

*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 2025**, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement 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 financial position of the Group as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Law and other accounting regulations in the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing applicable in the Republic of Serbia. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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.

Key audit matters (continued)

Investments in Property, plant and equipment

As of 31 December 2025, the Group reported in its consolidated financial statements total value of Property, plant and equipment amounting to RSD 12,116,816 thousand.

In 2025, the Group continued with significant investments in new capital projects with annual capital expenditure of RSD 1,222,317 thousand, as detailed in note 8 of the consolidated financial statements. The prior and current year capital expenditure pertain to four separate windmill projects: Košava Phase II, VP Torak, Lipar I and Lipar II, all of which are under construction as of 31 December 2025.

The significant level of capital expenditure requires consideration of the nature of costs incurred to ensure that capitalisation of property, plant and equipment meets the specific recognition criteria in accounting regulation applicable in the Republic of Serbia.

Considering materiality of the amounts involved and judgement related to the same, Investments in Property, plant and equipment 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:

Obtaining schedule of movements in property plant and equipment during the period from 1 January to 31 December 2025 that is reconciled with the trial balance as of the balance sheet date, and reconciling detailed breakdown of capitalized expenditure for the same period to the summary movements schedule.

For a sample selected from detailed breakdown of capitalized expenditure, assessing whether criteria for capitalization under accounting regulation applicable in the Republic of Serbia are met.

Obtaining calculation of borrowing costs capitalized as part of capital expenditure and assessing if capitalisation has been done in accordance with accounting regulation applicable in the Republic of Serbia.

For the same sample reconciling capitalised expenditure to the invoices and other documentation received.

Review of contracts with major contractors performing the construction work.

Visit to major construction sites to assess commencement of construction work.

Obtaining and reviewing independent confirmation for advances given for the construction work and equipment yet to be performed and received.

Review of additions made subsequent to 31 December 2025 to assess if any work done should have been accrued as of 31 December 2025.

Assessment of the appropriateness of disclosures included in Note 8 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.

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.
- 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

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

Belgrade, 29 April 2026



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



BALANCE SHEET
as of December 2025

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2024.
1	2	3	4	5	6
	ASSETS				
00	A. SUBSCRIBED AND UNPAID CAPITAL	0001		1	-
	B. FIXED ASSETS (0003 + 0009 + +0017 + 0018 + 0028)	0002		12.498.007	11.874.610
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		12.116.816	11.513.806
020, 021 and 022	1. Land and construction facilities	0010		4.034.316	4.170.612
023	2. Plants and equipment	0011		6.208.816	6.691.827
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		1.229.245	649.981
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		644.440	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		369.755	343.556
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		30.810	6.553
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		1.173	-
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		337.772	337.003
28 (part) except 288	V. LONG-TERM ACCRUED RECEIVABLES	0028		11.436	17.248
288	V. DEFERRED TAX ASSETS	0029		47.752	39.026

BALANCE SHEET
as of December 2025

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2024.
	G. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		1.797.964	1.604.862
Class 1, except account group 14	I. SUPPLIES (0032+0033+0034+0035+0036)	0031		36.636	41.872
10	1. Material, spare parts, tools and small inventory	0032		7.312	7.313
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		29.240	34.475
151, 153 and 155	5. Paid advances for supplies and services abroad	0036		84	84
14	II. FIXED ASSETS HELD FOR SALE AND CESSATION OF BUSINESS	0037		-	-
20	III. RECEIVABLES BASED ON SALES (0039+0040+0041+0042+0043)	0038		205.446	180.993
204	1. Receivables from customers in the country	0039		203.780	171.965
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		1.665	9.023
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		82.819	84.550
21, 22 except 223 and 224 and 27	1. Other receivables	0045		48.717	56.903
223	2. Receivables for overpaid profit tax	0046		32.466	26.108
224	3. Receivables based on overpaid other taxes and contributions	0047		1.635	1.539
23	V. SHORT-TERM FINANCIAL PLACEMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		14	459.361
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		1.184.730	453.776
28 (part) except 288	VII. SHORT-TERM ACCRUED RECEIVABLES	0058		288.319	384.310
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0029+0030)	0059		14.343.724	13.518.498
88	DJ. OFF-BALANCE SHEET ASSETS	0060			

BALANCE SHEET
as of December 2025

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2024.
	PASSIVE				
	A. CAPITAL (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401		4.086.334	3.264.050
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		-	-
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		600	378
34	VII. RETAINED EARNINGS (0409+0410)	0408		1.976.178	1.526.748
340	1. Retained earnings of previous years	0409		1.526.748	1.224.245
341	2. Undistributed profit of the current year	0410		449.430	302.503
	VIII. SHARE WITHOUT THE RIGHT OF CONTROL	0411		1.425.462	1.052.386
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		8.490.114	8.282.892
40	I. LONG-TERM RESERVATIONS (0417++0418+0419)	0416		175	132
404	1. Provisions for compensation and other employee benefits	0417		175	132
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		8.489.940	8.282.760
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		1.060.645	1.257.827
411 (part) and 412 (part)	3. Long-term loans and other long-term liabilities to parent, dependent and other related parties abroad	0423		1.282.220	1.365.571
414 and 416 (part)	4. Long-term credits, loans and obligations based on leasing in the country	0424		4.066.537	3.774.705
415 and 416 (part)	5. Long-term credits, loans and obligations based on leasing abroad	0425		2.080.537	1.884.657
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
as of December 2025

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year End balance 31.12.2024.
498	V. DEFERRED TAX LIABILITIES	0429		-	
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		1.767.275	1.971.556
467	I. SHORT TERM PROVISIONS	0432		868	
42 except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		794.358	914.527
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		16.646	15.794
422 (part), 424 (part), 425 (part) and 429 (part)	3. Liabilities based on credits and loans from parties other than domestic banks	0436		533.676	608.956
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		244.036	289.777
426	6. Liabilities for short-term securities	0439		-	-
428	7. Liabilities based on financial derivatives	0440		-	-
430	III. ADVANCES DEPOSITS AND BAILS RECEIVED	0441		-	-
43 except 430	IV. BUSINESS LIABILITIES (0443+0444+0445+0446+0447+0448)	0442		138.067	219.878
431 and 433	1. Liabilities to suppliers - parent, subsidiary legal entities and other related entities in the country	0443		2.177	1.445
432 and 434	2. Liabilities to suppliers - parent, subsidiary legal entities and other related entities abroad	0444		11.908	32.902
435	3. Liabilities to suppliers in the country	0445		123.096	182.509
436	4. Liabilities to suppliers abroad	0446		887	3.022
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		164.416	141.614
44, 45 and 46 except 467	1. Other short-term liabilities	0450		161.890	134.627
47, 48 except 481	2. Liabilities based on value added tax and other public revenues	0451		2.337	3.255
481	3. Liabilities based on profit tax	0452		189	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		669.566	695.537
	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		14.343.723	13.518.498
89	Z. OFF BALANCE SHEET LIABILITIES	0457			


