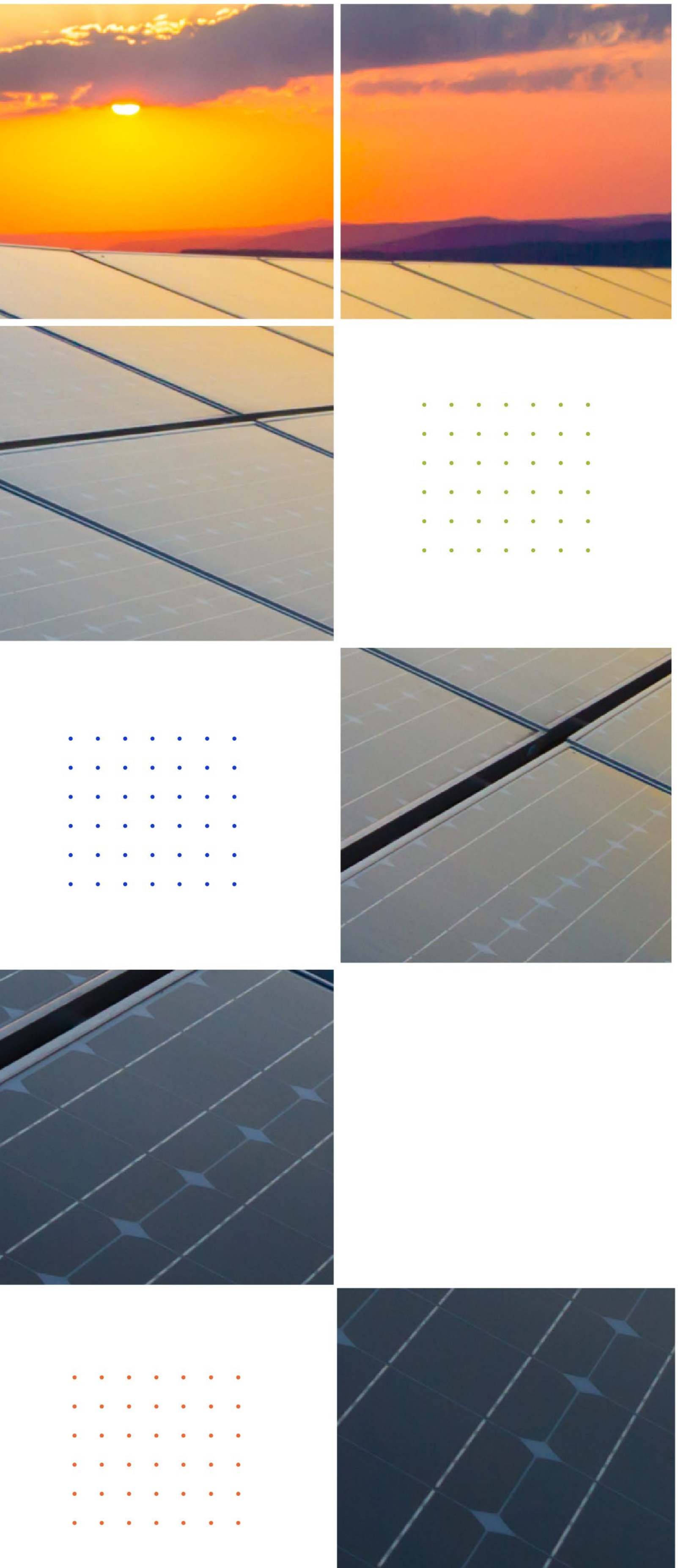

SOLIS BOND COMPANY DESIGNATED ACTIVITY COMPANY AND SUBSIDIARIES

ANNUAL REPORT AND CONSOLDATED FINANCIAL STATEMENTS

FOR TWELVE MONTHS ENDED 31 DECEMBER 2022

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Company Information

Directors	Mr. Vincent Browne Mr. John McQuillan
Secretary	Mr. John McQuillan
Registered Office	Suite 9-10 Plaza 212, Blanchardstown Corporate Park 2, Blanchardstown, Dublin 15 D15 R504
Registered Number	679734
Solicitors	Thommessen Advokatfirmaet Thommessen AS Postboks 1484 Vika 0116 Oslo Sołtysiński Kawecki & Szlęzak Jasna 26 Warsas, Poland
Bankers	Bank of Ireland 6 O'Connell Street Lwr Dublin City 1 Dublin, Ireland DNB Dronning Eufemias Gate 30 0191 Oslo J.P. Morgan SE – Dublin Branch 200 Capital Dock, 79 Sir John Rogerson's Quay Dublin, Ireland
Auditors	Mazars Chartered Accountants & Statutory Audit Firm Harcourt Centre, Block 3 Harcourt Road Dublin 2

Directors' Report for the Twelve Months ended 31 December 2022

The directors present herewith their report and audited consolidated financial statements for the year ended 31 December 2022. These financial statements reflect the performance of Solis Bond Co. DAC and its subsidiaries ("the Group") for the twelve months ended 31 December 2022.

Directors and Secretary

The present directors and secretary are as listed on page 3 and, unless otherwise indicated, have served throughout the period. The table below outlines the beneficial interests in the shares of the Company:

	Ordinary shares
Vincent Browne	-
John McQuillan	-

There were no transactions with Directors and Secretary during the year ended 31 December 2022.

Principal Development & Performance Activities Review

Solis Bond Company Designated Activity Company ("We", "Solis" or the "Company") was incorporated in Dublin, Ireland on October 16th, 2020. Solis Bond Company Designated Activity Company provides financing for acquisitions of solar PV parks.

The company is headquartered in Ireland and has offices in Romania, the Netherlands, Italy, and Poland.

Solar parks owned by the Company in Romania, Poland, the Netherlands, and Italy generate electricity and earn revenue from feed in tariffs paid by local providers and long term purchase agreements with private companies.

Results for the period

The results for the financial period are set out in page 17.

Going concern

Our consolidated financial statements for the year ended December 31, 2022 identifies the existence of certain conditions that raise substantial doubt about our ability to continue as a going concern for twelve months from the issuance of this report. The Directors believe that the going concern can be mitigated and there is no intention to wind up the Company. Refer to footnote 25 of the accompanying financial statements for more information.

Political Donations

The Electoral Act, 1997 requires companies to disclose all political donations over €200 in aggregate made during the financial year. The directors, on enquiry, have satisfied themselves that no such donation in excess of this amount has been made by the Company during the year ended 31 December 2022.

Dividends

During the period the Company made no interim dividend payments to ordinary shareholders or preference shareholders. The Directors do not propose the payment of a final dividend for the year.

Principal Risks and Uncertainties

In the opinion of the Directors, the main risks and uncertainties faced by the Group, along with the nature of their potential impact, are as follows:

a) Risks related to the Group and the industry in which it operates:

- The Company is a holding company that relies on distributions and other payments, advances, and transfers of funds from its subsidiaries to meet its obligations.
- The reduction, modification or elimination of government subsidies and economic incentives may reduce the economic benefits of existing solar parks and the opportunities to develop or acquire suitable new solar parks.
- Decreases in the spot market price of electricity could harm the Group's revenue and reduce the competitiveness of solar parks in grid-parity markets.
- Risks related to power purchase agreements.

b) Risks related to the Group and the industry in which it operates continued:

- The seasonality of the Group's operations may affect its liquidity and will affect our quarterly results.
- Risks related to acquisitions.
- Failure to manage the Group's growing and changing business could have a material adverse effect on the business, prospects, financial condition, and results of operations.
- The delay between making significant upfront investments in the Group's solar parks and receiving revenue could materially and adversely affect the Group's liquidity, business, and results of operations.
- Risks related to developing and maintaining renewable energy projects.
- Risks related to receiving proper planning permissions for the solar parks.
- Risks relating to PV plants quality or PV plants performance.
- The Group's limited operating history may not serve as an adequate basis to judge its prospects and results of operations.
- The holding companies in the Group have a significant number of foreign subsidiaries with whom they have entered into many related party transactions. The relationship of such holding companies with these entities could adversely affect the Group in the event of their bankruptcy or similar insolvency proceeding.
- The Group's business as an independent power producer (IPP) requires significant financial resources and the growth prospects and future profitability of the Group depends on the availability of additional funding options with acceptable terms. If the Group does not successfully execute its financing plan it may have to sell certain of its solar parks.
- Risk related to competition.
- Risk related to personnel.
- If sufficient demand for solar parks does not develop or takes longer than anticipated to develop, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.
- The Group is subject to risks associated with fluctuations in the price of PV modules and balance-of-system components or in the costs of design, construction, and labour.
- The Group may be subject to unforeseen costs, liabilities or obligations when operating and maintaining solar parks.

- Refurbishment of renewable energy facilities involve significant risks that could result in unplanned power outages or reduced output.

c) Risks related to the Group and the industry in which it operates continued:

- The Group's project operations may be adversely affected by weather and climate conditions, natural disasters, and adverse work environments.
- Business interruptions, whether due to catastrophic disasters or other events, could adversely affect the Group's operations, financial condition, and cash flows.
- The Group's business, results of operations, financial condition and cash flows has been and may continue to be materially and adversely affected by the outbreak of COVID-19.

d) Legal and regulatory risk:

- Litigation risk - the Group may, in the ordinary course of business, become involved in such proceedings which may be expensive, lengthy, disruptive to normal business operations and require significant attention from the Group's management bodies.
- Risk related to legal rights to real property.
- The Group is subject to counterparty risks under our Feed in Tariff (FiT) price support schemes and Green Certificates (GC) schemes.
- The Group has limited business insurance coverage internationally.
- The Group conducts its business operations globally and is subject to global and local risks related to economic, regulatory, tax, social and political uncertainties.
- The Group's international operations require significant management resources and presents legal, compliance and execution risk in multiple jurisdictions.

e) Risks related to the Group’s financial situation:

- Fluctuations in foreign currency exchange rates may negatively affect the Group's revenue, cost of sales and gross margins and could result in exchange losses.
- The Group's substantial indebtedness could adversely affect its business, financial condition, and results of operations.

f) Risks relating to the public bonds:

- An active trading market for the Company's bonds may not develop and the price of the bonds may under any circumstance fluctuate significantly.
- The bonds may not be a suitable investment for all investors.
- Bondholders may face currency exchange risks or adverse tax consequences by investing in the bonds denominated in currencies other than their reference currency.
- Legal investment considerations may restrict certain investments.
- Future sales or the possibility of future sales of substantial numbers of bonds may affect the bonds' market price.

g) Risks relating to the shares:

- The Company may be unwilling or unable to pay any dividends or make distributions.
- Irish law imposes certain restrictions on shares and shareholders.

Events subsequent to the Year End

In accordance with IAS 10, Events after the reporting period (Subsequent Events), we have evaluated subsequent events through the date of issuance of these financial statements.

On January 24, 2023, Alternus Energy Group Plc announced the filing by Clean Earth Acquisitions Corp. ("Clean Earth") (NASDAQ: CLIN), a publicly traded special purpose acquisition company, of a Proxy Statement with the U.S. Securities and Exchange Commission ("SEC") relating to the previously announced proposed business combination of Alternus Energy and Clean Earth.

