



Annual Report

2023

Foreword

Dear partners and friends,

It is with great pleasure that I present the SEEPEX annual report for 2023. This year has been one of significant achievements and challenges, marked by intensive integration activities within ADEX business infrastructure and go-live of the Serbian intraday market, both implemented in strong synergy with our BSP partners, as well as further development of the Serbian day-ahead market with record-breaking trading volumes, enlarged market community and stable financial company performances.

This truly significant business success at the end of the first decade of SEEPEX was the cherry on the top of the company's successful and profitable business operation; in just a few years, the company has profiled itself as a relevant, not only national, but also regional market place, with a fully rounded spot market framework (as it is known, an intraday spot trading segment was implemented last year), - with over 40 participants from 16 European countries and a volume of almost 5 TWh of electricity traded on the day-ahead market. It is important to note that these business results were achieved in the conditions of the so-called of "isolated" work, which is otherwise a unique case in the region, where all other power exchanges (including power exchanges from the EU environment) began to achieve such business and financial results only after the implementation of market coupling projects, and the significant increase in liquidity that they consequently brought. It should be emphasized that all of this is the result of the belief in success and the commitment of all my colleagues who have participated in the establishment and operation of the company, not only from SEEPEX and EMS, but broader, including our EU partners and local institutions that helped us in with the necessary, and on a few occasions systemic, interventions on amendments to energy, market and financial legislation. But, above all, I would say, it is the fruit of a clearly set, far-reaching vision of SEEPEX as a modern European power exchange that will operate with a clear and undeniable regional perspective, fully in accordance with the best European practice.

There are several highlights from the past year for me. First of all, this is an establishment and first year of operation of ADEX, the first regional power exchange for Central and South-Eastern Europe, as well as

successful finalization of the second phase of the BlueSky project, executed in strong synergy with our Slovenian and Hungarian partners. As it is well-known, the BlueSky project was initiated in 2017 by SEEPEX and its founders (EMS and EPEX SPOT), as a vehicle for executing the SEEPEX initial vision of establishing a regional power exchange and turning to partners from the EU is a consequence of insufficient understanding of political structures from the neighboring countries that were our natural and first partners in this dialogue. Project implementation was designed in two phases; the first phase, the corporate integration of the Serbian and Slovenian power exchanges and the establishment of the ADEX Group, was successfully completed in December 2022, while negotiations with Hungarian partners were also successfully completed in the last year, and the transaction document on the accession of HUPX to this unique business infrastructure was signed in December 2023.

In addition to these important strategic goals, SEEPEX achieved impressive business results in the year behind us. In 2023, SEEPEX managed to achieve stable and resilient trading volumes, as well as record-breaking financial performance. The trading volume in the day-ahead market segment in 2023 achieved 4.7 TWh, with the maximum monthly volume of 474.7 GWh recorded in March 2023 and average DAM base price of 103.46 EUR/MWh. At the end of 2023, there were 39 registered and active members (11 new members joined in 2023) providing robust, resilient, and fully deconcentrated day-ahead market. In 2023, we have also continued with already started R&D activities through SEEPEX's participation in the Europe-wide Horizon 2020 program, with the main aim to develop new innovative products to be offered to the Serbian and regional market community in the near future. As a result of all these efforts, 2023 was also the best financial year in the Company's 8-year history. Implementing the best European practice, both in the trading and the clearing & settlement business segment, SEEPEX continued to report record-breaking results for the eighth time in a row, asserting itself as the one of the most important players in the power spot playing field in the SEE region and a unique case of success among all neighboring WB6 countries. It should be emphasized also that all these excellent results were achieved through close cooperation with our shareholders, EMS and EPEX SPOT, and other main strategic partners, European Commodity Clearing AG (ECC) and EEX AG.

In summary, we can state that in 2023 we have again come closer to our long-term goal of developing SEEPEX into a strong and liquid regional power spot commodity exchange. In 2023, our focus will again be on further growth in core markets, through increasing the DAM trading volume and number of members and further strengthening of long-awaited Serbian Intraday market. Additional important pillars in 2023 is to enlarge initial geographic scope of ADEX through

strategic cooperation with other neighboring CEE power exchanges, with the main goal to fully operationalize cooperation with our Hungarian partners (MAVIR and HUPX). In addition, we will intensify our efforts on the market coupling projects of the Serbian day-market with the single European market, with the main focus on the coupling of the Serbian and Hungarian DAM, which is planned for implementation within the joint ADEX business infrastructure. In addition, we are fully committed to intensify joint efforts with the main Serbian stakeholders (Ministry, Regulators, EMS) on the full transposition of the relevant EU market framework into the national legislation.

Finally, on behalf of the SEEPEX management I would like to sincerely thank our employees for their support and commitment, as well as to our members and strategic partners helping us to achieve our goals and strategic vision. The list of challenges for 2023 is long – but so is our list of solutions. I am convinced that we together have the knowledge and creativity to deal with all these challenges and to provide reliable and cost-effective marketplace for both trading community and overall economy.

That's why I look forward to 2024 with excitement and optimism,

Miloš Mladenović
Managing Director

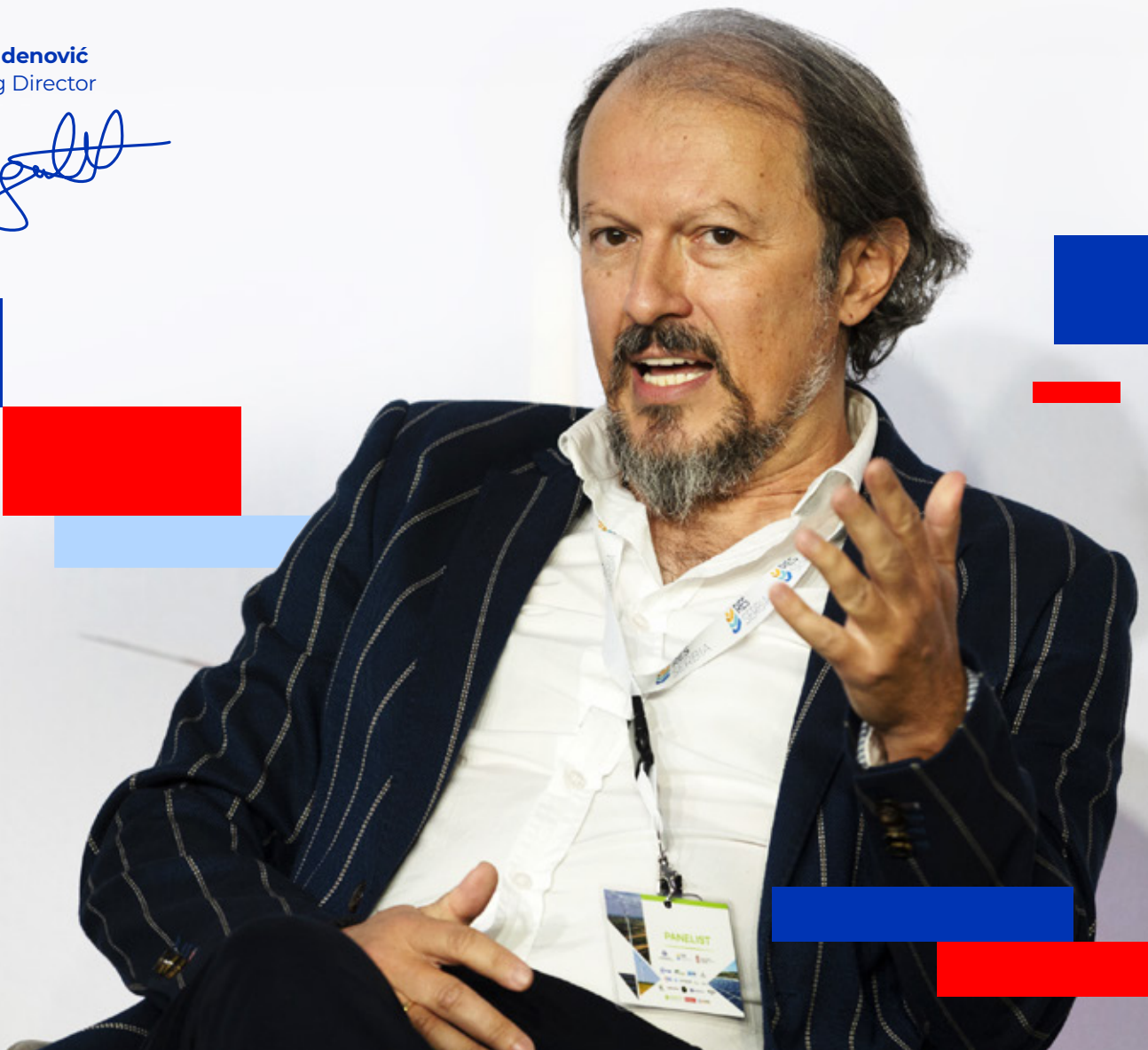


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Foundation and Activity

The Energy Law has defined the organized electricity market as an institutionally regulated relationship between the supply and the demand of participants in the electricity market, with predetermined standardized products and physical delivery, within the time frame “day ahead” and “intraday”, recognizing the management of the organized electricity market as one of its energy related activities.

Also, Article 179 of the Law prescribes the obligation of J.S.C. Elektromreža Srbije (EMS), as the operator of the transmission system, to establish an operator of the organized electricity market. The Government of the Republic of Serbia, at a session held on February 28, 2014, adopted the Decision no. 3121864/2014, which officially accepts the Report on measures introduced in order to establish an organized electricity market in the Republic of Serbia, and recommends J.S.C. EMS to start activities towards the establishment of the organized electricity market and the Market operator.

