

**REGISTERED NUMBER: 11682894 (England and Wales)**

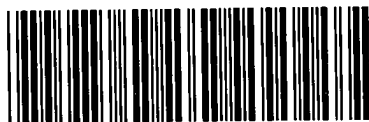
**Group Strategic Report, Report of the Directors and**

**Consolidated Financial Statements for the Year Ended 31 December 2021**

**for**

**Solarpro Holding PLC**

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# **Solarpro Holding PLC**

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**Solarpro Holding PLC**

**Company Information**  
**for the year ended 31 December 2021**

**DIRECTORS:**

K V Nenov

K P Mateev

J.G. Popov

**REGISTERED OFFICE:**

Suite A

6 Honduras Street

London

EC1Y 0TH

**REGISTERED NUMBER:**

11682894 (England and Wales)

## **Solarpro Holding PLC**

### **Group Strategic Report**

**for the year ended 31 December 2021**

The directors present their strategic report of the Company and the Group for the year ended 31 December 2021.

#### **REVIEW OF BUSINESS**

Solarpro Holding PLC ("the Company") together its group companies (jointly referred as "the Group") are a vertically integrated structure comprising subsidiaries that are active within the photovoltaic energy and renewable energy sector. The Group specializes in the development, engineering, and construction (EPC) of solar power plants and installations, project management, management and maintenance of already built solar parks and installations.

The main focus of the Group is the development of its activities in Europe. The Group is also developing new technologies for the storage of renewable energy, as well as the development of controllers for the management of energy storage systems of both domestic and industrial consumers.

The strategic goal of the Group remains the optimization of the cost per unit of installed capacity and improvement of the reliability and efficiency of its systems. This will be achieved through future intensive research and development. The Group also aims to develop sales of products and services by entering international markets and by offering modern innovative solutions.

#### **ANALYSIS USING KEY PERFORMANCE INDICATORS**

The directors set out key financial ratios for the Group as at the year end, below:

Revenue growth: revenue increased in 2021 more than triple (by 207%) due to the expansion of demand for renewable energy market, caused by EU Green deal, as well as a consequence of the full year of consolidation of Solarpro Holding AD group (acquired in August 2020). Due to the acquisition in 2020 the revenue growth in the year increased more than six times compared to 2019.

Return on capital employed (ROCE), is a profitability ratio, measures how efficiently the Group is using its capital to generate profits. As of 31 December 2021, ROCE is 18.9% shows decreasing from prior year (20.4%) mainly due to increased assets (loans and trade receivables) compared to less increase in short term liabilities. Despite of fact that revenue increased by more than 200% it is compensated by growth of expenses by almost 230% which leads to reduced increase in EBIT (with 70%). This combined with higher average assets in 2021 (loans and trade receivables) and short-term liabilities (Payables to related parties and Trade and other payables) leads to lower ROCE ratio compared to last year.

Return on Equity (ROE) measures how effectively is the return on a Group's net assets. As of 31 December 2021, ROE is 32.8% compared to 39.5% in year 2020 due partly to the increased share of non-controlling shareholders in the net income in 2021 in comparison with the previous year and partly to the higher income from non-operating activities registered in 2020 (+2.3 M gain from remeasurement of investment in associates calculated at point of acquisition of control over Solarpro Holding AD group).

Return on Assets (ROA) is a ratio that shows how much profit the Group generates from its total assets. As of 31 December 2021 ROA is 7.1% (9.3% in 2020). The decrease is due to increased assets (loans and trade receivables) in 2021 compared to last year. Net income is less compared to year 2020 due to higher net result from financial operations registered in 2020 (+2.3M – see above). In addition, the operations increased significantly, causing rise of cost of sales and administrative expenses.

Debt to Equity ratio (D/E) is a measure of the extent to which the Group can cover its debt. As of 31 December 2021, D/E is 2.49 and increased compared to prior year (1.99) due to higher short term and long-term payables trade payables and payables to related parties and long-term loans, caused by extremely increased operating activities reflecting on enlarged relationships with counterparties providing the needed goods and services.

## **Solarpro Holding PLC**

### **Group Strategic Report**

**for the year ended 31 December 2021**

Debt to Asset ratio (D/A) indicates the proportion of the Group's assets that are being financed with debt, rather than equity. As of 31 December 2021, D/A is 0.50 and remained unchanged in comparison to the previous year.

Liquidity ratio determines the Group's ability to pay its short-term debt obligations. As of 31 December 2021, Liquidity ratio is 0.91 and shows an increase compared to last year (0.73). The increase is mainly due to higher current assets (loans and trade receivables) and cash and short-term deposits compared to year 2020.

The KPIs are calculated using the Profit for the year; where applicable the result from discontinued operations is included.

The directors are satisfied with these indicators of the Group's position as at the balance sheet date and their development corresponds to the business projects providing the year ending 31 December 2021 is the second period of the Group's consolidated activities and its main feature is pursuing growth.

#### **SECTION 172 (1) STATEMENT**

In performing their duties under section 172, the directors have had regard to the matters set out in section 172(1) as follows:

##### **Decision Making**

The Board fulfils its duties to act in good faith to promote the success of the Group through its implementation of a carefully considered group strategy.

1. The business divisions frequently report to the Group Board on strategy, performance, and significant choices made, giving the Board confidence that stakeholder interests are properly taken into account when making decisions
2. Financial issues are just one of the many subjects discussed with shareholders
3. Through routine reporting on stakeholder views, the Board is well informed on the opinions of stakeholders at the group level

Decisions are carefully considered with affected groups where possible, resulting in decisions that are completely understood and supported when made.

##### **Employees**

The commitment of our workforce is a key factor for our long-term success:

1. We closely monitor our turnover rate and perform quarterly employee feedback reviews.
2. The board of management includes the human resource director, Mr. Turlakov, one of his main focus points being increasing employee engagement throughout the organization.
3. Total benefits and payments to employees consist of fixed and variable parts, the latter being linked to the annual performance of each department.
4. Special attention is paid to how we can help regional causes and issues, provide chances for hiring and training locals
5. Health and safety protocols are followed one each of our project sites in compliance with local rules and regulations

##### **Business Relationships**

The Board engages with a variety of stakeholders, including customers, regulators, and suppliers, to inform and enable balanced decisions that incorporate multiple viewpoints, whilst maintaining the Group's strategy. In making decisions the Board considers outcomes from engagements with stakeholders as well as the importance of maintaining the Group's integrity, brand and reputation.

## **Solarpro Holding PLC**

### **Group Strategic Report**

**for the year ended 31 December 2021**

#### **Customers**

Our clients are the foundation of our long-lasting partnerships, and we take the time to learn about their requirements and viewpoints as well as how we can better serve them.

1. We joined forces with our customers for the development phase of some larger projects
2. Joint teams are on-site to monitor the production and construction works on regular basis

#### **Suppliers**

We have a short list of large international suppliers and multiple local business partners, some of which work exclusively for us.

Open and effective collaboration with our suppliers is essential to the quality of our products and to the added value we bring to our customers.

We openly share information and collaborate on the following topics:

1. Payments made within payment terms
2. Orders delivered on time and in full
3. Supply chain efficiency – not limited to cost efficiency, but also joint efforts to lower carbon emissions considering the full chain of supply

Measures taken recently include detailed analysis of payments data as well as breakdown of reasons for order delays and not fully fulfilled orders.

This year we were again present at the InterSolar Exhibition in Munich, where our delegation consisted of 22 members, including two managing directors.

#### **Community and Environment**

The Group has sustainability and environmental care embedded in its culture and corporate strategy. Sustainability runs through all aspects of the business, from energy-saving, recycling and resource-sharing policies in our offices, employee orientation and social commitment

1. This year we continued to limit the use of diesel and gasoline vehicles, almost exclusively using green energy electric cars for our local business trips
2. International meetings are held almost exclusively online, with one exception being the annual employee meeting, thus we almost fully cancelled plane trips, reducing them by 90% compared to two years ago.
3. We continue with our “Employee green day”, this year the initiative resulted in planting of 300 trees in the large Sofia district.

#### **Maintaining high standards**

Innovation, product development, health and safety, and sustainability are major areas of attention.

1. For the main materials we partner with top-tier suppliers with high quality standards and code of conduct
2. Newest technology of solar panels and trackers with minimum land usage for a given project as well as lower environmental impact by asset de-commissioning
3. The energy involved to produce 1MWp capacity is one KPI where we managed to improve with 2% compared to previous year.

#### **Acting fairly as between members of the Group**

We interact with the government and regulators through a variety of industry forums, meetings, and conferences to express our opinions to decision-makers on policies that are important to our business.

The Board gets updated on the main concerns and themes in local communities.

## **Solarpro Holding PLC**

### **Group Strategic Report**

**for the year ended 31 December 2021**

We held joint conferences that brought one of our customers together with the main supplier for the project to discuss common objectives and forge stronger future partnerships with the aim of increasing total efficiency and fair value distribution among all parties involved.

Depending on the yearly results, employee bonuses, board member premiums and shareholder dividends will increase/decrease in parallel as to assure fair value distribution between internal members.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

##### **SYSTEMIC RISKS**

Systemic risks are related to the market and the macro environment in which the Company and the Group operate and cannot be managed and controlled by the directors. The directors have identified the Group to be exposed to the following systemic risks: political risk; inflationary risk; foreign exchange risk; interest rate risk. Some risks might be limited, such as - currency risk handling via currency instruments (forwards, hedging) and inflation risk by negotiating with clients' relevant terms and conditions.

##### **NON - SYSTEMIC RISKS**

###### **CURRENCY RISK**

Transactions are carried out in Bulgarian levs, euros, Macedonian denars, Hungarian forints and Polish zlotys. The prevalent currency is the euro, the exchange rate of which is fixed to the Bulgarian lev. The Group's foreign transactions denominated in US dollars are sporadic, insignificant in volume and do not expose the Group to a significant currency risk. The Group uses foreign currency hedging instruments in order to mitigate the fluctuations in the Hungarian forints exchange rates where revenue is in HUF, but the main equipment is purchased in EUR.

###### **CREDIT RISK**

The maximum credit risk related to financial assets is limited to the amount of their value as reflected in the Group's financial statements. The Group's trade and other receivables are actively managed by the management with a view to avoiding a concentration of credit risk and to shorten the collection period of receivables.

###### **CLIMATE CHANGES**

Climate change is bringing about rising temperatures, having significant negative impacts on humans and the environment. Transitioning to renewable energy sources can help meet this challenge. One consequence of higher global temperatures is the increasing frequency of extreme weather events that cause massive amounts of harm and damage.

Transitioning to renewable energy, and reducing reliance on fossil fuels, is one way to help slow down the effects of climate change. While renewables used to be a more expensive option, new clean energy technologies are lowering costs and helping to move economies away from fossil fuels.

Thus, the interest in investing in solar energy constantly increases. Therefore, the requests for Group services (Engineering, Procurement, Construction or EPC and Operations & Maintenance or O&M) are exceptionally high.

Except for inflated demand, there is no other impact on the core business and Solarpro Holding PLC Group's business model. The Group turnover grew significantly during the last two years. We expect to keep the trend during the following couple of years.

Climate change and related risks, policies and protocols have no significant impact on the key management judgments, assumptions and estimations, applied on strategical, tactical and operational level. However, as a company operating in the renewable energy sector, the impact could be positive and lead to further changes in governmental and EU policies related to the green market.

## **Solarpro Holding PLC**

### **Group Strategic Report**

**for the year ended 31 December 2021**

#### **ENERGY AND CARBON EMISSIONS**

The Group monitors on an ongoing basis the energy and carbon emissions produced as result of its business activities.

1. The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the Group is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport. - 660 tonnes CO2 (2020: 430 tonnes)
2. The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport -186 tonnes CO2 (2020: 123 tonnes)
3. A figure, in kWh, which is the aggregate of the annual quantity of energy consumed from activities for which the Group is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport and the annual quantity of energy consumed resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport - 129 tonnes CO2 (2020: 110 tonnes)
4. The methodologies used to calculate the emissions is implemented by the management and are based on the actual usage of energy and vehicles. As an engineering, procurement and construction contractor, the Group supplies and installs materials at photovoltaic sites and generates CO2 emissions related to the use of vehicles and electricity. The methodology used covers all enterprises and has not been changed since previous year.
5. The ratio monitored on an annual basis is CO2gr/Watt peak CO2gr/Wp and expresses the Group's annual emissions in relation to a quantifiable factor associated with the Group's activities – 1.037 (2020: 0.710).

#### **COVID-19**

The Covid-19 pandemic that swept across the world in 2020 and continued through 2021 and the mitigating measures taken did not have a material impact on the Group's financial performance. Management monitors the development of the pandemic, the measures adopted and imposed by the government and analyses their potential effect on the operating and financial position in a timely manner in order to balance the Group's liquidity position and ensure financial stability.

Management has analysed the potential impact of the ongoing crisis and assessed the risks associated with it. The crisis caused by the Covid-19 pandemic has not resulted in a material change in the Group's operations. The Group's operating income in 2020 and 2021 is unaffected. Despite some difficulties related to the supply chain (delayed deliveries and worsened transport links), as well as the secondment of employees to other European countries, the Group continued to work successfully on the projects started. Enquiries from customers for new projects are increasing.

The Group's core businesses, the construction and subsequent maintenance of photovoltaic (PV) plants and the generation and trading of electricity, have not been severely affected by the COVID-19 crisis. Management believes at this stage that the spread of COVID-19 does not have a significant impact on the Group's operations and the going concern basis on which these consolidated financial statements are prepared continues to be applicable. As at the date of approval of these consolidated financial statements, management continues to implement measures leading to a productive and uninterrupted workflow, in strict compliance with government regulations.

#### **BREXIT**

The management has not identified any specific risks and uncertainties associated with the Brexit associated with the UK's withdrawal from the EU after 1 January 2021.



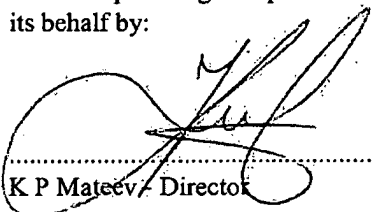
## **Solarpro Holding PLC**

### **Group Strategic Report for the year ended 31 December 2021**

#### **THE WAR IN UKRAINE**

The Russian invasion of Ukraine, beginning in February 2022, has increased tensions between members of the North Atlantic Treaty Organisation (NATO) and Russia and caused sanctions to be imposed. This has created significant adverse economic effects on financial markets and on energy costs, and has resulted in increased cyber attacks and an increase in costs associated with such cyber attacks, all of which could have a materially adverse effect on the Group's results of operations, financial condition or prospects. The Group will monitor the situation and risks to the business. The Directors believe that there will be limited impact on the Group.

The Group Strategic Report was approved and authorised for issue by the Board of Directors and was signed on its behalf by:



.....

K P Mateev, Director

5 April 2023

## **Solarpro Holding PLC**

### **Report of the Directors for the year ended 31 December 2021**

The directors present their annual report with the audited financial statements of the Company and the Group for the year ended 31 December 2021. Matters required for reporting in the directors report, which include, future events and energy and carbon have been included in the Strategic Report.

#### **DIVIDENDS**

No dividends were distributed by the Company during the year ended 31 December 2021 and 31 December 2020. Dividends distributed by the companies belonging to the Group are as follows:

*In the year ended 31 December 2021:*

Solarpro Construction AD, Bulgaria distributed dividend from its 2020 net income, amounting to BGN 760 thousand (€ 393 thousand). 49% of the dividend is belonging to the minority shareholders (€ 92 thousand).

Solarpro Energy Hungary Kft. distributed dividend from its, amounting to HUF 107 407 thousand (€ 291 thousand). 30% of the dividend is belonging to the minority shareholders (€ 197 thousand).

*In the year ended 31 December 2020:*

Solarpro Construction AD, Bulgaria distributed dividend from its 2019 profits amounting to € 142 thousand, of which € 54 thousand in favor of minority shareholders.

#### **RESEARCH AND DEVELOPMENT**

In 2021 the Group did not engage in research and development activities. Steps towards automation and digitalization of processes at all levels in the Group have been studied and taken, as the main task of the management in the conditions of intensified competition is to continue to improve the current positions, reduce the cost of projects and increase the resource capacity of the Group as operating enterprises.

#### **FUTURE DEVELOPMENTS**

The Group's strategic goal remains the optimization of the unit cost of installed capacity and improvement of the reliability and efficiency of systems through improved processes. The Group continues to pursue its development strategy of selling products and services on the international markets actively offering modern innovative solutions. The Group will continue to strive for market niches, allowing the provision of higher added value, such as roof installations and construction of integrated systems.

