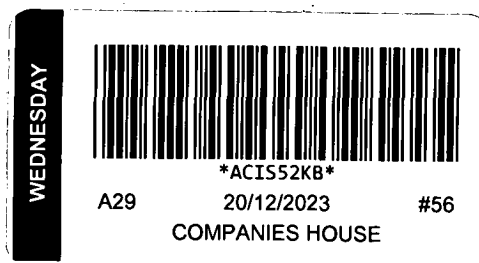


REGISTERED NUMBER: 11682894 (England and Wales)

Annual report and financial statements for the Year Ended 31 December 2022

for

Solarpro Holding PLC



Solarpro Holding PLC

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Solarpro Holding PLC

Company Information

for the year ended 31 December 2022

DIRECTORS:

K V Nenov

K P Mateev

S D Ikonov

REGISTERED OFFICE:

Eastcastle House

27/28 Eastcastle Street

London

W1W 8DH

REGISTERED NUMBER:

11682894 (England and Wales)

Solarpro Holding PLC

Group Strategic Report

for the year ended 31 December 2022

The directors present their strategic report of the Company and the Group for the year ended 31 December 2022.

REVIEW OF BUSINESS

Solarpro Holding PLC ("the Company") together with 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. In line with our business strategy, we engage in the creation of Special Purpose Vehicles (SPVs) dedicated to the construction of power plants. These facilities are developed with precision and sold to end clients upon successful completion, contributing to our comprehensive approach in the energy sector.

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 2022 (by 77%) due to the continuing expansion of demand for the renewable energy market, caused by the EU Green Deal. The total revenue in 2022 is € 161 069 thousand (2021: € 91 102 thousand).

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 2022, ROCE is 2.5% shows decreasing from prior year (18.9%) mainly due to increased assets (trade receivables and assets held for sale) compared to less increase in short term liabilities. Despite of fact that revenue increased by 77% it is compensated by growth of expenses by almost 75% which leads to decrease in EBIT (by 85%). This combined with higher average assets in 2022 (trade receivables and assets held for sale) and short-term liabilities (Payables to related parties) 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 2022, ROE is 0.7% compared to 32.8% in year 2021 due decreased net income by 97% compared to last year in combination of increased shareholders Equity by 59% (+8.2M share capital). The decrease in net income was influenced by one-off effects like forex losses, following the Hungarian Forint fluctuations, impairment losses and increase in materials costs.

Return on Assets (ROA) is a ratio that shows how much profit the Group generates from its total assets. As of 31 December 2022, ROA is 0.1% (7.1% in 2021). The decrease is due to increased assets (trade receivables and assets held for sale) in 2022 compared to last year. Net income is less compared to year 2021 due to lower net result from financial operations and investments (-6.4M). 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 2022, D/E is 2.91 and increased compared to prior year (2.49) due to higher 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 2022

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 2022, D/A is 0.44 and slightly decreases compared to the previous year (0.50), resulted by accelerated increase in total assets (+42M) compared by increasing of short and long-term debt (+14M).

Liquidity ratio determines the Group's ability to pay its short-term debt obligations. As of 31 December 2022, Liquidity ratio is 0.95 and shows an increase compared to last year (0.91). The increase is mainly due to higher current assets by 40M (trade receivables, assets held for sale and inventory) compared to year 2021.

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

The most important business KPI that the Group measures is the PR (Performance Ratio) of PV plants. For each PV plant, the target PR is different. During the development and design process, engineers evaluate the power generation, which depends on the type of supporting structure, type of PV modules, orientation (S/N, E/W), geographical location, etc. Each EPC contract includes the guaranteed PR per month.

In addition, the Group monitors the Environmental impact and aims 100% of the projects under construction with environmental impact assessment. Health and safety risk mitigation is the highest priority for the Group management. Thus, accident frequency and severity rates (FR, SR) of work accidents for employees and subcontractors are maintained at the lowest level. The attrition rate of permanent employees is kept at less than 10%. The Group actively participates in the fight against climate change.

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 2022 is the fourth 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.

Solarpro Holding PLC

Group Strategic Report

for the year ended 31 December 2022

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 on 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.

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, with executive director Krasen Mateev also attending the event.

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.

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.

International meetings, with the exception of the annual employee meeting, are being held preferably in the manner of online conferences, thus continuing the trend to limit plane trips where they could be avoided.

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

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Group Strategic Report

for the year ended 31 December 2022

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.

For one of our current projects in Romania we involved our customer together with the supplier of supporting structure to find out the most efficient supply chain solution.

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.

Furthermore, all financial risks have been included in note 27 of the Financial Statement: "Financial risk management".

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.

Solarpro Holding PLC

Group Strategic Report

for the year ended 31 December 2022

Climate change and related risks, policies and protocols have no significant impact on the key management judgments, assumptions and estimations, applied on strategic, 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.

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 (scope 1). - 707 tonnes CO₂ (2021: 660 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 (scope 2) -294 tonnes CO₂ (2021: 186 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 (scope 1)- 109 tonnes CO₂ (2021: 129 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 – 1.2338 (2021: 1.037).

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

Date: 20.12.2023

Solarpro Holding PLC

Report of the Directors for the year ended 31 December 2022

The directors present their annual report with the audited financial statements of the Company and the Group for the year ended 31 December 2022. Matters required for reporting in the directors report, which includes, energy and carbon have been included in the Strategic Report.

DIVIDENDS

The Company distributed dividend in 2023 in total amount of GBP 1 304 104.96. No dividends were distributed by the Company during the year ended 31 December 2022 and 31 December 2021. No dividends were proposed between the year ended 31 December and the date of the report.

Dividends distributed by the companies belonging to the Group are as follows:

In the year ended 31 December 2023:

Solarpro Technology AD, Bulgaria distributed dividend from its 2021 and 2022 profits amounting to € 219 thousand.

Alfa Energy KA AD, Bulgaria. distributed dividend from its 2022 profits amounting to € 1 278 thousand.

In the year ended 31 December 2022:

Solarpro Construction AD, Bulgaria distributed dividend from its 2021 profits amounting to € 622 thousand, of which € 301 thousand in favor of minority shareholders.

Solarpro Energy Hungary Kft, Hungary. Distributed dividend from its 2021 profits amounting to € 128 thousand, of which € 37 thousand in favor of minority shareholders

Alfa Energy Holding JsCo distributed dividend from its profits amounting to € 4 825 thousand.

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 (€ 193 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).

RESEARCH AND DEVELOPMENT

In 2022 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.

The significant growth in the Group revenues from € 91 102 thousand (2021) reaching € 161 069 thousand (2022), Inventory increase from € 1 273 (2021) thousand to € 9 739 thousand (2022), Contract assets accretion from € 5 592 thousand (2021) to € 17 767 thousand (2022) are robust indicators for Group development and stability. The going concern assessment is based on the provided indicators.

Solarpro Holding PLC

Report of the Directors for the year ended 31 December 2022

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 concern basis is the one appropriate for preparation and presentation of the financial statements of the Group for the year ended 31 December 2022.

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.

In respect of existing debt covenants, there were no breaches during the period and we do not expect any breaches within the 12 months from the date of approval of these financial statements.

POST BALANCE SHEET EVENTS

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 owns 100% of its share capital.

On 14 February 2023 the company shares amounting to 75% of Enica Ltd., owned by Solarpro Holding AD, were transferred to Solarpro Holding PLC.

On 9 March 2023 Solarpro Holding PLC acquired 10% of the share of Hybrid Storage AD, company registered under Bulgarian law.

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

On 10 May 2023 Solarpro Holding PLC increased its share capital. As a result, the total shares increased to 12 460 132, each with a face value GBP 1.

On 27 June 2023 the Group acquired (through Solarpro Technology AD, Bulgaria) 100 % of the share of Advanced Wind Services EAD., company registered under Bulgarian law with business activities including investment in development and construction of PV plants and production of electricity. In August 2023 the realized profit from the Company's activities in 2022 to be distributed as a dividend to the sole owner of the Company - Solarpro Technologies AD.