 Bilgus Bogdanov

INCOME STATEMENT
FOR THE PERIOD FROM 01 JANUARY TO 31 DECEMBER

- in 000 rsd -

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		2.774.370	2.765.433
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		2.748.638	2.738.117
610, 612 and 614	1. Income from the sale of products and services on the domestic market	1006		2.748.638	2.738.117
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		25.732	27.316
68, except for 683, 685 and 686	VII. INCOME FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1012		-	-
	B. BUSINESS EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		1.293.774	1.358.042
50	I. PURCHASE VALUE OF SOLD GOODS	1014		-	-
51	II. COSTS OF MATERIALS, FUEL AND ENERGY	1015		18.288	16.948
52	III. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016		45.086	44.334
520	1. Salary expenses and salary compensation	1017		32.853	31.720
521	2. Costs of taxes and contributions on wages and salary benefits	1018		4.954	4.745
52 except 520 and 521	3. Other personal expenses and compensation	1019		7.279	7.869
540	IV. DEPRECIATION COSTS	1020		615.020	615.129
58 except 583, 585 and 586	V. COSTS FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1021		-	-
53	VI. COSTS OF PRODUCTION SERVICES	1022		276.820	339.484
54 except 540	VII. RESERVATION COSTS	1023		49	33
55	VIII. IMMATERIAL COSTS	1024		338.511	342.114
	V. BUSINESS PROFIT (1001 - 1013) ≥ 0	1025		1.480.596	1.407.391
	G. BUSINESS LOSS (1013 - 1001) ≥ 0	1026		-	-

INCOME STATEMENT
FOR THE PERIOD FROM 01 JANUARY TO 31 DECEMBER

- in 000 rsd -

Account group, account	ITEM	EDP	Note	Amount	
				Current year	Previous year
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027		39.771	45.470
660 and 661	I. FINANCIAL INCOME FROM RELATIONS WITH PARENT, DEPENDENT AND OTHER RELATED PARTIES	1028		1.319	11.765
662	II. INTEREST INCOME	1029		2.465	2.401
663 and 664	III. POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	1030		35.987	31.304
665 and 669	IV. OTHER FINANCIAL INCOME	1031		-	-
	Đ. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032		544.911	810.677
560 and 561	I. FINANCIAL EXPENSES FROM RELATIONS WITH PARENT, SUBSIDIARY AND OTHER RELATED PARTIES	1033		142.132	137.839
562	II. INTEREST EXPENSE	1034		318.983	318.049
563 and 564	III. NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	1035		51.022	21.572
566 and 569	IV. Other financial expenses	1036		32.774	333.217
	E. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037		-	-
	Z. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038		505.141	765.207
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		-	-
67	J. OTHER INCOME	1041		7.754	11.021
57	K. OTHER EXPENSES	1042		17.395	11.755
	L. TOTAL INCOME (1001+1027+1039+1041)	1043		2.821.894	2.831.610
	LJ. TOTAL EXPENSES (1013+1032+1040+1042)	1044		1.856.080	2.180.474
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (1043-1044) ≥ 0	1045		965.815	651.136
	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
	P. PROFIT BEFORE TAXATION (1045 - 1046 + 1047 - 1048) ≥ 0	1049		965.815	650.859
	R. LOSS BEFORE TAXATION (1046- 1045 + 1048 - 1047) ≥ 0	1050		-	-
	S. INCOME TAX			-	-
721	I. TAX EXPENSE OF THE PERIOD	1051		152.030	166.133
722 debt. Balance	II. DEFERRED TAX EXPENSES OF THE PERIOD	1052		-	-
722 pot. Balance	III. DEFERRED TAX REVENUE OF THE PERIOD	1053		8.729	61.852
723	T. PAID PERSONAL INCOME OF THE EMPLOYER	1054		-	-
	Č. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055		822.514	546.578
	U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056		-	-
	I. NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1057		373.083	244.075
	II. NET PROFIT ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1058		449.430	302.503
	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		16,95	11,41
	2. Decreased (diluted) earnings per share	1062		16,95	11,41



Biljana Bogdanov

STATEMENT OF OTHER COMPREHENSIVE INCOME

Group of accounts, account	POSITION	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET PROFIT/(LOSS)				
	I. PROFIT, NET (AOP 1055)	2001		822.514	546.578
	II. LOSS, NET (AOP 1056)	2002			
	B. OTHER COMPREHENSIVE PROFIT OR LOSS				
	a) Items that will not be reclassified to profit or loss				
330	1. Changes in the revaluation of intangible assets, property, plant and equipment				
	a) increase in revaluation reserves	2003			
	b) decrease in revaluation reserves	2004			
331	2. Actuarial gains (losses) of post employment benefit obligations				
	a) gains	2005			
	b) losses	2006			
333	4. Gains or losses arising from a share in the associate's other comprehensive profit or loss				
	a) gains	2007		-	
	b) losses	2008			
	b) Items that may be subsequently reclassified to profit or loss				
332	1. Gains or losses on investments in equity instruments				
	a) gains	2009			
	b) losses	2010			
334	1. Gains or losses on the translation of financial statements of foreign operations				
	a) gains	2011			
	b) losses	2012			
335	2. Gains or losses on hedging instruments of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses on cash flow hedges				
	a) gains	2015			
	b) losses	2016		-	251.108
337	4. Gains or losses on securities that are measured at fair value through other comprehensive income				
	a) gains	2017			
	b) losses	2018			
	I. OTHER COMPREHENSIVE PROFIT BEFORE TAX (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019		-	
	II. OTHER COMPREHENSIVE LOSS BEFORE TAX (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		-	251.108
	III. DEFERRED TAX EXPENSES FOR OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			
	IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2022		-	37.686
	V. TOTAL NET COMPREHENSIVE PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023			
	VI. TOTAL NET COMPREHENSIVE LOSS (2020 - 2019 + 2021-2022) ≥ 0	2024		-	213.422
	C. TOTAL NET COMPREHENSIVE PROFIT				
	I. TOTAL COMPREHENSIVE PROFIT, NET (2001 - 2002 + 2023 - 2024) ≥ 0	2025		822.514	333.156
	II. TOTAL COMPREHENSIVE LOSS, NET (2002 - 2001 + 2024 - 2023) ≥ 0	2026			
	D. TOTAL NET COMPREHENSIVE PROFIT / (LOSS) (2028 + 2029) = AOP 2025 ≥ 0 or AOP 2026 > 0	2027		822.514	333.156
	1. Attributable to shareholders	2028		449.430	187.292
	2. Attributable to non-controlling interest	2029		373.083	145.864



Bilgana Bagdaryov

CONSOLIDATED STATEMENT OF CASH FLOWS
for period from 01.01 to 31.12.2025.

