

**VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

**TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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## **Management's responsibility for the financial statements**

Pursuant to the Croatian Accounting Act, the Management has to ensure that financial statements are prepared for each financial year in accordance with the Croatian Financial Reporting Standards (CFRSs), as published by Financial Reporting Standards Board in Croatia, which present true and fairly the state of affairs and results of the Company for that period.

After making appropriate enquiries, the Management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continues to prepare the financial statements under the going-concern principle.

In preparing those financial statements, the responsibilities of the Management include the following:

- selection and consistent application of suitable accounting policies;
- making reasonable and prudent judgments and estimates;
- following applicable accounting standards, subject to disclosure and explanation of any material departures in the financial statements; and
- preparing the financial statements under the going-concern assumption unless the assumption that the Company will continue as a going concern is not appropriate.

The Management is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. The Management must also ensure that the financial statements comply with the Accounting Act. In addition, the Management is responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed for and on behalf of the Management on April 12, 2023

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Gerhardt Paul Oberlechner  
President of the Management Board

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Goran Fržop  
Member of the Management Board

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik  
Krapanjska 8  
22000 Šibenik  
Republic of Croatia

## **INDEPENDENT AUDITOR'S REPORT**

***To the shareholders of VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik***

### ***Opinion***

We have audited the financial statements of VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik (hereinafter: "the Company"), which comprise the balance sheet as of 31 March 2023, and the profit and loss account for the year ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present true and fairly the financial position of the Company at 31 March 2023, its financial performance from in accordance with the Accounting Act and Croatian Financial Reporting Standards (CFRSs).

### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report as independent auditor. We are independent from the Company in accordance with the International Ethics Standards Board for Accountants (IESBA), including the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as well as in accordance with the ethical requirements relevant to our audit of the financial statements in the Republic of Croatia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of the Management and Those Charged with Governance for the Financial Statements***

The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with CFRSs and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, including, where appropriate, the disclosure of matters related to the going-concern assumption and the use of the going-concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process established by the Company.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 not a guarantee that an audit conducted in accordance with ISAs 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 the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Board.
- Conclude on the appropriateness of the use by the Management Board of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on the audit evidence obtained until the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Radovan Lucić  
Director and Certified Auditor

Šibenski Revicon d.o.o., Šibenik  
Stjepana Radića 44  
22000 Šibenik  
Republic of Croatia

12 April 2023

**Profit and loss account**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

	Notes	01.04.2021- 31.03.2022	01.04.2022- 31.03.2023
Sales	4 a	2,270,653	2,040,753
Other operating income	4 b	-	78,393
<b>TOTAL OPERATING INCOME</b>	<b>4</b>	<b>2,270,653</b>	<b>2,119,146</b>
Material expenses	5 a	(415,793)	(592,106)
Staff expenses	5 b	(87,112)	(90,757)
Depreciation and amortisation	9, 10	(1,271,318)	(1,280,939)
Other expenses	5 c	(141,604)	(191,302)
Other operating costs	5 d	(4,857)	(863)
<b>TOTAL OPERATING EXPENSES</b>	<b>5</b>	<b>(1,920,684)</b>	<b>(2,155,967)</b>
<b>FINANCIAL INCOME</b>	<b>6</b>	<b>80,632</b>	<b>35,695</b>
<b>FINANCIAL EXPENSES</b>	<b>7</b>	<b>(276,409)</b>	<b>(215,188)</b>
<b>TOTAL INCOME</b>		<b>2,351,285</b>	<b>2,154,841</b>
<b>TOTAL EXPENSES</b>		<b>(2,197,092)</b>	<b>(2,371,157)</b>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>154,193</b>	<b>(216,316)</b>
<b>INCOME TAX</b>	<b>8</b>	-	-
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>154,193</b>	<b>(216,316)</b>

