SUN INVESTMENT GROUP
(Private limited liability company)
INDEPENDENT AUDITOR'S REPORT,
CONSOLIDATED ANNUAL REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS for the year ended on 31 December 2023
prepared in accordance with IFRS
as adopted by the European Union

Contents

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SUN INVESTMENT GROUP, UAB

Opinion

We have audited the consolidated financial statements of SUN INVESTMENT GROUP UAB and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for Opinion

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

Other Matters

The Group's financial statements for the year ended on 31 December 2022 were audited by a different auditor whose opinion on those financial statements (issued on 23 October 2023) was unqualified with an emphasis of matter paragraph.

Other Information

Other information comprises the information included in the Group's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The management is responsible for providing other information.

Our opinion on the consolidated financial statements does not cover other information and we do not express any form of assurance conclusion thereon, except for what is indicated hereafter.

As part of the audit of consolidated financial statements, we are obligated to read other information and consider whether it is materially inconsistent with the information presented in the consolidated financial statements or with our knowledge acquired in the course of the carried out audit, and whether it is otherwise materially inconsistent. If, on the basis of the work completed, we determine that other information is materially inconsistent, we must disclose this fact. We did not identify any findings in this regard.

We are also obligated to assess whether the financial information in the Group's annual report corresponds to the consolidated financial statements of the same financial year and whether the Group's annual report was prepared following the applicable legal requirements. In our opinion, based on the work completed in the course of the audit of consolidated financial statements, in all material respects:

- Financial information in the Group's annual report corresponds to the information in the consolidated financial statements of the same financial year; and
- The annual report of the Group was prepared in accordance with the requirements of the Law of the Republic of Lithuania on Consolidated Financial Reporting by Groups of Undertakings.

MOORE Mackonis

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objective is to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence about the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for the audit opinion we issue.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Group did not comply with the requirements of Article 40(2) of the Law of the Republic of Lithuania on Corporate Income Tax and Article 15(2) of the Law of the Republic of Lithuania on Personal Income Tax, according to which the parent company had to draw up transfer pricing documentation for the financial years 2022 and 2023. The parent company's gross income in 2022 and 2023 exceeded the threshold of EUR 15 million and the transactions with related companies exceeded the threshold of EUR 90,000 per year.

Moore Mackonis, UAB
Audit Company Licence No. 001495

Sigita Pranckėnaitė
Licenced Auditor
Auditor‘s Licence No. 00627

02 August 2024
Vilnius, Republic of Lithuania

Only the the independent auditor’s report shall be signed with the electronic signature of the auditor.

Consolidated financial statements for the year ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

CONSOLIDATE ANNUAL REPORT

General information about the Group:

Name	Sun Investment Group, UAB
Legal form	Private limited liability company
Company code	302662621
VAT payer's code	LT100006408511
Authorised capital	EUR 100,686 divided into 10,063,600 ordinary registered shares of EUR 0.01 per share
Shareholders	100% Sun Investment Group Sarl
Registered address	Gedimino pr. 44A–501, LT-01110 Vilnius
Telephone No	+370 602 81 979
Email	vilnius@suninvestmentgroup.com
Website	https://suninvestmentgroup.com/
Date and place of registration	1 September 2011, Centre of Registers SE, Vilnius branch
Data on Company maintained	Register of Legal Entities
Nature of main activities	Design and installation of solar power plants

I. Objective overview of the Group's situation, performance and development, description of the main risks and uncertainties faced by the Group

Directions of activities the Group prioritises

The Group consists of the Company and its 28 subsidiaries (23 as at 31 December 2022), 64 indirect subsidiaries (64 as at 31 December 2022).

Sun Investment Group is an international group of companies mainly active in the field of renewable energy.

The main risks the Group is facing

- Introduction of new taxes related to its business activities or increase of existing tax rates.
- Lack of skilled work force.
- Unfavourable changes with regard to regulation of renewable energy sector.
- Sudden inflation or general deterioration of the country's economic situation.

II. Analysis of the Group's financial and non-financial performance, information related to environmental issues, distinguishing climate action, personnel, anti-corruption and bribery, also distinguishing bribery of foreign officials in international business transactions

Consolidated sales revenue in 2023 amounted EUR 12,946 thousand and was 55% lower than the revenue in 2022 (EUR 23,554 thousand in 2022). In 2023, the cost of sales amounted to EUR 10,340 thousand (EUR 22,970 thousand in 2022).

In 2023, consolidated gross operating profit amounted to EUR 2,605 thousand (EUR 2,082 thousand in 2022).

As at 31 December 2023, the Group's consolidated assets amounted to EUR 58,253 thousand (EUR 45,070 thousand as at 31 December 2022).

Consolidated financial statements for the year ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Key events of 2023

On 11 October 2023, Sun Investment Group, UAB has established new companies in Spain: Sun Investment ES Financial Services 1 SA, Sun Investment ES Financial Services 2 SA, Sun Investment ES Financial Services 3 SA.

On 30 November 2023, Sun Investment Group, UAB has established new companies in Spain: SUN INVESTMENT ES ASSETCO 3, SL; SUN INVESTMENT ES ASSETCO 4, SL; SUN INVESTMENT ES ASSETCO 5, SL.

Indicators describing the operations of the Group

Indicator	**2023**	**2022**
Gross Profitability = Gross Profit/Sales	20.1%	2.5%
Net Profitability = Net Profit/Sales	20.6%	(9.9)%
Debt ratio = Liabilities/Total assets	0.80	0.81
Turnover of assets = sales/total assets	0.22	0.52

Employees
In 2023, the average number of employees in the Group was 151 (209 employees in 2022).

Information about the CEO
Managerial positions undertaken by Deividas Varabauskas, the CEO of Sun Investment Group[1]:

Person	**Legal form**	**Name**	**Company code**	**Address**	**Position**
Deividas Varabauskas	PLLC	SIG Lux HoldCo S.a.r.l.	B273000	6 Rue Dicks, L-1417 Luxembourg, Grand-Duché de Luxembourg	Member of the board
Deividas Varabauskas	PLLC	Sun Investment Group S.a.r.l.	B273924	8, rue Dicks, L-1417 Luxembourg, Grand-Duché de Luxembourg	Member of the board
Deividas Varabauskas	PLLC	SIG Project Italy 1 S.r.l.	2607654	Via Porlezza 12 CAP 20123 Milan	Member of the board
Deividas Varabauskas	PLLC	SIG Project Italy 2 S.r.l.	05396770280	Via Borgogna 8 - Milan (MI) – 20122	Member of the board
Deividas Varabauskas	PLLC	Sun Investment Group B.V.	80506577	Keizersgracht 241 Amsterdam, 1016EA the Netherlands	Member of the board
Deividas Varabauskas	PLLC	Galway Investment sp. z o.o.	0000689590	Plac Piłsudskiego 2, 00-073 Warszawa	Member of the board
Deividas Varabauskas	PLLC	Nogridas, UAB	304287390	Kauno g. 16–307, LT-03212 Vilnius	Shareholder
Deividas Varabauskas	PLLC	Spektro spindis, UAB	303403073	J. Savickio g. 4–7, LT-01108 Vilnius	Chief Executive Officer

[1] Main employer.

Consolidated financial statements for the year ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Deividas Varabauskas	PLLC	DAD 3 Limited	HE423030	Michalakopoulou, 27 Flat/Office SF03 1075, Nicosia, Cyprus	Member of the board
Deividas Varabauskas	PLLC	Eternia solar, UAB	305697524	Gedimino pr. 44A–501, LT-01110 Vilnius	Chief Executive Officer

The activities carried out by the Group are not subject to specific environmental requirements.

III. References to figures in the consolidated financial statements and additional explanations

The information provided in the consolidated financial statements and in the notes is sufficient, complete and does not require any additional clarification.

IV. Information on major events after the financial year ended

There had been no events between the reporting date and the date of the approval of these consolidated financial statement that could have affected the financial statements or should have been further disclosed, other than the events specified in note 29 to these consolidated financial statements.

V. The Group's plans and forecasts

It is planned to continue directing the main investments to the development of renewable energy sector in Lithuania, Poland, Spain and Italy. These investments reflect long-term strategic priorities of the Group.

VI. Information on the Group's research and development activities

Market research is commissioned to support the projects carried out by the Group. The annual budget for the surveys is not fixed - they are carried out as needed.

VII. Number and nominal value of shares of the parent company held by the parent company, its subsidiaries or by persons acting in their own name but on their behalf

The Company does not hold any own shares.

VIII. Information about financial risk management objectives, the hedging instruments used for hedge accounting and the extent of the Group's price risk, credit risk, liquidity risk and cash flow risk when the Group uses financial instruments and when relevant for the valuation of the Group's assets, equity, liabilities, income and expenses

The Group did not use any significant financial instruments that are important for the assessment of the Group's assets, liabilities, financial position and performance.

Deividas Varabauskas
Chief Executive Officer
Sun Investment Group, UAB

Vilnius, Republic of Lithuania
02 August 2024

Consolidated financial statements for the year ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Consolidated Statement of Financial Position

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,870	2,724
Investment property		–	–
Intangible assets	5	36,562	30,458
Right-of-use assets	4	181	–
Granted long-term loans	6	2,279	514
Other investments	9	–	–
Deferred income tax assets		–	5
Total non-current assets		**45,892**	**33,702**
Current assets			
Granted loans	6	1,017	60
Inventories	8	1,363	1,499
Trade and other receivables	7	2,831	1,859
Contract assets	18	–	2,261
Prepayments, deferred charges and accrued income	10, 18	5,926	2,508
Prepayment of income tax		9	8
Cash and cash equivalents	11	1,215	3,173
Total current assets		**12,361**	**11,368**
TOTAL ASSETS		**58,253**	**45,070**

(Continued in the following page)

Consolidated financial statements for the year ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Consolidated Statement of Financial Position (continued)

	Notes	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Authorised capital	12	101	101
Share premium		–	–
Legal reserve		20	10
Revaluation reserve		–	–
Reserve of changes in currency exchange rates		(41)	(51)
Retained profit (loss)	12	11,113	8,524
Total equity capital		**11,193**	**8,584**
Non-current liabilities			
Loans from banks and lease liabilities	13	3,485	96
Other financial payables	14	29,515	24,466
Income tax liabilities	25	–	–
Deferred income tax liabilities		205	576
Total non-current liabilities		**33,205**	**25,138**
Current liabilities			
Loans from banks and lease liabilities	13	822	3,955
Issued bonds	14	5,000	–
Other financial payables	14	1,679	3,621
Income tax liabilities		6	–
Received prepayments, accrued liabilities and deferred income	15	3,214	1,538
Contract liabilities		–	161
Liabilities related to employment	16	620	677
Trade and other payables, and current liabilities	17	2,514	13,96
Total current liabilities		**13,855**	**11,348**
Total liabilities		**47,060**	**36,486**
TOTAL EQUITY AND LIABILITIES		**58,253**	**45,070**

The notes below form an integral part of these consolidated financial statements.

Consolidated financial statements prepared and signed on 2 August 2024.

Deividas Varabauskas Chief Executive Officer	Gediminas Januškevičius Chief Financial Officer

Consolidated financial statements for the year ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Consolidated Statement of Profit (Loss) and Other Comprehensive Income

	Notes	2023	2022
Revenue	18	12,946	23,554
Cost of sales	19	(10,340)	(22,970)
Gross profit		**2,606**	**584**
Income from other activities	20	326	170
Costs of other activities	20	(86)	(186)
Sales costs	21	–	(71)
Administrative costs	22	(1,714)	(2,816)
Operating profit (loss)		**1132**	**(2,320)**
Profit (loss) from transferred investments in subsidiaries	23	–	**642**
Income from financing activities	24	1,443	209
Costs of financing activities	24	(708)	(613)
Result of financing activities		**734**	**(403)**
Operating profit (loss) before tax		**1,866**	**(2,082)**
Income tax	25	724	(210)
Net profit (loss)		**2,590**	**(2,292)**
Other comprehensive income			
Other comprehensive income to be carried forward to the profit (loss) statement:			
Effect of currency exchange		11	(37)
Other comprehensive income to be carried forward to the profit (loss) statement		**11**	**(37)**
Other comprehensive income that will not be carried forward to the profit (loss) statement:			
Accumulated employee benefits		–	–
Other comprehensive income that will not be carried forward to the profit (loss) statement			
Total comprehensive income		**2,601**	**(2,329)**
Net profit (loss) attributable to:			
Shareholders of the parent company		2,590	(2,292)
Minority interests		–	–
Total comprehensive income attributable to:			
Shareholders of the parent company		**2,601**	**(2,329)**
Minority interests		**-**	**-**
Depreciation and amortization	22	111	224
EBITDA		**2,712**	**(2,096)**
% Gross profitability		*20%*	*-10%*
% EBITDA		*21%*	*-9%*

The notes below form an integral part of these consolidated financial statements.
Consolidated financial statements prepared and signed on 2 August 2024.