The implementation of this business model in Serbia required, among other things, harmonization of other primary and secondary legislation in the field of energy with financial legislation. In this context, the Serbian Government has adopted amendments and supplements to the Law on VAT ('Official Gazette of RS', no. 83/2015), which has brought substantial innovations regarding VAT related obligations in Serbia that directly affect the determination of tax debtor, registering a foreign entity for VAT, VAT exemption for import, etc. Also, the Ministry of Mining and Energy adopted a Regulation on the license for performing energy activities and certification ('Official Gazette of RS', no. 87/2015), which regulates the conditions of issuing and revoking licenses, enabling foreign entities to be registered and to obtain a license for conducting energy activity of wholesale of electricity in the Republic of Serbia.

Since the function of clearing and the so-called “central counterparty” was practically nonexistent in Serbia at a satisfactory level, the Energy Law defined a possibility of clearing and financial settlement in an organized market being performed abroad, i.e. in a European country. As an important segment of the entire concept, the Energy Law (Article 181, Par. 3), defined that in such a case “all payments, collections and transfers on the basis of financial settlement between organized power market participants will be carried out in EUR”. This enabled the implementation of the defined market model and participation of foreign companies on the power market in the Republic of Serbia, which was one of the preconditions for SEEPEX to start operating, i.e. for the start of functioning of the day-ahead market. Pursuant to the above, after months of preparatory activities and obtaining the required approvals of all relevant state authorities, SEEPEX was finally registered on July 14, 2015 as a joint stock company where J.S.C. EMS owned 75% of shares, while EPEX SPOT owned 25%. After the completed membership process for the members' participation on SEEPEX, the first transactions on SEEPEX started on February 17, 2016.

On June 16, 2022, the Government of the Republic of Serbia has officially designated SEEPEX a.d. Belgrade (SEEPEX) as the Serbian Nominated Electricity Market Operator (NEMO).

Alpine-Adriatic Danube Power Exchange - ADEX, the first regional power exchange for Central and South-Eastern Europe, was officially established on 23rd December 2022 in Ljubljana via formal signature of its founding members ELES, EMS, and EPEX SPOT, which all held equal shares portion. ADEX was established in the way of corporate merging between BSP SouthPool and SEEPEX, with the company's headquarters in Ljubljana and main permanent offices in Ljubljana and Belgrade. The newly founded ADEX offers harmonized one-stop-shop spot power trading services in Slovenia and Serbia, with the ambition to extend business to other countries in the Central and South-Eastern European (CSEE) region.

ADEX Group ownership structure



Identity card of the company

SEEPEX

The company is registered in the Register of Companies at the Business Registers Agency of the Republic of Serbia as SEEPEX Akcionarsko društvo Beograd. Its registration number in the single taxpayers register is BD 61538/2015 of July 14, 2015 and BD 72365/2016 of September 12.

Name of the joint stock company	SEEPEX akcionarsko društvo Beograd
Translation of the name of a foreign language	SEEPEX societate anonyme Belgrade SEEPEX joint stock company Belgrade
The predominant business activity of the Company	Trade of electricity
Duration	Unlimited
Legal form	Joint stock company, nonpublic joint stock company
For the commitments of legal transactions towards third parties	Shall be liable with all its assets
Identification no, Agency for Business Registers	21121070
Tax Identification Number	109064704
Established	14/07/2015
Company headquarters	Belgrade, 412 Vojvode Stepe
Telephone - Switchboard	+381 11 3972941
Basic capital of the Company	Consists of pecuniary contributions: Subscribed RSD 240,000,000 Paid RSD 240,000,000
Number of shares	240,000
Shareholders	ADEX Group Ltd (ADEX Skupina d.o.o.) 100% since 23rd Dec 2023
The legal (statutory representatives)	Individual: Managing Director Miloš Mladenović, MSc Supervisory board: President and two members
Register founding agreements	Foundation Agreement of the company on July 8, 2015.

The company performs the activity of Organized market operation, which is an institutionally regulated relationship between the supply and demand of the participants on the organized electricity market, with predetermined standardized products of electricity and delivery within the time frame "day ahead" and "intraday" ("Market"). The company performs all business activities defined in the Energy Law, pursuant to the Decision of the Government of Serbia 05 no. 023 6656/20151 of June 18, 2015.

OVERVIEW

Alpine-Adriatic Danube Power Exchange – ADEX Group

Alpine-Adriatic Danube Power Exchange Group, the first regional power exchange for Central and South-Eastern Europe, was officially established on 23rd December 2022 via formal signature of its founding members ELES, EMS, and EPEX SPOT, with equal shares. ADEX was established in the way of corporate merging between BSP SouthPool and SEEPEX. The ADEX offers harmonized one-stop-shop spot power trading services in Slovenia and Serbia, with the ambition to extend business to other countries in the Central and South-Eastern European (CSEE) region. In order to achieve this, BSP and SEEPEX work together on rules, processes and procedures synergy. This synergy is reflected in the fact that SEEPEX introduced M7 platform for IntraDay trading, the very same that is used by BSP. Also, BSP will migrate from their existing Day-Ahead trading platform to ETS system used by SEEPEX, by the end of Q1 2024. This also means that BSP will replace their self-clearing service with the clearing settlement by ECC.

Day-Ahead Market

In 2023, SEEPEX achieved the highest ever trading volume at the Day-Ahead Market (4,680,359.4 MWh) since it was founded, in spite of the global energy crisis that shaken the world and the situation in Ukraine that hit the energy markets in Europe very hard. In light of this, during 2023 SEEPEX, as a part of the ADEX Group, continued the trend of successful development in business activities and number of members, with ensured financial sustainability.

IntraDay Market

According to the feedback of SEEPEX members and considering also planned significant increase of RES capacities in Serbia, implementation of SEEPEX IntraDay market was recognized as a high priority. In this context, SEEPEX launched IntraDay Project in 2022. Realisation of this project was done with Slovenian power exchange BSP (responsible for hosting and administering Deutsche Boerse's trading platform M7) and European Commodity Clearing (responsible for clearing and settlement services). The project was successfully completed, and IntraDay market commenced the operation in July 2023.

Financial derivatives (Futures)

From 3rd June 2019, when the first amount of energy was traded on the futures market until today, it is more than clear that cooperation with European Energy Exchange AG (EEX) has confirmed the best practice fully compliant with European Financial Regulation. The introduction of financial derivatives has improved the investment framework in the energy sector, providing a more realistic reference price, and at the same time predicting the movement of electricity prices on the wholesale market over a longer period. Serbian Power Futures is a tool enabling the market participants to hedge price risks on the local power spot market. The volume of electricity traded on futures market for this area in 2023 was 844,224 MWh. The energy crisis has led to a decrease in trade on derivatives markets throughout Europe and consequently in Serbia as well. Recovery of this market is expected in the future.

Capacity Allocation and Congestion Management (CACM) regulation

On June 16, 2022, the Government of the Republic of Serbia officially designated SEEPEX a.d. Belgrade (SEEPEX) as the Serbian Nominated Electricity Market Operator (NEMO). NEMO designation procedure was performed in accordance with the Serbian Energy Law and corresponding by-law - Regulation on the market coupling of organized day-ahead and intraday electricity markets, and it is fully harmonized with the corresponding provisions of Commission Regulation (EU) 2015/1222, establishing the Guidelines on Capacity Allocation and Congestion Management (CACM regulation). This will provide a necessary legal and regulatory framework, in order to begin with day-ahead market coupling projects not only with the neighbouring EU partners (TSO's and NEMO's), but with other regional markets as well. Regulatory transposition of the set of ENTSO-E Network Codes including CACM GL in the WB6 region was done by the EnC Ministerial Council in December 2022. This process was driven by the Energy Community Secretariat in close cooperation with the European Commission, with the aim to transpose the full

Network Codes package in the WB6 region and ensure both full harmonization of the legal/regulatory framework with EU rules and reciprocity in the relationship between WB6 and EU stakeholders. Serbia is in the process of transposing a set of Network Codes including CACM GL into the national legislation. It was already confirmed several times by the European Commission that this step will be enough to officially kick-off the process of full integration of the national electricity DA/ID markets with the neighbouring EU markets via ongoing SDAC and SIDC initiatives.

Trinity Project

During 2019, SEEPEX took part in the Trinity project, in close cooperation with EPEXSPOT and other partners, i.e. members of the Trinity consortium. Trinity was a response to the call for proposals under the Horizon 2020 EU R&D program. The goal of the Trinity project was to develop solutions for increased regional cross-border cooperation in the transmission grid. Specifically, the project addressed the need for more cooperation between TSOs, energy producers and market participants, in particular at a regional level. The ultimate goal of the project was to harmonize cross-border services between EU and non-EU countries. As one of the 19 companies in the consortium (that also includes NEMOs, TSOs, RSCs, Research centres, RES and technology providers), SEEPEX took the active part in Trinity, by delivering new market products that would help the integration of electricity markets in the SEE region. As an established power exchange, with lots of experience and good expertise in the field, SEEPEX, in cooperation with other partners in the consortium, will deliver tools the aim of which is to enhance electricity trade in the SEE region - Intraday Market Coupling Module using Auction algorithm, Regional Capacity Reserve Market platform, Bilateral trading platform and Guarantees of Origin market tool. Demonstration of these tools started in 2022 and continued in 2023. Trinity project lasted for 4 years and successfully completed in 2023. The project was praised by the European Commission in their report, stating that project "has delivered exceptional results with significant immediate or potential impact".

Role in the Wholesale Electricity Market

SEEPEX's core business is operating the organized electricity market in Serbia.

SEEPEX provides a market place where exchange members send their orders to buy or sell electricity within the Serbian delivery area. The role of SEEPEX consists of matching these orders in a transparent manner, according to the public SEEPEX Market rules. As a result of the order matching, SEEPEX provides transactions which are legally binding agreements to purchase or sell a determined quantity of electricity for the cleared price. This price is never higher than the purchase price fixed by the buyer or lower than the sale price offered by the seller.