- in RSD thousand-

POSITION 1	AOP 2	Amount	
		Current year 3	Previous year 4
A. A. CASH FLOWS FROM OPERATING ACTIVITIES	I.		
Cash inflow from operating activities (1-4)	3001	2.981.755	2.809.083
1. Sales and advances received in the country	3002	2.669.961	2.781.964
2. Sales and advances received abroad	3003		
3. Interest from operating activities	3004		
4. Other inflow from operating activities	3005	311.794	27.119
II. Cash outflow from operating activities (1 до 8)	3006	1.390.811	1.137.544
1. Payments and prepayments to suppliers in the country	3007	712.377	581.553
2. Payments and prepayments to suppliers abroad	3008	73.920	
3. Salaries, benefits and other personal expenses	3009	57.071	44.367
4. Interest paid in the country	3010	210.470	341.813
5. Interest paid abroad	3011	105.270	
6. Income tax paid	3012	161.931	169.811
7. Payments for other public revenues	3013	69.770	
8. Other outflows from operating activities	3014	1	
III. Net cash inflow from operating activities (I - II)	3015	1.590.944	1.671.539
IV. Net cash outflow from operating activities (II - I)	3016	0	0
B. CASH FLOWS FROM INVESTING ACTIVITIES	I. Cash		
flows from investing activities (1 до 5)	3017	465.016	0
1. Sale of shares	3018		
2. Proceeds from sale of intangible assets, property, plant and equipment and and biological assets	3019		
3. Other financial investments	3020	462.557	
4. Interest from investing activities	3021	2.459	
5. Dividend received	3022		
II. Cash outflow from investing activities (1 до 3)	3023	1.260.942	854.708
1. Acquisition of subsidiaries or other business	3024		
2. Purchase of intangible assets, property, plant and equipment and biological assets	3025	1.235.549	576.989
3. Other financial investments	3026	25.393	277.719
III. Net cash inflow from investing activities (I - II)	3027	0	0
IV. Net cash outflow from investing activities (II - I)	3028	795.926	854.708
C. CASH FLOWS FROM FINANCING ACTIVITIES	I. Cash		
inflow from financing activities (1 до 7)	3029	1.263.981	6.895.612
1. Increase in share capital	3030		
2. Long-term borrowings in the country	3031	814.816	6.895.587
3. Long-term borrowings abroad	3032	436.223	
4. Short-term borrowings in the country	3033		
5. Short-term borrowings abroad	3034	12.942	
6. Other long-term liabilities	3035		
7. Other short-term liabilities	3036		25
II. Cash outflow from financing activities (1 до 8)	3037	1.326.687	7.911.174
1. Purchase of own shares	3038		
2. Long-term borrowings in the country	3039	323.452	7.495.267
3. Long-term borrowings in abroad	3040	88.406	
4. Short-term borrowings in the country	3041	611.318	
5. Short-term borrowings country abroad	3042	294.419	
6. Other liabilities	3043	6.862	
7. Financial lease	3044	2.230	
8. Dividend distribution	3045		415.907
III. Net cash inflow from financing activities (I - II)	3046	0	0
IV. Net cash outflow from financing activities (II - I)	3047	62.706	1.015.562
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	4.710.751	9.704.695
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	3.978.439	9.903.426
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	732.312	0
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051	0	198.731
H. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3052	453.776	652.507
I. CURRENCY TRANSLATION GAINS ON CASH AND CASH EQUIVALENTS	3053	3.115	
J. CURRENCY TRANSLATION LOSSES ON CASH AND CASH EQUIVALENTS	3054	4.473	
K. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (3050-3051+3052+3053-3054)	3055	1.184.730	453.776


 Biljana Bogdanov

STATEMENT OF CHANGES IN EQUITY
in period from 01.01. to 31.12.2024.

Position	Description	AOP	Share capital (group 30 without 30B and 30C)	AOP	Other share capital (account 30B)	AOP	Subscribed but unpaid capital (group 31)	AOP	Share premium and reserves (account 30B and group 32)	AOP	Revaluation reserves and unrealized gains and losses (group 33)
1	Balance as at 01.01.2024	4011	4,057	4013	-	4019	-	4026	981,227	4027	114,833
2	Adjustments of material errors and omissions in accounting records	4022	-	4021	-	4020	-	4028	-	4029	-
3	Transferred opening balance as at 01.01. 2024. (1+2)	4023	4,057	4022	-	4021	-	4020	981,227	4029	114,833
4	New shares in 2024	4024	-	4023	-	4022	-	4021	-	4029	118,211
5	Balance as at 31.12.2024. (3+4)	4025	4,057	4024	-	4023	-	4022	981,227	4030	233
6	Adjustments of material errors and omissions in accounting records	4026	-	4025	-	4024	-	4023	-	4030	-
7	Transferred opening balance as at 01.01. 2023 (5+6)	4027	4,057	4026	-	4025	-	4024	981,227	4031	178
8	New shares in 2023	4028	-	4027	-	4026	-	4025	-	4031	222
9	Balance as at 31.12.2023 (7+8)	4029	4,057	4028	-	4027	-	4026	981,227	4032	600

Position	Description	AOP	Retained earnings (group 34)	AOP	Loss (group 35)	AOP	Non-controlling interest	AOP	Year (corresponds to the position of AOP 0401) (0402+0403+0404+0405+0406+0407+0408)	AOP	LOSS EXCEEDING EQUITY (losses in excess of the position of AOP 0401)
1	Balance as at 01.01.2024	4046	1,228,242	4050	-	4064	-	4072	3,118,407	4083	-
2	Adjustments of material errors and omissions in accounting records	4047	-	4051	-	4065	-	4073	-	4084	-
3	Transferred opening balance as at 01.01. 2024. (1+2)	4048	1,228,242	4052	-	4066	-	4074	3,118,407	4085	-
4	New shares in 2024	4049	302,406	4053	-	4067	-	4075	-	4086	-
5	Balance as at 31.12.2024. (3+4)	4050	1,530,648	4054	-	4068	-	4076	3,118,407	4087	-
6	Adjustments of material errors and omissions in accounting records	4051	-	4055	-	4069	-	4077	-	4088	-
7	Transferred opening balance as at 01.01. 2023 (5+6)	4052	1,338,242	4056	-	4070	-	4078	3,118,407	4089	-
8	New shares in 2023	4053	400,000	4057	-	4071	-	4079	3,118,407	4090	-
9	Balance as at 31.12.2023 (7+8)	4054	1,738,242	4058	-	4072	-	4080	3,118,407	4091	-


Biljane Bogdanov

CERTIFIED TRANSLATION FROM SERBIAN INTO ENGLISH BEGINS:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(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 a.d. 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, 2025, 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, 2025 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 2025 have been prepared by the Group's general manager, and they have been approved on 29 April 2026. Approved consolidated financial statements may be amended based on the opinion of the independent auditor, in accordance with legal regulations.

As of December 31, 2025, the Group had 14 employees (2024: 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, 2025, 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.

(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)

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 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 shall 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 2025, 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	31/12/2025 % down payment	31/12/2024 % 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
- 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.

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

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 shall occur:

- 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 instruments of 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

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 the following:

- 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
- 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)

Valuation (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)

Leasing liabilities (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 and loss statement.

(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)

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 loss" model, which requires significant judgment regarding how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

The "expected credit loss" model is applied to financial assets measured at 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)

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.

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 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

Current income tax

Current 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 may be utilized.

(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)

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 2025, deferred tax assets and liabilities were calculated at a rate of 15% (31 December 2024: 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.

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

4. Financial risk management (continued)

Credit risk (continued)

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:

RSD thousands	December 31, 2025	December 31, 2024
Cash and cash equivalents	1.184.730	453.776
Accounts receivable	205.445	180.993
Other receivables	82.819	84.550
Active time limits	288.319	384.310
TOTAL	1.761.313	1.103.629

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.

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

4. Financial risk management (continued)

Liquidity risk (continued)

RSD thousands	December 31, 2025	
	Short-term maturity	Long-term maturity
Financial obligations to shareholders	3.704	2.342.865
Obligations for loans to banks	777.712	6.147.075
Liabilities to suppliers	138.068	-
Other obligations	833.982	-
Total	1.753.166	8.489.940

RSD thousands	December 31, 2023.	
	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

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, 2024.