Deividas Varabauskas	Gediminas Januškevičius
Chief Executive Officer	Chief Financial Officer

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Consolidated Statement of Changes in Equity

	Authorised capital	Legal reserve	Reserve of changes in currency exchange rates	Other reserves	Retained profit (loss)	Attributable to the shareholders of the parent company	Non-controlling interests	Total
1 January 2022	101	-	(15)	-	10,772	10,913	(54)	10,859
Net profit (loss) of the reporting period	-	-	-	-	(2,292)	(2,292)	–	(2, 292)
Other comprehensive income of the reporting period to be carried forward to the profit (loss) statement	–	–	(37)	_		(37)	–	(37)
Transfers to reserves	–	10	–	-	(10)	-	–	-
Increase in authorised capital	–	–	–	–	–	–	–	–
Acquisition of minority interests	–	–	–	-	54	–	54	54
Paid dividends	-	-	-	-	-	-	-	-
31 December 2022	**101**	**10**	**(51)**		**8,524**	**8,584**	**-**	**8,584**
Net profit (loss) of the reporting period	-	-	-	-	2,590	2,590	-	2,590
Other comprehensive income of the reporting period to be carried forward to the profit (loss) statement	–	–	11	-	11	11	–	11
Transfers to reserves	–	10	–	–	-10	-10	–	-10
Acquisition of minority interests	–	–	–	–	–	–	–	–
Paid dividends	–	–	–	–	–	–	–	–
31 December 2023	**101**	**20**	**(41)**		**11,113**	**11,193**	**-**	**11,193**

The notes below form an integral part of these consolidated financial statements.

Consolidated financial statements prepared and signed on 2 August 2024.

Deividas Varabauskas Chief Executive Officer	Gediminas Januškevičius Chief Financial Officer

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Consolidated Statement of Cash Flows

	Notes	2023	2022
I. Operating cash flows			
Net profit (loss)		**2,590**	**(2 292)**
Elimination of non-monetary transactions			
Depreciation costs	4	63	204
Amortization costs	5	48	20
Profit share of associates and joint ventures		-	54
Decrease in (reversal of) the value of trade and other receivables	7	-	-
Devaluation (reversal) of inventories to net realizable value	8	-	-
Decrease in (reversal of) the value of granted loans	6	-	-
Decrease in the value of other investments	9	-	-
Change in fair value of derivative financial instruments		-	-
Change in the employee benefits liability			576
Change in provisions		(372)	-
(Income from) costs of financing activities	24	(734)	403
Effect of changes in currency exchange rates		681	(37)
(Profit) loss from transferred property, plant and equipment, and intangible assets	20		-
(Profit) loss from transferred investments in subsidiaries	23	-	642
(Profit) loss from transferred discontinued activities		-	-
Income tax costs (income)	25		210
Amortization of grants		-	-
Elimination of other non-monetary items		2,775	404
Effect of changes in turnover capital:			
(Increase) decrease in inventories	8	136	7,317
(Increase) decrease in trade and other receivables	7	(972)	529
(Increase) decrease in contract assets		2,261	393
(Increase) decrease in prepayments, deferred charges and accrued income	10	(3,418)	231
Increase (decrease) in assets for sale		-	-
Increase (decrease) in trade and other payables, and current liabilities	17	1,118	(2,968)
Increase (decrease) in received prepayments, accrued liabilities and deferred income	15	1,676	35
Increase (decrease) in contract liabilities		(161)	(85)
Increase (decrease) in liabilities related to employment	16	(57)	(20)
Paid income tax			(411)
Net operating cash flows		**5,634**	**5,204**

(Continued in the following page)

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Consolidated Statement of Cash Flows (continued)

	Notes	2023	2022
II. Cash flows from investing activities			
Acquired property, plant and equipment		(17,207)	(19,128)
Transferred property, plant and equipment, and intangible assets		3,219	-
Received dividends		-	-
Transferred discontinued activities		-	-
Purchase of non-controlling interest		-	-
Acquired bonds		-	-
Acquisition of other long-term investments		-	-
Acquired associates		-	-
Acquired subsidiaries		-	-
Sold subsidiaries	23	-	11
Payments of term deposits		-	-
Redemption of term deposits		-	-
Granted loans	6	(3,351)	(1,098)
Recovered loans	6	629	844
Received interest	6	80	-
Other increase (decrease) in cash flows from investing activities			-
Net cash flows from investing activities		**(16,629)**	**(19,371)**
III. Cash flows from financing activities			
Acquired loans	13; 14	13,488	51,636
Returned loans	13; 14	(9,874)	(33,127)
Issued bonds		5,000	-
Acquired bonds			
Paid interest and expenses of transactions	13; 14	(474)	(1,573)
Lease payments	14	(231)	(264)
Paid dividends		-	-
Change in non-controlling interests		-	-
Other increase (decrease) in cash flows from financing activities		(128)	-
Net cash flows from financing activities		**7,780**	**16,672**
Effect of changes in currency exchange rates on the balance of cash and cash equivalents		1,256	-
Net increase (decrease) in cash flows		**(1,958)**	**2,506**
Cash and cash equivalents at the beginning of the period		**3,173**	**667**
Cash and cash equivalents at the end of the period		**1,215**	**3,173**

The notes below form an integral part of these consolidated financial statements.

Consolidated financial statements prepared and signed on 2 August 2024.

Deividas Varabauskas	Gediminas Januškevičius
Chief Executive Officer	Chief Financial Officer

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Explanatory Notes

1. General Information

Sun Investment Group, UAB (the Company) is a public limited liability company registered in the Register of Legal Entities on 1 September 2011 in accordance with the Law on the Register of Enterprises of Lithuania, company code: 302662621, registered office address: Gedimino pr. 44A–501, LT-01110 , Vilnius. Activities of the Company involve business and management consulting services.

The company is fully (100%) owned by the ultimate parent company Sun Investment Group S.a.r.l., with registered office at 6 Rue Dicks, L-1417 Luxembourg, Grand-Duché de Luxembourg, company code: B273000. Activities of the company involve business and management consulting services.

The Group consists of the Company and its 28 subsidiaries (23 as at 31 December 2022), 64 indirect subsidiaries (64 as at 31 December 2022).

The Company's direct subsidiaries with 100% shareholding (amount of equity and net profit (loss) in consolidated financial statements):

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
SIG POLSKA PORTFOLIO 7 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	812492	Poland	1	(16)	(4)	1	(2)	(12)	Solar energy project company (sold in 2022).
SIG POLSKA PORTFOLIO 8 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	812514	Poland	1	(35)	3	1	(16)	(39)	Solar energy project company (sold in 2022).
SIG PV 32 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	913314	Poland	1	(5)	(4)	1	(2)	(1)	Solar energy project company (sold in 2022).
SIG Development Italy S.r.l.	Largo degli Obizzi 19/5 – 35020 Albignasego (PD)	PD - 461562	Italy	972	18	1	-	199	17	Development of solar PV projects in Italy (established in 2021).
Sun Investment Services, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	3,06E+08	Lithuania	-	(51)	(6)	-	(45)	6	Business and management consulting (established in 2021).
Eternia Solar, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	3,06E+08	Lithuania	4982	10921	171	4758	10201	(2)	Business and management

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
										consulting (established in 2021).
Saulės elektrinių ranga, UAB	Kauno g. 16–307, LT-03212 Vilnius	3,05E+08	Lithuania	152	128	11	135	117	6	Installation of electrical systems.
SIG AssetCo 1, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	3,06E+08	Lithuania	12709	(26)	(17)	-	(8)	(7)	Business and management consulting (established in 2021).
Sun Investment Services PL sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	909604	Poland	-	(13)	(2)	-	(3)	(3)	Business and management consulting (established in 2021).
Astroinvesticijos PL, UAB	Kryžiokų g. 456, LT-08422 Vilnius	3,05E+08	Lithuania	-	2657	320	-	(150)	2337	Holding company.
SIG Italy 1, UAB	Kryžiokų g. 456, LT-08422 Vilnius	3,06E+08	Lithuania	-	539	7	-	28	564	Electricity generation.
SIG Poland 3, UAB	Kryžiokų g. 456, LT-08422 Vilnius	3,06E+08	Lithuania	4735	(252)	(151)	5928	(109)	(100)	Electricity generation.
SIG Poland 4, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	3,06E+08	Lithuania	20484	(258)	(36)	15611	(215)	(222)	Business and management consulting (established in 2021).
SIG AssetCo, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	3,06E+08	Lithuania	23395	8094	(1,028)	26235	(280)	9123	Business and management consulting (established in 2021).
SIG PL Holding 6, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	3,06E+08	Lithuania	-	(14)	(10)	325	(6)	(3)	Electricity generation (established in 2022).
SIG PL Holding 7, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	3,06E+08	Lithuania	-	(14)	(10)	611	(6)	(3)	Electricity generation (established in 2022).

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
SIG Project Italy 1 S.r.l.	Via Borgogna 8 - Milan (MI) - 20122	2607654	Italy	-	(43)	(7)	31996	(44)	(36)	Solar energy project company.
SIG Project Italy 2 S.r.l.	Via Borgogna 8 - Milan (MI) - 20122	5,4E+09	Italy	4360	(3)	(5)	-	(2)	2	Solar energy project company (established in 2021).
Sun Investment Group B.V.	Keizersgracht 241 Amsterdam, 1016EA the Netherlands	80506577	The Netherlands	-	(97)	(222)	-	(240)	(1,588)	Business and management consulting.
SIG PV 40 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	949394	Poland	-	(5)	(4)	33	(2)	(1)	Solar energy project company (established in 2022).
SUN INVESTMENT PV PROJECTS DEVELOPMENT ES S.L.U.	Avda. Diagonal 640, 6a Planta, 08017 Barcelona	B-10672376	Spain	-	(573)	(521)	-	(55)	(52)	Business and management consulting (established in 2022).
Sun Investment ES Financial Services 1 SA	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	A-56525942	Spain	1039	60	(0)	-	-	-	Business and management consulting (established in 2023).
Sun Investment ES Financial Services 2 SA	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	A-56526213	Spain	14572	59	(1)	-	-	-	Business and management consulting (established in 2023).
Sun Investment ES Financial Services 3 SA	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	A-56777493	Spain	60	60	(0)	-	-	-	Business and management consulting (established in 2023).
SUN INVESTMENT ES ASSETCO 3, SL	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	B-56752322	Spain	3	3	-	-	-	-	Solar energy project company (established in 2023).

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
SUN INVESTMENT ES ASSETCO 4, SL	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	B-56752330	Spain	3	3	-	-	-	-	Solar energy project company (established in 2023).
SUN INVESTMENT ES ASSETCO 5, SL	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	B-56752348	Spain	3	3	-	-	-	-	Solar energy project company (established in 2023).
SIG PV 10 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	0000837194	Poland	-	(7)	(2)	-	-	-	Acquired in 2023.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

The Company's direct subsidiaries with 50% shareholding or higher:

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
Solinvesticijos PL, UAB	Kryžiokų g. 456, LT-08422 Vilnius	305300403	Lithuania	-	7648	399	3	3351	7249	Holding company.

The Company's indirect subsidiaries with 100% shareholding:

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
Sun Investment Development PL sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	646954	Poland	6395	(746)	78	6395	(4,185)	(3,983)	Development of solar PV projects in Poland (in 2020 the Company's direct subsidiary).
Eternia Solar LT, UAB	Kauno g. 16–307, LT-03212 Vilnius	304521263	Lithuania	10208	5366	1255	10208	1367	4111	Installation of solar power plants, B2B segment (in 2020 the Company's direct subsidiary).
Sun Investment Development DE GmbH	Herzogspitalstraße 24, 80331 München	HRB 262022	Germany	25	(662)	(114)	25	(598)	(1,065)	Installation of solar power plants.
Eternia Solar PL sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	907851	Poland	1	(248)	50	1	(215)	(248)	Installation of solar power plants (established in 2021).
Eternia Services LT, UAB	Gedimino pr. 44A–501, LT-01110 Vilnius	305925789	Lithuania	3	(223)	(126)	3	(100)	(97)	Repair of electrical equipment (established in 2021).
Eternia Services PL sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	907846	Poland	1	49	14	1	35	36	Repair of electrical equipment (established in 2021).
Siginvesticijos PL, UAB	Kryžiokų g. 456, LT-08422 Vilnius	305300428	Lithuania	17500	490	80	17500	(2)	414	Holding company.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
SIG POLSKA PORTFOLIO 1 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	798072	Poland	1	(22)	(2)	1	(2)	(18)	Solar energy project company.
SIG POLSKA PORTFOLIO 2 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	745534	Poland	1	(103)	(3)	1	(2)	(93)	Solar energy project company.
SIG POLSKA PORTFOLIO 3 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	745531	Poland	1	(25)	27	1	(3)	(48)	Solar energy project company.
SIG POLSKA PORTFOLIO 4 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	745258	Poland	1	(94)	21	1	-	(106)	Solar energy project company.
SIG POLSKA PORTFOLIO 5 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	798073	Poland	1	(27)	2	1	(12)	(37)	Solar energy project company.
SIG POLSKA PORTFOLIO 6 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	812474	Poland	1	17	27	1	(2)	(9)	Solar energy project company.
SIG POLSKA PORTFOLIO 7 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	812492	Poland	1	(16)	(4)	1	(2)	(12)	Solar energy project company.
SIG POLSKA PORTFOLIO 8 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	812514	Poland	1	(35)	3	1	(16)	(39)	Solar energy project company.
ELEKTROWNIA PV ROGOŹNIK sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	812594	Poland	1	(12)	(3)	1	(2)	(8)	Solar energy project company.
Elektrownia PV Bobrowniki sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	826862	Poland	79	(9)	(4)	79	(3)	(5)	Solar energy project company.
Elektrownia PV Pławnica sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	833171	Poland	1	(9)	(4)	1	(2)	(5)	Solar energy project company.
Elektrownia Słoneczna PV Kozodrza sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	826715	Poland	1	(8)	(3)	1	(2)	(5)	Solar energy project company.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
Elektrownie Słoneczne PV Południe sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	826761	Poland	1	1	5	1	(2)	(4)	Solar energy project company.
SIG Fotowoltaika 1 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	832944	Poland	18	(30)	(3)	18	(8)	(25)	Solar energy project company.
SIG Fotowoltaika 2 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	832937	Poland	1	(8)	(3)	1	(2)	(5)	Solar energy project company.
SIG PV Centrum sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	832932	Poland	43	(9)	4	43	(7)	(12)	Solar energy project company.
SIG PV 1 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837210	Poland	1	(7)	(2)	1	(2)	(4)	Solar energy project company.
SIG PV 2 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837146	Poland	1	(7)	(2)	1	(2)	(4)	Solar energy project company.
SIG PV 3 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837122	Poland	1	(8)	(3)	1	(2)	(4)	Solar energy project company.
SIG PV 4 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837193	Poland	1	(7)	(2)	1	(2)	(4)	Solar energy project company.
SIG PV 5 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837215	Poland	1	(7)	(2)	1	(2)	(4)	Solar energy project company.
SIG PV 6 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854316	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 8 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837127	Poland	1	(7)	(2)	1	(2)	(4)	Solar energy project company.
SIG PV 10 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837194	Poland	-	(7)	(2)	-	-	-	Solar energy project company.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
SIG PV 12 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854221	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 11 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	837200	Poland	1	(7)	(2)	1	(2)	(4)	Solar energy project company.
SIG PV 13 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854154	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 14 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854321	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 15 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854440	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 16 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854274	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 17 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854157	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 19 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854319	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 20 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854887	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 21 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854093	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 23 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	854268	Poland	1	(6)	(2)	1	(2)	(3)	Solar energy project company.
SIG PV 24 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	870874	Poland	1	(3)	(3)	1	(2)	(1)	Solar energy project company.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
SIG PV 25 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	870880	Poland	1	(3)	(3)	1	(2)	(1)	Solar energy project company.
SIG PV 27 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	870924	Poland	1	(3)	(3)	1	(2)	(1)	Solar energy project company.
SIG PV 28 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	870328	Poland	1	(3)	(3)	1	(2)	(1)	Solar energy project company.
SIG PV 29 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	870892	Poland	1	(3)	(3)	1	(1)	-	Solar energy project company.
SIG PV 32 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	913314	Poland	1	(5)	(4)	1	(2)	(1)	Solar energy project company (established in 2022).
SIG PV 41 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	950357	Poland	1	(5)	(3)	1	(3)	(2)	Solar energy project company (established in 2022).
SIG PV 44 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	950003	Poland	1	(4)	(3)	1	(2)	(1)	Solar energy project company (established in 2022).
SIG PV 45 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	948954	Poland	1	(1)	0	1	(2)	(1)	Solar energy project company (established in 2022).
SIG PV 46 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	948966	Poland	1	(4)	(3)	1	(2)	(1)	Solar energy project company (established in 2022).
SIG PV 47 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	950005	Poland	1	(5)	(3)	1	(2)	(1)	Solar energy project company (established in 2022).
SIG PV 48 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	949105	Poland	1	(5)	(3)	1	(2)	(1)	Solar energy project company (established in 2022).
SIG PV 42 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	948962	Poland	1	(3)	(3)	1	(1)	-	Solar energy project company (established in 2022).