On 24 August 2023 the Group sold 100% of its shares in Hyper Solar AD, Bulgaria and 40% of its shares in Provad Solar AD, Bulgaria.

In August 2023 Solarpro Holding PLC acquired 100% of the share of Institute for Clean Technologies EAD, company registered under Bulgarian law with activities including industrial research and experimental development in the field of clean energy, including development and implementation of new energy sources and energy storage systems, acquisition, construction, operation and management of energy facilities, production of electricity from different sources.

On 11 April 2023, Kaolinovo Solar EOOD was registered in the Commercial Register of the Republic of Bulgaria with Alfa Energy KA AD as the sole owner. Alfa Energy KA AD sold its shares in Kaolinovo Solar EOOD to a related party under common control, which sale was recorded in the Commercial Register on 19 June 2023. Subsequently, Alfa Energy KA AD transferred to Kaolinovo Solar EOOD the going concern of Alfa Energy KA

Solarpro Holding PLC

Report of the Directors for the year ended 31 December 2022

AD as a set of rights, obligations and factual relations within the meaning of Article 15 of the Commercial Companies Code. The transfer of the going concern was entered in the Commercial Register of the Republic of Bulgaria on 14 September 2023.

In November 2023 the share capital of Solarpro Turkey Insaat Enerji Ve Muhendislik Hizmetleri Limited Sirketi was increased by TRY 90 thousand to TRY 100 thousand, all owned by Solarpro Holding PLC.

On 12 September 2023, a shareholders resolution was signed to distribute dividends from Solarpro Holding PLC compared to the accumulated profits until 31 December 2021. The dividend in total amount of 1 304 104.964 GBP shall be paid by 31 December 2023.

On 23 November 2023 Solarpro PLC acquired 5,674,037 shares, amounting to 12.14% of the total shares of Solarpro Holding AD.

On 5 December 2023 Solarpro PLC acquired 56,985 shares, amounting to 0.12% of the shares of Solarpro Holding AD.

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 2022 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 and termination of his appointment took place on 5 June 2023.

S.D.Ikonomov has been appointed as director on 26 June 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.

Solarpro Holding PLC

Report of the Directors for the year ended 31 December 2022

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 have elected to prepare the financial statements in accordance with United Kingdom adopted international standards in conformity with the requirements of Companies Act 2006. The financial statements also comply with International Accounting Standards 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 of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors

- 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 ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company'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 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.

Further information on the directors responsibilities of the business relationships can be found in the Group Strategic report, section "Business relationships".

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: 20.12.2023

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 2022 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 Accounting Standards (IASs) 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 statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company statement of cash flow; and
- the related notes 1 to 30.

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, as regards the parent company financial statements, 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. 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, 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, cut-off, occurrence 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.
- Revenue, pin pointed to the cut-off for sale of equipment due to incentive to manipulate near the year end to meet the targets. Our procedures have considered the revenue against IFRS15 requirements, a test of detail over the contracts entered and cut-off testing at the year end.

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

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

20 December 2023

Solarpro Holding PLC

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022

	Notes	2022 € 000	2021* € 000
CONTINUING OPERATIONS			
Revenue	3	161 069	91 102
Cost of sales		(147 945)	(75 198)
GROSS PROFIT		13 124	15 904
Other operating income	3	4 785	308
Administrative expenses		(13 362)	(10 906)
OPERATING PROFIT		4 547	5 306
Finance costs	5	(1 268)	(575)
Finance income	5	788	537
Net effect from operations with hedge instruments	5	(102)	(376)
Other finance gain / loss, net	5	(1 762)	1 319
Impairment of Goodwill	10	(1 243)	-
Impairment loss	30	(883)	-
-Share of profit of associates	13	(58)	(5)
Net result from change in investments	13, 14	396	1 170
PROFIT BEFORE INCOME TAX	6	415	7 376
Income tax	7	(461)	(861)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		(-46)	6 515
RESULT FROM DISCONTINUED OPERATIONS	14	229	361
PROFIT FOR THE YEAR		183	6 876
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		705	(1 470)
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF INCOME TAX		705	(1 470)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		888	5 406

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 2022

	Notes	2022 € 000	2021* € 000
Profit attributable to:			
Owners of the parent	107	4 672	
Non-controlling interest	76	2 204	
	183	6 876	
Total comprehensive income attributable to:			
Owners of the parent	851	3 204	
Non-controlling interest	37	2 202	
	888	5 406	

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

The notes form part of these financial statements

Solarpro Holding PLC (Registered number: 11682894)

**Consolidated Statement of Financial Position
as at 31 December 2022**

	Notes	2022 € 000	2021 € 000
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	5 055	7 289
Owned			
Intangible assets	11	313	429
Property, plant and equipment	12	20 520	24 896
Right-of-use			
Property, plant and equipment	22	1 728	887
Investments in associates	13	178	184
Trade and other receivables	16	24 532	19 815
Deferred tax assets	23	90	100
		<u>52 416</u>	<u>53 600</u>
CURRENT ASSETS			
Inventories	15	9 739	1 273
Trade and other receivables	16	48 282	36 520
Assets held for sale	30	23 181	567
Tax receivable		163	23
Cash and cash equivalents	17	1 711	4 791
		<u>83 076</u>	<u>43 174</u>
TOTAL ASSETS		<u><u>135 492</u></u>	<u><u>96 774</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	13 086	4 930
Legal reserves	19	420	420
Additional paid in capital	19	(206)	-
Retained earnings	19	14 364	13 851
		<u>27 664</u>	<u>19 201</u>
Non-controlling interest	28	6 995	8 516
TOTAL EQUITY		<u><u>34 659</u></u>	<u><u>27 717</u></u>

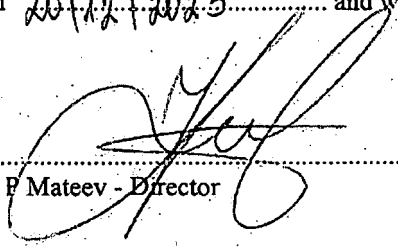
The notes form part of these financial statements

Solarpro Holding PLC (Registered number: 11682894)

**Consolidated Statement of Financial Position
as at 31 December 2022**

	Notes	2022 € 000	2021 € 000
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	20	228	7 045
Financial liabilities – borrowings			
Interest bearing loans and borrowings	21	10 974	12 436
Lease liabilities	22	1 083	667
Deferred tax	23	1 463	1 567
		<u>13 748</u>	<u>21 715</u>
CURRENT LIABILITIES			
Trade and other payables	20	75 436	41 734
Financial liabilities – borrowings			
Interest bearing loans and borrowings	21	10 729	4 441
Lease liabilities	22	435	307
Tax payable		485	860
		<u>87 085</u>	<u>47 342</u>
TOTAL LIABILITIES		<u>100 833</u>	<u>69 057</u>
TOTAL EQUITY AND LIABILITIES		<u>135 492</u>	<u>96 774</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20/12/2023 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 2022**

	Notes	2022 € 000	2021 € 000
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	11	113	179
Right-of-use			
Property, plant and equipment	22	17	28
Trade and other receivables	16	1 583	-
Investments in associates	13	181	189
Investments	13	29 937	29 737
		<u>31 831</u>	<u>30 133</u>
CURRENT ASSETS			
Inventories	15	6 044	16
Trade and other receivables	16	22 291	4 307
Income tax receivable		104	-
Cash and cash equivalents	17	3	210
		<u>28 442</u>	<u>4 533</u>
TOTAL ASSETS		<u><u>60 273</u></u>	<u><u>34 666</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	13 086	4 930
Revaluation reserve	19	148	148
Retained earnings	19	(54)	1 906
TOTAL EQUITY		<u>13 180</u>	<u>6 984</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	20	13 698	8 649
Financial liabilities			
Leases	21, 22	11	19
		<u>13 709</u>	<u>8 668</u>

The notes form part of these financial statements

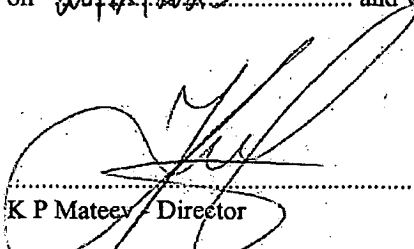
Solarpro Holding PLC (Registered number: 11682894)

**Company Statement of Financial Position
as at 31 December 2022**

	Notes	2022 € 000	2021 € 000
CURRENT LIABILITIES			
Trade and other payables	20	32 688	18 896
Financial liabilities – borrowings			
Interest bearing loans and borrowings	21	680	
Leases	21, 22	6	6
Tax payable		10	112
		<u>33 384</u>	<u>19 014</u>
TOTAL LIABILITIES		<u>47 093</u>	<u>27 682</u>
TOTAL EQUITY AND LIABILITIES		<u>60 273</u>	<u>34 666</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 €(1,960,000) (2021: €2,048,658).