On May 17, 2023, the Company and a representative group of the bondholders have agreed to an extension of the temporary waivers until 30 September 2023. To support Solis' efforts in exploring alternative funding options, including sale of certain assets, equity offerings and/or refinancing, and to ensure adequate and clear communication between Solis and the bond trustee going forward, the bond trustee will be granted certain additional information rights and have the right to appoint half of the members of the board of directors of Solis, in addition to the members of the board appointed by Alternus. The bondholders have until June 5, 2023 to vote on whether to approve this extension.

On June 2, 2023 the bondholders voted and approved the extension of the temporary waivers until 30 September 2023.

On May 4, 2023 Alternus received notice that Solartechnik filed an arbitration claim against Alternus Energy Group PLC, Solis Bond Company DAC and ALT POL HC 01 SP. Z.o.o. in the Court of Arbitration at the Polish Chamber of Commerce, claiming that PLN 24,980,589 ($5.97M) is due and owed to Solartechnik pursuant to a preliminary share purchase agreement by and among the parties that did not ultimately close. This amount has been accrued for in the financial statements as of December 31, 2022.

Parent Undertaking and Controlling Party

Alternus Energy Group Plc (the Group) was incorporated in Dublin, Ireland on January 31, 2019, under the name Alternus Energy International Limited. On October 20, 2020, the Company re-registered as a Plc and changed its name to Alternus Energy Group Plc. Alternus Energy Group Plc owns 100% of shares of Solis.

Group Companies

Particulars of the companies within the Group, required to be disclosed under Section 314(1) of the Companies Act 2014, in respect of Group companies are detailed in Note 18 to the Consolidated Financial Statements.

Related Party

Parties are considered to be related when one party can exercise control, shared control, or significant influence over the other in decision-making involving its finances and operating activities. The related parties of the parent company include major shareholders, subsidiaries, and key management personnel. Key management personnel include members of the Board of Directors and the Secretary. There are no Related party transactions in 2022 related to the management or personnel of the Company. Refer to footnote 23 for more details regarding related party transactions.

The Company is a member of the Alternus Energy Group of Companies and as a result, the majority of the Company's related party transactions emanate from this relationship. Alternus Energy Group has contributed Capital of USD 29.7 (EUR 31.7) million as disclosed below. The note for Subsidiary undertakings further lists out all the subsidiaries for the Group and the Company.

Directors' Compliance Statement

The Directors have drawn up a compliance policy statement setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations the Directors understand that they are responsible for securing the Company's compliance with its relevant obligations. The Company has appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and the Company has conducted a review, during the financial year of the arrangements or structures that have been put in place.

Accounting Records

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed a professionally qualified financial director who reports to the Board and ensures that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with. These books and accounting records are maintained at the Company's registered office at Dublin, Ireland.

Statement on relevant audit information

In the case of each persons who are Directors at the time this report is approved in accordance with Section 332 of the Companies Act 2014:

a) So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and

b) The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information, and to establish that the Company's statutory auditors are aware of that information.

Auditors

Mazars, Chartered Accountants & Statutory Audit Firm express their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Disclosure of information to Auditors

So far as each of the directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

Directors' Compliance Statement

The directors, in accordance with Section 225(2) (a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations." "Relevant obligations", in the context of the Company, are the Company's obligations under:

(a) the Act, where a breach of the obligations would be a category 1 or category 2 offence;
(b) the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and
(c) tax law.

Pursuant to Section 225(2) (b) of the Act, the directors confirm that:

(i) a compliance policy statement has been drawn up as required by Section 225(3)(a) of the Act setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
(ii) appropriate arrangements and structures are in the process of being put in place that, in their opinion, will be designed to secure material compliance with the Company's relevant obligations, and
(iii) a review was conducted, during the financial year, of the arrangements and structures referred to in paragraph.

Corporate Governance Review

The board of directors of the Company (the "Board") is responsible for establishing and maintaining adequate internal controls and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal controls and risk management systems to ensure its effective oversight of the financial reporting process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.
The Board is obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal controls over financial reporting. These control structures include appropriate division of responsibilities and specific control activities, aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report. The systems of control have been in place for the period under review and up to the date of approval of the annual report and accounts.

The Company's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. The Board has an annual process to ensure that appropriate measures are taken to consider and address any measures recommended by the independent auditors.

On behalf of the Board

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Vincent Browne **John McQuillan**

Director **Director**

13th June 2023

Directors' Responsibilities Statement

The Directors are responsible for preparing the annual report and the Company financial statements in accordance with Companies Act 2014.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the Company's financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financials reporting framework").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities, and financial position of the Company as at the financial year end date and of the profit or loss of the Company or the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance of the financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

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Vincent Browne	**John McQuillan**
Director	**Director**

13th June 2023

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Independent auditor's report to the members of Solis Bond Company DAC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Solis Bond Company Designated Activity Company ('the Company') and its subsidiaries ('the Group'), for the year ended 31 December 2022, which comprise the consolidated and company statement of comprehensive income, consolidated and company statement of financial position, consolidated and company statement of changes in equity, consolidated and company statement of cash flows and notes to the Company and Group financial statements, including the summary of significant accounting policies set out in notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company and the Group as at December 31, 2022, and of the Company's and the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been properly prepared in accordance with the requirements of the Companies Act 2014

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 25 (Going concern and management's plan to remediate) and note 26 (Subsequent events) in the financial statements, which indicates that the Group has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. The Group announced that it is in breach of three financial covenants under the Solis Bond terms and at the date of this opinion has been granted a waiver until the 30 September 2023.

As stated in note 25, these events or conditions, along with the other matters as set forth in this note to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of this report, we summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures.

Key audit matter – Impairment of property and equipment	**How the matter was addressed**
The Company owns photovoltaics ("PV") parks used in generating solar energy – an asset with specific purpose and main component of the Company's financial statements. The PVs are carried at cost, less depreciation and impairment. Significant judgement and/or estimates arise from the determination of the useful life and the relevant inputs used in the impairment assessment model.	▪ Obtained an understanding of the process for the assessment of the impairment of property and equipment and perform a walkthrough of the process in particular the inputs and production assumptions and evaluate the design of relevant identified controls; ▪ Assessed the reasonableness of the methodology used by management to assess and determine potential impairment; ▪ Assessed the estimated useful life applied by management by comparing against industry benchmark; ▪ Challenged key assumptions taken by the management; ▪ Ensured accuracy of the model used by rechecking management calculations.

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Our application of materiality

We apply the concept of materiality in planning and performing the audit and in evaluating the impact of misstatements, if any. Materiality is an expression of the relative significance or importance of a matter in the context of the financial statements. Misstatements in the financial statements are material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	$ 3,276,256
How we determined it	1,5% of total assets
Rationale for benchmark applied	Our materiality was set based on a benchmark of total assets as the investment in energy property is the main
Performance materiality	$ 2,129,567 Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We determined 65% (2021: 60%) of the overall materiality to be appropriate.
Reporting threshold	We agreed with those charged with governance that we would report to them misstatements identified during our audit above $ 98,288 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of the audit

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Company and the Group, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company and the Group were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit of the Company and the Group.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and the Group and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company and the Group. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement out on page 10, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company and 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 Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the Group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and the Companies Act 2014 and we considered the extent to which non-compliance might have a material effect on the financial statements.

In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- Obtaining an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates;
- Discussing with the directors and management as to whether the Company is in compliance with laws and regulations, and discussing the policies and procedures in place regarding compliance with laws and regulations;
- Reviewing minutes of board meetings;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- Focusing on areas of laws and regulations that could reasonably be expected to have a material effect on preparation of the financial statements such as tax legislation and the Companies Act 2014.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud such as opportunities for fraudulent manipulation of financial statements, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under “Key audit matters” within this report.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Tuohy
for and on behalf of Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2
Date: 13 June 2023

Consolidated Statement of Comprehensive Income

($000's)	Notes	Year ended 31 December 2022	Year ended 31 December 2021 As Restated*
Revenue	3	29,368	20,593
Cost of sales	4	(8,487)	(6,528)
Gross profit		20,881	14,065
General and administration expenses	5	(2,297)	(1,102)
Depreciation	7	(7,348)	(6,365)
Amortisation	7	(115)	(43)
Operating profit		11,121	6,555
Finance costs	6	(14,872)	(13,472)
Other expense	6	(239)	(62)
Disposal of assets	6	(79)	(19)
Project guarantee cost	6	(10,221)	-
Gain on Bargain purchase[1]	6	-	30,233
(Loss)/Profit on ordinary activities before taxation		(14,290)	23,235
Income Tax	22	-	(527)
(Loss)/Profit for the financial year		(14,290)	22,708
Other comprehensive income for the year			
Foreign exchange differences on translation of operations of foreign subsidiaries and branches		2,795	(1,221)
Total comprehensive income for the year attributable to the owners of the Group		(11,495)	21,487

*Some balances have been reclassified in the prior year to give a more accurate reflection of the nature of the balances. Additionally, for further information on prior year restatements refer to note 2

[1] IFRS 3 'Business Combinations', outlines the accounting when an acquirer obtains control of a business (e.g., an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. A bargain purchase occurs when businesses are acquired for less than fair market value. In a bargain purchase business combination, a corporate entity is acquired by another for an amount that is less than the fair market value of its net assets. Current accounting rules for business combinations require the acquirer to record the difference between the fair value of the acquired net assets and the purchase price as a gain on its income statement due to Bargain Purchase. Bargain purchase for acquisitions in Romania and Italy constitutes to the amounts recorded in Q1'21 and Q2'21..

