative financial instruments. The aforementioned termination of the interest rate SWAP resulted in a gain and reclassification of the amount of RSD 129,118 thousand from the cash flow hedging reserves to the income statement.

The company reported the cost, based on the transaction above, in the net amount of RSD 265,313 thousand, as presented in the table above.

27. Other income and other expenses

Other income as of December 31, 2024 amounted to RSD 11,021 thousand and mainly refers to income from the insurance company for damage caused on Kosava, phase I. As of December 31, 2023, they amounted to RSD 76,909. Other expenses as of December 31, 2024 amounted to RSD 11,755 thousand, while as of December 31, 2023, they amounted to RSD 7,923 thousand.

28. Tax expense for the period

The tax expense for the period for the years ended 31 December 2024 and 2023 is shown in the table below:

	December 31, 2024.	Year ended December 31, 2023.
Tax expense for the period	166,133	190,400
Deferred tax expense for the period	(61,852)	(32,547)
Deferred tax income for the period		-
	104,281	157,852

The Group's pre-tax income tax differs from the theoretical amount of tax that would arise if the tax rate were applied to the Group's result:

	December 31, 2024.	Year ended December 31, 2023.
Profit (loss) before taxation	650,859	961,255
Tax calculated at domestic tax rates applicable to profits in the respective countries	97,629	144,188
Tax effect:		
Expenses that are not recognized for tax purposes and other tax effects	68,504	46,212
	166,133	190,400

The weighted average tax rate is 15% (2023: 15%).

(All amounts are expressed in RSD 000, unless otherwise indicated)

28. Tax expense for the period (continued)

The Group has not elected to apply tax consolidation and therefore tax losses of one company within the Group are not applicable at the consolidation level and are excluded for the purposes of calculating the weighted average tax rate.

29. Basic earnings per share

Basic earnings per share ranged from earnings per share of RSD 15.06 in 2023 to earnings per share of RSD 11.41 for the year ended 31 December 2024. Basic earnings per share were calculated by dividing the Group's net result by the average number of shares of the parent company Fintel Energija (average number of shares is 26,511 thousand).

Diluted earnings per share ranged from earnings per share of RSD 15.06 in 2023 to earnings per share of RSD 11.41 for the year ended December 31, 2024. It was calculated by taking the net result

Group divided by the average number of shares of Fintel Energija (average number of shares is 26,511 thousand).

30. Potential and assumed liabilities

As of 31 December 2023, the issued guarantees amounted to RSD 55,127 thousand and related to 4P status for wind farms. They were issued in favour of the Transmission System Operator in the Republic of Serbia.

The aforementioned guarantees were recorded as off-balance sheet liabilities in the financial statements. The bank guarantee expired in November 2024, so as of 31.12.2024 there are no guarantees for payments to third parties.

31. Transactions with affiliated legal entities

As previously explained, the majority shareholder is Fintel Energia Group SpA.

Below is an overview of the Group's transactions with related parties in 2024 and 2023. All transactions with related parties were performed out at arm's length.

As of December 31, 2024 and December 31, 2023, the overview of the amounts of receivables and payables from transactions with related parties was as follows:

<i>RSD thousands</i>	December 31, 2024.		
	Owner	Subsidiaries and affiliates of the owner	Total
Short-term loans	(15,794)	-	(15,794)
Operating and other liabilities	(32,902)	-	(32,902)
Other short-term liabilities	(376,875)	-	(376,875)
Long-term loans	(1,237,862)	-	(1,237,862)
Receivables	234	-	234
Total	(1,663,200)	-	(1,663,200)

(All amounts are expressed in RSD 000, unless otherwise indicated)

31. Transactions with related parties (continued)

<i>RSD thousands</i>	December 31, 2023.		
	Owner	Dependent and affiliated owners' company	Total
Short-term loans	(13,759)	-	(13,759)
Operating and other liabilities	(35,171)	-	(35,171)
Other short-term liabilities	(325,342)	-	(325,342)
Long-term loans	(1,239,566)	-	(1,239,566)
Total	(1,613,838)	-	(1,613,838)

Overview of transactions with affiliated parties for the years ended December 31, 2024 and 2023:

<i>RSD thousands</i>	December 31, 2024.		
	Owner	Subsidiaries and affiliates of the owner	Total
Selling, general and administrative expenses	-	-	-
Financial expenses	(51,850)	-	(51,850)
Total	(51,850)	-	(51,850)

<i>RSD thousands</i>	December 31, 2023.		
	Owner	Subsidiaries and affiliates of the owner	Total
Selling, general and administrative expenses	(34,820)	-	(34,820)
Financial expenses	(47,127)	-	(47,127)
Total	(81,947)	-	(81,947)

Key management compensation

The members of the Board of Directors were paid remuneration in the net amount of RSD 918 thousand during 2024. Tiziano Giovannetti is the sole executive director of Fintel Energija AD Beograd and its subsidiaries.

32. Events after the balance sheet date

Management is not aware of any significant events after the balance sheet date that could affect the financial statements as of December 31, 2024 or require separate disclosure.

(All amounts are expressed in RSD 000, unless otherwise indicated)

33. Tax risks

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by tax authorities in relation to the transactions and activities of the Company, i.e. the Group may differ from the interpretation of management. As a result, transactions may be challenged by tax authorities and the Company, i.e. the Group may be assessed additional taxes, penalties and interest. The limitation period for tax liabilities is five years. This practically means that tax authorities have the right to determine the payment of outstanding liabilities within five years from the date the liability arose. Management has estimated that the Group has paid all tax liabilities as of 31 December 2024.

Tiziano Giovannetti, General Manager
Legal representative:



Biljana Bogdanov, accountant
Person responsible for preparing consolidated financial statements:



FINTEL ENERGIJA A.D.

CONSOLIDATED ANNUAL REPORT OF
FOR THE YEAR 2024

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

INDEPENDENT AUDITORS' REPORT

TO SHAREHOLDERS OF FINTEL ENERGIJA AD, BEOGRAD

Opinion

We have audited the accompanying consolidated financial statements of **FINTEL ENERGIJA AD, BEOGRAD** and its subsidiaries (hereinafter: the Group), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia.

Basis for Opinion

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

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

Key audit matters

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

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

Loan refinancing

As of 31 December 2024, the Group reported in its consolidated financial statements a total value of loans and lease liabilities owed to third parties and banks amounting to RSD 6,558,094 thousand, as disclosed in Note 17 to the consolidated financial statements.

During 2024, the Group undertook a restructuring of its borrowings by refinancing the syndicated loan associated with two of its subsidiaries. As of 31 December 2023, the amount related to borrowings that were refinanced during 2024 was RSD 6,552,193 thousand.

In accordance with accounting regulation in the Republic of Serbia, the Group derecognized the financial liabilities associated with the borrowings from its consolidated statement of financial position, as the obligations specified in the prior contracts were discharged, as well as related hedging instruments (interest rate swaps). The difference between the carrying amount of the extinguished financial liabilities and the consideration paid was recognized in statement of profit or loss, amounting to RSD 394.431 thousand, while RSD 129.118 thousand was reclassified from the cash flow hedge reserve to profit or loss during 2024.

Considering materiality of the amounts involved, loan refinancing was determined to be a key audit matter in our audit of the Group's financial statements.

In performing our procedures we focused on the following:

We examined the total amounts paid to discharge previous liabilities by obtaining bank communications and bank statements.

We obtained and examined independent bank confirmations, the new loan agreements, along with the specifications of costs incurred in relation to the new loans obtained and examined the classification of such costs as transaction costs in accordance with accounting regulation in the Republic of Serbia.

We examined the entries related to the amounts recognized in profit or loss by performing recalculations.

We assessed the appropriateness of disclosures included in Note 17 of the accompanying consolidated financial statements.

Other information included in the Group's Annual Business Report

Other information consists of the information included in the Annual business report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation of other information in accordance with the legal requirements of the Republic of Serbia.

Our opinion on the consolidated financial statements does not cover the Other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with Law on Accounting of Republic of Serbia, in particular, whether the other information complies with the Law on Accounting of Republic of Serbia in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Other information included in the Group's Annual Business Report (continued)

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
2. the other information is prepared in accordance with requirements of the Law on Accounting of Republic of Serbia.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

Belgrade, 30 April 2025



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

BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
1	2	3	4	5	6
00	ASSETS				
	A. SUBSCRIBED AND UNPAID CAPITAL	0001		-	-
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	0002		11.874.610	12.348.329
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003		-	-
010	1. Investments in development	0004		-	-
011, 012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other intangible assets	0005		-	-
013	3. Goodwill	0006		-	-
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007		-	-
017	5. Advances for intangible assets	0008		-	-
02	II. REAL ESTATE, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	8	11.513.806	11.571.386
020, 021 and 022	1. Land and construction facilities	0010		4.170.612	4.305.233
023	2. Plants and equipment	0011		6.691.827	7.170.661
024	3. Investment real estate	0012		-	-
025 and 027	4. Real estate, plant and equipment leased and real estate, plant and equipment under preparation	0013		649.981	94.106
026 and 028	5. Other real estate, plants and equipment and investment in other people's real estate, plants and equipment	0014		-	-
029 (part)	6. Advances for real estate, plant and equipment in the country	0015		1.386	1.386
029 (part)	7. Advances for real estate, plants and equipment abroad	0016		-	-
03	III. BIOLOGICAL RESOURCES	0017		-	-
04 and 05	IV. LONG-TERM FINANCIAL PLACEMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018		343.556	776.943
040 (part), 041 (part) and 042 (part)	1. Share in the equity of legal entities (except for equity share that are valued using the participation method)	0019		-	-
040 (part), 041 (part) and 042 (part)	2. Equity shares valued using the share method	0020		-	-
043, 050 (part) and 051 (part)	3. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties in the country	0021		6.553	6.563
044, 050 (part) and 051 (part)	4. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties and abroad	0022		-	-
045 (part) and 053 (part)	5. Long-term placements (credits and loans given) in the country	0023		-	-
045 (part) and 053 (part)	6. Long-term placements (credits and loans given) abroad	0024		-	-
046	7. Long-term financial investments (securities valued at depreciated value)	0025		-	-
047	8. Purchased own shares and purchased own shares	0026		-	-
048, 052, 054, 055 and 056	9. Other long-term financial investments and other long-term receivables	0027	9	337.003	770.380
28 (part) except 288	V. LONG-TERM ACCRUED RECEIVABLES	0028		17.248	-
288	V. DEFERRED TAX ASSETS	0029	10	39.026	-

BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
	G. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		1.604.862	1.356.196
Class 1, except account group 14	I. SUPPLIES (0032+0033+0034+0035+0036)	0031		41.872	32.774
10	1. Material, spare parts, tools and small inventory	0032		7.313	7.312
11 and 12	2. Work-in-progress and finished products	0033		-	-
13	3. Goods	0034		-	-
150, 152 and 154	4. Paid advances for supplies and services in the country	0035		34.475	13.382
151, 153 and 155	5. Paid advances for supplies and services abroad	0036		84	12.080
14	II. FIXED ASSETS HELD FOR SALE AND CESSATION OF BUSINESS	0037		-	-
20	III. RECEIVABLES BASED ON SALES (0039+0040+0041+0042+0043)	0038	11	180.993	302.446
204	1. Receivables from customers in the country	0039		171.965	300.979
205	2. Receivables from customers abroad	0040		5	-
200 and 202	3. Receivables from the parent, dependent and other related persons in the country	0041		9.023	1.467
201 and 203	4. Receivables from parent, dependent and other related persons abroad	0042		-	-
206	5. Other receivables based on sales	0043		-	-
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044	12	84.550	76.475
21, 22 except 223 and 224 and 27	1. Other receivables	0045		56.903	56.237
223	2. Receivables for overpaid profit tax	0046		26.108	18.699
224	3. Receivables based on overpaid other taxes and contributions	0047		1.539	1.539
23	V. SHORT-TERM FINANCIAL PLACEMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		459.361	14
230	1. Short-term loans and placements - parent and subsidiary legal entities	0049		-	-
231	2. Short-term loans and placements - other related parties	0050		-	-
232, 234 (part)	3. Short-term credits, loans and placements in the country	0051		459.347	-
233, 234 (part)	4. Short-term credits, loans and placements abroad	0052		-	-
235	5. Securities valued at depreciated value	0053		-	-
236 (part)	6. Financial assets valued at fair value through the Income Statement	0054		-	-
237	7. Repurchased own shares and repurchased own stakes	0055		-	-
236 (part), 238 and 239	8. Other short-term financial placements	0056		14	14
24	VI. CASH AND CASH EQUIVALENTS	0057	13	453.776	652.507
28 (part) except 288	VII. SHORT-TERM ACCRUED RECEIVABLES	0058	12	384.310	291.980
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0029+0030)	0059		13.518.498	13.704.525
88	DJ. OFF-BALANCE SHEET ASSETS	0060		-	55.127

BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
	PASSIVE				
	A. CAPITAL (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	14	3.264.050	3.119.407
30 except 306	I. SHARE CAPITAL	0402		4.057	4.057
31	II. SUBSCRIBED AND UNPAID CAPITAL	0403		-	-
306	III. ISSUE PREMIUM	0404		681.237	681.237
32	IV. RESERVES	0405		-	-
330 and credit balance for accounts 331, 332, 333, 334, 335 336 and 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0406		-	114.833
debt balance calculated 331,332,333,334, 335,336 and 337	VI. UNREALIZED LOSSES BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0407		378	-
34	VII. RETAINED EARNINGS (0409+0410)	0408		1.526.748	1.224.242
340	1. Retained earnings of previous years	0409		1.224.245	825.063
341	2. Undistributed profit of the current year	0410		302.503	399.179
	VIII. SHARE WITHOUT THE RIGHT OF CONTROL	0411		1.052.386	1.095.038
35	IX. LOSS (0413+0414)	0412		-	-
350	1. Loss of previous years	0413		-	-
351	2. Loss of the current year	0414		-	-
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0420+0428)	0415		8.282.892	8.580.069
40	I. LONG-TERM RESERVATIONS (0417++0418+0419)	0416		132	99
404	1. Provisions for compensation and other employee benefits	0417		132	99
400	2. Provisions of costs in the warranty period	0418		-	-
40 except 400 and 404	3. Other long-term provisions	0419		-	-
41	II. LONG-TERM LIABILITIES (0421 + 0422 + 0423 + 0424 + 0425 + 0426 + 0427)	0420		8.282.760	8.579.970
410	1. Liabilities that can be converted into equity	0421		-	-
411 (part) and 412 (part)	2. Long-term loans and other long-term liabilities to parent, dependent and other related persons in the country	0422	15-16	1.257.827	1.326.872
411 (part) and 412 (part)	3. Long-term loans and other long-term liabilities to parent, dependent and other related parties abroad	0423	15-16	1.365.571	1.250.388
414 and 416 (part)	4. Long-term credits, loans and obligations based on leasing in the country	0424	17	3.774.705	4.781.195
415 and 416 (part)	5. Long-term credits, loans and obligations based on leasing abroad	0425	17	1.884.657	1.221.515
413	6. Obligations for issued securities	0426		-	-
419	7. Other long-term liabilities	0427		-	-
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUED COSTS	0428		-	-

BALANCE SHEET DECEMBER 31, 2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2023.
498	V. DEFERRED TAX LIABILITIES	0429		-	60.554
495 (part)	G. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED	0430		-	-
	D. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		1.971.556	1.944.495
467	I. SHORT TERM PROVISIONS	0432		-	-
42 except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		914.527	886.462
420 (part) and 421 (part)	1. Liabilities based on loans to parent, dependent and other related parties in the country	0434		-	-
420 (part) and 421 (part)	2. Liabilities based on loans to parent, dependent and other related parties abroad	0435	15-16	15.794	15.375
422 (part), 424 (part), 425 (part) and 429 (part)	3. Liabilities based on credits and loans from parties other than domestic banks	0436	17	608.956	791.429
422 (part), 424 (part), 425 (part) and 429 (part)	4. Liabilities based on loans from domestic banks	0437		-	-
423, 424 (part), 425 (part) and 429 (part)	5. Credits, loans and obligations from abroad	0438	17	289.777	79.658
426	6. Liabilities for short-term securities	0439		-	-
428	7. Liabilities based on financial derivatives	0440		-	-
430	III. ADVANCES DEPOSITS AND BAILS RECEIVED	0441		-	116
43 except 430	IV. BUSINESS LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	18	219.878	123.059
431 and 433	1. Liabilities to suppliers - parent, subsidiary legal entities and other related entities in the country	0443		1.445	1.630
432 and 434	2. Liabilities to suppliers - parent, subsidiary legal entities and other related entities abroad	0444		32.902	35.171
435	3. Liabilities to suppliers in the country	0445		182.509	80.519
436	4. Liabilities to suppliers abroad	0446		3.022	5.739
439 (part)	5. Bills of exchange liabilities	0447		-	-
439 (part)	6. Other liabilities from business	0448		-	-
44, 45, 46 except 467, 47 and 48	V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		141.614	343.124
44, 45 and 46 except 467	1. Other short-term liabilities	0450		134.627	343.124
47, 48 except 481	2. Liabilities based on value added tax and other public revenues	0451		3.255	-
481	3. Liabilities based on profit tax	0452		3.732	-
427	VI. LIABILITIES BASED ON ASSETS INTENDED FOR SALES AND ASSETS OF A OPERATIONS THAT HAVE BEEN SUSPENDED BUSINESS	0453		-	-
49 except 498	VII. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	0454	19	695.537	591.734
	DJ. LOSS ABOVE CAPITAL AMOUNT (0415+0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455		-	-
	E. TOTAL LIABILITY (0401+0415+0429+0430+0431-0455)	0456		13.518.498	13.704.525
89	Z. OFF BALANCE SHEET LIABILITIES	0457			55.127

In Belgrade,
30.04.2025.