The financial statements were approved by the Board of Directors and authorised for issue on 20/12/2023..... 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 2022

	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
Balance at 1 January 2021		4 930	10 913	213	16 056	6 711	22 767
Changes in equity							
Profit for the year	19	-	4 672	-	4 672	2 204	6 876
Other comprehensive loss	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)
Balance at 31 December 2021		4 930	13 851	420	19 201	8 516	27 717
Balance at 1 January 2022		4 930	13 851	420	19 201	8 516	27 717
Changes in equity							
Profit for the year	19, 28	-	107	-	107	76	183
Other comprehensive income	19, 28	-	744	-	744	(39)	705
Total comprehensive income		-	851	-	851	37	888
Dividends	9	-	(338)	-	(338)	-	(338)
		4 930	14 364	420	19 714	8 553	28 267
Increase in shareholder's equity		8 156	-	-	8 156	-	8 156
Increase of shareholding interest	13	-	-	(206)	(206)	(1 558)	(1 764)
Balance at 31 December 2022		13 086	14 364	214	27 664	6 995	34 659

The notes form part of these financial statements

Solarpro Holding PLC

Company Statement of Changes in Equity for the year ended 31 December 2022

	Note	Called share capital € 000	up Retained earnings € 000	Revaluation reserve € 000	Total equity € 000
Balance at 1 January 2021		4 930	(142)	-	4 788
Changes in equity					
Profit for the year	19	-	1 666	-	1 666
Other comprehensive income	19	-	382	148	530
Total comprehensive income		-	2 048	148	2 196
Balance at 31 December 2021		4 930	1 906	148	6 984
Changes in equity					
Capital increase	18	8 156	-	-	8 156
Loss for the year	19	-	(1 528)	-	(1 528)
Other comprehensive expense	19	-	(432)	-	(432)
Total comprehensive expense		-	(1 960)	-	(1 960)
Total for the year		8 156	(1 960)	-	6 196
Balance at 31 December 2022		13 086	(54)	148	13 180

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 2022

		2022 € 000	2021 € 000
	Notes		
Cash flow from operating activities			
Cash generated from operations	1 CF	7 223	4549
Interest paid		(2 212)	(498)
Lease interest paid		(45)	(37)
Net result from operations with hedge instruments		(102)	(376)
Tax paid		(1065)	(702)
Net cash from operating activities		3799	2 941
Cash flow from investing activities			
Acquisition of subsidiary	10, 13	(302)	(1 301)
Purchase of intangible assets	11	(141)	(214)
Purchase of property, plant and equipment		(52979)	(2 908)
Purchase of investments	13		(8)
Proceeds from sale of subsidiaries	14	272	38
Interest in associate	10, 13	(20)	(215)
Interest received		9	247
Repaid loans		6 884	1 693
Loans granted	13, 16	(10 188)	(10 412)
Net cash from investing activities		(56465)	(13 080)
Cash flows from financing activities			
New loans in year		93 892	37 962
Repayment of loans		(45 592)	(24 036)
Payment of lease liabilities	22	(718)	(326)
Share issue	18	5 479	-
Equity dividends paid	9	-	(289)
Net cash from financing activities		53 061	13 311
Increase (decrease) in cash and cash equivalents		395	3 172
Cash reclassified to assets held for sale		(3 068)	-
Cash outflow in a going concern transfer		(407)	-
Cash and cash equivalents at beginning of the year	2 CF	4 791	1 619
Cash and cash equivalents at end of year	2 CF	1 711	4 791

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 2022

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

		2022 € 000	2021 € 000
	Notes		
Profit before income tax		415	5 934
Share of profit in associates	13	28	5
Profit before income tax from discontinued operations		229	1 831
Depreciation charges	11, 12, 22	2 316	3 106
Profit on disposal of property, plant and equipment		(3 730)	(54)
Impairment loss		2 126	-
Written off liabilities		(315)	-
Deferred tax	7	(94)	(211)
Net result from operations with hedge instruments	5	102	376
Finance costs	5	3060	654
Finance income	5	(788)	(1 845)
		3349	9 791
Decrease (increase) in inventories	15, 30	(8466)	193
Decrease (increase) in assets held for sale (w/o disposal groups)	15, 30	567	
Increase in trade and other receivables	16, 24	(12870)	(16 499)
Increase (decrease) in trade and other payables	20, 24	24644	11 064
Cash generated from operations		7195	4549

2 CF. CASH AND CASH EQUIVALENTS

	2022 € 000	2021 € 000
Cash and cash equivalents at 31 December	1 711	4 791

The notes form part of these financial statements

Solarpro Holding PLC

Company Statement of Cash Flows for the year ended 31 December 2022

		2022 € 000	2021 € 000
	Notes		
Cash flow from operating activities			
Cash generated from operations	3 CF	(11 794)	(588)
Interest paid		-	-
Tax paid		(111)	(5)
Net cash from operating activities		<u>(11 905)</u>	<u>(593)</u>
Cash flow from investing activities			
Purchase of intangible fixed assets		-	(268)
Purchase of investments		(308)	(1 537)
Proceeds from sale of investments		177	18
Loans granted		(14 807)	(4 110)
Loans repaid		8 045	-
Dividends received		555	416
Net cash from investing activities		<u>(6 338)</u>	<u>(5 481)</u>
Cash flows from financing activities			
Capital increase		5 391	-
Proceeds from borrowings		31 958	8 621
Repayment of borrowings		(19 313)	(2 338)
Net cash from financing activities		<u>18 036</u>	<u>6 283</u>
Increase (decrease in cash and cash equivalents)		<u>(207)</u>	<u>209</u>
Cash and cash equivalents at beginning of the year	4 CF	210	1
Cash and cash equivalents at end of the year	4 CF	3	210

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 2022

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

	2022	2021
	€ 000	€ 000
Profit before income tax	(1 622)	1 770
Depreciation charges	69	59
Finance costs	2 598	120
Finance income	(1 081)	(2 463)
	(36)	(514)
Decrease (increase) in inventories	(6 028)	711
Decrease (increase) in trade and other receivables	(10 895)	(182)
Increase (decrease) in trade and other payables	5 165	(603)
Cash generated from operations	(11 794)	(588)

4 CF. CASH AND CASH EQUIVALENTS

	2022	2021
	€ 000	€ 000
Cash and cash equivalents at 31 December	3	210

The notes form part of these financial statements

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 with registered address: Schottenring 16, 1010 Vienna.

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.

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 = £0.88693. 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.

The financial statements have also been prepared under the historical cost convention as modified by financial instruments recognised at fair value.

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

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.

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.

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 as follows:

- Patents and licenses 2%
- Software 20-50%

As of 31 December 2022, all Patents and licenses held by the group have been written off at sale of subsidiary.

The Group does not hold any internally generated intangible assets.

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.

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;
- 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.

For short-term leases, defined as leases with a lease term of 12 months or less, the Company applies the practical expedient outlined in IFRS 16. The recognition of right-of-use assets and lease liabilities for short-term leases is exempted. Lease payments for short-term leases are recognized as an expense on a straight-line basis over the lease term.

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.

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.

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.

The notes form part of these financial statements

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.

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.

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.

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.

Assets Held for Sale under IFRS 5

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

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

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 issued by the IASB, adopted by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023)

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date of the amendments has yet to be set by the IASB)

Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023)

Amendments to IAS 8 Definition of Accounting Estimates adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023)

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction as adopted by the EU on 11 August 2022 (effective for annual periods beginning on or after 1 January 2023).