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

				31 December 2023			31 December 2022			
Subsidiary	**Address**	**Company code**	**Country**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Book value of investments**	**Equity**	**Net profit (loss)**	**Brief description of activities**
SIG PV 43 sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	952728	Poland	1	(3)	(3)	1	(1)	-	Solar energy project company (established in 2022).
ELEKTROWNIA PV NIEGOSŁAWICE sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	756677	Poland	1	30	11	1	25	18	Solar energy project company.
ELEKTROWNIA PV MŁODZIKOWO sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	812542	Poland	22	(8)	(12)	22	(5)	4	Solar energy project company.
ELEKTROWNIA PV KŁODZKO sp. z o.o.	Plac Piłsudskiego 2, 00-073 Warszawa	.0000812752	Poland	21	90	100	21	(2)	(9)	Solar energy project company.
SUN INVESTMENT ES ASSETCO 1, SL	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	B-56526056	Spain	3	3	-	-	-	-	Business and management consulting (established in 2023).
SUN INVESTMENT ES ASSETCO 2, SL	Paseo de la Castellana 182, 9th floor, 28046 - Madrid	B-56526387	Spain	3	3	-	-	-	-	Business and management consulting (established in 2023).
SIG Project Italy 3 S.r.l.	Largo degli Obizzi n.19/5, sotto, Albignasego	5555130284	Spain	10	10	(0)	-	-	-	Solar energy project company (established in 2023).
SIG Project Italy 4 S.r.l.	Largo degli Obizzi n.19/5, sotto, Albignasego	5555140283	Spain	10	10	(0)	-	-	-	Solar energy project company (established in 2023).
SIG Project Italy 5 S.r.l.	Largo degli Obizzi n.19/5, sotto, Albignasego	5555230282	Spain	10	10	(0)	-	-	-	Solar energy project company (established in 2023).

1. General Information (continued)

Sales of Group companies

In 2023, the Group companies did not sell to third parties.

Acquisitions/new companies by Group companies

On 11 October 2023, Sun Investment Group, UAB has established new companies in Spain: Sun Investment ES Financial Services 1 SA, Sun Investment ES Financial Services 2 SA, Sun Investment ES Financial Services 3 SA.

On 11 October 2023, Sun Investment ES Financial Services 1 SA has established new companies in Spain: SUN INVESTMENT ES ASSETCO 1, SL; SUN INVESTMENT ES ASSETCO 2.

On 30 November 2023, Sun Investment Group, UAB has established new companies in Spain: SUN INVESTMENT ES ASSETCO 3, SL; SUN INVESTMENT ES ASSETCO 4, SL; SUN INVESTMENT ES ASSETCO 5, SL.

On 26 June 2023, SIG AssetCo 1, UAB has established new companies in Italy: SIG Project Italy 3 S.r.l., SIG Project Italy 4 S.r.l., SIG Project Italy 5 S.r.l..

Other general Information

In 2023, the average number of employees in the Group was 151 (209 employees in 2022).

2. New Standards, Amendments and Interpretations

Application of new and/or amended IFRS and Interpretations by International Financial Reporting Interpretations Committee (IFRIC)

New standards, amendments and interpretations applied by the Group

Proceeds before Intended Us, Onerous Contracts – Cost of Fulfilling a Contract, Reference to the Conceptual Framework – narrow-scope Annual Improvements to IAS 16, IAS 37 and International Financial Reporting Standards 2018-2020 Cycle – IFRS 9.

- The amendment to IAS 16 prohibits a company from deducting from the cost of non-current tangible assets amounts received from selling items produced while the company is preparing the asset for its intended use. The proceeds from the sale of such products, as well as related costs are now recognised in profit or loss. An entity will apply IAS 2 to determine the cost of such products. Cost will not include depreciation of the tested asset because it is not yet ready for its intended use. The amendment to IAS 16 also clarifies that an entity is ‘testing whether the asset is functioning properly’ when assessing the technical and physical performance of the asset. Financial indicators related to assets are not relevant for this assessment. As a result, assets can function as intended by management and are depreciated before they reach the performance targets set by management.

  Example 13 in IFRS 16 has been amended to remove an example of payments made by a lessor in connection with improvements to an underlying asset. The purpose of the amendment is to remove any potential ambiguity in the accounting for lease incentives.

  These amendments did not affect the consolidated accounts of the Group because at the beginning of the earliest period presented or thereafter no products of non-current tangible assets prepared for their intended use had been sold.

- Amendment to IAS 37 clarifies the meaning of ‘cost of fulfilling a contract’. The amendment clarifies that costs that relate directly to the contract include incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract instead of assets dedicated to that contract.

  These amendments did not affect the consolidated financial statements of the Group - as at 1 January 2022 the Group had no onerous contracts under which it had not yet settled all its liabilities.

- The amendment to IFRS 9 specifies the fees that should be included in the '10 per cent' derecognition test of financial liabilities. Costs or fees could be paid to third parties or the lender. According to the correction, costs or fees to third parties will not be included in the '10 per cent' test.

  These amendments did not affect the Group's consolidated financial statements because there were no changes to the terms and conditions of the Group's financial instruments during the period.

There are several other amendments applicable for the first time in 2022, but they do not affect the consolidated financial statements of the Group for the year ended on 31 December 2023.

Issued but not yet effective IFRSs

The following are other new standards, amendments and interpretations applicable to annual periods beginning on or after 1 January 2023 that have not been applied in preparing these consolidated financial statements. Newly issued standards have been adopted by the European Union, unless otherwise specified. These standards, amendments and interpretations are not expected to have a material effect on the Group in the current or future reporting periods and on transactions that will occur in the near future.

- *Classification of liabilities as current or non-current* – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024).

  These narrow-scope amendments specify that liabilities are classified as either current or non-current based on rights that are in existence at the end of the reporting period. Liabilities are non-current if the entity has a substantial right at the end of the reporting period to defer the settlement of the liability for at least 12 months. The guidelines no longer require this right to be unconditional. Management's expectations about whether it will subsequently exercise the right to defer the settlement of a liability do not affect the classification of liabilities. A right to defer settlement of a liability exists only if the entity meets all the relevant conditions at the end of the reporting period. A liability is classified as current if the condition is breached at or before the reporting date, even if the lender issues a waiver of the condition after the reporting period. Otherwise, a loan is classified as non-current if the condition of the loan is breached only after the reporting period. In addition, the amendments clarify the requirements for the classification of the debt that a company can pay by converting it into equity. 'Payment' is defined as the extinguishment of a liability upon settlement in cash, other resources embodying economic benefits or equity instruments belonging to the entity. There is an exception for convertible instruments that can be converted to equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

  These amendments have not yet been adopted by the European Union. The Group has not yet assessed the impact of the implementation of these amendments.

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies (applied for annual periods beginning on or after 1 January 2023).
  The amendments to IAS 1 require undertakings to disclose material accounting policies, instead of significant accounting policies. The amendment provides a definition of material accounting policy information. The amendment also clarifies that accounting policy information is considered material if users of an entity's financial statements would need it to understand other material information in the financial statements. The amendment provides examples of accounting policy information that is expected to be material to an entity's financial statements. In addition, the amendments to IAS 1 clarify that immaterial accounting policy information need not be disclosed. However, if disclosed, it must not obscure material accounting policy information. This amendment was accompanied by an amendment to IFRS Practice Statement 2 *Making Materiality Judgements*, which provides guidance on how to apply the concept of materiality to accounting policy disclosures.
  The Group has not yet assessed the impact of the implementation of these amendments.

- Amendments to IAS 8 – Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023).
  Amendments to IAS 8 clarify how entities should distinguish between changes to accounting policies and changes to accounting estimates.
  The Group has not yet assessed the impact of the implementation of these amendments.

- Deferred income tax relating to assets and liabilities arising from a single transaction – Amendments to IAS 12 (applicable for annual periods beginning on or after 1 January 2023).
  The amendments to IAS 12 specify how to account for deferred income tax on transactions such as leases and decommissioning liabilities. In those circumstances, entities can apply recognition exemption to deferred income tax at the initial recognition of assets or liabilities. In the past, there was some uncertainty as to whether transactions such as leases and decommissioning liabilities, i.e. transactions to which both assets and liabilities are recognised, were exempt. The amendments clarify that the exemption does not apply and that entities are obliged to recognise deferred income tax on such transactions. The amendments require companies to recognise deferred income tax on transactions that give rise, on initial recognition, to equal amounts of taxable and deductible temporary differences.
  These amendments will not affect the Group's consolidated financial statements because the Group currently recognises deferred income tax on transactions that give rise, on initial recognition, to equal amounts of taxable and deductible temporary differences.

Neither of these amendments is likely to have a material effect on the Company's financial statements.

The following new standards and amendments are effective as of 1 January 2023.

Application of new and revised International Financial Reporting Standards

New standards and amendments effective for annual periods beginning on or after 1 January 2023.

IFRS 17 Insurance Contracts.

FRS 17 *Insurance Contracts* replaces IFRS 4 *Insurance Contracts* and establishes a comprehensive accounting model for all insurance contracts.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It is also required to apply similar principles to existing reinsurance contracts and investment contracts with discretionary participation features. The objective is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position and financial performance.

In addition to the comprehensive valuation model, the standard also provides for a simplified approach for insurance contracts with a maturity of less than 12 months from the date of issue.

Initial application of IFRS 17 and IFRS 9 - comparative information.

This amendment updates IFRS 17 and applies when an entity first applies IFRS 17 and IFRS 9 at the same time. It adds a transition option, known as a classification overlay, related to comparative information of financial assets. This is relevant when an organisation has decided not to restructure comparative information when transitioning to IFRS 9.

Under this transition option, undertakings may present comparative information for such financial assets as if the classification and measurement requirements of IFRS 9 applied. This allows insurers to reduce potential material accounting mismatches between financial assets and insurance contract liabilities arising in the comparative period.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies (issued on 12 February 2021 and applied for annual periods beginning on or after 1 January 2023).

The amendments to IAS 1 require undertakings to disclose material accounting policies, instead of significant accounting policies. The amendment provides a definition of material accounting policy information. The amendment also clarifies that accounting policy information is considered material if users of an entity's financial statements would need it to understand other material information in the financial statements. The amendment provides examples of accounting policy information that is expected to be material to an entity's financial statements. In addition, the amendments to IAS 1 clarify that immaterial accounting policy information need not be disclosed. However, if disclosed, it must not obscure material accounting policy information. This amendment was accompanied by an amendment to IFRS Practice Statement 2 *Making Materiality Judgements*, which provides guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8 – Definition of Accounting Estimates (issued on 12 February 2021 and applied for annual periods beginning on or after 1 January 2023).