#### **GOING CONCERN ASSESSMENT**

In order to assess the going concern assumption the Directors performed a comprehensive analysis of the Group's financial position, expected cash flows, available financing and financing needs. The analysis encompasses a period of at least 12 months from the date of approval of these financial statements and besides the cash and financing, took into account factors as market trends, vendors, customers, ongoing and agreed construction projects, as well as project in negotiation phase.

Based on the analysis the Directors considers there are not material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern and the going concerns basis is the one appropriate for preparation and presentation of the financial statements of the Group for the year ended 31 December 2021.

Solarpro Holding PLC is considered a reliable engineering, procurement and construction ("EPC") contractor in renewable energy sources while keeping a reasonable cost per unit of installed capacity. The customers are open to various business partnerships, including traditional EPC agreements (construction as per customers' requirements and specifications on its own property; investment in an already developed site with initial stages of construction already executed; jointly owned entities; lease of already built photovoltaic plants).

Solarpro Holding PLC has developed reliable long-term relationships with vendors of supporting structure, photovoltaic modules, inverters. The Group diversifies the geographical and technological landscape of the core equipment purchasing in order to be able to meet various requirements and to secure purchases in case of negative geopolitical and economic trends. The Group has internal resources for construction works completion; and operations and maintenance activities.

## **Solarpro Holding PLC**

### **Report of the Directors for the year ended 31 December 2021**

#### **POST BALANCE SHEET EVENTS**

On 27 January 2022 Solarpro Holding PLC acquired 50% of five legal entities registered in Hungary, as follows Edu Solar Kft., Egur Solar Kft., Holmu Solar Kft., Peta Solar Kft., Zanu Solar Kft. The entities' activities include investment in development and construction of PV plants and production of electricity. Subsequently the shares in all five entities were sold on 26 September 2022, the gain on disposal amounts to € 148 thousand.

On 2 March 2022 a new company Halasz, 100 % owned by the Group, was registered in Hungary with business activities including investment in development and construction of PV plants and production of electricity. 80 % of the share were subsequently sold on 14 July 2022.

On 3 August 2022 the Group signed share purchase agreements for sale of 100 % of its share in Guta Solar and KAT-A Solar. The deals for selling the two subsidiaries were closed on 30 March 2023.

On 26 October 2022 Solarpro Holding AD sold 100 % of its shares in Solarpro MB, North Macedonia.

On 14 December 2022 Solarpro Holding AD sold 100 % of its shares in OSM Solar, North Macedonia.

On 14 April 2022 Solarpro Energy SRO was registered under the law of Czech Republic. Company's intended to operate in the area of development and construction. Solarpro Holding PLC owns 70 % of the established company. The 70% shareholding was sold on 31 October 2022 with no profit and loss effect.

On 24 February 2022 the Group acquired 100 % of Solarpro Serbia and 100 % of Hyper Solar, Serbia.

On 10 June 2022 the Group acquired (through Solarpro Holding AD, Bulgaria) 75 % of the share of Enika Ltd., company registered under Bulgarian law.

On 7 April 2022 the Group acquired 100 % of Hyper Solar, registered in Poland.

On 23 February 2022 Solarpro Holding AD executed a going concern transfer of its subsidiary Power Syst, Bulgaria.

On 1 March 2022 Solarpro Holding PLC increased its share capital and allotted 6 918 898 shares. A debt swap in equity amounting to GBP 2 281 922 (2 281 922 shares), and a cash contribution worth GBP 4 636 976 (4 636 976 shares). As result the total shares increased to 11 350 860, each with a face value GBP 1.

On 28 January 2022 Solarpro Holding purchased 174 800 shares (0.374% of share capital) of Solarpro Holding AD, Bulgaria.

On 1 February 2022 Solarpro Holding purchased 30 000 shares (0.064% of share capital) of Solarpro Holding AD, Bulgaria.

On 25 July 2022 Solarpro Holding purchased 2 073 838 shares (4.435% of share capital) of Solarpro Holding AD, Bulgaria.

On 31 January 2023 Solarpro Holding Plc established a new legal entity under the law of Republic of Turkey – Solarpro Turkey Insaat Enerji Ve Muhendislik Hizmetleri Limited Sirketi. Solarpro Holding Plc owes 100% of its share capital.

In July 2022, Renalfa Solarpro Group Gmbh, registered under Austrian law, acquired 100% of shares of UAB Renalfa Europe. Subsequently, in December 2022, Renalfa International LLC sold fifty thousand shares from Solarpro Holding Plc to Renalfa Solarpro Group Gmbh. As result, Solarpro Holding Plc became part of Renalfa Solarpro Group, Austria.

## **Solarpro Holding PLC**

### **Report of the Directors for the year ended 31 December 2021**

The impact of the above transactions has not yet been reliably measured and therefore no purposeful disclosure can be given.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

K V Nenov  
K P Mateev

Other changes in directors holding office are as follows:

J.G. Popov has been appointed as director on 17 January 2023.

#### **FINANCIAL INSTRUMENTS**

Risk exposures and financial risk management policies and objectives are discussed in Group Strategic report and Note 27 to the financial statements.

#### **EMPLOYEE ENGAGEMENT**

Our workforce is one of our most valuable assets. The Group invests in training, coaching, and skills acquisition. Personal development of our employees is a key pillar of the Group's strategy. We aim to be a responsible employer in our approach to the pay and benefits of employees. The health, safety and wellbeing of our employees is one of the primary considerations in the way we do business.

The management is engaged with providing regular update on the strategies, goals, trends and achievements. An open communication culture is promoted within the Group.

The Groups' Human Resources functions are able to continually deliver an efficient and consistent service to our employees.

There are no specific policies in place for disabled people. The Group is compliant with the relevant legislation in jurisdictions it is operating.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare Group financial statements in accordance with international accounting standards in conformity with the requirements of Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the IASB.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's and Group's ability to continue as a going concern

## **Solarpro Holding PLC**

### **Report of the Directors for the year ended 31 December 2021**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

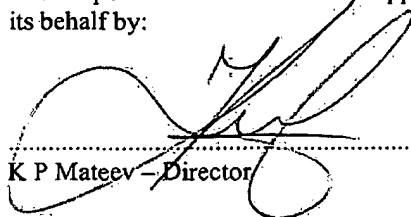
#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

#### **AUDITORS**

The auditor, Deloitte LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

The Report of the Directors was approved and authorised for issue by the Board of Directors and was signed on its behalf by:



.....  
K P Mateev – Director

Date: 05 April 2023  
.....

## Independent auditor's report to the members of Solarpro Holding PLC

### Report on the audit of the financial statements

#### Opinion

##### In our opinion:

- the financial statements of Solarpro Holding PLC (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

##### We have audited the financial statements which comprise:

- the consolidated statement of profit and loss and other comprehensive income;
- the consolidated and parent company financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independent auditor's report to the members of Solarpro Holding PLC (continued)*

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the group's and the parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## Independent auditor's report to the members of Solarpro Holding PLC (continued)

### 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 is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud  
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and the Tax Act.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for In the following area, and our procedures performed to address it are described below:

- Revenue, pin pointed to the accuracy and completeness of construction of power plants and charging stations due to the nature of estimating by management for the progresses at the year end reporting date. Our procedures have considered the revenue against IFRS15 requirements, a test of detail agreeing to contracts, billing and customer confirmations.



**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory requirements**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Solarpro Holding PLC (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

L Cowie /

Lyn Cowie CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Aberdeen, United Kingdom

5 April 2023

# Solarpro Holding PLC

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021

		2021	2020*
		€ 000	restated € 000
	Notes		
<b>CONTINUING OPERATIONS</b>			
Revenue	3	101 224	33 011
Cost of sales		(86 550)	(23 615)
<b>GROSS PROFIT</b>		<b>14 674</b>	<b>9 396</b>
Other operating income		313	1 579
Administrative expenses		(11 033)	(6 331)
<b>OPERATING PROFIT</b>		<b>3 954</b>	<b>4 644</b>
Finance costs	5	(654)	(368)
Finance income	5	537	2 528
Net effect from operations with hedge instruments	5	(376)	-
Other finance gain / loss, net	5	1 308	78
Share of profit of associates	13	(5)	218
Net result from change in investments	13, 14	1 170	-
<b>PROFIT BEFORE INCOME TAX</b>	<b>6</b>	<b>5 934</b>	<b>7 100</b>
Income tax	7	(889)	(543)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>5 045</b>	<b>6 557</b>
<b>RESULT FROM DISCONTINUED OPERATIONS</b>	<b>14</b>	<b>1 831</b>	<b>(217)</b>
<b>PROFIT FOR THE YEAR</b>		<b>6 876</b>	<b>6 340</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		(1 470)	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF INCOME TAX</b>		<b>(1 470)</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>5 406</b>	<b>6 340</b>

The notes form part of these financial statements

# Solarpro Holding PLC

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021

	2021	2020*
	€ 000	Restated € 000
Notes		
<b>Profit attributable to:</b>		
Owners of the parent	4 672	5 671
Non-controlling interest	2 204	669
	<u>6 876</u>	<u>6 340</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	3 204	5 671
Non-controlling interest	2 202	669
	<u>5 406</u>	<u>6 340</u>

\* Comparative information for 2020 was restated. Restatement has been discussed in detail in Note 31.

The notes form part of these financial statements

**Solarpro Holding PLC (Registered number: 11682894)**

**Consolidated Statement of Financial Position  
as at 31 December 2021**

	Notes	2021 € 000	2020 * restated € 000	2019 * restated € 000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Goodwill	10	7 289	6 298	616
Owned				
Intangible assets	11	429	295	44
Property, plant and equipment	12	24 896	24 313	6 422
Right-of-use				
Property, plant and equipment	22	887	761	-
Investments in associates	13	184	-	11 682
Trade and other receivables	16	19 815	11 480	-
Deferred tax assets	23	100	-	4
		<u>53 600</u>	<u>43 147</u>	<u>18 768</u>
<b>CURRENT ASSETS</b>				
Inventories	15	1 273	2 033	291
Trade and other receivables	16	36 520	21 044	3 509
Assets held for sale	30	567	-	-
Tax receivable		23	305	-
Cash and cash equivalents	17	4 791	1 619	902
		<u>43 174</u>	<u>25 001</u>	<u>4 702</u>
<b>TOTAL ASSETS</b>		<u><u>96 774</u></u>	<u><u>68 148</u></u>	<u><u>23 470</u></u>
<b>EQUITY</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Called up share capital	18	4 930	4 930	2 812
Legal reserves	19	420	213	22
Retained earnings	19	13 851	10 913	5 487
		<u>19 201</u>	<u>16 056</u>	<u>8 321</u>
Non-controlling interest	28	8 516	6 711	189
<b>TOTAL EQUITY</b>		<u><u>27 717</u></u>	<u><u>22 767</u></u>	<u><u>8 510</u></u>

The notes form part of these financial statements

**Solarpro Holding PLC (Registered number: 11682894)**

**Consolidated Statement of Financial Position  
as at 31 December 2021**

	Notes	2021 € 000	2020 * restated € 000	2019 * restated € 000
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables	20	7 045	2 320	2
Financial liabilities – borrowings				
Interest bearing loans and borrowings	21	12 436	6 786	3 152
Lease liabilities	22	667	539	70
Deferred tax	23	1 567	1 678	434
		<u>21 715</u>	<u>11 323</u>	<u>3 658</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	20	41 734	27 981	10 859
Financial liabilities – borrowings				
Interest bearing loans and borrowings	21	4 441	5 365	283
Lease liabilities	22	307	208	40
Tax payable		860	504	120
		<u>47 342</u>	<u>34 058</u>	<u>11 302</u>
<b>TOTAL LIABILITIES</b>		<u>69 057</u>	<u>45 381</u>	<u>14 960</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>96 774</u>	<u>68 148</u>	<u>23 470</u>

\* Restatement has been discussed in detail in Note 31

The financial statements were approved by the Board of Directors and authorised for issue on 05 April 2023 and were signed on its behalf by:

  
K P Mateev - Director

The notes form part of these financial statements

**Solarpro Holding PLC (Registered number: 11682894)**

**Company Statement of Financial Position  
as at 31 December 2021**

	Notes	2021 € 000	2020 € 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	10	-	-
Owned			
Intangible assets	11	179	224
Property, plant and equipment	12	-	-
Investment property	13	-	-
Right-of-use			
Property, plant and equipment	22	28	30
Investments in associates	13	189	-
Investments	13	29 737	25 601
		<u>30 133</u>	<u>25 855</u>
<b>CURRENT ASSETS</b>			
Inventories	15	16	727
Trade and other receivables	16	4 307	465
Cash and cash equivalents	17	210	1
		<u>4 533</u>	<u>1 193</u>
<b>TOTAL ASSETS</b>		<u><u>34 666</u></u>	<u><u>27 048</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	18	4 930	4 930
Revaluation reserve	19	148	-
Retained earnings	19	1 906	(142)
<b>TOTAL EQUITY</b>		<u>6 984</u>	<u>4 788</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	20	8 649	2 015
Financial liabilities			
Leases	21, 22	19	24
		<u>8 668</u>	<u>2 039</u>

The notes form part of these financial statements

**Solarpro Holding PLC (Registered number: 11682894)**

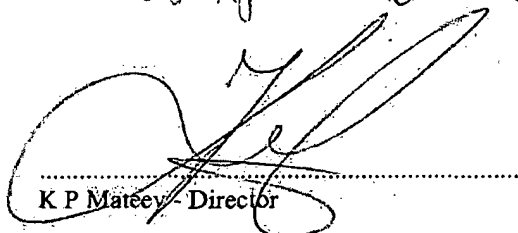
**Company Statement of Financial Position  
as at 31 December 2021**

	Notes	2021 € 000	2020 € 000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	18 896	20 215
Financial liabilities – borrowings			
Leases	21, 22	6	6
Tax payable		112	-
		<u>19 014</u>	<u>20 221</u>
<b>TOTAL LIABILITIES</b>		<u>27 682</u>	<u>22 260</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>34 666</u>	<u>27 048</u>

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The Company's result for the financial year was €2,048,658 (2020: €(116,137) loss).