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

There are no significant judgements that impact the financial statements.

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.

Impairment of Non-Financial Assets:

The Company assesses the carrying values of non-financial assets, including property, plant, and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Estimations involve future cash flows, discount rates, and other assumptions.

Revenue Recognition:

Revenue recognition involves judgment regarding the identification of performance obligations, determination of transaction prices, and allocation of revenue to each obligation. Assumptions regarding variable consideration and the timing of satisfaction of performance obligations impact revenue recognition. Revenue recognition is also closely tied to project milestones and completion. Management estimates the timing of these milestones, considering factors such as project complexity, potential delays and unforeseen circumstances. Adjustments are made as circumstances evolve.

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.

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.

Fair Value Measurements:

The fair value of financial instruments and non-financial assets is determined using various valuation techniques. Significant inputs, including market prices, interest rates, and credit risk, are subject to estimation.

The fair value of assets classified as held for sale is a critical estimate. Management employs valuation techniques and market data to determine the fair value of these assets, considering factors such as market conditions and the nature of the assets. The timing of the actual disposal of discontinued operations may vary from initial estimates. Management continually reassesses the disposal process, considering market conditions and negotiations with potential buyers.

Goodwill:

Goodwill is subject to impairment testing at least annually or more frequently if events or changes in circumstances indicate potential impairment. The estimation involves comparing the carrying value of the reporting unit to its fair value, incorporating assumptions about future cash flows, discount rates and other factors.

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.

Two of the major clients consisted of more than 10% each for the period. The total % of revenue from both projects consisted of 31% of the company turnover for the period.

Other operating income for the period being primarily a result of sale of non-current assets (EUR '000 3,730).

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'.

2022		Revenue €'000		
Company	Sale of electricity	Construction, maintenance and services	Sales of electrical equipment	Total
Solarpro Holding PLC	-	372	-	372
Solarpro Holding AD	21 739	93 993	4 054	119 786
Solarpro Construction AD	-	11 562	12	11 574
Solarpro Energy Hungary Kft.	-	13 570	155	13 725
Solarpro Polska	-	1 587	-	1 587
Hyper Solar AD	-	81	-	81
Alfa Energy MT (subsidiary of United Solar AD)	1 134	-	-	1 134
Solarpro Bulgaria AD	-	9 768	58	9 826
Guta Solar Kft.	682	-	-	682
Green Mobile, Polska	-	5	-	5
Solarpro Power Doel	-	2 297	-	2 297
	23 555	133 235	4 279	161 069

2021 *		Revenue €'000		
Company	Sale of electricity	Construction, maintenance and services	Sales of electrical equipment	Total
Solarpro Holding PLC	-	-	11	11
Solarpro Holding AD	16 952	44 767	1 504	63 223
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
	17 942	71 636	1 524	91 102

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

The notes form part of these financial statements

Revenue by geographical location

Country / region	2022 €'000	2021* €'000
Hungary	71 034	39 002
Bulgaria	42 440	15 736
Macedonia	25 869	13 442
Germany	1 759	5 064
Denmark	3 607	4 871
Netherland	883	4 691
France	5 737	3 932
Spain	460	1 662
Poland	1 622	1 406
Ireland	2 501	883
Portugal	-	413
Greece	1 480	-
Romania	3 710	-
Lithuania	16	-
	161 118	91 102

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

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 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.

	2022 € 000	2021* € 000	2020 € 000
Contract assets	17 767	5 592	3 498
Contract assets – group undertakings	3 636	808	-
Contract liabilities	11 069	5 944	720
Contract liabilities – group undertakings	2 271	-	-

* Comparatives have been reclassified to reflect the classification used as at 31 December 2022.

The notes form part of these financial statements

4. EMPLOYEES AND DIRECTORS

Group

	2022 € 000	2021 * € 000
Wages and salaries	11 702	11 106
Social security costs	1 525	1 456
Other costs for personnel	6	43
	<u>13 233</u>	<u>12 605</u>
incl. in Cost of sales	10 321	9 929
incl. in Administrative expenses	2 912	2 676

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

	2022	2021*
Staff	<u>694</u>	<u>528</u>
including		
Operating staff	466	394
Administration staff	228	134

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

	2022 €	2021 €
Directors remuneration	<u>638 172</u>	<u>933 629</u>

The Directors of Solarpro Holding PLC are remunerated at a group level. The figures above include the remuneration for their services, as well as the remuneration of the directors of other group companies. There were no share options or long-term incentives to report.

Company

	2022 € 000	2021 € 000
Wages and salaries	103	108
Social security costs	15	15
Other costs for personnel	3	3
	<u>121</u>	<u>126</u>

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

	2022	2021
Staff	<u>4</u>	<u>6</u>

The Company directors are remunerated by another group company, see Note above. The highest director's remuneration was € 105 612 (2021: € 308 257). It is borne in a subsidiary of Solarpro Holding Plc, and it is not subject to an intercompany recharge.

The notes form part of these financial statements

5. FINANCE COST AND INCOME

	2022 €'000	2021* €'000
<i>Finance income:</i>		
<i>Financial instruments measured at amortised cost:</i>		
Interest income	788	537
<u>Total finance income</u>	<u>788</u>	<u>537</u>
<i>Finance cost:</i>		
Interest expense on bank loans	(502)	(428)
Interest expense other loans	(721)	(111)
Interest expense leases	(45)	(36)
<u>Total interest expense for financial liabilities not classified as at FVTPL</u>	<u>(1 268)</u>	<u>(575)</u>
<i>Net effect from operations with hedge instrument in fair value hedges</i>		
Loss	(741)	(724)
Gain	639	348
	<u>(102)</u>	<u>(376)</u>

FINANCE COST AND INCOME (CONTINUED)

<i>Other finance gain / loss, net</i>		
Loss	(7 620)	(858)
Gain	5 974	2325
Net effect from exchange rate differences	(1 646)	1 467
Other finance cost	(146)	(148)
	<u>(1 792)</u>	<u>1 319</u>

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

6. PROFIT BEFORE INCOME TAX

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

	2022 € 000	2021* € 000
Cost of inventories recognised as expense	40 752	18 900
Depreciations - owned assets	1 787	2 681
Depreciations - right of use assets	430	343
Profit on disposal of fixed assets	3 730	(54)
Amortisation of intangible assets	99	71
Foreign exchange differences	(1 646)	(1 467)
Net loss from operations with hedge instruments	102	376
Auditors' remuneration related to auditing of the financial statements	228	201
Auditors' remuneration related to fees for other services	30	6

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

The notes form part of these financial statements

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.

7. INCOME TAX**Analysis of tax expense**

	2022	2021*
	€ 000	€ 000
Current tax expense	555	1 084
Deferred tax benefit	(94)	(223)
Total tax expense in consolidated statement of profit or loss and other comprehensive income	461	861

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

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 2021 and 2022. No changes are expected for the subsequent financial year 2023.

The United Kingdom (UK) Chancellor delivered his Spring Budget 2023 on 15 March 2023. The most significant change that have taken effect is introducing a new rate for corporation tax. From 1 April 2023, the main rate of corporation tax increased from 19% to 25%, and a new 19% small profits rate of corporation tax was introduced for companies whose profits do not exceed 50,000 pounds sterling (GBP).

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

Reconciliation to profit and loss

	2022	2021*
	€ 000	€ 000
Profit before tax on continuing operations	415	7 376
Prevailing corporation tax rate of 10 % (2021 10 %)	42	(738)
Tax effect of share of results of associates	(6)	(1)
Tax effect of expenses that are not deductible in determining taxable profit	(10)	(12)
Tax effect on discontinued operations and gain on disposal	69	12
Tax effect of income not taxable in determining taxable profit	200	17
Tax effect on loss not taxable in determining taxable profit	(213)	-
Tax effect of utilisation of tax losses not previously recognized	-	56
Tax losses for which deferred tax asset is not recognized	(421)	(54)
Effect of capitalized costst at group level	(225)	(98)
Effect of different tax rates of subsidiaries operating in other jurisdictions	103	(43)
Tax expense for the year	(461)	(861)

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

The notes form part of these financial statements

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 €(1,960,606) (2021: €2,048,658).

