

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CONTENTS

	Page
Management's responsibility for the financial statements	1
Independent Auditor's Report	2-4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-27

Management's responsibility for the financial statements

Pursuant to the Croatian Accounting Act (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20 114/22 and 82/23), the Management has to ensure that financial statements are prepared for each financial year in accordance with the Croatian Financial Reporting Standards (the CFRSs), published by Financial Reporting Standards Board in Croatia, which present true and fair the state of the Company, as well as the business results for the specified 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 May 08, 2024

Gerhardt Paul Oberlechner
President of the Management Board

Goran Fržop
Member of the Management Board

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik
Krapanjska 8
22 000 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 2024, 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 2024, 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
22 000 Šibenik
Republic of Croatia

08 May 2024

Profit and loss account

For the period 1 April 2023 - 31 March 2024

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

	Note	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Income from sale	4 a	2,040,753	1,903,650
Other operating income	4 b	78,393	50,242
TOTAL OPERATING INCOME	4	2,119,146	1,953,892
Material expenses	5 a	(592,106)	(457,277)
Staff expenses	5 b	(90,757)	(99,190)
Depreciation and amortisation	9, 10	(1,280,939)	(837,231)
Other expenses	5 c	(191,302)	(143,160)
Other operating expenses	5 d	(863)	(8,070)
TOTAL OPERATING EXPENSES	5	(2,155,967)	(1,544,928)
FINANCIAL INCOME	6	35,695	5,623
FINANCIAL EXPENSES	7	(215,190)	(167,445)
TOTAL INCOME		2,154,841	1,959,515
TOTAL EXPENSES		(2,371,157)	(1,712,373)
(LOSS)/PROFIT BEFORE TAXATION		(216,316)	247,142
INCOME TAX	8	-	-
(LOSS)/PROFIT FOR THE PERIOD		(216,316)	247,142

Balance sheet

At 31 March 2024

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

	Note	31.03.2023	31.03.2024
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	9	730,589	643,749
TANGIBLE ASSETS	10	3,158,836	2,408,446
NON-CURRENT FINANCIAL ASSETS	11	16,729	16,729
		3,906,154	3,068,924
CURRENT ASSETS			
Trade receivables	12 a	237,310	155,444
Other current receivables	12 b	29,831	-
CURRENT RECEIVABLES	12	267,141	155,444
CURRENT FINANCIAL ASSETS	13	7,788	1,328
CASH WITH BANKS AND IN HAND	14	519,764	887,914
		794,693	1,044,686
PREPAID EXPENSES AND ACCURED INCOME	15	230,139	-
TOTAL ASSETS		4,930,986	4,113,610
EQUITY AND RESERVES			
SHARE (SUBSCRIBED) CAPITAL	16	1,420,466	1,420,466
RESERVES OUT OF PROFIT	17	7,529	7,529
ACCUMULATED LOSSES	17	(693,219)	(909,535)
(LOSS) / PROFIT FOR THE YEAR	17	(216,316)	247,142
		518,460	765,602
NON-CURRENT LIABILITIES			
Liabilities to related companies	18 a	2,245,747	1,599,967
Liabilities to financial institutions	18 b	47,487	39,078
	18	2,293,234	1,639,045
CURRENT LIABILITIES			
Liabilities to related companies	19 a	1,522,680	1,673,780
Liabilities to financial institutions	19 b	500,000	-
Trade payables	19 c	45,845	23,074
Other current liabilities	19 d	4,165	12,109
	19	2,072,690	1,708,963
ACCRUED EXPENSES AND DEFERRED INCOME	20	46,602	-
TOTAL EQUITY AND LIABILITIES		4,930,986	4,113,610

Notes to the financial statements

For the period 1 April 2023 - 31 March 2024

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

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. (PIN) 02826763846 and with the registered capital in the amount of EUR 1,420,466.

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 EUR 14,772,937 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:

- | | |
|-----------------------------|--|
| - Gerhardt 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 2023 - 31 March 2024

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

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

Financial statements are prepared on a consistent basis of presentation and classification. In the event of changes in the presentation and classification of items in the financial statements, comparative amounts shall also be reclassified unless this is not feasible.

