GEEN Holding, a.s.

Consolidated Financial Report

As of and for the year ended 31 December 2023

GEEN Holding, a.s.
Klimentská 1216/46, Prague 1
Ident.Nr.: 28916794
Legal form: Joint stock company
Subject of business: Production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act,
Production, installation, repair of electrical machinery and apparatus, electronic and telecommunications equipment,
Sale of chemicals and chemical mixtures classified as highly toxic and toxic.
Balance sheet date: 31 December 2023
Date of preparation of the report: 27 August 2024

CONTENT

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

A. STATEMENT OF FINANCIAL POSITION

As of 31 December

In thousands of CZK	**Note**	**2023**	**2022**
Assets			
Intangible fixed assets		11 062	16 822
Tangible fixed assets	1.1	5 135 815	5 384 760
Advance payments and other receivables		13 799	44 152
Non-current assets		**5 160 676**	**5 445 734**
Inventories		22 166	15 518
Trade receivables		98 984	173 300
Other receivables		169 878	157 630
Cash and cash equivalents		323 826	300 555
Prepayments		5 188	8 561
Current assets		**620 042**	**655 564**
Total assets		**5 780 718**	**6 101 298**

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As of 31 December

In thousands of CZK	**Note**	**2023**	**2022**
Equity			
Share capital		7 800	7 800
Other capital funds		230 160	230 160
Revaluation reserve		2 024 785	2 112 243
Reserves from profit		612	-4 926
Loss of the current period		-191 092	-170 559
Retained earnings		-683 234	-544 221
Total equity		**1 389 031**	**1 630 497**
Liabilities			
Bonds issued	2.2	1 131 320	1 697 947
Bank loans, non-current part	2.1	680 437	1 071 198
Other non-current payables		14 923	23 666
Deferred tax liabilities	2.3	480 114	495 733
Non-current liabilities		**2 306 794**	**3 288 544**
Bonds issued	2.2	1 193 699	486 915
Bank loans, current part	2.1	585 472	277 258
Trade payables		95 699	71 601
Advances received		60 587	78 535
Accrued liabilities		11 870	15 218
Other current payables		169 131	284 332
Current liabilities		**2 116 458**	**1 213 859**
Total liabilities		**4 423 252**	**4 502 403**
Minority interests		**-31 565**	**-31 602**
Total equity and liabilities		**5 780 718**	**6 101 298**

TPA Audit s.r.o., číslo oprávnění KAČR 080

B. STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

In thousands of CZK	**Note**	**2023**	**2022**
Revenues from the sale of electricity		918 280	780 613
Revenues from the sale of goods		145 140	446 180
Revenues from sales	3.1	**1 063 420**	**1 226 793**
Costs of goods sold		127 005	423 442
Costs of materials and energy		333 481	250 151
Costs of purchased services		74 636	84 817
Other operating income		46 925	65 615
Personnel costs		72 979	70 254
Other operating expenses		111 980	100 446
Depreciation		241 390	233 390
Operating result		**148 874**	**129 908**
Interest income		4 459	5 676
Interest expense	3.2	327 004	303 851
Other financial expenses – net (cost (+) / income (-))		-2 320	-11 199
Financial result		**-320 225**	**-286 976**
Net result before taxes		**-171 351**	**-157 068**
Current income tax		32 538	25 832
Deferred income tax (cost (+) / income (-))		-8 975	- 7 202
Net result after tax		**-194 914**	**-175 698**
Net result attributable to minority interests		-3 822	-5 139
Net result for accounting period (without minority interests)		**-191 092**	**-170 559**
Other comprehensive income			
Revaluation of tangible fixed assets		-123 352	557 282
Other comprehensive income total		**-123 352**	**557 282**
Total comprehensive income		**-314 444**	**386 723**

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

C. GENERAL INFORMATION

1. DESCRIPTION OF THE COMPANY AND OF THE GROUP

1.1 Description of the company

Company:	GEEN Holding a.s. (hereinafter referred to as the "Company")
Identification number:	28916794
Date of Establishment:	The Company was set up by the Articles of association on 2.6.2009 and registered into commercial register on 16.6.2009.
Registered Office:	Klimentská 1216/46, Praha 1
Legal form:	Joint stock company
Subject of business:	Production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act, Production, installation, repair of electrical machinery and apparatus, electronic and telecommunications equipment, Sale of chemicals and chemical mixtures classified as highly toxic and toxic.
Trade Register File Nr:	Section B 15361, entry of the Commercial Register kept by the Regional Court in Prague
Country of incorporation:	Czech Republic
Accounting period:	1 January 2023 – 31 December 2023

1.2 Members of the statutory bodies in the course of the accounting period

The Board of Directors members are:

Name	Function	From (date)	To (date)
Aleš Mokrý	Member/Chairman of the Board of Directors	1.1.2023	31.12.2023
Petr Dezort	Member of the Board of Directors	1.1.2023	31.12.2023

The Supervisory Board members are:

Name	Function	From (date)	To (date)
Ing. Martin Karafiát	Chairman of the Supervisory Board	1.1.2023	31.12.2023
Mgr. Michal Guniš	Member of the Supervisory Board	1.1.2023	31.12.2023

1.3 Shareholders

The company is ultimately owned by several Czech natural persons.

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

1.4 Group structure - consolidation unit

The company GEEN Holding, a.s. owns shares in the following companies, which it consolidates accordingly (all companies hereinafter also referred to as the "Group").