**Balance sheet**

At 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

	Notes	31.03.2022	31.03.2023
<b>NON-CURRENT ASSETS</b>			
INTANGIBLE ASSETS	9	812,879	730,589
TANGIBLE ASSETS	10	4,328,700	3,158,836
NON-CURRENT FINANCIAL ASSETS	11	16,636	16,729
		<b>5,158,214</b>	<b>3,906,154</b>
<b>CURRENT ASSETS</b>			
Trade receivables	12 a	461,209	237,310
Other receivables	12 b	876	29,831
CURRENT RECEIVABLES	12	462,085	267,141
CURRENT FINANCIAL ASSETS	13	7,745	7,788
CASH WITH BANKS AND IN HAND	14	692,451	519,764
		<b>1,162,280</b>	<b>794,693</b>
<b>PREPAID EXPENSES AND ACCURED INCOME</b>	15	-	<b>230,139</b>
<b>TOTAL ASSETS</b>		<b>6,320,494</b>	<b>4,930,986</b>
<b>EQUITY AND RESERVES</b>			
SHARE (SUBSCRIBED) CAPITAL	16	1,412,557	1,420,466
RESERVES OUT OF PROFIT	17	7,487	7,529
ACCUMULATED LOSSES	17	(843,553)	(693,219)
PROFIT / LOSS FOR THE YEAR	17	154,193	(216,316)
		<b>730,684</b>	<b>518,460</b>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities to related companies	18 a	2,614,618	2,245,747
Liabilities to financial institutions	18 b	798,215	47,487
	18	<b>3,412,833</b>	<b>2,293,234</b>
<b>CURRENT LIABILITIES</b>			
Liabilities to related companies	19 a	1,412,781	1,522,680
Liabilities to financial institutions	19 b	754,264	500,000
Trade payables	19 c	5,626	45,845
Other current liabilities	19 d	4,306	4,165
	19	<b>2,176,977</b>	<b>2,072,690</b>
<b>ACCRUED EXPENSES AND DEFERRED INCOME</b>	20	-	<b>46,602</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,320,494</b>	<b>4,930,986</b>



## Notes to the financial statements

For the period 1 April 2022 - 31 March 2023

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

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### 1 GENERAL INFORMATION

VJETROELEKTRANA CRNO BRDO d.o.o., a trade and service company headquartered in Šibenik, Krapanjska 8, is registered at the Commercial Court in Zadar, under the court registration number (MBS) 100006200, Tax id. No. (OIB) 02826763846 and with the registered capital in the amount of HRK 10,702,500.00.

The Company started its operations in 2006, along with the preparations for the construction of a wind power plant in the territory of Šibenik. The investment in the amount of HRK 111,306,690 was put in use on August 24, 2011. The wind power plant is constructed in the territory of Šibenik (Crno brdo). The rated power of the power plant is 10,5 MW. The annual output has been estimated at 22 million kWh.

The Company's registered activities comprise the following:

- construction and furnishing of power generation facilities based on renewable energy sources
- manufacture of wind turbines for electricity generation
- electricity generation
- construction
- design of structures
- production of foods and drinks
- coastal and off-shore transport
- real estate activities
- car rental services
- rental of vessels, and
- purchase and sale of goods.

The Assembly of the Company comprises the following:

- |   |          |
|---|----------|
| - Orient Green Power (Europe) B.V.      | 51 votes |
| - Slaven Tudić                          | 24 votes |
| - Slaven Tudić                          | 7 votes  |
| - Tomislav Belamarić                    | 6 votes  |
| - Goran Fržop                           | 6 votes  |
| - Roko Akrap, Lucija Kulušić            | 5 votes  |
| - TEC Obnovljivi izvori d.o.o., Šibenik | 1 vote   |

Members of the Management Board:

- |                            |  |
|----------------------------|--|
| - Gerhard Paul Oberlechner | President, representing the Company jointly with another Management Board Member |
| - Goran Fržop              | Member of a Board, represents the Company absolutely and individually            |

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)*

**VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

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**2 SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

The financial statements have been prepared in accordance with the Croatian Financial Reporting Standards (CFRSs), as published by the Croatian Financial Reporting Standards Board in the Republic of Croatia.

**Basis of preparation**

The financial statements are prepared under the historical cost convention. The accounting policies have been consistently applied, unless stated otherwise. The financial statements have been prepared under the going-concern assumption.

**Presentation of the financial statements**

The financial statements have been prepared on a consistent presentation and classification basis. In case of changes in the presentation and classification of financial statement items, the comparative amounts are also reclassified, unless impracticable.

**Business segments**

For the purpose of reporting to the Management Board, the Company is organized as a single business unit, and all its activities are considered a single business segment.

**Reporting currency**

The financial statements are presented in the euro, since this is the currency in which most of the Company's transactions are denominated, as of 1 January 2023, euro has become the official currency of the Republic of Croatia. At 31 March 2022 the exchange rate for EUR 1 was HRK 7.58. At 31 December 2022 the official conversion exchange rate for EUR 1 was HRK 7.53450.

**Revenue recognition**

Revenue is recognised when it is probable that economic benefits associated with a transaction will flow into the Company and when the amount of the revenue can be measured reliably. Sales are recognised net of taxes and discounts, upon delivery of goods and provision of services and after the risks and the rewards have passed. Interest income is recognised on an accrual basis.

**Retirement benefit costs**

The Company has no defined post-retirement benefit plans for its employees or management. Accordingly, the Company has no outstanding liabilities for post employment benefits for either its present or former employees.