Company Statement of Comprehensive Income

($000's)	Notes	Year Ended 12/31/2022	Year Ended 12/31/2021 As Restated*
Administrative Fee Revenue	3	22,058	9,103
Cost of sales		-	-
Gross profit		22,058	9,103
General and administration expenses	5	(2,297)	(1,102)
Operating Income		19,761	8,001
Finance costs	6	(14,356)	(12,484)
Project Guarantee Cost	6	(10,174)	-
Loss on ordinary activities before taxation		(4,769)	(4,483)
Income Tax	22	-	-
Loss for the financial year		(4,769)	(4,483)
Other comprehensive income for the year			
Foreign exchange gain/(loss) on translation of foreign subsidiaries		(576)	(56)
Total comprehensive loss for the year attributable to the owners of the Company		(5,345)	(4,539)

*Some balances have been reclassified in the prior year to give a more accurate reflection of the nature of the balances. Additionally, for further information on prior year restatements refer to note 2

Consolidated Statement of Financial Position

($000's)	Notes	Year Ended 31 December 2022	Year ended31 December 2021 As Restated*
Assets			
Non-current assets			
Goodwill	8	2,009	2,131
Property, plant and equipment, net	9	172,501	172,921
Total Non-Current assets		174,510	175,052
Current assets			
Trade and other receivables	11	18,510	10,125
Unbilled energy incentives	12	4,954	3,141
Restricted cash	14	6,598	7,920
Cash and cash equivalents	14	1,019	12,664
Total Current Assets		31,081	33,850
Total Assets		205,591	208,902
Equity and Liabilities			
Current liabilities			
Trade and other payables	15	3,160	9,344
Accrued expenses	16	3,571	1,056
Deferred income	12	4,954	3,141
Capital lease – short term	21	321	79
Taxes payable		703	-
Total Current Liabilities		12,709	13,620
Non-current liabilities			
Assets retirement obligation	17	1,221	625
Capital lease – long term	21	6,537	3,813
Borrowings – long Term	20	145,442	139,667
Total Non-Current Liabilities		153,200	144,105
Total Liabilities		165,909	157,725
Capital and reserves			
Share Capital	18	1	1
Capital Contribution	19	29,689	29,689
Foreign exchange reserve		1,574	(1,221)
Retained earnings		8,418	22,708
Total equity		39,682	51,177
Total equity and liabilities		205,591	208,902

*Some balances have been reclassified in the prior year to give a more accurate reflection of the nature of the balances. Additionally, for further information on prior year restatements refer to note 2

Company Statement of Financial Position

($000's)	Notes	Year Ended 12/31/2022	Year Ended 12/31/2021 As Restated*
Assets			
Non-current assets			
Investment in Subsidiaries	10	154,150	151,111
Total Non-Current assets		154,150	151,111
Current assets			
Trade and other receivables	11	7,400	16
Restricted cash	14	6,226	6,446
Cash and cash equivalents	14	304	10,658
Total Current Assets		13,930	17,120
Total Assets		168,080	168,231
Equity and Liabilities			
Current liabilities			
Accrued expenses	16	2,819	-
Trade and other payables	15	-	3,413
Non-current liabilities			
Borrowings – long Term	20	145,455	139,667
Total Liabilities		148,274	143,080
Capital and reserves			
Capital Contribution	19	29,689	29,689
Share Capital	18	1	1
Foreign exchange reserve		(632)	(56)
Retained earnings/(deficit)		(9,252)	(4,483)
Total equity		19,806	25,151
Total equity and liabilities		168,080[1]	168,231

[1]All results are in respect of continuing operations.

The notes on pages 26 to 61 are an integral part of these financial statements.

*Some balances have been reclassified in the prior year to give a more accurate reflection of the nature of the balances. Additionally, for further information on prior year restatements refer to note 2

Consolidated Statement of Changes in Equity

	Share Capital	FX Reserves Arising on Translation (000's)	Capital Contribution ($000's)	Retained Earnings ($000's)	Total ($000's)
At 1 January, 2021	1	-		-	1
Capital contribution		-	29,689	-	29,689
Foreign Exchange reserve		(1,221)		-	(1,221)
Profit for the period		-		22,708	22,708
At 31 December, 2021 (as restated)	**1**	**(1,221)**	**29,689**	**22,708**	**51,177**
At 1 January, 2022	**1**	**(1,221)**	**29,689**	**22,708**	**51,177**
Capital contribution		-	-	-	-
Foreign Exchange reserve	-	2,795	-	-	2,795
Loss for the period		-		(14,290)	(14,290)
At 31 December, 2022	**1**	**1,574**	**29,689**	**8,418**	**39,682**

Company Statement of Changes in Equity

	Share Capital	FX[4] Reserves Arising on Translation ($000's)	Capital Contribution ($000's)	Retained Earnings ($000's)	Total ($000's)
At 1 January, 2021	**1**	**-**	**-**	**-**	**1**
Capital contribution	-	**-**	29,689	**-**	**29,689**
Foreign Exchange reserve	-	(56)	-	**-**	**(56)**
Loss for the period	-	**-**	-	(4,483)	**(4,482)**
At 31 December, 2021 (as restated)	**1**	**(56)**	**29,689**	**(4,483)**	**25,151**
At 1 January, 2022	**1**	**(56)**	**29,689**	**(4,483)**	**25,151**
Foreign Exchange reserve	-	(576)	-	-	**(576)**
Loss for the period	-	-	-	(4,769)	**(4,769)**
At 31 December, 2022	**1**	**(632)**	**29,689**	**(9,252)**	**19,806**

[4] FX = Foreign Exchange

Consolidated Statement of Cash Flow

Cash Flows from Operating Activities ($000's)	Notes	Year ended 31 December 2022	Year ended 31 December 2021 As Restated*
Group profit after tax		(14,290)	22,708
Adjusted for:			
Depreciation	7	7,348	6,365
Amortisation	7	115	43
Bargain Purchase	6	-	(30,233)
Disposal of assets	6	79	19
Interest Expense		10,988	9,743
Interest paid		(8,084)	(9,389)
Amortisation of Debt Discount	6	3,884	3,729
Movement in trade and other receivables	11	815	(12,218)
Movement in trade and other payables	15	(3,896)	13,541
Movement in prepayments and other assets		(1,382)	(990)
Payments on operating leases	21	(743)	(1,655)
Net cash flows generated from/(used in) operating activities		(5,166)	1,663
Cash flows from investing activities			
Cash paid for acquisition of energy property	9	(12,068)	(130,942)
Cash paid for project guarantee cost		-	(108)
Cash paid on behalf of affiliate		(9,632)	-
Net cash used in investing activities		(21,700)	(131,050)
Cash flow from financing activities			
Capital Contribution from Alternus Energy Group, PLC		-	14,512
Payments on debt principal, net		(2,135)	(7,422)
Proceeds from issuance of debt, net		12,813	139,667
Net cash generated from financing activities		10,678	146,757
Effect of exchange rate on cash		3,221	3,214
Net decrease in cash and cash equivalents		(12,967)	20,584
Cash and cash equivalents at the beginning of the period		20,584	-
Cash and cash equivalents at the end of the period	14	7,617	20,584

*Some balances have been reclassified in the prior year to give a more accurate reflection of the nature of the balances. Additionally, for further information on prior year restatements refer to note 2

Company Statement of Cash Flow

Cash Flows from Operating Activities ($000's)	Notes	Year ended 31 December 2022	Year Ended 31 December 2021 As Restated*
Company loss after tax		(4,769)	(4,483)
Adjusted for:			
Amortisation of Debt Discount	6	3,872	3,729
Movement in trade and other receivables		25	-
Movement in trade and other payables		(594)	1,727
Interest expense		10,492	8,755
Interest received		(8)	-
Interest paid		(7,749)	(8,251)
Net cash flows generated from operating activities		1,269	1,477
Cash flows from investing activities			
Cash paid for acquisition of subsidiaries	9	(12,068)	(130,942)
Cash paid on behalf of affiliate		(7,360)	-
Net cash used in investing activities		(19,428)	(130,942)
Cash flow from financing activities			
Proceeds from Alternus Energy Group, PLC	14	-	14,512
Proceeds from issuance of debt, net	20	12,813	139,667
Payments on debt principal, net	20	(2,135)	(7,422)
Net cash generated from financing activities		10,678	146,757
Effect of exchange rate on cash		(3,093)	(188)
Net increase/(decrease) in cash and cash equivalents		(10,574)	17,104
Cash and cash equivalents at the beginning of the period		17,104	-
Cash and cash equivalents at the end of the period	14	6,530	17,104

*Some balances have been reclassified in the prior year to give a more accurate reflection of the nature of the balances. Additionally, for further information on prior year restatements refer to note 2

Notes to the Consolidated Financial Statements for the Twelve Months ended 31 December 2022

General Information

Solis Bond Company Designated Activity Company ("We", "Solis" or the "Company") was incorporated in Dublin, Ireland on October 16th, 2020. Solis Bond Company Designated Activity Company provides financing for acquisitions of solar PV parks.

Alternus Energy Group Plc was incorporated in Dublin, Ireland on January 31, 2019, under the name Alternus Energy International Limited. On October 20, 2020, the Company re-registered as a Plc and changed its name to Alternus Energy Group Plc. Alternus Energy Group Plc owns 100% of shares of Solis.

Below are details for the Group's Offices and Operating Companies

Subsidiary	Principal Activity	Date acquired/ established	Principal place of business	Registered address
Power Clouds SRL	SPV	31 March 2015	Romania	3D Apicultorilor Boulevard 1st Floor, District 3D, Bucharest, Romania 12053
F.R.A.N. Energy Investment SRL	SPV	31 March 2015	Romania	3D Apicultorilor Boulevard 1st Floor, District 3D, Bucharest, Romania 12053
PC-Italia-02 S.p.A.	SPV	September 2016	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
Sant'Angelo Energia S.r.l.	SPV	May 2021	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
CIC Rooftop 2 S.r.l.	SPV	24 April 2019	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
CIC RT Treviso S.r.l.	SPV	24 April 2019	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
SPV White One S.r.l.	SPV	24 April 2019	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
CTS Power 2 S.r.l.	SPV	30 April 2019	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
Zonnepark Rilland B.V.	SPV	20 December 2019	Netherlands	Evert Van de Beekstraat 1, 104 The Base B, Schipol, Netherlands 1118CL
KKSOL S.r.l	SPV	February 2021	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
Petriolo Fotovoltaica S.r.l	SPV	March 2021	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
Solarpark Serre 1 S.r.l	SPV	March 2021	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
Lucas EST S.r.l	SPV	July 2021	Romania	3D Apicultorilor Boulevard 1st Floor, District 3D, Bucharest, Romania 12053
Ecosfer Energy S.r.l.	SPV	July 2021	Romania	3D Apicultorilor Boulevard 1st Floor, District 3D, Bucharest, Romania 12053

LJG Green Source Energy Beta S.r.l	SPV	July 2021	Romania	3D Apicultorilor Boulevard 1st Floor, District 3D, Bucharest, Romania 12053
BIMA SRL	SPV	March 2021	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
MABI SRL	SPV	June 2021	Italy	Via Battistessa, 10, Caserta, Campania, Italy 81100
Solarpark Samas Sp. Z.O.O.	SPV	August 2021	Poland	Garazowa 5a, 02-651 Warsaw Poland
Elektrownia PV Komorowo Sp. Z.O.O	SPV	December 2021	Poland	Garazowa 5a, 02-651 Warsaw Poland
PV Zachod Sp. Z.O.O	SPV	December 2021	Poland	Garazowa 5a, 02-651 Warsaw Poland
RA 01 Sp. Z.O.O	SPV	March 2022	Poland	Garazowa 5a, 02-651 Warsaw Poland
Gardno Sp . Z.O.O	SPV	March 2022	Poland	Garazowa 5a, 02-651 Warsaw Poland
Gardno2 Sp. Z.O.O	SPV	March 2022	Poland	Garazowa 5a, 02-651 Warsaw Poland

1) Summary of significant accounting policies

Basis of Financial Statement Presentation

Compliance with IFRS, new standards and interpretation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the EU and the Companies Act 2014.

The Group adopted all accounting standards and interpretations at 31 December 2022. The new and revised accounting standards and interpretations that have been published by the IASB were adopted by the Group and were assessed as not applicable and have no impact on the Group's consolidated financial statements.