INFORMATION ABOUT SUBSIDIARIES AS AT 31.12.2023	PLACE OF ESTABLISHMENT AND OPERATION	PROPERTY SHARE WITH VOTING RIGHT	METHOD OF CONSOLIDATION
GEEN Development a.s.	Brno, Czech Republic	100,00%	Full
GEEN Rent s.r.o.	Brno, Czech Republic	100,00%	Full
GEEN CJ a.s.*	Brno, Czech Republic	100,00%	Full
GEEN CJ CENTRAL a.s. *	Brno, Czech Republic	100,00%	Full
GEEN Sale a.s.	Brno, Czech Republic	100,00%	Full
General Energy a.s.	Brno, Czech Republic	100,00%	Full
GEEN OBNOVITELNÉ ZDROJE s.r.o.	Brno, Czech Republic	100,00%	Full
Radvanická sluneční s.r.o.	Brno, Czech Republic	100,00%	Full
Rouchovanská sluneční s.r.o.	Brno, Czech Republic	100,00%	Full
Water – Energy s.r.o.	Brno, Czech Republic	100,00%	Full
Template Slovakia s.r.o.	Bratislava, Slovakia	100,00%	Full
Enerslov s.r.o.	Bratislava, Slovakia	100,00%	Full
Elektráreň Bujakovo s.r.o.	Nitra, Slovakia	100,00%	Full
ENERGANA GOSPIC 1 d.o.o.	Šopot Croatia	100,00%	Full
ENERGANA BENKOVAC d.o.o.	Šopot Croatia	100,00%	Full
ENERGANA ŽUPANJA d.o.o.	Županja, Croatia	100,00%	Full
PELETI B2E d.o.o.	Županja, Croatia	100,00%	Full
Energija Virovitica d.o.o.	Županja, Croatia	100,00%	Full
Woodburn Capital d.o.o.	Županja, Croatia	60,00%	Full
GEEN Georgia LLC [1]	Georgia	92,00%	Full
Jonouli 1 LLC [1]	Georgia	84,00%	Full
Jonouli 2 LLC[1]	Georgia	84,00%	Full
GEEN Kyrgyzstan	Kyrgyzstan	85,00%	Not included
DECRIS INDUSTRIES s.r.l. *	Romania	100,00%	Not included
GEEN ENERGY d.o.o	Šopot, Croatia	100,00%	Full

* consolidation units not included in the consolidation group due to company liquidation, absolute insignificance or unavailability of accounting information

[1] sub-consolidated results
The organisation chart of the Group is provided as appendix to the notes to this consolidated financial report.