Seal

Legal representative

INCOME STATEMENT FOR THE PERIOD 01.01. TO 31.12.2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. BUSINESS INCOME (1002 + 1005+1008+1009-1010+1011+1012)	1001	20	2.765.433	2.739.292
60	I. INCOME FROM THE SALE OF GOODS (1003 + 1004)	1002		-	-
600, 602 and 604	1. Income from the sale of goods on the domestic market	1003		-	-
601, 603 and 605	2. Income from the sale of goods on the foreign market	1004		-	-
61	II. INCOME FROM THE SALE OF PRODUCTS AND SERVICES (1006+1007)	1005		2.738.117	2.714.764
610, 612 and 614	1. Income from the sale of products and services on the domestic market	1006		2.738.117	2.714.764
611, 613 and 615	2. Income from the sale of products and services on the foreign market	1007		-	-
62	III. INCOME FROM ACTIVATION OF GOODS AND EFFECTS	1008		-	-
630	IV. INCREASE OF VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1009		-	-
631	V. DECREASE IN THE VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1010		-	-
64 and 65	VI. OTHER OPERATING INCOME	1011		27.316	21.704
68, except for 683, 685 and 686	VII. INCOME FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1012		-	2.824
	B. BUSINESS EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		1.358.042	1.257.741
50	I. PURCHASE VALUE OF SOLD GOODS	1014		-	-
51	II. COSTS OF MATERIALS, FUEL AND ENERGY	1015		16.948	18.093
52	III. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	21	44.334	38.806
520	1. Salary expenses and salary compensation	1017		31.720	27.104
521	2. Costs of taxes and contributions on wages and salary benefits	1018		4.745	4.045
52 except 520 and 521	3. Other personal expenses and compensation	1019		7.869	7.657
540	IV. DEPRECIATION COSTS	1020	22	615.129	615.210
58 except 583, 585 and 586	V. COSTS FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1021			1.495
53	VI. COSTS OF PRODUCTION SERVICES	1022	23	339.484	206.478
54 except 540	VII. RESERVATION COSTS	1023		33	
55	VIII. IMMATERIAL COSTS	1024	24	342.114	377.659
	V. BUSINESS PROFIT (1001 - 1013) ≥ 0	1025		1.407.391	1.481.551
	G. BUSINESS LOSS (1013 - 1001) ≥ 0	1026			

INCOME STATEMENT FOR THE PERIOD 01.01. TO 31.12.2024

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027	25	45.470	31.291
660 and 661	I. FINANCIAL INCOME FROM RELATIONS WITH PARENT, DEPENDENT AND OTHER RELATED PARTIES	1028		11.765	3.662
662	II. INTEREST INCOME	1029		2.401	3.663
663 and 664	III. POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	1030		31.304	23.966
665 and 669	IV. OTHER FINANCIAL INCOME	1031		-	-
	Đ. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	26	810.677	618.892
560 and 561	I. FINANCIAL EXPENSES FROM RELATIONS WITH PARENT, SUBSIDIARY AND OTHER RELATED PARTIES	1033		137.839	93.317
562	II. INTEREST EXPENSE	1034		318.049	371.994
563 and 564	III. NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	1035		21.572	14.966
566 and 569	IV. Other financial expenses	1036		333.217	138.615
	E. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037			
	Z. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		765.207	587.601
683, 685 and 686	Z. INCOME FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT	1039		9.686	-
583, 585 and 586	I. COSTS FROM THE ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT	1040		-	7.149
67	J. OTHER INCOME	1041	27	11.021	76.909
57	K. OTHER EXPENSES	1042	27	11.755	7.923
	L. TOTAL INCOME (1001+1027+1039+1041)	1043		2.831.610	2.847.492
	LJ. TOTAL EXPENSES (1013+1032+1040+1042)	1044		2.180.474	1.891.705
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (1043-1044) ≥ 0	1045		651.136	955.787
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAXATION (1044-1043) ≥ 0	1046		-	-
69-59	NJ. POSITIVE NET EFFECT ON THE RESULT BASED ON PROFIT OF DISCONTINUED OPERATIONS, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS	1047		-	-
59-69	A. NEGATIVE NET EFFECT ON THE RESULT DUE TO LOSS OF BUSINESS THAT IS SUSPENDED, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS	1048		277	1.681
	P. PROFIT BEFORE TAXATION (1045 - 1046 + 1047 - 1048) ≥ 0	1049		650.859	954.106
	R. LOSS BEFORE TAXATION (1046- 1045 + 1048 - 1047) ≥ 0	1050		-	-
	S. INCOME TAX			-	-
721	I. TAX EXPENSE OF THE PERIOD	1051	28	166.133	190.400
722 debt. Balance	II. DEFERRED TAX EXPENSES OF THE PERIOD	1052		-	-
722 pot. Balance	III. DEFERRED TAX REVENUE OF THE PERIOD	1053		61.852	32.547
723	T. PAID PERSONAL INCOME OF THE EMPLOYER	1054		-	-
	Ć. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		546.578	796.253

INCOME STATEMENT FOR THE PERIOD 01.01. TO 31.12.2024

U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056	-	-
I. NET PROFIT ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	1057	244.075	397.074
II. NET PROFIT ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1058	302.503	399.179
III. NET LOSS ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	1059	-	-
IV. NET LOSS ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1060	-	-
V. EARNINGS PER SHARE			
1. Basic earnings per share	1061	11	15
2. Decreased (diluted) earnings per share	1062	11	15

In Belgrade ,
30.04.2025.

Seal

Legal representative



REPORT ON OTHER COMPREHENSIVE INCOME
for the period from 01.01. until 31.12.2024.

- in 000 dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET RESULT FROM OPERATIONS				
	I. NET PROFIT (EDP 1055)	2001		546.578	796.253
	II. NET LOSS (EDP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified in the Income Statement in future periods				
330	1. Changes in revaluation of intangible assets, real estate, plant and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease of revaluation reserves	2004			
331	2. Actuarial gains or losses under defined benefit plans				
	a) profits	2005			
	b) losses	2006			
333	3. Proits or losses based on shares in other comprehensive income or loss of associated companies				
	a) gains	2007			
	b) losses	2008			
	b) Items that may subsequently be reclassified to the Income Statement in future periods				
332	1. Proits or losses based on investments in equity instruments				
	a) profits	2009			
	b) losses	2010			
334	1. Proits or losses based on the recalculation of financial statements of foreign operations				
	a) profits	2011			
	b) losses	2012			
335	2. Proits or losses from hedging instruments for net investment in foreign operations				
	a) profits	2013			
	b) losses	2014			
336	3. Proits or losses based on cash flow risk protection (hedging) instruments				
	a) profits	2015			716.701
	b) losses	2016		251.108	
337	4. Proits or losses based on HOV that are valued at fair value through other comprehensive income				
	a) profits	2017			
	b) losses	2018			
	I. OTHER GROSS COMPREHENSIVE INCOME (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			716.701
	II. OTHER GROSS COMPREHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		251.108	
	III. DEFERRED TAX EXPENSE ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	2021			107.505
	IV. DEFERRED TAX INCOME ON OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	2022		37.686	
	IV. NET OTHER COMPREHENSIVE INCOME (2019 - 2020 - 2021+2022) ≥ 0	2023			609.196
	V. NET OTHER COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		213.422	
	C. TOTAL NET COMPREHENSIVE INCOME FOR THE PERIOD				
	I. TOTAL NET COMPREHENSIVE PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0	2025		333.156	1.405.449
	II. TOTAL NET COMPREHENSIVE LOSS (2002 - 2001 + 2024 - 2023) ≥ 0	2026			
	D. TOTAL NET COMPREHENSIVE INCOME OR LOSS (2028 + 2029) = EDP 2025 ≥ 0 or EDP 2026 > 0	2027		333.156	1.405.449
	1. Attributed to the parent legal entity	2028		187.292	726.040
	2. Attributed to non-controlling interests	2029		145.864	679.409

In Belgrade ,
30.04.2024.

Legal representative

REPORT ON CHANGES IN EQUITY
for the period from 01.01. until 31.12.2024.

Item	Description	EDP	Share capital (group 30 excluding 306 and 309)	EDP	Other share capital (m 309)	EDP	Subscribed and unpaid capital (group 31)	EDP	Issue premium and reserves (acc 306 and group 32)	EDP	Rev. res. and undistr profit and loss (group 33)
	1		2		3		4		5		6
1	Balance as of 01.01.2023.	4001	4.057	4010	-	4019	-	4028	681.237	4037	- 214.173
2	Effect and retroactive corrections of material errors and changes in accounting policies	4002	-	4011	-	4020	-	4029	-	4038	-
3	Corrected initial balance as of 01.01.2023 (s. no. 1+2)	4003	4.057	4012	-	4021	-	4030	681.237	4039	- 214.173
4	Net changes in 2023	4004	-	4013	-	4022	-	4031	-	4040	329.006
5	Balance as of 12/31/2023. (s. no. 3+4)	4005	4.057	4014	-	4023	-	4032	681.237	4041	114.833
6	Effects and retroactive corrections of material errors and changes in accounting policies	4006	-	4015	-	4024	-	4033	-	4042	-
7	Corrected initial balance as of 01.01.2024 (years 5+6)	4007	4.057	4016	-	4025	-	4034	681.237	4043	114.833
8	Net changes in 2024	4008	-	4017	-	4026	-	4035	-	4044	- 115.211
9	Balance as of 31.12.2024. (s. no. 7+8)	4009	4.057	4018	-	4027	-	4036	681.237	4045	- 378

REPORT ON CHANGES IN EQUITY
for the period from 01.01. until 31.12.2024.

- in 000 dinars -

Item	Description	EDP	Retained profit (group 34)	EDP	Loss (Group 35)	EDP	Participation without the right of control	EDP	Total (correspond s to position EDP 0401) (col.2+3+4+ 5+6+7-8+9) ≥ 0	EDP	Loss above the capital limit (correspon ds to position EDP 0455) (col. 2+3+4+5+ 6+7-8+9)<0
	1		7		8		9		10		11
1	Balance as of 01.01.2023.	4046	825.276	4055	-	4064	673.665	4073	1.970.062	4082	-
2	Effect and retroactive corrections of material errors and changes in accounting policies	4047	-	4056	-	4065	-	4074	-	4083	-
3	Corrected initial balance as of 01.01.2023 (s. no. 1+2)	4048	825.276	4057	-	4066	673.665	4075	1.970.062	4084	-
4	Net changes in 2023	4049	398.966	4058	-	4067	421.373	4076	-	4085	-
5	Balance as of 12/31/2023. (s. no. 3+4)	4050	1.224.242	4059	-	4068	1.095.038	4077	3.119.407	4086	-
6	Effects and retroactive corrections of material errors and changes in accounting policies	4051	-	4060	-	4069	-	4078	-	4087	-
7	Corrected initial balance as of 01.01.2024 (years 5+6)	4052	1.224.242	4061	-	4070	1.095.038	4079	3.119.407	4088	-
8	Net changes in 2024	4053	302.506	4062	-	4071	- 42.652	4080	-	4089	-
9	Balance as of 31.12.2024. (s. no. 7+8)	4054	1.526.748	4063	-	4072	1.052.386	4081	3.264.050	4090	-

In Belgrade ,
30.04.2025.

Seal

Legal representative

CASH FLOW STATEMENT
for the period from 01.01. until 31.12.2024.

- in 000 of dinars -

POSITION	EDP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (1-4)	3001	2.809.083	3.130.380
1. Sales and received advances in the country	3002	2.781.964	2.792.618
2. Sales and advances received abroad	3003		
3. Received interest from operating activities	3004		
4. Other inflows from regular operations	3005	27.119	337.762
II. Cash outflows from operating activities (1 to 8)	3006	1.137.544	1.375.403
1. Payments to suppliers and advances made in the country	3007	581.553	446.112
2. Payments to suppliers and advances made abroad	3008		128.434
3. Earnings salary compensation and other personal expenses	3009	44.367	38.806
4. Interest paid in the country	3010	341.813	419.414
5. Interest paid abroad	3011		
6. Income tax	3012	169.811	278.756
7. Outflows based on other public revenues	3013		46.915
8. Other outflows from operating activities	3014		16.966
III. Net cash inflow from operating activities (I - II)	3015	1.671.539	1.754.977
IV. Net cash outflow from operating activities (II - I)	3016	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES I. Cash inflows from investing activities (1 to 5)	3017	-	-
1. Sale of shares and stakes	3018		
2. Sale of intangible assets, real estate, plants, equipment and biological resources	3019		
3. Other financial placements	3020		
4. Received interest from investment activities	3021		
5. Dividends received	3022		
II. Cash outflows from investing activities (1 to 3)	3023	854.708	292.004
1. Purchase of shares and stakes	3024	-	-
2. Purchase of intangible assets, real estate, plants, equipment and biological resources	3025	576.989	285.435
3. Other financial placements	3026	277.719	6.569
III. Net cash inflow from investing activities (I - II)	3027		
IV. Net cash outflow from investing activities (II - I)	3028	854.708	292.004
C. CASH FLOWS FROM FINANCING ACTIVITIES I. Cash inflows from financing activities (1 to 7)	3029	6.895.612	-
1. Increase of the share capital	3030	-	-
2. Long-term loans in the country	3031	6.895.587	-
3. Long-term loans abroad	3032		-
4. Short-term loans in the country	3033	-	-
5. Short-term loans abroad	3034	-	-
6. Other long-term liabilities	3035	-	-
7. Other short-term liabilities	3036	25	-
II. Cash outflows from financing activities (1 to 8)	3037	7.911.174	1.013.649
1. Purchase of own shares and stakes	3038	-	-
2. Long-term loans in the country	3039	7.495.267	985.266
3. Long-term loans abroad	3040		
4. Short-term loans in the country	3041		
5. Short-term loans abroad	3042		
6. Other liabilities	3043		-
7. Financial leasing	3044	-	-
8. Dividends paid	3045	415.907	28.383
III. Net cash inflow from financing activities (I - II)	3046	-	-
IV. Net cash outflow from financing activities (II - I)	3047	1.015.562	1.013.649
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	9.704.695	3.130.380
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	9.903.426	2.681.056
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050		449.324
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	198.731	
H. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	3052	652.507	203.183
I. POSITIVE EXCHANGE RATE DIFFERENCES BASED ON CASH CONVERSION	3053		
J. NEGATIVE EXCHANGE RATE DIFFERENCES BASED ON CASH CONVERSION	3054		
K. CASH AT THE END OF THE ACCOUNTING PERIOD (3050-3051+3052+3053-3054)	3055	453.776	652.507

In Belgrade,
30.04.2025.

Seal



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

(All amounts are expressed in RSD 000, unless otherwise indicated)

1. General information

Fintel Energija AD, Beograd (hereinafter: "Company" or "Fintel Energija") and its subsidiaries (hereinafter: "Fintel Group" or "Group") are the leading independent producer of electricity from renewable sources in the Republic of Serbia. The Company and the Group are pioneers in the field of electricity production from renewable sources, having been the first in Serbia to build and operate wind farms. The sale of all produced energy is carried out through an arrangement (power purchase agreement) with JP Elektroprivreda Srbije (EPS) and there is no direct supply to end consumers.

The Company was founded on 27 June 2007 as a closed joint-stock company under the name "PRIVREDNO DRUŠTVO ZA PROIZVODNJU ELEKTRIČNE ENERGIJE FINTEL ENERGIJA AD BEOGRAD" ("Electricity Production Company Fintel Energija ad Beograd"), by the foreign legal entity "Fintel Energia Group SPA", Italy (registration number 02658620402) ("Owner"). "Fintel Energia Group SPA" is 86.22% owned by Hopafi Srl ("Ultimate Owner").

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

As of December 31, 2024, the Company has subscribed and paid-up share capital in the amount of RSD 4,057 thousand, consisting of 26,510,506 ordinary shares with an individual nominal value of RSD 0.153.