New Accounting Standards Effective After the Reporting Year Ended 1 January 2022

The Management assessed that the standard change for amendments below has no significant impact on the Group's financial statements:

Amendments to IFRS 1 – Subsidiary as a First-Time Adopter

The Group adopted all accounting standards and interpretations at 31 December 2022. The new and revised accounting standards and interpretations that have been published by the IASB were adopted by the Group and were assessed as not applicable and have no impact on the Group's consolidated financial statements. The amendment is effective for annual periods beginning on or after 1 January 2022 with early application permitted. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

Amendments to IFRS 3 – References to Conceptual Framework (Conceptual framework and Business Combination)

In October 2018, the IASB issued Definition of a Business (Amendments to IFRS 3). The amendments are to:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period (beginning on or after 1 January 2020) and to assess acquisitions that occur on or after the beginning of that period. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

In May 2020, the International Accounting Standards Board (IASB or Board) issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989 (Framework), with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 (2018 Conceptual Framework) without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018), which was issued at the same time as the 2018 Conceptual Framework. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

Amendments to IFRS 9 – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022 with early application permitted. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

Amendments to IFRS 16 – Lease Incentives

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

Amendments to IFRS 16 – COVID-19 Related Rent Concessions

In May 2020, the Board issued COVID-19-Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance. The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021. In June 2021, the Board extended the amendment to June 2022. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

On 14 May 2020, the IASB issued Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)

On 14 May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16) regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

It amends the standard to prohibit deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

On 23 January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items.

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least 12 months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability.
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The Group currently does not believe that the adoption of this accounting guidance will have a material impact on its consolidated financial statements and related disclosures.

New and amended standards and interpretations (continued) Standards issued but not yet effective

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The Board has recently issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of *general-purpose* financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023 but may be applied earlier.

Definition of Accounting Estimate (Amendments to IAS 8)

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique)

- choosing the inputs to be used when applying the chosen measurement technique

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendment in Deferred Tax related to Assets and Liabilities arising from a Single Transaction is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

The Company has not adopted any other new standards or interpretations that are not mandatory. Other than as indicated above, the directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company in the period of initial application.

Historical cost

The consolidated financial statements have been prepared on the historical cost basis, except were described otherwise in the policies below.

- Certain financial instruments carried at amortized cost.
- Lease liabilities measured at present value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of preparation and restatement of prior year financial statements.

The consolidated financial statements present, for comparative purposes, with each heading of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in net equity, the consolidated statement of cash flows, and of the notes to the consolidated financial statements, together with the figures for the year 2022, the figures for the previous year, which were included in consolidated financial statements for the year 2021 and which differ from those presented as at December 31, 2021. Refer to Footnote 2 for more information.

Change in accounting policy – Presentation Currency

In 2022 the Company changed the presentation currency of consolidated financial statements of the Group to USD ($) while the functional currency of the Group remains to be Euro (€). This change was made retrospectively in accordance with IAS 8.

The presentation currency translation is performed as per IAS 21.

Refer to Footnote 2 for more information and reconciliations.

Basis of Consolidation

The financial statements of the Group incorporate the financial statements of the Company (the parent) and entities controlled by the Company (its subsidiaries) made up to 31 December each year.

Control is achieved when the Company:

- has the power over the subsidiary;
- is exposed, or has rights, to variable returns from its involvement with the subsidiary; and
- has the ability to use its power to affect those returns.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to their control. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- potential voting rights held by the Company, other vote holders or other parties.
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interest having deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting year as the Group, using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealized gains and losses are eliminated.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Revenue Recognition

The Company derives revenues through its subsidiaries from the sale of electricity and the sale of solar renewable energy credits (RECs) in Romania and guarantees of origin certificates (GoOs) in Poland. The Company receives Green Certificates based on the amount of energy produced in Romania. Energy generation revenue and solar renewable energy credits revenue are recognized as electricity generated by the Company's solar energy facilities is delivered to the grid, at which time all performance obligations have been delivered. Revenues are based on actual output and contractual sale prices set forth its customer contracts.

The Company's current portfolio of renewable energy facilities is generally contracted under long-term Country Renewable Programs (FIT programs) or Energy Offtake Agreements (PPAs/VPPAs) with creditworthy counterparties. Pricing of the electricity sold under these FITs and PPAs is generally fixed for the duration of the contract, although some of its PPAs have price escalators based on an index (such as the consumer price index) or other rates specified in the applicable PPA.

Expense Recognition

Expenses in the statement of comprehensive income are presented using the nature or function of expense method. Costs of sales are expenses incurred that are associated with the goods sold and includes components of cost of sales. Operating expenses are costs attributable to administrative, marketing, selling and other business activities of the Group.

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Business Combinations

IFRS 3 Business Combinations outlines the accounting when an acquirer obtains control of a business (e.g., an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair value at the acquisition date.

We account for business combinations by recognizing in the financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interests in the acquiree at fair value at the acquisition date. We also recognize and measure the goodwill acquired or a gain from a bargain purchase in the business combination and determines what information to disclose to enable users of an entity's financial statements to evaluate the nature and financial effects of the business combination. In addition, acquisition costs related to business combinations are expensed as incurred. Business combinations is a critical accounting policy as there are significant judgments involved in the allocation of acquisition cost.

When we acquire renewable energy facilities we allocate the purchase price to (i) the acquired tangible assets and liabilities assumed, primarily consisting of land, plant, and long-term debt, (ii) the identified intangible assets and liabilities, primarily consisting of the value of favourable and unfavourable rate Government renewable energy incentive programs and Energy offtake agreements and the in-place value of market rate Government renewable energy incentive programs, (iii) non-controlling interests, and (iv) other working capital items based in each case on their fair values in accordance with IFRS.

We perform the analysis of the acquisition using the income approach, or an income approach or excess earnings approach. Factors considered by management in its analysis include considering current market conditions and costs to construct similar facilities. We also consider information obtained about each facility as a result of our pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets and liabilities acquired or assumed. In estimating the fair value, we also establish estimates of energy production, current in-place and market power purchase rates, tax credit arrangements and operating and maintenance costs. A change in any of the assumptions above, which are subjective, could have a significant impact on the results of operations.

The allocation of the purchase price directly affects the following items in our consolidated financial statements:

- The amount of purchase price allocated to the various tangible and intangible assets, liabilities, and non-controlling interests on our balance sheet;
- The amounts allocated to the value of favourable and unfavourable rate Government renewable energy incentive programs and Energy offtake agreements are amortized to revenue over the remaining non-cancellable terms of the respective arrangement. The amounts allocated to all other tangible assets and intangibles are amortized to depreciation or amortization expense, except for favourable and unfavourable rate land leases and unfavourable rate O&M contracts which are amortized to cost of operations; and
- The period over which tangible and intangible assets and liabilities are depreciated or amortized varies, and thus, changes in the amounts allocated to these assets and liabilities will have a direct impact on our results of operations.

Bargain Purchase

A bargain purchase occurs when businesses are acquired for less than fair market value. In a bargain purchase business combination, a corporate entity is acquired by another for an amount that is less than the fair market value of its net assets. Current accounting rules for business combinations require the acquirer to record the difference between the fair value of the acquired net assets and the purchase price as a gain on its income statement due to negative goodwill.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Leases

The Group as lessee at inception of a contract, assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability for operating leases is based on the net present value of future minimum lease payments. The right of use asset for operating leases is based on the lease liability. The right-of-use asset comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', and lease liabilities in trade and other payables in the statement of financial position. The movement of right-of-use of the assets of the Group is disclosed in Notes 6 and 13 to the Consolidated Financial Statements.

Short-term Leases and Leases of Low-Value Assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of offices and licences that have a lease term of 12 months or less or the leases of low-value leases in Romania. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign Currencies

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains, and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

To present consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the statement of comprehensive income in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period to be prepared for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

Income Tax

The taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill. Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognizing deferred tax.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. The measurement of deferred tax reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

Property, Plant and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs, and borrowing costs capitalised.

Depreciation

Depreciation is calculated using the straight-line method to write off the cost of property, plant, and equipment over their expected useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Useful life of assets	Life in years
Energy property	Lower of 35 years or lease expiry
Furniture and fixtures.	7
Computer equipment	7

Subsequent Additions

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Asset Retirement Obligations

In connection with the acquisition or development of solar energy facilities, the Company may have the legal requirement to remove long-lived assets constructed on leased property and to restore the leased property to its condition prior to the construction of the long-lived assets. This legal requirement is referred to as an asset retirement obligation (ARO). If the Company determines that an ARO is required for a specific solar energy facility, the Company records the present value of the estimate future liability when the solar energy facility is placed in service. AROs recorded for owned facilities are recorded by increasing the carrying value of investment in energy property and depreciated over the solar energy facility's useful life. While an ARO, recorded for a leasing arrangement, is accounted for as a liability in the initial period recognized and amortized over the term of the solar energy facility's useful life. After initial recognition of the liability, the Company accretes the ARO to its future value over the solar energy facility's useful life.

Repairs, maintenance, and minor inspection costs are expensed as incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Investments in Subsidiary

Investments in Subsidiary Companies

A subsidiary is an entity including an unincorporated entity such as a partnership that is controlled by the Company. Investments in subsidiaries are measured initially at cost. Subsequent to initial recognition, investment in subsidiaries is carried in the Group's separate financial statements at cost less any accumulated impairment losses. The Group's accounting policy for impairment of financial assets are applied to determine whether it is necessary to recognize any impairment loss with respect to its investment in the subsidiary. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with the Group's accounting policy on impairment of tangible and intangible assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its' carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases. The investments in subsidiaries are derecognized upon disposal or when no future economic benefits are expected to arise from the investment. Gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the investment in subsidiary and is recognized in profit or loss.

Impairment of Tangible and Intangible Assets

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible Assets

Intangible assets consist of long-term operating contracts acquired through the acquisition of solar energy facilities. Intangible assets are initially recognized at their fair value and are amortized over the term of the related Government renewable energy incentive programs using the straight-line method. For solar energy facilities that are purchased and then put into construction, intangible assets are recorded at cost, and are amortized over the term of the related Government renewable energy incentive programs using the straight-line method.

Impairment of Long-Lived Assets

The Company reviews its investment in energy property and Government renewable energy incentive programs for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When evaluating impairment, if the undiscounted cash flows estimated to be generated by the energy property are less than its' carrying amount, the differential carrying amount is determined to be not recoverable. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in the statement of comprehensive income unless the relevant asset is carried at a revalued amount, in which case the impairment loss is first treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Goodwill and Indefinite-Lived Intangible Assets

The Company has goodwill and certain indefinite-lived intangible assets that have been recorded in connection with the acquisition of a business. Goodwill and indefinite-lived assets are not amortized, but instead are tested for impairment at least annually. Goodwill represents the excess of the purchase price of an acquired business over the estimated fair value of the underlying net tangible and intangible assets acquired. For purposes of the goodwill impairment test, the Company has determined that it currently operates as a single reporting unit. If it is determined that an impairment has occurred, the Company adjusts the carrying value accordingly, and charges the impairment as an operating expense in the period the determination is made. Although the Company believes goodwill is appropriately stated in the consolidated financial statements, changes in strategy or market conditions could significantly impact these judgments and require an adjustment to the recorded balance.