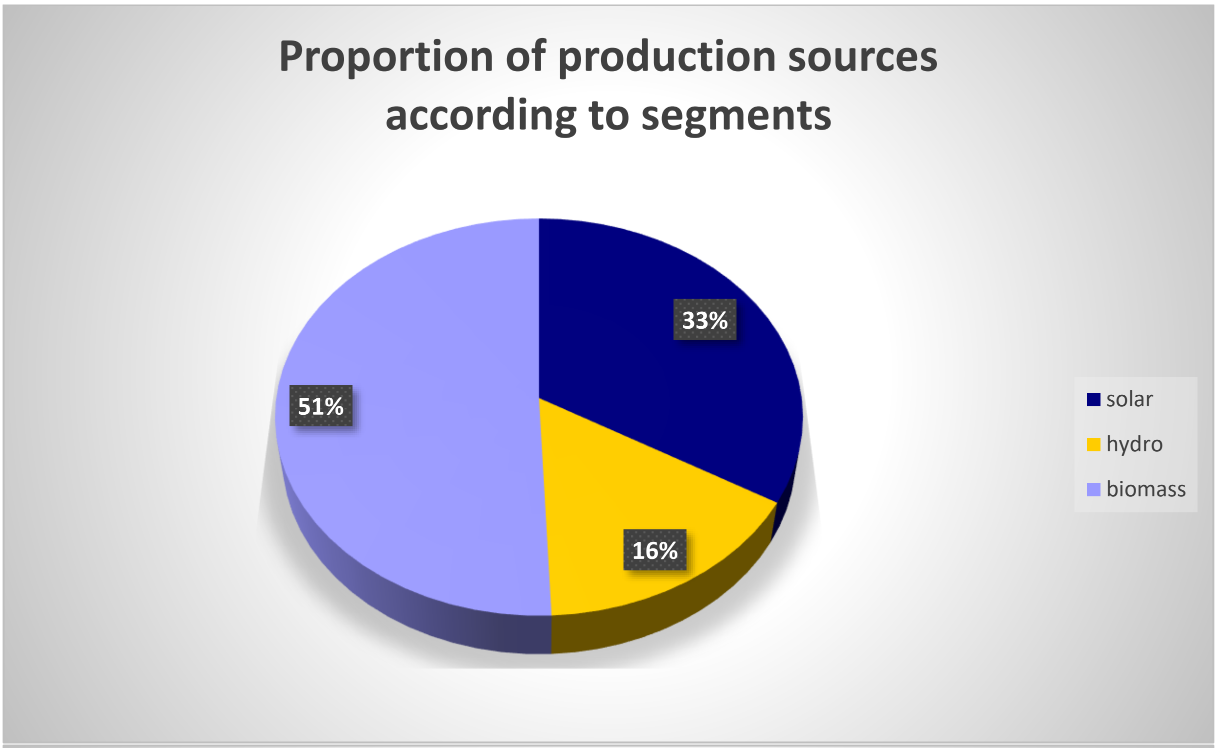
1.5 Employees

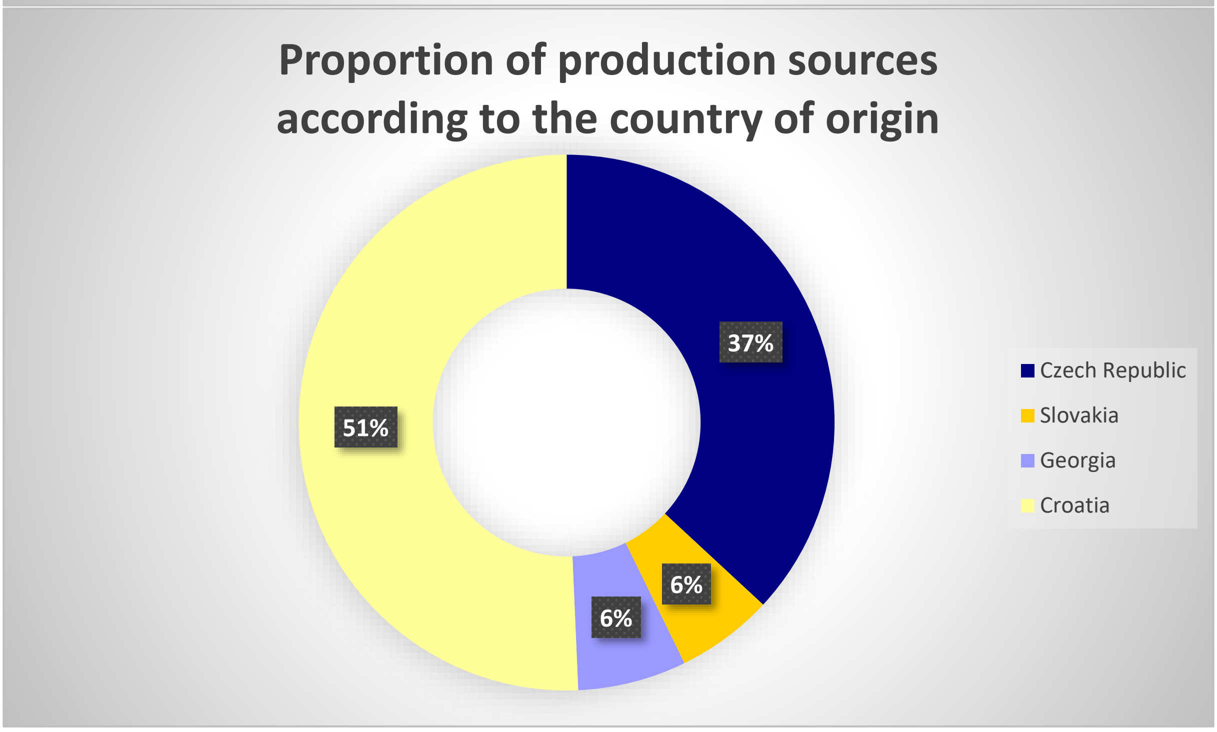
In 2023, the Group had 131 employees and in 2022 it had 120 employees (in both years this is the average full-time employee equivalent).

1.6 Territorial overview of the Group's production capacities

Country	Type	Company	Performance (MW)
CZ	solar	GEEN obnovitelné zdroje	7,8 MW
CZ	water	GEEN obnovitelné zdroje	0,5 MW
SK	solar	Template Slovakia	1,0 MW
CZ	solar	Radvanická sluneční	0,3 MW
CZ	solar	Rouchovanská sluneční	0,6 MW
SK	water	Enerslov	0,4 MW
SK	water	MVE	0,3 MW
GE	water	Jonouli 1	1,9 MW
GE	water	Jonouli 2	in construction
CZ	water	Water-Energy	1,5 MW
HR	biomass	Energana Benkovac	4,9 MW
HR	biomass	Energana Županja	4,9 MW
HR	biomass	Energana Gospic	4,9 MW
TOTAL			**29,0 MW**

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa


Proportion of production sources according to segments
33%
51%
16%
solar
hydro
biomass


Proportion of production sources according to the country of origin
37%
51%
6%
6%
Czech Republic
Slovakia
Georgia
Croatia

2. ACCOUNTING FRAMEWORK AND GENERAL INFORMATION FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The attached “pro-forma” consolidated financial report of the Company was prepared in accordance with the accounting principles of the International Financial Reporting Standards (IFRS) as adopted by the EU. It does not represent a full set of consolidated financial statements in accordance with IFRS, which would have to contain the required statements and disclosures, however, the Statement of Financial Position and the Statement of Comprehensive Income have been prepared in accordance with the IFRS accounting principles.

The accounting period for 2023 is the period of twelve months from 1 January 2023 to 31 December 2023.

This financial report is presented in thousands of CZK (rounded according to generally accepted methods), unless stated otherwise.

The purpose of preparation of this Consolidated Financial Report using the IFRS accounting principles is to provide a more realistic picture of the assets and liabilities of the Group, as compared to the consolidated financial statements prepared using the Czech accounting guidelines, to be used by the current and potential users.

3. ACCOUNTING POLICIES

Functional currency

The Group determined CZK as its functional currency in accordance with IAS 21.

Business operations in foreign currency

The Group records foreign currency transactions at the exchange rate of the date of transaction. Any resulting foreign currency gains or losses are recognised in the income statement of the relevant fiscal year. Utilized foreign currencies are EUR, USD and GEL.

The foreign currency translation of balances in foreign currencies and of business operations (transactions) was done using the exchange rates as of the balance sheet date. The following exchange rates were used:

FX rates CZK	quantity	31.12.2023	31.12.2022
EUR	1	24,725	24,115
USD	1	22,376	22,616
GEL	1	8,396	8,486

Sensitivity analysis

Power plants owned by the Group benefit from public support for renewable energy sources. Revenues of power plants depend on the amount of the selling price of electricity in the Czech Republic, for example Green Bonus. Therefore, a change in the selling price may lead to fluctuations in power plants revenues.

The table below illustrates the sensitivity of the power plant revenues to a change in the selling price for individual types of renewable energy sources. For example, with constant production and an increase in selling price of electricity from photovoltaic power plants by 3%, or 8% would increase revenues by CZK 6 million, or CZK 16 million. On the contrary, a decrease in the selling price would lead to a corresponding decrease in revenues.

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

Sensitivity analysis (continued)

In thousands of CZK		Relative change of selling price				
		-10,0%	-5,0%	0.0%	3,0%	8,0%
Change in revenue	Solar	-19 959	-9 980	0	5 988	15 967
	water	-6 294	- 3 147	0	1 888	5 035
	biomass	-66 927	-33 463	0	20 078	53 541

Some of the Group's production facilities operate in markets abroad, therefore the Group's revenues are also affected by the exchange rate of the currencies. The table below illustrates the sensitivity of the Group's revenues to a change in the exchange rates of individual currencies.