The Company's shares have been traded on the organized market - the Belgrade Stock Exchange since November 2018. The stock symbol is FINT, and the ISIN number is RSFINEE60549. The Company's market capitalization as of December 31, 2024 is RSD 17,762,039 thousand (value per share is RSD 670).

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

These Consolidated Financial Statements for the year ended 31 December 2024 have been prepared by the Group's general manager, and they have been approved on 30 April 2025. Approved consolidated financial statements may be amended based on the opinion of the independent auditor, in accordance with legal regulations.

As of December 31, 2024, the Group had 14 employees (2023: 14 employees).

2. Overview of significant accounting policies and adopted standards

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

2.1. Basis for the preparation and presentation of consolidated financial statements

The Group keeps records and prepares consolidated financial statements in accordance with the Accounting Law of the Republic of Serbia ("Official Gazette of the Republic of Serbia", No. 73/2019 I 44/2021) and other legislation in effect in the Republic of Serbia.

In accordance with the Accounting Law, large legal entities, legal entities that have the obligation to prepare consolidated financial statements (parent legal entities), public companies, i.e., companies that are preparing to become public in accordance with the Capital Market Law of the Republic of Serbia, regardless of size, apply International Financial Reporting Standards (IFRS), whose translation into Serbian has been published by the ministry responsible for finance, for the recognition, valuation, presentation and disclosure of positions in consolidated financial statements.

(All amounts are expressed in RSD'000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.1. Basis for preparation and presentation of consolidated financial statements (continued)

International Financial Reporting Standards published in Serbian by the Ministry of Finance include the Conceptual Framework for Financial Reporting, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as well as interpretations of standards issued by the Accounting Standards Interpretations Committee, but do not include bases for conclusions, illustrative examples, application guidance, commentaries, dissenting opinions, or other supporting materials except in cases where they are explicitly included as an integral part of the standard or interpretations.

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements of the Group include the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated statement of other income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as an overview of significant accounting policies and notes to the consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated in the accounting policies presented below.

In compiling these consolidated financial statements, the Group has applied the accounting policies explained in note 2.6. The stated accounting policies have been applied consistently to all reporting periods presented.

The consolidated financial statements are presented in Serbian dinars "RSD" and all reported numerical values are presented in thousands of dinars RSD'000 unless otherwise stated.

2. Overview of significant accounting policies and adopted standards (continued)

2.1. Basis for preparation and presentation of consolidated financial statements (continued)

Consolidated financial statements (continued)

The preparation of consolidated financial statements in accordance with the Accounting Law of the Republic of Serbia requires the application of certain key accounting estimates. It also requires Management to exercise its judgment in applying the Group's accounting policies. Areas that require judgment of a higher degree of or greater complexity, that is, areas where assumptions and estimates are material to the consolidated financial statements, are disclosed in Note 3.

2.2. Accounting basis

The Group uses bank loans to finance its working capital. The Group's forecasts and projections, which take into account reasonably possible changes in the Group's operating results, indicate that the Group should be able to operate with the existing credit levels. With the above in mind, management believes that the Group has adequate funds to continue operations in the foreseeable future. The Group does not expect difficulties in collecting receivables and believes that liquidity will remain stable in the future, due to the strong support of foreign partners (owners of the Group). Accordingly, the Group has prepared the consolidated financial statements in accordance with the going concern concept. Additional information on the Group's loans is provided in Note 18.

2.3. Scope of consolidation

These Consolidated Financial Statements of the Group include the financial statements of Fintel Energija and its subsidiaries for the year ended 31 December 2024, which have been approved by the directors. These consolidated financial statements have been prepared in accordance with the Accounting Law of the Republic of Serbia and other applicable legal regulations in the Republic of Serbia.

The companies included in the scope of consolidation are listed in the table below:

Name	Share capital (RSD '000)	Head office	31/12/2024 % down payment	31/12/2023 % down payment	
Fintel Energija ad	4,057	Belgrade (Serbia)	Parent company		
MK-Fintel Wind ad	29,647	Belgrade (Serbia)	54%	54%	Directly
MK-Fintel Wind Holding doo	10	Belgrade (Serbia)	54%	54%	Directly
Energobalkan doo	360,513	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Ram doo	10	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Kula doo	314,032	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Torak doo	240	Belgrade (Serbia)	54%	54%	Indirectly
Fintel Energija Dev. doo	0	Belgrade (Serbia)	100%	100%	Directly
MK-Fintel Wind Dev. doo	0	Belgrade (Serbia)	54%	54%	Indirectly
Vetropark Lipar doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Lipar 2 doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Vetropark Project Torak doo	0	Belgrade (Serbia)	100%	100%	Indirectly
Fintel Energija Dev. Ltd.	0	Nicosia (Cyprus)	100%	100%	Indirectly
Vetropark Torak Ltd	0	Nicosia (Cyprus)	100%	100%	Indirectly
Staklenik Jedan d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Dva d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Tri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Četiri d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Pet d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly
Staklenik Šest d.o.o.	0	Belgrade (Serbia)	100%	100%	Indirectly

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.3. Scope of consolidation (continued)

The shares of the subsidiary MK-Fintel Wind ad are pledged in favour of NLB KOMERCIJALNA BANKA AD based on the Long-Term Loan Agreement signed on December 23, 2024 with NLB KOMERCIJALNA BANKA AD AND NOVA LJUBLJANSKA BANKA DD. The maturity date is December 31, 2035.

The shares of the subsidiary Energobalkan doo are pledged in favour of Unicredit Bank Srbija ad, Belgrade, based on the Long-term Loan Agreement signed on May 18, 2015 with Unicredit Bank Srbija ad, Belgrade.

2.4. Principles and methods of consolidation

Subsidiaries are consolidated starting from the acquisition date, i.e., the date on which the Group acquired control of the subsidiary, and continue to be consolidated until the date on which such control ceases. An acquisition of control is considered to have occurred if the Group is exposed or entitled to variable returns from its involvement in the entity it invested in and has the ability to influence those returns through the influence it has over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Influence on the investee's existing rights that give it the ongoing ability to direct the relevant activities of the investee
- Exposure or rights to variable returns from its involvement with the investee, and
- The ability to use influence over the entity in which it has invested to influence its returns.

The assumption is that a majority of voting rights results in control. To justify this assumption if the Group has less than a majority of voting rights or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has influence over the investee, including:

- Contractual arrangements with other holders of voting rights over the entity in which it has invested
- Rights arising from contractual arrangements
- Existing and potential voting rights.

The Group re-evaluates whether there is control over the entity in which it has invested if facts or circumstances indicate that there have been changes in one or more factors of control.

Financial statements of subsidiaries are prepared for the same reporting period as for the parent company using consistent accounting policies. All intercompany balances, transactions, unrealized gains and losses arising from intercompany transactions and dividends are completely eliminated. Changes in ownership interests in a subsidiary that do not result in a loss of control are accounted for as transactions within equity.

2. Overview of significant accounting policies and adopted standards (continued)

2.4. Principles and methods of consolidation (continued)

If the Group loses control over a subsidiary, the following occurs:

- Derecognition of assets (including goodwill) and liabilities of a subsidiary;
- Derecognition of the present value of minority interest, if any;
- Derecognition of accumulated exchange rate differences previously recognized within equity;
- Posting the fair value of sales receipts;
- Posting the fair value of the remaining interest in the subsidiary, if any;
- Posting the resulting profit or loss through the income statement;
- Reclassification of the parent company's share of components previously recognized directly in equity to profit or loss or retained earnings as appropriate.

The financial statements of subsidiaries abroad, expressed in their functional currencies, were converted into the reporting currency of the parent company, RSD, by converting assets and liabilities into dinars at the official exchange rate on the balance sheet date. The income statement and cash flows are translated into dinars at the middle exchange rate. The effects resulting from the translation of financial statements in foreign currencies into the reporting currency are presented within equity.

2.5. Foreign currency conversion

Functional and display currency

Items included in the Group's financial statements are measured and presented in thousands of dinars (RSD 000). The dinar is the official reporting currency in the Republic of Serbia.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates valid at the date of the transaction or at the date of the valuation if the items have been remeasured. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end are recognised in the income statement, except when they are deferred in equity as cash flow hedges and net investment hedges.

2.6. Significant accounting policies

Real estate, plant and equipment

Real estate, plant and equipment are stated at purchase value less accumulated depreciation and any impairment losses. The purchase price includes all expenditure necessary to bring the asset to its intended use. This amount is increased by the present value of the estimated cost of reclamation of the site when there is a legal or construction obligation to remove the asset. The corresponding liability is recognised as a provision for the costs of removing the asset. The accounting treatment of revised estimates of these costs, the time value of money and the discount rates are highlighted in the section on provisions for these costs.

Borrowing costs that are directly attributed to the acquisition or construction of an asset that qualifies for the attribution of borrowing costs are included in the purchase value of the qualifying asset, i.e., one that takes a substantial period of time to get ready for its planned use or sale.

Costs incurred for regular and/or periodic repairs and maintenance are recognised directly in the consolidated income statement. Costs incurred for the expansion, modernisation or improvement of structural elements owned by the Group or used by third parties are capitalised to the extent that they qualify for recognition as a separate asset or part of an asset.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Real estate, plant and equipment (continued)

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

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

	Number of years
Buildings	40
Equipment	3-20

The residual value and useful life of the asset are reviewed, and adjusted, if necessary, at each balance sheet date. Depreciation begins when the plant is ready for its planned use, as assessed by management (which coincides with the end of the testing period).

Intangible assets

Intangible assets consist of identifiable non-monetary assets which have no physical substance that are controlled by the Group as a result of past events and from which future economic benefits are expected. Intangible assets that meet the relevant criteria on initial recognition are valued at cost or production cost, including directly attributable costs necessary for preparing the asset for its planned use, less depreciation and impairment losses.

Borrowing costs that can be directly attributed to the acquisition or construction of an intangible asset that qualifies for the attribution of borrowing costs are included in the purchase value of the qualifying asset, i.e., one that takes a significant amount of time to get ready for its planned use or sale.

Depreciation begins when the assets are ready for their planned use and is applied over their estimated useful life.

The useful life estimated by the Group for each category of intangible assets is as follows:

	Number of years
Other intangible assets	Duration of rights

There are no intangible assets with an indefinite useful life.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Impairment of real estate, plant and equipment and intangible assets

At the end of each reporting period, property, plant and equipment and intangible assets that have not been fully amortized are tested for impairment. If indicators of impairment are identified, the recoverable amount is estimated and any loss relative to the carrying amount is recognized in the consolidated income statement. Recoverable value is the greater of fair value less costs to sell or value in use, which represents the present value of the future cash flows that the asset will generate. For assets that do not generate separately identifiable cash flows, the recoverable amount is defined based on the cash-generating unit to which the asset belongs. To determine value in use, expected future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money and the risks associated with the business. An impairment loss is recognized in the consolidated income statement in the amount by which the carrying amount of the fixed asset is greater than the recoverable amount. When there are no more impairment indicators, the current value of the asset is increased to the new amount of the recoverable amount, but so that it does not exceed the amount of the net book value that the asset would have had if it had never been impaired.

Leasing

IFRS 16 defines new or revised requirements for lease accounting, introducing significant changes to the accounting of the lessee by removing the distinction between finance and operating leases and requiring the recognition of an asset representing the right to use the leased asset and a lease liability at the commencement date for all leases, except for short-term leases and those leases where the lease value is small.

When applying IFRS 16 to leases, the Group recognizes assets representing the right-of-use and lease liabilities in the balance sheet, initially measured at the present value of future lease payments, and recognizes depreciation expense on the right-of-use assets and interest expense on the lease liability in the income statement.

Lease previously classified as a finance lease – In the case of lease agreements that are classified as a finance lease in accordance with IAS 17, the book value amounts of the leased asset on the one hand and the finance lease liabilities on the other hand, determined by applying IAS 17 immediately before the date of initial application of the new standard, are reclassified to the value of the right-of-use assets and the value of the lease liabilities without any adjustments.

Valuation

The lease liability is initially valued at the net present value of all future lease payments discounted at the interest rate implicit in the lease (the implicit interest rate). If this cannot be readily determined, the Group uses its incremental borrowing rate.

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

- fixed payments (including variable payments that are essentially fixed) less any lease incentives received
- variable lease payments, i.e., payments that depend on market indices or rates, which are initially measured on the lease commencement date, using the market index or rate
- the cost price of the call option if it is reasonably certain that the option will be exercised
- penalties for termination of the contract, if it is reasonably likely that the termination option will be exercised.

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Impairment of property, plant and equipment and intangible assets (continued)

Leasing (continued)

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

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

Variable payments that are not index- or rate-dependent are not included in the valuation of the lease liability or asset with the right-of-use. Such payments are recognized as an expense in the period in which they are incurred.

Group as tenant

The Group applies a single recognition and valuation approach to all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities for lease payments and the right-of-use asset, which represents the right to use fixed assets.

Right to use funds

The Group recognises the right to use an asset at the commencement date (i.e. the date the asset is available for use). The right to use an asset is measured at cost, less accumulated depreciation and impairment losses, and adjusted for any subsequent measurement of the lease liability. The cost of the right to use an asset includes the amount of the recognised lease liability, initial direct costs and lease payments made on or before the commencement date, less any lease incentives received.

The right to use assets is depreciated proportionally over the shorter of the lease term or the estimated useful life of the asset.

Leasing liabilities

On the lease commencement date, the Group recognizes lease liabilities valued at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments, net of any lease incentive receivables, variable lease payments that are index-linked or rate-linked, and amounts that are expected to be reliably payable for the residual value. Lease payments also include the exercise price of a purchase option that is reasonably expected to be exercised by the Group and the payment of a termination penalty, if the termination option is exercisable by the Group during the term of the lease.

Variable lease payments that are not index- or rate-linked are recognized as expenses (unless incurred for the production of inventories) in the period in which the events or conditions giving rise to the payment occur.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Impairment of property, plant and equipment and intangible assets (continued)

Leasing (continued)

When calculating the present value of lease payments, the Group uses its incremental borrowing rate at the inception date, as the implicit interest rate for the lease is not readily determinable. After the inception date, the amount of the lease liability is increased by accrued interest for the past period and reduced by lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a modification to the contract, a change in the lease term, a change in the lease payments (e.g. changes in future payments resulting from a change in the index or rate used to determine such lease payments) or a change in the estimate of the option to purchase the underlying asset that is the subject of the lease.

Short-term leases and leases of assets of low value

The Group applies the short-term lease recognition exemption for its short-term leases, as well as for low-value leases. Lease payments for short-term leases and leases of low-value assets are recognized as an expense, proportionally over the lease term.

Group as lessor

Leasing is classified as operating where the contract stipulates that not all the risks and rewards incidental to ownership of the asset are transferred to the lessee.

All payments during the year under operating leases, which relate to the supply of services and goods that do not have a one-time effect, are accrued on a straight-line basis and recorded as an expense in the income statement over the lease term.

Group as the beneficiary of the lease

Assets held under finance leases are initially recognised as assets of the company at the present value of the minimum lease payments determined at the beginning of the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease liability.

Lease instalment payments are allocated between financial expenses and reductions in lease liabilities with the aim of achieving a constant rate of participation in the outstanding amount.

Financial instruments

Financial assets and financial liabilities are recorded in the Group's balance sheet from the moment the Group becomes contractually bound to the instrument. Purchases or sales of financial assets are recognized using the settlement date method, which is the date on which the asset is delivered to the other party.

Financial assets are derecognized when the Group loses control of the contractual rights to those instruments, which occurs when the rights to use the instruments are exercised, expired, abandoned or assigned. A financial liability is derecognized when the obligation stipulated in the contract is discharged, cancelled or expired.

The Group has been applying IFRS 9 since January 1, 2020. Accordingly, the Group classifies its financial assets into the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial instruments (continued)

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

- The asset is held within a business model whose objective is to hold the asset with the intention of collecting contractual cash flows, and
- The contractual terms of the asset result on given dates in cash flows that are solely payments of principal and interest on the remaining principal amount.

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

- The asset is held within a business model whose objective is achieved both through the collection of contractual cash flows and the sale of financial assets, and
- The contractual terms of the asset result on given dates in cash flows that are solely payments of principal and interest on the remaining principal amount.

All financial assets that are not classified as valued at depreciated value or fair value through other comprehensive income, as described above, are valued at fair value through the income statement.

This includes financial assets held for trading and managed and whose performance is valued at fair value. In addition, upon initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be valued at depreciated value or at fair value through other comprehensive income, at fair value through the income statement if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Financial assets are reclassified only when the Group changes its business model that affects the asset, in which case all financial assets affected are reclassified on the first day of the reporting period following the change in business model.