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial Assets

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

All financial assets are recognised on a trade date – the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and Receivables

The Group's loans and receivables comprise trade and other receivables, amounts due from contract customers, bank balances and fixed deposits.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, lease receivables, trade receivables and contract assets, as well as on financial guaranteed contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate. When there has not been a significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. This represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date; except for assets for which a simplified approach was used.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

a) the financial instrument has a low risk of default;

b) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has an external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECL and the identification of a significant increase in credit risk.

Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds receivable.

Financial Liabilities and Equity

Classification of Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Equity instruments are recorded at the proceeds received net of direct issue costs.

Ordinary Share Capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Retained Earnings

Retained earnings represent accumulated profit attributable to equity holders of the Group after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard’s transitional provisions.

Trade and Other Payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Provisions and Contingencies

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) because of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its' carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

Contingencies

Contingent liabilities, arising because of past events, are not recognised when (i) it is not probable that there will be an outflow of resources, or the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Onerous Contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged. Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that has a post-employment benefit plan for the employees and key management personnel of the Group are also considered to be related parties. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Refer to Footnote 23 for details.

Directors' and auditor's remuneration

Directors' Remuneration

Director's Remuneration	December 31, 2022 ($000's)
Remuneration in respect of services as Director	67

Auditor's Remuneration – Group

Auditor's Remuneration	December 31, 2022 ($000's)
Audit	20

Auditor's Remuneration – Company

Auditor's Remuneration	December 31, 2022 ($000's)
Audit	20

Significant Accounting Judgements, Estimates and Assumptions

In preparing these financial statements, the Group and Company make judgements, estimates and assumptions concerning the future that impact the application of policies and reported amounts of assets, liabilities, income, and expenses.

The resulting accounting estimates calculated using these judgements and assumptions are based on historical experience and expectations of future events and may not equal the actual results. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognised prospectively.

Critical judgements made in applying the Group's and Company's accounting policies that have the most significant effects on the amounts recognised in these financial statements are set out below:

Fair Value Assessment of Acquired Assets

The fair value of the purchase consideration is valued based on a discounted cash flow over the life of the assets. The company uses estimates of future revenues and expenses to determine the fair value. The purchase price allocation was based, in part, on management's current knowledge of the project and the results of a fair value assessment that the Company performed.

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Determining the Timing of Satisfaction of Performance Obligations

In making their judgment, management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and in particular whether the Group had transferred control of the goods to the customer. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, management are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate

Significant Increase of Credit Risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its' credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has determined to be the Euro. The Euro is the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the Group in determining the costs and revenues. The reporting currency for the presentation of Management report is USD ($).

Leases

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfilment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

Classification of Lease as Finance Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of the ownership to the lessee otherwise leases are classified as operating leases. Judgment is used in determining whether the significant risk and rewards of ownership are transferred to the lessee. In making such judgment the Group evaluates the terms and conditions of the lease arrangement. The lease is classified as a finance lease if the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised or the lease term is for the major part of the economic life of the asset or at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; or the leased assets are of such a specialized nature that only the lessee can use them without major modifications) in which the management believes that the lessor has transferred substantially all the risk and rewards over the leased asset to the lessee.

Based on management evaluation, the lease arrangements entered into by Group as a lessor are accounted for as finance leases because the Group has determined that choose which item applies: (a) the lessor will transfer the ownership of the leased assets to the Group upon termination of the lease;

and, (b) the Group has given the lessee an option to purchase the asset at a price that is sufficiently lower than the fair value at the date of the option.

Determination of Control

Management exercises its judgment in determining whether the Group has control over another entity by evaluating the substance of relationship that indicates the control of Group over its subsidiaries. The recognition and measurement of the Group's investment over these entities will depend on the result of the judgment made.

Estimating Useful Lives of Assets

The useful lives of the Group's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of Group's property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on the Group's collective assessment of industry practice, internal technical evaluation, and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase the recognized operating expenses and decrease non-current assets. The Group's property, plant and equipment are typically measured at 15-35 years but are also analysed by asset class. Solar parks are depreciated at the lower of the life of the lease or 35 years.

Impairment of Goodwill

Determining whether goodwill is impaired requires estimation of the value of cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate to calculate present value. Where the actual future cash flows are less than expected a material impairment loss may arise.

Asset Impairment other than Goodwill

The Group performs an impairment review when certain impairment indicators are present. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the assets and liabilities purchased. Determining the recoverable amount of property, plant and equipment, intangible assets, and investment in associates, joint ventures, and subsidiaries, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that property, plant and equipment, intangible assets, and investment in associates, joint ventures, and subsidiaries are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

2) Prior Period Restatement

The consolidated financial statements present, together with the figures for the year 2022, the figures for the previous year, which were included in consolidated financial statements for the year 2021 and which differ from those presented as at December 31, 2021 for the reasons specified below.

The following Statements of Comprehensive Income and Financial Position have been translated as presented in 2021 from Euro to USD without any other adjustments identified in further below.

Consolidated Statement of Comprehensive Income restated using average annual rate of $1.18 USD per Euro.

($000's)	Year ended 12/31/2021 in Euro	Year ended 12/31/2021 as Restated in USD
($000's)		
Revenue	20,333	24,050
Cost of sales	(5,518)	(6,528)
Gross profit	14,815	17,522
General and administration expenses	(931)	(1,102)
Depreciation	(5,381)	(6,365)
Amortisation	(36)	(43)
Operating profit	8,467	10,012
Finance costs	(11,389)	(13,472)
Other expenses	(53)	(63)
Disposal of assets	(16)	(19)
Gain on Bargain purchase	19,882	23,519
(Loss)/Profit on ordinary activities before taxation	16,891	19,977
Income Tax	(447)	(529)
Profit (loss) for the financial year	16,444	19,448
		-
Other comprehensive income for the year		-
		-
Foreign exchange differences on translation of operations of foreign subsidiaries and branches	(685)	(810)
Total comprehensive income for the year attributable to the owners of the Group	15,759	18,638

Statement of Financial Position restated using the spot rate of $1.13 USD per Euro as at 31 December 2021.

($000's)	Year ended 12/31/2021 in Euro	Year ended 12/31/2021 as Restated in USD
Assets		
Non-current assets		
Goodwill	1,881	2,131
Property, plant and equipment, net	152,676	172,921
Total Non-Current assets	154,557	175,052
Current assets		
Trade and other receivables	11,403	12,915
Restricted cash	6,993	7,920
Cash and cash equivalents	11,181	12,664
Total Current Assets	29,577	33,499
Total Assets	184,134	208,551
Equity and Liabilities		
Current liabilities		
Trade and other payables	9,183	10,401
Capital lease – short term	70	79
Total current liabilities	9,253	10,480
Non-current liabilities		
Assets retirement obligation	552	625
Capital lease – long term	3,367	3,813
Borrowings – long Term	123,315	139,667
Total non-current liabilities	127,234	144,105
Total Liabilities	136,487	154,585
Capital and reserves		
Share Capital	-	1
Capital Contribution	31,888	36,116
Foreign exchange reserve	(685)	(776)
Retained earnings (Deficit)	16,444	18,624
Total equity	47,647	53,966
Total equity and liabilities	184,134	208,551

Green certificates earned but not yet contracted for sale were incorrectly included in the revenue as at December 31, 2021. The result was that revenue and net income were overstated by $3.5 million, and trade receivables were overstated by $2.8 million. Unbilled Energy Revenue, current asset, and Deferred Income, current liabilities, were both understated by $3.1 million. There was no opening balance for the two statement of financial position accounts at January 1, 2021

Adjusted Revenue Reconciliation	12/31/2021 ($000's) As Restated
Revenue as stated in USD	$ 24,050
Revenue adjustment for Green Cert.	(3,457)
Total adjustment for revenue	$ 20,593

Adjusted trade receivables Reconciliation	12/31/2021 ($000's) As Restated
Trade Receivable as stated in USD	$ 14,608
Adjustments to trade receivable	(2,790)
Adjusted trade receivables	$ 11,818

Adjusted unbilled energy incentives and deferred income Reconciliation	12/31/2021 ($000's) As Restated
Unbilled energy incentives	3,141
Deferred Income	(3,141)

There was a $6.7 million of understatement of Gain on Bargain Purchase in 2021 that was incorrectly recorded to the group parent, an affiliated company not presented in the Group financial statements. The result was net income and retained earnings as at December 31, 2021 were understated by $6.7 million.

Adjusted Net Income Reconciliation	12/31/2021 ($000's) As Restated
Net Income as stated in USD	19,452
Revenue adjustment for Green Cert.	(3,457)
Adjustment to Gain on Bargain Purchase	6,713
Net Income as restated	22,708

The following tables reconcile the impacts of the above changes to the components of equity.

Capital Contribution Reconciliation	12/31/2021 ($000's) As Restated
Capital Contribution as stated in USD	36,116
Adjustment to capital contribution for finance forgiveness	(6,427)
Adjusted Capital Contribution as stated in USD	**29,689**

Retained Earnings Reconciliation – Group	12/31/2021 ($000's) As Restated
Retained Earnings as stated in USD	18,642
Impact of Green Certificates to Retained Earnings	(3,459)
Impact of additional Gain on Bargain Purchase to RE	6,713
Reclass of Other Expense from Retained Earnings to Other Comprehensive Income	812
Adjusted Ending Retained Earnings	**22,708**

Cash payments from the subsidiary parks to Solis were incorrectly reported in 2021 and revenues of the Company were understated.

Retained Earnings Reconciliation – Company	12/31/2021 ($000's) As restated
Retained Earnings as stated in USD	(13,585)
Adjustments to Administrative Fees Revenue	9,103
	(4,482)

3) Revenue

The Group derives revenues through its subsidiaries from the sale of electricity and the sale of solar renewable energy credits (RECs) in Romania and guarantees of origin certificates (GoOs) in Poland. The Group receives Green Certificates based on the amount of energy produced in Romania. Energy generation revenue and solar renewable energy credits revenue are recognized as electricity generated by the Group's solar energy facilities is delivered to the grid, at which time all performance obligations have been delivered. Revenues are based on actual output and contractual sale prices set forth its customer contracts.

The Group's current portfolio of renewable energy facilities is generally contracted under long-term Country Renewable Programs (FIT programs) or Energy Offtake Agreements (PPAs/VPPAs) with creditworthy counterparties. Pricing of the electricity sold under these FITs and PPAs is generally fixed for the duration of the contract, although some of its PPAs have price escalators based on an index (such as the consumer price index) or other rates specified in the applicable PPA.

Net Revenue, by Offtake Type	31 December 2022 ($000's)	31 December 2021 ($000's)
Government Renewable energy incentive Programs	**14,504**	**11,981**
Energy Offtake Agreements	**14,864**	**8,612**
Total	**29,368**	**20,593**

Revenue by Country	31 December 2022 ($000's)	31 December 2021 ($000's)
Romania	**13,710**	**13,459**
Italy	**3,354**	**3,653**
Netherlands	**1,596**	**1,195**
Poland	**10,708**	**2,286**
Total Revenue by Country	**29,368**	**20,593**

The Company provides administrative services to the subsidiaries for which it receives cash which is recognized as revenue for the Company. Services provided by the company include human resources, billing and payment of debt service.