9. DIVIDENDS

For the year 2022 and 2021 there were no dividend distributed by the parent company. Dividends distributed by the companies belonging to the Group are as follows:

	2022 € 000	2021 € 000
Ordinary shares at € 1 each	338	289
Per share (2022: 50,000 shares; 2021: 50,000 shares)	<u>6.76</u>	<u>5.78</u>

10. GOODWILL

Group

	2022 € 000	2021 € 000
COST		
At 01 January	7 289	6 298
Additions	-	991
Classified to Assets held for sale	(991)	-
At 31 December	<u>6 198</u>	<u>7 289</u>
NET BOOK VALUE		
At 01 January	7 289	6 298
Additions	-	991
Impairment of Goodwill	(1 243)	-
Classified to Assets held for sale	(991)	-
At 31 December	<u>5 055</u>	<u>7 289</u>

In 2022 there is no goodwill arisen from business combinations (2021: goodwill arises from acquisition of Kat-A Solar Kft.).

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:

Key assumptions and estimations

Alfa Energy MT (United Solar)

1. Cash flows based on an actual Agreement for sale of electricity
2. Cash flows adjusted to reflect the actuals 2022 and projections until 2032.
3. WACC 9.08 %

Solarpro Construction

1. Cash flows estimated based on 2022 actuals and anticipated growth (from 4.6 % to 3.6 % revenue growth and from 5.6 % to 4.6 % OPEX growth in the following 5 years).
2. Terminal value calculated using growth -3 %.
3. WACC 8.10 %

Solarpro Holding AD

1. Cash flows based on budget 2023 and 2024 and 3.6 % increase in revenue and OPEX afterwards
2. Terminal value calculated using growth - 3%
3. WACC 11.14 %

The acquisition of new shares during the period is not subject to goodwill, but an equity transaction, as the company was already a majority owner prior to the acquisition.

Impairment testing results

Based on the annual testing of goodwill for impairment, Guta Solar's goodwill is impaired in the year ending 31 December 2022.

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 acquisition €'000	at 4 424	561	55	1 243	991	15	7 289
Carrying value, incl. Goodwill	38 448	2 624	(93)	16 555	8 752	-	43 294
Recoverable amount	176 381	2 790	8 529	-	-	-	187 700
Fair value less cost to sell	-	-	-	14 429	10 267	-	3 937
Difference between equity value and carrying value	137 934	166	8 621	-2 126	1 515	-	148 393

* Disposal group classified to Assets held for sale (see Note 30).

The goodwill impairment testing calculation for Solarpro Polska was not taken into full review due to initial assessment not indicating a breach of the threshold for testing set by the management.

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.

At 31 December 2022 both Guta Solar and Kat-A Solar are classified as disposal groups and their carrying value is compared to the fair value less cost to sale.

	Guta Solar	Kata Solar
Consideration	14 429	10 267
Carrying value, incl. Goodwill	-16 555	-8 752
	-2 126	1 515

The carrying value of Guta Solar exceeds the fair value, resulting in an impairment loss of EUR 2 126 thousand, charged against the carrying value of the Assets held for sale – disposal group. associated with Guta Solar.

The notes form part of these financial statements

11. INTANGIBLE ASSETS

Group

	Patents licenses € 000	and Software € 000	Total € 000
COST			
At 01 January 2022	161	339	500
Additions	-	141	141
Written off at sale of subsidiary	(161)	(8)	(169)
At 31 December 2022	-	472	472
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
AMORTISATION			
At 01 January 2022	8	63	71
Additions	-	99	99
Disposed	-	(3)	(3)
Written off at sale of subsidiary	(8)	-	(8)
At 31 December 2022	-	159	159
At 01 January 2021	-	-	-
Additions	8	63	71
At 31 December 2021	8	63	71
BOOK VALUE			
At 31 December 2022	-	313	313
At 31 December 2021	153	276	429
At 01 January 2021	4	291	295

Company

	Software € 000	Total € 000
COST		
At 01 January 2022	239	239
FX translation differences through OCI	(7)	(7)
At 31 December 2022	232	232
At 01 January 2021	224	224
Additions	15	15
At 31 December 2021	239	239
AMORTISATION		
At 01 January 2022	60	60
Additions	59	59
At 31 December 2022	119	119
At 01 January 2021	-	-
Additions	60	60
At 31 December 2021	60	60
BOOK VALUE		
At 31 December 2022	113	113
At 31 December 2021	179	179
At 01 January 2021	224	224

The notes form part of these financial statements

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
COST							
At 01 January 2022	10 002	5 260	9 894	558	125	3 309	29 148
Additions	51	-	306	41	31	54 157	54 586
Acquired in a business combination	-	-	-	-	7	-	7
Transferred to Assets held for sale	-	-	-	-	-	(53 098)	(53 098)
Disposed in a sale of subsidiaries transactions	-	-	-	-	(4)	(3 650)	(3 654)
Disposals	(6)	-	(179)	(79)	(4)	(175)	(443)
At 31 December 2022	10 047	5 260	10 021	520	155	543	26 546
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
DEPRECIATION							
At 01 January 2022	76	203	3 857	105	11	-	4 252
Additions	44	302	1 305	104	32	-	1 787
Disposed in a sale of subsidiaries transactions	-	-	-	-	(5)	-	(5)
Transferred depreciation	-	752	(752)	-	-	-	-
Disposal	-	-	-	(5)	(3)	-	(8)
At 31 December 2022	120	1 257	4 410	204	35	-	6 026
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
BOOK VALUE							
At 31 December 2022	9 927	4 103	5 611	316	120	543	20 520
At 31 December 2021	9 926	5 057	6 037	453	114	3 309	24 896
At 01 January 2021	10 098	5 200	8 363	264	118	270	24 313

The notes form part of these financial statements

Impairment of property, plant and equipment

The Group has performed an impairment review of property, plant and equipment as at 31 December 2022 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.

13. INVESTMENTS**Group**

	2022 € 000	2021 € 000
At 01 January	184	-
Additions	22	189
Investments sold	(20)	-
FX translation differences through OCI	20	-
Transfer to controlled entity	-	-
Share of profit / (loss) of the associate	(28)	(5)
At 31 December	<u>178</u>	<u>184</u>

Company

	Share in group undertakings € 000	Interest in associate € 000	Totals € 000
COST			
At 01 January 2022	29 737	189	29926
FX translation differences through OCI	(1 562)	(10)	(1 572)
Disposals	-	(20)	(20)
Additions	1 762	22	1 784
At 31 December 2022	<u>29 937</u>	<u>181</u>	<u>30 118</u>

COST

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>

NET BOOK VALUE

At 31 December 2022	<u>29 937</u>	<u>181</u>	<u>30 118</u>
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

Interest in associate

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 € 150 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.

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	23 959	Ordinary	86.13%	100.00%
Hyper Solar AD	Bulgaria, Sofia 1592, Iskar district, ul. Christofof Columbus No 41, et. 7	Consulting services for production of energy	25	Ordinary	99.99%	100.00%
Solarpro Energy Hungary Kft.	Hungary, Budapest Riado utca 1-3. 1026	Acquisition/construction of energy sites	21	Ordinary	70.00%	70.00%
Solarpro Polska	Poland, Al. Jerozolimskie 162 A02-342 Warszawa, Poland	Acquisition/construction of energy sites	21	Ordinary	85.00%	85.00%
Solarpro Construction AD	Bulgaria, Blagoevgrad, p.k. 2700 st. Ivan Mikhailov St. 58D	Installation & construction services	24	Ordinary	51.00%	51.00%
United Solar AD	Bulgaria, Sofia 1592, Iskar district, ul. Christofof Columbus No 41, et. 7	Acquisition/management of companies	813	Ordinary	100.00%	100.00%
Guta Solar Kft	Hungary, Budapest Riado utca 1-3. 1026	Acquisition/construction of energy facilities	2 314	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	26	Ordinary	100.00%	100.00%

Subsidiary	Principal place of business & registered office	Principal activity	Investment €'000	Holding	% of ownership	% of voting rights
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%
Kat-A Solar Kft.	Hungary, 2183 Galgamacsa, Kiskut utca 11	Acquisition/construction of energy facilities	959	Ordinary	100.00%	100.00%
Solarpro Power Doool	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 loreasca 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	1751	Ordinary	92.68%	100.00%
Hyper Solar Polska		Acquisition/construction of energy facilities	1	Ordinary	100.00%	100.00%

Total: 29 937

Details on investments for the year ended 31 December 2022 are listed below:

On 28 January 2022 Solarpro Holding purchased 174 800 shares (4.53% of share capital) of Solarpro Holding AD, Bulgaria.