\* Restatement has been discussed in detail in Note 31

The financial statements were approved by the Board of Directors and authorised for issue on .....05 April 2022..... and were signed on its behalf by:

  
K P Mateev - Director

The notes form part of these financial statements



# Solarpro Holding PLC

## Consolidated Statement of Changes in Equity for the year ended 31 December 2021

	Note	Called up share capital € 000	Retained earnings € 000	Legal reserves € 000	Total belonging to the Group € 000	Non controlling interest € 000	Total equity € 000
<b>Balance at 1 January 2020</b>	<b>31</b>	2 812	3 883	22	6 717	189	6 906
Restatement correction	31	-	1 604	-	1 604	-	1 604
<b>Balance at 1 January 2020 – restated</b>	<b>31</b>	2 812	5 487	22	8 321	189	8 510
<b>Changes in equity</b>							
Profit for the year – restated *	19	-	5 480	191	5 671	669	6 340
Total comprehensive income – restated *		-	5 480	191	5 671	669	6 340
Dividends	9	-	(54)	-	(54)	-	(54)
Issue of share capital		2 118	-	-	2 118	-	2 118
		4 930	10 913	213	16 056	858	16 914
Acquisition of non-controlling interest – restated *	13	-	-	-	-	5 853	5 853
<b>Balance at 31 December 2020 * restated</b>		4 930	10 913	213	16 056	6 711	22 767
<b>Balance at 1 January 2021</b>		4 930	10 913	213	16 056	6 711	22 767
<b>Changes in equity</b>							
Profit for the year	19	-	4 672	-	4 672	2 204	6 876
Other comprehensive income	19	-	(1 468)	-	(1 468)	(2)	(1 470)
Total comprehensive income		-	3 204	-	3 204	2 202	5 406
Dividends	9	-	(289)	-	(289)	-	(289)
Transfer of undistributed retained earnings to reserves	21	-	(207)	207	-	-	-
		4 930	13 621	420	18 971	8 913	27 884
Increase of shareholding interest	13	-	230	-	230	(397)	(167)
<b>Balance at 31 December 2021</b>		4 930	13 851	420	19 201	8 516	27 717

\* Restatement has been discussed in detail in Note 31

The notes form part of these financial statements

**Solarpro Holding PLC**

**Company Statement of Changes in Equity  
for the year ended 31 December 2021**

	Note	Called up share capital € 000	Retained earnings € 000	Revaluation reserve € 000	Total equity € 000
<b>Balance at 1 January 2020</b>		2 812	(26)	-	2 786
<b>Changes in equity</b>					
Deficit for the year	19	-	(116)	-	(116)
Total comprehensive income		-	(116)	-	(116)
Issue of share capital		2 118	-	-	2 118
<b>Balance at 31 December 2020</b>		4 930	(142)	-	4 788
<b>Changes in equity</b>					
Profit for the year	19	-	1 666	-	1 666
Other comprehensive income	19	-	382	148	530
Total comprehensive income		-	2 048	148	2 196
<b>Balance at 31 December 2021</b>		4 930	1 906	148	6 984

The notes form part of these financial statements

**Solarpro Holding PLC**

**Consolidated Statement of Cash Flows  
for the year ended 31 December 2021**

		2021 € 000	2020 * restated € 000
	Notes		
<b>Cash flow from operating activities</b>			
Cash generated from operations	1 CF	4 554	1 336
Interest paid		(498)	(115)
Lease interest paid		(37)	(7)
Net result from operations with hedge instruments		(376)	-
Tax paid		(702)	(18)
<b>Net cash from operating activities</b>		<b>2 941</b>	<b>1 196</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiary	10, 13	(1 301)	(815)
Purchase of intangible assets	11	(214)	(67)
Purchase of property, plant and equipment		(2 908)	(498)
Purchase of investments	13	(8)	(110)
Proceeds from sale of subsidiaries	14	38	-
Interest in associate	10, 13	(215)	-
Interest received		247	636
Repaid loans		1 693	1 047
Loans granted		(10 412)	(1 304)
<b>Net cash from investing activities</b>		<b>(13 080)</b>	<b>(1 111)</b>
<b>Cash flows from financing activities</b>			
New loans in year		37 962	4 053
Repayment of loans		(24 036)	(3 978)
Payment of lease liabilities	22	(326)	(223)
Equity dividends paid	9	(289)	-
<b>Net cash from financing activities</b>		<b>13 311</b>	<b>(148)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>3 172</b>	<b>(63)</b>
Cash acquired in a business combination		-	780
Cash and cash equivalents at beginning of the year	2 CF	1 619	902
<b>Cash and cash equivalents at end of year</b>	2 CF	<b>4 791</b>	<b>1 619</b>

\* Restatement has been discussed in detail in Note 31

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Statement of Cash Flows for the year ended 31 December 2021

### 1 CF. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

		2021 € 000	2020 * € 000
	Notes		
Profit before income tax		5 934	7 100
Profit before income tax from discontinued operations		1 831	(241)
Depreciation charges	11, 12, 22	3 106	1 558
Profit on disposal of property, plant and equipment		(54)	-
Written off liabilities		-	(1 188)
Deferred tax	7	(211)	(160)
Gain/loss on revaluation of investments	5	-	(2 340)
Net result from operations with hedge instruments	5	376	-
Finance costs	5	654	368
Finance income	5	(1 845)	(266)
		<hr/>	<hr/>
		9 791	4 831
Share of profit in associates	13	5	(218)
Decrease (increase) in inventories and assets held for sale	15, 30	193	(244)
Increase in trade and other receivables	16, 24	(16 499)	(3 504)
Increase (decrease) in trade and other payables	20, 24	11 064	471
		<hr/>	<hr/>
<b>Cash generated from operations</b>		<b>4 554</b>	<b>1 336</b>

### 2 CF. CASH AND CASH EQUIVALENTS

	2021 € 000	2020 € 000
Cash and cash equivalents at 31 December	4 791	1 619

\* Restatement has been discussed in detail in Note 31

The notes form part of these financial statements

**Solarpro Holding PLC**

**Company Statement of Cash Flows  
for the year ended 31 December 2021**

		2021 € 000	2020 € 000
	Notes		
<b>Cash flow from operating activities</b>			
Cash generated from operations	3 CF	(588)	(267)
Interest paid		-	(40)
Tax paid		(5)	-
		<hr/>	<hr/>
Net cash from operating activities		(593)	(307)
<b>Cash flow from investing activities</b>			
Purchase of intangible fixed assets		(268)	-
Purchase of investments		(1 537)	(925)
Proceeds from sale of investments		18	-
Loans granted		(4 110)	(427)
Loans repaid		-	78
Dividends received		416	-
		<hr/>	<hr/>
Net cash from investing activities		(5 481)	(1 274)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		8 621	3 391
Repayment of borrowings		(2 338)	(1 810)
		<hr/>	<hr/>
Net cash from financing activities		6 283	1 581
<b>Increase (decrease in cash and cash equivalents)</b>		<b>209</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>4 CF</b>	<b>1</b>	<b>1</b>
<b>Cash and cash equivalents at end of the year</b>	<b>4 CF</b>	<b>210</b>	<b>1</b>

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Company Statement of Cash Flows for the year ended 31 December 2021

### 3 CF. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2021 € 000	2020 * € 000
Profit before income tax	1 770	(111)
Depreciation charges	59	3
Finance costs	120	41
Finance income	(2 463)	(101)
	(514)	(168)
Decrease (increase) in inventories	711	(727)
Decrease (increase) in trade and other receivables	(182)	(110)
Increase (decrease) in trade and other payables	(603)	738
<b>Cash generated from operations</b>	<b>(588)</b>	<b>(267)</b>

### 4 CF. CASH AND CASH EQUIVALENTS

	2021 € 000	2020 € 000
Cash and cash equivalents at 31 December	210	1

The notes form part of these financial statements

## **Solarpro Holding PLC**

### **Notes to the Consolidated Financial Statements for the year ended 31 December 2021**

#### **1. STATUTORY INFORMATION**

Solarpro Holding PLC is an unquoted public company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The presentational currency is Euro.

The ultimate parent company and controlling party is Renalfa Solarpro Group GmbH, incorporated in Austria.

The Company is part of Renalfa Solarpro group GmbH Austria with an immediate parent UAB Renalfa Europe, having its registry address J. Jasinskio g. 16B, LT-03163 Vilnius. Since 2022, Renalfa Solarpro group Austria is the company that prepares group accounts and it is the largest group Solarpro Holding PLC is consolidated into. However, for the fiscal year 2021, UAB Renalfa is the company that prepares group accounts and it is the largest group that Solarpro Holding PLC is consolidated into.

The Company has no subsidiaries incorporated under the UK law, respectively no subsidiaries have taken advantage of the s479A exemption from audit.

#### **2.1. BASIS FOR PREPARATION**

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in Note 2.2. The policies have been consistently applied through out the year presented.

The consolidated financial statements are presented in Euro ("€"). The exchange rate at the balance sheet date was €1 = £0.84028. The functional currency of the Group is Euro.

Amounts are rounded to the nearest thousand.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the United Kingdom, and in accordance with the requirements of the Companies Act 2006.

##### **Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (IFRS). IFRS is the common name for the general-purpose-accounting framework equivalent to the framework introduced by the definition under § 1, item 8 of the Supplementary Provisions of the Accounting Act under the name "International Accounting Standards" (IAS).

The consolidated financial statements of the Group have been prepared on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to use its judgement in applying the entity's accounting policies. Elements of the financial statements whose presentation involves a higher degree of judgement or complexity, and those for which assumptions and estimates have a significant effect on the financial statements as a whole, are disclosed separately in Note 2.4

The notes form part of these financial statements

## **Solarpro Holding PLC**

### **Notes to the Consolidated Financial Statements for the year ended 31 December 2021**

#### **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Revenue**

The recognition of revenue from contracts with customers is based on the following five step model: (i) identification of the contract with the customer; (ii) identification of the performance obligations, represented by the contractual promises to transfer goods and/or services to a customer; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations identified on the basis of the "stand alone" selling price of each distinct good or service; (v) recognition of the revenue when (or as) the relative performance obligation has been satisfied, i.e. at the time of transfer to the customer of the promised goods or services; the obligation is considered to have been satisfied when the customer obtains control of the goods or services, which may be satisfied over time, as in the case of contract assets from work in progress, or at a point in time.

The Group considers all contracts with commercial customers and registered providers on a contract by contract basis and determines the appropriate revenue recognition based on the particular terms of that contract.

##### **Construction of photovoltaic power plants and charging stations**

The Group builds photovoltaic power plants and charging stations, which includes the provision of materials, services and other contracted activities.

The Group accounts for the promises under these customer contracts as a single performance obligation and recognises revenue over time as the Group creates or improves an asset that the customer controls in the process of creation or improvement. The extent to which the performance obligation has been satisfied is determined using the input-output method based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Estimated losses on project contracts are recognised as an expense immediately.

##### **Sale of electricity**

The Group has assessed that under the requirements of IFRS 15, the sale of electricity is part of a series of identifiable goods that are substantially the same and follow the same pattern of transfer to customers, and this series is treated as a single performance obligation. Each identifiable commodity in the series represents a performance obligation that is satisfied over time, and the same method is used to determine the stage of completion of each identifiable commodity in the series (based on monthly metering and billing) as the customer receives and consumes the benefits of the Group's performance as the Group performs. Therefore, the Group has adopted a policy of recognising revenue from the sale of electricity on a "over time" (monthly) basis, applying a practical expedient measure of "billing entitlement".

##### **Sale of electrical equipment**

Revenue from the sale of electrical equipment, which includes PV modules, solar panels, metal structures and others, is recognised at a point in time when control of the asset is transferred to the customer, which is typically upon delivery of the equipment. The normal credit period is 1 to 30 days from delivery.

##### **Provision of maintenance and other services**

The Group accounts for maintenance services and other activities as a separate performance obligation and recognises revenue from them over time as the customer both receives and consumes the benefits provided by the Group. The Group has applied the practical expedient in IFRS 15 and recognises revenue that directly corresponds to the value that the Group's activities create for the customer. The Group recognises as revenue the amount for which it is entitled to invoice.

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The Group assesses whether there are other promises in the contract that represent separate performance obligations to which a portion of the transaction price must be allocated (for example, guarantees). In determining the transaction price for the sale of electricity, goods and equipment, the Group considers the effects of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

#### **Other revenue**

Revenue from warranties is recognised on a straight-line basis over the warranty period. Revenue from commercial contract management fees is recognised in the period in which it becomes receivable and included within other revenue.

#### **Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

#### **Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

#### **Property, plant and equipment**

Depreciation is provided on a straight line basis at the following annual group average rates in order to write off each asset over its estimated useful life:

- Plant & machinery 13%
- Improvements to land 5%
- Buildings 5%
- Vehicles 23%
- Other assets 50%

Property, plant and equipment are recognised using the cost method and stated at their purchase or production cost including any ancillary costs directly attributable to bringing the asset into operation. In addition, when a substantial amount of time is required to make the asset ready for use, the purchase price or production cost includes borrowing costs that theoretically would have been avoided for that amount of time had the investment not been made

Expenditures on renewals, improvements and transformations that extend the useful lives of the related asset are capitalised when it is likely that they will increase the future economic benefits expected from the asset. Also items purchased for safety or environmental reasons are capitalised, even if they do not directly increase the future economic benefits of the existing assets, as they are necessary for carrying out the Group's business.

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#### **Intangible assets**

Intangible assets are identifiable assets without physical substance, controlled by the entity and capable of producing future economic benefits. An intangible asset is identifiable when it can be distinguished from goodwill. This condition is normally met when: (i) the intangible asset arises from legal or contractual rights, or (ii) the asset is separable, i.e. can be sold, transferred, licenced, rented or exchanged, either individually or as an integral part of other assets. An entity controls an intangible asset if it has the power to obtain the future economic benefits deriving from the asset and to restrict the access of others to those benefits. Intangible assets are stated at purchase or production cost as determined with the criteria used for property, plant and equipment. Intangible assets with a finite useful life are amortised systematically over their useful life, which is an estimate of the period over which the assets will be used by the entity. Intangible assets are derecognised at the moment of their disposal or when no future economic benefit is expected from their use or disposal; the relative profit or loss is reported in the Statement of profit or loss. Amortisation is provided on a straight-line basis at rates between 25% and 50% (2020: group average 50%).

#### **Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the value of the non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value or at the acquiree's proportionate share of the acquiree's identifiable net assets. Acquisition costs are recognised in profit or loss for the period.

When the Group acquires a business, it assesses whether the financial assets and liabilities acquired are appropriately classified and presented in light of the contractual terms, economic conditions and relevant circumstances at the acquisition date. This includes separating embedded derivatives from the underlying contracts of the acquiree.

If a business combination is achieved in stages, the acquisition-date fair values of the acquirer's previously held interests are remeasured to their acquisition-date fair values. Any resulting gain or loss is recognised in the statement of comprehensive income.

Contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration that is classified as an asset or liability are recognised in accordance with IAS 39 Financial Instruments: Recognition and Measurement, either in profit or loss or in other comprehensive income. If contingent consideration is classified as an equity instrument, it is not remeasured until it is finally settled in equity.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the identifiable net assets acquired and liabilities assumed by the Group. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, regardless of whether other assets or liabilities of the acquiree are allocated to those units.

When goodwill forms part of a cash-generating unit and part of the activity in that unit is disposed of, the goodwill associated with the disposed activity is included in the carrying amount of the activity in determining the gain or loss on disposal. Goodwill released in such circumstances is measured based on the relative values of the released activity and the retained cash-generating unit.

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If the initial accounting for a business combination has not been completed by the end of the reporting period in which the combination arises because the fair values to be determined for the acquiree's identifiable assets acquired and liabilities assumed, or the amount of consideration transferred, or the value of the non-controlling interest can be determined only provisionally, the Group accounts for the combination using those provisional values. The Group recognises adjustments to these notional amounts as a result of finalising the initial accounting within twelve months of the acquisition date and retrospectively from that date.

#### **Jointly controlled entity**

A joint venture is an entity in which the parties have joint control and rights over the net assets of the joint venture. Joint control is an agreed sharing of control of an enterprise that exists only when decisions relating to the relevant business activities require the unanimous consent of the parties sharing control.

The considerations to be taken into account in determining joint control are similar to those necessary for determining control of subsidiaries. The Group's investment in its joint venture is accounted for using the equity method.

Under the equity method, an investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the joint venture from the acquisition date.

#### **Leases**

IFRS 16 requires that at inception of a contract, an entity has to assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS 16 defines a single model of recognition of lease contracts based on the recognition by the lessee of a Right-of-Use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments provided by the contract (lease liability). The Right-of-Use asset at the commencement date, the date on which the asset is made available for use, is initially measured at cost and derives from the sum of the following components:

- the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee;
- the estimate of the costs that the lessee expects to incur for the dismantling and removal of the underlying asset and for the restoration of the site in which it is located or for the restoration of the underlying asset to the conditions required by the terms and conditions of the lease.

After initial recognition, the Right-of-Use asset is reduced by any accumulated depreciation, any accumulated impairment losses and the effects associated with any remeasurement of the lease liability.

Depreciation rates are constant and are applied over the lease term, taking into account renewal/termination options which are highly probable for the year. Only if the lease provides for the reasonably certain exercise of purchase option is the Right-of-Use asset depreciated systematically over the useful life of the underlying asset.

On the basis of IFRS 16, a lease liability is initially measured at the present value of the lease payments not yet made at the commencement date, which include:

- fixed payments that will be paid with reasonable certainty, less any lease incentives receivable;

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- variable payments due that depend on an index or a rate (variable payments such as fees based on the use of the leased asset, are not included in the lease, but are recognised in the statement of profit or loss operating costs over the lease term);
- any amounts that are expected to be paid under residual value guarantees;
- the exercise price of the purchase option, if the lessee is reasonably certain to exercise this option;
- payments of penalties for termination of the lease, if the lessee is reasonably certain to exercise this option.

The present value of the aforementioned lease payments is calculated by adopting a discount rate equal to the interest rate implicit in the lease or, if this is not readily determined, using the incremental borrowing rate of the lessee. The incremental borrowing rate of the lessee is defined by taking into account the intervals and duration of the payments provided for in the lease contract, the currency in which they are denominated and the characteristics of the lessee's economic environment.

After initial recognition, the lease liability is measured at amortised cost (i.e. increasing its carrying amount to take into account the interest on the liability and decreasing it to take into account the payments made) using the effective interest rate and is remeasured as an adjustment to the related Right-of-Use asset, to take into account any changes to the lease following contractual renegotiations, changes in indices or rates, changes relating to the exercise of contractually envisaged options for renewal, early withdrawal or repurchase of the leased asset.