Amendments to IAS 8 clarify how entities should distinguish between changes to accounting policies and changes to accounting estimates.

Deferred income tax relating to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and applied for annual periods beginning on or after 1 January 2023).

The amendments to IAS 12 specify how to account for deferred income tax on transactions such as leases and decommissioning liabilities. In those circumstances, entities can apply recognition exemption to deferred income tax at the initial recognition of assets or liabilities. In the past, there was some uncertainty as to whether transactions such as leases and decommissioning liabilities, i.e. transactions to which both assets and liabilities are recognised, were exempt. The amendments clarify that the exemption does not apply and that entities are obliged to recognise deferred income tax on such transactions. The amendments require companies to recognise deferred income tax on transactions that give rise, on initial recognition, to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 12 – Income Tax: International Tax Reform – Pillar Two Model Rules (published on 23 May 2023)

In May 2023, the IASB issued narrow-scope amendments to IAS 12 *Income Tax*. These amendments were prepared in response to the upcoming implementation of the Pillar Two Model Rules issued by the Organisation for Economic Co-operation and Development (OECD) to reform international corporate taxation. The amendments provide for a temporary exemption from the requirement to recognise and disclose deferred taxes arising from the enacted or substantively enacted tax laws implementing the Pillar Two Model Rules. According to the effective date of the IASB, companies may apply the exemption immediately, but the disclosure requirements apply for annual periods beginning on or after 1 January 2023.

The Company is currently assessing the impact of the new standards on its financial statements.

These standards and amendments will enter into force for annual periods beginning on or after 1 January 2024.

Classification of liabilities as current or non-current – Amendments to IAS 1 (first issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024)

These amendments clarify that liabilities are classified as current or non-current based on rights that are in existence at the end of the reporting period. Liabilities are non-current if the entity has a substantive right at the end of the reporting period to defer the settlement of the liability for at least 12 months. The guidelines no longer require this right to be unconditional. The October 2022 amendment provides that the classification of debt as either current or non-current at the reporting date is not affected by loan arrangements that are due to be settled after the reporting date. Management's expectations about whether it will subsequently exercise the right to defer the settlement of a liability do not affect the classification of liabilities. A liability is classified as current if the condition is breached at or before the reporting date, even if the lender issues a waiver of the condition after the reporting period. Otherwise, a loan is classified as non-current if the condition of the loan is breached only after the reporting date. In addition, the amendments clarify the requirements for the classification of the debt that a company can pay by converting it into equity. 'Payment' is defined as the extinguishment of a liability upon settlement in cash, other resources embodying economic benefits or equity instruments belonging to the entity. There is an exception for convertible instruments that can be converted to equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosure: Supplier Finance Arrangements (published on 25 May 2023)

In response to users of financial statements' concerns about insufficient or misleading disclosures of finance arrangements, the IASB issued amendments to IAS 7 and IFRS 7 in May 2023 requiring the entities to disclose information about supplier finance arrangements. These amendments require entities to disclose information about supplier finance arrangements that will enable users of financial statements to assess the effect of such arrangements on the entity's liabilities and cash flows, and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to improve the transparency of the supplier finance arrangements. These amendments do not affect recognition or measurement principles, but only disclosure requirements. The new disclosure requirements will be effective for annual periods beginning on or after 1 January 2024.

Amendment to IAS 21 – Lack of Exchangeability (issued on 15 August 2023)

In August 2023, the IASB issued amendments to IAS 21 to help an entity assess the exchangeability of two currencies and determine the spot exchange rate when that a currency is not exchangeable. The amendments affect an entity when it carries out a transaction or operation in a foreign currency that is not exchangeable for another currency for the specified purpose at the measurement date. The amendments to IAS 21 do not provide detailed requirements for calculating the spot exchange rate, but only the basic principles that an entity can use to determine the spot exchange rate at the measurement date. The new requirements do not allow the restatement of comparative information for prior periods. It is required to recalculate the affected amounts applying the spot exchange rate at the date of initial application by adjusting retained earnings or the reserve for cumulative translation differences.

Sales or contributions of assets between an investor and its associate or joint venture — Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the International Accounting Standards Board (IASB))

These amendments address the conflict between the requirements of IFRS 10 and IAS 28 relating to the sale or contribution of assets between an investor and its associate or joint venture. The main effect of these amendments is that the full gain or loss should be recognised when the transaction involves a business. Partial gain or loss is recognised when the transaction involves assets that are not business, even if those assets belong to a subsidiary.

The management of the Company does not believe that other new and amended standards and their interpretations, which the Company must apply for reporting periods beginning on and after 1 January 2024, will have a material impact on the financial statements of the Company.

The Company is currently assessing the impact of the new standards on its financial statements.

Other standards

There are no other amendments to IFRSs, IASs or IFRIC Interpretations that have not yet entered into force and are expected to affect the Group.

The Group intends to apply the standards and interpretations listed above from the date of their entry into force, subject to their adoption by the EU.

3. Accounting policy

a. Compliance with standards

These consolidated financial statements ('financial statements') have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted for application in the European Union, as laid down in the Law of the Republic of Lithuania on Financial Reporting by Undertakings.

The Group's management prepared and signed these financial statements on 19 July 2022. The Group's shareholders have a legal
right to approve these financial statements or reject them and request the management for new financial statements. The financial statements have been prepared on the assumption that the Group will continue its activities in the near future.

b. Basis for preparation of financial statements

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for application in the European Union (EU).

Basis for assessment
The financial statements were prepared on the basis of acquisition value.

These financial statements are presented in Lithuania’s legal means for settlement and payment - the euro. Below are the main accounting policies used.

c. Currency

In these financial statements, all amounts are presented in the single currency of the European Union accepted for settlement in Lithuania - the euro (EUR), which is the functional currency of the Group's companies operating in Lithuania and other countries of the European Union. The functional currencies of companies operating in countries of the European Union that have not adopted the euro as a means for settlement are their local currencies.

d. Principles of consolidation and investments in subsidiaries and associates

Consolidated financial statements of the Group include the Company and its subsidiaries and associates. The financial statements of subsidiaries are prepared for the same accounting year and using uniform accounting principles.

Subsidiaries are consolidated from the date on which control of them passes to the Group and are no longer consolidated from the date on which control is transferred outside the Group. All transactions, balances and unrealised gains or losses on transactions between the Group's companies are eliminated. Equity and net result attributable to the non-controlling interest are shown separately in the statement of financial position and in profit (loss) statement.

Investments in associates, i.e. those over which the Group has significant influence, are accounted for using the equity method in the consolidated financial statements of the Group. The measurement of investments in associates is carried out when there is evidence of impairment or when the impairment recognised in previous years no longer exists.

Goodwill acquired in a business combination is recognised at acquisition cost and is the surplus of the acquisition cost comparing the total consideration transferred, including the amount of the non-controlling interest recognised, with the net fair value of the assets, liabilities and contingent liabilities acquired in proportion to the shares acquired. After initial recognition, goodwill is carried at cost less any accumulated impairment losses. Goodwill is reviewed annually or more frequently if events or changes in circumstances indicate that the carrying amount is impaired.

The amount by which the fair value of the assets, liabilities and contingent liabilities acquired still exceeds the acquisition price of the investment after remeasurement of the recognised assets, liabilities and contingent liabilities and determination of the acquisition price is recognised directly in profit (loss) statement.

For impairment assessment purposes, at acquisition date goodwill acquired in business combinations is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the merger, regardless of whether other assets and liabilities of the Group are allocated to those units or groups of units.

Impairment is determined by estimating the amount recoverable from the cash-generating unit to which the goodwill relates. When the recoverable amount of the revenue-generating unit is less than the residual value, an impairment loss is recognised. When goodwill forms part of a revenue-generating unit and part of the activity within that unit is sold, goodwill relating to the sold activity is included in the residual value of the sold activity for the purpose of determining profit or loss from the sale of the activity. In that case, the goodwill sold is measured taking into account the value of the activities sold in relation to the remainder of the revenue-generating unit.

Losses incurred by subsidiaries are allocated to the non-controlling interest even if this results in a negative balance of the non-controlling interest. A change in an ownership interest in a subsidiary that does not result in a loss of control is accounted for as an equity transaction. If the Group loses control of a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of a subsidiary;
- Derecognises the carrying amount of the non-controlling interest, if any;
- Derecognises cumulative exchange differences accounted for in equity;
- Records the consideration received at fair value;
- Records ongoing investment at fair value;
- Records the resulting surplus or deficit in the statement of comprehensive income;
- Reclassifies parent company’s portion of components previously recognised in other comprehensive income to the statement of comprehensive income or retained earnings, as appropriate.

Investments in subsidiaries and associates are recorded in the separate financial statements of the Group's companies at acquisition cost less impairment. Expenses directly related to the acquisition of subsidiaries and associates are recognised in profit (loss) statement of the period in which they are incurred. Impairment assessment is made when there are indications that an asset may be impaired or that an impairment recognised in previous years no longer exists.
Sales of special purpose subsidiaries together with the developed solar power plant project are recorded under the main activity.

e. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The acquisition cost is determined by adding up the fair value of the consideration transferred at the acquisition date and the amount of the non-controlling interest in the acquired entity, if any. For each acquisition of a business, the acquiring entity measure the non-controlling interest in the acquired entity at either fair value or a proportionate share of the acquired entity's identifiable net assets. Acquisition costs incurred are written off and included in the administrative costs.

If a business combination is carried out in stages, the acquiring entity's previously held equity interest in the acquired entity is measured at fair value in profit (loss) statement on the acquisition date. The contingent portion of the consideration that the acquiring entity will have to pay is recognised at fair value at the acquisition date. Further fair value measurements of contingent consideration that is treated as an asset or liability will be recognised in accordance with IFRS 9: either through profit or loss or as a change in other comprehensive income. If contingent consideration is classified as equity, it is not remeasured and its subsequent payment is accounted for in equity.

Goodwill is recognised at cost and is the excess between the total consideration transferred, including the amount of the non-controlling interest recognised, and the net amount of the assets acquired and the estimated liabilities.

If this consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised in profit (loss) statement.

After initial recognition, goodwill is carried at cost less any accumulated impairment losses. For the purpose of measuring impairment, as of the acquisition date goodwill acquired in a business combination is allocated to those revenue-generating units of the Group's that are expected to benefit from the merger, regardless of whether other assets or liabilities of the acquired entity are allocated to those units.

When goodwill forms part of a revenue-generating unit and part of the activity within that unit is sold, goodwill relating to the sold activity is included in the carrying value of the sold activity for the purpose of determining profit or loss from the sale of the activity. In that case, the goodwill sold is measured taking into account the value of the activities sold in relation to the remainder of the revenue-generating unit.

f. Statement of Cash Flows

The cash flow statement reflects the Group's cash inflows and cash outflows during the year, as well as its financial position at the end of the year. In accordance with the requirements of the standards, it is mandatory to divide cash flows into three groups: cash flows from operating activities, cash flows from investing activities and cash flows from financing activities.

Cash flows from operating activities are disclosed indirectly, i.e. as net profit adjusted for non-cash operating amounts, changes in working capital, changes in the fair value of derivative financial instruments, interest paid on Group's loans intended to finance turnover-generating activities, generated non-ordinary amounts from operations and corporate income tax paid.

Cash flows from investing activities consist of payments related to the acquisition/sale of non-current assets and investments, the receipt of dividends and interest.

Cash flows from financing activities consist of amounts received and paid in connection with shareholders, debt collection and repayment of debts, interest payments not related to Group's loans intended to finance turnover-generating activities, as well as long-term and short-term payables not related to the operating activities.

g. 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 at the measurement date. Fair value measurement is based on an assumption that asset sale or liability transfer is conducted in:

- the principal market in which an orderly transaction would take place for the asset or liability; or
- the most advantageous market for the asset or liability, if the principal market is not available.

The principal or most advantageous market must be available to the Group.

The fair value of assets or liabilities is determined using assumptions that would be used by market participants when pricing the asset or liability, and assuming these market participants have their best economic interest in mind.

A fair value measurement of a non-financial asset takes into account the market participant's capability to generate economic benefit by its highest and best use or by selling it to another market participant that would facilitate its highest and best use.

The Group applies measurement methodology that is appropriate under the circumstances, the available data is sufficient to determine fair value and observable data is used whenever possible while unobservable data is avoided.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 inputs: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 inputs: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Measurement is carried out by the management of the Group on each reporting date. In order to disclose information on fair value, the Group determines appropriate classes on the basis of the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy within which the fair value measurement is categorised (note 27).

h. Property, plant and equipment

Property, plant and equipment are assets that the Group owns and controls, expects to receive economic benefits from in future periods and that have a useful life of more than one year. Property is carried at cost less subsequent accumulated depreciation and subsequent impairment losses.

Initial value of property, plant and equipment comprises acquisition price, including non-refundable acquisition fees and all expenses directly attributable to asset's preparation for use or its transportation to its location of use. Costs, such as repair and maintenance costs, incurred after property, plant and equipment is already in exploitation are normally recognized in the profit (loss) statement for the period in which they were incurred.

Subsequently incurred expenses are added to the carrying amount of the property, plant and equipment or recognised as a separate asset only if it is probable that the Group will receive future economic benefits from the asset and the cost of the asset can be measured reliably. The carrying amount of the replaced part is written off. All other repair and maintenance costs are recognised as expenses in profit (loss) statement at the time they are incurred.

The gain or loss on disposal is calculated by deducting the carrying amount of the transferred asset from the proceeds and is recognised in profit (loss) statement.