The trades are transferred to the central counterparty, the European Commodity Clearing (ECC), which becomes the counterparty to the buyer and to the seller on anonymous basis. ECC takes on the obligations of the buyer to pay for the electricity to the seller, and of the seller to deliver the electricity to the buyer. It nominates the exchange of energy to the Transmission System Operator (EMS) and calls for the money pertaining to the trade from the buyer and hands it over to the seller.

This process guarantees:

Fair and orderly execution of the orders of the exchange members,

Secure delivery and payment of the trades, anonymous transactions.

As an important information about this process, SEEPEX publishes the prices resulting from the trades. Since the trades result from an open and transparent competition between the orders of the exchange members, they reflect the best information available at the time on the market conditions inside Serbia and SEE region. They are the most reliable prices available for short-term electricity. These prices represent the reference prices for the Serbian wholesale market.

Management of the Company and Organizational Structure

Management of the Company is organized on the principle of two-tier management. The relevant bodies of the company are: The General Assembly – in charge of making decisions in accordance with the Serbian Law on Companies, Managing Director – the legal representative of the company, Miloš Mladenović, MSc Electrical Engineering – Supervisory Board – in charge of making the key business decisions related to activities of the company.

SEEPEX organization also has the following exchange bodies:

- the Organized Market Committee
- the Market Surveillance Office.

The Organized Market Committee and the market Surveillance Office are two independent bodies that have been put in place in order to ensure the best governance rules.

The Organized Market Committee is a body elected from the Exchange Members which decides on the Rules and on general decisions related to the Exchange. The composition of the Organized Market Committee reflects the diversity of economic and corporate profiles among the different

categories of Exchange Members: power trading companies, suppliers, transmission system operator, producers and commercial consumers.

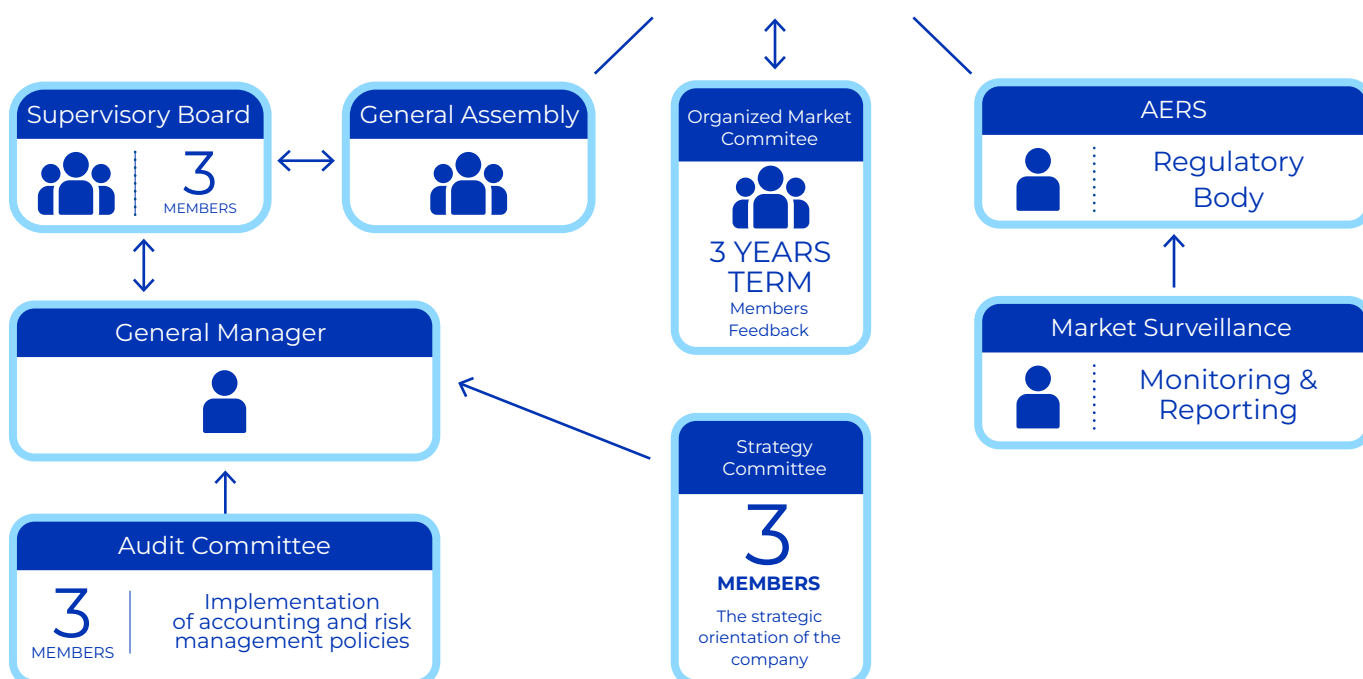
The current members of the Organized Market Committee are:

- Mr. Ivan Kalafatić, EFT trading
- Mr. Srđan Resavac, GENI
- Mrs. Anita Stanković, INTERENERGO
- Mr. David Žarković, ELEKTROPRIVREDA SRBIJE
- Mr. Viktor Varga, MVM
- Mrs. Jadranka Janjanin, ELEKTROMREŽA SRBIJE
- Mr. Ivan Ivanov, ALPIQ

The Market Surveillance Office monitors, as an independent body, the SEEPEX market and its Exchange Members on a daily basis. It continuously monitors the SEEPEX markets and checks that members comply with SEEPEX Market Rules. Market Surveillance acts as a central point of contact that cooperates with the national regulatory authority.

SEEPEX Organizational Structure

SEEPEX



Trading Procedures

Electricity trading on SEEPEX takes place across 24 individual hours, for all 365 days of the year.

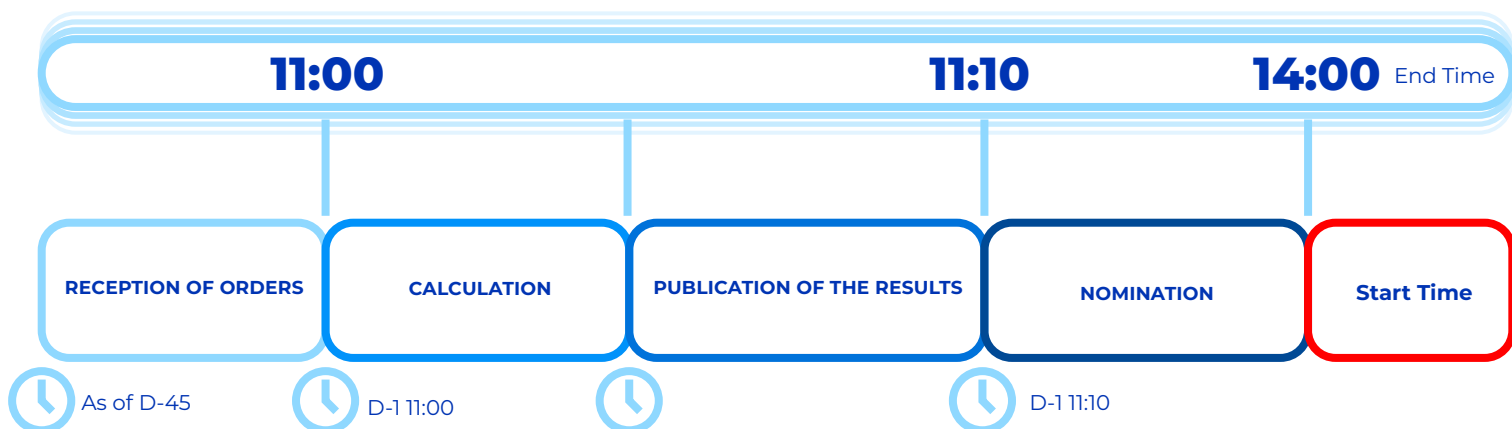
Day-Ahead Market

Trading takes place on all days from Monday till Sunday. Exchange members submit their buy and sell orders using the ETS platform starting 45 days before Auction date until 11:00 on day D-1. Order book gate closure time is 11:00 and results are published on the SEEPEX website shortly after 11:10. Trading information is immediately sent to ECC for clearing purposes. Before 14:00 (D-1) ECC submits the schedules to EMS as affirmed schedule.

In the auction process, all bids and offers for a delivery of energy at a specific hour of the following day are collected and a single price for every hour in the day is calculated. This price is the optimal price for energy, taking into account the characteristics of all orders submitted to the exchange for that specific hour. The auction is the momentum of the spot power market, concentrating liquidity of the market at a specific time of the day and determining reference prices for a particular period.

At the moment SEEPEX offers linear and block products. Linear offer contains up to 256 price/quantity combinations for each individual hour of the next day, where prices must be between 0.00 €/MWh and 4,000.00 €/MWh. The block offer that was introduced on SEEPEX on March 22, 2017 is a bid that connects more hours taking "All or Nothing", which means that the offer is accepted for all hours or it is completely rejected. It is possible to input different quantities of electricity for each hour of the block, with one price offered for the whole block. Curtailable block was introduced on 15th December 2021, offering a new functionality, allowing market participants to define a Minimum Acceptance Ratio (MAR) above which a block order is accepted.