**Trade receivables and prepayments**

Trade receivables and prepayments are recognised at amounts invoiced in accordance with the underlying agreement, order, delivery note and other documents serving as the billing basis, net of allowance for uncollectible amounts.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

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**2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Trade receivables and prepayments (continued)**

The Management provides for bad and doubtful receivables on the basis of the overall ageing structure of all receivables, as well as by reviewing individual significant amounts receivable. An allowance is recognised in the income statement for estimated irrecoverable amounts if there is objective evidence that an amount receivable is impaired.

**Foreign currencies**

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary items denominated in foreign currencies are retranslated to the functional currency at the exchange rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period as financial expenses, except for differences arising on the retranslation of non-monetary items available for sale in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

The current tax liability is based on taxable profit for the year. Taxable profit differs from the net profit for a period reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

*Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Taxation (continued)***Deferred tax (continued)*

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

**Property, plant and equipment**

Property, plant and equipment are recognised initially at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided using the straight-line method over the estimated useful life of an asset at the following annual rates:

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Plant and equipment	8.00%	8.00%
Tools and furniture	25.00%	25.00%
Computers and personal vehicles	20.00-50.00%	20.00-50.00%

Based on Management Decision of 31 January 2017, the Company use depreciation rate on wind power plant of 8% until 1 August 2026 when a long-term service contract signed with LEITWIND S.p.a. expires.

The initial cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing an asset to its working condition and location for its intended use.

Expenditure incurred after property, plant and equipment have been put into use, such as repairs and maintenance and overhaul costs, is recognized as expense in the period in which it is incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard performance, the expenditures are capitalised as an additional cost of property, plant and equipment. Costs eligible for capitalization include costs of periodic, planned significant inspections and overhauls necessary for further operation.

Equipment is capitalized when its useful life is greater than one year, and its individual cost is greater than HRK 3,500. Tools are capitalized regardless of their unit cost. Property, plant and equipment are derecognised from the financial statements when they are disposed of or when no benefits from their continuing use or disposal are expected.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Property, plant and equipment (continued)**

Gains on disposal of property, plant and equipment are credited directly to income. The net book value of retired property, plant and equipment is included in expenses.

An increase in the carrying amount on the remeasurement of an asset is credited to the revaluation reserve. Reversal of any previously recognized surplus on revaluation is presented as a deduction of the revaluation reserve, whereas any other decreases are charged to profit or loss.

**Intangible assets**

Intangible assets are purchased separately and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided using the straight-line method over the estimated useful life of an asset. The useful life and amortisation method are reviewed at each year-end, with any effect of changes in estimates being accounted for prospectively. The useful life of intangible assets has been estimated as follows:

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Technical documentation	20 years	20 years

**Maintenance and repairs**

Cost of maintenance and repairs is recognised when incurred, except when expenditure incurred extends the useful life of an asset and changes the capacity or purpose of property, plant and equipment. Such expenditure is treated as improvement and is added to the carrying amount of tangible assets.

**Impairment of assets**

At each balance sheet date, the Company reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the potential impairment loss.

If the recoverable amount of an asset (or cash-generated unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately as an expense.

Reversed impairment losses are credited to income in case of revised estimates underlying the assessment of the recoverable amount. They are credited to income only to the extent of the carrying amount of an asset, less depreciation, had no impairment loss been recognised for the asset.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

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**2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition, and the sale is expected to qualify for recognition as a completed sale within one year from the date of the classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**Borrowing costs**

Interest expense on borrowings for the construction of property, plant and equipment are added to the cost of those assets over the period required for the assets to be completed and ready for their intended use.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable direct labour costs and those overhead costs that have been incurred in bringing inventories to their present location and condition. Cost is determined using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

**Provisions**

Provisions are recognized only when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of discounting is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation, determined using the estimated risk-free interest rate as the discount rate. Where discounting is used, the reversal of such discounting in each year is recognized as interest expense.

**Financial assets**

Financial assets are classified into as 'loans and receivables', 'financial assets at fair value through profit or loss (FVTPL)' and 'assets available for sale' (AFS). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## Notes to the financial statements (continued)

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)*

**VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

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### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Financial assets (continued)**

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Interest income is recognised on an effective interest basis for debt instruments.

##### Loans and receivables

Trade receivables are recognised initially at nominal amount less any impairment, loan and other receivables with fixed or determinable payments that are not quoted in an active market are classified as 'Loans and receivables' and measured initially at amortised cost using the effective interest method, less impairment losses. Interest income is recognised on an accrual basis by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include investment in investment funds. They are stated at fair value with any resultant gain or loss on the fair value remeasurement is recognised in the income statement. The net gain or loss recognised in the income statement incorporates interest earned on the financial asset.