In thousands of CZK		Change in the exchange rate of the relevant foreign currency against CZK				
		-10,0%	-5,0%	0.0%	3,0%	8,0%
Change in revenue	EUR	-68 173	-34 086	0	20 452	54 538
	GEL	-442	-221	0	133	354

Determining the fair value of the tangible fixed assets

Tangible fixed assets are remeasured to fair value in accordance with international asset valuation standards issued by the European Association of Appraisers. The Group's valuations of non-current assets are based on IAS 16, which allows the use of either the cost model or the fair value revaluation model.

The company has decided to use the fair value revaluation model, using expert valuation reports performed by external qualified experts to revalue fixed assets.

The basis of the value of the reported assets is the market value, by which the external valuation experts understand the estimated amount for which, based on a proper offer, the assets should be exchanged on the valuation date between a voluntary buyer and a voluntary seller who are unrelated and act in self-interest, with both parties having an interest in carrying out the transaction, approaching it prudently and without pressure. Furthermore, the going concern of the company´s business activity is assumed.

Qualified estimates of fair values are determined primarily on the basis of the discounted cash flow model, and certain assumptions were used to determine them.

Renewable energy is a key part of the long-term strategy of the European Commission, an institution of the European Union („EU"), as evidenced by its "Energy Roadmap 2050" (COM (2011) 0885). This plan contains carbon reduction scenarios in the energy sector, which aim at at least a 30% share of energy from renewable sources by 2030.

From the above facts, it is assumed that the share of renewable sources in total energy production will increase and we assume that this trend will continue to be supported by selling price subsidies.

A possible change in the amount of subsidies for electricity selling prices in future years could have a significant effect on the fair value of power plants and also a significant effect on the value of the group's equity. The management of the Group will evaluate this fact at regular intervals.

Photovoltaic power plants – the Czech Republic and Slovakia

Selling prices of electricity from photovoltaic power plants in the Czech Republic are supported by subsidies for a period of 20 years of their operation. Based on the facts described above, the Group's management expects that the support of selling price subsidies will continue after the end of this 20-year period. On this basis, a model of future discounted cash flows was built, which is used to calculate the fair value of the Group's non-current fixed assets.

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

Determining the fair value of the tangible fixed assets (continued)

Small hydro power plants – the Czech Republic and Slovakia

Selling prices of electricity produced by hydro power plants in the Czech Republic and Slovakia that are owned by the Group are supported by subsidies over agreed, usually long-term periods. The selling prices equal or are two times higher than the market price of electricity. The Group's management expects appropriate support even after the initial agreed period, especially with respect to the above-mentioned conceptual framework of the EU. Based on this the model of discounted cash flows was built which is used to calculate fair value of the Group's fixed assets.

Biomass power plants – Croatia

The Group received subsidy support for purchase prices of electricity from biomass power plants in Croatia for the period of 14 years. The Group management expects on the basis of facts described above that the support with purchase price subsidies will continue in the selected amount even after this 14-year period which is led by 2 basic facts. First, the power plants will continue to be operational (during operation its proper maintenance is assumed) and, second, the fact that Croatia as a member of the EU is properly linked to the above-mentioned strategy of the EU. Based on this, the model of discounted cash flows was built which is used to calculate fair value of the Group's fixed assets.

Small hydro power plants – Georgia

The purchase prices of electricity from small hydroelectric power plants in Georgia are in relation to market electricity prices. During 2023, free trade was started in the wholesale electricity trading, based on the relevant Decision of the Georgian Ministry of Economy and Sustainable Development which is based on the requirements of the Association Agreements between Georgia and the European Union. The liberalisation should strengthen market pricing of electricity and link the price to the surrounding influences, among other with electricity price in Turkey.

Useful life of individual types of power plants are set as follows:

Photovoltaic power plants	30 years
Biomass power plants	30 years
Small hydropower plants – buildings	30 – 35 years
Small hydropower plants – equipment	15 – 30 years

Receivables and other financial assets

Trade receivables from the provision of services or goods sold, other receivables and other financial assets are measured initially at fair value, and thereafter at amortised cost, applying the effective interest-rate method with deduction for any reduction for impairments.

Borrowing costs

Borrowing costs consist of interest expenses and other costs which occur in connection with the borrowing of funds. Borrowing costs are recognized using the effective interest method.

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

Financial assets

In accordance with IFRS 9, financial assets shall be classified in three categories: (i) measured at amortised cost, (ii) fair value through other comprehensive income (FVOCI) and (iii) fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. As financial instruments measured at amortized cost qualify only those, whose business model gives rise to cash flows that are solely payments of principal and interests (SPPI –"solely payments of principal and interest"). All other financial assets are measured at fair value through profit or loss. For equity instruments that are not held/managed for trading purposes, an option for recognition of changes in the Other Comprehensive Income is given.

Other financial liabilities

Other financial liabilities, such as trade payables, are assigned to the category "financial liabilities at amortised cost" (FLAC) and measured upon receipt at fair value, and thereafter at amortised acquisition cost.

Interest bearing liabilities

All loans and bonds are initially recognized at fair value less directly attributable transaction cost. After initial recognition, loans and bonds are measured at amortized cost using the effective interest method. Liabilities from the pledge of loans and bonds are set up individually for each property.

Derivative financial instruments

The Group uses financial derivatives to hedge against risks. In particular, it entered into variable rate loan agreements and subsequently entered into fixed interest rate swaps with creditors. The Group accounts for swaps as trading derivatives.

Impairment

In accordance with IAS 36, the Group performs impairment tests when there are indications that an asset may be impaired. The Group determines the recoverable amount, which is the higher of the fair value less the cost of selling and value in use. If the carrying amount of an asset exceeds the recoverable amount, the difference is recognised as an impairment loss. If there is an indication that the reasons for impairment no longer exist or have decreased, the impairment loss is reversed to the carrying amount of the respective asset.