Administrative Fees Revenue – Company	31 December 2022 ($000's)	31 December 2021 ($000's)
Administrative Fees Revenue	**22,058**	**9,103**
Total Administrative Fees Revenue	**22,058**	**9,103**

Segment information

The Group manages its operations as a single business operation and there are no parts of the Group that qualify as operating segments. The Board assesses the financial performance of the Group on an integrated basis only and accordingly, the Group is managed based on a single segment.

Major customers

Two individual external customers each account for over 10% of the Group's revenue, as follows:

Top 2 customers	31 December 2022 ($000's)	31 December 2021 ($000's)
Client 1	9,580	5, 452
Percentage of Total Revenue	27%	23%
Client 2	5,287	3,117
Percentage of Total Revenue	15%	13%

4) Cost of Sales

Energy consumption cost are utility cost to operate the parks. Regulatory reimbursement expenses are cost in Poland associated with auction sales of energy produced by the Group. Operations and Maintenance cost are general cost to maintain and operate the parks.

Cost of Sales – Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Energy Consumption	2,321	3,691
Regulatory Reimbursement (Poland)	1,846	-
Operations & Maintenance	2,718	1,281
Consulting Expense	833	1,053
Insurance Expense	176	127
Misc. Expense	593	376
Total Cost of Sales	**8,487**	**6,528**

5) General and Administration Expenses

As part of the bond management agreement the Bond provides USD 1,068 (EUR 1,000) each month for each MW of solar parks under operation. The total general and administration expenses for the Group and Company provided by the bond sums to USD 1.6 million (EUR 1.8 million) and USD 1.05 million (EUR 0.93 million) for the years ended 31, December 2022 and 2021 respectively.

General and administration – Group	31-Dec-22 ($000's)	31-Dec-21 ($000's)
General and administration cost	2,297	1,102
Total General and Administration cost	**2,297**	**1,102**

General and administration – Company	31-Dec-22 ($000's)	31-Dec-21 ($000's)
General and administration cost	2,297	1,102
Total General and Administration cost	**2,297**	**1,102**

6) Non-Operating Expenses

The Company may guarantee project and development cost for affiliates. In 2022 these costs were primarily driven by a project in Poland as a 45 million PLN (approximately $9.6 million) "breakup fee" applied when the Company's affiliate did not close on the project and approximately another $0.6 million of due diligence fees related to the project.

Project Guarantee Cost – Group	31-Dec-22 ($000's)	31-Dec-21 ($000's)
Project Guarantee Cost	10,221	-
Total Project Guarantee Cost	**10,221**	**-**

Project Guarantee Cost – Company	31-Dec-22 ($000's)	31-Dec-21 ($000's)
Project Guarantee Cost	10,174	-
Total Project Guarantee Cost	**10,174**	**-**

Finance Cost – Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Interest Expense	10,988	9,743
Amortisation of debt discount	3,884	3,729
Total Finance Cost – Group	**14,872**	**13,472**

Finance Cost – Company	31 December 2022 ($000's)	31 December 2021 ($000's)
Interest Expense	10,484	8,755
Amortisation of debt discount	3,872	3,729
Total Finance Cost – Company	**14,356**	**12,484**

Other Expenses/(Income) – Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Other Expense	239	62
Disposal of Assets	79	19
Gain on Bargain Purchase	-	(30,233)
Total non-Operating Expense/(Income)	**25,411**	**(16,680)**

Other Expenses/(Income) – Company	31 December 2022 ($000's)	31 December 2021 ($000's)
Total non-Operating Expense/(Income)	**24,530**	**12,484**

7) Depreciation and Amortisation

Depreciation and Amortisation – Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Amortisation (Note 9)	115	43
Depreciation (Note 9)	7,348	6,365

8) Goodwill

	($000's)
Goodwill at 1 January 2021	-
Additions to Goodwill	2,131
Goodwill at 31 December 2021	**2,131**
Goodwill at 1 January 2022	2,131
Impact of FX	(122)
Goodwill at 31 December 2022	**2,009**

9) Property, Plant and Equipment

Movements in the carrying amounts of the Group's property, plant and equipment are as follows:

($000's) – Group	Property, Plant and Equipment	Land	Right of use asset	Asset Retirement	Totals
Cost					
Opening Balance					
Additions	177,372	527	4,192	588	**182,679**
FX	63	-	-	-	**63**
Closing balance of cost account	177,435	527	4,192	588	**182,742**
Accumulated Depreciation	-	-	-	-	-
Opening Balance	3,444	-	156	23	**3,623**
Depreciation and amortisation charge for the year	6,365	-	31	12	**6,408**
FX	(210)	-	-	-	**(210)**
Closing balance of the accumulated depreciation account	9,599	-	187	35	**9,821**
	-	-	-	-	-
Net book value as at 31 December 2021	167,836	527	4,005	553	172,921

($000's) – Group	Property, Plant and Equipment	Land	Right of use asset	Asset Retirement	Totals
Cost					
Opening Balance	177,435	527	4,192	588	**182,742**
Additions	12,311	-	1,972	580	**14,863**
FX	(9,508)	(30)	1,191	(50)	**(8,397)**
Closing balance of cost account	180,238	497	7,355	1,118	**189,208**
Accumulated Depreciation					
Opening Balance	9,599	-	187	35	**9,821**
Depreciation and Amortization charge for the year	6,997	-	351	115	**7,463**
FX	(521)	-	14	(70)	**(577)**
Closing balance of the accumulated depreciation account	16,075	-	552	80	**16,707**
Net book value as at 31 December 2022	164,163	497	6,803	1,038	172,501

10) Investment in Subsidiaries

Investment in Subsidiaries – Company:	($000's)
1 January, 2021	-
Additions	151,111
31 December, 2021	**151,111**
1 January, 2022	151,111
Additions	12,068
Foreign Exchange	(9,029)
Total Investment in Subsidiaries, net at 31 December 2022	**154,150**

The Company has investments in PC-Italia-02 S.p.A, SPV White One S.r.l, CTS Power 2 S.r.l, CIC Rooftop 2 S.r.l, CIC RT Trevesio S.r.l, San't Angelo Energia S.r.l, KKSOL S.r.l, Solarpark Serre 1 S.r.l, Petriolo Fotovoltaica S.r.l, Mabi S.r.l, Bima S.r.l, F.R.A.N Energy Investment SRL, Power Clouds S.r.l, Lucas EST S.r.l., Ecosfer Energy S.r.l, LJG Greensource Energy Beta S.r.l, Zonnepark Rilland B.V., Solar park Samas Sp. Z.O.O, Elektrownia Komorowo Sp. Z.O.O., PV Zachod Sp. Z.O.O., RA01 Sp. Z.O.O.; Gardno PV Sp. Z.O.O. and Gardno2 PV Sp. Z.O.O.

Management believes that there is no indication that an impairment loss has occurred.

11) Trade and Other Receivables

The carrying amounts of trade receivables and other receivables approximate their fair value largely due to the short-term maturities and nature of these instruments. All trade receivables are due within the Group's and Company's normal terms which is 30 days.

Trade and Other Receivables – Group:	31 December 2022 ($000's)	31 December 2021 ($000's)
Trade receivables	**5,621**	**5,391**
Prepayments & other	**1,735**	**646**
Value added tax recoverable, net	**1,228**	**4,088**
Due from affiliate	**9,632**	**-**
Accrued revenue	**294**	**-**
Total Trade and Other Receivables	**18,510**	**10,125**

Trade Receivables – Company:	31 December 2022 ($000's)	31 December 2021 ($000's)
Trade receivables	**40**	**16**
Due from affiliate	**7,360**	**-**
Total Trade Receivables	**7,400**	**16**

12) Unbilled Energy Incentives and Deferred Income

Unbilled energy incentives relate to Green Certificates from Romania earned but not yet contracted for sale. Deferred income relates to income related to Green certificates from Romania that have been received but not sold. Unbilled energy incentives and deferred income consist of the following at December 31

Unbilled energy incentives and deferred income – Group	31-Dec-22 ($000's)	31-Dec-21 ($000's) As Restated
Unbilled energy incentives	4,954	3,141
Deferred Income	(4,954)	(3,141)

13) Fair Value

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at 31 December 2022 but for which fair value is disclosed.

Fair Value - Group	12/31/2022 ($000's)				12/31/2021 ($000's)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash and cash equivalents	1,019	-	-	1,019	12,664	-	-	12,664
Restricted cash	6,598	-	-	6,598	7,920	-	-	7,920
Trade Receivables	-	-	18,510	18,510	-	-	10,125	10,125
Unbilled energy incentives	4,954	-	-	4,954	3,141	-	-	3,141
Total Assets at Fair Value	**12,571**	**-**	**18,510**	**31,081**	**23,725**	**-**	10,125	**33,850**
Liabilities								
Borrowings – long Term	145,442	-	-	145,442	139,667	-	-	139,667
Capital Leases	-	-	6,858	6,858	-	-	3,892	3,892
Trade Payables	-	-	3,160	3,160	-	-	9,344	9,344
Accrued Expenses	-	-	3,571	3,571	-	-	1,056	1,056
Deferred Income	4,954	-	-	4,954	3,141	-	-	3,141
Total Liabilities at Fair Value	**150,396**	**-**	**13,589**	**163,985**	**142,808**	**-**	**14,292**	**157,100**

Fair Value - Company	12/31/2022 ($000's)				12/31/2021 ($000's)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash and cash equivalents	304	-	-	304	10,658	-	-	10,658
Restricted cash	6,226	-	-	6,226	6,446	-	-	6,446
Trade Receivables	-	-	7,400	7,400	-	-	16	16
Total Assets at Fair Value	**6,530**	**-**	**7,400**	**13,930**	**17,104**	**-**	16	**17,120**
Liabilities								
Borrowings – long Term	145,455	-	-	145,455	139,667	-	-	139,667
Trade Payables	-	-	-	-	-	-	3,413	3,413
Accrued Expenses	-	-	2,819	2,819	-	-	-	-
Total Liabilities at Fair Value	**145,455**	**-**	**2,819**	**148,274**	**139,667**	**-**	**3,413**	**143,080**

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

14) Cash and Cash Equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

Cash and Cash Equivalent – Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Cash in bank	1,019	12,664
Restricted cash:		
Debt service reserve	1,916	1,474
Escrow accounts	4,682	6,446
Cash and Cash Equivalent	7,617	20,584

Cash and Cash Equivalent – Company	31 December 2022 ($000's)	31 December 2021 ($000's)
Cash in bank	304	10,658
Restricted cash:	-	-
Debt service reserve	1,916	1,476
Escrow accounts	4,310	4,970
Cash and Cash Equivalent	6,530	17,104

Restricted Cash relates to balances that are in the bank accounts for specific defined purposes and cannot be used for any other undefined purposes. The balance has a debt service reserve account as per the requirements from the Bond Trustee that is serving the purpose of issuing the quarterly coupons to the Bond trustee for the Green Bonds issued in 2021 and 2022. The balance also has an account for a bank guarantee in place for Poland and there is acquisition related accounts in Italy and Romania that hold escrow balances.