##### Financial assets available for sale

Assets available for sale are financial assets not with fair value through profit and loss, nor held till maturity. Assets available for sale include certain equity instruments. They are recognised on a trade-date basis, which is the date on which the Company has committed to purchase the assets, and are initially stated at cost, including transaction costs. Financial assets available for sale are subsequently measured and stated at fair value, except for those financial assets which have no quoted market value and for which fair value cannot be determined reliably. Such financial assets are stated at historical cost, less any impairment losses. Gains and losses arisen from changes in the fair value of assets available for sale are credited or charged to the Company's reserves.

##### Impairment of financial assets

Financial assets are assessed for indications of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest rate at the inception.

## Notes to the financial statements (continued)

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)*

**VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

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### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Financial assets (continued)**

##### Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the income statement to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed the amortised cost that would have been reported had the impairment loss not been recognised.

In respect of AFS equity securities, any increase in fair value subsequent to an impairment loss is recognised directly in equity.

#### **Financial liabilities**

Financial liabilities are classified as other financial liabilities.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

#### **Share (subscribed) capital and own shares**

Stock dividends are recognised in equity in the period in which they are declared.

Where the Company or its related companies purchase the Company's share capital or obtains rights to purchase its share capital, the consideration paid including any attributable transaction costs net of income taxes is shown as a deduction from total shareholders' equity. Gains and losses on sale of own shares are charged or credited to the share premium/discount account in equity.



**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)*

**VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

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**3 CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTLY**

In applying the accounting policies, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Achieved results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Preparing financial statements in accordance with Croatian Financial Reporting Standards requires the Management Board to give estimates and assumptions that affect the stated amounts of funds, liabilities, revenues and expenditures and the publication of potential liabilities. The estimates used in the preparation of these financial statements relate to provisions, amounts of value adjustments of asset and determinations of fair value of assets and liabilities. The effect of any change in the assessment will be reflected in the financial statements when it can be confirmed.

*Useful life of property, plant and equipment*

The determination of the useful life of an asset is based on historical experience with similar assets, as well as anticipated changes in the economic environment and factors related to the industry in which the Company operates. The adequacy of the estimated useful life shall be considered annually, or whenever there is an indication of significant changes in the assumptions. We believe that this is an important accounting estimate given the significant share of assets that are depreciated in total assets, and the impact of more significant changes to these assumptions could be a material effect for the Company's financial position and operating results.

*Adjustment of the value of trade receivables*

The Management determines the adjustment of the value of receivables risky in terms of certainty of collection based on an overview of the age structure of all claims and an analysis of individual significant amounts. Adjustment of the value of claims risky in terms of certainty of collection is carried out at the expense of the report on the profit and loss account for the current year.

Estimates and assumptions on the basis of which they are derived are continuously revised. Changes in accounting estimates are recognised in the period of change if the change affects only that period, that is, both in the period of change and future periods if the change affects both current and future periods.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****4 OPERATING INCOME**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
4 a Sales	2,270,653	2,040,753
4 b Other operating income	-	78,393
	<b>2,270,653</b>	<b>2,119,146</b>

**4 a Sales**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Domestic sales	2,270,559	2,040,753
Revenue from sale of goods	94	-
	<b>2,270,653</b>	<b>2,040,753</b>

The Company generates operating income from electricity generation and sale.

**4 b Other operating income**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Income from damages collection	-	76,047
Income from government grant	-	2,346
	-	<b>78,393</b>

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****5 OPERATING EXPENSES**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
5 a Material expenses	415,793	592,106
5 b Staff expenses	87,112	90,757
- Depreciation and amortisation (see Notes 9 and 10)	1,271,318	1,280,939
5 c Other expenses	141,604	191,302
5 d Other operating costs	4,857	863
	<b>1,920,684</b>	<b>2,155,967</b>

**5 a Material expenses**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
<b>Cost of raw material and supplies</b>		
Energy	11,176	21,139
Materials, spare parts, small inventory and tyres	306	1,039
	<b>11,482</b>	<b>22,178</b>
<b>Cost of goods sold</b>	<b>95</b>	<b>889</b>
<b>Other external costs</b>		
Maintenance services	304,352	466,908
Intellectual services	83,977	83,006
Rentals	1,992	-
Transport, telephone, postage	2,114	2,073
Other external costs	11,781	17,052
	<b>404,216</b>	<b>569,039</b>
	<b>415,793</b>	<b>592,106</b>

**5 b Staff expenses**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Net salaries	48,440	50,315
Taxes and contributions out of salaries	26,311	27,588
Contributions on salaries	12,361	12,854
	<b>87,112</b>	<b>90,757</b>

At 31 March 2023, there was 1 person employed by the Company (31 March 2022: 1 employee).