SEEPEX CRUCIAL DAY-AHEAD TRADING TIME POINTS

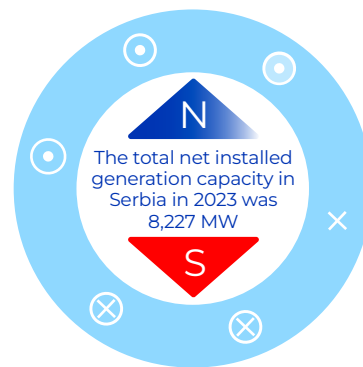
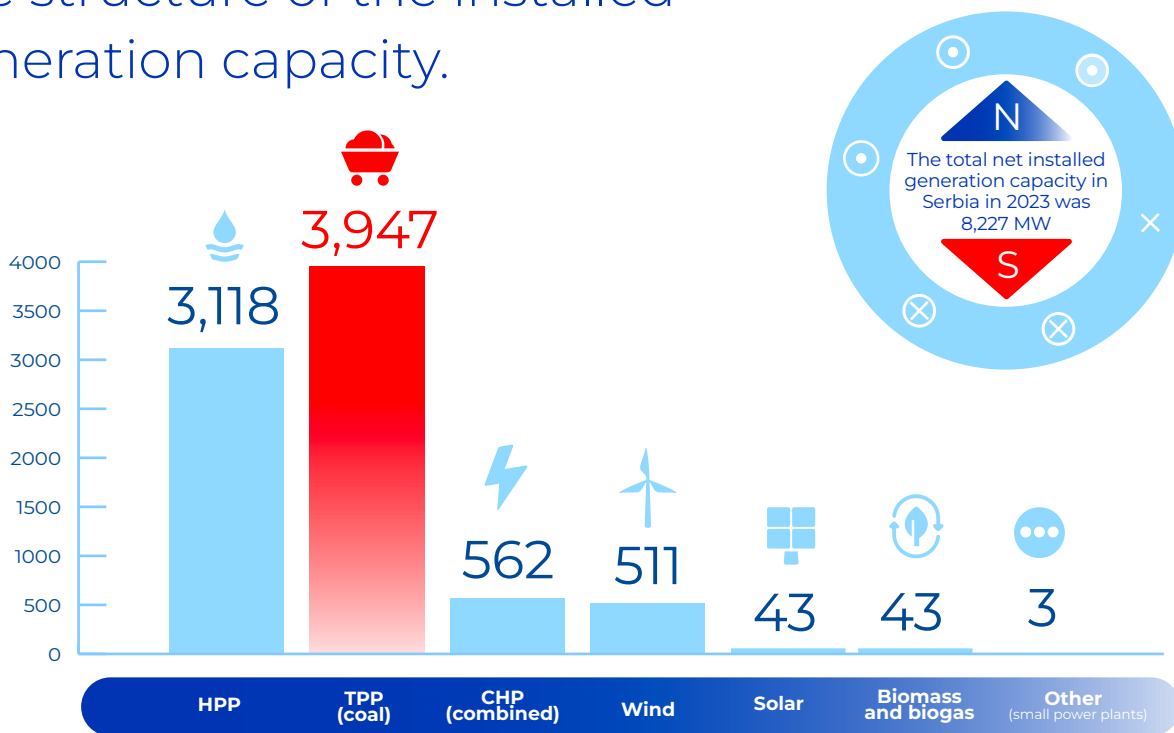


Price Thresholds for Second Auction*:

- Lower Threshold: 0 €/MWh
- Upper Threshold: 2,400 €/MWh

Production, consumption and installed capacity of electricity in Serbia

The structure of the installed generation capacity.



INSTALLED CAPACITIES (MW)

The installed capacity for all generation types and its share in Serbian generation mix is presented in the following table:

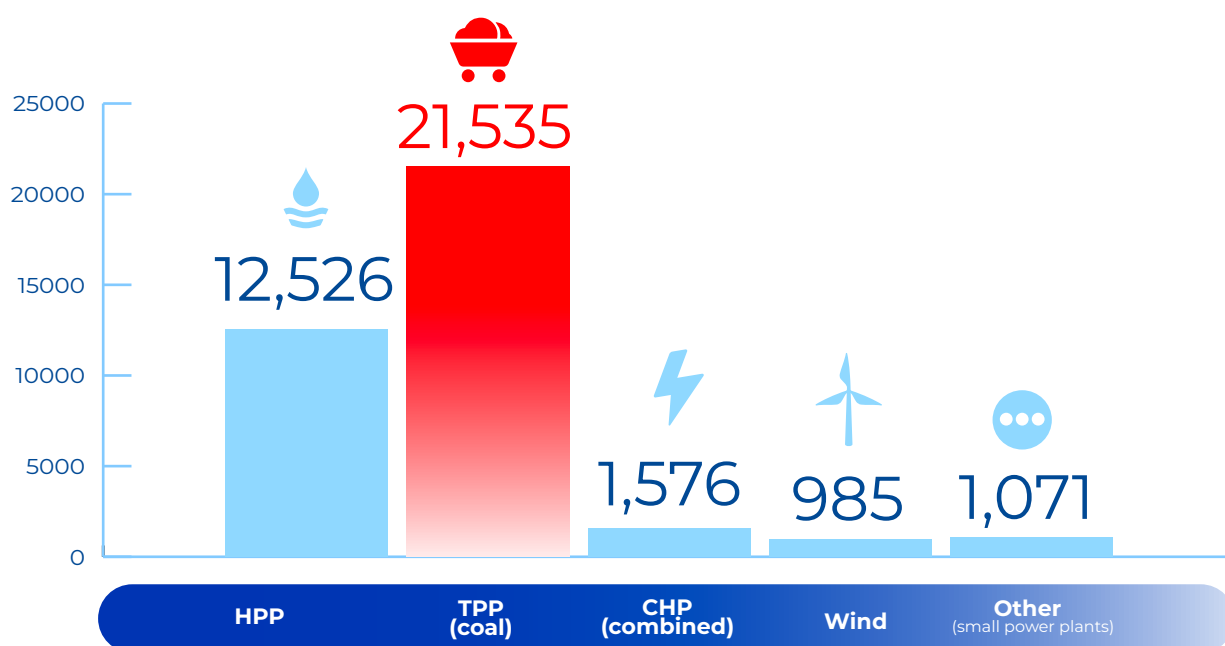
INSTALLED CAPACITIES (MW) AND SHARE

Generation type	Installed capacity [MW]	Share [%]
HPP	3,118	37.9
TPP (coal)	3,947	47.98
CHP (combined)	562	6.83
Wind	511	6.21
Solar	43	0.52
Biomass and biogas	43	0.52
Other	3	0.04
Total	8,227	100.00

source: AERS

Generation by Type

In 2023, it was produced 37,693 GWh of electricity, which is 13.83% more comparing to 2022. The figure below shows total electricity generated by different technologies in Serbia in year 2023.



GENERATION BY TYPE 2023 (GWh)

The change of generated electricity in 2023 compared to 2022 is presented in the following table:

Generation type	2022 (GWh)	2023 (GWh)	Change [%]
HPP	8,893	12,526	40.85
TPP (coal)	21,413	21,535	0.57
CHP (combined)	1,058	1,576	48.96
Wind	879	985	12.44
Other	872	1,071	22.82
Total	33,112	37,693	13.83

source: AERS

Membership

SEEPEx started its Day-Ahead market operation with 6 members on February 17 2016. A well-chosen business model and membership strategy have enabled SEEPEx to achieve continuous growth of new members. Increasing the number of members leads to higher liquidity which, in turn, gives a good signal to new companies to access SEEPEx. Introducing the IntraDay market on 25th July 2023 further incentivised new members to join the SEEPEx.

At the end of 2023, there were 39 exchange members from 17 countries active on SEEPEx, total 11 more members and including 4 more countries comparing to 2022. All 39 members participate in Day-Ahead market, whilst 22 of them participate also in IntraDay market. The composition of the members on the exchange is given in the following table and graph:



2023
39 Participants
NUMBER OF EXCHANGE PARTICIPANTS AT THE END OF 2023

Timar Energy SA

Respect Energy SA

Centrica Energy Trading A/S
Danske Commodities A/S
Energi Danmark A/S
MFT Energy A/S