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 shall 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.

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

4. Financial risk management (continued)

Market risk (continued)

Risk of interest rate fluctuations (continued)

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. Exposure to interest rate changes is greater due to the growth of EURIBOR and the global geopolitical situation. For this reason, the Group performed an analysis of how much interest rate fluctuations due to EURIBOR growth by 10% would affect the growth of interest costs on an annual basis. If EURIBOR were to increase by 10%, the interest expense would increase by EUR 120,941.

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, 2025 and 2024 is shown in the following table:

RSD thousands	December 31, 2024.	December 31, 2023.
Long-term financial liabilities:		
- Financial obligations to shareholders	2.342.865	2.623.398
- Obligations for loans from banks	6.147.075	5.659.362
Short-term financial liabilities:		
- Obligations for loans from banks	777.712	898.733
- Financial obligations to shareholders	16.646	15.794
Financial resources	(337.772)	(337.003)
Cash and cash equivalents	(1.184.730)	(453.776)
Net debt (A)	7.761.795	8.406.508
Capital (B)	4.086.334	3.264.050
Net capital employed (C=A+B)	11.848.130	11.670.558
Debt ratio (A/C)	65,5%	72,0%

(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 2025 and 2024:

RSD thousands	December 31, 2025					
	Depreciated cost	Fair value through OSD	Fair value through profit or loss	Hedge accounting	Total	Level
Financial assets	337.772	-	-	-	337.772	
Trade receivables	205.446	-	-	-	205.446	
Other short-term receivables	371.152	-	-	-	371.152	
Cash and cash equivalents	1.184.730	-	-	-	1.184.730	
Total	2.099.100	-	-	-	2.099.100	
Loans	6.924.787	-	-	-	6.924.787	
Financial obligations to shareholders	2.359.510	-	-	-	2.359.510	
Operating liabilities	138.067	-	-	-	138.067	
Other short-term liabilities	833.982	-	-	-	833.982	
Liabilities based on derivatives	-	-	-	-	-	2
Total	10.256.347	-	-	-	10.256.347	

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	
Total	1.899.993	-	-	-	1.899.993	
Credits	6.558.095	-	-	-	6.558.095	
Financial obligations to shareholders	2.639.192	-	-	-	2.639.192	
Operating liabilities	219.878	-	-	-	219.878	
Other short-term liabilities	837.151	-	-	-	837.151	
Liabilities based on derivatives	-	-	-	-	-	2
Total	10.254.316	-	-	-	10.254.316	

(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 2025, 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, plants and equipment

The table of movements in real estate, plants and equipment as of December 31, 2025 and 2024 is presented below:

RSD thousands	Initial balance of NV	Initial balance IV	Initial balance of unwritten value	Procurement	Depreciation	Net sales / expenditure	Transfers	End balance NV	End balance IV	December 31, 2024. Ending balance of unwritten off value
Land	41.474	-	41.474	-	-	-	-	41.474	-	41.474
Buildings	4.903.080	(773.940)	4.129.139	-	(136.297)	-	-	4.903.080	(910.237)	3.992.842
Equipment	9.652.866	(2.961.041)	6.691.825	253	(478.722)	(4.540)	-	9.645.656	(3.436.844)	3
Construction facilities under preparation	649.982	-	649.982	540.081	-	-	39.183	1.229.246	-	1.229.246
Advances for NPOs	1.386	-	1.386	682.237	-	-	(39.183)	644.440	-	644.440
Total	15.248.787 (3.734.981)		11.513.806	1.222.570	(615.019)	(4.540)	-	16.463.896	(4.347.080)	12.116.817

RSD thousands	Initial balance of NV	Initial balance IV	Initial balance of unwritten value	Procurement	Depreciation	Transfers	End balance NV	End balance IV	December 31, 2023. Ending balance of unwritten off value
Land	41.474	-	41.474	-	-	-	41.474	-	41.474
Buildings	4.901.402	(637.644)	4.263.758	1.676	(136.296)	-	4.903.080	(773.940)	4.129.139
Equipment	9.652.866	(2.482.207)	7.170.662	-	(478.834)	-	9.571.116	(2.879.291)	6.691.825
Construction facilities under preparation	94.106	-	94.106	555.876	-	-	649.982	-	649.982
Advances for NPOs	1.386	-	1.386	-	-	-	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

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. Real estate, plants 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, 2025 mainly refer to investments in all other plants, primarily in the construction of the windpar Košava phase twol, as well as in Vetropark Lipar, Vetropark Lipar 2 and Vetropark Torak.

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

Other long-term financial investments in the total amount of RSD 337,772 thousand as of December 31, 2025 (RSD 337,003 thousand as of December 31, 2024) relate entirely to the following long-term assets:

- Long-term deposits - cash with limited use in the amount of RSD 316,661 thousand (RSD 315,940 thousand as of 31 December 2024), belonging to the subsidiary MK-Fintel Wind AD and deposited in 2024 as collateral in accordance with a new loan agreement with NLB Bank.
- Long-term deposits - cash with restricted use rights in the amount of RSD 21.111 thousand (RSD 21,063 thousand as of 31 December 2024) belonging to the subsidiary Energobalkan d.o.o. and deposited as collateral with Unicredit Banka Srbija in accordance with the loan agreement to guarantee loan repayment.

10. Deferred tax assets

Deferred tax assets as of December 31, 2025 amounted to RSD 47,752 thousand. There were no deferred tax liabilities. As of December 31, 2024, there were deferred tax liabilities in the amount of RSD 39,026 thousand.

11. Trade receivables

As of 31 December 2025, trade receivables amounted to RSD 205,445 thousand (31 December 2024: RSD 180,993 thousand). Domestic customers' receivables amounted to RSD 203,780 thousand (31 December 2024: RSD 171,965 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 fee.

Receivables from the parent, dependent and other related parties as of December 31, 2025 amounted to RSD 1,665 thousand (December 31, 2024: RSD 9,023 thousand).

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

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:

RSD thousands	December 31, 2025	December 31, 2024
Other receivables	48.717	56.903
Receivables for prepaid income tax	32.467	26.108
Receivables based on prepaid other taxes and contributions	1.635	1.539
Short-term active accruals	288.319	384.310
Total	371.139	468.860

Receivables for prepaid income tax as of 31.12.2025 amount to RSD 32,466 thousand (December 31, 2024: RSD 26,108 thousand).

Short-term accruals mainly refer to the calculated income from claims from EPS for energy produced in wind farms in December, accruals of insurance costs and claims for interest from other related parties in the amount of RSD 1,777 thousand.

13. Cash and cash equivalents

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

RSD thousands	December 31, 2024.	December 31, 2023.
Current account		
- in dinars	851.156	268.357
- dedicated account in dinars	3.338	157.589
- in foreign currency	112.110	27.628
- dedicated account in foreign currency	218.126	202
Cash and cash equivalents	1.184.730	453.776

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.