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****5 OPERATING EXPENSES (CONTINUED)****5 c Other expenses**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Contributions and membership fees	2,595	26,284
Insurance premiums	48,811	51,411
Fee for the City of Šibenik	28,419	-
Balancing fee	37,954	89,536
Bank charges	3,879	1,568
Material expenses of employees	4,990	10,719
Membership expenses	5,015	127
Other expenses	9,941	11,657
	<b>141,604</b>	<b>191,302</b>

**5 d Other operating costs**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Write off	4,329	-
Donations	528	863
	<b>4,857</b>	<b>863</b>

**6 FINANCIAL INCOME**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Foreign exchange gains – related parties	52,056	26,244
Foreign exchange gains – unrelated parties	28,569	9,440
Other financial income	7	11
	<b>80,632</b>	<b>35,695</b>

**7 FINANCIAL EXPENSES**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Interest expense	107,890	64,608
Foreign exchange losses	26,330	8,044
Interest expense - related companies	104,509	138,330
Foreign exchange losses- related companies	37,680	4,206
	<b>276,409</b>	<b>215,188</b>

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****8 INCOME TAX**

Income tax is determined in accordance with Croatian laws and regulations. The tax rate applied to taxable profit for the year is 18% (01.04.2021-31.03.2022: 18%).

The Company has a tax loss in the amount of EURO 236,202 for 2022. Resources of deferred tax losses are recognized as accumulated tax loss only in the amount in which is probable that the related tax relief will be realized. The benefits of tax losses are not recognized in the financial statements due to the uncertainty of the conditions for their use in the future.

Pursuant to the applicable regulations of the Republic of Croatia, the Tax Administration may, at any time, inspect the Company's books and records for the year for which the tax liability is declared. The Management of the Company is not aware of any circumstances that may give rise to a potential material liability in this respect.

**9 NON-CURRENT INTANGIBLE ASSETS**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
<b>COST</b>		
Balance at 1 April	1,727,141	1,727,141
Foreign exchange	-	9,670
<b>Balance at 31 March</b>	<b>1,727,141</b>	<b>1,736,811</b>
<b>ACCUMULATED AMORTISATION</b>		
Balance at 1 April	827,905	914,262
Foreign exchange	-	5,119
Charge for the year	86,357	86,841
<b>Balance at 31 March</b>	<b>914,262</b>	<b>1,006,222</b>
<b>NET BOOK VALUE AT 31 MARCH</b>	<b>812,879</b>	<b>730,589</b>

Intangible assets under development represent a completely prepared project with the construction and other industry-specific licences and approvals obtained for the preparatory works on the construction of a wind power plant.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****10 NON-CURRENT TANGIBLE ASSETS**

Cost and accumulated depreciation of plant and equipment are presented as follows:

	Plant and equipment	Tools and furniture	Advance payments for purchase of property plan and equipment	Total
<b>01.04.2021-31.03.2022</b>				
<b>COST</b>				
Balance at 01 April 2021	14,702,563	17,017	5,939	14,725,519
Increase	-	55,848	-	55,848
Decrease	-	-	(5,939)	(5,939)
<b>Balance at 31 March 2022</b>	<b>14,702,563</b>	<b>72,865</b>	<b>-</b>	<b>14,775,428</b>
<b>ACCUMULATED AMORTISATION</b>				
Balance at 01 April 2021	9,245,617	16,150	-	9,261,767
Charge for the year	1,179,376	5,585	-	1,184,961
<b>Balance at 31 March 2022</b>	<b>10,424,993</b>	<b>21,735</b>	<b>-</b>	<b>10,446,728</b>
<b>01.04.2022-31.03.2023</b>				
<b>COST</b>				
Balance at 01 April 2022	14,702,563	72,865	-	14,775,428
Foreign exchange	82,314	408	-	82,722
<b>Balance at 31 March 2023</b>	<b>14,784,877</b>	<b>73,273</b>	<b>-</b>	<b>14,858,150</b>
<b>ACCUMULATED AMORTISATION</b>				
Balance at 01 April 2022	10,424,993	21,735	-	10,446,728
Foreign exchange	58,540	(52)	-	58,488
Charge for the year	1,180,058	14,040	-	1,194,098
<b>Balance at 31 March 2023</b>	<b>11,663,591</b>	<b>35,723</b>	<b>-</b>	<b>11,699,314</b>
<b>NET BOOK VALUE</b>				
<b>Balance at 31 March 2022</b>	<b>4,277,570</b>	<b>51,130</b>	<b>-</b>	<b>4,328,700</b>
<b>Balance at 31 March 2023</b>	<b>3,121,286</b>	<b>37,550</b>	<b>-</b>	<b>3,158,836</b>

According to the Management, there are no indications that the market values of non-current tangible assets as of 31 March 2023 are lower than their carrying amounts given no changes in the technological, economical or legal terms and conditions in which the assets operate that would require those assets to be impaired.