Provisions and contingent liabilities

Provisions are recognised if the Group has legal or constructive obligations towards a third party due to a past event and the obligation is likely to lead to an outflow of funds. Such provisions are stated at the value which can be determined by the best possible estimate at the time the financial statements are prepared.

Current taxes

The income tax expense for the accounting period is calculated from the taxable income using the tax rate enacted and applicable in the Czech Republic, Slovakia, Croatia and Georgia. Current income tax assets and liabilities are measured at amounts which are expected to be received from or paid to the respective tax authority.

Deferred taxes

Deferred taxes are recognized on all temporary differences between the tax values of assets and liabilities and their carrying amount in the financial statements. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which it can be utilised.

Deferred tax is measured at the enacted tax rates that are expected to apply to the year when the underlying asset or liability will be settled.

Operating lease contracts

The Group has reported the relevant operating lease agreements in accordance with IFRS 16. For the reporting of operating lease agreements, the Group has chosen to report only newly concluded contracts after 1 January 2019 in accordance with IFRS 16.

Recognition of revenues

Revenues from sale of electric energy are recorded in the period, to which they relate. Contractual incentives are not used.

Dividend income

The Company recognizes dividend income when the shareholder’s right to receive payment arises.

Judgments and estimates

When preparing the financial statements, the Group’s management uses judgments and estimates. These judgments and estimates affect the recognition and value of assets, liabilities, income, expenses and the information given in the notes.

Judgments and estimates of the fair value of fixed assets carry the risk that they may lead to significant adjustments in their value. The fair value of the asset is determined based on a qualified estimate determined by an independent expert. Qualified estimates are determined based on the discounted cash flow model. The preparation of this estimate involves the use of assumptions such as government support for the purchase prices of energy produced from renewable sources. A change in these assumptions may lead to an increase or decrease in the value of fixed assets. More information on these assumptions is provided above in the section describing accounting policies for fixed assets.

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

Standards and interpretations announced, but not yet adopted by the EU

The following changes or revisions to standards and interpretations had been announced as of the balance sheet date, but have not yet been adopted by the EU, and are therefore not applicable. These standards will therefore either not be relevant for the Company or they will not have a significant impact on its consolidated financial report:

Standard	**Description of an upcoming change in accounting rules**
IAS 1 – Preparation and publication of financial statements Effective date in the EU – 1 January 2024	Classification of liabilities as short-term and long-term The amendments relate to the reporting of liabilities and specify that the classification of liabilities into short-term and long-term should be based on the rights that exist at the end of the accounting period.
IFRS 10 – Consolidated Financial Statements **IAS 28** – Investments in Associates and Joint Ventures Effective date in the EU has not been set.	Sale or contribution of Assets between an Investor and an Associate or Joint Venture
IFRS 16 – Leases Effective date in the EU – 1 January 2024	Liabilities from the Leasing during distribution and leaseback. The amendments complement requirements for subsequent valuation of sales and leaseback transactions, in order to comply with the requirements of IFRS 15 (revenues) to be accounted for as a sale of an asset.
IAS 1 – Preparation and publication of financial statements Effective date in the EU – 1 January 2024	Long-term liabilities with covenants. The amendments specify the impact of potential non-compliance with covenants on the classification of liabilities.
IAS 7 – Statement of Cash Flows and **IFRS 7** Financial instruments: Disclosure Effective date in the EU – 1 January 2024	Supplier financing arrangements
IAS 21 – Effects of foreign exchange rate changes Effective date in the EU – 1 January 2024	Lack of convertibility

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

4. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The objective of the Group is to increase the value of the managed assets in the long term by investing in the following assets and activities:

a. Production facilities in the field of renewable energy.

b. Possible follow-up activities, such as the sale of electricity and gas to end consumers, service activities for external customers and additional production, such as the use of residual heat.

5. INFORMATION ON RISKS, RISK PROFILE

Credit risk

Credit risk is the risk that an issuer or a counterparty fails to keep their obligations resulting in the financial loss of the Group – The credit risk should be primarily based on the failure by entities with payments to the Group to fulfil their obligations.

The Group primarily minimises those risks by screening its counterparties, by setting the limits on the amounts of receivables due from individual counterparties and by appropriate contractual arrangements.

Loans are provided exclusively to companies within the group. Total credit risk is represented by the data presented for financial assets (loans, receivables, funds) in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that financial liabilities cannot be settled at the time they are payable. An important aspect in managing of the liquidity risk is to secure necessary cash position to be able to pay the Group's financial liabilities when they are due. The Group manages its liquidity position by monitoring expected and actual cash inflows and outflows on a regular basis. Further the Group maintains cash and liquid deposits to meet the unexpected liabilities.

The maturity of bonds and bank loans in the coming years is set out in sections 2.1 and 2.2 in the notes to this financial report.

Currency risk

Currency risk is a subset of market risk, when the value of assets and liabilities is denominated in a foreign currency and may be affected by a change in the exchange rate.

The inflow of production revenues, the interest bearing liabilities, as well as other business transactions of the Group, are generated from foreign currencies in EUR and GEL, but the related costs are also denominated in these currencies. Therefore, the Group has no significant currency risk exposure.

The following table summarizes the Group's exposure to currency risk (ths. CZK):

Currency risk	Assets		Liabilities		Net exposure	
	2023	2022	2023	2022	2022	2021
EUR	130 004	485	1 046 395	476 698	-916 392	-476 213
HRK	0	79 642	0	667 138	0	-587 496
GEL	1 553	5 518	314	374	1 240	5 143
Total	**131 557**	**85 645**	**1 046 709**	**1 144 210**	**-915 152**	**-1 058 566**

TPA Audit s.r.o., číslo oprávnění KAČR 080

Market risk and property-specific risk

The value of the recorded property may decrease or increase, with the return on the initially invested amount not guaranteed. Given possible unforeseeable deviations primarily in the financial markets, the Group cannot guarantee achieving the targets set. A previous performance of the Group does not guarantee the same performance in a future period.