Statkraft Markets GmbH

Vitol Gas and Power BV

EDF Trading LTD
Freepoint Commodities Europe LLP

Alpiq Energy SE

Enerjisa Europe KFT
MVM Partner ZRT

Axpo Solutions AG
Energy Financing Team AG

MET Austria Energy Trade GMBH

Enel Global trading SpA

GEN-I DOO
Holding Slovenske Elektrarne DOO
Interenergo DOO
Petrol DD

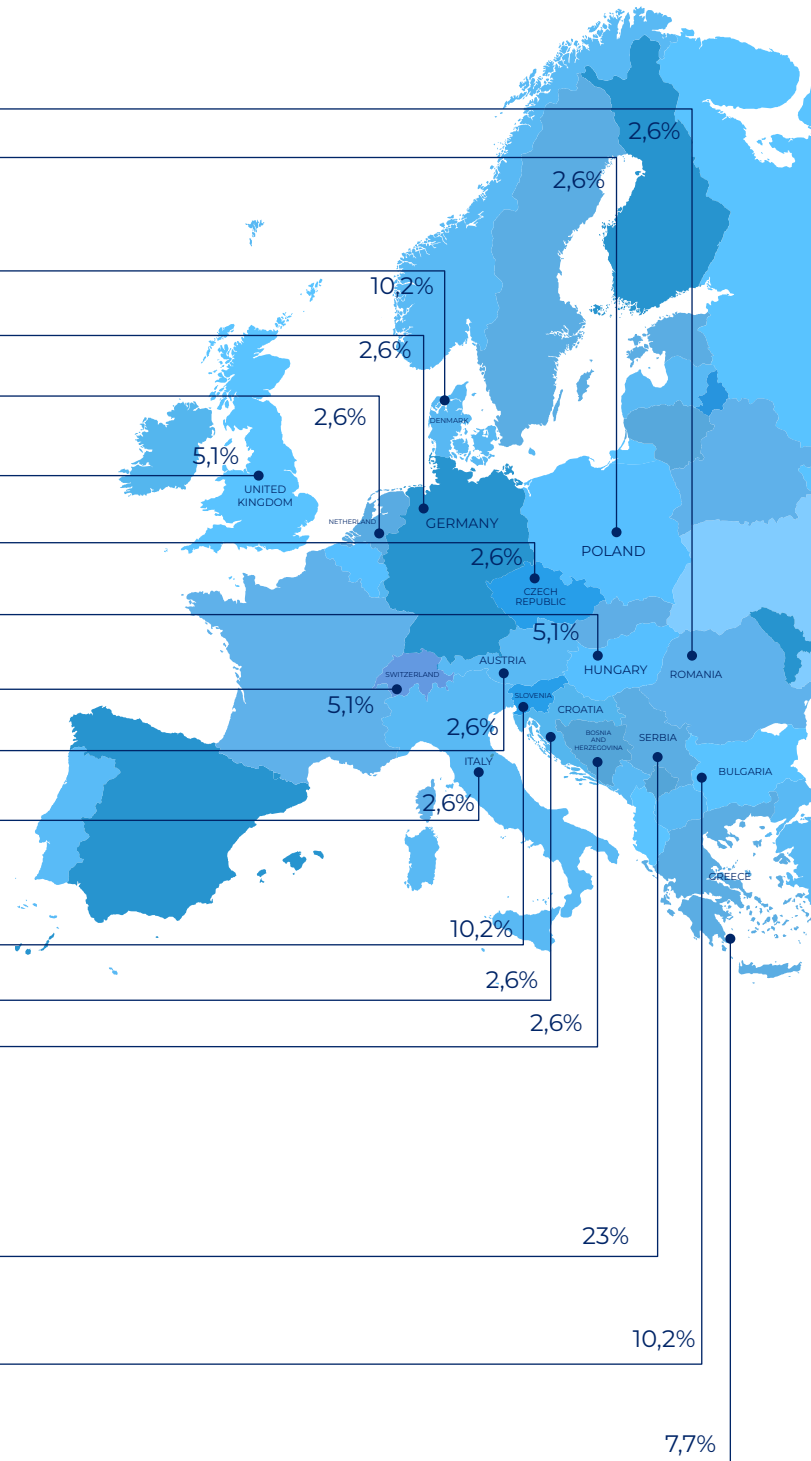
Hrvatska elektroprivreda DD

Elektroprivreda Republike Srpske MH

EMS AD Beograd
JP EPS Beograd
NIS AD
EPCG DOO
Green Balancing Group DOO
MHE pavlica DOO
SCM Power DOO
EETS Trgovina Električnom Energijom DOO
Tinmar Energy DOO

Energovia EOOD
Axpo Bulgaria EAD
Nomad Energy Trading LTD
KER Toki Power AD

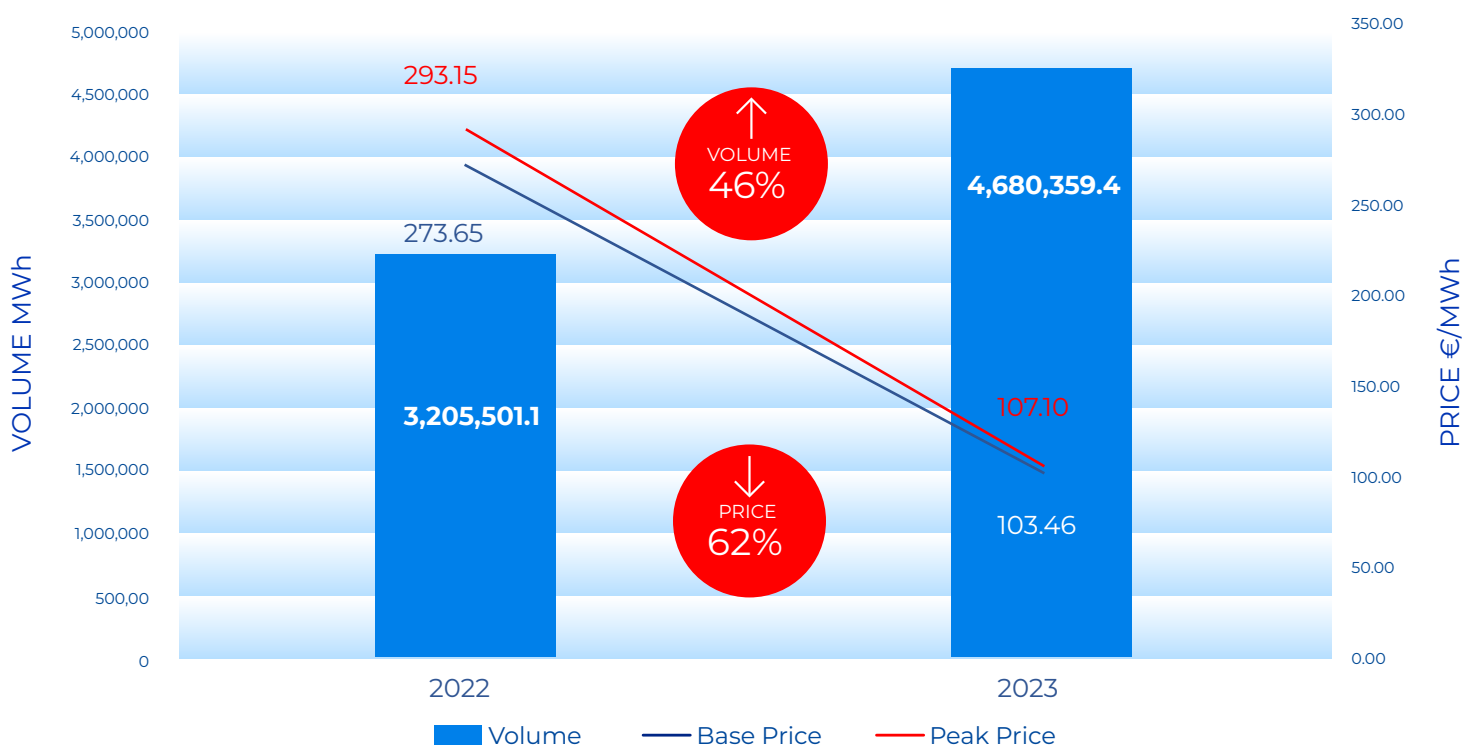
Strategic Energy Trading Energy SA
Public Power Corporation SA
Motor Oil Renewable Single Member SA



Prices and volumes trend on the SEEPEX Day-Ahead market

The volume of electricity traded on SEEPEX day-ahead market in 2023 was 4,680,359.4 MWh. In comparison to 2022, SEEPEX traded volume increased by 46%.

The average base price was 103.46 €/MWh, which is 62% less compared to 2022.



VOLUMES AND PRICES 2022/2023

The highest monthly trade volume of 474,750.7 MWh was registered in March 2023, while the daily maximum was reached on 14th March 2023 with 22,781.4 MWh. The lowest daily trade volume was recorded on 10th January 2023 and amounted to 4,804.0 MWh. The highest hourly price of 318.27 €/MWh was recorded on 12th September at 20th hour. In 2023, the average SEEPEX base price was 103.46 €/MWh, while the average SEEPEX peak price reached 107.10 €/MWh.