15) Trade and Other Payables

The carrying amounts of trade and other payables approximate their fair value largely due to the short-term maturities and nature of these instruments. The repayment terms of trade payables vary between on demand and 30 days. No interest is payable on trade payables. Trade and other payables primarily include amounts for operations and maintenance of solar parks.

Trade and Other Payables - Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Trade payables	3,160	9,344

Trade and Other Payables – Company	31 December 2022 ($000's)	31 December 2021 ($000's)
Trade payables	-	3,413

16) Accrued Expenses

Accrued Expenses - Group	31-Dec-22 ($000's)	31-Dec-21 ($000's)
Accrued interest	2,743	-
Accrued expenses	762	872
Accrued payroll	66	184
Total Accrued Expenses - Group	3,571	1,056

Accrued expenses - Company	31-Dec-22 ($000's)	31-Dec-21 ($000's)
Accrued interest	2,743	-
Accrued expenses	21	-
Accrued payroll	55	-
Total Accrued Expenses - Company	2,819	-

17) Asset Retirement Obligation

Asset retirement obligations arise when an energy asset is placed on land or a surface that has to be improved to be brought back to it's original condition once the asset is to be given back to the land owner.

Asset Retirement obligation	($000's)
1 January 2021	
Opening Balance	168
Additions	444
Accumulated Accretion	13
31 December 2021	**625**
1 January 2022	
Opening Balance	625
Additions	493
Accumulated Accretion	103
31 December 2021	**1,221**

18) Share Capital

Share Capital - Group	31 December 2022	31 December 2021
Ordinary share capital - authorized 1,000 ordinary shares of (EUR 1 each)	1,068	1,133
Called up Share Capital - Group	**31 December 2022**	**31 December 2021**
Allotted, called up and fully paid	1	1

Share Capital - Company	31 December 2022	31 December 2021
Ordinary share capital - authorized 1,000 ordinary shares of (EUR 1 each)	1,068	1,133
Called up Share Capital - Company	**31 December 2022**	**31 December 2021**
Allotted, called up and fully paid	1	1

19) Capital Contribution

Capital contributions represent amounts received from the Company's parent Alternus Energy Group (AEG) PLC.

Group and Company	($000's)
Total Capital Contribution, at 1 January 2021	0
Additions	29,689
Total Capital Contribution, net of AEG Intercompany at 31 December 2021	29,689
Total Capital Contribution, net of AEG Intercompany at 1 January 2022	29,689
Additions	0
Total Capital Contribution, net of AEG Intercompany at 31 December 2022	**29,689**

RESERVES

Share premium

The share premium reserve represents the premium on issue of the ordinary shares.

Share capital

The share capital represents the capital on issue of the ordinary shares.

Foreign exchange reserve

The foreign exchange reserve represents gains/losses arising on retranslating the net assets of foreign operations into USD.

Retained earnings

The retained earnings represent cumulative gains and losses recognised net of transfers to/from other reserves and dividends paid.

20) Bank Loans

Debt Summary – Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Bond Debt – secured	149,481	147,238
Gross debt	149,481	147,238
Debt discount – Short term	(3,895)	(3,725)
Debt discount – Long term	(144)	(3,846)
Total Long Term and Short-Term Debt	145,442	139,667

Five-year debt maturity analysis

(in thousands)	2023	2024	2025	2026	2027	Thereafter	Total
Gross Debt	$ -	$ 145,442	$ -	$ -	$ -	$ -	$ 145,442
Total	$ -	$ 145,442	$ -	$ -	$ -	$ -	$ 145,442

Debt Summary – Company	31 December 2022 ($000's)	31 December 2021 ($000's)
Bond Debt – secured	149,481	147,238
Gross debt	149,481	147,238
Debt discount – Short term	(3,881)	(3,725)
Debt discount – Long term	(145)	(3,846)
Total Long Term and Short-Term Debt	145,455	139,667

Capitalised fees in Debt Discount relates to the various financing fees, legal costs, technical and financial due diligence costs, bond trustee and other bond related charges for the Solis Bond and its related subsidiaries. The cost will be amortised on a straight-line basis over the life of the debt of 3 years starting January 2021 to January 2024. USD 3.9 million (Euro 3.1 million) has been amortised during the year and is included in other expenses.

Summary of Borrowing Arrangement Terms:

In January 2021, the Solis Bond Company DAC, issued a series of bonds in the maximum amount of €200 million in a bond term agreement of 3 years with an interest rate of EURIBOR 3 months +6.5%. The bond was used for refinancing existing facilities and funding new acquisitions. In March 2022 an additional €10 million tap was used for financing the purchase of 3 additional assets in Poland. As of 31 December 2022, there was $149 million outstanding on the bond. As of February 2022 the Bond is listed on the Euronext Oslo Børs exchange.

21) COMMITMENTS AND CONTINGENCIES

a) Capital commitments

At the period end the Group does not have any capital commitments.

b) Lease commitments

The Group has total future minimum lease payments under non-cancellable lease commitments as follows:

Lease Liabilities - Group

	31 December 2022 ($000's)
Lease Liability	6,858
Current portion	321
Long Term Portion	6,537
2023	321
2024	474
2025	491
2026	508
2027	527
Thereafter	14,362
Total Future Lease Payments	16,683
Less: Imputed Interest	(9,825)
Present Value of Future operating Leases	6,858
Less Current Portion of Long-Term Leases	(321)
Operating Leases Net of Current Portion	6,537
Right of Use Assets, operating lease net	6,803

The lease liability for operating leases is based on the net present value of future minimum lease payments. The right of use asset for operating leases is based on the lease liability.

The Group's leases include rental of land for business use. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental repayments. The lease terms range from 5-28 years depending on the term set in the contract.

The right-of-use asset of licences is classified as 'intangible assets', while the right-of-use asset of office rentals is classified as 'property, plant, and equipment'. The movement in the carrying amount of the right-of-use assets of the Group at the start and end of each reporting period.

22) Tax on Profit/(Loss) on Ordinary Activities

Major components of tax expense (income) - Group	31 December 2022 ($000's)	31 December 2021 ($000's)
Current tax expense	(0)	527
Deferred tax expense	-	-
Tax expense	-	527

Explanation of the relationship between tax expense and accounting profit

	31 December 2022 ($000's)	31 December 2021 ($000's) (Restated)
Accounting (Loss) / profit	**(14,290)**	**23,235**
Tax at the applicable rate of 12.5%	(1,786)	2,904
Tax effect of income and expenses not includible in determining taxable profit		-
Reversal of Bargain Purchase	-	(3,779)
Tax Effect of Differences in Foreign Tax Rates	(39)	492
Net Operating Losses from Acquisitions	-	(2,623)
Change in Valuation allowance	1,976	3,533
Other - Intercompany transfer pricing	(150)	-
Effective tax rate		527

The tax effects of temporary difference and carryforwards that give rise to significant portions of the net deferred tax assets were as follows:

	31 December 2022 ($000's)	31 December 2021 ($000's)
Deferred tax assets:		
Net operating losses	4,142	3,496
Interest Expense Carry-Forward	1,367	37
Total deferred tax assets	5,509	3,533
Deferred tax asset valuation allowance	(5,509)	(3,533)

A valuation allowance must be established for deferred tax assets (Liabilities) when it is more-likely-than-not (a probability level of more than 50%) that they will not be realized

The Group's valuation allowance increased during 2022 by $1,976,534 primarily due to the generation of net operating losses.

Future realization of the tax benefits of existing temporary differences and net operating loss carryforwards ultimately depends on the existence of sufficient taxable income within the carryforward period. As of December 31, 2021, the Company performed an evaluation to determine whether a valuation allowance was needed. The Company considered all available evidence, both positive and negative, which included the results of operations for the current and preceding years. The Company determined that it was not possible to reasonably quantify future taxable income and determined that it is more likely than not that all of it deferred tax assets will not be realized. Accordingly, the Company maintained a full valuation allowance as of December 31, 2022.

	31 December 2022 ($000's)	31 December 2021 ($000's)
Accounting (Loss) / profit	**(4,768)**	**(4,482)**
Tax at the applicable rate of 12.5%	(596)	(560)
Tax effect of income and expenses not includible in determining taxable profit		-
Perm Differences	-	-
Tax Effect of Differences in Foreign Tax Rates	15	-
Change in Valuation allowance	3,338	1,698
Effective tax rate	-	-

The tax effects of temporary difference and carryforwards that give rise to significant portions of the net deferred tax assets were as follows:

	31 December 2022 ($000's)	31 December 2021 ($000's)
Deferred tax assets:		
Net operating losses	3,242	1,698
Interest Expense Carry-Forward	1,794	-
Total deferred tax assets	5,036	1,698
Deferred tax asset valuation allowance	(5,036)	(1,698)
Net deferred tax assets	-	-

The Company's valuation allowance increased during 2022 by $3,337,960, primarily due to the generation of net operating losses.

Future realization of the tax benefits of existing temporary differences and net operating loss carryforwards ultimately depends on the existence of sufficient taxable income within the carryforward period. As of December 31, 2021, the Company performed an evaluation to determine whether a valuation allowance was needed. The Company considered all available evidence, both positive and negative, which included the results of operations for the current and preceding years. The Company determined that it was not possible to reasonably quantify future taxable income and determined that it is more likely than not that all of it deferred tax assets will not be realized. Accordingly, the Company maintained a full valuation allowance as of December 31, 2022.

23) Related Party Transactions

The Company is a member of the Alternus Energy Group of Companies (AEG) and as a result, the majority of the Company's related party transactions emanate from this relationship. Alternus Energy Group has contributed Capital of USD 29.7 (Eur 31.8) million as disclosed below. The note for Subsidiary undertakings further lists out all the subsidiaries for the Group and the Company.

Group and Company	12/31/2022 ($000's)
Total Capital Contribution, net of AEG Intercompany at 1 January 2022	**29,689**
Total Capital Contribution, net of AEG Intercompany at 31 December 2022	**29,689**

The company has intercompany payables with AEG for SG&A expenses incurred by the Company and paid by AEG (refer to footnote 3). The Company has intercompany receivables with AEG for cash paid for development projects paid by the Company on behalf of AEG. These balances are included in Trade and Other Receivables on the Consolidated Statement of Financial Position. The Company has intercompany payables with subsidiaries for cash payments made of behalf of the Company.

Group	12/31/2022 ($000's)	12/31/2021 ($000's) As Restated
Intercompany Receivable	11,240	-
Intercompany Payable	(1,608)	-
Total Capital Contribution, net of AEG Intercompany at 31 December 2022	9,632	-

Due to/(from) Affiliate - Company	12/31/2022 ($000's)	12/31/2021 ($000's) As Restated
Due from AEG	**9,632**	**-**
Due to Solarpark Samas Sp. Z.O.O.	**(570)**	**-**
Due to Gardno Sp . Z.O.O	**(425)**	**-**
Due to Gardno2 Sp. Z.O.O	**(284)**	**-**
Due to Elektrownia PV Komorowo Sp. Z.O.O	**(502)**	**-**
Due to RA 01 Sp. Z.O.O	**(73)**	**-**
Due to PV Zachod Sp. Z.O.O	**(418)**	**-**
Total Due To/(From) Affiliate – Company	**7,360**	**-**

The company received cash from the subsidiaries as Administrative Fee Revenue. These fees include payroll, human resources and other administrative functions provided by the company on behalf of the group. The company also collects cash from the group for the purposes of paying interest on the groups long term debt.