The entries included in the Company's financial statements are expressed in the currency of the primary economic environment in which the Company operates (function currency). Considering that the Republic of Croatia introduced the euro as the official currency as the official currency from 1 January 2023, in accordance with the Act on the Introduction of the Euro as the Official Currency in the Republic of Croatia, the Company changed the presentation currency from kuna to euro for the purpose of preparing the financial statements for the year ended 31 December 2023, and the financial statements for the year ended 31 December 2023 were prepared in euro for the first time. As of 1 January 2023, the euro is also the function currency of the Company (until January 1, 2023, it was kuna). Although the change in the presentation currency in the financial statements represents a change in accounting policy requiring retroactive application, the Company has not published the third balance sheet in the financial statements for the year ended 31 December 2023 in accordance with International Accounting Standard 8 (IAS) Accounting policies, changes in accounting estimates and errors, since it has determined that the change in the presentation currency does not have a significant impact on the Company's financial statements, due to the stable exchange rate HRK/EUR in the last few years.

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

As of 1 January 2023, euro has become the official currency of the Republic of Croatia. The Company's financial statements are prepared in euro. As at 31 March 2024, the official exchange rate of the euro against 1 US dollar was EUR 1.07 (31.03.2023: 1 US dollar = EUR 1.09).

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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 does not have any outstanding obligations towards its existing and former employees based on payments after retirement.

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.

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.

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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:

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
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%

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.

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

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 EUR 465. 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.

Profit 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:

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
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.

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Impairment of assets (continued)**

The correction of impairment losses is made if there have been changes in the estimates that were used to determine the recoverable amount. The correction of impairment loss is only income up to the amount of the carrying amount of the asset, minus depreciation, as it would be if the impairment loss had not been recognised.

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.

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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 2023 - 31 March 2024

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

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 2023 - 31 March 2024

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

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
4 a Income from sales	2,040,753	1,903,650
4 b Other operating income	78,393	50,242
	2,119,146	1,953,892

4 a Income from sales

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Income from sales at domestic market	2,040,753	1,903,650
	2,040,753	1,903,650

The Company generates operating income from electricity generation and sale.

4 b Other operating income

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Income from damages collection	76,047	45,258
Income from government grant	2,346	4,984
	78,393	50,242

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
5 a Material expenses	592,106	457,277
5 b Staff expenses	90,757	99,190
- Depreciation and amortisation (see Notes 9 and 10)	1,280,939	837,231
5 c Other expenses	191,302	143,160
5 d Other operating expenses	863	8,070
	2,155,967	1,544,928

5 a Material expenses

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Cost of raw material and supplies		
Energy	21,139	20,294
Materials, spare parts, small inventory and tyres	1,039	1,107
	22,178	21,401
Cost of goods sold	889	-
Other external costs		
Maintenance services	466,908	335,075
Intellectual services	83,006	96,231
Transport, telephone, postage	2,073	2,141
Other external costs	17,052	2,429
	569,039	435,876
	592,106	457,277

5 b Staff expenses

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Net salaries	50,315	54,491
Taxes and contributions out of salaries	27,588	30,651
Contributions on salaries	12,854	14,048
	90,757	99,190

At 31 March 2024, there was 1 person employed by the Company (31 March 2023: 1 employee).

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Contributions and membership fees	26,284	7,651
Insurance premiums	51,411	60,856
Balancing energy fee	89,536	55,991
Bank charges	1,568	3,376
Travel and material expenses of employees	10,719	6,564
Membership expenses	127	628
Other expenses	11,657	8,094
	191,302	143,160

5 d Other operating expenses

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Donations	863	8,070
	863	8,070

6 FINANCIAL INCOME

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Foreign exchange income – related parties	26,244	-
Foreign exchange income – unrelated parties	9,440	5,031
Other financial income	11	592
	35,695	5,623

7 FINANCIAL EXPENSES

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Interest expense	64,608	16,344
Foreign exchange losses	8,044	-
Interest expense - related companies	138,331	151,101
Foreign exchange losses - related companies	4,207	-
	215,190	167,445

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

*(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% (01.04.2022-31.03.2023: 18%).

The company has a corporate income tax liability for 2023 in the amount of EUR 30,100.