**11 NON-CURRENT FINANCIAL ASSETS**

	31.03.2022	31.03.2023
Deposit for vehicle purchase	16,636	16,729
	<b>16,636</b>	<b>16,729</b>

The company has given a deposit for the purchase of a personal car on financial leasing with Unicredit leasing Croatia d.o.o., Zagreb for 5 years (note 18.b.).

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****12 CURRENT RECEIVABLES**

	<b>31.03.2022</b>	<b>31.03.2023</b>
12 a Trade receivables	461,209	237,310
12 b Other receivables	876	29,831
	<u><b>462,085</b></u>	<u><b>267,141</b></u>

**12 a Trade receivables**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Domestic trade receivables	461,209	237,310
	<u><b>461,209</b></u>	<u><b>237,310</b></u>

The domestic trade receivables relate to receivables from the Croatian Energy Market Operator, Zagreb.

**12 b Other receivables**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Receivables from government	876	29,831
	<u><b>876</b></u>	<u><b>29,831</b></u>

**13 CURRENT FINANCIAL ASSETS**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Deposit given to the Croatian Energy Market Operator	7,745	7,788
	<u><b>7,745</b></u>	<u><b>7,788</b></u>

**14 CASH WITH BANKS AND IN HAND**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Giro account balance and cash in hand	650,014	519,764
Foreign currency account	42,437	-
	<u><b>692,451</b></u>	<u><b>519,764</b></u>

The company has an open giro account with Privredna banka d.d., Zagreb.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)*

**VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik**

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**15 PREPAID EXPENSES AND ACCRUED INCOME**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Accrued income	-	230,139
	-	<b>230,139</b>

The company calculated revenues from the production and sale of electricity for March 2023.



**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****16 SHARE (SUBSCRIBED) CAPITAL**

	Share capital	Total
Balance at 1 April 2021	1,412,557	1,412,557
<b>Balance at 31 March 2022</b>	<b>1,412,557</b>	<b>1,412,557</b>
Foreign exchange	7,909	7,909
<b>Balance at 31 March 2023</b>	<b>1,420,466</b>	<b>1,420,466</b>

Registered capital of the Company amounts to EUR 1,420,466.

The ownership structure at the balance sheet was as follows:

	31.03.2022		31.03.2023	
Shareholders:	Amount of equity share	Number of votes	Amount of equity share	Number of votes
Orient Green Power, the Netherlands	719,061	51	723,087	51
TEC OI d.o.o., Šibenik	690,856	1	694,724	1
Slaven Tudić	1,346	24	1,353	24
Slaven Tudić	396	7	398	7
Tomislav Belamarić	317	6	319	6
Goran Fržop	317	6	319	6
Roko Akrap, Lucija Kulušić	264	5	266	5
	<b>1,412,557</b>	<b>100</b>	<b>1,420,466</b>	<b>100</b>

**17 RESERVES, ACCUMULATED LOSSES AND PROFIT FOR THE YEAR**

	Reserves	Accumulated losses	(Loss)/profit for the year	Total
Balance at 1 April 2021	7,487	(1,014,111)	170,558	(836,066)
Transfer of loss for the period 01.04.2020-31.03.2021 to accumulated losses	-	170,558	(170,558)	-
Profit for the year	-	-	154,193	154,193
<b>Balance at 31 March 2022</b>	<b>7,487</b>	<b>(843,553)</b>	<b>154,193</b>	<b>(681,873)</b>
Foreign exchange	42	(3,859)	-	(3,817)
Coverage of part of transferred loss from profit for the period 01.04.2021.-31.03.2022	--	154,193	(154,193)	-
Loss for the year	--	-	(216,316)	(216,316)
<b>Balance at 31 March 2023</b>	<b>7,529</b>	<b>(693,219)</b>	<b>(216,316)</b>	<b>(902,006)</b>

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****18 NON-CURRENT LIABILITIES**

	<b>31.03.2022</b>	<b>31.03.2023</b>
18 a Liabilities to related companies	2,614,618	2,245,747
18 b Liabilities to financial institution	798,215	47,487
	<b>3,412,833</b>	<b>2,293,234</b>

**18 a Liabilities to related companies**

	<b>Principal Equity</b>	<b>Applied interest rate</b>	<b>31.03.2022</b>	<b>31.03.2023</b>
Orient Green Power (Europe) B.V., the Netherlands	EUR 3,927,435.96	six-month Euribor + 400 b.p. annually	2,614,618	2,245,747
<b>Total long-term borrowings</b>			<b>2,614,618</b>	<b>2,245,747</b>

On August 25, 2010, Orient Green Power (Europe) B.V., the Netherlands, approved a loan of EUR 1,450,000, with the interest rate of six-month Euribor, plus 400 basis points. The loan was approved for working-capital purposes i.e. the completion of the construction of Crno Brdo Wind Power Plant. The loan is repayable as follows: the first instalment is due after the first positive cash inflows and not later than seven years from the date of disbursement.