Business model assessment

The business model is assessed to determine whether a financial asset with only principal and interest payments is classified at depreciated value or fair value through other comprehensive income. The business model determines whether the cash flows result from collecting contractual cash flows, selling the financial asset, or both.

Cessation of recognition of financial assets and financial liabilities

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

Any interest in such a financial asset that is created or retained by the Group is recognized as a separate asset or liability.

A financial asset ceases to be recognized when it is written off. A financial asset ceases to be recognized also when there is a change in the contractual terms of the financial asset that results in a significant change in the cash flows from the financial asset.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial instruments(continued)

Impairment of financial assets

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

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

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

- 12-month expected credit losses – these are expected credit losses arising from all possible default events during the 12 months following the reporting date, and
- Expected credit losses over the life of the instrument – these are expected credit losses arising from all possible default events over the expected life of the financial instrument.

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

- Determining whether the credit risk of a financial asset has increased significantly since initial recognition, and
- Taking into account information about future circumstances when estimating expected credit losses.

Long-term financial investments

Equity investments in other listed companies are initially valued at cost. Subsequent valuation is performed at each balance sheet date to adjust their value to market value.

Long-term financial investments that include equity investments in related legal entities, commercial banks and other legal entities that are not listed on the stock exchange are reported at cost less impairment based on management's assessment in order to reduce them to their recoverable amount.

Trade receivables, short-term placements and other short-term receivables

Trade receivables, short-term placements and other short-term receivables are stated at nominal value, less any allowances made based on management's assessment of their collectability.

Cash and cash equivalents

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

Financial obligations

Financial liabilities are classified in accordance with the substance of the contractual provisions. Financial liabilities are stated at nominal value, increased by interest based on concluded contracts.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial instruments(continued)

Operating liabilities

Trade payables and other operating liabilities are valued at their nominal value.

Off-balance sheet assets and liabilities

Off-balance sheet assets and liabilities include: goods on consignment, materials received for processing and finishing and other assets not owned by the Group, as well as receivables/liabilities under payment security instruments such as guarantees and other forms of collateral.

Provisions

Provisions are recognized when the Group has a present legal or contractual obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. The amount recognized is the best estimate of the expenditure required to settle the obligation. When the time value of money is significant and the date of settlement can be determined reliably, the provision is measured at the present value of the expenditure required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as interest expense.

If the provision relates to dismantling and removal, the provision is recognised as part of the asset to which it relates and the expense is recognised in the consolidated income statement as depreciation of the asset to which the expense relates.

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

Such changes are added to or subtracted from the book value of the asset to which they relate and are recognised in the consolidated income statement through depreciation. If changes are added to the book value of the asset, the Group assesses whether the new present value will be fully recoverable; if not, the present value of the asset is reduced to take into account the irrecoverable amount and a loss is recognised in the consolidated income statement.

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

Regarding the adopted assessment criteria for determining the deactivation or recovery of assets, it is explained in the paragraph Estimates and assumptions.

Risks that may cause an increase in a contingent liability are disclosed in the contingent liabilities and risks section, but are not recognized.

A contingent liability arising from a business combination is valued at the higher of the amount that would have been recognized applying the above policy for provisioning costs and the present value of the initially defined liability.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Derivative financial instruments

During 2024, the Group discontinued the application of the interest rate hedging strategy. As of 31 December 2024, the Group did not hold any derivative financial instruments.

Transactions, in accordance with risk management policies, that meet the hedge accounting requirements of International Financial Reporting Standards are designated as hedging relationships (accounted for as presented below), while those entered into with the intention of hedging but that do not meet the hedge accounting requirements of International Financial Reporting Standards are classified as trading transactions. In this case, changes in the fair value of derivatives are recognised in the consolidated income statement in the period in which they arise. Fair value is determined by reference to an active market.

For accounting purposes, hedging transactions are classified as fair value if they are entered into to hedge exposure to changes in the market value of underlying assets or liabilities; or as cash flow hedges if they are entered into to hedge exposure to variability in cash flows arising from an existing asset or liability or a highly probable forecast of the transaction.

For derivatives classified as fair value hedges that meet the requirements of hedge accounting, gains and losses arising from their fair value measurement are recognized in the consolidated income statement. Gains and losses arising from fair value hedge measurement are also recognized in the consolidated income statement.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recognized in other comprehensive income and accumulated in the equity reserve "cash flow hedge reserve". This reserve is subsequently reclassified to the consolidated income statement in the periods when the hedged item affects profit or loss. The change in fair value attributable to the ineffective portion is recognized immediately in the consolidated income statement. If a derivative instrument is sold and, accordingly, no longer qualifies as an effective hedge of the exposure for which the transaction was entered into, the portion of the "cash flow hedge reserve" relating to it remains there until the underlying transaction affects profit or loss. When the forecast transaction is no longer considered probable, the corresponding portion of the cash flow hedge reserve is immediately reclassified to the consolidated income statement.

Embedded derivatives present in financial assets/liabilities are separated and measured independently at fair value, except when, under IFRS 9, the price of the derivative at the date of its recognition approximates the amount determined by measuring the asset/liability at amortized cost. In this case, the measurement of the embedded derivative is absorbed by that present in the financial asset/liability.

Revenues

The Group analyses contracts with customers to identify the underlying obligations. If a contract includes multiple goods or services, the Group assesses whether these components should be recognized separately in accordance with IFRS 15. Considering the characteristics of the contracts entered into by the Group companies, no contracts with multiple obligations have been identified.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Revenues (continued)

The Group assesses each performance obligation contained in contracts to determine whether it meets the criteria for recognition over time in accordance with IFRS 15; Contract revenue is recognized in relation to the stage of completion of the contract activity at the end of the reporting period using the percentage of completion method. The percentage of completion is determined using the cost-to-cost method, applying the percentage of completion to revenue as the ratio of costs incurred to the estimated total costs required to complete the project.

Otherwise, revenue is recognized when the customer obtains control of the asset or service.

Revenue includes the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's business. Revenue is reported net of returns, discounts, rebates and allowances, and value added tax.

Revenue is recognized when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the Group.

Sales revenue is recognized in the income statement upon transfer of the risks and rewards of ownership of the product sold to the customer, which usually coincides with the delivery of the product and/or goods to the customer and their acceptance of the delivery.

Revenue from the provision of services is recognized upon the transfer of control resulting from the completion of the service provided.

Revenues include only received economic benefits or claims of Group members on their own behalf. Accordingly, compensation received in favour of third parties is excluded from income.

a) Revenue from the sale of electricity

Revenue from the sale of electricity mainly relates to the sold generated electricity calculated at the incentive purchase price of the Feed-in Tariff (FiT), which is obtained for the energy produced in the period, although not yet invoiced, and determined based on data recorded based on measurements of EPS ((national electricity supplier in state ownership).).

The FiT mechanism is a system in which a producer that has obtained the status of a Privileged Electricity Producer (PPP) using renewable energy sources (wind, solar, hydraulic, biomass, biogas), a status such as the Group has, is entitled to a FiT purchase price for the generated power contracted in accordance with a bilateral agreement (PPA or power purchase agreement). The national electricity supplier EPS, which is state-owned, is under the obligation to purchase all the energy produced, measured and fed into the distribution network, and originating from renewable energy sources produced by a company that has PPP status, such as the Group has.

b) Other revenues

Revenue from the sale of goods other than FiT-in tariffs and from other services provided is recognized when the customer obtains control of the asset or service, which usually coincides with the time of shipment or completion of the service.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Revenues (continued)

c) Government subsidies

Government subsidies are recognized where there is reasonable assurance that the subsidy will be received and that the Group will comply with all attached conditions. Government subsidies are recognized in the income statement in the period in which the related expenses are recognized.

The benefit of a government loan at a lower interest rate is treated as government subsidy. The benefit is determined at the initial stage of the loan as the difference between the initial book value of the loan (fair value plus arrangement costs directly attributable to the loan) and the income received and is subsequently recognized in the income statement in accordance with the rules applicable to the recognition of government subsidies.

Dividends

Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Operating expenses

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

Other expenses

Other expenses include losses from the sale and disposal of property, plant, equipment and intangible assets, losses from the sale of securities and equity interests in legal entities, losses from the sale of materials, deficits, expenses from direct write-offs of receivables, expenses from asset impairment, negative effects of value adjustments of intangible assets, real estate, plant, equipment, long-term and short-term financial investments, inventories, securities and receivables in accordance with the Group's accounting policy.

Financial income and expenses

Financial income and expenses

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

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset, starting from the date the Group incurs the finance costs until the date the financed asset is ready for use.

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to shareholders of the Group by the weighted average number of ordinary shares outstanding for the period.

(All amounts are expressed in RSD 000, unless otherwise indicated)

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial income and expenses (continued)

Employee benefits

a) Taxes and contributions to employee social security funds

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

b) Severance pay liabilities

In accordance with the provisions of the Labor Law, the Group is under the obligation to pay an employee a severance pay upon retirement in the amount of three average salaries in the Republic of Serbia, determined according to the latest published data from the republic's authority responsible for statistics.

To employees whose work is no longer needed and who are not provided with any of the rights established by law, the employer shall pay severance pay in the amount of the sum of one third of the employee's salary for each completed year of work in the first 10 years of employment and one quarter of the employee's salary for each subsequent completed year of employment over 10 years of employment. Earnings for the purposes of the previous paragraph shall be considered the average salary of the employee paid for the last 3 months preceding the month in which the severance pay is paid.

Income tax

Deferred income tax

Deferred income tax represents the amount calculated by applying the prescribed tax rate of 15% to the base determined by the tax balance, which represents the amount of profit before tax after deducting the effects of adjusting income and expenses, in accordance with the tax regulations of the Republic of Serbia, with a reduction for prescribed tax credits.

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

Deferred income tax

Deferred income tax is calculated using the balance sheet liability method for temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses and credits that can be carried forward to future fiscal periods, to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized.

2. Overview of significant accounting policies and adopted standards (continued)

2.6. Significant Accounting Policies (continued)

Financial income and expenses (continued)

Deferred income tax (continued)

Deferred tax assets and liabilities are calculated at the tax rate expected to apply in the period when the asset is realized or the liability is settled. As of 31 December 2023, deferred tax assets and liabilities were calculated at a rate of 15% (31 December 2022: 15%).

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

Transactions with related legal entities

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

The Group considers related legal entities within the meaning of the above standard to be legal entities in which it has a share in the capital, or legal entities with a share in the Group's capital.

Related parties may enter into transactions that unrelated parties might not, and transactions with related parties may be conducted under different terms and for different amounts than the same transactions with unrelated legal entities.

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

The Group has disclosed all transactions with related parties in the accompanying financial statements, as required by IAS 24 - "Related Party Disclosures".

3. Estimates and assumptions

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

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

3. Estimates and assumptions (continued)

Impairment of assets

Real estate, plant and equipment and intangible assets with limited useful life are tested for impairment, which is recognized upon write-off when there are indicators that indicate that it is difficult to recover the net book value. Verification of the existence of the aforementioned indicators requires subjective assessments by management, based on information available within the Group's members, market information and based on past experience. Moreover, if it is determined that potential impairment may occur, the Group's management proceeds with its determination using appropriate valuation techniques. The accurate identification of indicators of potential impairment, as well as the calculation of estimates for its determination, depends on factors that may change over time and that may affect the assumptions and estimates made by management.

Based on the assessments made by the management of Fintel Group, there are no indicators of impairment of assets with limited useful life.

Deferred tax assets

Deferred tax assets are recognized based on estimated future taxable income. The determination of estimated future taxable income for the purpose of recognizing deferred tax assets depends on factors that may change over time and may significantly affect the recovery of deferred tax assets.

Provisions

Other provisions for risks and charges relate mainly to possible liabilities for penalties and interest on amounts due to tax authorities. The attribution of provisions is made based on the best estimates of the costs, at the reporting date, that are likely to be incurred to settle the obligation, after seeking legal advice.

4. Financial risk management

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

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

Credit risk

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

The maximum credit risk exposure of the Group as of December 31, 2024 and 2023 is the book value of each class of assets, which is presented in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
Cash and cash equivalents	453,776	652,507
Accounts receivable	180,993	302,446
Other receivables	84,550	76,475
Active time limits	384,310	291,980
TOTAL	1,103,629	1,323,408

(All amounts are expressed in RSD 000, unless otherwise indicated)

4. Financial risk management (continued)

Credit risk (continued)

Accounts receivables mostly relate to receivables from EPS for energy produced in wind farms in December, and re-invoiced services for management fees.

Accrued income mainly relates to accrued income from the closing of the interest rate SWAP for which the contract was terminated on 30.12.2024, while the payment of funds occurred during 2024, receivables from EPS for energy produced in wind farms in December, deferred insurance costs and receivables for interest from other related parties. Other receivables mainly relate to value added tax and receivables from employees.

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

There is no need to reduce the value of the above receivables.

Liquidity risk

Liquidity risk is related to the ability to meet obligations arising from financial commitments undertaken by the Group. Prudent management of liquidity risk in the course of regular activities involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of term loan facilities.

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

The Group's objective is to establish a financing structure that, in line with its business objectives, guarantees sufficient liquidity for the Group, minimizes opportunity costs and maintains a balance in terms of maturity and debt composition.

The following table provides an analysis of the maturity of liabilities as at 31 December 2024 and 2023. Different maturities are determined based on the period between the reporting date and the contractual maturity of the Group's liabilities, gross of accrued interest as at 31 December. Interest is calculated in accordance with the contractual terms of the financing.

<i>RSD thousands</i>	December 31, 2024.	
	Short-term maturity	Long-term maturity
Financial obligations to shareholders	15,794	2,623,398
Obligations for loans to banks	898,733	5,659,362
Liabilities to suppliers	219,878	-
Other obligations	837,151	-
Total	1,971,556	8,282,760

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

4. Financial risk management (continued)

Liquidity risk (continued)

The analysis of financial liabilities by maturity shows an increase in liabilities maturing within one year as of December 31, 2024 compared to those as of December 31, 2023.

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

Market risk

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

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

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

Risk of exchange rate fluctuations

Foreign exchange risk is associated with operations in currencies other than RSD. Fintel Group is exposed to foreign exchange rate fluctuations, as it conducts business in Serbia through its subsidiaries, which are companies dedicated to the study, construction, development and management of wind farms and other renewable energy projects. The Group has loans denominated in foreign currencies, mainly in EUR and RSD, which exposes the Company to foreign exchange rate risk. Foreign exchange rate exposure arising from foreign currency loans is managed by having loans denominated in the functional currency of the Group in the total loan portfolio.

As of 31 December 2024, if the dinar (RSD) were to strengthen or weaken by 5% against the euro (EUR), and all other variables remained unchanged, the result after tax would be higher or lower by RSD 390,855 thousand (2023: RSD 402,323 thousand), mainly as a result of net exchange differences arising from the revaluation of liabilities and receivables denominated in euros. A strengthening dinar would have a positive effect on profit by reducing liabilities denominated in RSD, while a weakening dinar would have a negative effect by increasing liabilities denominated in RSD.

Risk of interest rate fluctuations

The interest rate risk to which the Fintel Group is exposed arises from financial liabilities. Fixed interest rate debt exposes the Group to the risk of changes in the fair value of the debt depending on changes in market reference rates, while floating interest rate debt exposes the Group to cash flow risk due to the volatility of interest rates. The Group's financial indebtedness consists of current bank liabilities and medium-term and long-term loans granted by banks. Given that the hedging instrument (interest rate SWAP) that previously reduced the exposure to interest rate risk expired in 2024, the Group is now more exposed to the risk of fluctuations in variable interest rates.

Capital management risk

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

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

(All amounts are expressed in RSD 000, unless otherwise indicated)

4. Financial risk management (continued)

Market risk (continued)

Capital management risk (continued)

The gearing ratio as of December 31, 2024 and 2023 is shown in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
<i>Long-term financial liabilities:</i>		
- Financial obligations to shareholders	2,623,398	2,577,260
- Obligations for loans from banks	5,659,362	6,002,710
<i>Short-term financial liabilities:</i>		
- Obligations for loans from banks	608.9	791,429
- Financial obligations to shareholders	15,794	15,375
Financial resources	(337,003)	(770,380)
Cash and cash equivalents	(453,776)	(652,507)
Net debt (A)	8,116,731	7,963,887
Capital (B)	3,264,049	3,119,407
Net capital employed (C=A+B)	11,380,780	11,083,293
Debt ratio (A/C)	71.3%	71.9%

(All amounts are expressed in RSD 000, unless otherwise indicated)

5. Financial assets and liabilities by class

In accordance with IFRS 13, financial instruments carried at fair value are categorized into hierarchy levels that reflect the significance of the inputs used to determine their fair value. The levels are as follows:

Level 1: quoted prices in active markets for the assets or liabilities being measured;

Level 2: inputs other than Level 1 inputs that are directly observable (prices) or indirectly (derived from prices) market inputs;

Level 3: inputs that are not based on observable market data.