Risks associated with the economic development - The Group's property may be susceptible to economic slowdowns or recessions, which could lead to financial losses and a decrease in revenues, earnings and assets. It is primarily a change in the amount of support that may occur in a given situation. However, the individual key assets of the Group have long-term purchase price agreements with state entities that appropriately influence this risk; any changes in the amount of support can be described as non-systemic.

An economic slowdown or recession, in addition to other economic and non-economic factors such as the rate of growth of the economy, the level of inflation, etc., could have a negative impact on the values of the Group's property, as they are also appropriately linked to the macroeconomic situation.

Market risks, arising from the effect of changes of the overall market developments on the prices and values of the individual types of the Group's assets – The development of exchange rates, interest rates, credit spreads and, where appropriate, other market indicators always has an impact on the value of assets in general. The degree of this influence depends on the exposure of the Group's assets to those risks (such as collection of sales in foreign currencies or liabilities in foreign currencies, etc.).

Settlement risk – This risk primarily consists of counterparty's failure when a transaction should be settled. These risks are primarily minimised by selecting credible counterparties, by settling investment instrument transactions within reliable settlement systems and, in the case of transactions with assets, by using quality legal instruments to govern such transactions.

Risk of insufficient liquidity, based on a certain asset of the Group not being cashed in time at a reasonable price – Given the nature of the market with energy generation plants, which form a substantial portion of the Group's assets, we need to point out that sale an immovable property in an effort to obtain the best price requires significant amount of time. In an extreme scenario, the liquidity risk may lead to a liquidity crisis.

Currency risk, where the value of assets or liabilities may be affected by a change in the exchange rate – Currency risk is a subset of market risks, which are described above.

Risk associated with the Group's investment specialisation in certain industries, countries or regions, other parts of the market or certain types of assets – The investment specialisation of the Group in the energy industry sector, including primary specialization in the production of renewable resources in the countries in which Group operates or intends to operate involves a systematic risk, when the development in this sector influences a significant portion of the Group's portfolio. This systematic risk is addressed by diversification, i.e. the distribution of investments, or by incorporating of less risky segments, respectively orientation towards higher administrative units, such as the European Union, which help to mitigate the risk.
Last but not least, it is necessary to mention the dependence on climatic conditions (selected production sources are used to produce electricity according to the intensity of sunlight, or sufficient flow on water streams).

This risk is addressed by a suitable mix.

Concentration risk - The Group operates exclusively in the energy market, primarily with renewable energy resources, and its economic results depend on the stability of the market environment, the stability of public support and possibly technological developments and competitive advantages resulting therefrom.

A considerable part of the Group's portfolio is of the same usage (production of electricity from renewable resources), which leads to a concentration risk. Acquisitions of production assets with alternative resources and then the partial sale of electricity produced in their own companies to end consumers leading to a lower of concentration risk. The risk is reduced by further development of these 2 variants, and thus ensuring a higher degree of diversification, or by closing the production vertical.

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

D. NOTES TO THE CONSOLIDATED FINANCIAL REPORT

1.1 Tangible fixed assets

Tangible fixed assets were valued using the discounted cash flow method. Expert or management valuation is done once a year, either by an independent valuation expert or by the Group management, for the purposes of the annual financial statements as of 31 December. Management of the Group provides the independent expert with the required information and assumptions.

Non-current fixed assets	Land	Buildings	Technology & equipment (incl. vehicles)	Unfinished investments	Total
Acquisition prices					
As at 31.12.2021	**77 550**	**1 585 253**	**4 133 363**	**5 262**	**5 801 428**
Additions / Transfers	4 916	2 528	5 344	50 517	63 305
Disposals	0	0	-21 665	0	-21 655
Revaluation	0	153 401	450 169	0	603 570
Exchange differences	-320	-8 328	-20 786	-150	-29 584
As at 31.12.2022	**82 146**	**1 732 854**	**4 546 435**	**55 629**	**6 417 064**
Additions / Transfers	0	5 959	4 076	27 849	37 884
Disposals	0	0	1 908	0	1 908
Revaluation	0	-35 000	-117 286	0	-152 286
Exchange differences	542	53 385	114 334	0	168 261
Closing balance as at 31.12.2023	**82 688**	**1 757 198**	**4 549 467**	**83 478**	**6 472 831**
Accumulated depreciation					
As at 31.12.2021	**0**	**211 017**	**610 487**	**0**	**821 504**
Depreciation	0	60 760	156 287	0	217 047
Impairment charge		28 082	0	0	28 082
Disposals	0	0	-21 655	0	-21 655
Exchange differences	0	-5 485	-7 189	0	-12 647
As at 31.12.2022	**0**	**294 374**	**737 930**	**0**	**1 032 304**
Depreciation	**0**	29 230	207 383	0	236 613
Impairment charge	**0**	38 890	0	0	38 890
Disposals	0	0	-1 502	0	-1 502
Exchange differences	0	8 520	22 191	0	30 711
Closing balance as at 31.12.2023	**0**	**371 014**	**966 002**	**0**	**1 337 016**
Net book amounts					
Closing balance as at 31.12.2022	**82 146**	**1 438 480**	**3 808 505**	**55 629**	**5 384 760**
Closing balance as at 31.12.2023	**82 688**	**1 386 184**	**3 583 465**	**83 478**	**5 135 815**

Acquisition prices of fixed assets (incl. land) before revaluation as at 31 December 2023 amounted to CZK 3,440 million (31.12.2022: CZK 3,416 million). The effect on depreciation due to revaluation to fair value and also due to the adjustment of depreciation rates in comparison with depreciation in the consolidated financial statements according to Czech accounting rules is an increase in depreciation charge by CZK 110 million for 2023 (2022: CZK 87 million).

The market value of fixed assets, which is pledged in favour to creditors totals to CZK 4,9 billion as at 31 December 2023 (CZK 5,1 billion as at 31 December 2022).