Depreciation is calculated applying the directly proportional method over the following useful life periods:

Non-current tangible asset group	Useful life period, in years	Minimum value of capitalisation, EUR
Constructions	15	1,000
Machinery and equipment	5	1,000
Transport means	6 - 10	1,000
Other fixtures, fittings, tools and equipment	4	1,000

Useful life, applied depreciation method and balance value are all reviewed annually to ensure that they correspond to the intended use of property, plant and equipment.

Construction in progress is recognised at acquisition cost less accumulated impairment in value. It consists of the value of construction, structures, installations and other directly attributable costs. Depreciation of construction in progress is only calculated when the construction is completed and the asset is put into service.

Borrowing costs directly attributable to the acquisition of assets that take time to prepare for their intended use or sale, construction or production, are capitalised as part of the cost of the asset concerned. All other borrowing costs are recognised as an expense when incurred.

i. Intangible assets other than goodwill

Intangible asset is initially recognised at acquisition value. The acquisition value of an intangible asset acquired in a business combination is equal to its fair value at the date of the business combination. Intangible asset is recognized, if it is probable that the Group will receive future economic benefits from the asset and the value of the asset can be reliably measured. Subsequent to the initial recognition, intangible asset is recognized at acquisition value less accumulated amortization and accumulated impairment losses, if any.

An intangible asset with a defined useful life is amortised over its useful life and is subject to impairment as soon as there are indications that it may be impaired. Amortisation periods and methods for intangible assets with a defined useful life are reviewed at the end of each financial year.

The estimated useful life for an intangible asset with a defined useful life is provided below:

Non-current intangible asset group	Useful life period, in years	Minimum capitalisation value, EUR
Computer software	3	1,000
Concessions, patents, licences, trademarks and similar rights	3	1,000
Other intangible assets	4	1,000

An intangible asset that does not have a defined useful life is not amortised, but is tested for impairment at the end of each reporting period.

Useful life, liquidation value and applied amortisation method are all reviewed annually to ensure that they correspond to the intended use of an intangible asset (other than goodwill).

j. Financial instruments

- **Recognition and initial measurement**

Trade receivables are recognised for the first time when they arise. All other financial assets and financial liabilities are recognised for the first time when the Group becomes a party to a financial instrument arrangement.

A financial asset (unless it is a trade receivable that involves a significant financing interest) or a financial liability is measured at fair value on initial recognition plus, if it is not an asset measured through profit or loss, costs associated with the transaction that are directly attributable to the acquisition or sale of that asset. Trade receivable that does not involve a significant financing interest is initially valued at the transaction price.

- **Classification and subsequent measurement**

Financial assets. Accounting policy

On initial recognition, a financial asset is classified as asset measured at amortised cost; debt investments as assets measured at fair value through other comprehensive income; equity investments as assets measured at fair value through other comprehensive income; or at fair value through profit or loss.

After initial recognition, a financial asset is not reclassified unless the Group changes its business model for managing the financial assets, in which case all affected financial assets would be reclassified on the first day of the reporting period following the change in business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- it is held in accordance with a business model whose objective is to hold assets to collect contractual cash flows; and
- under the terms of the contract, cash flows are used on specified dates only to settle outstanding principal amounts and related interest.

On initial recognition of equity investments that are not held for trading, the Group may irrevocably elect to provide subsequent changes in the fair value of the investments in other comprehensive income. This choice is made on an investment basis.

All financial assets that are not measured at amortised cost or fair value through other comprehensive income as presented above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate financial assets that otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets. Assessment of the business model.
The Group assesses the objective of a business model which applies to financial assets at portfolio level, as this best reflects the management of the business and the provision of information to management. The information in question includes:

- the established principles and objectives for forming the portfolio and their practical implementation. They provide for whether management's strategy focuses on generating contractual interest income, maintaining a certain interest rate profile, aligning the duration of financial assets with the duration of associated liabilities or expected cash outflows, or realising cash flows by selling assets;
- information on how the performance of the portfolio is assessed and reported to the Group's management;
- the risks that affect the functioning of the business model (and the financial assets that are applied that business model) and information on how those risks are managed;
- information on how the company's managers are compensated, e.g. whether the compensation is based on the fair value of the assets under management or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales.

The transfer of financial assets to third parties in transactions that do not qualify for derecognition are treated for this purpose as a sale that qualifies for continued recognition as a Group asset.

Financial assets held for sale or managed, with performance measured on a fair value basis, are measured at fair value through profit or loss.

Financial assets. The assessment of whether the contractual cash flows are solely payments of principal and interest.
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. 'Interest' are defined as the consideration for the time value of money and credit risk associated with the principal amount outstanding in a given period and for other underlying lending risks and costs (e.g. liquidity risk and administrative costs) as well as profit margin.

When assessing whether contractual cash flows are solely payments of principal and interest, the Group considers the terms of the contract. This includes assessing whether the financial asset has a contractual term that can change the timing or amount of the contractual cash flows so that it does not meet this condition. In making this assessment, the Group takes into account the following factors:

- unforeseen events that would change the amount or timing of cash flows;
- terms capable of adjusting the contractual coupon rate, including variable interest rates;
- prepayment and extension functions; and
- conditions that limit the group's claim for cash flows from a particular asset (e.g. irrevocable functions).

The prepayment function fulfils the criterion of payment of principal and interest only if the amount of the prepayment is, in substance, part of the outstanding principal and interest on the outstanding principal, which may include reasonable additional compensation for early termination of the contract. In addition, for a financial asset acquired at a discount or premium on its contractual amount, a function that permits or requires the advance payment of an amount that substantially reflects the contractual amount and accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is deemed to meet this criterion if the actual prepayment function is immaterial at initial recognition.

Financial assets. Subsequent measurement and gains and losses.
Financial asset that is measured at fair value through profit or loss is subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognised in profit or loss.

Subsequently, financial assets measured at amortised cost are carried at amortised cost using the effective interest rate method. Amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss arising on derecognition is recognised in profit or loss.

Equity investments that are measured at fair value through other comprehensive income are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly reflects the recovered portion of the cost of the investment. The remaining net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial assets. Subsequent measurement and gains and losses.
Financial assets measured at fair value through profit. Measurement at fair value and its changes, including all interest and dividend income, were recognised in profit or loss.

Held-to-maturity financial assets are measured at amortised cost using the calculated interest method. Loans and receivables are measured at amortised cost using the calculated interest method.
Financial assets held for sale are measured at fair value and their changes, other than impairment losses, interest income and foreign exchange differences of debt instruments, have been recognised in other comprehensive income and accumulated in the fair value reserve. After the derecognition, the accumulated gains or losses on equity were reclassified to profit or loss.

Financial liabilities. Classification, subsequent measurement and gains and losses.
Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it is held for trading, is a derivative, or is held for trading at initial recognition. Financial liabilities are measured at fair value through profit or loss, and net gains and losses, including any interest expenses, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and exchange gains and losses are recognised in profit or loss. Any recognition of derecognition as profit or loss is also recognised as profit or loss.

- **Derecognition**

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows generated by that asset expire, or when the Group transfers those rights in a transaction where substantially all the risks and rewards of ownership associated with the financial asset are transferred, or when the Group neither transfers nor retains the risks and rewards of ownership associated with the financial asset and does not retain control of the asset.
The Group enters into transactions in which it transfers assets recognised in the statement of financial position but retains all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred asset is not derecognised.

Financial liabilities
The Group derecognises a financial liability when the Group's liabilities are settled, cancelled or expire. The Group also derecognises a financial liability when its terms are changed and the cash flows from the modified

liability are completely different. In that case, the new financial liability based on the modified terms is recognised at fair value.

After the derecognition of a financial liability, the difference between the carrying amount cancelled and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

- **Offsetting**

Financial assets and financial liabilities are offset and net worth is presented in the statement of financial position when, and only when, the Group has the legal option to offset recognised amounts and intends either to settle in the offset amount or to realise the assets and settle the liabilities simultaneously.

k. Inventories

Inventories are carried at acquisition cost or net realisable value, whichever is lower. Net realisable value is the selling price under normal business conditions less the expenses on completion, marketing and distribution. The cost is calculated applying the FIFO method. The cost of finished goods and work-in-progress includes fixed (raw materials, packaging, direct wages, etc.) and variable overheads (depreciation, indirect wages, utilities, etc.) at normal production levels. Inventories that are no longer realisable are written off.

l. Cash and cash equivalents

Cash includes cash on hand and in bank accounts. Cash equivalents are short-term and highly liquid investments readily convertible into a known amount of cash. The term of such investments does not exceed three months and the risk of changes in value is very insignificant.

In the cash flow statement, cash and cash equivalents comprise cash on hand, deposits in current accounts, other short-term highly liquid investments and bank account surpluses.

m. Lease

<u>Lease</u>

IFRS 16 *Leases* became effective on 1 January 2019 and superseded IAS 17 *Leases*, IFRIC 4

Determining Whether an Arrangement Contains a Lease, SIC-15 *Operating leases. Incentives* and SIC-27

Evaluating the Substance of Transactions in the Legal Form of a Lease. The Group applies the requirements of IFRS 16 as of 1 January 2019 in accordance with the modified retrospective approach without restatement of comparative information. The effect of IFRS 16 is recognised as an adjustment to the opening balance of retained earnings on 1 January 2018. In accordance with the retrospective approach, when comparative information is not restated, data for 2018 are prepared in accordance with IAS 17. The disclosure requirements in IFRS 16 do not apply to comparative years. IFRS 16 *Leases* interpretations and amendments that are relevant to the Group are presented below.

During the transition period, the Group applied IFRS 16 to contracts that were previously identified as leases applying IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*.

For contracts to which IAS 17 and IFRIC 4 were not applied in the reporting period, IFRS 16 was not applied. IFRS 16 was applied only to contracts that were in effect or changed on or after 1 January 2019.

<u>Lease when the Company is a lessee</u>

The Group evaluates each contract for possible elements of lease. If the contract is, or contains, a lease, the Group accounts for each lease component of the contract as a lease separately from the non-lease (service) components of the contract.

The Group does not apply the lease recognition provisions to short-term leases (leases of up to one year) and leases for which the underlying asset is of low value (computers, telephones, printers, furniture, etc.). When assessing whether an asset is of low value, the Group assesses each asset separately. Determining whether an asset is of low value does not involve the assessment of lease payments over the lease term. Assets with a value of up to EUR 5,000 are considered to be low-value assets. Payments related to short-term leases and leases of low-value assets are recognised directly as an expense in profit or loss and other comprehensive income. The Group does not apply the lease recognition provisions to any of the intangible assets. For such assets, the Group applies the provisions of IAS 38 *Intangible Assets*.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

At the start of the lease, the Group recognises a right-of-use asset and a lease liability in the statement of financial position.

At the start of lease, the Group measures the right-of-use assets at cost. After the start of lease, right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses and an adjustment for remeasurement of any liability.

At the start of lease, the Group measures the lease liability at the present value of lease payments outstanding at that date. Lease payments are discounted using the interest rate in the lease contract if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group records the lessee's incremental borrowing rate at the beginning of each year and uses it for all contracts newly signed during that year and for contracts for which terms (not all but those, for which a reassessment of the lease liability is required) have changed during that year. A remeasurement of a lease liability is done if cash flows change in accordance with the original terms of the lease, for example if lease period or lease payments change based on an index or interest rate. Changes that were not part of the original terms of the lease agreement are lease changes.

n. Provisions

A provision is accounted for if, and only if, as a result of a past event, the Group has a legal obligation or an irrevocable commitment and it is probable that an outflow of resources embodying economic benefits will be required to settle the provision and the amount of the obligation can be measured reliably. Provisions are reviewed at the date of each statement of financial position and adjusted to reflect the most accurate current estimate. In cases where the effect of the time value of money is material, the amount of the provision is the present value of the expenses that are expected to be required to settle the liability. When discounting is used, the increase in a provision that reflects the past period of time is accounted for as an interest expense.

o. Income tax

Income tax assets and liabilities for the current and previous year are accounted for in the amount that is expected to be recovered from or paid to the tax administration. For the purpose of calculating income tax, the tax rates used are those in force on the last date of the reporting period. Income tax is calculated on the basis of annual profit and taking into account the deferred income tax. The calculation of the Group’s income tax is performed in accordance with the requirements set forth in the tax laws of the Republic of Lithuania.

In both 2023 and 2022, the corporate income tax rate applicable to the entities in the Republic of Lithuania was 15%.

Tax losses in the Republic of Lithuania can be carried forward for an indefinite period of time, except for losses from sold securities and/or derivative financial instruments. Such transfer shall be terminated if the Group ceases to carry on with the activities which caused these losses, except for the cases when the Group ceases to carry on with the activities for reasons beyond its control. Losses from sold securities and/or derivative financial instruments can be carried forward for 5 years and can only reduce the taxable earnings of the same nature. As of 1 January 2014, carried-forward tax losses may be used to cover no more than 70% of the taxable profit of the current fiscal year.

The corporate income tax of foreign subsidiaries is calculated in accordance with the tax laws in force in those countries. The standard corporate tax rates in foreign countries in which Group companies operate in 2023 and 2022:

Country	Rate
Poland	19
Italy	24
Germany	15.825
Spain	19
The Netherlands	25.8

Deferred taxes are calculated using the balance sheet liability method. Deferred tax reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities and their amounts for taxation purposes. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the date of the statement of financial position.
Deferred tax assets are recognized in the statement of financial position to the extent that the Group's management can expect that future taxable income will be available against which the asset can be utilized in the nearest future. If it is probable that part of the deferred tax will not be realised, this part of the deferred tax is not recognised in the financial statements.