#### **Inventories**

Inventories are valued at weighted average costs, after making due allowance for obsolete and slow moving items.

The directors consider all inventories to be essentially current in nature, although the Group's operational cycle is such that a proportion of inventories will not be realised within 12 months. It is not possible to determine with accuracy when specific inventory will be realised as this will be subject to a number of variables.

#### **Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication that an asset is impaired. In the event of such an indication, or when an annual impairment test is required for an asset, the Group determines the asset's recoverable amount. The asset's recoverable amount is the higher of the asset's fair value less costs to sell the asset or cash-generating unit (CGU) and its value in use. The recoverable amount is determined for an individual asset unless the use of the asset does not generate cash flows that are substantially independent of the cash flows generated by other assets or groups of assets. When the carrying amount of an asset or CGU is greater than its recoverable amount, it is considered impaired and its carrying amount is reduced to its recoverable amount.

In determining the value in use of an asset, expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risks. The fair value less costs to sell is determined based on recent market transactions, if any. If such transactions cannot be identified, an appropriate valuation model is applied. The calculations are confirmed using other valuation models or other available sources of information about the fair value of the asset or cash-generating unit.

The impairment calculations are based on detailed budgets and forecast calculations that are prepared separately for each CGU to which individual assets are allocated. These budgets and forecast calculations typically cover a period of five years. For longer periods, a long-term growth index is calculated and applied after the fifth year to future cash flows.

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Impairment losses are recognised as an expense in the statement of comprehensive income and are classified by their function according to the use (purpose) of the impaired asset.

At each reporting date, the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If such an indication exists, the Group determines the recoverable amount of the asset or cash-generating unit. An impairment loss is reversed only when there has been a change in the estimates used in determining the asset's recoverable amount since the last impairment loss was recognised. The recovery of an impairment loss is limited so that the carrying amount of the asset neither exceeds its recoverable amount nor exceeds the carrying amount (net of depreciation) that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income.

#### **Contract assets and contract liabilities**

Contract assets and liabilities from work in progress assessment are recognised on the basis of agreed contractual amounts determined with reasonable certainty with the customers, recognised in proportion to the stage of completion activity.

Given the nature of the contracts and the type of work, work progress is determined through the use of an input method based on the percentage of costs incurred with respect to the total contractually estimated costs (cost-to-cost method).

To correctly apply the economic effects of using this method on core business revenue, differences between amounts earned based on the stage of completion of projects and recognised revenue are included under contract assets from work in progress if positive, or under contract liabilities from work in progress if negative.

#### **Taxation**

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

#### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date, and is charged or credited to the Statement of profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

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. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

All deferred tax is based on legally enforceable right to set off the recognised amounts and intends to settle on a net basis.

#### **Profit from operations**

Profit from operations includes all of the revenue and costs derived from the Group's operating businesses. Profit from operations excludes finance costs, finance income, the Group's share of profits or losses from associates and tax.

#### **Translation of foreign currency**

The financial statements of companies having a functional currency other than euro, which is the functional currency of the Group, are converted into euro applying: (i) closing spot rates for assets and liabilities; (ii) historical exchange rates to equity; (iii) the average rates for the period to the Statement of profit or loss and the cash flow statement. Exchange differences resulting from the translation of the financial statements of investees with a functional currency other than euro, and deriving from the application of different exchange rates for assets and liabilities, equity and the Statement of profit or loss, are recognised in equity.

#### **Borrowings**

Borrowings are recognised initially at the transaction price (that is the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised costs. Interest expense is recognised on the basis of the effective interest method and is included in finance charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Expenses**

Expenses are recognised by the Group on an accrual basis where a contractual obligation exists.

#### **Other receivables and prepayments**

Other receivables and prepayments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

#### **Financial assets**

Financial assets are recognized initially at fair value, normally being the transaction price. In the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The Group derecognizes financial assets when the contractual rights to the cash flows expire or the rights to receive cash flows have been transferred to a third party and either substantially all of the risks and rewards of the asset have been transferred, or substantially all the risks and rewards of the asset have neither been retained nor transferred but control of the asset has been transferred. This includes the derecognition of receivables for which discounting arrangements are entered into.

The Group classifies its financial asset debt instruments as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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### **Notes to the Consolidated Financial Statements for the year ended 31 December 2021**

#### **Financial assets measured at amortized cost**

Financial assets are classified as measured at amortized cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired and when interest is recognized using the effective interest method. This category of financial assets includes trade and other receivables.

#### **Financial assets measured at fair value through other comprehensive income**

Financial assets are classified as measured at fair value through other comprehensive income when they are held in a business model the objective of which is both to collect contractual cash flows and sell the financial assets, and the contractual cash flows represent solely payments of principal and interest.

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

Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortized cost or fair value through other comprehensive income. Such assets are carried on the balance sheet at fair value with gains or losses recognized in the Statement of profit or loss. Derivatives, other than those designated as effective hedging instruments, are included in this category.

#### **Impairment of financial assets**

The Group recognises a provision for expected credit losses (ECL) for all debt instruments that are not carried at fair value through profit or loss. ECL is based on the difference between the contractual cash flows due under the terms of the contract and any cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows include cash flows from the sale of the collateral held or other credit enhancements that form an integral part of the terms of the contract.

ECLs are recognised in two stages. For credit exposures for which there has been no significant increase in credit risk since initial recognition, ECL is provided for credit losses that arise from default events that are probable within the next 12 months (12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, regardless of when the default event occurs (lifetime ECL).

For trade receivables and assets under contracts with customers, the Group applies a simplified approach to calculate the ECL. Therefore, it does not track changes in credit risk, but instead recognises a provision for loss based on the ECL over the life of the instrument at each reporting date. The Group has established a provisioning matrix that is based on historical experience of credit losses adjusted for forecast factors specific to obligors and the economic environment.

For debt instruments at fair value through other comprehensive income, the Group applies impairment on a low credit risk basis.

At each reporting date, it determines whether a debt instrument is judged to have low credit risk using all reasonable and supportable information that is available without incurring undue cost or effort. In making this assessment, the Group reviews the internal credit rating of the debt instrument. In addition, the Group assesses whether there is a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial instrument to be in default when contractual payments are in arrears for 90 days. However, in certain cases it may consider a financial asset to be in default when internal or external information provides an indication that it is unlikely that the Group will receive the full amount of the outstanding contractual amounts before taking into account any credit enhancements held by it. Financial assets are written off when there is no reasonable expectation of collecting the contractual cash flows.

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#### **Cash equivalents**

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and generally have a maturity of three months or less from the date of acquisition. Cash equivalents are classified as financial assets measured at amortized cost or, in the case of certain money market funds, fair value through profit or loss.

#### **Equity instruments**

Instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements. Instruments that cannot be settled in the Group's own equity instruments and that include no contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity that are potentially unfavourable are classified as equity. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

#### **Financial liabilities**

Financial liabilities are recognized when the Group becomes party to the contractual provisions of the instrument. The Group derecognizes financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. The measurement of financial liabilities depends on their classification, as follows:

##### **Financial liabilities measured at amortized cost**

All other financial liabilities are initially recognized at fair value, net of directly attributable transaction costs. For interest-bearing loans and borrowings this is typically equivalent to the fair value of the proceeds received, net of issue costs associated with the borrowing.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized in interest and other income and finance costs respectively.

This category of financial liabilities includes trade and other payables and finance debt.

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group assumptions about pricing by market participants.

#### **Offsetting of financial assets and liabilities**

Financial assets and liabilities are presented gross in the balance sheet unless both of the following criteria are met: the Group currently has a legally enforceable right to set off the recognized amounts; and the Group intends to either settle on a net basis or realize the asset and settle the liability simultaneously. A right of set off is the Group's legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty. The relevant legal jurisdiction and laws applicable to the relationships between the parties are considered when assessing whether a current legally enforceable right to set off exists.

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### **Notes to the Consolidated Financial Statements for the year ended 31 December 2021**

#### **Employee benefits**

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. Deferred bonus arrangements that have a vesting date more than 12 months after the balance sheet date are valued on an actuarial basis using the projected unit credit method and amortized on a straight-line basis over the service period until the award vests. The accounting policies for pensions and other post-retirement benefits are described below.

#### **Pensions and other post-retirement benefits**

The cost of providing benefits under the Group's defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period to determine current service cost and to the current and prior periods to determine the present value of the defined benefit obligation. Past service costs, resulting from either a plan amendment or a curtailment (a reduction in future obligations as a result of a material reduction in the plan membership), are recognized immediately when the Group becomes committed to a change.

Net interest expense relating to pensions and other post-retirement benefits, which is recognized in the Statement of profit or loss, represents the net change in present value of plan obligations resulting from the passage of time, and is determined by applying the discount rate to the present value of the benefit obligation at the start of the year.

#### **Finance costs**

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other finance costs are recognized in the Statement of profit or loss in the period in which they are incurred.

#### **Internally-generated intangible assets – research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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#### **2.3 PUBLISHED STANDARDS NOT YET IN FORCE AND NOT PREVIOUSLY ADOPTED**

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17 (including the June 2020 Amendments to IFRS 17) Insurance Contracts  
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture  
Amendments to IAS 1 Classification of Liabilities as Current or Non-current  
Amendments to IFRS 3 Reference to the Conceptual Framework  
Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use  
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

#### **Annual Improvements to IFRS Standards 2018-2020 Cycle**

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 9 Financial Instruments,  
IFRS 16 Leases  
IAS 41 Agriculture  
Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies  
Amendments to IAS 8 Definition of Accounting Estimates  
Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

#### **2.4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the reporting date and the reported amounts of revenues and expenses during the period. Uncertainties related to assumptions and estimates made could cause actual results to require material adjustments to the carrying amounts of the related assets or liabilities in subsequent reporting periods.

##### **Judgements**

In applying the accounting policies adopted, management of the Group has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

##### **Revenue from contracts with customers**

Contracts with customers for the construction of PV plants and charging stations include the provision of materials, services and other activities. Group management has determined that these components are not segregated in the context of the contract. The provision of materials, the provision of services and the performance of other activities under these contracts are highly interdependent or interrelated in the construction of a PV plant and charging station site. Therefore, management has determined that these contracts involve a single performance obligation. Accordingly, revenue under this performance obligation is recognised over time following the input method at the reporting date. The Group recognises revenue when there is progress in the performance of the contract.

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The degree of satisfaction of the performance obligation shall be determined in relation to the total resources expected to be invested in respect of the performance obligation, i.e. on the basis of the ratio of the proportion of the contract costs incurred for the work carried out to date to the estimated total contract costs. In this method, an accurate assessment of the extent to which the performance obligation has been met is of the utmost importance. Based on the methodology for determining this rate, significant estimates include total contract costs, remaining contract completion costs, total contract revenue, risks, and other judgments. Management regularly reviews all estimates under PV plant and charging station construction contracts and modifies them as necessary. Estimated construction contract losses are recognized as an expense immediately.

#### Estimates and assumptions

The key assumptions that are related to future and other key sources of estimation uncertainty at the statement of financial position date and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next reporting period are set out below.

### 3. REVENUE

#### Segmental reporting

The Group has disaggregated revenue into various categories in the following tables which are intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue segment information provided.

The revenue of the undertakings, indirectly owned by Group through Solarpro Holding AD is presented on an aggregated basis under the header 'Solarpro Holding AD'.

2021	Revenue €'000			Total
	Sale of electricity	Construction, maintenance and services	Sales of electrical equipment	
Solarpro Holding PLC	-	-	11	11
Solarpro Holding AD	27 074	44 767	1 504	73 345
Solarpro Construction AD	-	14 669	-	14 669
Solarpro Energy Hungary Kft.	-	7 306	9	7 315
Solarpro Polska	-	61	-	61
Hyper Solar AD	-	77	-	77
Alfa Energy MT (subsidiary of United Solar AD)	990	-	-	990
Solarpro Bulgaria AD	-	2 734	-	2 734
Solarpro Power Doel	-	2 022	-	2 022
	28 064	71 636	1 524	101 224

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

Company	Revenue €'000			Total
	Sale of electricity	Construction, maintenance and services	Sales of electrical equipment	
Solarpro Holding PLC	176	-	-	176
Solarpro Holding AD	-	7 224	1 856	9 080
Solarpro Construction AD	-	8 156	-	8 156
Solarpro Energy Hungary Kft.	-	12 687	19	12 706
Solarpro Polska	-	211	-	211
Hyper Solar AD	-	45	-	45
Alfa Energy MT (subsidiary of United Solar AD)	1 081	-	-	1 081
Solarpro Bulgaria AD	-	1 556	-	1 556
	<u>1 257</u>	<u>29 879</u>	<u>1 875</u>	<u>33 011</u>

### Revenue by geographical location

Country / region	2021 €'000	2020 €'000
Hungary	39 002	13 265
Bulgaria	25 858	8 798
Macedonia	13 442	2 553
Germany	5 064	2 894
Denmark	4 871	-
Netherland	4 691	1 271
France	3 932	849
Spain	1 662	-
Poland	1 406	1 583
Ireland	883	-
Portugal	413	-
Region of Africa	-	1 798
	<u>101 224</u>	<u>33 011</u>

### Contract balances

Contract assets arising from contract with customers are initially recognised for earned revenue from operations for which the time to invoice has not yet occurred according to the agreed terms. On completion of each stage of the contract requiring invoicing and payment, the amounts recognised as assets under contracts with customers are reclassified to trade receivables. Contract assets are included in Trade debtors (Note 16).

	2021 € 000	2020 € 000
Contract assets ( included in Trade debtors, Note 16)	5 976	3 498
Contract assets (included in Related party receivables, Note 24)	424	-
Contract liabilities (included in Accruals and deferred income, Note 20)	5 944	720

Contract liabilities arising from contract with customers include short-term advance payments received for the supply of equipment and for the provision of services related to the construction of photovoltaic plants, as well as amounts received according to the agreed terms, but before the completion of the relevant construction stage. In 2021, the outstanding balances on these accounts increased compared to 2020, due to new PV plant construction projects started at the end of the reporting year. Contract liabilities are included in Accruals and deferred income (Note 20).

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 4. EMPLOYEES AND DIRECTORS

#### Group

	2021 € 000	2020 € 000
Wages and salaries	11 219	6 885
Social security costs	1 456	977
Other costs for personnel	59	12
	<u>12 734</u>	<u>7 874</u>
incl. in Cost of sales	9 929	6 674
incl. in Administrative expenses	2 805	1 200

The average number of employees during the year was as follows:

	2021	2020
Staff	<u>528</u>	<u>479</u>
including		
Operating staff	394	338
Administration staff	134	141

	2021 €	2020 €
Directors remuneration	<u>933 629</u>	<u>383 387</u>

The Directors are remunerated at a group level and this is the total remuneration for their services. There were no share options or long-term incentives to report.

#### Company

	2021 € 000	2020 € 000
Wages and salaries	108	29
Social security costs	15	4
Other costs for personnel	3	-
	<u>126</u>	<u>33</u>

The average number of employees during the year was as follows:

	2021	2020
Staff	<u>6</u>	<u>2</u>

The Company directors are remunerated by another group company, see Note above. The highest director's remuneration was € 308 257 (2020: € 108 656).

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 5. FINANCE COST AND INCOME

	2021 € 000	2020 * restated € 000
<i>Finance income:</i>		
Gain / loss on revaluation of investments	-	2 340
Interest income	537	188
	<u>537</u>	<u>2 528</u>
<i>Finance cost:</i>		
Interest expense on bank loans	(433)	(240)
Interest expense other loans	(184)	(123)
Interest expense leases	(37)	(5)
	<u>(654)</u>	<u>(368)</u>
<i>Net effect from operations with hedge instruments</i>		
Loss	(724)	-
Gain	348	-
	<u>(376)</u>	<u>0</u>
<i>Other finance gain / loss, net</i>		
Net effect from exchange rate differences	1 464	156
Other finance cost	(156)	(78)
	<u>1 308</u>	<u>78</u>

### 6. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	2021 € 000	2020 € 000
Cost of inventories recognised as expense	30 215	12 920
Depreciations - owned assets	2 683	1 380
Depreciations - right of use assets	352	167
Profit on disposal of fixed assets	(54)	-
Depreciation of intangible assets	71	2
Foreign exchange differences	(1 464)	127
Net loss from operations with hedge instruments	376	-
Auditors' remuneration	211	22

#### Foreign currency translation differences

Exchange rate differences resulting from the translation of the financial statements of Group companies with a functional currency other than euro, and deriving from the application of different exchange rates for assets and liabilities, equity and the income statement, are recognized in other comprehensive income.