On 1 February 2022 Solarpro Holding purchased 30 000 shares (0.34% 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 24 February 2022 the Group acquired 100 % of Solarpro Serbia and 100 % of Hyper Solar, Serbia.

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

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 and realized a loss of € 14 thousand.

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 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.

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

Investments 2022

	Hyper Poland €'000	Solar Enika, Bulgaria €'000	Solarpro Holding AD, step acquisition €'000
Purchase consideration	1	10	1 764
Deferred consideration	-	-	-
Cash consideration paid in the year	1	10	125

Assets and liabilities recognised as a result of acquisition 2022

	Hyper Poland €'000	Solar Enika, Bulgaria €'000	Solarpro Holding AD, step acquisition €'000
Net identifiable assets/(liabilities) acquired	-	23	1 558
Add: Goodwill	-	-	-
Net assets acquired	-	23	1 558
Gain on acquisition	-	13	-
Add: Reserves Additional Paid in capital	-	-	(206)

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

Purchase consideration - cashflows 2022

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

	Hyper Poland €'000	Solar, Enika, Bulgaria €'000	Solarpro Holding AD €'000
Cash consideration	-	125	125
Cash acquired	-	-	-
Net inflow/(outflow) of cash - investing activities	-	(125)	(125)

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

The notes form part of these financial statements

Assets and liabilities recognised as a result of acquisition 2021

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

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 Kft. €'000	Solar
Cash consideration	-	(8)	-	(851)	
Cash acquired	-	-	-	-	
Net inflow/(outflow) of cash - investing activities	-	(8)	-	(851)	

14. SALE OF INVESTMENTS – DISCONTINUED OPERATIONS

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

The Group recognizes gain on sales of the two subsidiaries amounting to € 252 thousand. The result from sale of the going concern activities is loss of € 240 thousand. The result from discontinued operations is presented in the following tables:

	2022 €'000	2021* €'000
Gain on sale of discontinued operations, net	252	1 001
Profit resulting from activities of discontinued operations, net	229	361
Result for the period – discontinued operations	481	1 362

The notes form part of these financial statements

Gain on sale of discontinued operations, net

	2022	2021*
	€'000	€'000
Consideration received	95	23
Value of sold net liabilities, net	(157)	(978)
Gain on sale of discontinued operations, net	<u>252</u>	<u>1 001</u>

Loss from sale of going concern activities – discontinued operations

	2022	2021
	€'000	€'000
Consideration received	716	-
Value of sold net liabilities, net	(956)	-
Loss on sale of discontinued operations, net	<u>(240)</u>	<u>-</u>

Profit resulting from activities of discontinued operations, net

	2022	2021*
	€'000	€'000
Revenue	9 624	10 122
Cost of sales	<u>(8 981)</u>	<u>(11 352)</u>
GROSS PROFIT	643	(1 230)
Other operating income	-	5
Administrative expenses	<u>(73)</u>	<u>(127)</u>
OPERATING PROFIT	570	(1 352)
Finance costs	(53)	(79)
Other finance gain / loss, net	(19)	(11)
Net result from change in investments	<u>(240)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	258	(1 442)
Income tax	<u>(29)</u>	<u>(28)</u>

PROFIT FOR THE YEAR

229 (1 470)

* Comparative information for 2021 was recalculated to reflect the operations discontinued in 2022.

The figure of profit for the year does not include sales to related parties, cost of goods sold purchased from related parties and other expenses with related parties (eliminated in consolidation) amounting respectively to € 10 499 thousand, € 11 365 thousand and € 6 thousand.

15. INVENTORIES

	Group		Company	
	2022	2021	2022	2021
	€ 000	€ 000	€ 000	€ 000
Materials for construction	9 739	1 273	6 044	16

The notes form part of these financial statements

16. TRADE AND OTHER RECEIVABLES

	Group		2020 comparati ves reclass	Company		2020 comparatives reclass
	2022	2021*		2022	2021*	
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Current:						
Trade debtors	6 211	5 155	2 790	23	14	13
Amounts owed by group undertakings	12 533	17 251	9 966	21 907	4 281	452
Other debtors	1 226	3 329	3 762	-	-	-
VAT receivables	2 596	1 088	360	31	12	-
Contract assets group undertakings	3 636	808	-	73	-	-
Contract assets	17 767	5 592	3 948	-	-	-
Advances paid to suppliers	4 313	3 293	-	257	-	-
Prepayments and accrued income	-	4	218	-	-	-
	<u>48 282</u>	<u>36 520</u>	<u>21 044</u>	<u>22 291</u>	<u>4 307</u>	<u>465</u>
Non current:						
Trade debtors	285	350	-	-	-	-
Amounts owed by group undertakings	24 247	19 465	11 059	1 583	-	-
Other debtors	-	-	421	-	-	-
	<u>24 532</u>	<u>19 815</u>	<u>11 480</u>	<u>-</u>	<u>-</u>	<u>465</u>
Aggregate amounts	<u>72 814</u>	<u>56 335</u>	<u>32 524</u>	<u>23 874</u>	<u>4 307</u>	

* Comparatives have been reclassified to reflect the classification used as at 31 December 2022.

The increase in contract assets compared to the comparative period is primarily attributable to the undertaking of larger projects during the current reporting period. Revenue recognition has been in accordance with IFRS requirements, reflecting the completion and satisfaction of performance obligations as of the year-end date.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	€ 000	€ 000	€ 000	€ 000
Cash in hand	28	36	-	-
Bank accounts	1 376	4 233	3	210
Cash provided as collateral	307	522	-	-
	<u>1 711</u>	<u>4 791</u>	<u>3</u>	<u>210</u>

The notes form part of these financial statements

18. CALLED UP SHARE CAPITAL

Alloted and issued:

Number:	Class:	Description	Nominal value:	2022 € 000	2021 € 000
4 431 962	Share capital 1	Opening balance	£ 1	4 930	4 930
2 281 922	Share capital 1	Debt-equity swap	£ 1	2 677	-
4 636 976	Share capital 1	Issue of share capital	£ 1	5 479	-
				<u>13 086</u>	<u>4 930</u>

The number of shares stated above belongs to Class of shares: Ordinary, authorised. For the year ended 31 December 2021 and 31 December 2020 the number of unpaid shares is 50 000.

19. RESERVES

Group

Retained earnings

	2022 € 000	2021 € 000
At 01 January	13 851	10 913
Profit for the year	107	4 672
Other comprehensive income	744	(1 468)
Change in shareholding	-	230
Transfer to reserves	-	(207)
Dividends	(338)	(289)
At 31 December	<u>14 364</u>	<u>13 851</u>

Legal reserves

	2022 € 000	2021 € 000
At 01 January	420	213
Transfer from result for the year	-	207
At 31 December	<u>420</u>	<u>420</u>

RESERVES (Continued)

The notes form part of these financial statements

Additional paid in capital

	2022	2021
	€ 000	€ 000
At 01 January	-	-
Transfer from result for the year	(206)	-
At 31 December	<u>(206)</u>	<u>-</u>

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, but cannot be subject to dividend distribution.

Additional paid in capital figure results from the step acquisition of Solarpro Holding AD' shares. The excess of the amount paid above the net current assets transferred from non-controlling interest to the parent of the group, results in APIC.