At at 31 December 2023, the Group had no contract with third parties, which would commit the Group to significant future capital expenditures on fixed assets.

2.1 Financing liabilities – bank loans

Bank loans	**2023**	**2022**
The maturity of bank loans in the Group is as follows:		
Year 2023		277 258
Year 2024	585 472	147 384
Year 2025	112 193	145 292
Year 2026	117 852	148 795
Year 2027	124 192	152 229
Year 2028 and later	133 676	477 496
Year 2029 and later	192 525	0
Total bank loans as at 31 December	**1 265 909**	**1 348 456**

Bank loans provided to the Group's companies are generally provided by banks to individual companies, in the Czech crowns and in EUR. As part of securing individual loans, the following hedging instruments are set up as standard:

- A lien on all movable and immovable assets owned by the project company (in particular land and power plant technology),
- Lien on receivables of the project company from business activities (especially receivables relating to the sale of produced electricity),
- Encumbrance of insurance indemnity in favor of banks,
- A lien on the business share / shares of the relevant project company established by its parent company,
- Subordination of loan liabilities within the group to the bank's liabilities,
- In some cases, banks also require the issuance of security bills.

Of the total amount of short-term loans, CZK 341 million as of 31.12.2023 is a long-term part of a loan, which was reported as short-term as of 31.12.2023 due to the fact that the subsidiary ENERGANA GOSPIC 1 d.o.o. did not meet the DRSC covenant for 2023. After 31.12.2023, the relevant creditor is aware of the temporary non-compliance with this covenant, while during the first half of 2024, the company has already complied with this covenant and it is expected that it will comply with it also for the whole of 2024. As a result, the company did not have any problems with respect to this financing.

2.2 Financing liabilities - bonds

The bonds bear interest at a fixed rate. The total weighted average annual cost, including commissions for arranging individual subscriptions, was 9,2 % in 2023 (2022: 8,45%).

Overview of bonds issued per maturity:

Age structure (maturity) In ths. CZK	2023	2022
2023		486 915
2024	1 193 699	1 184 322
2025	503 884	262 082
2026	309 017	0
2027	116 020	61 169
2028	105 950	103 199
2029	65 600	63 896
2030	23 900	23 279
2031	6 950	0
Total	**2 325 019**	**2 184 862**

2.3 Deferred tax

Deferred tax is recognized on all temporary differences between the tax values of assets and liabilities and their carrying amounts. The following table shows the calculation of deferred tax:

Tax receivables and payables	31.12.2023	31.12.2022
Fixed assets - acquisition prices	-25 373	- 480
Fixed assets - revaluation	-454 587	-494 574
Other temporary differences	-155	7 116
Net deferred tax receivable / liability (-)	**-480 114**	**-487 938**

The change in deferred tax due to the revaluation of fixed assets is recorded against the revaluation reserve within equity. Due to uncertainty of the utilisation of mainly the accumulated tax losses as of 31.12.2023 in total amount of CZK 577 million. (as of 31.12.2022 in total amount of CZK 677 million.), the deferred tax asset on the tax losses was not recorded neither as of 31.12.2023, nor as of 31.12.2022.

TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

3.1 Revenues

	Revenues from the sale of goods, products and services 2023	Revenue from the sale of goods, products and services 2022
Energy production	918 280	779 995
- *photovoltaic power plants*	*199 474*	*169 093*
- *hydropower plants*	*62 778*	*12 591*
- *biomass*	*656 028*	*598 311*
Sales of electricity and gas	105 964	417 764
Other	39 176	29 034
Total	**1 063 420**	**1 226 794**

3.2 Interest expenses

Interest expenses were reported in the amount shown in the table below:

INTEREST COSTS AND SIMILAR COSTS	2023	2022
Interest expenses – bank loans	101 906	92 749
Interest expenses – bonds	225 098	211 102
Total	**327 004**	**303 851**

E. SUBSEQUENT EVENTS

After 31 December 2023 new issuance of bonds took place in total amount of CZK 425 million and EUR 1 319 thousand with due date in 2026, CZK 309 million with due date in 2027 and CZK 38 million with due date in 2032. From the start of 2024 until issuing of the consolidated financial report, the bond principals in the amount of CZK 803 million and EUR 788 thousand were repaid.