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 7. INCOME TAX

#### Analysis of tax expense

	2021 € 000	2020* restated € 000
Current tax expense	1 100	703
Deferred tax benefit	(211)	(160)
Total tax expense in consolidated statement of profit or loss and other comprehensive income	889	543

The applicable tax rates in the different jurisdictions, in which the Group's undertakings operate are as follows:

United Kingdom	19 %
Bulgaria	10 %
North Macedonia	10 %
Hungary	9 %
Poland	9 %
Romania	16 %
India	25 %

There are no changes in the applicable tax rates for the years 2020 and 2021. No changes are expected for the subsequent financial year 2022.

The impact of the Emergency Budget on 23 September 2022 for the United Kingdom is immaterial for the Group. In line with the budget the UK corporation tax is now at a rate of 25% (previously 19%).

The prevailing tax rate for the Group is 10 % Bulgarian income tax, providing the most significant part of the taxable profits originates from Bulgaria, the 10 % tax rate is used for the reconciliation of the income tax to profit and loss.

#### Reconciliation to profit and loss

	2021 € 000	2020 € 000
Profit before tax on continuing operations	5 934	7 100
Prevailing corporation tax rate of 10 % (2020:10 %)	(593)	(710)
Tax effect of share of results of associates	(1)	22
Tax effect of expenses that are not deductible in determining taxable profit	(12)	(23)
Tax effect on discontinued operations and gain on disposal	(161)	-
Tax effect of income not taxable in determining taxable profit	17	353
Tax effect of utilisation of tax losses not previously recognized	56	8
Tax losses for which deferred tax asset is not recognized	(54)	(52)
Change in unrecognised deferred tax assets	-	(47)
Tax on prior period profits	-	(115)
Effect of capitalized costs at group level	(98)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(43)	21
Tax expense for the year	(889)	(543)

The notes form part of these financial statements

## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

#### 8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The Company's result for the financial year was €2,048,658 (2020: €(116,137) loss).

#### 9. DIVIDENDS

For the year 2021 and 2020 there were no dividend distributed by the parent company. Dividends distributed by the companies belonging to the Group are as follows:

	2021 € 000	2020 € 000
Ordinary shares at € 1 each	289	54

#### 10. GOODWILL

##### Group

	2021 € 000	2020* restated € 000
<b>COST</b>		
At 01 January	6 298	616
Additions	991	5 682
At 31 December	7 289	6 298
<b>NET BOOK VALUE</b>		
At 01 January	6 298	616
Additions	991	5 682
At 31 December	7 289	6 298

\* Restatement has been discussed in detail in Note 31

Goodwill arises from acquisition of Kat-A Solar Kft. in 2021 (2020: Solarpro Holding AD, Guta Solar Kft., Solarpro Polska). Details are discussed in Note 13.

As per para 6 IAS 36 a cash generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The goodwill when it arises is related to the acquisition of a specific entity (or share of entity). Each one of the entities is in position to generate cash inflows largely independently. Therefore, the entities listed below (as well as in Note 10) are considered separate GGUs for the purpose of allocating goodwill and testing it for impairment.

The Group performed annual test for impairment of the goodwill based on the discounted cash flows method. For the calculation of WACC, for equity component coefficients are taken from the internet site of prof. Aswarth Damodaran; risk free premium is based on the 7-years interest rate of Bulgarian State securities. Specific assumptions and results for each CGU are shown below:

The notes form part of these financial statements



## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

#### Key assumptions and estimations

##### *Alfa Energy MT (United Solar)*

1. Cash flows based on based on an actual Agreement for sale of electricity
2. WACC 8.94 %

##### *Solarpro Construction*

1. Cash flows estimated on the basis of 2021 actuals and anticipated growth (from 3 % to 1.5 % revenue growth and from 4 % to 1.5 % Opex growth).
2. Terminal value calculated using growth -10 %
3. WACC 9.49 %

##### *Solarpro Holding AD*

1. Cash flows based on budget 2022 and 2023 and 7 % decrease in revenue and Opex afterwards
2. Terminal value calculated using growth of -1 %
3. WACC 10.92 %

##### *Guta Solar*

1. Cash flows based on the sale of electricity model
2. No terminal value is calculated
3. WACC 7.60%

##### *Kat-A Solar*

1. Cash flows based on the sale of electricity model
2. No terminal value is calculated
3. WACC 4.89%

#### Impairment testing results

Based on the annual testing of goodwill for impairment, no indications for impairment are present in the year ending 31 December 2021.

Cash generating unit	Solarpro Holding AD * restated €'000	United Solar (Alfa Energy MT) €'000	Solarpro Construction €'000	Guta Solar €'000	Kat-A Solar €'000	Solarpro Polska €'000	Total €'000
Goodwill at acquisition €'000	4 424	561	55	1 243	991	15	7 289
Carrying value, incl. Goodwill	36 866	2 147	1 552	2 236	992	-	43 793
Recoverable amount	109 645	2 320	4 102	25 188	80 185	-	221 440
Difference between equity value and carrying value	72 779	173	2 550	22 952	79 193	-	177 647

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 11. INTANGIBLE ASSETS

#### Group

	Patents and licenses € 000	Development costs € 000	Software € 000	Total € 000
<b>COST</b>				
At 01 January 2021	4	-	291	295
Additions	166	-	48	214
Written off at sale of subsidiary	(9)	-	-	(9)
At 31 December 2021	161	-	339	500
At 01 January 2020	-	67	-	67
Additions	1	-	67	68
Acquired in a business combination	3	-	224	227
Disposals	-	-	-	-
Reclassification / transfer	-	(67)	-	(67)
At 31 December 2020 *	4	-	291	295
<b>AMORTISATION</b>				
At 01 January 2021	-	-	-	-
Additions	8	-	63	71
At 31 December 2021	8	-	63	71
At 01 January 2020	-	23	-	23
Reclassification / transfer	-	(23)	-	(23)
At 31 December 2020 *	-	-	-	-
<b>BOOK VALUE</b>				
At 31 December 2021	153	-	276	429
At 31 December 2020	4	-	291	295
At 01 January 2020	-	44	-	44

\* The comparative information about the movements in 2020 has been restated, see Note 31.

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Company

	Software € 000	Total € 000
<b>COST</b>		
At 01 January 2021	224	224
Additions	15	15
At 31 December 2021	<u>239</u>	<u>239</u>
At 01 January 2020	-	-
Additions	224	224
At 31 December 2020 *	<u>224</u>	<u>224</u>
<b>AMORTISATION</b>		
At 01 January 2021	-	-
Additions	60	60
At 31 December 2021	<u>60</u>	<u>60</u>
At 01 January 2020	-	-
At 31 December 2020	<u>-</u>	<u>-</u>
<b>BOOK VALUE</b>		
At 31 December 2021	<u>179</u>	<u>179</u>
At 31 December 2020	<u>224</u>	<u>224</u>
At 01 January 2020	<u>-</u>	<u>-</u>

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# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 12. PROPERTY, PLANT AND EQUIPMENT

	Land and improve- ment to land € 000	Freehold properties / Buildings € 000	Plant and machinery € 000	Vehicles € 000	Other assets € 000	Acquisition cost / Construction in progress € 000	Total € 000
<b>COST</b>							
At 01 January 2021	10 130	5 260	9 844	300	129	270	25 933
Additions	-	-	78	274	30	3 039	3 421
Disposals	(128)	-	(28)	(16)	(34)	-	(206)
At 31 December 2021	10 002	5 260	9 894	558	125	3 309	29 148
At 01 January 2020	273	30	6 173	78	45	-	6 599
Additions	-	-	568	89	2	7	666
Acquired in a business combination	9 857	5 230	3 103	133	82	263	18 668
At 31 December 2020 *	10 130	5 260	9 844	300	129	270	25 933
<b>AMORTISATION</b>							
At 01 January 2021	32	60	1 481	36	11	-	1 620
Additions	44	143	2 404	76	16	-	2 683
Disposal	-	-	(28)	(7)	(16)	-	(51)
At 31 December 2021	76	203	3 857	105	11	-	4 252
At 01 January 2020	4	-	153	14	6	-	177
Additions	28	60	1 328	22	5	-	1 443
At 31 December 2020 *	32	60	1 481	36	11	-	1 620
<b>BOOK VALUE</b>							
At 31 December 2021	9 926	5 057	6 037	453	114	3 309	24 896
At 31 December 2020	10 098	5 200	8 363	264	118	270	24 313
At 01 January 2020	269	30	6 020	64	39	-	6 422

\* The comparative information about the movements in 2020 has been restated, see Note 31.

#### *Impairment of property, plant and equipment*

The Group has performed an impairment review of property, plant and equipment as at 31 December 2021 at the level of cash generating unit (subsidiary) based on external and internal sources of information. In this review, management has made assumptions about the development of the regulatory and business environment in which the relevant subsidiaries operate, analysed their financial position and performance and the market values of their net assets. As a result of the impairment review, no indicators were identified that the carrying value of the assets exceeded their recoverable amount and, as a result, no impairment loss was recognised in the financial statements.

The notes form part of these financial statements

## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

#### 13. INVESTMENTS

##### Group

	2021 € 000	2020 restated € 000	2019 restated € 000
At 01 January	-	11 682	-
Additions	189	-	6 553
Bargain purchase of investment in associate	-	-	4 205
Transfer to controlled entity	-	(11 900)	-
Share of profit / (loss) of the associate	(5)	218	924
At 31 December	<u>184</u>	<u>-</u>	<u>11 682</u>

\* Restatement has been discussed in detail in Note 31

##### Interest in associate

On 10 November 2020 Solarpro Holding PLC established Provad Solar AD holding 99.99% of the issued share capital.

On 09 June 2021 Solarpro Holding PLC sold at cost 60% of its 99.99% share in Provad Solar AD. Subsequently, on 12 October 2021 a capital increase in Provad Solar AD was registered in the Bulgarian Commercial Register. The Group's share in the increased capital amounts to € 189 thousand.

The Group's share of the Provad Solar AD's results for the year ended 31 December 2021 is € 5 thousand loss.

##### Company

	Share in group undertakings € 000	Interest in associate € 000	Totals € 000
<b>COST</b>			
At 01 January 2021	25 601	-	25 601
Additions	4 136	189	4 325
At 31 December 2021	<u>29 737</u>	<u>189</u>	<u>29 926</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>29 737</u>	<u>189</u>	<u>29 926</u>
At 31 December 2020	<u>25 601</u>	<u>-</u>	<u>25 601</u>

The notes form part of these financial statements

## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

#### Interest in associate

On 10 November 2020 Solarpro Holding PLC established Provad Solar AD acquiring 99.99% of the issued share capital. The reason for the acquisition was to pursue the Group's strategic goal striving for market niches and increasing sales in international markets. Acquiring new companies offers the group access to new business opportunities and projects.

On 09 June 2021 Solarpro Holding PLC sold at cost 60% of the shares in Provad Solar AD. Subsequently, on 12 October 2021 a capital increase in Provad Solar AD was registered in the Bulgarian Commercial Register. The Group's share in the increased capital amounts to € 189 thousand.

The Group's share of the Provad Solar AD's results for the year ended 31 December 2021 is € 5 thousand loss.

#### Investment in subsidiaries

Subsidiary	Principal place of business & registered office	Principal activity	Investment €'000	Holding	% of ownership	% of voting rights
Solarpro Holding AD	Bulgaria, Sofia 1592, Iskar district, ul. Christofof Columbus No 41, et. 7	Acquisition/construction of energy facilities; sale of electricity; sale of electrical equipment	23 430	Ordinary	81.26%	100.00%
Hyper Solar AD	Bulgaria, Sofia 1592, Iskar district, ul. Christofof Columbus No 41, et. 7	Consulting services for production of energy	26	Ordinary	99.99%	100.00%
Solarpro Energy Hungary Kft.	Hungary, Budapest Riado utca 1-3. 1026	Acquisition/construction of energy sites	22	Ordinary	70.00%	70.00%
Solarpro Polska	Poland, Al. Jerozolimskie 162 A02-342 Warszawa, Poland	Acquisition/construction of energy sites	22	Ordinary	85.00%	85.00%
Solarpro Construction AD	Bulgaria, Blagoevgrad, p.k. 2700 st. Ivan Mikhailov St. 58D	Installation & construction services	25	Ordinary	51.00%	51.00%
United Solar AD	Bulgaria, Sofia 1592, Iskar district, ul. Christofof Columbus No 41, et. 7	Acquisition/management of companies	859	Ordinary	100.00%	100.00%
Guta Solar Kft	Hungary, Budapest Riado utca 1-3. 1026	Acquisition/construction of energy facilities	2 442	Ordinary	100.00%	100.00%
Solarpro Bulgaria AD	Bulgaria, Sofia 1592, Iskar district, ul. Christofof Columbus No 41, et. 6	Acquisition/construction of energy facilities; Operations & Maintenance services	27	Ordinary	100.00%	100.00%
Green Mobile Polska sp z o. o	Poland, 00-855 Warsaw, ul. Grzybowska 43	Acquisition/construction of energy facilities	1	Ordinary	100.00%	100.00%

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## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

Subsidiary	Principal place of business & registered office	Principal activity	Investment €'000	Holding	% of ownership	% of voting rights
Kat-A Solar Kft.	Hungary, 2183 Galgamacsa, Kiskut utca 11	Acquisition/construction of energy facilities	1 013	Ordinary	100.00%	100.00%
Solarpro Power Doel	Macedonia, Skopje Center, 14/1-9 Miroslav Krlezha str.		5	Ordinary	100.00%	100.00%
Solarpro India LLC	India, A-902, Sahil Serene, S.No.33/2/80, Nr. Dhankude Vasti, Baner, Pune – 411 045, Maharashtra	Design, engineering, project management and consultancy	8	Ordinary	100.00%	100.00%
Solarpro SRL	Romania, Calea Iloasca nr. 175, p. B, biroul nr. 2, etaj 5, Cod postal 14459, Bucuresti	Acquisition/construction of energy facilities	9	Ordinary	100.00%	100.00%
Alfa Energy KA *	Bulgaria, 1000 Sofia, 14, Tsar Osvoboditel str., fl. 7	Acquisition/construction of energy facilities	1 848	Ordinary	89.27%	100.00%

Total: 29 737

Details on investments for the year ended 31 December 2021 are listed below:

#### **Solarpro Polska**

On 20 September 2021 the Company sold 15% of its shareholding in Solarpro Polska. The effect of the sale is insignificant.

#### **Solarpro SRL**

In August 2021 Solarpro Holding PLC established Solarpro Srl, Romania as a solely owned subsidiary. The reason for establishing presence in Romania was to pursue the group's strategic goal striving for market niches and increase sales in international markets.

#### **Solarpro LLC**

In 2021 Solarpro Holding PLC established Solarpro LLC, India owning 99 % of the share capital. The reason for establishing the entity is to gain and develop competitive advantages in the area of development, engineering, optimization solutions for photovoltaic power plants.

#### **Kat-A Solar Kft.**

On 29 June 2021 Solarpro Holdings PLC acquired 100% of the issued share capital of KATA. The reason for the acquisition was to pursue the Group's strategic goal striving for market niches and increasing sales in international markets. Acquiring new companies offers the Group access to new business opportunities and projects

Details of the purchase consideration, net assets acquired and goodwill are included in the tables in Note 13.

The notes form part of these financial statements

## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

The acquired business contributed revenues of €nil and a net loss of €(3,715) to the Group for the period from 1 July 2021 to 31 December 2021. If the acquisition had occurred at the start of the period, consolidated pro-forma revenue and loss for the year ended 31 December 2021 would have been €nil and €(2,150) respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the Group and the subsidiary.

No external acquisition costs arose.

#### **Guta Solar Kft**

On 22.10.2021, the share capital of Guta Solar Kft. was increased by HUF 400 million, which equals to € 1,100 thousand.

#### **Solarpro Holding AD**

In the beginning of 2021, the Group acquired further 1.08% of Solarpro Holding AD's shares, consideration paid amounted to € 201 thousand, the net assets acquired, calculated on the basis of the consolidated net assets of Solarpro Holding AD – to € 370 thousand. A gain on acquisition is recognized at the amount of € 169 thousand.

#### **Solarpro Power Doeel**

On 17 February 2021 Solarpro Holding PLC acquired by Solarpro Holding AD 100% of the share in Solarpro Power Doeel, Republic of North Macedonia – indirectly owned at the date of the acquisition.