The following table shows the Group's financial assets and liabilities by class, with an indication of the corresponding fair value, as of 31 December 2024 and 2023:

RSD thousands	December 31, 2024.					
	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Financial resources	337,003	-	-	-	337,003	
Trade receivables	180,993	-	-	-	180,993	
Other short-term receivables	928,221	-	-	-	928,221	
Cash and cash equivalents	453,776	-	-	-	453,776	
Derivative assets	-	-	-	-	-	
Total	1,899,993	-	-	-	1,899,993	
Loans	6,558,095	-	-	-	6,873,797	
Financial obligations to shareholders	2,639,192	-	-	-	2,592,635	
Operating liabilities	219,878	-	-	-	123,059	
Other short-term liabilities	837,151	-	-	-	934,858	
Liabilities based on derivatives	-	-	-	-	-	
Total	10,254,316	-	-	-	10,524,349	

RSD thousands	December 31, 2023.					
	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Financial resources	770,380	-	-	-	770,380	
Trade receivables	300,979	-	-	-	300,979	
Other short-term receivables	368,455	-	-	-	368,455	
Cash and cash equivalents	652,507	-	-	-	652,507	
Derivative assets	-	-	-	251,236	251,236	
Total	2,092,321	-	-	251,236	2,343,557	
Credits	6,873,797	-	-	-	6,873,797	
Financial obligations to shareholders	2,592,635	-	-	-	2,592,635	
Operating liabilities	123,059	-	-	-	123,059	
Other short-term liabilities	934,858	-	-	-	934,858	
Liabilities based on derivatives	-	-	-	-	-	
Total	10,524,349	-	-	-	10,524,349	

(All amounts are expressed in RSD 000, unless otherwise indicated)

6. Segment reporting

Based on the fact that Fintel Group operates only in the renewable energy sector and in Serbia, there is only one reporting segment.

7. Information on guarantees assumed, actual and other contingent liabilities

Below is a summary of the Fintel Group's guarantees to third parties, as well as the Group's liabilities and other contingent liabilities.

a) *Guarantees for payments to third parties*

As of 31 December 2023, the issued guarantees amounted to RSD 55,127 thousand and related to the 4P status for wind farms. They were issued in favour of the Transmission System Operator in the Republic of Serbia. The aforementioned guarantees were recorded as off-balance sheet liabilities in the financial statements. The bank guarantee expired in November 2024, so as of 31.12.2024. there are no guarantees for payments to third parties.

b) *Other*

There were no other potential liabilities of the Group.

(All amounts are expressed in RSD 000, unless otherwise indicated)

8. Real estate, plant and equipment

The table of movements in real estate, plant and equipment as of December 31, 2024 and 2023 is presented below:

	December 31, 2024.					
<i>RSD thousands</i>	Initial balance of NV	Initial balance of IV	Initial balance of unwritten value	Procurement	Depreciation	Transfers
Land	41,474	-	41,474	-	-	-
Buildings	4,901,402	(637,644)	4,263,758	1,676	(136,296)	-
Equipment	9,652,866	(2,482,207)	7,170,662	-	(478,834)	-
Construction facilities under preparation	94,106	-	94,106	555,876	-	-
Advances for NPOs	1,386	-	1,386	-	-	-
Total	14,691,234	(3,119,851)	11,571,386	557,552	(615,129)	-
			15,167,037		(3,653,231)	
						11,513,806

	December 31, 2023.					
<i>RSD thousands</i>	Initial balance of NV	Initial balance of IV	Initial balance of unwritten value	Procurement	Depreciation	Transfers
Land	40,145	-	40,145	1,328	-	-
Buildings	4,800,702	(501,390)	4,299,312	100,700	(136,254)	-
Equipment	9,652,778	(2,003,251)	7,649,527	88	(478,956)	-
Construction facilities under preparation	88,636	-	88,636	5,470	-	94
Advances for NPOs	130	-	130	1,256	-	-94
Total	14,582,391	(2,504,641)	12,077,750	108,842	(615,210)	-
			14,691,234		(3,119,851)	
						11,571,386

Land and buildings include land and construction works such as wind farm foundations, access roads, etc.

(All amounts are expressed in RSD 000, unless otherwise indicated)

8. Property, plant and equipment (continued)

Machinery and equipment mainly include wind turbines and towers. They relate to the wind farms already in operation, "Kula" (9.9 MW), "La Piccolina" (6.6 MW) and Košava Phase I (69 MW).

Construction in progress and advances for real estate, plants and equipment as of December 31, 2024 mainly refer to investments in all other plants, primarily in Vetropark Lipar, Vetropark Lipar 2 and Vetropark Torak.

The wind park owned by Energobalkan companies is mortgaged in favour of the bank.

9. Other long-term financial investments

Other long-term financial investments in the total amount of RSD 337,003 thousand as of December 31, 2024 (RSD 770,380 thousand as of December 31, 2023) relate entirely to the following long-term assets:

- Long-term deposits - cash with limited use in the amount of RSD 315,940 thousand (RSD 459,971 thousand as of 31 December 2023), belonging to the subsidiary MK-Fintel Wind AD and deposited in 2024 as collateral in accordance with a new loan agreement with NLB Bank. In 2024, the loan that MK-Fintel Wind AD had with a group of banks was fully repaid, and a new loan was taken from NLB Bank Serbia and NLB Bank Slovenia. The amount of RSD 459,347 thousand (RSD 459,971 thousand as of 31 December 2023) that served as collateral for Erste Bank last year at the end of 2024 was classified as short-term placement in the country. In February 2025, the funds were released and transferred to the company's current account.
- Long-term deposits - cash with restricted use rights in the amount of RSD 0 thousand (RSD 38,081 thousand as of 31 December 2023) belonging to the subsidiary Vetropark Kula doo and deposited as collateral with Erste Bank in accordance with the loan agreement to guarantee the repayment of the loan. In June 2024, the loan was pre-paid and the funds were transferred to the company's current account.
- Long-term deposits - cash with restricted use rights in the amount of RSD 21,063 thousand (RSD 21,091 thousand as of December 31, 2023) belonging to the subsidiary Energobalkan doo and deposited as collateral with Unicredit Banka Srbija in accordance with the loan agreement to guarantee loan repayment.
- As of 31.12.2023, the fair value of the interest rate SWAP amounted to RSD 251,237 thousand and related to the fair value at the reporting date of derivatives related to the subsidiary Vetropark Kula doo (RSD 9,378 thousand as of 31 December 2023) and MK Fintel Wind (RSD 241,859 thousand as of 31 December 2023) used to hedge interest rate risk. The derivative agreement, which was concluded by the subsidiary Vetropark Kula in 2015, related to an interest rate swap, with a term of 10 years and an initial nominal amount of EUR 9,650 thousand. The derivative agreement, which was concluded by the subsidiary MK Fintel Wind in 2018, related to an interest rate swap with a term of 12 years and an initial nominal amount of EUR 60,496 thousand.

During 2024, loans that were previously subject to hedging were refinanced, and the aforementioned loans (see more details in Note 17) were fully repaid. Upon repayment, the Group also terminated the Agreements relating to the interest rate SWAP, and as of 31.12.2024, the Group did not hold any derivative financial instruments.

(All amounts are expressed in RSD 000, unless otherwise indicated)

9. Other long-term financial investments (continued)

As of 31 December 2023, the Group had interest rate swap agreements with a nominal amount of RSD 6,878,140 thousand (EUR 58,700,375) (2022: RSD 7,730,562 thousand).

To test the effectiveness of hedging, the Group uses the hypothetical derivatives method and compares changes in the fair value of the hedging instrument with changes in the fair value of the hedging item that are attributable to the hedged risk.

Hedging inefficiency can arise due to:

- Different interest rate curves applied to discount the hedging item and the hedging instrument.
- Time differences in the cash flows of the hedging item and the hedging instrument.
- Counterparty credit risk affects the fair value movements of the hedging instrument and the hedging item differently.

No ineffective portion has been recognized in the income statement for the year ended December 31, 2023. As of December 31, 2024, the Group did not hold any derivative financial instruments.

The impact of the hedging instrument on the statement of financial position as of December 31, 2024 and December 31, 2023 is as follows:

	2024			2023		
	Other long-term financial assets	Cash flow hedging reserve	Cash flow hedging reserve attributable to minority shareholder	Other long-term financial liabilities	Cash flow hedging reserve	Cash flow hedging reserve attributable to minority shareholder
Interest rate swaps	-	-	-	251,236	115,318	98,233

The entire change in the fair value of the hedge was recognized in 2023 through other comprehensive income, without impacting the income statement. During 2024, due to the refinancing of loans from banks, the interest rate SWAP agreement was terminated, and the amount of the cash flow hedging reserve was reclassified to the income statement.

10. Deferred tax assets

Deferred tax assets as of December 31, 2024 amounted to RSD 39,026 thousand. There were no deferred tax liabilities. As of December 31, 2023, there were deferred tax liabilities in the amount of RSD 60,554 thousand.

11. Trade receivables

As of 31 December 2024, trade receivables amounted to RSD 180,993 thousand (31 December 2023: RSD 302,446 thousand). Domestic receivables amounted to RSD 171,965 thousand (31 December 2023: RSD 300,979 thousand) and mainly relate to the receivable that MKFW has from EPS for electricity delivered in December, as well as to the receivable of Fintel Energija from Energogreen based on re-invoiced services for management fees. During the previous year, the number of domestic receivables was significantly higher, mainly due to EPS's delay in paying invoices for November.

(All amounts are expressed in RSD 000, unless otherwise indicated)

11. Accounts Receivable (continued)

Accounts receivables from customers abroad amount to RSD 5 thousand. In 2023, there were no receivables from sales from abroad.

Receivables from the parent company, subsidiaries and other related parties as of 31 December 2024 amount to RSD 9,023 thousand (31 December 2023: RSD 1,467 thousand). The increase in this amount is mainly the result of re-invoicing of management fee services to other related parties.

12. Other short-term assets

Other short-term assets in the amount of RSD 468,860 thousand as of December 31, 2024 (RSD 368,455 thousand as of December 31, 2023) are detailed in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
Other receivables	56,903	56,237
Receivables for prepaid income tax	26,108	18,699
Receivables based on prepaid other taxes and contributions	1,539	1,539
Short-term active accruals	384,310	291,980
Total	468,860	368,455

Receivables for prepaid income tax as of 31.12.2024 amount to RSD 26,108 thousand (31. December 2023: RSD 18,699 thousand).

Short-term accrued income mainly relates to accrued income from the closing of the interest rate SWAP, which closed on 30.12.2024, receivables from EPS for energy produced in wind farms in December, accrued insurance costs and receivables for interest from other related parties.

13. Cash and cash equivalents

"Cash and cash equivalents" as of December 31, 2024 and 2023 were as shown:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023.
<i>Current account</i>		
- in dinars	268,357	144,383
- dedicated account in dinars	157,589	144,328
- in foreign currency	27,628	78,055
- dedicated account in foreign currency	202	21,906
Other funds	-	263,835
Cash and cash equivalents	453,776	652,507

As of 31 December 2024, other cash assets amounted to RSD 0, while as of 31 December 2023 they amounted to RSD 263,835 thousand. The decrease in the amount of other cash assets is the result of internal transfers of funds from the special purpose account to the current account carried out on 30 December 2024, in order to secure funds for the settlement of loan obligations. Namely, on 31 December 2024, the first instalments of loans approved by NLB Bank Serbia and NLB Bank Slovenia were paid.

(All amounts are expressed in RSD 000, unless otherwise indicated)

13. Cash and cash equivalents (continued)

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

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

14. Equity

Equity as at December 31, 2024 and 2023 is presented in more detail in the following table:

<i>RSD thousands</i>	December 31, 2024.	December 31, 2023
Share capital	4,057	4,057
Share premium	681,237	681,237
Other components of other comprehensive income	(378)	114,833
Retained profit of the previous year	1,224,244	825,063
Current year retained profit	302,503	399,179
Loss of previous years	-	-
Current year loss	-	-
Equity belonging to the Group	2,211,663	2,024,369
Capital and reserves belonging to minority shares	808,633	600,144
Other components of other comprehensive income	(322)	97,821
Profit (loss) of the current year	244,075	397,074
Capital belonging to minority shares	1,052,386	1,095,039
TOTAL EQUITY	3,264,049	3,119,408

Capital components and changes in them are detailed below:

Share capital

As of December 31, 2024, the paid-up subscribed share capital of the Company amounted to RSD 4,057 thousand, consisting of 26,510,506 ordinary shares of RSD 0.153 each.

The share capital structure is as follows:

Member	<i>In thousands of dinars</i>	<i>% ownership</i>
Fintel Energia Group SpA	3,825	94.30%
BDD M&V INVESTMENTS AD Beograd-SUMMARY ACCOUNT	194	4.79%
SOCIETE GENERALE BANKA SERBIA - KASTODI RN - FO	15	0.37%
Others	23	0.54%
Total	4,057	100.00%

Share premium

As of December 31, 2024, reserves include the share premium generated by the capital increase in 2018 related to the initial public offering of shares of the Company Fintel Energija ad, segment Premium shares of the Belgrade Stock Exchange. Share premium in the amount of RSD 755,022 thousand (equivalent to RSD 499,847 per each new share issued by the Company). The value of the share premium is stated net of costs related to the IPO (RSD 73,785 thousand).

(All amounts are expressed in RSD 000, unless otherwise indicated)

14. Capital (continued)

Other components of other comprehensive income

Hedging reserves result from the valuation, in accordance with applicable accounting standards (IFRS 9), of derivatives entered into by Group companies to hedge the risk of interest rate fluctuations applied to loans for the construction of certain wind farms. During 2024, due to the refinancing of loans from banks, the interest rate SWAP agreement was terminated, and the amount of the cash flow hedging reserve was reclassified to the income statement.

Retained profits/(losses) and other reserves arising on consolidation

They consist of losses and other reserves of subsidiaries and arise upon consolidation. They also include net profit/(loss) for the current year.

Equity attributable to non/controlling interests

The amount results from the consolidation of companies with non-controlling interests outside the Fintel Group.

15. Liabilities and loans and borrowings from other related parties

The balance in the amount of RSD 1,378,773 thousand as of 31 December 2024 (RSD 1,339,311 thousand as of 31 December 2023) includes mainly financial liabilities to MK Holding d.o.o., a minority investor in subsidiaries. This amount consists of loan liabilities to the minority investor based on loans granted for financing wind farms in Serbia.

Liabilities, loans and borrowings from other related parties as of December 31, 2024 are presented in more detail in the following table:

Loan beneficiary	Lender	Amount EUR	Amount 000 RSD	Maturity
MK Fintel Wind ad	MK Holding d.o.o.	8,829,276	1,033,157	2036
MK Fintel Wind Development d.o.o.	MK Green Energy Ltd. (ex Lamium Trade)	127,365	14,904	2027
Fintel Energija Development Ltd	Namipo Management Ltd.	17,513	2,049	2025
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1,844,700	215,857	2027
MK Fintel Wind Holding d.o.o.	MK Green Energy Ltd. (ex Lamium Trade).	964,027	112,806	2027
Total		11,782,881	1,378,773	

Liabilities, loans and borrowings from other related parties as of December 31, 2023 are detailed in the following table:

Loan beneficiary	Lender	Amount EUR	Amount 000 RSD	Maturity
MK Fintel Wind ad	MK Holding doo	9,479,276	1,110,722	2030
MK Fintel Wind Development d.o.o.	Lamium Trade	92,365	10,823	2027
Fintel Energy Development Ltd	Namipo Management Ltd.	13,790	1,616	2027
MK Fintel Wind Holding d.o.o.	MK Holding doo	1,844,700	216,150	2027
Total		11,430,131	1,339,311	

The interest rate for the above loans is defined as the arm's length interest rate in the Republic of Serbia and for 2024 it was 6.23%, except for the loan that Fintel Energija Development Ltd received from Namipo Management Ltd where the interest rate is defined as 5%.

(All amounts are expressed in RSD 000, unless otherwise indicated)

16. Liabilities towards parent and dependent legal entities

The balance of RSD 1,265,739 thousand as of December 31, 2024 (RSD 1,265,739 thousand as of December 31, 2023) includes financial liabilities to the parent company:

	December 31, 2024.	December 31, 2023.
Long-term loans	2,623,398	2,577,260
Minus: Current maturity of long-term liabilities		-
	2,623,398	2,577,260
Short-term loans	15,794	15,375
Total	2,639,192	2,592,635

An overview of loans from the Parent Company and their maturity dates are presented in the following table:

Loan beneficiary	Lender	Amount EUR	Amount 000 RSD	Maturity
MK-Fintel Wind Holding d.o.o.	Fintel Energia Group SpA	1,415,925	165,684	2027
Fintel Energija ad	Fintel Energia Group SpA	9,162,747	1,072,178	2027
Fintel Energija ad	Fintel Energia Group SpA	117,465	13,745	2025
Total		10,578,790	1 251,607	

The interest rate for the loans that MKFW Holding received from Fintel Energia Group SpA is defined by the arm's length interest rate in the Republic of Serbia and for 2024 was 6.23%. The interest rate for the loans that Fintel Energija ad received from Fintel Energia Group SpA ranges from 3% to 6%. The loans that Fintel Energija ad received from Fintel Energia Group SpA in the amount of EUR 117,465 are interest-free.