4,680,359.4 MWh

Trading volume in 2023

107.10 €/MWh

Average peak price in 2023

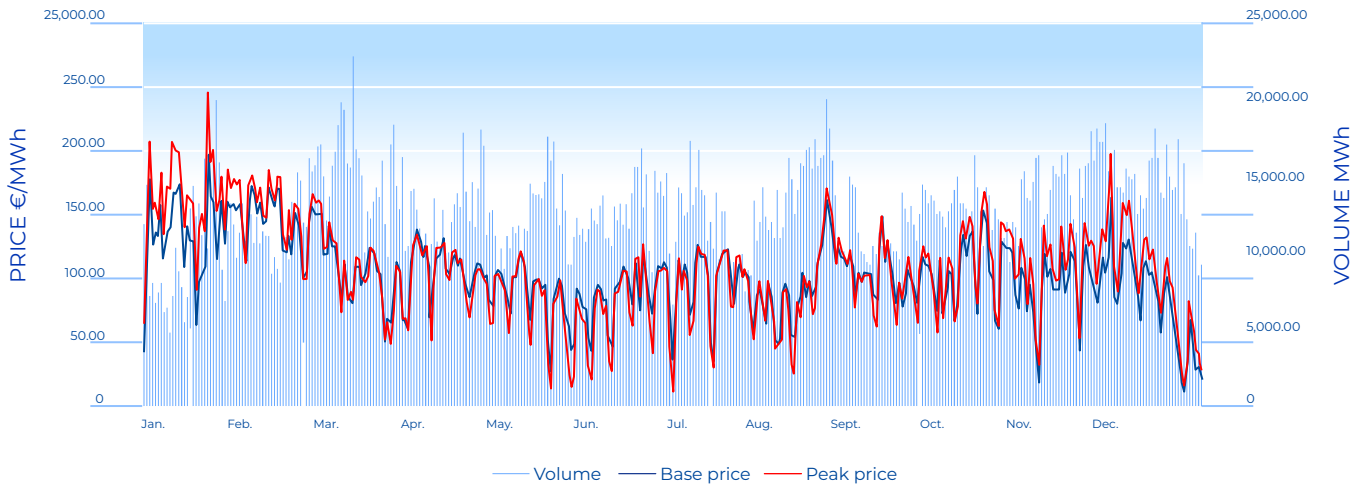
474,750.7 MWh

Highest monthly volume in 2023

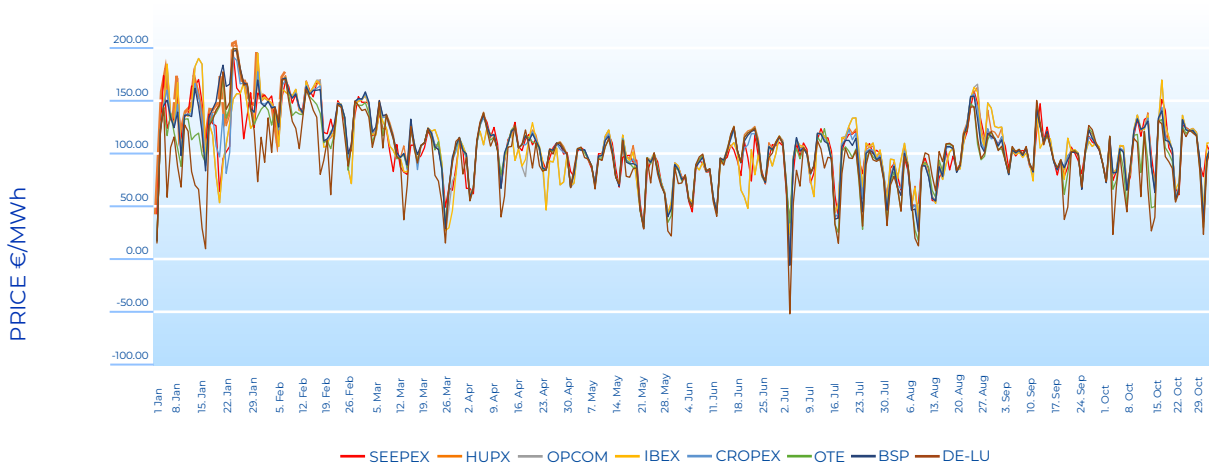
103.46 €/MWh

Average base price in 2023

PRICES AND VOLUMES TREND IN 2023



PRICE COMPARISON



SEEPEX PRICES COMPARED TO NEIGHBORING EXCHANGES

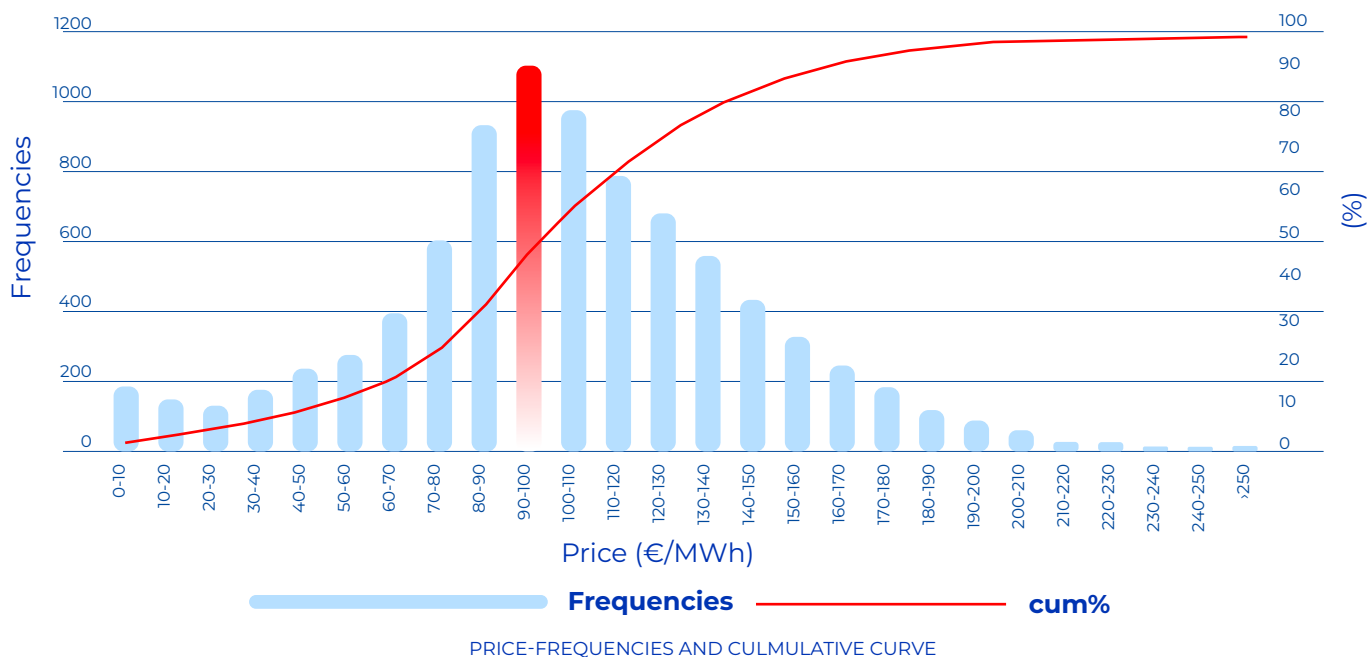
source: SEEPEX, HUPX, OPCOM, IBEX, CROPEX, OTE, BSP, DE-LU

The monthly volumes recorded in 2022 and 2023 are presented in the table below. In comparison to 2022, a constant increase in the traded volume can be noted throughout the whole 2023.

MONTHLY VOLUMES (GWh) 2022 AND 2023

		2022	2023	Change [%]
January	GWh	237.2	311.9	31.50
February	GWh	251.5	325.8	29.56
March	GWh	285.8	474.8	66.11
April	GWh	316.2	377.1	19.25
May	GWh	297.4	381.7	29.67
June	GWh	276.0	385.9	39.82
July	GWh	290.4	357.3	23.04
August	GWh	231.9	435.0	87.56
September	GWh	234.7	351.9	49.94
October	GWh	230.0	394.1	71.36
November	GWh	267.3	451.1	68.76
December	GWh	290.2	433.8	49.47

A distribution of hourly price frequencies and the corresponding cumulative relative frequency distribution are shown in the figure below:



X-axis represents the hourly price intervals. Y-axis on the left-hand side shows how many times the hourly prices in specific intervals occurred (light blue bars). The mode of the distribution is the value that occurs most frequently, and in this case it is the interval (90-100) €/MWh, which is marked red. In year 2023, the hourly prices took values from this interval as many as 1106 times. More than one third of hourly prices occurred in range (80-110) €/MWh. The hourly price in 2023 ranged from 0.00 €/MWh to 318.27 €/MWh, as shown in the following table:

YEARLY PRICES SPREAD AND AVERAGE VALUE

	HOURLY PRICE €/MWh	DATE	HOUR
MIN	00.0	28/05/2023	14-17
		02/07/2023	10-17
		13/08/2023	13-15
MAX	318.27	12/09/2023	20
AVERAGE	103.46		

The red curve in the figure represents the cumulative relative frequency distribution. This curve shows the relative frequency of hourly prices that are less than or equal to the upper limit of each interval. The value of 50% on this curve corresponds to the median. In 2023, the median was 101.33 €/MWh – which means that 50% of the hourly prices lie below this point. The value of 25% corresponds to the lower quartile, whilst the value of 75% is known as the upper quartile.

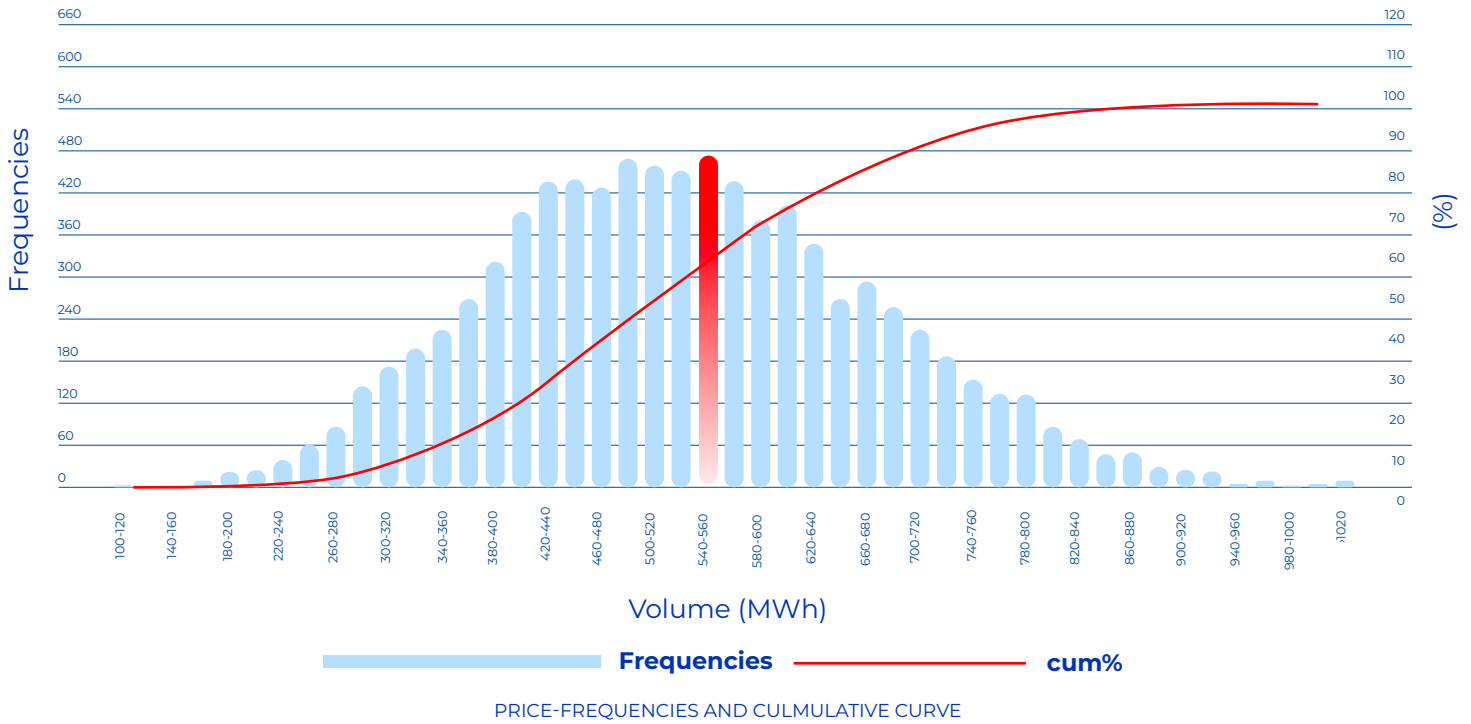
The lower quartile, the median and the upper quartile of hourly prices for 2023 are given in the following table:

YEARLY TRADED VOLUMES QUARTILES

LOWER QUARTILE	MEDIAN	UPPER QUARTILE
80.08 €/MWh	101.33 €/MWh	128.82 €/MWh

50% of all hourly prices lie in the range between the lower and the upper quartile. It means that in 50% of time, the hourly prices were in the range between 80.08 €/MWh and 128.82 €/MWh.