The Annex to the Agreement of September 7, 2016 regulates the repayment of the loan. Irrespective of the amount of positive cash inflow, during the years of repayment of the loan received by EXIM Bank, the total amount (principal and interest) under this Agreement may not exceed EUR 100,000 per year. Company may unilaterally accelerate repayment or increase the amount of any annual repayment as it deems appropriate. After repayment of the loan to EXIM bank, the dynamics of repayment of the Loan under this Agreement will depend on the positive cash inflow of the Vjetroelektrana Crno Brdo d.o.o.

On 30 September 2014, Orient Green Power (Europe) B.V., the Netherlands, approved a loan of EUR 2,477,435.96, with the interest rate of six-month Euribor, plus 400 basis points. The amount made available to the Company by Orient Green Power (Europe) B.V., the Netherlands, is equivalent to the deposit made by Orient Green Power (Europe) B.V., the Netherlands, and its related companies under the Multi-currency Loan Agreement until the end of June 2014, foreclosed by EXIM Banka based on the past due liabilities under the Agreement. The loan is repayable as follows: the first instalment is due after the first positive cash inflows and not later than seven years from the date of disbursement.

The Annex to the Agreement of September 7, 2016 regulates the repayment of the loan. Irrespective of the amount of positive cash inflow, during the years of repayment of the loan received by EXIM Bank, the total amount (principal and interest) under this Agreement may not exceed EUR 100,000 per year. Company may unilaterally accelerate repayment or increase the amount of any annual repayment as it deems appropriate. After repayment of the loan to EXIM bank, the dynamics of repayment of the Loan under this Agreement will depend on the positive cash inflow of the Vjetroelektrana Crno Brdo d.o.o.

The loan balance at 31 March 2023 amounts to EUR 2,245,747.

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****18 NON-CURRENT LIABILITIES (CONTINUED)****18 b Liabilities to financial institution**

	<b>Principal approved</b>	<b>Applied interest rate</b>	<b>31.03.2022</b>	<b>31.03.2023</b>
Export-Import Bank of India, Mumbai	EUR 12,000,000	Six-month euro Libor + 500 points	1,497,118	500,000
Financial leasing	EUR 61,627	3.25% fixed interest	55,361	47,487
<b>Total long-term borrowings</b>			<b>1,552,479</b>	<b>547,487</b>
Current portion of long-term debt			(754,264)	(500,000)
<b>Total long-term portion</b>			<b>798,215</b>	<b>47,487</b>

On December 14, 2010, Export-Import Bank of India, Mumbai, approved a framework loan facility with a limit of EUR 12,000,000, with the interest charged at six-month Euribor, plus 600 index points per annum. The loan interest accrues on a quarterly basis. The loan repayment is scheduled on a quarterly basis each 20 March, 20 June, 20 September and 20 December (20 instalments), starting in 2013 up to inclusive 20 December 2017. The collaterals comprise uncancellable and unconditional guarantee by Orient Green Power Limited, lien on the Company's movable property and spare parts; transfer of all receivables, rights, interests and incentives under Project agreements; lien on shares and bank accounts.

On 28 October 2014, Export-Import Bank of India, Mumbai, approved the reprogramming of a loan in the amount of EUR 9 million. The loan is repayable in 36 instalments on a quarterly basis, i.e. each 1 January, 1 April, 1 July and 1 October, starting on January 1 2015 up to inclusive 1 October 2023. The loan interest rate is six-month Euribor + 600 index points annually. Under the terms and conditions of the underlying agreement, the Company may not distribute any dividends and change the key management personnel without the bank's approval. If the performance of the Company improves, the Bank is entitled to revise the repayment schedule. Other terms and conditions of the agreement have remained unchanged. The Bank changed the interest rate on Euribor (six-month) + 500 index points per year by letter dated April 9, 2018.

In 2021, the company purchased a vehicle on financial leasing from Unicredit leasing Croatia d.o.o., Zagreb in the amount of EUR 61,627. Repayment is for 5 years at an interest rate of 3.25% per year, fixed.