#### **Investments 2021**

	Solarpro LLC €'000	Solarpro SRL €'000	Kat-A Solar Kft. €'000
Purchase consideration	8	9	991
Deferred consideration	-	9	140
Cash consideration paid in the year	8	-	851

#### **Assets and liabilities recognised as a result of acquisition 2021**

	Solarpro LLC €'000	Solarpro SRL €'000	Kat-A Solar Kft. €'000
Tangible assets	-	-	9
Other receivables	8	9	-
Related party payables	-	-	(9)
Net identifiable assets/(liabilities) acquired	8	9	0
Add: Goodwill	-	-	991
Net assets acquired	8	9	991

The goodwill is attributable to the profitability of the acquired businesses. It will not be deductible for tax purposes.

The notes form part of these financial statements



# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Purchase consideration - cashflows 2021

Inflow/outflow of cash to acquire subsidiary, net of cash acquired

	Solarpro Holding AD €'000	Solarpro LLC €'000	Solarpro SRL €'000	Kat-A Solar Kft. €'000
Cash consideration	-	(8)	-	(851)
Cash acquired	-	-	-	-
Net inflow/(outflow) of cash - investing activities	-	(8)	-	(851)

### Investments 2020

	Solarpro Holding AD €'000	Solarpro Bulgaria AD €'000	Provad Solar AD €'000	Green Mobile Polska €'000	Guta Solar Kft. €'000
Purchase consideration	16 891	50	50	2	1 250
Deferred consideration	16 891	-	44	-	450
Cash consideration paid in the year	-	50	6	2	800

### Assets and liabilities recognised as a result of acquisition 2020

	Solarpro Holding AD * restated €'000	Solarpro Bulgaria AD €'000	Provad Solar AD €'000	Green Mobile Polska €'000	Guta Solar Kft. €'000
Intangible assets	227	-	-	-	-
Tangible assets	18 625	-	-	-	43
Right of use assets	559	-	-	-	-
Deferred tax assets	16	-	-	-	-
VAT receivable	197	-	-	-	-
Inventories	1 498	-	-	-	-
Trade receivables	3 466	-	-	-	-
Other receivables	2 742	-	-	-	129
Related party receivables	24 932	50	50	2	-
Cash	779	-	-	-	1
Trade payables	(2 162)	-	-	-	-
Other payables	(3 445)	-	-	-	-166
Related party payables	(3 726)	-	-	-	-
Loans	(8 695)	-	-	-	-
Lease liabilities	(718)	-	-	-	-
Deferred tax liabilities	(1 448)	-	-	-	-
Net identifiable assets/(liabilities) acquired	32 847	50	50	2	7

The notes form part of these financial statements

## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

	Solarpro Holding AD * restated	Solarpro Bulgaria AD	Provad Solar AD	Green Mobile Polska	Guta Solar Kft.
Less: Non controlling interest	(5 782)	-	-	-	-
Less: Fair value of previous equity interests	(14 599)	-	-	-	-
Add: Goodwill	4 425	-	-	-	1 243
Net assets acquired	16 891	50	50	2	1 250

\* Restatement has been discussed in detail in Note 31

The goodwill is attributable to the profitability of the acquired businesses. It will not be deductible for tax purposes.

#### Purchase consideration - cashflows 2020

Inflow/outflow of cash to acquire subsidiary, net of cash acquired

	Solarpro Holding AD €'000	Solarpro Bulgaria AD €'000	Provad Solar AD €'000	Green Mobile Polska €'000	Guta Solar Kft. €'000
Cash consideration	-	(50)	(50)	(2)	(800)
Cash acquired	779	-	-	-	1
Net inflow/(outflow) of cash - investing activities	779	(50)	(50)	(2)	(799)

#### 14. SALE OF INVESTMENTS – DISCONTINUED OPERATIONS

On 15 September 2021 the Group sold its indirectly owned (through Solarpro Holding AD and Power Syst)) subsidiaries: Toki Power (90 % of the shares owned by Power syst) and Solarpro Holding Doel (100 % owned by Toki Power). The shares were sold to related party under common control at amount of € 23 thousand and the deal was part of group restructuring. As at 31 December 2021 the cash consideration was received by the Group.

The Group recognizes gain on sales amounting to € 1 001 thousand. The result from discontinued operations is presented in the following tables:

	2021	2020
	€'000	€'000
Gain on sale of discontinued operations, net	1 001	-
Profit resulting from activities of discontinued operations, net	1 831	(217)
Result for the period – discontinued operations	2 832	(217)

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Gain on sale of discontinued operations, net

	2021	2020
	€000	€000
Consideration received	23	-
Value of sold net liabilities, net	(978)	-
Gain on sale of discontinued operations, net	<u>1 001</u>	<u>-</u>

### Profit resulting from activities of discontinued operations, net

	2021	2020
	€000	€000
Revenue	4 469	-
Cost of sales	<u>(2 186)</u>	<u>-</u>
GROSS PROFIT	2 283	-
Other operating income	21	10
Administrative expenses	<u>(467)</u>	<u>(249)</u>
OPERATING PROFIT	1 837	(239)
Finance costs	(7)	(2)
Finance income	2	-
Other finance gain / loss, net	(1)	-
PROFIT BEFORE INCOME TAX	1 831	(241)
Income tax	<u>0</u>	<u>24</u>
PROFIT FOR THE YEAR	1 831	(217)

The figure of profit for the year does not include sales to related parties and cost of goods sold purchased from related parties (eliminated in consolidation) amounting respectively to € 335 thousand and € 2 948 thousand.

### 15. INVENTORIES

	Group		Company	
	2021	2020	2021	2020
	€ 000	€ 000	€ 000	€ 000
Materials for construction	<u>1 273</u>	<u>2 033</u>	<u>16</u>	<u>727</u>

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	€ 000	€ 000	€ 000	€ 000
Current:				
Trade debtors	11 171	6 738	14	13
Amounts owed by group undertakings	17 635	9 966	4 281	452
Other debtors	6 622	3 762	-	-
VAT receivables	1 088	360	12	-
Prepayments and accrued income	4	218	-	-
	<u>36 520</u>	<u>21 044</u>	<u>4 307</u>	<u>465</u>
Non current:				
Trade debtors	350	-	-	-
Amounts owed by group undertakings	19 465	11 059	-	-
Other debtors	-	421	-	-
	<u>19 815</u>	<u>11 480</u>	<u>0</u>	<u>0</u>
Aggregate amounts	<u>56 335</u>	<u>32 524</u>	<u>4 307</u>	<u>465</u>

### 17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	€ 000	€ 000	€ 000	€ 000
Cash in hand	36	29	-	-
Bank accounts	4 233	1 590	210	1
Cash provided as collateral	522	-	-	-
	<u>4 791</u>	<u>1 619</u>	<u>210</u>	<u>1</u>

### 18. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2021	2020
			€ 000	€ 000
4 431 962	Share capital 1	£ 1	<u>4 930</u>	<u>4 930</u>

The number of shares stated above belongs to Class of shares: Ordinary. For the year ended 31 December 2021 and 31 December 2020 the number of unpaid shares is 37,499.

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 19. RESERVES

#### Group

#### Retained earnings

	2021	2020 *	2019*
	€ 000	restated € 000	restated € 000
At 01 January 2020 and 2021 / 16 November 2018 for 2019 column	10 913	5 487	419
Profit for the year	4 672	5 671	5 068
Other comprehensive income	(1 468)	-	-
Change in shareholding	230	-	-
Transfer to reserves	(207)	(191)	-
Dividends	(289)	(54)	-
At 31 December	<u>13 851</u>	<u>10 913</u>	<u>5 487</u>

#### Legal reserves

	2021	2020 *
	€ 000	restated € 000
At 01 January	213	22
Transfer from result for the year	207	191
At 31 December	<u>420</u>	<u>213</u>

\* Restatement has been discussed in detail in Note 31

Legal reserves are mandatory reserves, which allocation is required by the commercial legislation. The legal reserves of the Group consist mainly of reserves originating from Bulgarian joint stock companies (part of the Group), as ruled by the Article 246 of the Bulgarian Commercial Act. The joint stock companies are required to allocate to legal reserves at least one tenth of the net profit, premium from share issues and other funding sources until the amount of the reserves reach 10% or more of the share capital. Legal reserves may be used to cover losses from the current and prior accounting periods.

#### Company

#### Retained earnings

	2021	2020
	€ 000	€ 000
At 01 January	(142)	(26)
Transfer from result for the year	2 048	(116)
At 31 January	<u>1 906</u>	<u>(142)</u>

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Revaluation reserves

	2021 € 000	2020 € 000
At 01 January	-	-
Transfer from result for the year	148	-
At 31 December	<u>148</u>	<u>-</u>

### 20. TRADE AND OTHER PAYABLES

	Group			Company	
	2021 € 000	2020 restated € 000	2019 restated € 000	2021 € 000	2020 restated € 000
Current:					
Trade creditors	5 490	3 821	1 056	19	235
Amounts owed to group undertakings	23 190	18 622	6 206	18 593	19 395
Social security and other taxes	290	219	38	2	5
Other creditors	5 023	4 311	2 522	6	450
Accruals and deferred income	5 944	720	1 016	195	-
Payables for VAT and other taxes	1 797	288	21	81	130
	<u>41 734</u>	<u>27 981</u>	<u>10 859</u>	<u>18 896</u>	<u>20 215</u>
Non current:					
Amounts owed to group undertakings	7 045	2 320	2	8 649	2 015
	<u>7 045</u>	<u>2 320</u>	<u>2</u>	<u>8 649</u>	<u>2 015</u>
Aggregate amounts	<u>48 779</u>	<u>30 301</u>	<u>10 861</u>	<u>27 545</u>	<u>22 230</u>

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 21. FINANCIAL LIABILITIES - BORROWINGS

	2021 € 000	2020 € 000
Current:		
Bank loans	3 854	3 683
Other loans	587	1 682
Lease liabilities (Note 22)	307	208
	<u>4 748</u>	<u>5 573</u>
Non-current:		
Bank loans	12 422	6 768
Other loans	14	18
Lease liabilities (Note 22)	667	539
	<u>13 103</u>	<u>7 325</u>

#### Terms and maturity of the bank loans

	Effective interest rate %	Due	2021 € 000	2020 € 000
Commercial Bank 2 - working capital loan	1.60%	31 October 2022	-	836
Commercial Bank 1 - refinanced	4.00%	30 May 2026	-	3 745
Commercial Bank 1 - refinanced	5.00%	30 May 2026	-	1 117
Commercial Bank 3	3.30%	30 January 2020	-	10
Commercial Bank 2	1.60%	31 December 2022	563	814
Commercial Bank 1 - overdraft	2.75%	30 December 2027	234	300
Commercial Bank 1	2.75%	31 December 2022	1 100	-
Commercial Bank 1	2.75%	21 July 2031	9 500	-
Commercial Bank 4	3.25%	20 February 2030	425	475
Commercial Bank 4	3.25%	20 October 2031	2 853	3 154
Commercial Bank 5	2.20%	31 January 2022	1 601	-
			<u>16 276</u>	<u>10 451</u>
Over 1 year			12 422	6 768
Up to 1 year			3 854	3 683

#### Terms and maturity of the other loans

The other loans' non-current part is due within 1-2 year from the year end.

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 22. LEASING

#### Group Right of use assets

	Right of use – premises € 000	Right of use – vehicles and machinery € 000	Total € 000
<b>COST</b>			
At 01 January 2021	440	459	899
Additions	102	391	493
Disposals	-	(143)	(143)
At 31 December 2021	542	707	1 249
At 01 January 2020	-	-	-
Additions	30	243	273
Acquired in a business combination	410	149	559
Reclassification / transfer	-	67	67
At 31 December 2020 *	440	459	899
<b>AMORTISATION</b>			
At 01 January 2021	20	118	138
Additions	140	212	352
Disposal	-	(128)	(128)
At 31 December 2021	160	202	362
At 01 January 2020	-	-	-
Additions	20	95	115
Reclassification / transfer	-	23	23
At 31 December 2020 *	20	118	138
<b>BOOK VALUE</b>			
At 31 December 2021	382	505	887
At 31 December 2020	420	341	761
At 01 January 2020	-	-	-

\* The comparative information about the movements in 2020 has been restated, see Note 31.

The average lease term of rights to use assets is 5 years.  
Purchase options are available for the vehicles and machinery.

The notes form part of these financial statements



# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Company Right of use assets

	Right of use - premises € 000	Total € 000
<b>COST</b>		
At 01 January 2021	33	33
Additions	-	-
At 31 December 2021	33	33
At 01 January 2020	-	-
Additions	33	33
At 31 December 2020	33	33
<b>AMORTISATION</b>		
At 01 January 2021	3	3
Additions	2	2
At 31 December 2021	5	5
At 01 January 2020	-	-
Additions	3	3
At 31 December 2020	3	3
<b>BOOK VALUE</b>		
At 31 December 2021	28	28
At 31 December 2020	30	30
At 01 January 2020	-	-

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Lease liability Group

Disclosures required by IFRS 16:

	2021 € 000	2020 € 000
Balance at 01 January	747	110
Acquired in a business combinations	-	718
Accrued interest	37	7
Agreements entered during the year	493	273
Termination of lease agreements	(31)	(267)
Modification of lease agreements	-	13
Payments made	(363)	(230)
Classified from trade payables	91	123
Balance on 31 December	<u>974</u>	<u>747</u>
incl.		
Non-current	667	539
Current	307	208

Amounts recognized in profit and loss:

	2021 € 000	2020 € 000
Depreciation expense on right of use assets	352	115
Interest expense on lease liabilities	37	7
Net proceeds from lease modifications and terminations	6	(33)

Disclosures required by IFRS 16:

The Group has no lease agreements that include variable payments.

### Company

	2021 € 000	2020 € 000
Balance at 01 January	30	-
Accrued interest	1	-
Agreements entered during the year	-	33
Payments made	(6)	(3)
Balance on 31 December	<u>25</u>	<u>30</u>

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 23. DEFERRED TAX

#### Group

The balances of deferred taxes are due to the following positions:

	2021 € 000	2020 € 000
<i>Deferred tax asset</i>		
Unused paid leaves	51	-
Impairment of receivables	23	-
Other temporary differences	26	-
	<u>100</u>	<u>-</u>
<i>Deferred tax liability</i>		
Non-current assets depreciable	(896)	(1 007)
Land	<u>(671)</u>	<u>(671)</u>
	(1 567)	(1 678)
Net deferred taxes	<u>(1 467)</u>	<u>(1 678)</u>

Change in profit and loss statement for the year

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-

Deferred tax balances are due to temporary differences taxable at 10 %.

There are no changes in the applicable tax rates for the years 2020 and 2021. The tax rate in the United Kingdom has increased to 25% (starting from 2022), as long as the effective tax rate for the Group is influenced by overseas operation of the subsidiaries, little impact of this change is expected.

#### Company

There are no deferred tax balances in the Company's accounts.

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 24. RELATED PARTY DISCLOSURES

As at end the reporting period the Group has the following balances with related parties under common control within UAB Renalfa Europe group and other related parties:

#### Amounts due from related parties as at 31 December

	2021 € 000	2020 € 000
<b>Current</b>		
Loans	6 978	7 051
Trade and other receivables	9 849	2 915
Contract assets	808	-
	<u>17 635</u>	<u>9 966</u>
<b>Non current</b>		
Loans	19 465	11 059
	<u>19 465</u>	<u>11 059</u>
<b>Total</b>	<u>37 100</u>	<u>21 025</u>
<b>Including due from:</b>		
Shareholders	2 516	2 115
Entities under common control	12 696	677
Other related parties	21 888	18 233
	<u>37 100</u>	<u>21 025</u>

#### Amounts due to related parties at 31 December

	2021 € 000	2020 restated € 000	2019 Restated € 000
<b>Current</b>			
Loans	4 368	872	1 162
Trade and other payables	18 822	17 750	5 044
	<u>23 190</u>	<u>18 622</u>	<u>6 206</u>
<b>Non current</b>			
Loans	4 368	304	-
Trade and other payables	2 677	2 016	2
	<u>7 045</u>	<u>2 320</u>	<u>2</u>
<b>Total</b>	<u>30 235</u>	<u>20 942</u>	<u>6 208</u>

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

	2021	2020 Restated	2019 Restated
Including due to:			
Shareholders	2 976	2 001	4 246
Entities under common control	8 060	56	-
Other related parties	19 199	18 885	1 962
	<u>30 235</u>	<u>20 942</u>	<u>6 208</u>

The interest rates charged on loans granted to related parties are between 2% and 4%.