17. Long-term and short-term loans and advances

The following is the data on long-term and short-term loans and borrowings as of December 31, 2024 and 2023:

RSD thousands	December 31, 2024.	December 31, 2023.
Long-term loans	5,659,362	6,002,710
Short-term loans and borrowings	898,733	871,087
Total	6,558,095	6,873,797

Detailed data on debt under bank loans and loans from third parties as of December 31, 2024 are summarized in the following table:

Beneficiary	Remaining debt as of 31.12.2024.	Long-term part	Short-term part	Maturity
RSD				
MK Fintel Wind	6,212,668,084	5,384,212,231	828,455,853	2036
Vetropark Kula	-	-	-	
Energobalkan	252,017,421	181,740,460	70,276,961	2028
Leasing	2,137,060	2,137,060	-	2026
VP Torak	91,271,622	91,271,622	-	2027
	6,558,094,187	5,659,361,373	898,732,814	

(All amounts are expressed in RSD 000, unless otherwise indicated)

17. Long-term and short-term loans and borrowings (continued)

In 2024, the loan of MK Fintel Wind, provided by Erste Banka Srbija, Banca Intesa, Unicredit Banka Srbija and Zagrebačka banka, and used for the construction of the Košava wind farm - phase I, was fully repaid. The refinancing was carried out through a new loan arrangement concluded with NLB Banka Srbija and NLB Banka Slovenija. The interest rate on the new loan is 2.50% increased by the six-month EURIBOR. The last instalment is due on 31.12.2036.

The loan granted to the subsidiary Vetropark Kula relates to financing received from Erste Bank in 2015 for the development and construction of the Kula wind farm. The loan was repaid early during the year, and as of 31 December 2024, there is no liability under this loan.

The loan granted to the subsidiary Energobalkan relates to financing received from Unicredit Bank for the development and construction of the La Piccolina wind farm. The maturity is 9 years and matures on 1 December 2027, and the interest rate is fixed at 4.5%. The first drawdown of the loan was in 2016.

In 2024, Vetropark Torak received a loan from a third party, Energogreen, in the amount of EUR 780,000. The interest rate is 3%.

The shares of MK-Fintel Wind ad are pledged in favour of NLB banka Srbija.

18. Business liabilities

Operating liabilities, amounting to RSD 219,878 thousand as of December 31, 2024 and RSD 123,059 as of December 31, 2023, mainly relate to the liability to Fintel Energia Group SpA for management fees and those arising from O&M services of all wind farms as well as liabilities to suppliers for fixed assets under construction at VP Lipar, VP Lipar 2 and VP Torak.

19. Short-term passive accruals

Accrued expenses amounting to RSD 695,537 thousand as of 31 December 2024 and RSD 591,734 as of 31 December 2023, relate mainly to accrued interest on loans from the owner of Fintel Energia Group SpA and from MK Holding doo, a related party.

20. Revenue from sales of products and services

Revenues from sales of products and services amount to RSD 2,765,434 thousand and RSD 2,739,292 thousand for the year ended December 31, 2024 and December 31, 2023, respectively.

(All amounts are expressed in RSD 000, unless otherwise indicated)

21. Salary expenses, salary compensation and other personal expenses

Salaries and wages include all employee costs, including merit increases, category changes, cost of living increases, vacation payments, provisions in accordance with the law and collective labour agreements, as well as director fees, including related contributions.

As of December 31, 2023, the Group had 14 employees.

<i>RSD thousands</i>	2024	2023
Salary expenses and salary compensation	31,720	27,104
Costs of taxes and contributions on wages and salary benefits	4,745	4,045
Other	7,869	7,657
Costs of production services	44,334	38,806

22. Depreciation and asset adjustment expenses

Depreciation and asset adjustment expenses amounted to RSD 615,129 thousand (RSD 616,705 thousand for the year ended 31 December 2023). There were no asset adjustment expenses in 2024.

23. Costs of production services

They include all costs incurred during the year that relate to services related to regular business operations.

Details of production service costs for 2024 and 2023 are shown in the table below:

<i>RSD thousands</i>	2024	2023
Costs of ongoing maintenance of wind farms	328,493	196,496
Land lease	1,335	1,338
Costs of renting office space	-	-
Other	9,656	8,644
Costs of production services	339,484	206,478

The table of production service costs shows that the costs of ongoing maintenance services are significantly higher compared to the previous year. The reason for this is that in 2024, repairs and removal of minor damage were carried out on some wind turbines. The costs for the aforementioned repairs could not be capitalized.

Also, the equipment supplier, Vestas, with whom we have signed contracts for the maintenance of operational wind farms, adjusts prices every year in accordance with the contracts. In 2024, a large number of suppliers increased prices due to inflation, therefore the amount of other production costs is higher compared to last year.

(All amounts are expressed in RSD 000, unless otherwise indicated)

24. Intangible costs

Intangible costs for the year ended December 31, 2024 and 2023 are detailed in the following table:

<i>RSD thousands</i>	2024	2023
Costs of consulting services	153,695	179,366
Property tax	45,898	46,996
Legal fees	528	1,735
Withholding tax on interest paid	10,517	16,966
Costs of insurance of fixed assets	106,019	103,303
Other non-production costs	10,540	11,804
Costs of accounting services - Other affiliated parties	880	-
Administrative and legal fees	1,344	2,564
Audit services	4,507	4,534
Other intangible costs	8,186	10,391
Total	342,114	377,659

25. Financial income

Financial income for the year ended 31 December 2024 and 2023 is detailed in the following table:

<i>RSD thousands</i>	2024	2023
Financial income with parent and other affiliated legal entities	11,765	3,662
Financial income (third parties)	2,401	3,663
Income from positive exchange rate differences (third parties)	31,304	23,966
Total financial income	45,470	31,291

26. Financial expenses

Financial expenses for the year ended 31 December 2024 and 2023 are detailed in the following table:

<i>RSD thousands</i>	2024	2023
Financial expenses with parent and other affiliated legal entities	137,839	93,317
Financial expenses - third parties	318,049	371,994
Expenses based on negative exchange rate differences (third parties)	21,572	14,966
Financial expenses based on refinancing	265,313	-
Other financial expenses	67,904	138,615
Total financial expenses	810,677	618,892

Financial expenses with parent and other related affiliated entities in 2024 amount to 137,839 thousand RSD, which represents an increase compared to 93,317 thousand RSD in 2023.

For the calculation of interest on loans from affiliated legal entities, the reference interest rate "out of reach" is applied, in accordance with the Regulation of the Ministry of Finance of the Republic of Serbia. This rate for 2024 was 6.23%, while in 2023 it was 3.22%.

(All amounts are expressed in RSD 000, unless otherwise indicated)

26. Financial expenses (continued)

In 2024, the loan of MK Fintel Wind, a subsidiary, secured by Erste Banka Srbija, Banca Intesa, Unicredit Banka Srbija and Zagrebačka banka, and used for the construction of the Košava wind farm - phase I, was fully repaid. The refinancing was carried out through a new loan arrangement concluded with NLB Banka Srbija and NLB Banka Slovenija. The interest rate on the new loan is 2.50% increased by the six-month EURIBOR. The loan is due for repayment by 31 December 2035. The difference between the book value of the extinguished financial liabilities and the amount paid was recognized as an expense in the income statement, in the amount of RSD 394,431 thousand. As part of the same transaction, the Group also terminated the Agreements relating to the interest rate SWAP, and as of 31.12.2024, the Group did not hold any derivative financial instruments. The aforementioned termination of the interest rate SWAP resulted in a gain and reclassification of the amount of RSD 129,118 thousand from the cash flow hedging reserves to the income statement.

The company reported the cost, based on the transaction above, in the net amount of RSD 265,313 thousand, as presented in the table above.

27. Other income and other expenses

Other income as of December 31, 2024 amounted to RSD 11,021 thousand and mainly refers to income from the insurance company for damage caused on Kosava, phase I. As of December 31, 2023, they amounted to RSD 76,909. Other expenses as of December 31, 2024 amounted to RSD 11,755 thousand, while as of December 31, 2023, they amounted to RSD 7,923 thousand.

28. Tax expense for the period

The tax expense for the period for the years ended 31 December 2024 and 2023 is shown in the table below:

	December 31, 2024.	Year ended December 31, 2023.
Tax expense for the period	166,133	190,400
Deferred tax expense for the period	(61,852)	(32,547)
Deferred tax income for the period		-
	104,281	157,852

The Group's pre-tax income tax differs from the theoretical amount of tax that would arise if the tax rate were applied to the Group's result:

	December 31, 2024.	Year ended December 31, 2023.
Profit (loss) before taxation	650,859	961,255
Tax calculated at domestic tax rates applicable to profits in the respective countries	97,629	144,188
Tax effect:		
Expenses that are not recognized for tax purposes and other tax effects	68,504	46,212
	166,133	190,400

The weighted average tax rate is 15% (2023: 15%).

(All amounts are expressed in RSD 000, unless otherwise indicated)

28. Tax expense for the period (continued)

The Group has not elected to apply tax consolidation and therefore tax losses of one company within the Group are not applicable at the consolidation level and are excluded for the purposes of calculating the weighted average tax rate.

29. Basic earnings per share

Basic earnings per share ranged from earnings per share of RSD 15.06 in 2023 to earnings per share of RSD 11.41 for the year ended 31 December 2024. Basic earnings per share were calculated by dividing the Group's net result by the average number of shares of the parent company Fintel Energija (average number of shares is 26,511 thousand).

Diluted earnings per share ranged from earnings per share of RSD 15.06 in 2023 to earnings per share of RSD 11.41 for the year ended December 31, 2024. It was calculated by taking the net result

Group divided by the average number of shares of Fintel Energija (average number of shares is 26,511 thousand).

30. Potential and assumed liabilities

As of 31 December 2023, the issued guarantees amounted to RSD 55,127 thousand and related to 4P status for wind farms. They were issued in favour of the Transmission System Operator in the Republic of Serbia.

The aforementioned guarantees were recorded as off-balance sheet liabilities in the financial statements. The bank guarantee expired in November 2024, so as of 31.12.2024 there are no guarantees for payments to third parties.

31. Transactions with affiliated legal entities

As previously explained, the majority shareholder is Fintel Energia Group SpA.

Below is an overview of the Group's transactions with related parties in 2024 and 2023. All transactions with related parties were performed out at arm's length.

As of December 31, 2024 and December 31, 2023, the overview of the amounts of receivables and payables from transactions with related parties was as follows:

<i>RSD thousands</i>	December 31, 2024.		
	Owner	Subsidiaries and affiliates of the owner	Total
Short-term loans	(15,794)	-	(15,794)
Operating and other liabilities	(32,902)	-	(32,902)
Other short-term liabilities	(376,875)	-	(376,875)
Long-term loans	(1,237,862)	-	(1,237,862)
Receivables	234	-	234
Total	(1,663,200)	-	(1,663,200)

(All amounts are expressed in RSD 000, unless otherwise indicated)

31. Transactions with related parties (continued)

<i>RSD thousands</i>	December 31, 2023.		
	Owner	Dependent and affiliated owners' company	Total
Short-term loans	(13,759)	-	(13,759)
Operating and other liabilities	(35,171)	-	(35,171)
Other short-term liabilities	(325,342)	-	(325,342)
Long-term loans	(1,239,566)	-	(1,239,566)
Total	(1,613,838)	-	(1,613,838)

Overview of transactions with affiliated parties for the years ended December 31, 2024 and 2023:

<i>RSD thousands</i>	December 31, 2024.		
	Owner	Subsidiaries and affiliates of the owner	Total
Selling, general and administrative expenses	-	-	-
Financial expenses	(51,850)	-	(51,850)
Total	(51,850)	-	(51,850)

<i>RSD thousands</i>	December 31, 2023.		
	Owner	Subsidiaries and affiliates of the owner	Total
Selling, general and administrative expenses	(34,820)	-	(34,820)
Financial expenses	(47,127)	-	(47,127)
Total	(81,947)	-	(81,947)

Key management compensation

The members of the Board of Directors were paid remuneration in the net amount of RSD 918 thousand during 2024. Tiziano Giovannetti is the sole executive director of Fintel Energija AD Beograd and its subsidiaries.

32. Events after the balance sheet date

Management is not aware of any significant events after the balance sheet date that could affect the financial statements as of December 31, 2024 or require separate disclosure.

(All amounts are expressed in RSD 000, unless otherwise indicated)

33. Tax risks

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by tax authorities in relation to the transactions and activities of the Company, i.e. the Group may differ from the interpretation of management. As a result, transactions may be challenged by tax authorities and the Company, i.e. the Group may be assessed additional taxes, penalties and interest. The limitation period for tax liabilities is five years. This practically means that tax authorities have the right to determine the payment of outstanding liabilities within five years from the date the liability arose. Management has estimated that the Group has paid all tax liabilities as of 31 December 2024.

Tiziano Giovannetti, General Manager
Legal representative:



Biljana Bogdanov, accountant
Person responsible for preparing consolidated financial statements:



**CONSOLIDATED ANNUAL BUSINESS REPORT FOR THE YEAR
ENDED 31 DECEMBER 2024.**

FINTEL ENERGY AD

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1. SUMMARY OF BUSINESS ACTIVITIES AND ORGANIZATIONAL STRUCTURE

Basic information

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

Head office: Belgrade

Address: Masarikova Street 5

Registration number: 20305266

TIN: 105058839

Date of establishment: June 27, 2007

Authorized representative: Tiziano Giovannetti

Internet address: www.fintelenergija.rs

Prevailing business activity

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

Business activities

Fintel Energija AD (hereinafter: the “Company” or “Fintel Energija”) and its subsidiaries (together: the “Fintel Group” or “Group”) are the leading independent producer of electricity from renewable sources in the Republic of Serbia. The Company and the Group are pioneers in the field of electricity production from renewable sources, having been the first in Serbia to build and operate wind farms. The sale of all produced energy is carried out through an arrangement (power purchase agreement) with JP Elektroprivreda Srbije (EPS), and there is no direct supply to end consumers.

Organizational structure and corporate governance

By harmonizing the bodies and acts with the Law on Business Companies (Official Gazette of the Republic of Serbia No. 36/2011, 99/2011, 83/2014-other laws and 5/2015, 95/2018, 91/2019 and 109/2021), the Company has the following internal organizational structure: Shareholders' Assembly (consisting of the sole shareholder Fintel Energija Group SpA) and the Board of Directors.

Purchase of own shares

There were no buybacks of own shares during the year of 2024.

Branch offices

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

1. SUMMARY OF BUSINESS ACTIVITIES AND ORGANIZATIONAL STRUCTURE (continued)

Subsidiaries

The Company operates as the parent company of the following affiliate legal entities:

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

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

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

Fintel Energija Development d.o.o. owns:

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

MK-Fintel Wind Development owns 100% of the following subsidiaries:

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

1. SUMMARY OF BUSINESS ACTIVITIES AND ORGANIZATIONAL STRUCTURE (continued)

Subsidiaries (Continued)

Fintel Energija Development Ltd owns 100% of the following subsidiaries, special purpose vehicles for other projects:

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

The following companies are 100% owned through Cypriot companies:

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

Information about the Company management

Members of the Board of Directors:

- ✓ Claudio Nardone, President
- ✓ Tiziano Giovannetti
- ✓ Giulio Moreno
- ✓ Tamara Mladjenovic

Key events that affected the Company during 2024

During 2024, several significant financial activities occurred within the Company that had an impact on its operations and financial structure.

During the year, Vetropark Kula made an early repayment of the loan with Erste Bank ad Novi Sad. This also completely closed the accompanying interest rate swap agreement, i.e., the instrument for hedging against interest rate risk.

In 2024, MK Fintel Wind fully settled its obligations under the existing loan arrangement concluded with a group of banks – Erste Bank ad Novi Sad, UniCredit Bank Srbija ad Beograd, Banca Intesa ad Beograd and Zagrebačka banka dd. Repayment was made with funds from a new credit arrangement concluded with NLB Komercijalna banka ad Beograd and Nova Ljubljanska banka dd, Ljubljana. At the same time, all valid interest rate swap agreements related to the previous arrangement were closed. No interest rate swap agreements were concluded with new creditors.