In the Republic of Lithuania tax profits and losses may be transferred between the companies of the Group. The Law on Corporate Income Tax allows for the transfer of losses both for consideration and free of charge. Group companies seeking the transfer of tax profits or losses must meet certain conditions:

- at least 2/3 of the shares in each subsidiary participating in the transfer of tax losses is held directly or indirectly by the parent entity of the Group on the date of the transfer of tax losses;
- tax losses are transferred between those entities of the Group that have been in the Group continuously for at least two years counting until the date of transfer of tax losses;
- tax losses are transferred or taken over by the Group entity (entities) which have been in the Group since the date of its (their) registration and will be in the Group continuously for at least two years from the date of its (their) registration.

p. Recognition of revenue

The Group's revenue is recognised in accordance with the provisions of IFRS 15, i.e. the Group recognises revenue at a time and to the extent that the transfer of goods or services to customers would reflect an amount consistent with the consideration the Group expects to receive in exchange for those goods or services. In applying this standard, the Group takes into account the terms of the contract and all relevant facts and circumstances. Revenue within the Group are recognised using the 5-step model. For information on the Group's accounting policies for contracts with customers, see note 18.

1 <u>Step 1 – Identify the contract with the customer</u>
A contract is an agreement between two and/or more parties (depending on the terms of purchase/sale) that creates
rights and obligations to be fulfilled. A contract within the scope of IFRS 15 is recognised only if the following criteria are met:

- the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing the obligations arising from the contract;
- it is possible to identify the rights of each party with regard to the goods and/or services to be transferred,
- it is possible to identify the payment terms applicable when the goods and/or services are transferred,
- the contract is of a commercial nature,
- there is a possibility to receive remuneration in exchange for the goods and/or services to be transferred to the customer.

Contracts with the customer may be combined or separated into several contracts, while retaining the criteria of previous contracts. Such combination or separation is regarded as a modification of the contract.

2 <u>Step 2 – Determine the transaction price</u>
Under the newly effective IFRS 15, the transaction price may be: fixed, variable or a combination of both.
In transactions entered into by the Group, fixed prices are applied both to services of a continuous nature and to services performed at a given point in time. The Company uses the following methods for calculating the selling price: the adjusted market valuation method and the expected costs and profit margin method. Similar transactions are treated in the same way.

3 <u>Step 3 – Allocate transaction price to performance obligations</u>
Typically, the Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each good or service contracted to be transferred. If stand-alone selling prices are not observable in the market, an entity estimates them.

4 <u>Step 4 – Recognise revenue when the Group satisfies each performance obligation</u>
The Group recognises revenue when it satisfies a performance obligation by transferring the committed goods or services to the buyer (i. e. when the buyer obtains control of those goods or services). The amount of revenue

recognised is equal to the amount allocated to the performance obligation satisfied. Performance obligation may be satisfied at a point in time or over time.
Power plant subcontracting revenue is recognised over time in accordance with the completion percentage method. Related expenses are recognised in profit or loss and other comprehensive income when they are incurred. Prepayments received are included in the contractual obligations. Revenue from the sale of goods is recognised in accordance with the INCOTERMS conditions.

Revenue is recognised when its amount can be measured reliably and it is probable that the Group will receive the economic benefits associated with the transaction and specific criteria have been met for each type of revenue as described below. The Company relies on historical results, taking into account the type of customer, the type of transaction and the characteristics of each agreement.

Revenue is recognised at the fair value of the consideration received or receivable. Revenue is reduced by the estimated amounts of customer refunds, discounts and other similar provisions. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be measured reliably. Sales revenue is recognised net of VAT and discounts, including cumulative expected discounts for the accounting year.

q. Recognition of expenses

Expenses are recognised on an accrual and comparison basis in the accounting period in which the related revenue is earned, regardless of when the cash is disbursed. Expenses that are incurred during the reporting period, but cannot be directly associated with the earning of specific revenue and will not generate revenue in future periods, are recognised as costs of the period in which they were incurred.

Expenses are usually measured at the amount of money paid or payable, excluding VAT. In cases where a long settlement period is set forth and the interest are not distinguished, the cost is estimated by discounting the settlement amount at the market interest rate.

r. Foreign exchange

Transactions denominated in a foreign currency are recorded applying the official exchange rate effective on the date of the transaction. Gains and losses arising from such transactions and from the revaluation of balances of assets and liabilities denominated in foreign currency are recognised in profit or loss at the date of the statement of financial position. Such balances are revalued applying the exchange rate at the reporting period closing.

The accounts of subsidiaries are kept in their respective local currencies, which are their functional currencies. Balance sheet items in the financial statements of foreign subsidiaries to be consolidated are translated into euro using the year-end exchange rates, while items in the profit and loss account are translated at the average exchange rate for the period. Exchange differences arising on translation are included directly in the statement of other comprehensive income. When the investment in question is realised, the cumulative currency translation reserve is transferred to profit or loss for the period in the same period as the gain or loss on the realisation of the investment is recognised.

Goodwill and fair value adjustments arising from the acquisition of a foreign subsidiary are recognised as net assets of the acquired company and are accounted for applying the exchange rate at the last date of the reporting period.

The main exchange rates used in preparing the statement of financial position as at 31 December:

2023	2022
EUR 1 = PLN 4.3395	EUR 1 = PLN 4.6808

s. Impairment of Assets

- **Non-derivative financial assets**

<u>Financial instruments and contract assets</u>
The group recognises ECL (Expected Credit Loss) provisions for losses for the following assets:

- financial assets measured at amortised cost;
- contract assets.

The Group calculates the loss provision at the amount corresponding to the duration of the ECL, except for the following, for which the ECL is 12 months:

- debt securities with low credit risk at the reporting date;
- and other debt securities and bank account balances for which the credit risk (i.e. the default risk occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Provisions for losses on trade receivables and contract assets are always measured at an amount equal to the full duration of the ECL.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating ECL, the Group uses reasonable and supportable information that is appropriate and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and forward-looking information.

The Group assumes that the credit risk of a financial asset increases significantly if it has a maturity of more than 90 days.

The Group considers a financial asset to be a default event when a financial asset is overdue for more than 180 days.

The ECL duration is the ECL derived from all possible defaults over the expected life of the financial instrument.

A 12-month ECL is the portion of the ECL that results from default events that are possible within 12 months of the reporting date (or shorter if the expected maturity of the instrument is less than 12 months).

The maximum ECL period for calculating ECL is the maximum contractual period during which the Group is exposed to credit risk.

<u>ECL assessment</u>
ECL is a credit loss calculated on the basis of a probability weighting. Credit losses are measured as the present value of any cash shortfall (i.e. the difference between the entity's contractual cash flows and the cash flows the Group expects to receive). ECL is discounted using the actual interest rate of the financial asset.

<u>Credit-impaired financial assets</u>
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities presented at fair value through other comprehensive income are credit-impaired. A financial asset is considered to be a credit-impaired asset when one or more events occur that adversely affect the future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired include the following observable inputs:

- severe financial difficulties of the lender or issuer;
- breach of contract, e.g. default or settlement is more than 90 days overdue;
- restructuring of the Group’s loan or early repayment on terms that the Group would not otherwise consider
- the debtor is likely to go bankrupt or otherwise undergo financial restructuring; or
- the disappearance of an active market for securities due to financial difficulties.

<u>Presentation of the ECL provision in the statement of financial position</u>
Impairment losses on financial assets measured at amortised cost are deducted from the gross carrying amount of those assets.

<u>Write-offs</u>
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering all or part of the financial asset. For individual and corporate clients, the Group performs an individual assessment of time and amount write-offs based on whether there is a reasonable expectation of recovery. The group does not expect a significant recovery of amounts written off, but financial assets written off can still be recovered through arrears recovery procedures.

- **Non-derivative financial assets.**

The Group recognises an impairment loss calculated as the difference between the carrying amount of the asset and the present value of the future cash flows discounted applying the calculated interest rate if it is probable that the group will not be able to recover the receivables.

- **Non-financial assets**

The Company reviews the carrying amounts of non-financial assets (other than inventories and deferred tax assets) at each reporting date to determine whether there are indications of impairment. If such indications exist, the recoverable amount of the asset is estimated. For impairment testing purposes, an asset that generates cash in the continuous use process and is largely independent of the cash inflows generated by other assets or groups of assets (cash-generating units) is grouped into the smallest possible group.

The recoverable amount shall be calculated as the higher of the following two values: fair value less sales costs and asset's value in use. The value in use of an asset is calculated by discounting future cash flows to their present value using a pre-tax discount rate that reflects real market assumptions about the time value of money and the risks associated with the asset. Impairment is accounted for when the residual value of the asset or cash-generating unit exceeds its estimated recoverable amount.

t. Use of estimates when preparing the financial statements

When preparing the financial statements in accordance with International Financial Reporting Standards, management has to make certain assumptions and estimates, which affect the presented amounts of assets, liabilities, income and costs, as well as disclosure of contingencies. Significant areas of these financial statements in which estimates are used include property, plant and equipment (note 4); intangible assets (note 5); non-current and current loans granted (note 6); impairment on trade and other receivables (note 7), write-downs on inventories (note 8); depreciation and amortisation (notes 4, 5); valuation of the contract assets. Future events might change the assumptions used to make the estimates. The result of changes in these estimates is recognised in the financial statements when it is determined.

Management considers that, at the date of preparation of these financial statements, there was no material risk that the carrying amount of assets and liabilities would need to be adjusted significantly in future periods as a result of changes in assumptions and accounting estimates made by management.

u. Contingencies

Contingent liabilities are are not recognised in the financial statements. They are described in the financial statements, unless the possibility of losing the resources that result in economic benefits is very high.

Contingent assets are not recognised in the financial statements but are described in the financial statements when it is probable that income or economic benefits will be received.

v. Events after the reporting date

Events after the reporting date that provide additional information about the Group's situation at the reporting date (adjusting events) are reflected in the financial statements. Non-adjusting events after the reporting date are described in the notes if they are significant.

w. Related parties

Related person is a legal and/or natural person who meets at least one of the following conditions:

a) directly or indirectly exercises a dominant influence over an undertaking;
b) is likely to have a significant effect on the undertaking;
c) has joint control of the subject matter of the joint arrangement;
d) is an undertaking over which the same parent undertaking or the same natural person (their group) exercises a dominant influence;
e) is an associate or a subsidiary;
f) is a controlled entity under a joint arrangement;
g) is one of the directors of the undertaking or parent undertaking;
h) is a close family member of one of the persons referred to in points (a), (b), (c) or (g);
i) is subject to the dominant influence, joint control or significant influence of any of the persons referred to in points (g) or (h);
j) is an undertaking which accumulates and pays, on termination of the employment relationship, pensions

and other benefits to the employees of the undertaking or its related legal person.

x. Offsetting

When preparing the financial statement assets and liabilities, and income and expenses are not offset, unless so required or allowed by a particular International Financial Reporting Standard.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

4. Property, plant and equipment, and investment property

The Group's property, plant and equipment included

	Land	Constructions	Machinery and equipment	Transport means	Other fixtures, fittings, tools and equipment	Prepayments and construction in progress	Total
Acquisition cost							
1 January 2022	**92**	**738**	**13**	**220**	**133**	**1,275**	**2,471**
Acquired subsidiaries (+)	–	–	–	–	–	–	–
Acquired assets (+)	–	–	4	–	31	1,017	1,052
Sold subsidiaries (-)	(92)	–	–	–	–	(138)	(230)
Effect of currency exchange (+ / -)	–	–	–	–	–	212	212
Transferred and written off (-)	–	–	–	–	–	(70)	(70)
Transfer to item of assets intended for sale (-)	–	–	–	–	–	–	–
Reclassification (+ / -)	–	–	–	–	–	–	–
31 December 2022	**–**	**738**	**17**	**220**	**164**	**2,296**	**3435**
Acquired subsidiaries (+)	–	–	–	–	–	–	–
Acquired assets (+)	53	12	3	109	5	8,114	8,296
Sold subsidiaries (-)	–	–	–	–	–	–	–
Effect of currency exchange (+ / -)	0	0	0	0	0	(671)	(671)
Transferred and written off (-)	-7	0	0	0	0	(3,213)	(3,219)
Transfer to item of assets intended for sale (-)	0	0	0	0	0	0	0
Reclassification (+ / -)	0	-196	-13	0	0	0	-209
31 December 2023	**46**	**554**	**7**	**329**	**169**	**6,526**	**7,631**
Accumulated depreciation							
1 January 2022	**–**	**336**	**13**	**50**	**69**	**–**	**468**
Acquired subsidiaries (+)	–	–	–	–	–	–	–
Depreciation over the period (+)	–	147	1	56	39	–	243
Sold subsidiaries (-)	–	–	–	–	–	–	–
Effect of currency exchange (+ / -)	–	–	–	–	–	–	–
Transferred and written off (-)	–	–	–	–	–	–	–
Transfer to item of assets intended for sale (-)	–	–	–	–	–	–	–
Reclassification (+ / -)	–	–	–	–	–	–	–
31 December 2022	**–**	**483**	**14**	**106**	**108**	**–**	**711**
Acquired subsidiaries (+)							
Depreciation over the period (+)	0	10	2	51	-0	0	63
Sold subsidiaries (-)							
Effect of currency exchange (+ / -)	–	–	–	–	–	–	–
Transferred and written off (-)	0	0	0	0	1	0	1
Transfer to item of assets intended for sale (-)	–	–	–	–	–	–	–
Reclassification (+ / -)	0	0	-13	0	0	0	(13)
31 December 2023	**-**	**493**	**3**	**157**	**109**	**-**	**762**
Balance value:							
1 January 2022	**92**	**402**	**–**	**170**	**64**	**1 275**	**2 003**
31 December 2022	**–**	**255**	**3**	**114**	**56**	**2 296**	**2 724**
31 December 2023	**46**	**60**	**4**	**172**	**61**	**6,526**	**6,870**

As at 31 December 2023, the amount of the right of use assets accounted for in accordance with IFRS 16 amounted to EUR 181,000. It has not yet been amortised.