A distribution of traded hourly volume frequencies and the corresponding cumulative relative frequency distribution are shown in the figure below:



X-axis represents the hourly volume intervals. Y-axis on the left-hand side shows how many times the hourly volumes in specific intervals occurred (light blue bars). The mode of the distribution is in the interval (540-560) MWh, which is marked red. In 2023, the frequency of hourly volumes from this interval was 471. The hourly volume in 2023 ranged from 50.0 MWh to 1,275 MWh, as shown in the table below:

YEARLY TRADED VOLUMES SPREAD AND AVERAGE VALUE

HOURLY VOLUME (MWh)	DATE	HOUR
MIN	50.0	02/07/2023
MAX	1,275.0	14/03/2023
AVERAGE	534.3	

The red curve in the figure represents the cumulative relative frequency distribution. In 2023, the median of hourly traded volumes was 526.8 MWh – which means that 50% of the hourly volumes lie below this point. The lower quartile, the median and the upper quartile of hourly traded volumes in 2023 are given in the following table:

YEARLY TRADED VOLUMES QUARTILES

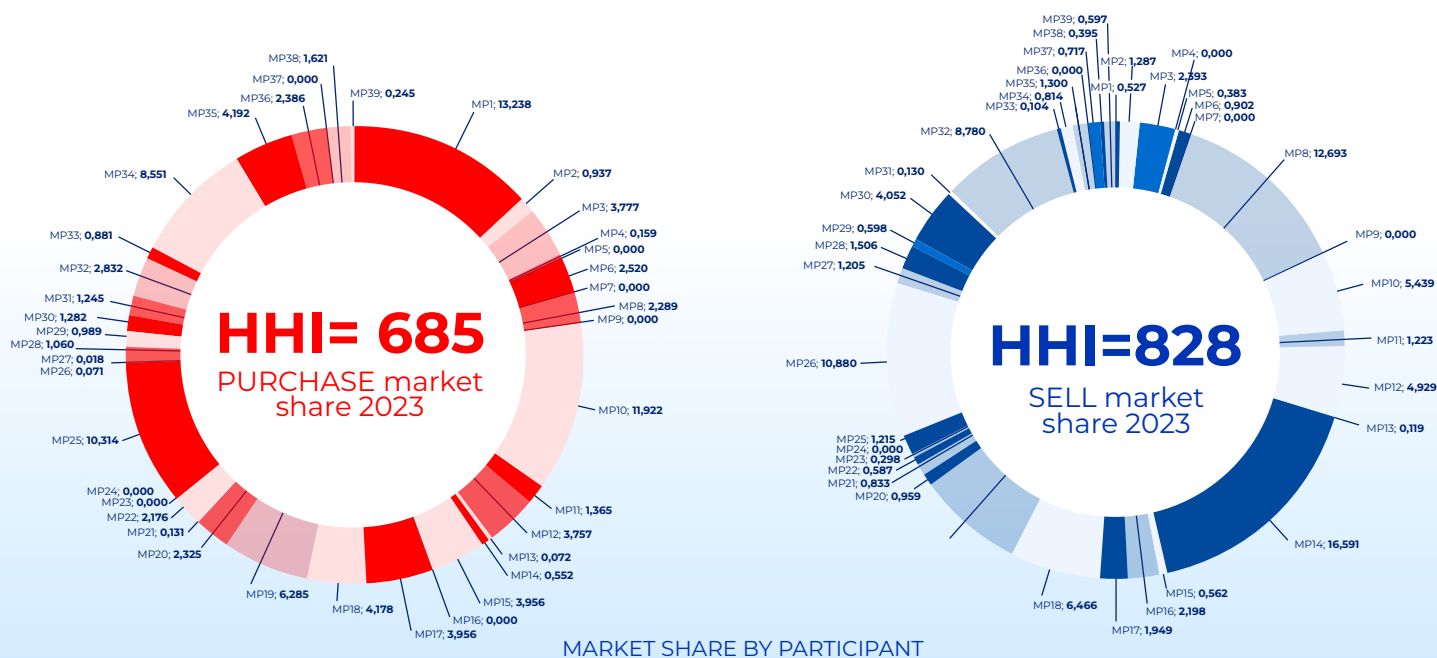
LOWER QUARTILE	MEDIAN	UPPER QUARTILE
429.6 MWh	526.8 MWh	630.0 MWh

In 50% of time, the hourly traded volumes were in the range between 429.6 MWh and 630.0 MWh.

SEEPEx day-ahead key indicators

	2022	2023	Change [%]
Base price MAX (daily) (€/MWh)	743.90	198.50	-73.32
Base price MIN (daily) (€/MWh)	41.31	12.78	-69.06
Peak price MAX (daily) (€/MWh)	816.38	244.57	-70.04
Peak price MIN (daily) (€/MWh)	71.01	11.27	-84.13
Average Base price (daily) (€/MWh)	273.65	103.46	-62.19
Average peak price (daily) (€/MWh)	293.15	107.10	-63.47
Price MAX (hourly) (€/MWh)	889.52	318.27	-64.22
Price MIN (hourly) (€/MWh)	0.98	0.00	-100.00
Base volume MAX (daily) (MWh)	15,849.6	22,781.4	43.73
Base volume MIN (daily) (MWh)	4,371.0	4,804.0	9.91
Base volume (annual) (GWh)	3,205,501.1	4,680,359.4	46.01
Average volume (daily) (MWh)	8,782.2	12,822.9	46.01
Volume MAX (hourly) (MWh)	875.9	1,275.0	45.56
Volume MIN (hourly) (MWh)	74.0	50.0	-32.43

Herfindahl-Hirschman Index (HHI)

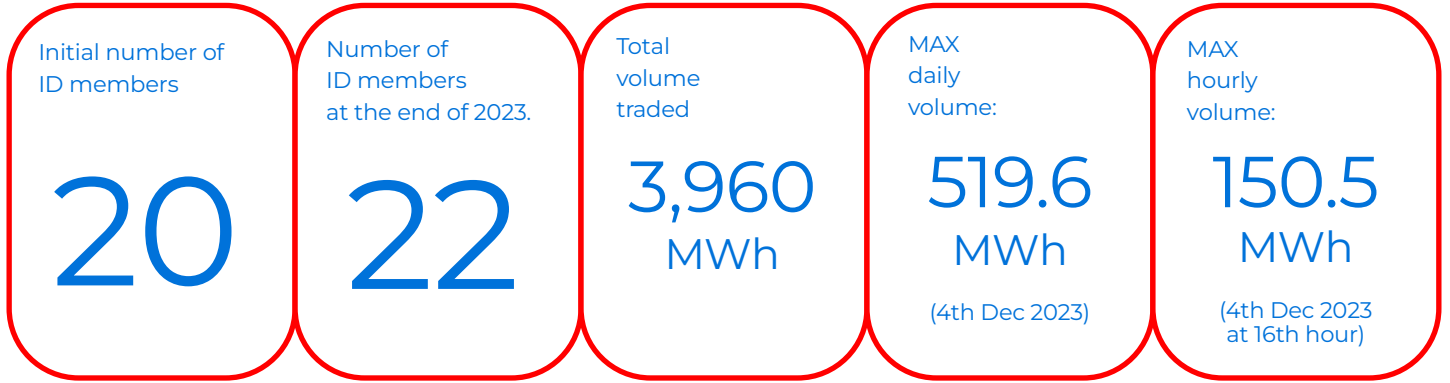


The Herfindahl-Hirschman Index (HHI) is a common measure of market concentration and is used to determine market competitiveness. The HHI is calculated by squaring the market share of each company competing on the market and then summing the resulting numbers. A market with an HHI of less than 1,000 is considered to be a competitive marketplace.