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

	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
COST		
Balance at 1 April	1,727,141	1,736,811
Foreign exchange	9,670	-
Balance at 31 March	1,736,811	1,736,811
ACCUMULATED AMORTISATION		
Balance at 1 April	914,262	1,006,222
Foreign exchange	5,119	0
Charge for the year	86,841	86,841
Balance at 31 March	1,006,222	1,093,063
NET BOOK VALUE AT 31 MARCH	730,589	643,748

Intangible assets 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 2023 - 31 March 2024

*(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	Total
01.04.2022-31.03.2023			
COST			
Balance at 01 April 2022	14,702,563	72,865	14,775,428
Increase	82,314	408	82,722
Decrease	-	-	
Balance at 31 March 2023	14,784,877	73,273	14,858,150
ACCUMULATED AMORTISATION			
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
Balance at 31 March 2023	11,663,591	35,723	11,699,314
01.04.2023-31.03.2024			
COST			
Balance at 01 April 2023	14,784,877	73,273	14,858,150
Balance at 31 March 2024	14,784,877	73,273	14,858,150
ACCUMULATED AMORTISATION			
Balance at 01 April 2023	11,663,591	35,723	11,699,314
Charge for the year	739,158	11,232	750,390
Balance at 31 March 2024	12,402,749	46,955	12,449,704
NET BOOK VALUE			
Balance at 31 March 2023	3,121,286	37,550	3,158,836
Balance at 31 March 2024	2,382,128	26,318	2,408,446

For the current year according to the Decision of the Management Board of the Company, the depreciation rate on wind power plants is 5% per year because the life span of wind turbines, declared by the equipment manufacturer at 20 years, so a lower depreciation in the amount of EUR 452,708 was reported compared to the previous year.

According to the Management, there are no indications that the market values of non-current tangible assets as of 31 March 2024 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

	31.03.2023	31.03.2024
Deposit for vehicle purchase	16,729	16,729
	16,729	16,729

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 2023 - 31 March 2024

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

	31.03.2023	31.03.2024
12 a Trade receivables	237,310	155,444
12 b Other current receivables	29,831	-
	<u>267,141</u>	<u>155,444</u>

12 a Trade receivables

	31.03.2023	31.03.2024
Domestic trade receivables	237,310	155,444
	<u>237,310</u>	<u>155,444</u>

The domestic trade receivables relate to receivables from the GEN-I Hrvatska d.o.o., Zagreb.

12 b Other current receivables

	31.03.2023	31.03.2024
Receivables from government	29,831	-
	<u>29,831</u>	<u>-</u>

13 CURRENT FINANCIAL ASSETS

	31.03.2023	31.03.2024
Deposit given to the Croatian Energy Market Operator	7,788	1,328
	<u>7,788</u>	<u>1,328</u>

14 CASH WITH BANKS AND IN HAND

	31.03.2023	31.03.2024
Giro account balance and cash in hand	519,764	887,914
	<u>519,764</u>	<u>887,914</u>

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

15 PREPAID EXPENSES AND ACCRUED INCOME

	31.03.2023	31.03.2024
Accrued income	230,139	-
	<u>230,139</u>	<u>-</u>

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

	Share capital	Total
Balance at 1 April 2022	1,420,466	1,420,466
Balance at 31 March 2023	1,420,466	1,420,466
Balance at 31 March 2024	1,420,466	1,420,466

Share (subscribed) capital of the Company amounts to EUR 1,420,466 based on the conversion from kuna to euro in 2023.

The ownership structure at the balance sheet was as follows:

	31.03.2023		31.03.2024	
Shareholders:	Amount of equity share	Number of votes	Amount of equity share	Number of votes
Orient Green Power, the Netherlands	723,087	51	723,087	51
TEC OI d.o.o., Šibenik	694,724	1	694,724	1
Slaven Tudić	1,353	24	1,353	24
Slaven Tudić	398	7	398	7
Tomislav Belamarić	319	6	319	6
Goran Fržop	319	6	319	6
Roko Akrap, Lucija Kulušić	266	5	266	5
	1,420,466	100	1,420,466	100

17 RESERVES, ACCUMULATED LOSSES AND PROFIT FOR THE YEAR

	Reserves	Accumulated losses	(Loss)/profit for the year	Total
Balance at 1 April 2022	7,487	(843,553)	154,193	(681,873)
Foreign exchange	42	(3,859)	-	(3,817)
Transfer of loss for the period 01.04.2021-31.03.2022 to accumulated losses	-	154,193	(154,193)	-
(Loss) for the year	-	-	(216,316)	(216,316)
Balance at 31 March 2023	7,529	(693,219)	(216,316)	(902,006)
Coverage of part of transferred loss from profit for the period 01.04.2022.-31.03.2023	-	(216,316)	216,316	-
Profit for the year	-	-	247,142	247,142
Balance at 31 March 2024	7,529	(909,535)	247,142	(654,864)

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

	31.03.2023	31.03.2024
18 a Liabilities to related companies	2,245,747	1,599,967
18 b Liabilities to financial institution	47,487	39,078
	2,293,234	1,639,045

18 a Liabilities to related companies

	Principal Equity	Applied interest rate	31.03.2023	31.03.2024
Orient Green Power (Europe) B.V., the Netherlands	EUR 3,927,435.96	six-month Euribor + 400 b.p. annually	2,245,747	1,599,967
Total long-term borrowings			2,245,747	1,599,967

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 2024 amounts to EUR 1,599,967.