The amortization of the Group's intangible assets and depreciation of property, plant and equipment was registered in the statement of profit (loss) and other comprehensive income under administrative expenses (note 22) - EUR 63,000 (EUR 243,000 in 2022).

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

There were no fully depreciated items of property, plant and equipment still used in the Group's operations.

	31 December	
	2023	2022
Constructions	–	–
Machinery and equipment	–	12
Transport means	–	–
Other fixtures, fittings, tools and equipment	–	–
Total	**–**	**12**

The balance value of leased property, plant and equipment (note 13):

	31 December	
	2023	2022
Constructions	181	177
Machinery and equipment	–	–
Transport means	172	96
Other fixtures, fittings, tools and equipment	–	–
Total	**353**	**273**

None of the property, plant and equipment items were leased to third parties (operating lease) in 2023 or 2022. No impairment was recorded for property, plant and equipment as at 31 December 2023 or 31 December 2022.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

5. Intangible assets

Intangible assets of the Group:

	Goodwill	Computer software	Other intangible assets	Total
Acquisition cost				
1 January 2022	**–**	**507**	**11,705**	**12,212**
Acquired subsidiaries (+)	7,652	–	–	7,652
Acquired assets (+)	–	–	11,129	11,129
Sold subsidiaries (-)	–	(500)	–	(500)
Effect of currency exchange (+ / -)	–	–	–	–
Transferred and written off (-)	–	–	–	–
Transfer to item of assets intended for sale (-)	–	–	–	–
Reclassification (+ / -)	–	–	–	–
31 December 2022	7,652	**7**	**22,834**	**30,493**
Acquired subsidiaries (+)	**–**	**–**	**–**	**–**
Acquired assets (+)	**–**	**–**	8,911	8,911
Sold subsidiaries (-)	**–**	**–**	**–**	**–**
Effect of currency exchange (+ / -)	**–**	**–**	**–**	
Transferred and written off (-)	**–**	**–**	(2)	(2)
Transfer to item of assets intended for sale (-)	**–**	**–**	**–**	
Reclassification (+ / -)	**–**	**–**	(2,759)	(2,759)
31 December 2023	**7,652**	**7**	**28,984**	**36,643**
Accumulated depreciation				
1 January 2022	**–**	**3**	**13**	**16**
Acquired subsidiaries (+)	–	–	–	–
Depreciation over the period (+)	–	2	16	18
Sold subsidiaries (-)	–	–	–	–
Effect of currency exchange (+ / -)	–	–	–	–
Transferred and written off (-)	–	–	–	–
Transfer to item of assets intended for sale (-)	–	–	–	–
Reclassification (+ / -)	–	–	–	–
31 December 2022	**–**	**5**	**29**	**34**
Acquired subsidiaries (+)				
Depreciation over the period (+)	–	2	46	48
Sold subsidiaries (-)	–	–	–	–
Effect of currency exchange (+ / -)	–	–	–	–
Transferred and written off (-)	–	–	(1)	(1)
Transfer to item of assets intended for sale (-)	–	–	–	–
Reclassification (+ / -)	–	–	–	–
31 December 2023	**0**	**7**	**74**	**81**
Balance value:				
1 January 2022	**–**	**504**	**11,692**	**12,196**
31 December 2022	**7,652**	**–**	**22,806**	**30,458**
31 December 2023	**7,652**	**–**	**28,910**	**36,562**

As at 31 December 2023 and 31 December 2022, the Group did not hold any intangible assets to which control is restricted by law or certain contracts, or any intangible assets pledged as collateral.

There were no fully amortised non-current intangible assets still used in the Group's operations in 2023 and 2022.

The amortization of the Group's non-current intangible assets was registered in the statement of profit (loss) and other comprehensive income under administrative expenses (note 22).

Goodwill is reviewed for impairment at each financial year or more frequently if there is an indication of impairment. Goodwill acquired in a business combination is allocated to groups of cash-generating units at the level at which management monitors that goodwill. Goodwill impairment was not recognised after the impairment test in 2023.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

6. Granted loans

The long-term loans granted by the Group included:

	31 December 2023	31 December 2022
Loans to related parties (note 28)	2,266	495
Accrued interest receivable from related parties (note 28)	13	19
Total	**2,279**	**514**

The short-term loans granted by the Group included:

	31 December 2023	31 December 2022
Loans to related parties (note 28)	102	60
Accrued interest receivable from related parties (note 28)	8	–
Less: impairment in value	-2	–
Accrued receivable interest	909	–
Total	**1,017**	**60**

As at 31 December 2023 and 31 December 2022, the Group's loans were granted to directly and indirectly controlled subsidiaries and parties related to shareholders.

The changes in loans granted by the Group during the year were as follows:

	31 December 2023	31 December 2022
Balance of lease granted loans at the beginning of the period	**574**	**191**
Granted loans	3,291	1 099
Returned loans	(629)	(845)
Calculated loan interest	83	129
Received interest	(23)	–
Balance of granted loans at the end of the period	**3,296**	**574**

Loans granted are denominated in euro.

Loans are subject to fixed market-conform interest rates ranging from 1.8 to 21.0%.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

7. Trade and other receivables

The trade and other receivables of the Group consisted of:

	31 December	
	2023	2022
Trade receivables	439	192
Receivables from related parties (note 28)	1,215	697
	1,654	889
Less: impairment in value of receivables	–	–
Trade receivables (fair value)	**1,654**	**889**
Receivable VAT	866	620
Overpayments of other taxes and taxes paid in advance	5	–
Collateral and other receivables	306	350
	1,177	970
Less: other non-current receivables	–	–
Other trade receivables (fair value)	**1,177**	970
Total	**2,831**	**1,859**

No impairment of the Group’s trade receivables was detected during the year.
The Group's trade receivables from third parties, before impairment, consisted of:

	31 December	
	2023	2022
Not overdue	225	30
Up to 1 month overdue	42	5
1 to 3 months overdue	9	127
3 to 6 months overdue	51	3
6 to 12 months overdue	27	26
More than 12 months overdue	85	1
Total	**439**	192

The Group's trade receivables from related parties, before impairment, consisted of:

	31 December	
	2023	2022
Not overdue	92	296
Up to 1 month overdue	137	90
1 to 3 months overdue	31	196
3 to 6 months overdue	214	–
6 to 12 months overdue	120	104
More than 12 months overdue	620	11
Total	**1,214**	**697**

In the case of trade and other receivables which are not overdue and for which impairment has not been accounted for, management considered that there was no indication at the reporting date that debtors would be unable to meet their payment obligations.

Trade receivables overdue for over 12 months are not subject to impairment if the debt has been recovered by the time these consolidated financial statements were signed.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

8. Inventories

The Group's inventories consisted of:

	31 December 2023	31 December 2022
Goods for resale	1,363	1,499
Raw materials, materials and components	–	–
Production and work in progress	–	–
	1,363	1,499
Less: devaluation to net realizable value	–	–
Total	**1,363**	**1,499**

As at 31 December 2023 and 31 December 2022, there were no inventories in transit.

As at 31 December 2023 and 31 December 2022, all goods for resale were stored in warehouses owned by third parties.

9. Other investments

The changes during the year in the Group's investments in associates accounted for using the equity method were as follows:

	2023	2022
The Group's investments in associates at the beginning of the period	**–**	**3**
Increase (decrease) due to share of net profit (loss)	–	(3)
The Group's investments in associates at the end of the period	**–**	**–**

10. Prepayments, deferred charges and accrued income

The Group's prepayments, deferred charges and accrued income:

	31 December 2023	31 December 2022
Prepayments	533	1,883
Prepayments to related parties (note 28)	–	524
Accrued income	5,393	–
Deferred costs	–	101
Total	**5,926**	**2,508**

11. Cash and cash equivalents

The Group's cash and cash equivalents consisted of:

	31 December 2023	31 December 2022
Cash in bank accounts	1,215	3,170
Cash on hand	–	2
Cash in transit	–	1
Total	**1,215**	**3,173**

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Cash and cash equivalents expressed in currencies indicated below:

	31 December 2023	2022
EUR	1,099	2,154
PLN	116	1,019
Total	**1,215**	**3,173**

The Group measured cash and cash equivalents as required by IFRS 9 at 31 December 2023 and 31 December 2022 and no significant impairment was identified – the carrying amount of the Group's cash and cash equivalents is close to their fair value.

12. Equity

Authorised capital
As at 31 December 2023 and 31 December 2022, the authorised capital of the Company consisted of 10 063 10,063,600 ordinary shares, each with a nominal value of EUR 0.01.
All shares are fully paid up.

In 2023 and 2022, the Group did not acquire or dispose of own shares.

Legal reserve
Legal reserve is a mandatory reserve provided for by the laws of the Republic of Lithuania. It is subject to an annual transfer of at least 5% of the net profit until the legal reserve reaches 10% of the amount of authorised capital. It can only be used to cover future losses. As at 31 December 2022, the amount of the legal reserve was EUR 10,000. By the profit distribution decision of the shareholder the amount of the reserve was increased by EUR 10,000 and as at 31 December 2023 amounted to EUR 20,000.

Profit distribution project
No profit distribution project was prepared by the date of approval of these consolidated financial statements.

13. Loans from banks and lease liabilities

Loans from banks and lease liabilities of the Group:

		31 December 2023			
Lessee	**Lessor**	**Current portion**	**Non-current portion**	**Total**	**Interest rate**
Eternia Solar LT, UAB	SME Bank, UAB; SME Capital 3, UAB	750	2,750	3,500	6-month EURIBOR + margin
Eternia Solar LT, UAB	Noviti Finance	-	121	121	margin
Sun Investment Group, UAB	Noviti Finance	-	45	45	margin
Sun Investment Group, UAB	SV	-	200	200	margin
Eternia Solar LT, UAB	Luminor Lizingas	-	16	16	3-month EURIBOR + margin
Sun Investment Development PL sp. z o.o.	Volkswagen Financial Services	-	236	236	1-month WIBOR
Lease liabilities	n.a.	72	117	189	n.a.
Total		**822**	**3,485**	**4,307**	

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Lessee	Lessor	31 December 2022 Current portion	Non-current portion	Total	Interest rate
Eternia Solar LT, UAB	Citadele banka AS, Lithuanian branch	3,724	–	3,724	6-month EURIBOR + margin
Lease liabilities	n.a.	231	96	327	n.a.
Total		**3,995**	**96**	**4,051**	

The repayment terms of the Group's long-term bank loans and lease obligations were as follows:

	31 December 2023	2022
Second to fifth year	3,485	96
After five years	–	–
Total	**3,485**	**96**

The Group's long-term and short-term bank loans and lease liabilities are denominated in EUR.

The changes in the Group's loans from banks and lease liabilities during the year were as follows:

	31 December 2023	2022
Balance of loans from banks and lease liabilities at the beginning of the period	**4,051**	**2,727**
Received loans	3,700	12,306
Increase in lease liabilities	188	80
Returned loans	(3,401)	(10,810)
Lease payments	(231)	(264)
Calculated interest	462	261
Paid interest	(462)	(249)
Balance of loans from banks and lease liabilities at the end of the period	**4,307**	**4,051**

14. Other financial payables and issued bonds

	31 December 2023	2022
Long-term loans and accrued interest payable to related parties (note 28)	555	–
Payables under non-equity securities and accrued interest payable to related parties (note 28)	–	–
Long-term loans and accrued payable interest	28,960	24,466
Total non-current portion	**29,515**	**24,466**
Issued bonds	5,000	–
Short-term loans and accrued interest payable to related parties (note 28)	–	–
Short-term loans and accrued payable interest	1,679	3,621
Total current portion	**6,679**	**3,621**
Total	**36,194**	**28,087**

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

The changes in the Group's other financial payables during the year were as follows:

	31 December 2023	31 December 2022
Issue of other financial payables and bonds Balance at the beginning of the period	**28,087**	**11,075**
Received loans	5,573	39,328
Issued bonds	5,000	–
Returned loans	(3,328)	(22,317)
Calculated interest	3,563	1,324
Paid interest	(2,369)	(1,324)
Changes in other financial payables	(332)	–
Issue of other financial payables and bonds Balance at the end of the period	**36,194**	**28,087**

As at 31 December 2023 and 31 December 2022, the Group's other financial payables are denominated in euro. Loans received from related parties are subject to fixed market-conform interest rates.

In November 2023, the Company issued a short-term bond issue with an annual interest rate of 12%. The Company issued bonds for EUR 5 million. The bonds will be redeemed and interest paid within one year.

Both as at 31 December 2022 and 31 December 2023 the loans had variable interest rates depending on the different maturity of the EURIBOR, plus market-conform margins.

As at 31 December 2023, trade and other receivables with a value of EUR 311,000 (EUR 1,242,000 as at 31 December 2022) were pledged as collateral to credit institutions to guaranty loan repayment. Collateral ends in April 2026 (note 7).

As at 31 December 2023 inventories with a carrying value of EUR 1,332,000 (EUR 1,468,000 as at 31 December 2022) were pledged as collateral to credit institutions to guaranty loan repayment. Collateral ends in April 2026 (note 8).

As at 31 December 2023 cash and cash equivalents with a carrying value of EUR 589,000 (EUR 1,880,000 as at 31 December 2022) were pledged as collateral to credit institutions to guaranty loan repayment. Collateral ends in April 2024 (note 11).