The interest rates charged on borrowings from related parties are between 3% and 4% (applicable for more than 90% of the liabilities) and 7.25% for the remaining less than 10% liabilities.

During the period the following transactions occurred related parties under common control within UAB Renalfa Europe group and other related parties:

### Sales of goods and services

	2021 € 000	2020 € 000
Sales	13 361	315
Interest received	489	162
	<u>13 850</u>	<u>477</u>

### Purchase of goods and services

	2021 € 000	2020 € 000
Purchase of materials	7	2 758
Purchase of hired services	46	95
Interest paid	162	60
	<u>215</u>	<u>2 913</u>

## 25. EVENTS AFTER THE REPORTING PERIOD

On 27 January 2022 Solarpro Holding PLC acquired 50 % of five legal entities registered in Hungary, as follows Edu Solar Kft., Egur Solar Kft., Holmu Solar Kft., Peta Solar Kft., Zanu Solar Kft. The entities' activities include investment in development and construction of PV plants and production of electricity. Subsequently the shares in all five entities were sold on 26 September 2022, the gain on disposal amounts to € 148 thousand.

On 2 March 2022 a new company Halasz, 100 % owned by the Group, was registered in Hungary with business activities including investment in development and construction of PV plants and production of electricity. 80 % of the share were subsequently sold on 14 July 2022.

The notes form part of these financial statements

## **Solarpro Holding PLC**

### **Notes to the Consolidated Financial Statements for the year ended 31 December 2021**

On 3 August 2022 the Group signed share purchase agreements for sale of 100 % of its share in Guta Solar and KAT-A Solar. The deals for selling the two subsidiaries were closed on 30 March 2023.

On 26 October 2022 Solarpro Holding AD sold 100 % of its shares in Solarpro MB, North Macedonia.

On 14 December 2022 Solarpro Holding AD sold 100 % of its shares in OSM Solar, North Macedonia.

On 14 April 2022 Solarpro Energy SRO was registered under the law of Czech Republic. Company's intended to operate in the area of development and construction. Solarpro Holding PLC owns 70 % of the established company. The 70% shareholding was sold on 31 October 2022 with no profit and loss effect.

On 24 February 2022 the Group acquired 100 % of Solarpro Serbia and 100 % of Hyper Solar, Serbia.

On 10 June 2022 the Group acquired (through Solarpro Holding AD, Bulgaria) 75 % of the share of Enika Ltd., company registered under Bulgarian law.

On 7 April 2022 the Group acquired 100 % of Hyper Solar, registered in Poland.

On 23 February 2022 Solarpro Holding AD executed a going concern transfer of its subsidiary Power Syst, Bulgaria.

On 1 March 2022 Solarpro Holding PLC increased its share capital and allotted 6 918 898 shares. A debt swap in equity amounting to GBP 2 281 922 (2 281 922 shares), and a cash contribution worth GBP 4 636 976 (4 636 976 shares). As result the total shares increased to 11 350 860, each with a face value GBP 1.

On 28 January 2022 Solarpro Holding purchased 174 800 shares (0.374% of share capital) of Solarpro Holding AD, Bulgaria.

On 1 February 2022 Solarpro Holding purchased 30 000 shares (0.064% of share capital) of Solarpro Holding AD, Bulgaria.

On 25 July 2022 Solarpro Holding purchased 2 073 838 shares (4.435% of share capital) of Solarpro Holding AD, Bulgaria.

On 31 January 2023 Solarpro Holding Plc established a new legal entity under the law of Republic of Turkey – Solarpro Turkey Insaat Enerji Ve Muhendislik Hizmetleri Limited Sirketi. Solarpro Holding Plc owes 100% of its share capital.

In July 2022, Renalfa Solarpro Group Gmbh, registered under Austrian law, acquired 100% of shares of UAB Renalfa Europe. Subsequently, in December 2022, Renalfa International LLC sold fifty thousand shares from Solarpro Holding Plc to Renalfa Solarpro Group Gmbh. As result, Solarpro Holding Plc became part of Renalfa Solarpro Group, Austria.

The impact of the above transactions has not yet been reliably measured and therefore no purposeful disclosure can be given.

The notes form part of these financial statements

## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

#### 26. ULTIMATE CONTROLLING PARTY

The immediate parent company is Renalfa Europe, a company incorporated in Lithuania. The ultimate parent company and controlling party is Renalfa Solarpro Group, incorporated in Austria. The ultimate parent company changed in 2022 after Renalfa Solarpro Group GmbH has acquired 100 % of shares of UAB Renalfa Europe and subsequently acquired fifty thousand shares of Solarpro Holding PLC from Renalfa International LLC.

UAB Renalfa Europe is the company that prepares group accounts as at year ending 31 December 2021. Since 2022, Renalfa Solarpro Group Europe is the company that prepares group accounts.

#### 27. FINANCIAL RISK MANAGEMENT

The Group's financial liabilities include interest-bearing loans and other borrowings, trade payables and lease liabilities. The primary purpose of these financial instruments is to provide funding for the Group's operations. The Group holds financial assets such as, trade receivables, borrowings and cash that arise directly from operations.

In 2021, the Group used derivative financial instruments to hedge foreign exchange risk arising from transactions in Hungarian forints. There are no open hedge positions at the reporting date. In 2020, the Group had no transactions in derivative financial instruments.

The principal risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The policy applied by the Group's management to manage these risks is summarised below.

##### *Interest rate risk*

The Group is not exposed to significant risk of changes in market interest rates as the movement in the variable component embedded in the interest rate in recent years has been negative.

##### *Liquidity risk*

Effective management of the Group's liquidity requires the provision of sufficient working capital, primarily through the maintenance of undrawn committed credit facilities and short-term funding from related parties.

As at 31 December, the maturity structure of the Group's financial liabilities, based on contractual undiscounted payments, is presented below:

By 31 December 2021	€ 000 1 year or less	€ 000 1-2 years	€ 000 3-5 years	€ 000 over 5 years	€ 000 Total
Interest bearing loans and borrowed funds	4 441	3 609	4 664	4 163	16 877
Trade payables	5 490	-	-	-	5 490
Amounts owed to group undertakings	23 190	6 741	304	-	30 235
Lease liabilities	307	596	71	-	974
	33 428	10 946	5 039	4 163	53 576

The notes form part of these financial statements

## Solarpro Holding PLC

### Notes to the Consolidated Financial Statements for the year ended 31 December 2021

By 31 December 2020	€ 000 1 year or less	€ 000 1-2 years	€ 000 3-5 years	€ 000 over 5 years	€ 000 Total
Interest bearing loans and borrowed funds	5 365	2 824	3 186	776	12 151
Trade payables	3 821	-	-	-	3 821
Amounts owed to group undertakings	18 622	2 016	-	304	20 942
Lease liabilities	208	539	-	-	747
	28 016	5 379	3 186	1 080	37 661

#### *Currency risk*

The Group purchases, sells, lends and borrows in foreign currencies - Euros, Bulgarian levs, Hungarian forints, Macedonian denars, US Dollars, Sterling, Polish zloty. The majority of these transactions are denominated in Euro and Hungarian forints. The Group carries out various transactions (sale of electricity, purchases, bank loans) significant in volume in Macedonian denars. The closing rates used as at 31 December 2021 are as follows: EUR 1 = GBP 0.84028, EUR 1 = 369.19032 HUF, EUR 1 = 61.50409, EUR 1 = 1.95583 BGN (the Bulgarian lev rate to EUR is fixed).

#### *Credit risk*

The Group trades only with solvent counterparties with which it has established business relationship for years. Its policy is that all customers wishing to trade on a deferred payment basis are subject to procedures to verify their solvency. In addition, trade receivable balances are monitored on an ongoing basis, as result the bad debt allowance cost is not material. The Group also has exposure to loans and assignments receivable, as well as trade receivables from related parties. The credit risk arising on the Group's other financial assets – cash and other financial assets relates to counterparties' default in meeting their obligations.

The maximum credit exposure of the Group in relation to the recognized financial assets amounts to their value in the statement of financial position as of 31 December 2021.

#### *Capital management*

The primary objective of the Group's capital management is to ensure a stable credit rating and capital ratios in order to continue to operate the business and maximise shareholder value.

The Group manages its capital structure and modifies it as necessary to reflect changes in economic conditions. In order to maintain or change its capital structure, the Group may adjust the payment of dividends to shareholders, repurchase treasury shares, reduce or increase its share capital, as decided by shareholders. There are no changes to the Group's capital management objectives, policies or processes in 2021 or 2020.

The ratios to equity monitored by the Group are reported in the strategic report.

The notes form part of these financial statements



# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 28. NON-CONTROLLING INTEREST

	2021 € 000	2020 * restated € 000
At 01 January	6 711	189
Share of profit/(loss) for the year recognized in the Consolidated Statement of profit or loss	2 202	669
NCI acquired during the year	-	5 853
NCI transferred to owners as result of share acquisition	(397)	-
At 31 December	<u>8 516</u>	<u>6 711</u>

\* Restatement has been discussed in detail in Note 31

### 29. FINANCIAL INSTRUMENTS

#### Fair value of financial instruments

The table below reconciles the carrying amount of the Group's financial instruments to their fair value:

	Book value		Fair value	
	2021 € 000	2020 € 000	2021 € 000	2020 € 000
<i>Financial assets:</i>				
Trade debtors (Note 16)	11 521	6 738	11 521	6 738
Amounts owed by group undertakings (Note 16, 24)	37 100	21 025	37 100	21 025
Other debtors (Note 16)	6 622	4 183	6 622	4 183
Cash and cash equivalents (Note 17)	4 791	1 619	4 791	1 619
<i>Financial liabilities:</i>				
Financial liabilities - borrowings (Note 21)	16 877	12 151	16 877	12 151
Trade creditors (Note 20)	5 490	3 821	5 490	3 821
Amounts owed to group undertakings (Note 20, 24)	30 235	20 942	30 235	20 942
Other creditors (Note 20)	5 023	4 311	5 023	4 311
Accruals and deferred income (Note 20)	5 944	720	5 944	720
Lease liabilities (Note 22)	974	747	974	747

The fair value of the Group's financial instruments is defined as the price that would be received to sell a financial asset or paid to transfer a financial liability in an arm's length transaction between market participants at the measurement date. The following methods and assumptions were used in the fair value measurement:

- Long-term floating and fixed rate receivables - inputs such as interest rates, specific risk factors of the country in which the debtor operates, its consolidated credit risk and the risk associated with the project/transaction being financed are used. Based on this assessment, the impairment loss on receivables was also determined. As at 31 December 2021, this impairment was nil, accordingly

The notes form part of these financial statements

## **Solarpro Holding PLC**

### **Notes to the Consolidated Financial Statements for the year ended 31 December 2021**

the carrying amount of the long-term interest-bearing receivables, net of accumulated impairment, is not materially different from the estimated fair value.

- Cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities - due to the short-term maturity of these financial instruments, their fair values approximate their respective carrying amounts;
- Interest-bearing loans and borrowings, lease liabilities – fair value was determined using the fair value through profit and loss using a discount factor based on interest rates on debt instruments with similar terms and remaining maturities. The inherent risk of default on the instrument has been assessed as immaterial at 31 December 2021.

#### **30. ASSETS HELD FOR SALE**

During the year ended 31 December 2021, the Group purchased machinery (BGN 567 thousand) which is classified as assets held for sale given that at the reporting date the intention is to sell the machinery to a leasing company with the transaction being completed in the early months of 2022. The assets were sold at cost.

#### **31. PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATIONS**

- 1) In 2019 Solarpro Holding PLC group acquired 31.46 % of Solarpro Holding AD. The group's share of the net fair value of the investees' identifiable assets and liabilities on acquisition was € 7 523 thousand and the cost of the investment € 4 922 thousand. Therefore, the Group has realized a bargain purchase and the excess of its share of the investee over the cost of the investment amounting to € 2 601 thousand was recognized as income. In the accounts for 2019 instead of increasing the value of investment (Investment in associates), the counter booking was a decrease of liabilities (Trade and other payables).

Correction of the error was reflected in the current year's accounts through restatement of 2019 and 2020 Statement of Financial position.

- 2) In 2019 Solarpro Holding PLC group acquired 42.75% of Alfa Energy KA (part of Solarpro Holding AD group). The group's share of the net fair value of the investees' identifiable assets and liabilities on acquisition was € 3 320 thousand and the cost of the investment € 1 716 thousand. Therefore, the group has realized a bargain purchase, the gain on which has not been recognized in 2019 accounts of the Group. As result the Investments in associates and Profit for the year figures were incorrectly reported in 2019, respectively the opening balances for 2020 underestimated – by € 1 604 thousand.

Correction of the error was reflected in the current year's accounts through restatement of 2019 and 2020 Statements of Financial position.

- 3) In 2020 Solarpro Holding PLC Group acquired further 48.72 % of Solarpro Holding AD, as well as the control. The fair value of the investment in associate already held has been remeasured at fair value and recognized as finance income. As a consequence of the accounting error in year 2019 the gain on remeasurement of investment has been incorrectly calculated using the cost of investment at year end 2019 instead of its value of € 7 523. The gain, recognized in 2020 has been overstated by € 2 601.

Correction of the error was reflected in the current year's accounts through restatement of 2020 Statement of Profit or Loss and Other Comprehensive Income, 2020 Statement of Financial Position and 2020 Statement of Shareholder Equity.

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## **Solarpro Holding PLC**

### **Notes to the Consolidated Financial Statements for the year ended 31 December 2021**

- 4) At the point of acquisition of 48.72% of Solarpro Holding AD (as well as acquisition of control), which acquisition also included control over the previous associate company Alfa Energy KA, the goodwill and non-controlling interest have not been correctly calculated, respectively recognized in the financial statements of the Group, reflecting in incorrect figure of the retained earnings reported by the Group in 2020. The error in retained earnings figure has been reported in Other comprehensive income – as negative Retained earnings acquired during year.

Correction of the error was reflected in the current year's accounts through restatement of 2020 Statement of Profit or Loss and Other Comprehensive Income, 2020 Statement of Financial Position and 2020 Statement of Shareholder Equity.

- 5) Preacquisition reserves of Solarpro Holding AD have been reported as reserves of the Group at 2020 year-end at expense of reduction in the retained earnings of the Group at the same reporting date.

Correction of the error was reflected in the current year's accounts through restatement of 2020 Statement of Financial Position and 2020 Statement of Shareholder Equity.

- 6) In 2020 € 10 695 thousand cost, incl. part of Personnel cost and Hired services cost has been presented as Administrative expenses instead of Cost of sales. This was a classification error.

In the present financial statements, the amount has been reclassified from Administrative expenses to Cost of Sales as this presentation provides better view on the operating costs, driving the Gross profit of the Group. The reclassification is reflected in Statement of Profit and Loss and Other Comprehensive Income for the year ended 2020.

- 7) It was identified that Cash flows positions for 2020 have not reflected the actual cash movements, related to financing and investing activities of the Group, as well as the effect from business combinations occurred in 2020 on the cash flows from investing and operating activities. As a result, the cashflow presented in the prior year financial statement contained a number of errors.

In the present financial statements, the cash flows have been reclassified to allow better understanding of the Group's operations. The reclassifications have been reflected in the Statement of Cash flows for 2020.

- 8) Movements of non-current assets for 2020 (Intangible assets, Property, plant and equipment and Right-of-use assets) have not reflected the business combinations, occurred during the year. Assets acquired at acquisition have been presented as additions.

In the present financial statements, the movements have been reclassified to reflect the effect from business combinations in 2020. Categories non-current assets have been unified with the structure the Group uses to monitor its assets. The reclassifications reflect the following notes: 11. Intangible assets, 12. Property, plant and equipment and 22. Leasing – Right-of-use assets.