Company**Retained earnings**

	2022	2021
	€ 000	€ 000
At 01 January	1 906	(142)
Transfer from result for the year	(1 960)	2 048
At 31 January	<u>(54)</u>	<u>1 906</u>

Revaluation reserves

	2022	2021
	€ 000	€ 000
At 01 January	148	-
Transfer from result for the year	-	148
At 31 December	<u>148</u>	<u>148</u>

The notes form part of these financial statements

20. TRADE AND OTHER PAYABLES

	Group			Company		
	2022	2021*	2020 comparative s reclass	2022	2021*	2020 comparative s reclass
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Current:						
Trade creditors	19 723	5 490	3 821	1 779	19	235
Amounts owed to group undertakings	34 192	23 190	18 622	25 705	18 593	19 395
Contract liabilities to group undertakings	2 271	-	-	2 627	-	-
Contract liabilities	11 069	5 944	720	-	-	-
Social security and other taxes	679	290	219	9	2	5
Other creditors	4 512	5 023	4 311	9	6	450
Accruals and deferred income	-	-	-	248	195	-
Payables for VAT and other taxes	2 990	1 797	288	2 311	81	130
	<u>75 436</u>	<u>41 734</u>	<u>27 981</u>	<u>32 688</u>	<u>18 896</u>	<u>20 215</u>
Non current:						
Amounts owed to group undertakings	228	7 045	2 320	13 698	8 649	2 015
	<u>228</u>	<u>7 045</u>	<u>2 320</u>	<u>13 698</u>	<u>8 649</u>	<u>2 015</u>
Aggregate amounts	<u>75 664</u>	<u>48 779</u>	<u>30 301</u>	<u>46 386</u>	<u>27 545</u>	<u>22 230</u>

* Comparatives have been reclassified to reflect the classification used as at 31 December 2022.

The rise in contract liabilities compared to the comparative period is a result of advanced consideration received for projects extending into subsequent reporting periods. Such amounts represent performance obligations yet to be fulfilled and will be recognized as revenue in accordance with IFRS guidelines upon the satisfaction of contractual obligations. The significance of contract liabilities increases over the years, therefore they are presented as separate line(s) in 2022, respectively the previous year's figures have been reclassified in order to be presented correctly for comparative information.

21. FINANCIAL LIABILITIES - BORROWINGS

	2022 € 000	2021 € 000
Current:		
Bank loans	8 509	3 854
Other loans	2 220	587
Interest bearing borrowings	10 729	4 441
Lease liabilities (Note 22)	435	307
	<u>11 164</u>	<u>4 748</u>
Non-current:		
Bank loans	10 970	12 422
Other loans	4	14
Interest bearing borrowings	10 974	12 436
Lease liabilities (Note 22)	1 083	667
	<u>12 057</u>	<u>13 103</u>

Terms and maturity of the bank loans

	Effective rate %	interest Due	2022 € 000	2021 € 000
Commercial Bank 2 - working capital loan	1.60%	28 February 2023	5 921	-
Commercial Bank 2	1.60%	28 February 2023	891	563
Commercial Bank 1 - overdraft	2.75%	30 December 2027	240	234
Commercial Bank 1	2.75%	31 December 2022	-	1 100
Commercial Bank 1	2.75%	21 July 2031	9 501	9 500
Commercial Bank 4	3.25%	20 February 2030	371	425
Commercial Bank 4	3.25%	20 October 2031	2 555	2 853
Commercial Bank 5	2.20%	31 January 2039	-	1 601
			<u>19 479</u>	<u>16 276</u>
Over 1 year			10 970	12 422
Up to 1 year			8 509	3 854

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

22. LEASING

Group Right of use assets

	Right of use – premises € 000	Right of use vehicles and machinery € 000	Total € 000
COST			
At 01 January 2022	542	707	1 249
Additions	98	1 242	1 340
Disposals	(110)	(94)	(204)
At 31 December 2022	530	1 855	2 385
At 01 January 2021	440	459	899
Additions	102	391	493
Disposals	-	(143)	(143)
At 31 December 2021	542	707	1 249
AMORTISATION			
At 01 January 2022	160	202	362
Additions	177	253	430
Disposal	(65)	(70)	(135)
At 31 December 2022	272	385	657
	Right of use – premises	Right of use vehicles and machinery	Total
AMORTISATION			
At 01 January 2021	20	118	138
Additions	140	212	352
Disposal	-	(128)	(128)
At 31 December 2021	160	202	362
BOOK VALUE			
At 31 December 2022	258	1 470	1 728
At 31 December 2021	382	505	887
At 01 January 2021	420	341	761

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

Company
Right of use assets

	Right of use - premises € 000	Total € 000
COST		
At 01 January 2022	33	33
Additions	-	-
At 31 December 2022	33	33
At 01 January 2021	33	33
Additions	-	-
At 31 December 2021	33	33
AMORTISATION		
At 01 January 2022	5	5
Additions	11	11
At 31 December 2022	16	16
At 01 January 2021	3	3
Additions	2	2
At 31 December 2021	5	5
BOOK VALUE		
At 31 December 2022	17	17
At 31 December 2021	28	28
At 01 January 2021	30	30

Lease liability
Group

Disclosures required by IFRS 16:

	2022 € 000	2021 € 000
Balance at 01 January	974	747
Accrued interest	45	37
Agreements entered during the year	1 340	493
Termination of lease agreements	(78)	(31)
Payments made	(763)	(363)
Classified from trade payables	-	91
Balance on 31 December	1 518	974
incl.		
Non-current	1 083	667
Current	435	307

The notes form part of these financial statements

Amounts recognized in profit and loss:

	2022	2021
	€ 000	€ 000
Depreciation expense on right of use assets	430	352
Interest expense on lease liabilities	45	37
Net proceeds from lease modifications and terminations	9	6

Disclosures required by IFRS 16:

The Group has no lease agreements that include variable payments.

The total cash outflows related to the payment of lease liabilities for the period amounted to EUR '000: (718) 2021 EUR '000 (326).

Company

	2022	2021
	€ 000	€ 000
Balance at 01 January	25	30
Accrued interest	2	1
Payments made	(10)	(6)
Balance on 31 December	17	25

23. DEFERRED TAX

Group

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

	2022	2021
	€ 000	€ 000
<i>Deferred tax asset</i>		
Unused paid leaves	37	51
Impairment of receivables	34	23
Other temporary differences	19	26
	90	100
<i>Deferred tax liability</i>		
Non-current assets depreciable	(792)	(896)
Land	(671)	(671)
	(1 463)	(1 567)
Net deferred taxes	(1 373)	(1 467)
Change in profit and loss statement for the year	94	223

The notes form part of these financial statements

Development of deferred taxes

	Unused paid leaves € 000	Impairment of receivables € 000	Other temporary differences € 000	Non-current assets depreciable € 000	Land € 000	Net deferred taxes € 000
At 01 January 2022	51	23	26	(896)	(671)	(1 467)
Additions	37	11	-	-	-	48
Used	(51)	-	(7)	104	-	46
At 31 December 2022	37	34	19	(792)	(671)	(1 373)
At 01 January 2021	-	-	-	(1 007)	(671)	(1 678)
Additions	51	23	26	-	-	100
Used	-	-	-	111	-	111
At 31 December 2021	51	23	26	(896)	(671)	(1 467)

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

There are no changes in the applicable tax rates for the years 2021 and 2022. The tax rate in the United Kingdom has increased to 25% (starting from 2023), 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.