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

14. Equity

Equity as at December 31, 2025 and 2024 is presented in more detail in the following table:

RSD thousands	December 31, 2025	December 31, 2024
Share capital	4.057	4.057
Share premium	681.237	681.237
Other components of other comprehensive income	(600)	(378)
Retained profit of the previous year	1.526.748	1.224.244
Current year retained profit	449.430	302.503
Loss of previous years	-	-
Current year loss	-	-
Equity belonging to the Group	2.660.872	2.211.663
Capital and reserves belonging to minority shares	1.052.891	808.633
Other components of other comprehensive income	(511)	(322)
Profit (loss) of the current year	373.083	244.075
Capital belonging to minority shares	1.425.462	1.052.386
TOTAL EQUITY	4.086.334	3.264.049

Capital components and changes in them are detailed below:

Share capital

As of December 31, 2025, 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	In thousands of dinars % ownership	
Fintel Energia Group SpA	3,825	94.30%
BDD M&V INVESTMENTS AD Beograd-SUMMARY ACCOUNT	194	4.79%
UNICREDIT BANK Srbija a.d. Beograd - KASTODI RN - FO	15	0.37%
Others	23	0.54%
Total	4,057	100.00%

Share premium

As of December 31, 2025, 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)

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 2025 (RSD 1,378,773 thousand as of 31 December 2024) 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.	6.965.693	816.950	2036
MK Fintel Wind Development d.o.o.	MK Green Energy (ex Lamium Trade)	127.365	14.938	2027
Fintel Energija Development Ltd	Namipo Management Ltd	17.150	2.011	2027
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1.844.700	216.350	2027
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	233.150	27.344	2027
MK Fintel Wind Holding d.o.o.	MK Green Energy (ex Lamium Trade)	209.606	24.583	2027
VP Torak doo	MK Green Energy (ex Lamium Trade)	110.345	12.942	2026
Total		9.508.010	1.115.118	

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 d.o.o.	8.829.276	1.033.157	2036
MK Fintel Wind Development d.o.o.	MK Green Energy (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 Green Energy (ex Lamium Trade)	964.027	112.806	2027
MK Fintel Wind Holding d.o.o.	MK Holding d.o.o.	1.844.700	215.857	2027
Total		11.782.881	1.378.773	

The interest rate for the above loans is defined as the arm's length interest rate in the Republic of Serbia and for 2025 it was 6.79%, 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)

15. Liabilities towards parent and dependent legal entities

The balance of RSD 1,244,392 thousand as of December 31, 2025 (RSD 1,251,607 thousand as of December 31, 2024) includes financial liabilities to the parent company:

	December 31, 2025	December 31, 2024
Long-term loans	1.240.688	1.235.813
Minus: Current maturity of long-term liabilities	-	-
	1.240.688	1.235.813
Short-term loans	3.704	15.794
Total	1.244.392	1.251.607

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 S.p.A.	1.415.925	166.063	2027
Fintel Energija ad	Fintel Energia Group S.p.A.	9.162.747	1.074.625	2027
Fintel Energija ad	Fintel Energia Group S.p.A.	31.583	3.704	2026
Total		10.610.255	1.244.392	

The interest rate for the loans that MKFW Holding received from Fintel Energia Group S.p.A. is defined by the arm's length interest rate in the Republic of Serbia and for 2025 was 6.79%. The interest rate for the loans that Fintel Energija ad received from Fintel Energia Group S.p.A. ranges from 3% to 6%. The loans that Fintel Energija ad received from Fintel Energia Group S.p.A. in the amount of EUR 30,000 are interest-free.

16. 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, 2025 and 2024:

RSD thousands	December 31, 2025	December 31, 2024
Long-term loans	6.147.075	5.659.362
Short-term loans and borrowings	777.712	898.733
Total	6.924.787	6.558.095

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 31.12.2025.	Long-term part	Short-term part	Maturity
(amount in thousands RSD)				
MK Fintel Wind ad	(6.646.465)	(5.943.895)	(702.570)	2036
VP Torak	(96.171)	(96.171)	-	2027
Energobalkan doo	(182.151)	(107.009)	(75.143)	2028
	(6.924.787)	(6.147.075)	(777.712)	

(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, while during 2025 it received a loan in the amount of EUR 40,000. 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 138,068 thousand as of December 31, 2025 and RSD 219,878 as of December 31, 2024, 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 MK-Fintel Wind for the construction of phase two of wind farms Košava, as well as VP Lipar VP Lipar 2 and VP Torak.

19. Short-term passive accruals

Passive accruals amounting to RSD 669,566 thousand as of 31 December 2025 and RSD 695,537 as of 31 December 2024, 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 2,774,370 thousand and RSD 2,765,434 thousand for the year ended December 31, 2025 and December 31, 2024, respectively.

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, 2025, the Group had 14 employees.

	2025.	2024.
Salary expenses and salary compensation	32.853	31.720
Costs of taxes and contributions on salaries and salary compensation	4.954	4.745
Other personal expenses and compensations	7.279	7.869
Total	45.086	44.334

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

22. Depreciation and asset adjustment expenses

Depreciation and asset adjustment expenses amounted to RSD 615,020 thousand (RSD 615,129 thousand for the year ended 31 December 2024). There were no asset adjustment expenses in 2025.

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 2025 and 2024 are shown in the table below:

RSD thousands	2025	2024
Costs of ongoing maintenance of wind farms	265.677	328.493
Land lease	1.339	1.335
Costs of renting office space	-	-
Other	9.804	9.656
Costs of production services	276.820	339.484

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.

24. Intangible costs

Intangible costs for the year ended December 31, 2025 and 2024 are detailed in the following table:

RSD thousands	2025	2024
Costs of consulting services	177.772	153.695
Property tax	43.119	45.898
Legal fees	-	528
Withholding tax on interest paid	-	10.517
Costs of insurance of fixed assets	93.128	106.019
Other non-production costs	10.587	10.540
Costs of accounting services - Other related parties	896	880
Administrative and legal fees	2.384	1.344
Audit services	4.560	4.507
Other intangible costs	6.065	8.186
Total	338.511	342.114

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

25. Financial income

Financial income for the year ended 31 December 2025 and 2024 is detailed in the following table:

RSD thousands	2025	2024
Financial income with parent and other affiliated legal entities	1.319	11.765
Financial income from interests (third parties)	2.465	2.401
Income from positive exchange rate differences (third parties)	35.987	31.304
Total financial income	39.771	45.470

26. Financial expenses

Financial expenses for the year ended 31 December 2025 and 2024 are detailed in the following table:

RSD thousands	2025	2024
Financial expenses with parent and other affiliated legal entities	142.132	137.839
Financial expenses - third parties	318.983	318.049
Expenses based on negative exchange rate differences (third parties)	51.022	21.572
Financial expenses based on refinancing	-	265.313
Other financial expenses	32.774	67.904
Total financial expenses	544.911	810.677

Financial expenses with parent and other related affiliated entities in 2025 amount to 142,132 thousand RSD, which represents an increase compared to 137,839 thousand RSD in 2024.

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 2025 was 6.79%, while in 2024 it was 6.23%.

27. Other income and other expenses

Other income as of December 31, 2025 amounted to RSD 7,754 thousand and mainly refers to income based on the write-off of other liabilities. On December 31, 2024, they amounted to RSD 11,021. Other expenses on December 31, 2025 amounted to RSD 17,395 thousand, while on December 31, 2024 they amounted to RSD 11,755 thousand.