Details on the restatements and reclassifications are presented below:

The notes form part of these financial statements

**Solarpro Holding PLC**

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2021**

**Consolidated Statement of Profit and Loss and Other Comprehensive Income - Reclassifications to 2020 figures**

	Breakdown of change							
	Reclassified	As previously reported	Change	Administrative expenses to Cost of Sales	Re-measurement of investment in associate	Other comprehensive income movements	Discontinued operations	Separation of other finance gain/loss (net)
	2020	2020						
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>CONTINUING OPERATIONS</b>								
Revenue	33 011	33 011	-	-	-	-	-	-
Cost of sales	(23 615)	(12 920)	(10 695)	(10 695)	-	-	-	-
<b>GROSS PROFIT</b>	<b>9 396</b>	<b>20 091</b>	<b>(10 695)</b>	<b>(10 695)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other operating income	1 579	1 589	(10)	-	-	-	(10)	-
Administrative expenses	(6 331)	(17 275)	10 944	10 695	-	-	249	-
<b>OPERATING PROFIT</b>	<b>4 644</b>	<b>4 405</b>	<b>239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239</b>	<b>-</b>
Finance costs	(368)	(370)	2	-	-	-	2	-
Finance income	2 528	5 207	(2 679)	-	(2 601)	-	-	(78)
Other finance gain / loss, net	78	-	78	-	-	-	-	78
Share of profit of associates	218	218	-	-	-	-	-	-
<b>PROFIT BEFORE INCOME TAX</b>	<b>7 100</b>	<b>9 460</b>	<b>(2 360)</b>	<b>-</b>	<b>(2 601)</b>	<b>-</b>	<b>241</b>	<b>-</b>
Income tax	(543)	(519)	(24)	-	-	-	(24)	-
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>6 557</b>	<b>8 941</b>	<b>(2 384)</b>	<b>-</b>	<b>(2 601)</b>	<b>-</b>	<b>217</b>	<b>-</b>
<b>RESULT FROM DISCONTINUED OPERATIONS</b>	<b>(217)</b>	<b>-</b>	<b>(217)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(217)</b>	<b>-</b>
<b>PROFIT FOR THE YEAR</b>	<b>6 340</b>	<b>8 941</b>	<b>(2 601)</b>	<b>-</b>	<b>(2 601)</b>	<b>-</b>	<b>-</b>	<b>-</b>

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Breakdown of change

	Reclassified	As previously reported	Change	Administrative expenses to Cost of Sales	Re-measurement of investment in associate	Other comprehensive income movements	Discontinued operations	Separation of other finance gain/loss (net)
	2020	2020						
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>OTHER COMPREHENSIVE INCOME</b>								
Items that may be reclassified subsequently to profit or loss:								
Retained earnings acquired during year	-	(4 369)	-	-	-	4 369	-	-
Legal reserves acquired during the year	-	1 553	-	-	-	(1 553)	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF INCOME TAX</b>	-	(2 816)	-	-	-	2 816	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>6 340</b>	<b>6 125</b>	<b>215</b>	<b>-</b>	<b>(2 601)</b>	<b>2 816</b>	<b>-</b>	<b>-</b>
<b>Profit attributable to:</b>								
Owners of the parent	5 671	8 272	(2 601)	-	(2 601)	-	-	-
Non-controlling interest	669	669	-	-	-	-	-	-
	<b>6 340</b>	<b>8 941</b>	<b>(2 601)</b>	<b>-</b>	<b>(2 601)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>								
Owners of the parent	5 671	5 456	215	-	(2 601)	2 816	-	-
Non-controlling interest	669	669	-	-	-	-	-	-
	<b>6 340</b>	<b>6 125</b>	<b>215</b>	<b>-</b>	<b>(2 601)</b>	<b>2 816</b>	<b>-</b>	<b>-</b>

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**Solarpro Holding PLC**

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2021**

**Consolidated Statement of Financial Position – 2019 and 2020 (excerpts)**

	2020			2019		
	Restated	As previously reported	Change	Restated	As previously reported	Change
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Goodwill	6 298	3 336	2 962	616	616	-
Investment in associates	-	-	-	11 682	7 477	4 205
<b>TOTAL NON-CURRENT ASSETS</b>	<b>43 147</b>	<b>40 185</b>	<b>2 962</b>	<b>18 768</b>	<b>14 563</b>	<b>4 205</b>
<b>TOTAL ASSETS</b>	<b>68 148</b>	<b>65 186</b>	<b>2 962</b>	<b>23 470</b>	<b>19 265</b>	<b>4 205</b>
<b>EQUITY</b>						
<b>SHAREHOLDERS' EQUITY</b>						
Reserves	213	1 766	(1 553)	22	22	-
Retained earnings	10 913	7 541	3 372	5 487	3 883	1 604
Equity belonging to the shareholders of the Group	16 056	14 237	1 819	8 321	6 717	1 604
Non-controlling interest	6 711	8 169	(1 458)	189	189	-
<b>TOTAL EQUITY</b>	<b>22 767</b>	<b>22 406</b>	<b>361</b>	<b>8 510</b>	<b>6 906</b>	<b>1 604</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Trade and other payables	27 981	25 380	2 601	10 859	8 258	2 601
<b>TOTAL CURRENT LIABILITIES</b>	<b>34 058</b>	<b>31 457</b>	<b>2 601</b>	<b>11 302</b>	<b>8 701</b>	<b>2 601</b>
<b>TOTAL LIABILITIES</b>	<b>45 381</b>	<b>42 780</b>	<b>2 601</b>	<b>14 960</b>	<b>12 359</b>	<b>2 601</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68 148</b>	<b>65 186</b>	<b>2 962</b>	<b>23 470</b>	<b>19 265</b>	<b>4 205</b>

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# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Note 10 Goodwill

	Restated	As previously reported	Change
	2020	2020	
	€ 000	€ 000	€ 000
<b>COST AND NET BOOK VALUE</b>			
At 01 January	616	616	-
Additions	5 682	2 720	2 962
At 31 December	<u>6 298</u>	<u>3 336</u>	<u>2 962</u>

### Note 13 Investments

#### Group

	Restated	As previously reported	Change
	2020	2020	
	€ 000	€ 000	€ 000
At 01 January	11 682	7 477	4 205
Transfer to controlled entity	(11 900)	(7 695)	(4 205)
Share of profit / (loss) of the associate	218	218	-
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>

Non-controlling interest acquired at acquisition of Solarpro Holding AD restated is € 5 782 thousand (previously reported € 6 510 thousand) and fair value of previous equity interests restated is € 14 599 thousand (previously reported € 10 908 thousand).

### Note 19 Reserves

#### Retained earnings

	Restated	As previously reported	Change
	2020	2020	
	€ 000	€ 000	€ 000
At 01 January	5 487	3 883	1 604
Profit for the year	5 671	8 272	(2 601)
Acquired during the year	-	(4 369)	4 369
Transfer to reserves	(191)	(191)	-
Dividends	(54)	(54)	-
At 31 December	<u>10 913</u>	<u>7 541</u>	<u>3 372</u>

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# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Legal reserves

	Restated	As previously reported	Change
	2020	2020	
	€ 000	€ 000	€ 000
At 01 January	22	22	-
Transfer from result for the year	191	191	-
Acquired during the year	-	1 553	(1 553)
At 31 December	213	1 766	(1 553)

### Note 28 Non-controlling interest

	Restated	As previously reported	Change
	2020	2020	
	€ 000	€ 000	€ 000
At 01 January	189	189	-
Share of profit/(loss) for the year recognized in the Consolidated Statement of profit or loss	669	669	-
NCI acquired during the year	5 853	7 311	(1 458)
At 31 December	6 711	8 169	(1 458)

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**Solarpro Holding PLC**

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2021**

**Statement of changes in equity – 2020 – excerpts**

	Called up share capital € 000	Retained earnings € 000	Legal reserves € 000	Total belonging to the Group € 000	Non controlling interest € 000	Total equity € 000
<b>Balance at 1 January 2020 restated</b>	2 812	5 487	22	8 321	189	8 510
<b>Balance at 1 January 2020</b>	2 812	3 883	22	6 717	189	6 906
<b>Balance at 1 January 2020 - change</b>	-	1 604	-	1 604	-	1 604
<b>Changes in equity</b>						
Total comprehensive income – restated	-	5 480	191	5 671	669	6 340
Total comprehensive income – as previously reported	-	3 712	1 744	5 456	669	6 125
Total comprehensive income - change		1 768	(1 553)	215	-	215
Acquisition of non-controlling interest – restated *	-	-	-	-	5 853	5 853
Acquisition of non-controlling interest – as previously reported	-	-	-	-	7 311	7 311
Acquisition of non-controlling interest - change	-	-	-	-	(1 458)	(1 458)
<b>Balance at 31 December 2020 - restated</b>	4 930	10 913	213	16 056	6 711	22 767
<b>Balance at 31 December 2020 – as previously reported</b>	4 930	7 541	1 766	14 237	8 169	22 406
<b>Balance at 31 December 2020 - change</b>	-	3 372	(1 553)	1 819	(1 458)	361

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**Solarpro Holding PLC**

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2021**

**Consolidated Statement of Cash Flows – reclassifications to 2020 figures**

	Reclassified 2020 € 000	As previously reported 2020 € 000	Change € 000
<b>Cash flow from operating activities</b>			
Cash generated from operations	1 336	5 511	(4 175)
Interest paid	(115)	(363)	248
Lease interest paid	(7)	(7)	0
Tax paid	(18)	(620)	602
Net cash from operating activities	1 196	4 521	(3 325)
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries	(815)	(2 720)	1 905
Purchase of intangible assets	(67)	(522)	455
Purchase of property, plant and equipment	(498)	(20 565)	20 067
Purchase of fixed assets investments	(110)	7 612	(7 722)
Sale of intangible fixed assets	-	225	(225)
Sale of tangible fixed assets	-	399	(399)
Share in group undertakings	-	41	(41)
Interest in associate	-	42	(42)
Interest received	636	266	370
Repaid loans	1 047	-	1 047
Loans granted	(1 304)	-	(1 034)
Net cash from investing activities	(1 111)	(15 222)	14 011
<b>Cash flows from financing activities</b>			
New loans in year	4 053	8 716	(4 663)
Repayment of loans	(3 978)	-	(3 978)
Payment of lease liabilities	(223)	(110)	(113)
Share issue	-	2 118	(2 118)
New lease	-	748	(748)
Equity dividends paid	-	(54)	54
Net cash from financing activities	(148)	11 418	(11 566)
<b>Increase in cash and cash equivalents</b>	(63)	717	(780)
Cash acquired in a business combination	780	-	780
Cash and cash equivalents at beginning of the year	902	902	-
<b>Cash and cash equivalents at end of year</b>	1 619	1 619	-

The notes form part of these financial statements

# Solarpro Holding PLC

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### Notes to the Consolidated Statement of Cash Flows – reclassifications to 2020 figures

	Reclassified	As previously reported	Change
	2020	2020	
	€ 000	€ 000	€ 000
Profit before income tax	7 100	9 242	(2 142)
Profit before income tax from discontinued operations	(241)	-	(241)
Depreciation charges	1 558	1 558	0
Gain on revaluation property, plant and equipment	-	(4 941)	4 941
Reserve movements	-	4 495	(4 495)
Written off liabilities	(1 188)	-	(1 188)
Deferred tax	(160)	1 429	(1 589)
Gain/loss on revaluation of investments	(2 340)	4 941	(7 281)
Finance costs	368	370	(2)
Finance income	(266)	(266)	-
	<u>4 831</u>	<u>16 828</u>	<u>(11 997)</u>
Share of profit in associates	(218)	(218)	-
Decrease (increase) in inventories	(244)	(1 742)	1 498
Increase in trade and other receivables	(3 504)	(7 990)	4 486
Increase (decrease) in trade and other payables	471	(1 585)	2 056
<b>Cash generated from operations</b>	<u>1 336</u>	<u>5 293</u>	<u>(3 957)</u>

	Reclassified	As previously reported	Change
	2020	2020	
	€ 000	€ 000	€ 000
Cash and cash equivalents	1 619	1 619	-

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**Solarpro Holding PLC**

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2021**

**Note 11. INTANGIBLE ASSETS – reclassifications to 2020 figures**

	Breakdown of change				
	Reclassified	As previously reported	Change	Reclass between Additions and Acquired in a business combination	Reclass between Additions, Disposals and Transfers
	2020	2020			
	€ 000	€ 000	€ 000	€ 000	€ 000
<b>COST</b>					
At 01 January 2020	67	67	-	-	-
Additions	68	522	(454)	(229)	(225)
Acquired in a business combination	227	-	227	227	-
Disposals	-	(225)	225	-	225
Reclassification / transfer	(67)	(67)	-	-	-
At 31 December 2020	295	297	(2)	(2)	-
<b>AMORTISATION</b>					
At 01 January 2020	23	23	-	-	-
Additions	-	2	(2)	(2)	-
Reclassification / transfer	(23)	(23)	-	-	-
At 31 December 2020	0	2	(2)	(2)	-
<b>BOOK VALUE</b>					
As at 31 December 2020	295	295	-	-	-
As at 01 January 2020	44	44	-	-	-

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**Solarpro Holding PLC**

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2021**

**Note 12. PROPERTY, PLANT AND EQUIPMENT - reclassifications to 2020 figures**

	Breakdown of change					
	Reclassified	As previously reported	Change	Reclass between Additions and Acquired in a business combination	Reclass between Additions, Disposals and Transfers	RoU assets presented in both Note 22. and 12.
	2020 € 000	2020 € 000	€ 000	€ 000	€ 000	€ 000
<b>COST</b>						
At 01 January 2020	6 599	6 599	-	-	-	-
Additions	666	20 565	(19 899)	(18 668)	(138)	(1 093)
Acquired in a business combination	18 668	-	18 668	18 668	-	-
Disposals	-	(1 257)	1 257	-	840	417
Transfers / Reclassifications	-	67	(67)	-	84	(151)
At 31 December 2020	25 933	25 974	(41)	-	786	(827)
<b>DEPRECIATION</b>						
At 01 January 2020	177	177	-	-	-	-
Additions	1 443	1 547	(104)	-	63	(167)
Disposals	-	(847)	847	-	690	157
Transfers / Reclassifications	-	23	(23)	-	33	(56)
At 31 December 2020	1 620	900	720	-	786	(66)
<b>BOOK VALUE</b>						
As at 31 December 2020	24 313	25 074	(761)	-	-	(761)
As at 01 January 2020	6 422	6 422	-	-	-	-

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**Solarpro Holding PLC**

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2021**

**Note 22. LEASING Right-of-use assets – reclassifications to 2020 figures**

	Breakdown of change				
	Reclassified	As previously reported	Change	Reclass between Additions and Acquired in a business combination	Reclass between Additions, Disposals and Transfers
	2020 € 000	2020 € 000	€ 000	€ 000	€ 000
<b>COST</b>					
At 01 January 2020	-	-	-	-	-
Additions	273	1 093	(820)	(559)	(261)
Disposals	-	(417)	417	-	417
Acquired in a business combination	559	-	559	559	-
Reclassification / transfer	67	151	(84)	-	(84)
At 31 December 2020	899	827	72	-	72
<b>AMORTISATION</b>					
At 01 January 2020	0	0	0	-	-
Additions	115	167	(52)	-	(52)
Disposals	-	(157)	157	-	157
Reclassification / transfer	23	56	(33)	-	(33)
At 31 December 2020	138	66	72	-	72
<b>BOOK VALUE</b>					
As at 31 December 2020	761	761	-	-	-
As at 01 January 2020	-	-	-	-	-

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**Solarpro Holding PLC**  
**Company Detailed Statement of Profit or Loss**  
**for the year ended 31 December 2021**

	Notes	2021 € 000	2020 € 000
<b>REVENUE</b>			
Sales – production		643	176
Sales to related party		292	1 437
		<u>935</u>	<u>1 613</u>
<b>COST OF SALES</b>			
Purchases		(1 015)	(1 545)
<b>GROSS PROFIT</b>		<u>(80)</u>	<u>68</u>
<b>ADMINISTRATIVE EXPENSES</b>			
Wages		-	(33)
Insurances		(11)	-
Sundry expenses		(10)	(3)
Other taxes		(39)	-
Accountancy		(130)	(19)
Audit Fees		(151)	-
Consultancy fees		(67)	(21)
Legal fees		(82)	(154)
Foreign exchange losses		1 469	(5)
Bank charges		(3)	(1)
Short leasehold		-	(3)
<b>OPERATING PROFIT/ LOSS</b>		<u>896</u>	<u>(171)</u>
<b>Finance costs</b>			
Other interest		(117)	-
Loan		-	(40)
Leasing		(3)	(1)
<b>Finance income</b>			
Shares in group undertakings		969	93
Other interest income		25	8
<b>PROFIT BEFORE INCOME TAX</b>		<u>1 770</u>	<u>(111)</u>
Income tax		(104)	(5)
<b>PROFIT FOR THE YEAR</b>		<u>1 666</u>	<u>(116)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Currency translation differences		382	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF INCOME TAX</b>		<u>382</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>2 048</u>	<u>(116)</u>

The notes form part of these financial statements