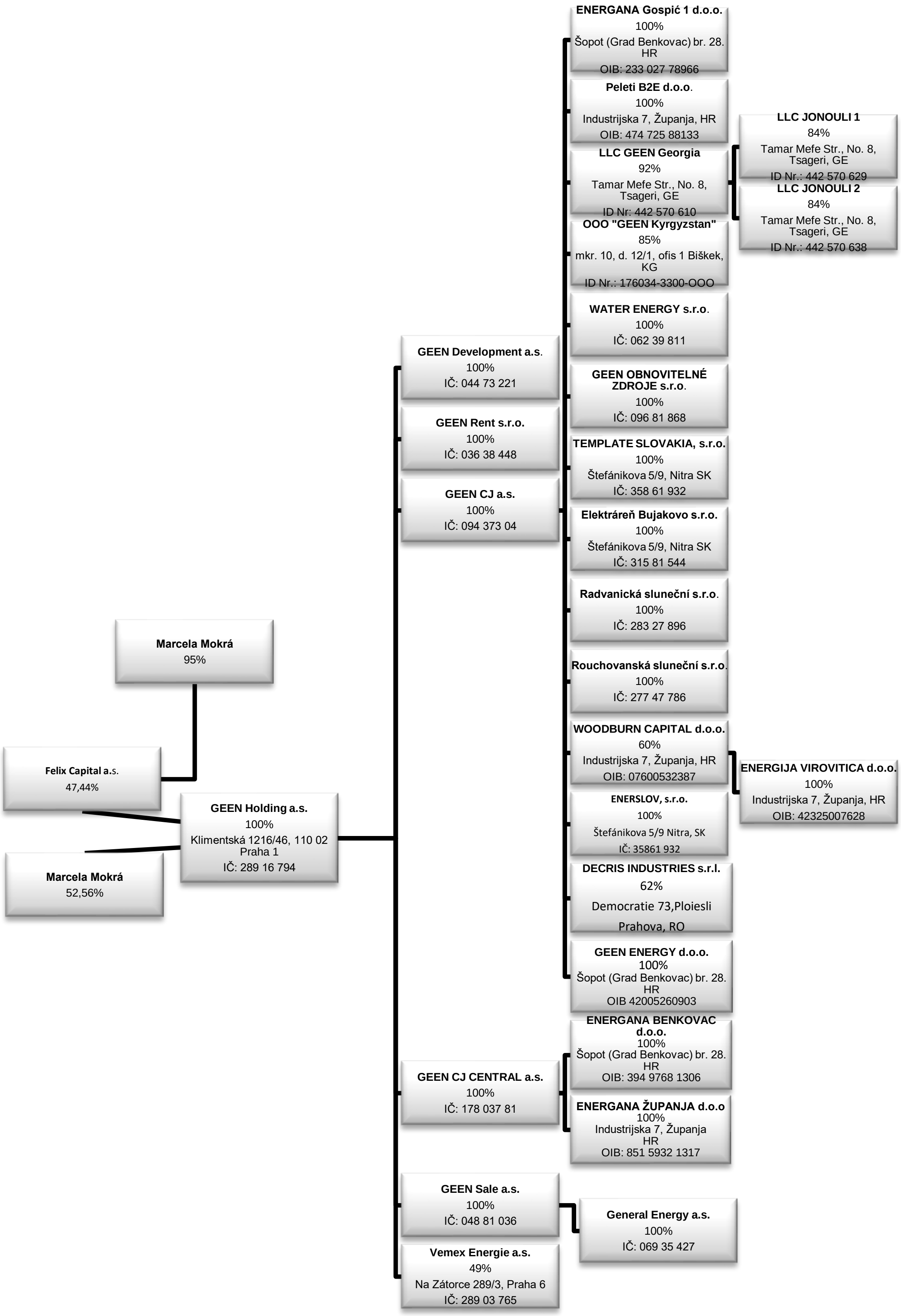
In November 2023, there was a change in the group's structure – the shares of Energana Benkovac and Energana Županja were transferred from GEEN CJ to GEEN CJ Central, whose newly subscribed shares will be offered to interested investors. In June 2024, the Czech National Bank approved the prospectus for issuing of these shares. The aim of selling these shares is to reach new investors and reduce the group's total debt.

27 August 2024

....

Aleš Mokrý
Chairman of the Board of Directors

* where the registered office address is not given, **Mariánské náměstí 617/1, 617 00 Brno** applies



Report of independent auditor for special purposes

GEEN Holding a.s.

Accounting period
from 1.1.2023 to 31.12.2023

Identification of the Company

Company:	**GEEN Holding a.s.**
Identification No.:	289 16 794
Registered Office:	Klimentská 1216/46, 110 02 Praha 1
Legal Form:	Joint Stock Company
File Number:	B 15361, Trade Register Court Prague

TPA Audit s.r.o.
140 00 Praha 4, Antala Staška 2027/79
Tel.: +420 222 826 311, E-mail: audit@tpa-group.cz, www.tpa-group.cz
Offices: 746 01 Opava, Veleslavínova 240/8, Tel.: +420 553 622 565
ID Nr.: 60203480, Municipal court in Prague, insert C.25463
Licence Nr. 80 of the Chamber of auditors of the Czech Republic

GEEN Holding a.s.

The report is for the company´s shareholders

Auditor's Opinion

We have audited the accompanying consolidated financial report of the company GEEN Holding a.s. (further also as the "Company") prepared in accordance with the principles of the International Financial Reporting Standards as adopted by the European Union, that comprise of the Statement of Financial Position as of 31.12.2023, of the Statement of Comprehensive Income for the year ended 31.12.2023 and notes to this consolidated financial report, including a summary of significant accounting policies and other explanatory information. For details of the Company GEEN Holding a.s. refer to Note 1 to the consolidated financial report.

In our opinion, the consolidated financial report of the company GEEN Holding a.s. as of 31.12.2023 and for the year then ended, was prepared correctly, in all material respects, on the basis of the consolidated financial statements of the company GEEN Holding a.s. for the year ended 31.12.2023 prepared in accordance with the Czech accounting legislation ("Statutory consolidated financial statements"), and reflecting all material differences between the Czech accounting legislation and the International Financial Reporting Standards as adopted by the European Union ("IFRS EU").

Basis for Opinion

We conducted our audit in accordance with the international standards on auditing (ISA). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Report section of our report. We are independent of the Company in accordance with these standards valid for audit of this financial report in the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to the matter described in the note 3 to the consolidated financial report, where the Company´s management assumptions in respect of the future developments of the market with electric energy are described, including the impacts on the Company´s business and the impact on the fair value of the tangible fixed assets. Our opinion is not qualified in respect of this matter.

We further draw attention to the matter described in the note 2 to the consolidated financial report, where the purpose and principles of preparation of this consolidated financial report are described.

Responsibility of the Statutory Director for the Consolidated Financial Report

The Statutory Director is responsible for preparation and fair presentation of the Consolidated Financial Report in accordance with accounting principles of IFRS EU and for such internal control as the Statutory Director determines is necessary to enable the preparation of Consolidated Financial Report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Report as a whole is 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 this financial report.

TPA Audit s.r.o. číslo oprávnění KAČR 080

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Director.

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

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Statutory Director 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.

In Prague, on 27.8.2024

....

Auditor:
Ing. Radek Stein
Certificate No. 2193 KAČR

TPA Audit s.r.o., číslo oprávnění KAČR 080

TPA Audit s.r.o.
Antala Staška 2027/79, Praha 4
Certificate No. 080 KAČR