As at 31 December 2023, shares of subsidiaries with a value of EUR 17,500,000 (EUR 17,693,000 as at 31 December 2022) were pledged as collateral to credit institutions to guaranty loan repayment. Collateral ends in May 2025.

15. Received prepayments, accrued liabilities and deferred income

The Group's received prepayments, accrued liabilities and deferred income comprise of:

	31 December 2023	31 December 2022
Accrued costs	212	143
Received prepayments	3,002	826
Received prepayments from related parties (note 28)	–	569
Deferred income	–	–
Total	**3,214**	**1,538**

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

16. Liabilities related to employment

	31 December 2023	2022
Holiday accruals	185	153
Accrued annual bonuses	-	-
Payable salaries	184	160
Payable taxes related to salaries	149	200
Other liabilities related to employment	102	164
Total	**620**	**677**

17. Trade and other payables, and current liabilities

	31 December 2023	2022
Trade payables	2,336	1,299
Payable VAT	80	–
Trade payables to other related parties (note 28)	–	–
Other payable taxes (income tax excluded)	30	97
Other payables	68	10
Total	**2,514**	**1,396**

The above trade and other payables and current liabilities are interest-free and usually have a repayment period of up to 60 days.

18. Revenue

In the table below, revenue from contracts with customers is broken down by primary geographic market, major product and service lines, and time of revenue recognition.

For the year ending on 31 December, the Group's revenue comprised:

	31 December 2023	2022
Primary geographic markets		
Lithuania	12,185	11,670
Poland	316	11,605
Cyprus	15	274
Other countries	430	5
Total	**12,946**	**23,554**

	31 December 2023	2022
Main lines of products and services		
Revenue from power plant subcontracting	12,021	21,482
Revenue from equipment sales	494	1,755
Other	431	317
Total	**12,946**	**23,554**

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

	31 December	
	2023	2022
The moment of revenue recognition		
Risks and benefits are transferred at a particular moment	3,144	10,141
Risks and benefits are transferred during the period	9,802	13,413
Total	**12,946**	**23,554**

Contract assets and contract liabilities

The table below provides information on receivables, contract assets and contract liabilities arising from contracts with customers.

	31 December	
	2023	2022
Contract assets	–	2,261
Contract liabilities	–	161
Total	**–**	**2,422**

Performance obligations and revenue recognition policies

Income is valued on the basis of the remuneration specified in the contract with the customer. The Group recognises revenue when it transfers control of a good or service to a customer.

The table below provides information about the nature and timing of performance obligations under the contracts with customers, including material terms of payment and policies for recognising revenue.

Type of product/service	**Nature and timing of performance obligations, including material terms of payment**	**Recognition of income in accordance with IFRS 15**
Revenue from power plant subcontracting	The Group builds solar power plants for its customers. Every project starts with the signing of the contract and in accordance with the contractual deadlines for the construction phases. The duration of the project depends on its complexity, but usually does not take more than one year. During construction, the buyer controls all the work performed, so if the customer terminates the contract, the Group is entitled to compensation for the expenses incurred up to the moment of termination, including the agreed margin. Invoices are issued in accordance with the contractual terms and are usually to be covered within 30 days after they are issued.	Revenue is recognised during the period on the basis of the expense method. Related expenses are recognised when incurred. Prepayments received are included in the contract obligations. The Group's rights to remuneration for subcontracting performed on 31 December but not taxed, i.e. not invoiced, are included in the contract assets.
Other revenue	The Group provides other services (management, etc.) and sells other goods (raw materials, etc.). Invoices are issued in accordance with the contractual terms and are usually to be covered immediately or within 30 days.	Revenue is recognised after the actual performance of the service or sale of goods, when the customer assumes all the risks and rewards.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

19. Cost of sales

For the year ending on 31 December, the Group's cost of sales comprised:

	31 December	
	2023	2022
Costs of construction subcontracting	23	851
Installation	–	1,006
Logistics and storage	–	352
Solar modules, inverters and other solar power plant components	9,955	19,979
Other costs of construction	362	782
Total	**10,340**	**22,970**

20. Results of other activities

	31 December	
	2023	2022
INCOME FROM OTHER ACTIVITIES		–
Profit of sold non-current assets	155	
Income from resold services	–	14
Other revenue	171	156
	326	170
COSTS FROM OTHER ACTIVITIES		
Expenses from resold services		(64)
Other costs	(86)	(122)
		(186)
Results of other activities	**240**	**(17)**

21. Sales costs

	31 December	
	2023	2022
Advertising and marketing costs	–	71
Other costs of sales	–	–
Total	**–**	**71**

22. Administrative costs

For the year ending on 31 December, administrative costs comprised:

	31 December	
	2023	2022
Salaries and related costs	1,055	1,499
Audit services	73	15
Accounting services	38	90
Legal and consultancy costs	66	183
Short-term premise lease	60	52
Use of premises, repair and maintenance of equipment	-	48

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Training and other staff costs	4	46
Vehicle lease and use	89	158
Business trip costs	25	60
Lease and maintenance of IS	8	211
Taxes on operations	13	34
Advertising and representation costs	13	22
Depreciation and amortization	111	224
Bank services	7	42
Communication services	1	13
Charity	-	14
Insurance	78	15
Other administrative costs	73	90
Total	**1,714**	**2,816**

23. Profit from transferred investments in subsidiaries

Profit from transferred investments in subsidiaries

In 2023, the Group companies did not sell to third parties.

24. Income and costs from financing activities

For the year ending on 31 December, income (costs) from other activities comprised:

	31 December	
	2023	2022
INCOME FROM FINANCING ACTIVITIES		
Positive effect of changes in currency exchange rates	1,257	–
Income of interest and other related income	80	129
Fines and charges on overdue	4	2
Received dividends	–	–
Other income from financing and investing activities	101	78
	1,442	209
COSTS OF FINANCING ACTIVITIES		
Negative effect of changes in currency exchange rates	–	(75)
Costs of interest and other related costs	(474)	(540)
Fines and charges on overdue	(96)	3
Other costs from financing and investing activities	(138)	–
	(708)	(612)
Results of other activities	**735**	**(403)**

25. Income tax

In 2023 and 2022, corporate income tax applicable to the Group and subsidiaries operating in Lithuania was 15% and was applied to the assessed taxable profit for the period. In other countries, corporate tax is calculated using the corporate tax rates effective in those countries.

As at 31 December, the Group's income tax expense (benefit) recognised in the profit (loss) statement was as follows:

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

	2023	2022
Income tax expense for the reporting year	–	210
Deferred income tax costs (income)	724	–
Income tax expense (income) in profit or loss and other comprehensive income	**724**	**210**

26. Contingent liabilities

Neither in 2023, nor in 2022, the Group was involved in any material judicial proceedings that the management considered could have a material impact on the consolidated financial position of the Group.

The tax administrator has not carried out full-scale tax inspections in the Group. The tax administrator may at any time check accounting, transaction and other documents, accounting records and tax returns for the current and the previous 3 calendar years and, where appropriate, for the current and the previous 5 or 10 calendar years, and calculate additional taxes and penalties. The management of the Group is not aware of any circumstances that could lead to a potential material liability for outstanding taxes.
The Group does not issue any guarantees/pledges.

27. Financial instruments – fair value and risk management

The Group's main financial liabilities include loans, financial leases, other financial payables, trade and other payables. The main purpose of these financial liabilities is to increase the financing of the Group's activities and ensure liquidity.

The Group classifies all its financial liabilities into three classes:
- loans from banks and lease liabilities (note 13);
- Other financial payables (note 14);
- trade and other payables, and current liabilities (note 17).

The Group has a wide range of financial assets: trade and other receivables, loans granted, short-term investments and cash. The Group classifies its financial assets into three classes:
- cash and cash equivalents (note 11);
- other investments (note 9);
- trade and other receivables and loans granted carried at amortised cost (notes 7 and 6, respectively).

Fair value
Both as at 31 December 2023 and 31 December 2022, the Group did not have significant financial instruments presented at fair value through the statement of financial position other than investments in shares (note 9).

The principal financial assets and liabilities of the Group not reflected at fair value are trade and other receivables (including loans granted), long-term and short-term trade and other payables.

The methods and assumptions used to determine fair values are described below:
- The carrying amount of short-term trade and other receivables, short-term trade and other payables and short-term payables is close to fair value because of the short maturity of the instruments.
- The fair value of long-term payables and long-term receivables is determined by reference to the market price or interest rate for an identical or similar loan applicable in the context of same maturity at the same time. The fair value of long-term payables and receivables with variable interest rate is close to their carrying amount;
- The fair value of investments in shares and investment units is determined on the basis of valuations by independent external valuers or internal valuations of the Group.
- The main risks arising from financial instruments are credit risk, interest rate risk, liquidity risk, foreign exchange risk. The Group is also exposed to capital management and inventory risks. The risks are listed and described below.

Credit risk
The Group's credit risk is basically linked to receivables (including loans granted) and arises from potential default of

counterparties. Receivables are presented in the statement of financial position less the doubtful receivables assessed by the Group on the basis of past experience and current economic environment. The credit risk associated with cash is limited, as the Group conducts operations via banks with high credit ratings issued by foreign agencies.

The maximum amount of credit risk is equal to the carrying value of receivables, contract assets, loans granted and cash and cash equivalents.

The Group's credit risk is assessed separately by Group company. Balances of receivables by the Group's companies and overdue receivables are monitored on a monthly basis.

The concentration of the Group's credit risk associated with trade receivables is not high. The Group does not have any significant transactions that take place in a country other than that in which the relevant Group company operates.

For an analysis of outstanding and overdue receivables and loans granted and recognised impairment as at 31 December 2023 and 31 December 2022, see notes 7 and 6.

Assessment of expected credit losses.

Trade and other receivables
Trade receivables do not have a significant financing component. The Group credit terms for sales are 30 days from receipt of the invoice.

Following the impairment loss analysis as at 31 December 2023 and 31 December 2022, the Group determined that there were no significant impairment losses other than those already accounted for.

Granted loans
The Group uses an individual valuation model to determine the expected losses on the loans granted.

The analysis did not identify significant expected credit losses.

As at 31 December 2023 and 31 December 2022, there were no indications that receivables for which no impairment had been accounted for might not be recovered.

Interest rate risk
The Group is exposed to the risk of interest rate fluctuations due to bank loans and other financial payables for which variable interest rates are set.

Liquidity risk
The purpose of short-term liquidity risk management is to regulate the daily need for funds. Each company of the Group_independently plans its internal cash flows. The Group's short-term liquidity is controlled by checking cash and cash equivalent balances and their needs on a daily basis.

Long-term liquidity risk is controlled by analysing the expected future cash flows from potential funding sources. Before the approval of a new investment project of the Group, the possibilities of attracting the necessary funds and the impact of the investments made on the liquidity of the Group is assessed.

Foreign exchange risk
Due to its activities, the financial position of the Group may be affected by changes in exchange rates.

The Group is exposed to foreign exchange risk when sales, purchases and financial debts are denominated in currencies other than euro.

Capital management
The Group managed its capital in order to ensure that the capital is sufficient to ensure the operations of the Group. The management of the companies foresees that the companies meet the capital requirements laid down in legal acts and loan agreements and provides information to the management of the Group. There were no changes to the capital management policy or process in 2023 and 2022.

The Law on Companies of the Republic of Lithuania requires the equity capital of an individual company to be at least 50 per cent of its share capital. In both 2023 and 2022, the Group's equity met the regulatory requirements.

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

Risk of raw material prices
Some companies of the Group are exposed to the risk of fluctuations in raw material prices, which depend on prices in international markets. According to the management of the Group, these risks are managed by concluding long-term and short-term contracts with raw material suppliers.

28. Transactions with related parties

Salaries and related taxes of key management staff of the Group:

	31 December	
	2023	2022
Amounts accrued during the year in connection with the employment relationship:		
Basic salary and related taxes	806	717
Number of key management personnel	9	8

During 2023 and 2022, the Group's main related party transactions were the receipt of loans from related parties, the granting of loans and supply of goods to the Group's companies.

The related persons of a Group:

a. Final beneficiary (shareholder) – D. Varabauskas
b. Parent company – Sun Investment Group S.a.r.l.
c. Group companies – Sun Investment Group S.a.r.l. Group companies;
d. Associates – the list of companies is provided in the general information of the explanatory notes;
e. Other related undertakings – other undertakings managed by a shareholder of Sun Investment Group S.a.r.l., members of his family and the management of the Group.

The table below reflects transactions with related companies for the period ending on 31 December 2023:

Related party	Receivables (including loans granted)	Payables (including received loans)	Sales of goods and services (including interest)	Acquisitions of goods and services (including interest)
Final beneficiary	70	–	70	–
Parent company	4	–	4	–
Group companies	2,659	(3,431)	2,659	(3,431)
Other related companies	765	(509)	765	(509)
Total	**3,498**	**(3,940)**	**3,498**	**(3,940)**

ended on 31 December 2023 (in thousands of euros, unless indicated otherwise)

The table below reflects transactions with related companies for the period ending on 31 December 2022:

Related party	**Receivables (including loans granted)**	**Payables (including received loans)**	**Sales of goods and services (including interest)**	**Acquisitions of goods and services (including interest)**
Final beneficiary	60	108	4	–
Parent company	–	–	–	–
Group companies	1 030	(567)	102	(2)
Other related companies	674	(7)	2 066	(1 764)
Total	**1 764**	**(466)**	**2 172**	**(1 766)**

29. Events after the reporting date

No other events took place between the end of the financial year and the approval of these financial statements.

Deividas Varabauskas
Chief Executive Officer

Gediminas Januškevičius
Chief Financial Officer