The repayment schedule of the long-term loans over the next five years is as follows:

<b>Year</b>	<b>Amount</b>
01.04.2023 - 31.03.2024	500,000
After 01.04.2024	47,487
	<b>547.487</b>

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****19 CURRENT LIABILITIES**

	<b>31.03.2022</b>	<b>31.03.2023</b>
19 a Liabilities to related companies	1,412,781	1,522,680
19 b Liabilities to financial institutions	754,264	500,000
19 c Trade payables	5,626	45,845
19 d Other liabilities	4,306	4,165
	<u><b>2,176,977</b></u>	<u><b>2,072,690</b></u>

**19 a Liabilities to related companies**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Trade payables	28,485	-
Interest payable	1,384,296	1,522,680
	<u><b>1,412,781</b></u>	<u><b>1,522,680</b></u>

The interest payable to related companies represents interest on borrowings received from Orient Green Power (Europe) B.V., Netherlands, in the amount of EUR 1,522,800.

**19 b Liabilities to financial institutions**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Current portion of long-term borrowings	754,264	500,000
<b>Total short-term portion</b>	<u><b>754,264</b></u>	<u><b>500,000</b></u>

**19 c Trade payables**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Domestic trade payables	5,626	45,845
	<u><b>5,626</b></u>	<u><b>45,845</b></u>

**19 d Other liabilities**

	<b>31.03.2022</b>	<b>31.03.2023</b>
Liabilities to employees	4,306	4,165
	<u><b>4,306</b></u>	<u><b>4,165</b></u>

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****20 ACCRUED EXPENSES AND DEFERRED INCOME**

	<b>31.03.2022.</b>	<b>31.03.2023.</b>
Calculated costs	-	46,602
	<u>-</u>	<u>46,602</u>

The company calculated the costs for the 3 months of 2023 for which the bills are not yet due.

**21 CONTINGENT LIABILITIES**

**Legal actions.** There were no legal actions outstanding against the Company at 31 March 2023.

**22 RELATED-PARTY TRANSACTIONS**

For financial reporting purposes, parties are considered to be related if one party has the ability to control the other party, if parties are jointly controlled, or if one party exercises significant influence over the other party in making financial and operating decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

	<b>Current receivables for goods and services</b>		<b>Current liabilities for goods and services</b>	
	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2023</b>
<b>Company:</b>				
Orient Green Power (Europe) B.V., Netherlands	-	-	-	-
TEC OI d.o.o., Šibenik	-	-	15,239	-
	<u>-</u>	<u>-</u>	<u>15,239</u>	<u>-</u>

	<b>Liabilities on loans and interest</b>	
	<b>31.03.2022</b>	<b>31.03.2023</b>
<b>Company</b>		
Orient Green Power (Europe) B.V., Netherlands	3,998,915	3,538,289
TEC OI d.o.o., Šibenik	-	-
	<u>3,998,915</u>	<u>3,538,289</u>

**INCOME****Operating income from related companies**

Orient Green Power (Europe) B.V., Netherlands  
TEC OI d.o.o., Šibenik

**Financial income from related companies****Total income from related companies**

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
	-	-
	<u>-</u>	<u>-</u>
	<u>52,056</u>	<u>26,243</u>
	<u>52,056</u>	<u>26,243</u>

**Notes to the financial statements (continued)**

For the period 1 April 2022 - 31 March 2023

*(All amounts are expressed in euro)***VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik****22 RELATED-PARTY TRANSACTIONS (CONTINUED)**

<b>EXPENSES</b>	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
<b>Operating expenses from related companies</b>		
Orient Green Power (Europe) B.V., Netherlands		
TEC OI d.o.o., Šibenik	121,012	218,191
	<b>121,012</b>	<b>218,191</b>
<b>Financial expenses from related companies</b>	<b>142,190</b>	<b>142,535</b>
<b>Total expenses from related companies</b>	<b>263,202</b>	<b>360,726</b>

**Payments to key personnel**

The following allowances were paid to key personnel during the year:

	<b>01.04.2021- 31.03.2022</b>	<b>01.04.2022- 31.03.2023</b>
Salaries in gross amount	74,751	77,903
	<b>74,751</b>	<b>77,903</b>

The number of key personnel of the Company in the period 01.04.2022-31.03.2023 refers to one member of the Management Board (period 01.04.2021-31.03.2022 one member of the Management Board).

**23 ENVIRONMENTAL POLICY**

It is the policy of the Company to ensure an on-going environmental awareness among its employees as well as their commitment to protecting and improving the natural as well as their work environment.

**24 THE IMPACT OF THE COVID-19 VIRUS AND WAR IN UKRAINE ON THE COMPANY'S BUSINESS**

On 11 March 2020, the World Health Organization (WHO) declared a global pandemic due to corona virus (COVID 19). The spread of COVID-19 disease and war in Ukraine has no impact on the company's business.

**25 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were adopted and authorised for issue by the members of the Management Board of VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik, on April 12, 2023.

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Gerhardt Paul Oberlechner  
President of the Management Board

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Goran Fržop  
Member of the Management Board