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

28. Tax expense for the period

The tax expense for the period for the years ended December 31, 2025 and 2024 is given in the table below:

	December 31, 2025	Year ended December 31, 2024
Profit (loss) before taxation	965.815	650.859
Tax calculated at domestic tax rates applicable to profits in the respective countries	144.872	97.629
Tax effect:		
Expenses that are not recognized for tax purposes and other tax effects	7.157	68.504
	152.030	166.133

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, 2025	Year ended December 31, 2024
Tax expense for the period	152.030	166.133
Deferred tax expense for the period	-	-
Deferred tax income for the period	(8.729)	(61.852)
	143.301	104.281

The weighted average tax rate is 15% (2024: 15%).

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 11.41 in 2024 to earnings per share of RSD 16.95 for the year ended December 31, 2025. 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 11.41 in 2024 to earnings per share of RSD 16.95 for the year ended December 31, 2025. It was calculated by taking the net result of the 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 December 31, 2025, there are no guarantees for payments to third parties.

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

31. Transactions with related legal entities

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

Below is an overview of the Group's transactions with related parties in 2025 and 2024. All transactions with related parties were performed out at arm's length.

As of December 31, 2025 and December 31, 2024, the overview of the amounts of receivables and payables from transactions with related parties was as follows:

	December 31, 2025		
RSD thousands	Owner	Subsidiaries and affiliates of the owner	Total
Short-term loans	(3.704)	-	(3.704)
Operating and other liabilities	(11.908)	-	(11.908)
Other short-term liabilities	(430.370)	-	(430.370)
Long-term loans	(1.240.688)	-	(1.240.688)
Receivables	-	-	-
Total	(1.686.670)	-	(1.686.670)

	December 31, 2024		
RSD thousands	Owner	Subsidiaries and affiliates of the owner	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, 2025 and 2024:

	December 31, 2025		
RSD thousands	Owner	Subsidiaries and affiliates of the owner	Total
Revenues	-	-	-
Other revenues	-	-	-
Sales, general and administrative expenses	(52,304)	-	(52,304)
Other revenues (expenses), net	-	-	-
Financial expenses	(52,867)	-	(52,867)
Total	(105,171)	-	(105,171)

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

31. Transactions with related legal entities (continued)

			December 31, 2024
RSD thousands	Owner	Subsidiaries and affiliates of the owner	Total
Revenues	-	-	-
Other revenues	-	-	-
Sales, general and administrative expenses	(11.972)	-	(11.972)
Other revenues (expenses), net	-	-	-
Financial expenses	(51.850)	-	(51.850)
Total	(63.822)	-	(63.822)

Key management compensation

The members of the Board of Directors were paid remuneration in the net amount of RSD 1,365 thousand during 2025. 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, 2025 or require separate disclosure.

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 December 31, 2025.

Tiziano Giovannetti, General Manager
Legal representative:



Biljana Bogdanov

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

Belgrade, April 29, 2026

CERTIFIED TRANSLATION FROM SERBIAN INTO ENGLISH ENDS

On 6 May 2026, I, REBEKA BOŽOVIĆ, a permanent Sworn-in-Court translator for English and Japanese, appointed on December 26, 2005 by the Decision of the Minister of Justice of the Republic of Serbia, with the registration number 740-06-638/2005-03, and the address at No. 7d Omladinskih brigada Street in Belgrade, declare:

"I hereby confirm that this translation fully corresponds to the original text which is written in the Serbian language."

CERTIFIED TRANSLATION FROM SERBIAN INTO ENGLISH BEGINS:

**CONSOLIDATED ANNUAL BUSINESS REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

FINTEL ENERGIJA AD

Contents

1.	Summary of business activities and organizational structure	3
2.	Presentation of the development, financial position and activities of the Company, relevant financial information and non-financial indicators, employee structure	5
3.	Environmental protection	13
4.	Events after the balance sheet date	13
5.	Planned future development	13
6.	Research and development	15
7.	Objectives and policies related to financial risk management, credit risks, liquidity risk and market risk	15
8.	Corporate Governance Report	19

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 No. 5

Registration number: 20305266

TIN: 105058839

Date of establishment: June 27, 2007

Authorized representative: Tiziano Giovannetti

Internet address: www.fintelenergija.rs

Prevailing business activity

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

Business activities

Fintel Energija AD (hereinafter: 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 Energia Group SpA) and the Board of Directors.

Purchase of own shares

There were no buybacks of own shares during the year of 2025.

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 d.o.o. Beograd, registration number 21452122 ("Lipar 2"), where the Company owns 100.00% of the share capital.

MK-Fintel Wind Development owns 100% 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 Mladenovic

Key events that affected the Company during 2025

During 2025, several significant financial activities occurred within the Company that had an impact on its operations and financial structure.

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, 2025

- in thousand dinars -

Account group, account	ITEM	EDP	Amount	
			Current year	Previous year End balance 31.12.2024.
1	2	3	5	7
	ASSETS			
00	A. SUBSCRIBED AND UNPAID CAPITAL	0001	1	-
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	0002	12.498.008	11,874,610
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	12.116.817	11,513,806
020, 021 and 022	1. Land and construction facilities	0010	4.034.316	4,170,612
023	2. Plants and equipment	0011	6.208.816	6,691,827
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	1.229.245	649,981
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	644.440	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	369.755	343,556
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	30.810	6,553
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	1.173	-
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	337.772	337,003
28 (part) except 288	V. LONG-TERM ACCRUED RECEIVABLES	0028	11.436	17,248
288	V. DEFERRED TAX ASSETS	0029	47.752	39,026

BALANCE SHEET (continued)

on December 31, 2025
- in thousand dinars -

Account group, account	ITEM	EDP	Amount	
			Current year	Previous year End balance 31.12.2024.
	G. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030	1,797,963	1,604,862
Class 1, except account group 14	I. SUPPLIES (0032+0033+0034+0035+0036)	0031	36,636	41,872
10	1. Material, spare parts, tools and small inventory	0032	7,312	7,313
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	29,240	34,475
151, 153 and 155	5. Paid advances for supplies and services abroad	0036	84	84
14	II. FIXED ASSETS HELD FOR SALE AND CESSATION OF BUSINESS	0037	-	-
20	III. RECEIVABLES BASED ON SALES (0039+0040+0041+0042+0043)	0038	205,445	180,993
204	1. Receivables from customers in the country	0039	203,780	171,965
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	1,665	9,023
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	82,819	84,550
21, 22 except 223 and 224 and 27	1. Other receivables	0045	48,717	56,903
223	2. Receivables for overpaid profit tax	0046	32,467	26,108
224	3. Receivables based on overpaid other taxes and contributions	0047	1,635	1,539
23	V. SHORT-TERM FINANCIAL PLACEMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048	14	459,361
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	1,184,730	453,776
28 (part) except 288	VII. SHORT-TERM ACCRUED RECEIVABLES	0058	288,319	384,310
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0029+0030)	0059	14,343,723	13,518,498
88	DJ. OFF-BALANCE SHEET ASSETS	0060		