2. PRESENTATION OF DEVELOPMENT, FINANCIAL POSITION AND ACTIVITIES OF THE COMPANY, RELEVANT FINANCIAL INFORMATION AND NON-FINANCIAL INDICATORS, EMPLOYEE STRUCTURE

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

BALANCE SHEET
on December 31, 2024

- in thousands of dinars

Account group, account	ITEM	EDP	Amount		
			Current year	Previous year	
				End balance 31.12.2023.	Initial balance 01.01.2023.
1	2	3	5	6	7
	ASSETS				
00	A. SUBSCRIBED AND UNPAID CAPITAL	0001		-	-
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	0002	11,874,610	12,348,329	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	0003	-	-	
010	1. Investments in development	0004	-	-	
011, 012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other intangible assets	0005	-	-	
013	3. Goodwill	0006	-	-	
015 and 016	4. Intangible assets leased and intangible assets in preparation	0007	-	-	
017	5. Advances for intangible assets	0008	-	-	
02	II. REAL ESTATE, PLANT AND EQUIPMENT (0010+0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	11,513,806	11,571,386	
020, 021 and 022	1. Land and construction facilities	0010	4,170,612	4,305,233	
023	2. Plants and equipment	0011	6,691,827	7,170,661	
024	3. Investment real estate	0012	-	-	
025 and 027	4. Real estate, plant and equipment leased and real estate, plant and equipment under preparation	0013	649,981	94,106	
026 and 028	5. Other real estate, plants and equipment and investment in other people's real estate, plants and equipment	0014	-	-	
029 (part)	6. Advances for real estate, plant and equipment in the country	0015	1,386	1,386	
029 (part)	7. Advances for real estate, plants and equipment abroad	0016	-	-	
03	III. BIOLOGICAL RESOURCES	0017	-	-	
04 and 05	IV. LONG-TERM FINANCIAL PLACEMENTS AND LONG-TERM RECEIVABLES (0019+0020+0021+0022+0023+0024+0025 + 0026 + 0027)	0018	343,556	776,943	
040 (part), 041 (part) and 042 (part)	1. Share in the equity of legal entities (except for equity share that are valued using the participation method)	0019	-	-	
040 (part), 041 (part) and 042 (part)	2. Equity shares valued using the share method	0020	-	-	
043, 050 (part) and 051 (part)	3. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties in the country	0021	6,553	6,563	
044, 050 (part) and 051 (part)	4. Long-term placements to parent, dependent and other related parties and long-term receivables from those parties and abroad	0022	-	-	
045 (part) and 053 (part)	5. Long-term placements (credits and loans given) in the country	0023	-	-	
045 (part) and 053 (part)	6. Long-term placements (credits and loans given) abroad	0024	-	-	
046	7. Long-term financial investments (securities valued at depreciated value)	0025	-	-	
047	8. Purchased own shares and purchased own shares	0026	-	-	
048, 052, 054, 055 and 056	9. Other long-term financial investments and other long-term receivables	0027	337,003	770,380	
28 (part) except 288	V. LONG-TERM ACCRUED RECEIVABLES	0028	17,248	-	
288	V. DEFERRED TAX ASSETS	0029	39,026	-	

BALANCE SHEET (continued)
on December 31, 2024

- in thousands of dinars

Account group, account	ITEM	EDP	Amount		
			Current year	Previous year	
				End balance 31.12.2023.	Initial balance 01.01.2023.
	I. SUPPLIES (0032+0033+0034+0035+0036)	0030	1,604,862	1,356,196	
Class 1, except account group 14	1. Material, spare parts, tools and small inventory	0031	41,872	32,774	
10	2. Work-in-progress and finished products	0032	7,313	7,312	
11 and 12	3. Goods	0033	-	-	
13	4. Paid advances for supplies and services in the country	0034	-	-	
150, 152 and 154	5. Paid advances for supplies and services abroad	0035	34,475	13,382	
151, 153 and 155	II. FIXED ASSETS HELD FOR SALE AND CESSATION OF BUSINESS	0036	84	12,080	
14	III. RECEIVABLES BASED ON SALES (0039+0040+0041+0042+0043)	0037	-	-	
20	1. Receivables from customers in the country	0038	180,993	302,446	
204	2. Receivables from customers abroad	0039	171,965	300,979	
205	3. Receivables from the parent, dependent and other related persons in the country	0040	5	-	
200 and 202	4. Receivables from parent, dependent and other related persons abroad	0041	9,023	1,467	
201 and 203	5. Other receivables based on sales	0042	-	-	
206	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0043	-	-	
21, 22 and 27	1. Other receivables	0044	84,550	76,475	
21, 22 except 223 and 224 and 27	2. Receivables for overpaid profit tax	0045	56,903	56,237	
223	3. Receivables based on overpaid other taxes and contributions	0046	26,108	18,699	
224	V. SHORT-TERM FINANCIAL PLACEMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0047	1,539	1,539	
23	1. Short-term loans and placements - parent and subsidiary legal entities	0048	459,361	14	
230	2. Short-term loans and placements - other related parties	0049	-	-	
231	3. Short-term credits, loans and placements in the country	0050	-	-	
232, 234 (part)	4. Short-term credits, loans and placements abroad	0051	459,347	-	
233, 234 (part)	5. Securities valued at depreciated value	0052	-	-	
235	6. Financial assets valued at fair value through the Income Statement	0053	-	-	
236 (part)	7. Repurchased own shares and repurchased own stakes	0054	-	-	
237	8. Other short-term financial placements	0055	-	-	
236 (part), 238 and 239	VI. CASH AND CASH EQUIVALENTS	0056	14	14	
24	VII. SHORT-TERM ACCRUED RECEIVABLES	0057	453,776	652,507	
28 (part) except 288	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0029+0030)	0058	384,310	291,980	
	DJ. OFF-BALANCE SHEET ASSETS	0059	13,518,498	13,704,525	
88	I. SUPPLIES (0032+0033+0034+0035+0036)	0060		55,127	

BALANCE SHEET (continued)
on December 31, 2024

- in thousands of dinars

Account group, account	ITEM	EDP	Amount		
			Current year	Previous year	
				End balance 31.12.2023.	Initial balance 01.01.2023.
	LIABILITIES				
	A. CAPITAL (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	3,264,050	3,119,407	
30 except 306	I. SHARE CAPITAL	0402	4,057	4,057	
31	II. SUBSCRIBED AND UNPAID CAPITAL	0403	-	-	
306	III. ISSUE PREMIUM	0404	681,237	681,237	
32	IV. RESERVES	0405	-	-	
330 And the demand balance of accounts 331, 332, 333, 334, 335 336 and 337	V. POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0406	-	114,833	
debt balance calculated 331,332,333,334, 335,336 and 337	VI. UNREALIZED LOSSES BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME	0407	378	-	
34	VII. RETAINED EARNINGS (0409+0410)	0408	1,526,748	1,224,242	
340	1. Retained earnings of previous years	0409	1,224,245	825,063	
341	2. Undistributed profit of the current year	0410	302,503	399,179	
	VIII. SHARE WITHOUT THE RIGHT OF CONTROL	0411	1,052,386	1,095,038	
35	IX. LOSS (0413+0414)	0412	-	-	
350	1. Loss of previous years	0413	-	-	
351	2. Loss of the current year	0414	-	-	
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0420+0428)	0415	8,282,892	8,580,069	
40	I. LONG-TERM RESERVATIONS (0417++0418+0419)	0416	132	99	
404	1. Provisions for compensation and other employee benefits	0417	132	99	
400	2. Provisions of costs in the warranty period	0418	-	-	
40 except 400 and 404	3. Other long-term provisions	0419	-	-	
41	II. LONG-TERM LIABILITIES (0421 + 0422 + 0423 + 0424 + 0425 + 0426 + 0427)	0420	8,282,760	8,579,970	
410	1. Liabilities that can be converted into equity	0421	-	-	
411 (part) and 412 (part)	2. Long-term loans and other long-term liabilities to parent, dependent and other related persons in the country	0422	1,257,827	1,326,872	
411 (part) and 412 (part)	3. Long-term loans and other long-term liabilities to parent, dependent and other related parties abroad	0423	1,365,571	1,250,388	
414 and 416 (part)	4. Long-term credits, loans and obligations based on leasing in the country	0424	3,774,705	4,781,195	
415 and 416 (part)	5. Long-term credits, loans and obligations based on leasing abroad	0425	1,884,657	1,221,515	
413	6. Obligations for issued securities	0426	-	-	
419	7. Other long-term liabilities	0427	-	-	
49 (part), except 498 and 495 (part)	III. LONG-TERM ACCRUED COSTS	0428	-	-	

BALANCE SHEET (continued)
on December 31, 2024

- in thousands of
dinars -

Account group, account	ITEM	EDP	Amount		
			Current year	Previous year	
				End balance 31.12.2023.	Initial balance 01.01.2023.
498	V. DEFERRED TAX LIABILITIES	0429	-	60,554	
495 (part)	G. LONG-TERM DEFERRED INCOME AND DONATIONS RECEIVED	0430	-	-	
	D. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431	1,971,556	1,944,495	
467	I. SHORT TERM PROVISIONS	0432	-	-	
42 except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	914,527	886,462	
420 (part) and 421 (part)	1. Liabilities based on loans to parent, dependent and other related parties in the country	0434	-	-	
420 (part) and 421 (part)	2. Liabilities based on loans to parent, dependent and other related parties abroad	0435	15,794	15,375	
422 (part), 424 (part), 425 (part) and 429 (part)	3. Liabilities based on credits and loans from parties other than domestic banks	0436	608,956	791,429	
422 (part), 424 (part), 425 (part) and 429 (part)	4. Liabilities based on loans from domestic banks	0437	-	-	
423, 424 (part), 425 (part) and 429 (part)	5. Credits, loans and obligations from abroad	0438	289,777	79,658	
426	6. Liabilities for short-term securities	0439	-	-	
428	7. Liabilities based on financial derivatives	0440	-	-	
430	III. ADVANCES DEPOSITS AND BAILS RECEIVED	0441	-	116	
43 except 430	IV. BUSINESS LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	219,878	123,059	
431 and 433	1. Liabilities to suppliers - parent, subsidiary legal entities and other related entities in the country	0443	1,445	1,630	
432 and 434	2. Liabilities to suppliers - parent, subsidiary legal entities and other related entities abroad	0444	32,902	35,171	
435	3. Liabilities to suppliers in the country	0445	182,509	80,519	
436	4. Liabilities to suppliers abroad	0446	3,022	5,739	
439 (part)	5. Bills of exchange liabilities	0447	-	-	
439 (part)	6. Other liabilities from business	0448	-	-	
44, 45, 46 except 457, 47 and 48	V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449	141,614	343,124	
44, 45 and 46 except 457	1. Other short-term liabilities	0450	134,627	343,124	
47, 48 except 481	2. Liabilities based on value added tax and other public revenues	0451	3,255	-	
481	3. Liabilities based on profit tax	0452	3,732	-	
427	VI. LIABILITIES BASED ON ASSETS INTENDED FOR SALES AND ASSETS OF A OPERATIONS THAT HAVE BEEN SUSPENDED BUSINESS	0453	-	-	
49 except 498	VII. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	0454	695,537	591,734	
	DJ. LOSS ABOVE CAPITAL AMOUNT (0415+0429+0430+0431-0059) ≥ 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411) ≥ 0	0455	-	-	
	E. TOTAL LIABILITY (0401+0415+0429+0430+0431-0455)	0456	13,518,498	13,704,525	
89	Z. OFF BALANCE SHEET LIABILITIES	0457	-	55,127	

INCOME STATEMENT
in the period 01.01. to 31.12.2024.

- in thousands of dinars -

Account group, account	ITEM	EDP	Amount	
			Current year	Previous year
1	2	3	5	6
	A. BUSINESS INCOME (1002 + 1005+1008+1009-1010+1011+1012)	1001	2,765,433	2,739,292
60	I. INCOME FROM THE SALE OF GOODS (1003 + 1004)	1002	-	-
600, 602 and 604	1. Income from the sale of goods on the domestic market	1003	-	-
601, 603 and 605	2. Income from the sale of goods on the foreign market	1004	-	-
61	II. INCOME FROM THE SALE OF PRODUCTS AND SERVICES (1006+1007)	1005	2,738,117	2,714,764
610, 612 and 614	1. Income from the sale of products and services on the domestic market	1006	2,738,117	2,714,764
611, 613 and 615	2. Income from the sale of products and services on the foreign market	1007	-	-
62	III. INCOME FROM ACTIVATION OF GOODS AND EFFECTS	1008	-	-
630	IV. INCREASE OF VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1009	-	-
631	V. DECREASE IN THE VALUE OF INVENTORIES OF UNFINISHED AND FINISHED PRODUCTS	1010	-	-
64 and 65	VI. OTHER OPERATING INCOME	1011	27,316	21,704
68, except 683, 685 and 686	VII. INCOME FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1012	-	2,824
	B. BUSINESS EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013	1,358,042	1,257,741
50	I. PURCHASE VALUE OF SOLD GOODS	1014	-	-
51	II. COSTS OF MATERIALS, FUEL AND ENERGY	1015	16,948	18,093
52	III. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	44,334	38,806
520	1. Salary expenses and salary compensation	1017	31,720	27,104
521	2. Costs of taxes and contributions on wages and salary benefits	1018	4,745	4,045
52 except 520 and 521	3. Other personal expenses and compensation	1019	7,869	7,657
540	IV. DEPRECIATION COSTS	1020	615,129	615,210
58 except 583, 585 and 586	V. COSTS FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1021	-	1,495
53	VI. COSTS OF PRODUCTION SERVICES	1022	339,484	206,478
54 except 540	VII. RESERVATION COSTS	1023	33	-
55	VIII. IMMATERIAL COSTS	1024	342,114	377,659
	V. BUSINESS PROFIT (1001 - 1013) ≥ 0	1025	1,407,391	1,481,551
	G. BUSINESS LOSS (1013 - 1001) ≥ 0	1026	-	-

INCOME STATEMENT (continued)
in the period 01.01. to 31.12.2024.

- in thousands of dinars -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027		45,470	31,291
660 and 661	I. FINANCIAL INCOME FROM RELATIONS WITH PARENT, DEPENDENT AND OTHER RELATED PARTIES	1028		11,765	3,662
662	II. INTEREST INCOME	1029		2,401	3,663
663 and 664	III. POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	1030		31,304	23,966
665 and 669	IV. OTHER FINANCIAL INCOME	1031		-	-
	D. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		810,677	618,892
560 and 561	I. FINANCIAL EXPENSES FROM RELATIONS WITH PARENT, SUBSIDIARY AND OTHER RELATED PARTIES	1033		137,839	93,317
562	II. INTEREST EXPENSE	1034		318,049	371,994
563 and 564	III. NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	1035		21,572	14,966
566 and 569	IV. Other financial expenses	1036		333,217	138,615
	E. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
	Z. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		765,207	587,601
683, 585 and 586	Z. INCOME FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT	1039		9,686	-
583, 585 and 586	I. COSTS FROM THE ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT	1040		-	7,149
67	J. OTHER INCOME	1041		11,021	76,909
57	K. OTHER EXPENSES	1042		11,755	7,923
	L. TOTAL INCOME (1001+1027+1039+1041)	1043		2,831,610	2,847,492
	LJ. TOTAL EXPENSES (1013+1032+1040+1042)	1044		2,180,474	1,891,705
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (1043-1044) ≥ 0	1045		651,136	955,787
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAXATION (1044-1043) ≥ 0	1046		-	-
69-59	NJ. POSITIVE NET EFFECT ON THE RESULT BASED ON PROFIT OF DISCONTINUED OPERATIONS, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS	1047		-	-
59-69	A. NEGATIVE NET EFFECT ON THE RESULT DUE TO LOSS OF BUSINESS THAT IS SUSPENDED, CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM EARLIER PERIODS	1048		277	1,681
	P. PROFIT BEFORE TAXATION (1045 - 1046 + 1047 - 1048) ≥ 0	1049		650,859	954,106
	R. LOSS BEFORE TAXATION (1046- 1045 + 1048 - 1047) ≥ 0	1050		-	-
	S. INCOME TAX			-	-
721	I. TAX EXPENSE OF THE PERIOD	1051		166,133	190,400
722 long. Balance	II. DEFERRED TAX EXPENSES OF THE PERIOD	1052			
722 left Balance	III. DEFERRED TAX REVENUE OF THE PERIOD	1053		61,852	32,547
723	T. PAID PERSONAL INCOME OF THE EMPLOYER	1054		-	-
	Č. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		546,578	796,253
	U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
	I. NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1057		244,075	397,074
	II. NET PROFIT ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1058		302,503	399,179
	III. NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1059		-	-
	IV. NET LOSS ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1060		-	-
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061		11.41	15.06
	2. Decreased (diluted) earnings per share	1062		11.41	15.06

2. PRESENTATION OF DEVELOPMENT, FINANCIAL POSITION AND ACTIVITIES OF THE COMPANY, RELEVANT FINANCIAL INFORMATION AND NON-FINANCIAL INDICATORS, EMPLOYEE STRUCTURE (continued)

Financial indicators

Key indicators from the consolidated financial statements are detailed in the table below:

Ratios and key performance indicators	31.12.2024	31.12.2023
Revenues (thousands of RSD)	2,765,433	2,739,292
EBITDA (thousand RSD) (Operating result+Depreciation)	2,022,522	2,098,256
Operating result (thousands of RSD)	1,407,392	1,481,551
Net profit (thousands of RSD)	546,578	796,253
Earnings per share	11.41	15.06
Cash flow from business activities (thousand RSD)	1,671,539	1,754,977
Investments (thousands of RSD)	854,708	292,004
EBITDA per turbine (thousand RSD)	80,901	83,930
Net profit per turbine (thousand RSD)	21,863	31,850

Revenues in 2024 amounted to RSD 2,765,433 thousand, while in 2023 they amounted to RSD 2,739,292 thousand, which represents a growth of approximately 0.96%. Revenues mostly refer to revenues from FiT wind farms.