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

	Principal approved	Applied interest rate	31.03.2023	31.03.2024
Export-Import Bank of India, Mumbai	EUR 12,000,000	Six-month euro Libor + 500 points	500,000	-
Financial leasing	EUR 61,627	3.25% fixed interest	47,487	39,078
Total long-term borrowings			547,487	39,078
Current portion of long-term debt			(500,000)	-
Total long-term portion			47,487	39,078

In 2023, the last installment of a loan from Export-Import Bank of India, Mumbai in the amount of EUR 12,000,000 was paid.

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.

19 CURRENT LIABILITIES

	31.03.2023	31.03.2024
19 a Liabilities to related companies	1,522,680	1,673,780
19 b Liabilities to financial institutions	500,000	-
19 c Trade payables	45,845	23,073
19 d Other current liabilities	4,165	12,109
	2,072,690	1,708,962

19 a Liabilities to related companies

	31.03.2023	31.03.2024
Interest payable	1,522,680	1,673,780
	1,522,680	1,673,780

The interest payable to related companies represents interest on borrowings received from Orient Green Power (Europe) B.V., Netherlands, in the amount of EUR 1,673,780.

19 b Liabilities to financial institutions

	31.03.2023	31.03.2024
Current portion of long-term borrowings (note 18 b)	500,000	-
Total short-term portion	500,000	-

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

	31.03.2023	31.03.2024
Domestic trade payables	45,845	23,073
	<u>45,845</u>	<u>23,073</u>

19 d Other current liabilities

	31.03.2023	31.03.2024
Liabilities to employees	4,165	3,146
Liabilities to Government	-	8,963
	<u>4,165</u>	<u>12,109</u>

20 ACCRUED EXPENSES AND DEFERRED INCOME

	31.03.2023	31.03.2024
Calculated costs	46,602	-
	<u>46,602</u>	<u>-</u>

21 CONTINGENT LIABILITIES

Legal actions. There were no legal actions outstanding against the Company at 31 March 2024.

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.

	Current receivables for goods and services		Current liabilities for goods and services	
	31.03.2023	31.03.2024	31.03.2023	31.03.2024
Company:				
Orient Green Power (Europe) B.V., Netherlands	-	-	-	-
TEC OI d.o.o., Šibenik	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

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

	Liabilities on loans and interest	
	31.03.2023	31.03.2024
Company		
Orient Green Power (Europe) B.V., Netherlands	3,538,289	3,273,747
TEC OI d.o.o., Šibenik	-	-
	3,538,289	3,273,747
INCOME	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Operating income from related companies		
Orient Green Power (Europe) B.V., Netherlands	-	-
TEC OI d.o.o., Šibenik	-	-
	-	-
Financial income from related companies	26,243	-
Total income from related companies	26,243	-
EXPENSES	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Operating expenses from related companies		
Orient Green Power (Europe) B.V., Netherlands	-	-
TEC OI d.o.o., Šibenik	218,191	226,834
	218,191	226,834
Financial expenses from related companies	142,535	151,100
Total expenses from related companies	360,726	377,934
Payments to key personnel		
The following allowances were paid to key personnel during the year:		
	01.04.2022- 31.03.2023	01.04.2023- 31.03.2024
Salaries in gross amount	77,903	85,141
	77,903	85,141

The number of key personnel of the Company in the period 01.04.2023-31.03.2024 refers to one member of the Management Board (period 01.04.2022-31.03.2023 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.

Notes to the financial statements (continued)

For the period 1 April 2023 - 31 March 2024

(All amounts are expressed in euro)

VJETROELEKTRANA CRNO BRDO d.o.o., Šibenik

24 THE IMPACT OF THE WAR IN UKRAINE ON THE COMPANY'S BUSINESS

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 May 08, 2024.

Gerhardt Paul Oberlechner
President of the Management Board

Goran Fržop
Member of the Management Board