BALANCE SHEET (continued)

on December 31, 2025
- in thousand dinars -

Account group, account	ITEM	EDP	Amount	
			Current year	Previous year End balance 31.12.2024.
	LIABILITIES			
	A. CAPITAL (0402 + 0403+0404+0405+0406-0407+0408+0411-0412) ≥ 0	0401	4,086,334	3,264,050
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	-	-
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	600	378
34	VII. RETAINED EARNINGS (0409+0410)	0408	1,976,178	1,526,748
340	1. Retained earnings of previous years	0409	1,526,748	1,224,245
341	2. Undistributed profit of the current year	0410	449,430	302,503
	VIII. SHARE WITHOUT THE RIGHT OF CONTROL	0411	1,425,462	1,052,386
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	8,490,114	8,282,892
40	I. LONG-TERM RESERVATIONS (0417++0418+0419)	0416	175	132
404	1. Provisions for compensation and other employee benefits	0417	175	132
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	8,489,939	8,282,760
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	1,060,645	1,257,827
411 (part) and 412 (part)	3. Long-term loans and other long-term liabilities to parent, dependent and other related parties abroad	0423	1,282,220	1,365,571
414 and 416 (part)	4. Long-term credits, loans and obligations based on leasing in the country	0424	4,066,537	3,774,705
415 and 416 (part)	5. Long-term credits, loans and obligations based on leasing abroad	0425	2,080,537	1,884,657
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, 2025

- in thousand dinars -

Account group, account	ITEM	EDP	Amount	
			Current year	Previous year End balance 31.12.2024.
498	V. DEFERRED TAX LIABILITIES	0429	-	-
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	1,767,275	1,971,556
467	I. SHORT TERM PROVISIONS	0432	868	-
42 except 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433	794,358	914,527
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	16,646	15,794
422 (part), 424 (part), 425 (part) and 429 (part)	3. Liabilities based on credits and loans from parties other than domestic banks	0436	533,676	608,956
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	244,036	289,777
426	6. Liabilities for short-term securities	0439	-	-
428	7. Liabilities based on financial derivatives	0440	-	-
430	III. ADVANCES DEPOSITS AND BAILS RECEIVED	0441	-	-
43 except 430	IV. BUSINESS LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	138,068	219,878
431 and 433	1. Liabilities to suppliers - parent, subsidiary legal entities and other related entities in the country	0443	2,177	1,445
432 and 434	2. Liabilities to suppliers - parent, subsidiary legal entities and other related entities abroad	0444	11,908	32,902
435	3. Liabilities to suppliers in the country	0445	123,096	182,509
436	4. Liabilities to suppliers abroad	0446	887	3,022
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	164,415	141,614
44, 45 and 46 except 467	1. Other short-term liabilities	0450	161,890	134,627
47, 48 except 481	2. Liabilities based on value added tax and other public revenues	0451	2,337	3,255
481	3. Liabilities based on profit tax	0452	188	3,732
427	M. LIABILITIES BASED ON ASSETS INTENDED FOR SALES AND ASSETS OF OPERATIONS THAT HAVE BEEN SUSPENDED BUSINESS	0453	-	-
49 except 498	VII. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES	0454	669,566	695,537
	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	14,343,723	13,518,498
89	Z. OFF BALANCE SHEET LIABILITIES	0457	-	-

INCOME STATEMENT

in the period 01.01. to 31.12.2025.
- In thousand dinars -

Account group, account 1	ITEM 2	EDP 3	Amount	
			Current year 5	Previous year 6
	A. BUSINESS INCOME (1002 + 1005+1008+1009-1010+1011+1012)	1001	2,774,370	2,765,433
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	2,748,638	2,738,117
610, 612 and 614	1. Income from the sale of products and services on the domestic market	1006	2,748,638	2,738,117
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	25,732	27,316
68, except 683, 685 and 686	VII. INCOME FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1012	-	-
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013	1,293,774	1,358,042
60	I. PURCHASE VALUE OF SOLD GOODS	1014	-	-
61	II. COSTS OF MATERIALS, FUEL AND ENERGY	1015	18,288	16,948
62	III. SALARY EXPENSES, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	45,086	44,334
620	1. Salary expenses and salary compensation	1017	32,853	31,720
621	2. Costs of taxes and contributions on wages and salary benefits	1018	4,954	4,745
62 except 620 and 621	3. Other personal expenses and compensation	1019	7,279	7,869
640	IV. DEPRECIATION COSTS	1020	615,020	615,129
68 except 683, 685 and 686	V. COSTS FROM ADJUSTMENT OF PROPERTY VALUE (EXCEPT FINANCIAL)	1021	-	-
63	VI. COSTS OF PRODUCTION SERVICES	1022	276,820	339,484
64 except 640	VII. RESERVATION COSTS	1023	49	33
65	VIII. INTANGIBLE COSTS	1024	338,511	342,114
	V. OPERATING PROFIT (1001 - 1013) ≥ 0	1025	1,480,596	1,407,391
	G. OPERATING LOSS (1013 - 1001) ≥ 0	1026	-	-

INCOME STATEMENT (continued)
In the period 01.01. to 31.12.2025.

- in thousand dinars -

Account group, account	ITEM	EDP	Amount	
			Current year	Previous year
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027	39,771	45,470
660 and 661	I. FINANCIAL INCOME FROM RELATIONS WITH PARENT, DEPENDENT AND OTHER RELATED PARTIES	1028	1,319	11,765
662	II. INTEREST INCOME	1029	2,465	2,401
663 and 664	III. POSITIVE EXCHANGE DIFFERENCES AND POSITIVE EFFECTS OF THE CURRENCY CLAUSE	1030	35,987	31,304
665 and 669	IV. OTHER FINANCIAL INCOME	1031	-	-
	D. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	544,911	810,677
660 and 661	I. FINANCIAL EXPENSES FROM RELATIONS WITH PARENT, SUBSIDIARY AND OTHER RELATED PARTIES	1033	142,132	137,839
662	II. INTEREST EXPENSE	1034	318,983	318,049
663 and 664	III. NEGATIVE EXCHANGE DIFFERENCES AND NEGATIVE EFFECTS OF THE CURRENCY CLAUSE	1035	51,022	21,572
666 and 669	IV. Other financial expenses	1036	32,774	333,217
	E. PROFIT FROM FINANCING (1027 - 1032) ≥ 0	1037	-	-
	Z. LOSS FROM FINANCING (1032 - 1027) ≥ 0	1038	505,140	765,207
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
683, 685 and 686	I. COSTS FROM THE ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS REPORTED AT FAIR VALUE THROUGH THE INCOME STATEMENT	1040	-	-
667	J. OTHER INCOME	1041	7,754	11,021
657	K. OTHER EXPENSES	1042	17,395	11,755
	L. TOTAL INCOME (1001+1027+1039+1041)	1043	2,821,895	2,831,610
	L. TOTAL EXPENSES (1013+1032+1040+1042)	1044	1,856,080	2,180,474
	M. PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (1043-1044) ≥ 0	1045	965,815	651,136
	N. LOSS FROM REGULAR OPERATIONS BEFORE TAXATION (1044-1043) ≥ 0	1046	-	-
659-59	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	-	-
659-69	NA. 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
	P. PROFIT BEFORE TAXATION (1045 - 1046 + 1047 - 1048) ≥ 0	1049	965,815	650,859
	R. LOSS BEFORE TAXATION (1046- 1045 + 1048 - 1047) ≥ 0	1050	-	-
	S. INCOME TAX		-	-
721	T. TAX EXPENSE OF THE PERIOD	1051	152,030	166,133
722 long. Balance	II. DEFERRED TAX EXPENSES OF THE PERIOD	1052	-	-
722 left Balance	III. DEFERRED TAX REVENUE OF THE PERIOD	1053	8,729	61,852
723	IV. PAID PERSONAL INCOME OF THE EMPLOYER	1054	-	-
	C. NET PROFIT (1049-1050-1051-1052+1053-1054) ≥ 0	1055	822,514	546,578
	U. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056	-	-
	V. NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1057	373,083	244,075
	VI. NET PROFIT ATTRIBUTABLE TO THE PARENT LEGAL ENTITY	1058	449,431	302,503
	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	16.95	11.41
	2. Decreased (diluted) earnings per share	1062	16.95	11.41