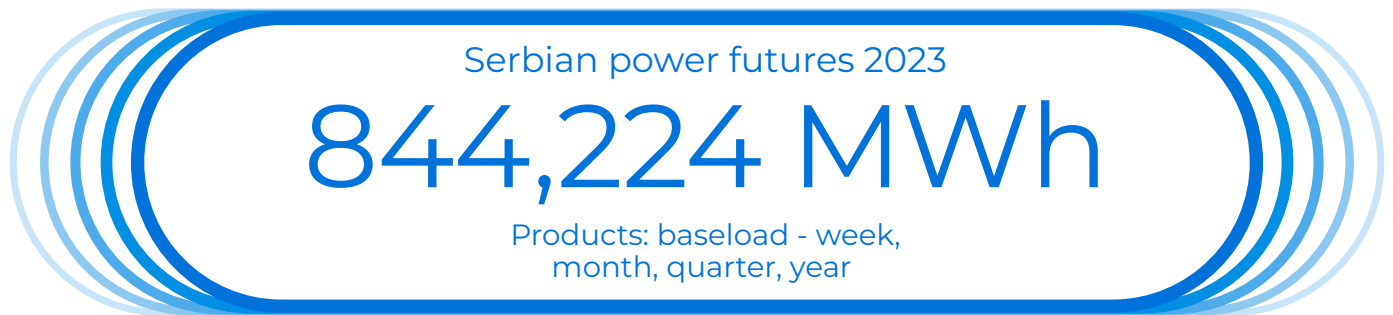
SEEPEx IntraDay market

The SEEPEx Continuous Intraday market was launched on July 25th, 2023, at 10:00 CET. The go-live of the IntraDay market marked the first significant and concrete result of the synergy created within the ADEX Group, with use the M7/ComTrader trading platform by Deutsche Börse, and ECC as clearing and settlement partner. IntraDay market started in an isolated mode with the ambition to join the unique European Intraday market SIDC as soon as technical and legal prerequisites are fulfilled. SEEPEx IntraDay trading began with 20 companies registered for the go-live, ending the year with 22 members. On 1st November SEEPEx signed special agreement for development of the IntraDay continuous market with one of the members. This agreement was established to enhance the liquidity of the market.

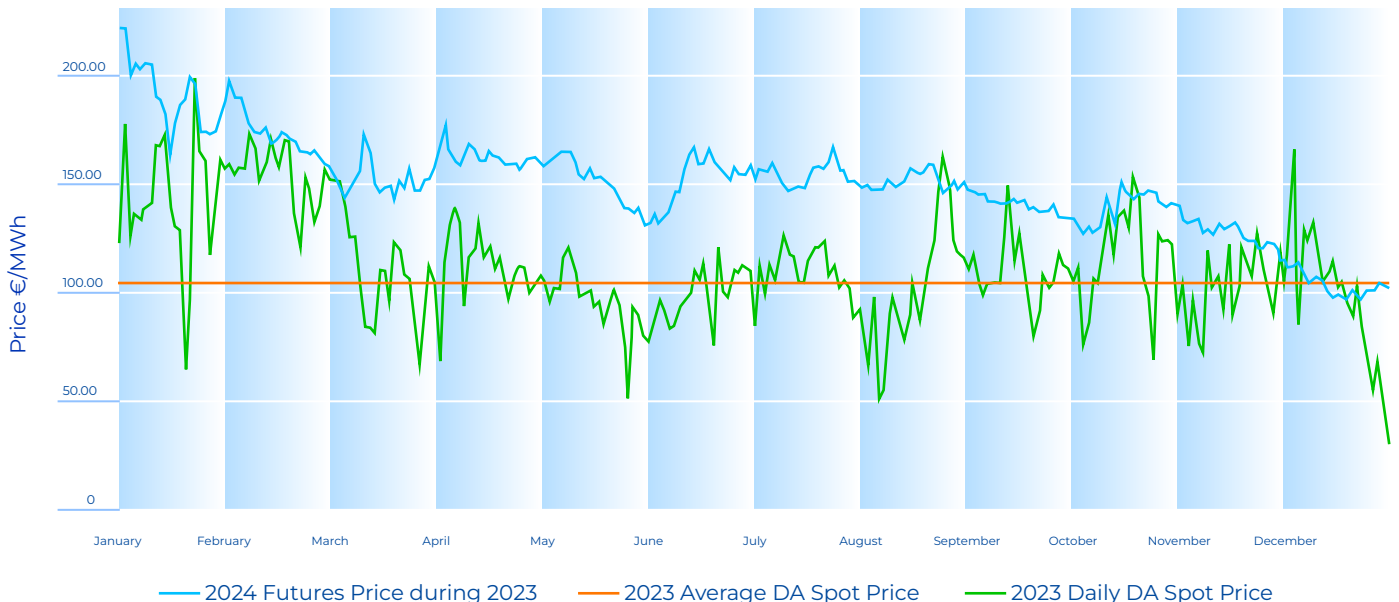
IntraDay (25th July – 31st December 2023)



Serbian power futures



SERBIAN FUTURES for 2024



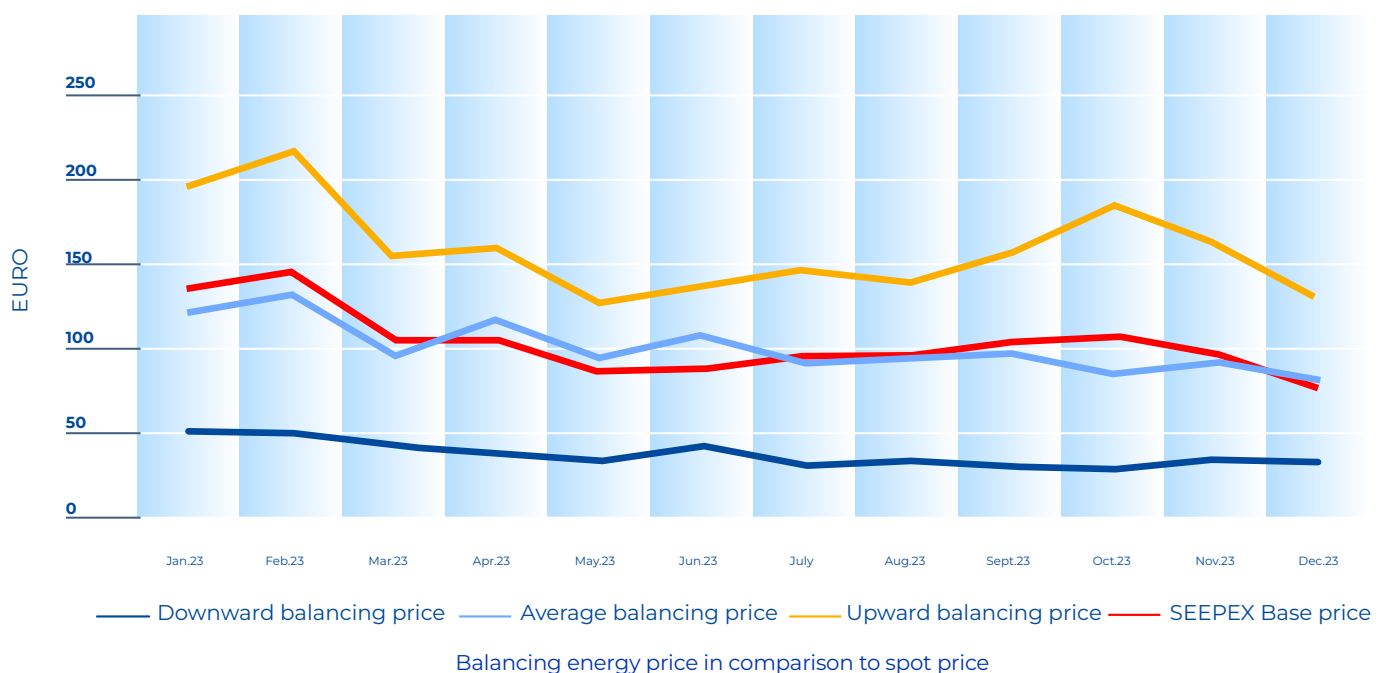
Futures for 2024 during 2023, comparing to SEEPEx average daily and average yearly day-ahead spot price for 2023

SEEPEX share in the Serbian market

The total amount of electricity that was traded on SEEPEX in 2023 was 4,680 GWh. The share of electricity traded on the organized market in relation to gross consumption in Serbia (34,541 GWh) was 13.55%, in relation to net consumption in Serbia (30,413 GWh) it was 15.39%, while 29.40% was the share of the exchange in relation to the energy delivered to end customers that are supplied on the free market (retail market). The share of the power exchange on the entire wholesale market, which includes bilateral and organized market, was 19.48%.

Total amount of electricity traded on SEEPEX in 2023 4,680 GWh			
GROSS CONSUMPTION IN SERBIA	NET CONSUMPTION IN SERBIA	ENERGY DELIVERED TO END CUSTOMERS (ON THE FREE MARKET)	INTERNAL TRANSACTIONS
34,541 GWh	30,413 GWh	15,917 GWh	24,026 GWh
13.55%	15.39%	29.40%	19.48%

Balancing energy price in comparison to spot price



Independent auditors report



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TRANSLATION

Independent Auditor's Report

**To the Owners
of Seepex a.d., Beograd**

Opinion

We have audited the financial statements of Seepex a.d., Beograd (the "Company"), which comprise:

- the balance sheet as at 31 December 2023;
- the income statement for the period from 1 January to 31 December 2023; and
- notes, comprising a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance for the year then ended in accordance with the accounting regulations effective in the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with the Law on Auditing of the Republic of Serbia and applicable auditing standards in the Republic of Serbia. Our responsibilities under those regulations are further described in the Auditor's Responsibility for the audit of the financial statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the accounting regulations effective in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 is not a guarantee that an audit conducted in accordance with the Law on Auditing of the Republic of Serbia and applicable auditing standards in the Republic of Serbia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law on Auditing of the Republic of Serbia and applicable auditing standards in the Republic of Serbia, 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 management 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.

KPMG d.o.o. Beograd

Signed on the Serbian original

Vladimir Savković
Licensed Certified Auditor

Belgrade, 28 May 2024

*This is a translation of the original Independent Auditor's Report issued in the Serbian language.
All due care has been taken to produce a translation that is as faithful as possible to the original.
However, if any questions arise related to interpretation of the information
contained in the translation, the Serbian version of the document shall prevail.
We assume no responsibility for the correctness of the translation of the Company's financial statements.*

KPMG d.o.o. Beograd



Vladimir Savković
Licensed Certified Auditor

Belgrade, 28 May 2024