24. RELATED PARTY DISCLOSURES

As at end the reporting period the Group has the following balances with shareholders, related parties under common control within Renalfa Solarpro Group GmbH and other related parties:

Amounts due from related parties as at 31 December

	2022 € 000	2021 € 000
Current		
Loans	5 805	6 978
Trade and other receivables	6 728	10 273
Contract assets	3 636	808
	16 169	18 059
Non current		
Loans	24 247	19 465
	24 247	19 465
Total	40 416	37 524

The notes form part of these financial statements

RELATED PARTY DISCLOSURES (CONTINUED)

Including due from:

Shareholders	23 647	2 516
Entities under common control	13 725	12 696
Other related parties	3 044	22 312
	<u>40 416</u>	<u>37 524</u>

Amounts due to related parties at 31 December

	2022	2021
	€ 000	€ 000
Current		
Loans	10 462	4 368
Trade and other payables	23 729	18 822
Contract liabilities	2 271	-
	<u>36 463</u>	<u>23 190</u>
Non current		
Loans	228	4 368
Trade and other payables	-	2 677
	<u>228</u>	<u>7 045</u>
Total	<u>36 691</u>	<u>30 235</u>

	2022	2021
Including due to:		
Shareholders	26 470	2 976
Entities under common control	9 472	8 060
Other related parties	749	19 199
	<u>36 691</u>	<u>30 235</u>

* Comparatives have been reclassified to reflect the classification used as at 31 December 2022.

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 with shareholders, related parties under common control within Renalfa Solarpro Group GmbH's group and other related parties:

Sales of goods and services

	2022	2021
	€ 000	€ 000
Sales	39 544	13 361
Interest received	773	489
	<u>40 317</u>	<u>13 850</u>

The notes form part of these financial statements

Purchase of goods and services

	2022	2021
	€ 000	€ 000
Purchase of materials	11 244	7
Purchase of hired services	378	46
Interest paid	736	162
	<u>12 358</u>	<u>215</u>

25. EVENTS AFTER THE REPORTING PERIOD

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 owns 100% of its share capital.

On 14 February 2023 the company shares amounting to 75% of Enica Ltd., owned by Solarpro Holding AD, were transferred to Solarpro Holding PLC.

On 9 March 2023 Solarpro Holding PLC acquired 10% of the share of Hybrid Storage AD, company registered under Bulgarian law.

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

On 10 May 2023 Solarpro Holding PLC increased its share capital. As a result, the total shares increased to 12 460 132, each with a face value GBP 1.

On 27 June 2023 the Group acquired (through Solarpro Technology AD, Bulgaria) 100 % of the share of Advanced Wind Services EAD., company registered under Bulgarian law with business activities including investment in development and construction of PV plants and production of electricity. In August 2023 the realized profit from the Company's activities in 2022 to be distributed as a dividend to the sole owner of the Company - Solarpro Technologies AD.

On 24 August 2023 the Group sold 100% of its shares in Hyper Solar AD, Bulgaria and 40% of its shares in Provad Solar AD, Bulgaria.

In August 2023 Solarpro Holding PLC acquired 100% of the share of Institute for Clean Technologies EAD, company registered under Bulgarian law with activities including industrial research and experimental development in the field of clean energy, including development and implementation of new energy sources and energy storage systems, acquisition, construction, operation and management of energy facilities, production of electricity from different sources.

On 11 April 2023, Kaolinovo Solar EOOD was registered in the Commercial Register of the Republic of Bulgaria with Alfa Energy KA AD as the sole owner. Alpha Energy KA AD sold its shares in Kaolinovo Solar EOOD to a related party under common control, which sale was recorded in the Commercial Register on 19 June 2023. Subsequently, Alfa Energy KA AD transferred to Kaolinovo Solar EOOD the going concern of Alfa Energy KA AD as a set of rights, obligations and factual relations within the meaning of Article 15 of the Commercial Companies Code. The transfer of the going concern was entered in the Commercial Register of the Republic of Bulgaria on 14 September 2023.

In November 2023 the share capital of Solarpro Turkey Insaat Enerji Ve Muhendislik Hizmetleri Limited Sirketi was increased by TRY 90 thousand to TRY 100 thousand, all owned by Solarpro Holding PLC.

On 12 September 2023, a shareholders resolution was signed to distribute dividends from Solarpro Holding PLC compared to the accumulated profits until 31 December 2021. The dividend in total amount of 1 304 104.964 GBP shall be paid by 31 December 2023.

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On 23 November 2023 Solarpro PLC acquired 5,674,037 shares, amounting to 12.14% of the total shares of Solarpro Holding AD.

On 5 December 2023 Solarpro PLC acquired 56,985 shares, amounting to 0.12% of the shares of Solarpro Holding AD.

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

26. ULTIMATE CONTROLLING PARTY

The immediate parent company is UAB 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.

Renalfa Solarpro group GmbH, Austria is the company that prepares group accounts and it is the largest group Solarpro Holding PLC is consolidated into.

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 2022, 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.

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 2022	€ 000 1 year or less	€ 000 1-2 years	€ 000 3-5 years	€ 000 over years	5 Total
Interest bearing loans and borrowed funds	10 729	2 902	4 659	3 413	21 703
Trade payables	19 723				19 723
Amounts owed to group undertakings	34 191	-	229		34 420
Lease liabilities	435	434	649		1518
	65 078	3 336	5 537	3 413	77 364
By 31 December 2021	€ 000 1 year or less	€ 000 1-2 years	€ 000 3-5 years	€ 000 over years	5 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

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 2022 are as follows: EUR 1 = GBP 0.88693, EUR 1 = 400.87 HUF, EUR 1 = 61.50409 MKD, 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 2022.

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 2022 or 2021.

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

28. NON-CONTROLLING INTEREST

	2022 € 000	2021 € 000
At 01 January	8 516	6 711
Profit for the year	76	2 204
Other comprehensive income	(39)	(2)
Share of total comprehensive income for the year recognized in the Consolidated Statement of profit or loss	37	2 202
NCI transferred to owners as result of share acquisition	(1 558)	(397)
At 31 December	<u>6 995</u>	<u>8 516</u>

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	
	2022	2021*	2022	2021*
	€ 000	€ 000	€ 000	€ 000
<i>Financial assets:</i>				
Trade debtors (Note 16)	6 211	5 155	6 211	6 211
Amounts owed by group undertakings (Note 16, 24)	36 780	36 716	36 780	36 780
Other debtors (Note 16)	1 226	3 329	1 226	1 624
Cash and cash equivalents (Note 17)	1 711	4 791	1 711	4 778
<i>Financial liabilities:</i>				
Financial liabilities - borrowings (Note 21)	21 703	16 877	21 703	48 799
Trade creditors (Note 20)	19 723	5 490	19 723	19 771
Amounts owed to group undertakings (Note 20, 24)	34 420	30 235	34 420	41 541
Other creditors (Note 20)	4 512	5 023	4 512	4 561
Accruals and deferred income (Note 20)	0	0	0	0
Lease liabilities (Note 22)	1 518	974	1 518	1 518

* Comparatives have been reclassified to reflect the classification used as at 31 December 2022.

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 2022, this impairment was nil, accordingly 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;

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- 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 2022.

30. ASSETS HELD FOR SALE

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 31 December 2022 both Guta Solar and Kat-A Solar are classified as disposal groups and their carrying value is compared to the fair value less cost to sale.

These operations, which are expected to be sold within 3 months, have been classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds of disposal for one of the entities (Kata Solar) are expected to exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognized for this disposal group. The proceeds of disposal for Guta Solar are below the carrying value of the net assets, therefore an impairment loss has been recognized for this disposal group on the classification of these operations as held for sale.

	Guta Solar	Kata Solar
Consideration	14 429	10 267
Carrying value, incl. Goodwill	-16 555	-8 752
	<u>-2 126</u>	<u>1 515</u>

The carrying value of Guta Solar exceeds the fair value, resulting in an impairment loss of EUR 2 126 thousand, charged against the carrying value of the Assets held for sale – disposal group, associated with Guta Solar. Thereof, EUR 1 243 thousand goodwill impairment and EUR 883 thousand impairment of assets held for sale.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

Assets Held for sale – Disposal groups	31.12.2022
	€ 000
Goodwill	991
Property, plant and equipment	53 098
Inventories	-
Trade and other receivables	1 660
Cash and bank balances	3 068
Total assets classified as held for sale	<u>58 817</u>
Trade and other payables	7 651
Tax liabilities	6
Bank overdrafts and loans	27 096
Total liabilities associated with assets classified as held for sale	<u>34 753</u>
Net assets of disposal group	<u>24 064</u>
Impairment	(883)
Net assets of disposal group, after impairment	<u>23 181</u>

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.

The notes form part of these financial statements