EBITDA in 2024 amounted to RSD 2,022,522 thousand, while in 2023 it amounted to RSD 2,098,256 thousand, which represents a decrease of approximately 3.61%. Operating expenses in 2024 amounted to RSD 1,358,042 thousand, while in 2023 they amounted to RSD 1,257,741 thousand, which represents an increase of approximately 7.96%. This increase in costs was mainly influenced by the increase in the costs of maintaining wind farms. The company Vestas, which is responsible for maintenance, indexes prices every year in accordance with the contracted conditions, and in 2024 additional repairs and maintenance of equipment were carried out at the company MK Fintel Wind, which required additional expenses. Together, these factors contributed to the increase in total expenses, which directly reflected the decrease in EBITDA compared to the previous year.

The operating result in 2024 amounted to RSD 1,407,392 thousand, while in 2023 it amounted to RSD 1,481,551 thousand, which represents a decrease of approximately 5.01%. The decrease in operating result despite a slight increase in revenue is a consequence of a significant increase in operating costs

Net result (net profit) in 2024 amounted to RSD 546,578 thousand, compared to RSD 796,253 thousand in 2023, which represents a decrease of 31.36%. This decline in net profit is mainly a consequence of the increase in operating costs and financial expenses incurred due to loan repayments, and was additionally affected by income tax.

2. PRESENTATION OF DEVELOPMENT, FINANCIAL POSITION AND ACTIVITIES OF THE COMPANY, RELEVANT FINANCIAL INFORMATION AND NON-FINANCIAL INDICATORS, EMPLOYEE STRUCTURE (continued)

Employee structure

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

3. ENVIRONMENTAL PROTECTION

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

4. SIGNIFICANT EVENTS AFTER THE END OF THE BUSINESS YEAR

There were no events that occurred after the balance sheet date that would require adjustments to the consolidated financial statements as of 31 December 2024, nor disclosures in the notes to the Group's financial statements.

5. PLANNED FUTURE DEVELOPMENT

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

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

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

5. PLANNED FUTURE DEVELOPMENT (continued)

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

WIND FARM		LOCATION	DESIGN	OWNER	CAPACITY [MW]	STATUS
LA PICCOLINA	Wind	Vrsac	Energogreen doo	Energobalkan doo	6.6	In progress
KULA	Wind	Tower	Energogreen doo	Vetropark Kula doo	9.9	In progress
KOŠAVA FAZA I	Wind	Vrsac	Energogreen doo	MK Fintel Wind A.D.	69	In progress
KOŠAVA FAZA II	Wind	Vrsac	Energogreen doo	MK Fintel Wind A.D.	68.4	Under construction
RAM	Wind	Veliko Gradiste	Energogreen doo	Vetropark RAM doo	10	Under construction
KULA 2	Wind	Tower	Energogreen doo	Vetropark Torak doo	10	Under construction
LIPAR	Wind	Tower	Energogreen doo	Vetropark Lipar doo	10	Under construction
LIPAR 2	Wind	Tower	Energogreen doo	Vetropark Lipar 2 doo	10	Under construction
DUNAV 1	Wind	Veliko Gradiste	Energogreen doo	Vetropark DUNAV 1 doo	10	In development phase
DUNAV 3	Wind	Veliko Gradiste	Energogreen doo	Vetropark DUNAV 3 doo	10	In development phase
PROJECT TORAK	Wind	Sombor	Energogreen doo	Project TORAK doo.	300	In development
KOŠAVA 2	Wind	Vrsac	Energogreen doo	Vetropark KOSAVA 2 doo	25	In development
STAKLENIK 1	Sun		Energogreen doo	Staklenik 1 d.o.o. Beograd	10	In development
STAKLENIK 2	Sun		Energogreen doo	Staklenik 2 d.o.o. Beograd	10	In development
STAKLENIK 3	Sun		Energogreen doo	Staklenik 3 d.o.o. Beograd	9.9	In development
STAKLENIK 4	Sun		Energogreen doo	Staklenik 4 d.o.o. Beograd	6	In development
STAKLENIK 5	Sun		Energogreen doo	Staklenik 5 d.o.o. Beograd	10	In development
STAKLENIK 6	Sun		Energogreen doo	Staklenik 6 d.o.o. Beograd	10	In development
TOTAL					594.8	

6. RESEARCH AND DEVELOPMENT

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

The Company has no registered patents or licenses.

The Company operates, monitors and controls its production facilities from a control centre based in Belgrade (the "Logistics Control Centre") 24 hours a day, 7 days a week. The Company has adopted a service delivery model whereby none of its facilities are continuously manned. The Company's facilities are operated by a team of 7 people, most of whom work remotely. The Company's personnel carry out a preventive maintenance programme and ongoing operational tasks according to a plan set centrally by the Logistics Control Centre via Vestas asset management software and respond to unplanned breakdowns. Remote monitoring is based on a generally accepted SCADA system that can be used across multiple production technologies. This allows the Company to monitor, in real time, the operation of the turbines and generators, including faults, breakdowns and any other problems that may arise. Wind turbines can be started and shut down remotely from the Logistics Control Centre, thus avoiding the need to engage a technician on site in the event of a minor breakdown.

7. OBJECTIVES AND POLICIES RELATED TO THE MANAGEMENT OF FINANCIAL RISKS, CREDIT RISKS, LIQUIDITY RISK AND MARKET RISK

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

- centrally setting operational risk management guidelines relating to market, liquidity and cash flow risks;
- monitoring of achieved results;
- diversification of commitments/obligations and product portfolio.

Credit risk

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

The maximum credit risk exposure of the Group as of December 31, 2024 and 2023 is the book value of each class of assets, which is indicated in the following table:

<i>RSD thousands</i>	December 31, 2024	December 31, 2023
Cash and cash equivalents	453,776	652,507
Accounts receivable	180,993	302,446
Other receivables	84,550	76,475
Active time limits	384,310	291,980
TOTAL	1,103,629	1,323,408

7. OBJECTIVES AND POLICIES RELATED TO FINANCIAL RISK MANAGEMENT, CREDIT RISKS, LIQUIDITY RISK AND MARKET RISK (continued)

Account receivables mostly refers to receivables from EPS for energy produced in wind farms in December, and re-invoiced services for management fees.

Accrued income mainly relates to accrued income from the closing of the interest rate SWAP for which the contract was terminated on 30.12.2024, while the payment of funds occurred during 2024, receivables from EPS for energy produced in wind farms in December, deferred insurance costs and receivables for interest from other related parties. Other receivables mainly relate to value added tax and receivables from employees.

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

There is no need to reduce the value of the above receivables.

Liquidity risk

Liquidity risk is related to the ability to meet obligations arising from financial commitments undertaken by the Group. Prudent management of liquidity risk in the course of regular activities involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of term loan facilities.

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

The Group's objective is to establish a financing structure that, in line with its business objectives, guarantees sufficient liquidity for the Group, minimizes opportunity costs and maintains a balance in terms of maturity and debt composition.

The following table provides an analysis of the maturity of liabilities as at 31 December 2024 and 2023. The different maturities are determined based on the period between the reporting date and the contractual maturity of the Group's liabilities, gross of accrued interest as at 31 December. Interest is calculated in accordance with the contractual terms of the financing.

RSD thousands	December 31, 2024	
	Short-term maturity	Long-term maturity
Financial liabilities to shareholders	15,794	2,623,398
Liabilities for loans to banks	898,7335	5,659,362
Liabilities to suppliers	219,878	-
Other obligations	837,151	-
Total	1,971,556	8,282,760

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

7. OBJECTIVES AND POLICIES RELATED TO FINANCIAL RISK MANAGEMENT, CREDIT RISKS, LIQUIDITY RISK AND MARKET RISK (continued)

The analysis of financial liabilities by maturity shows an increase in liabilities maturing within one year as of December 31, 2024 compared to those as of December 31, 2023.

Accordingly, given the fact that the shareholders have confirmed that they do not intend to seek repayment of the loan before the end of 2027, as well as the presence of liquid assets (including financial assets) and by obtaining a full feed-in tariff from 2020 for all wind farms, it is believed that the Company and the Group will be able to meet their obligations in the foreseeable future.

Market risk

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

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

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

Risk of exchange rate fluctuations

Foreign exchange risk is associated with operations in currencies other than RSD. Fintel Group is exposed to foreign exchange rate fluctuations, as it conducts business in Serbia through its subsidiaries, which are companies dedicated to the study, construction, development and management of wind farms and other renewable energy projects. The Group has loans denominated in foreign currencies, mainly in EUR and RSD, which exposes the Company to foreign exchange rate risk. Foreign exchange rate exposure arising from foreign currency loans is managed by having loans denominated in the functional currency of the Group in the total loan portfolio.

As of December 31, 2024, if the RSD currency had strengthened / weakened by 5% against the EUR and all other variables remained constant, the result after tax would have amounted to RSD 390,855 thousand (2023: RSD 402,323) more / less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR.

Risk of interest rate fluctuations

The interest rate risk to which the Fintel Group is exposed results from its financial liabilities. Fixed interest rate debt exposes the Group to the risk of changes in the fair value of the debt that are related to changes in the market reference rates. Variable interest rate debt exposes the Group to the cash flow risk arising from the volatility of interest rates.

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

In order to protect themselves from the risk of interest rate changes, the subsidiaries of Vetropark Kula doo and MK Fintel Wind ad have entered into interest rate SWAP and interest rate fixing agreements for the purpose of financing the Kula wind farms and the first phase of the Košava wind farm.

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

7. OBJECTIVES AND POLICIES RELATED TO FINANCIAL RISK MANAGEMENT, CREDIT RISKS, LIQUIDITY RISK AND MARKET RISK (continued)

Capital management risk

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

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

The gearing ratio as of December 31, 2024 and 2023 is shown in the following table:

<i>RSD thousands</i>	December 31, 2024	December 31, 2023
<i>Long-term financial liabilities:</i>		
- Financial liabilities to shareholders and other related parties	2,623,398	2,577,260
- Liabilities for loans from banks	5,659,362	6,002,710
<i>Short-term financial liabilities:</i>		
- Liabilities for loans from banks	608,956	791,429
- Financial liabilities to shareholders and other related parties	305,571	95,033
Financial resources	(337,003)	(770,380)
Cash and cash equivalents	(453,776)	(652,507)
Net debt (A)	8,406,508	8,043,545
Capital (B)	3,264,049	3,119,407
Net capital employed (C=A+B)	11,670,557	11,162,952
Debt ratio (A/C)	72.0%	72.1%

8. CORPORATE GOVERNANCE REPORT

Statement on the implementation of the corporate governance code

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

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

Internal control system and risk reduction related to financial reporting

The system of internal controls and supervision consists of all measures and methods applied in the Company in order to secure its assets, improve the accuracy and reliability of accounting and operational data, reduce risks related to financial reporting, and comply with procedures, standards, laws and regulations.

The regulatory framework for the work of the internal supervision and internal audit sector is aligned with the Law on Business Companies ("Official Gazette of the Republic of Serbia", No. 36/2011, 99/2011, 83/2014 - other laws, 5/2015, 44/2018, 95/2018 91/2019 and 109/2021). Standards for the Professional Practice of Internal Auditing and other legal and professional regulations.

Internal oversight and internal control tasks include:

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

The company hires at least one person responsible for internal business oversight and he or she must meet the requirements prescribed for an internal auditor in accordance with the law governing accounting and auditing.

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

8. CORPORATE GOVERNANCE REPORT (continued)

Internal control system and risk mitigation related to financial reporting (Continued)

Audit Committee:

- ✓ Prepares, proposes and checks the implementation of accounting policies and risk management policies;
- ✓ Makes proposals to the Board of Directors for the appointment and dismissal of persons responsible for performing the internal oversight function in the Company;
- ✓ Supervises the work of internal supervision in the Company;
- ✓ Examines the application of accounting standards in the preparation of financial statements and evaluates the content of financial statements;
- ✓ Examines the fulfillment of the requirements for the preparation of the Company's consolidated financial statements;
- ✓ Conducts the procedure for selecting the Company's auditor and proposes a candidate for the Company's auditor, with an opinion on his/her expertise and independence in relation to the Company;
- ✓ Gives an opinion on the proposed contract with the Company's auditor and, if necessary, provides a reasoned proposal for termination of the contract with the Company's auditor;
- ✓ It oversees the audit process, including determining key issues to be audited and verifying the independence and objectivity of the auditor.

External auditor

The Company's annual financial statements are subject to external audit.

In accordance with the law and the Company's statute, the Company's Shareholders' Meeting decides on the selection of the auditor and the remuneration for his work, with all mandatory elements prescribed by law.

The auditor's reports on the audit of the financial statements and consolidated financial statements of the Company for 2023 were adopted at the regular session of the Company's Shareholders' Meeting on June 24, 2024. At the same session, the Company's Shareholders' Meeting elected the audit company Ernst & Young d.o.o. Beograd.

Company management bodies

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

- ✓ Shareholders' meeting;
- ✓ Board of Directors.

The Company's Statute defines the scope of work of the Shareholders' Meeting and the Board of Directors.

Board of Directors

The members of the Board of Directors are:

- ✓ Claudio Nardone, President
- ✓ Tiziano Giovannetti
- ✓ Giulio Moreno
- ✓ Tamara Mladjenovic

8. CORPORATE GOVERNANCE REPORT (continued)

Board of Directors (Continued)

Activities of the board of directors in 2024

During 2024, the Board of Directors performed its duties in accordance with applicable regulations, with the optimal number, composition and qualifications of its members. The agenda of the Board of Directors included regular activities related to the approval of the Company's consolidated and individual financial statements, convening regular and extraordinary meetings of the Shareholders' Assembly, and reviewing the results of key business indicators.

No non-compliances or irregularities were observed in the Company's operations during 2024. Based on the information available to the Board of Directors, the Company's operations are fully compliant with the law, other positive regulations and internal acts of the Company.

Shareholders' meeting

The Rules of Procedure of the Shareholders' Assembly regulate and determine in more detail the manner of work and decision-making of the Shareholders' Assembly. The provisions of these Rules of Procedure apply to and are binding on all persons participating in or attending the work of the Assembly.

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

Activities of the Shareholders' Meeting in 2024

During 2024, two sessions of the Shareholders' Assembly were held. At the regular session, the Shareholders' Assembly considered and adopted the annual financial statements and consolidated financial statements of the Company, the independent auditor's reports on the audit of the financial statements, the report on the remuneration policy of the members of the Board of Directors, and made a decision on the election of the auditor for 2024. At the extraordinary session, the Shareholders' Assembly considered and made a decision on the approval of legal transactions related to the refinancing of the loan of the company MK Fintel Wind ad.


Legal representative:



MK FINTEL WIND AD

STATEMENT ON CODE OF CORPORATE GOVERNANCE IMPLEMENTATION

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

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

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

Fintel Energija a.d. Beograd

Legal representative


Tiziano Giovannetti

STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Annual Financial Statements of the Fintel Energija a.d. for 2024 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.

Legal representative:

Fintel Energija a.d.

Director



Tiziano Giovannetti



FINTEL ENERGIJA AD

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

Note*:

The consolidated financial statements of Fintel Energija a.d. for the year 2024 were approved on April 24, 2025, by the Board of Directors of the Group. At the moment when the Consolidated Annual Report of the Company is published, it has not yet been adopted by the competent Company's body (Shareholders' Assembly). The Company shall publish the complete the Decision of the competent body on the adoption of Company's Consolidated Annual Report at a later date.

DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES *

Note*:

Decisions on distribution of profit or coverage of losses of the Fintel Energija a.d. and all its subsidiaries in the Fintel Energija Group for 2024 shall be passed in the regular annual Shareholders' Assembly meeting.

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

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

Belgrade, April 2025

Legal representative:

Fintel Energija a.d.

Director

Tiziano Giovannetti