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	31.12.2025	31.12.2024
Revenues (thousand RSD)	2,774,370	2,765,433
EBITDA (thousand RSD) (Operating result + Depreciation)	2,095,616	2,022,522
Operating result (thousand RSD)	1,480,596	1,407,392
Net profit (thousand RSD)	822,514	546,578
Earnings per share	16,95	11.41
Cash flow from operating activities (thousand RSD)	1,590,944	1,671,539
Investments (thousand RSD)	1,260,942	854,708
EBITDA per turbine (thousand RSD)	83,825	80,901
Net profit per turbine (thousand RSD)	32,901	21,863

Revenues in 2025 amounted to RSD 2,774,370 thousand, while in 2024 they amounted to RSD 2,765,433 thousand, which represents a growth of approximately 0.96%. Revenues mostly refer to revenues from FIT wind farms.

EBITDA in 2025 amounted to RSD 2,095,616 thousand, while in 2024 it amounted to RSD 2,022,522 thousand, which represents a decrease of approximately 3.61%. Operating expenses in 2025 amounted to RSD 1,293,774 thousand, while in 20243 they amounted to RSD 1,358,042 thousand, which represents a decrease of approximately 4.97%.

The operating result in 2025 amounted to RSD 1,480,596 thousand, while in 2024 it amounted to RSD 1,407,392 thousand, which represents an increase of approximately 5.20%.

Net result (net profit) in 2025 amounted to RSD 822,514 thousand, compared to RSD 546,578 thousand in 20243, which represents an increase of 50.48% This increase in net profit is mainly due to higher operating costs and financial expenses incurred due to loan repayment in 2024.

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 to produce 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 December 31, 2025, 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 several internal and external factors. Among ongoing projects, the Torak Wind Farm project – project Kula 2 (10 MW project), the Vetropark Lipar - Kula 3 (10 MW) project, the Vetropark Lipar 2 project Kula 4 (10 MW) project and the Košava faza I - project are in the construction phase, are expected to start operation in the first half of 2027.

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 70% 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 may 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
KOSAVA phase I	Wind	Vrsac	Energogreen doo	MK Fintel Wind A.D.	69	In progress
KOSAVA phase 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 achieved results;
- diversification of commitments/obligations and product portfolio.

C

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

The maximum credit risk exposure of the Group as of December 31, 2025, and 2024 is the book value of each class of assets, which is indicated in the following table:

RSD thousands	December 31, 2025	December 31, 2024
Cash and cash equivalents	1,184,730	453,776
Accounts receivable	205,445	180,993
Other receivables	82,819	84,550
Active time limits	288,319	384,310
TOTAL	1,761,313	1,103,629

7. OBJECTIVES AND POLICIES RELATED TO FINANCIAL RISK MANAGEMENT, CREDIT RISKS, LIQUIDITY RISK AND MARKET RISK (continued)

Credit risk (continued)

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

Accruals mainly relate to claims from EPS for energy produced in wind farms in December, accruals of insurance costs and claims for interest from other related parties. Other receivables mostly 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 during regular activities involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of term loan assets.

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 of 31 December 2025 and 2024. 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 of 31 December. Interest is calculated in accordance with the contractual terms of the financing.

RSD thousand	December 31, 2025	
	Short-term maturity	Long-term maturity
Financial liabilities to shareholders	3,704	2,342,865
Liabilities for loans to banks	777,712	6,147,075
Liabilities to suppliers	138,067	-
Other obligations	833,982	-
Total	1,753,465	8,489,940

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

7. OBJECTIVES AND POLICIES RELATED TO FINANCIAL RISK MANAGEMENT, CREDIT RISKS, LIQUIDITY RISK AND MARKET RISK (continued)

Liquidity risk (continued)

The analysis of financial liabilities by maturity shows an increase in liabilities maturing within one year as of December 31, 2025, compared to those as of December 31, 2024.

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 shall 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, 2025, 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 394,033 thousand (2024: RSD 390,855) more / less, mainly as a result of positive and negative exchange rate differences due to the exchange rate of liabilities denominated in EUR.

Risk of interest rate fluctuations

The risk of interest rate fluctuations to which Fintel Group is exposed originates from financial obligations. 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 variable interest rate debt exposes the Group to cash flow risk due to interest rate volatility. The Group's financial indebtedness consists of current bank liabilities and medium- and long-term loans approved by banks. Given that the hedging instrument (interest rate SWAP) that previously reduced exposure to the risk of interest rate changes ceased to be valid in 2024, the Group is now more exposed to the risk of fluctuating interest rates. Exposure to interest rate changes is greater due to the growth of EURIBOR and the global geopolitical situation. For this reason, the Group performed an analysis of how much interest rate fluctuations due to EURIBOR growth by 10% would affect the growth of interest costs on an annual basis. If EURIBOR were to increase by 10%, the interest expense would increase by EUR 120,941.

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 to guarantee returns to shareholders and benefits to other interested parties. Furthermore, the Group aims to maintain an optimal capital structure to reduce borrowing costs.

The Group monitors its capital based on the ratio of net debt to net invested capital (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 debt ratio as of December 31, 2025, and 2024 is presented in the following table:

RSD thousands	December 31, 2025	December 31, 2023
Long-term financial liabilities:		
- Financial liabilities to shareholders and other related parties	2,342,865	2,623,398
- Liabilities for loans from banks	6,147,075	5,659,362
Short-term financial liabilities:		
- Liabilities for loans from banks	777,712	608,956
- Financial liabilities to shareholders and other related parties	16,646	305,571
Financial resources	(337,772)	(337,003)
Cash and cash equivalents	(1,184,730)	(453,776)
Net debt (A)	7,761,795	8,406,508
Capital (B)	4,086,334	3,264,049
Net capital employed (C=A+B)	11,848,130	11,670,557
Debt ratio (A/C)	65.5%	72.0%

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 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 fulfilment 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 2024 were adopted at the regular session of the Company's Shareholders' Meeting on June 10, 2025. 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 as follows:

- ✓ 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 Mlađenovic

8. CORPORATE GOVERNANCE REPORT (continued)

Board of Directors (Continued)

Activities of the board of directors in 2025

During 2025, 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 2025. 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 2025

During 2025, three sessions of the Shareholders' Assembly were held. At the regular session, the Shareholders' Assembly discussed 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 2025. At the extraordinary session, the Shareholders' Assembly discussed and decided on returning the additional payments of the founders that do not increase the Company's share capital.

Legal representative:

Belgrade, April 29, 2026

CERTIFIED TRANSLATION FROM SERBIAN ENDS

On this day, 8 May 2026, I, REBEKA BOŽOVIĆ, a permanent Sworn-in-Court translator for English and Japanese, appointed on December 26, 2005, by the Decision of the Minister of Justice of the Republic of Serbia, with the registration number 740-06-638/2005-03, certify:

"I hereby confirm that this translation fully corresponds to the original text which is written in the Serbian language."