Administrative Fee Revenue - Company	12/31/2022 ($000's)	12/31/2021 ($000's) As Restated
Power Clouds SRL	200	355
F.R.A.N. Energy Investment SRL	158	237
Lucas EST S.r.l	1,991	1,981
Ecosfer Energy S.r.l.	917	1,006
LJG Green Source Energy Beta S.r.l	5,953	3,785
Zonnepark Rilland B.V.	845	414
BIMA SRL	163	154
CIC Rooftop 2 S.r.l.	337	213
CIC RT Treviso S.r.l.	248	83
CTS Power 2 S.r.l.	221	83
KKSOL S.r.l	152	83
MABI SRL	363	213
PC-Italia-02 S.p.A	549	24
Petriolo Fotovoltaica S.r.l	295	83
Sant'Angelo Energia S.r.l.	216	95
Solarpark Serre 1 S.r.l	169	212
SPV White One S.r.l.	284	82
Solarpark Samas Sp. Z.O.O.	4,711	-
Elektrownia PV Komorowo Sp. Z.O.O	1,373	-
PV Zachod Sp. Z.O.O	1,101	-
Gardno Sp . Z.O.O	983	-
Gardno2 Sp. Z.O.O	662	-
RA 01 Sp. Z.O.O	167	-
Administrative Fee Revenue	**22,058**	**9,103**

24) Subsidiary Undertakings

The Company has the following subsidiary undertakings; all subsidiaries are wholly owned and all shareholdings are in ordinary shares.

PC-Italia-02 S.p.A. (Formerly PC-Italia-02 S.R.L.)

In September 2016, a company in Italy, PC-Italia-02 SRL was incorporated. This company was incorporated to acquire Italian special purpose vehicles, power plants and/or other assets located in Italy. During the quarter ended 31 March 2017, this company completed the acquisition of the Sant'Angelo Energia S.r.l. in Italy which operates a 702kW PV solar park. Subsequently, in April 2019, PC-Italia-02 acquired four additional SPVs in Italy, CIC Rooftop 2 S.r.l., CIC RT Treviso S.r.l., SPV White One S.r.l., CTS Power 2 S.r.l. During the six months ended 30 September 2021 all of these entities were transferred to sit under Solis Bond Company DAC.

Solis Bond Company Designated Activity Company (DAC)

In October 2020, a new wholly owned subsidiary, Solis Bond Company DAC, was incorporated in Ireland to issue a series of bonds and hold the Group's European operating companies that are financed through those bonds. During the quarter ended 31 March 2021, Solis refinanced its Italian, Netherlands, and Romanian operating companies: PC-Italia-02 SpA, CTS Power 2 S.r.l, CIC Rooftop 2 S.r.l, SPV White One S.r.l, CIC RT Treviso S.r.l, Zonnepark Rilland B.V., FRAN Energy Investments S.r.l, and Power Clouds S.r.l. Also, during the quarter ended 31 March 2021, Solis acquired 100% of the share capital of the following Romanian companies: Ecosfer Energy S.r.l, Lucas EST S.r.l. During the quarter ended 31 March 2021, Solis acquired 100% of the share capital of another Italian company, Solarpark Serre 1 S.r.l. Subsequently, in April 2021, Solis acquired 100% of the share capital of another Romanian company, LJG Green Source Energy Beta S.r.l. In August 2021, Solis acquired 100% of the share capital of another Polish company, Solarpark Samas Sp. Z.O.O. In December 2021, Solis acquired 100% of the share capital of another Polish companies Elektrownia PV Komorowo Sp. Z.O.O and PV Zachod Sp. Z.O.O. In March 2022, Solis acquired 100% share capital of another Polish companies RA01 Sp. Z.O.O.; Gardno PV Sp. Z.O.O. and Gardno2 PV Sp. Z.O.O.

List of Subsidiary Undertakings

Subsidiary	Principal Activity	Date Acquired/Established	Alternus Energy Ownership	Country of Operation
Power Clouds SRL	SPV	31 March 2015	100% (via Solis)	Romania Solar Operating Park
F.R.A.N. Energy Investment SRL	SPV	31 March 2015	100% (via Solis)	Romania Solar Operating Park
PC-Italia-02 S.p.A.	SPV	September 2016	100% (via Solis)	Italy Solar Operating Park
Sant'Angelo Energia S.r.l.	SPV	May 2021	100% (via Solis)	Italy Solar Operating Park
CIC Rooftop 2 S.r.l.	SPV	24 April 2019	100% (via Solis)	Italy Solar Operating Park
CIC RT Treviso S.r.l.	SPV	24 April 2019	100% (via Solis)	Italy Solar Operating Park
SPV White One S.r.l.	SPV	24 April 2019	100% (via Solis)	Italy Solar Operating Park
CTS Power 2 S.r.l.	SPV	24 April 2019	100% (via Solis)	Italy Solar Operating Park
Zonnepark Rilland B.V.	SPV	20 December 2019	100% (via Solis)	Netherlands Solar Operating Park
Solis Bond Company DAC	Holding Company	October 2020	100%	Ireland Holding Company
KKSOL S.r.l	SPV	February 2021	100% (via Solis)	Italy Solar Operating Park
Petriolo Fotovoltaica S.r.l	SPV	March 2021	100% (via Solis)	Italy Solar Operating Park
Solarpark Serre 1 S.r.l	SPV	March 2021	100% (via Solis)	Italy Solar Operating Park
Lucas EST S.r.l	SPV	July 2021	100% (via Solis)	Romania Solar Operating Park
Ecosfer Energy S.r.l.	SPV	July 2021	100% (via Solis)	Romania Solar Operating Park
LJG Green Source Energy Beta S.r.l	SPV	July 2021	100% (via Solis)	Romania Solar Operating Park
BIMA SRL	SPV	March 2021	100% (via Solis)	Italy Solar Operating Park
MABI SRL	SPV	June 2021	100% (via Solis)	Italy Solar Operating Park
Solarpark Samas Sp. Z.O.O	SPV	August 2021	100% (via Solis)	Poland Solar Operating park

Elektrownia PV Komorowo Sp. Z.O.O	SPV	December 2021	100% (via Solis)	Poland Solar Operating park
PV Zachod Sp. Z.O.O	SPV	December 2021	100% (via Solis)	Poland Solar Operating park
RA 01 Sp. Z.O.O	SPV	March 2022	100% (via Solis)	Operational Polish Solar Park
Gardno Sp . Z.O.O	SPV	March 2022	100% (via Solis)	Operational Polish Solar Park
Gardno2 Sp. Z.O.O	SPV	March 2022	100% (via Solis)	Operational Polish Solar Park

25) Financial Risk Management

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk) and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Market Risk

The Company has no derivative financial instruments or derivative commodity instruments.

Foreign Currency Risk

The Company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. The Company's current asset portfolio generates revenue and incurs expenses in other currencies, including the Euro, the Polish Zloty the Romanian Lei and the Norwegian Krone.

In addition, the Company is exposed to currency risk associated with translating its functional currency financial statements into its reporting currency, which is the U.S. dollar. As a result, the Company is exposed to movements in the exchange rates of various currencies against the U.S. dollar.

The Company manages its exposure to currency risk by commercially transacting in the currencies in which the Company materially incurs operating expenses. The Company limits the extent to which it incurs operating expenses in other currencies, wherever possible, thereby minimizing the realized and unrealized foreign exchange gain/ loss. The currency of the Company's borrowing is, in part, matched to the currencies expected to be generated from the Company's operations. Intercompany funding is typically undertaken in the functional currency of the operating entities or undertaken to ensure offsetting currency exposures.

As of December 31, 2022, had the U.S. dollar strengthened by 1% in relation to all the other currencies, while all other variables held constant, the total assets of the Company would have decreased by $2.1 million. A weakening of the U.S. dollar by 1% against the above currencies would have had an equal and opposite effect.

As of December 31, 2022, had the U.S. dollar strengthened by 1% in relation to all the other currencies, while all other variables held constant, the net assets of the Company would have decreased in both losses and equity by $0.4 million. A weakening of the U.S. dollar by 1% against the above currencies would have had an equal and opposite effect.

Interest Rate Risk

Fluctuations in interest rates can impact the value of investments and financing activities, giving rise to interest rate risk. The debt of the Company is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed. Refer to Footnote 20 – Bank Loans for more information.

The Company believes that the interest rates on all borrowings compare favourably with those rates available in the market.

26) Going Concern and management's plan to remediate

Our consolidated financial statements for the year ended December 31,2022 identifies the existence of certain conditions that raise substantial doubt about our ability to continue as a going concern for twelve months from the issuance of this report:

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements during the year ended December 31, 2022, the Group had net loss of $(14.3) million. The Group had net income of $22.7 million for the year ended December 31, 2021. The Group was in breach of three financial covenants under Solis' Bond terms as of December 31, 2022. The Group had accumulated shareholders' equity/(deficit) of $39.7 million and $51.2 million as of December 31, 2022 and December 31, 2021, respectively, and a working capital of $15.7 million as of December 31, 2022 compared to working capital of $21.1 million as of December 31, 2021 At December 31, 2022, the Company had $1 million of unrestricted cash on hand.

Our operating revenues are insufficient to fund our operations and our assets already are pledged to secure our indebtedness to various third party secured creditors, respectively. The unavailability of additional financing could require us to delay, scale back or terminate our acquisition efforts as well as our own business activities, which would have a material adverse effect on the Company and its viability and prospects.

The terms of our indebtedness, including the covenants and the dates on which principal and interest payments on our indebtedness are due, increases the risk that we will be unable to continue as a going concern. To continue as a going concern over the next twelve months, we must make payments on our debt as they come due and comply with the covenants in the agreements governing our indebtedness or, if we fail to do so, to (i) negotiate and obtain waivers of or forbearances with respect to any defaults that occur with respect to our indebtedness, (ii) amend, replace, refinance or restructure any or all of the agreements governing our indebtedness, and/or (iii) otherwise secure additional capital. However, we cannot provide any assurances that we will be successful in accomplishing any of these plans.

On March 1, 2023, the Company announced that its wholly owned subsidiary, Solis Bond Company DAC, is in breach of the three financial covenants under Solis' Bond terms. As of the date of this filing, Solis and a large portion (49%) of the bond holders have agreed in principle to terms of the temporary waivers. In return for the waivers until 30 June 2023 and an amendment to the bond terms to allow for a change of control in Solis (which allows for the transfer of Solis and its subsidiaries underneath Clean Earth Acquisitions Corp. on Closing), Alternus is to raise additional equity and/or issue a subordinated loan of €14 million by May 15, 2023. If no firm term sheet for the equity or subordinated loan is in place by April 21, 2023, the Company has agreed to commence a Norwegian equity offering. Alternatively, Solis also has the option to divest a minimum of €50 million of assets by April 21, 2023, with sales proceeds to be used for a partial redemption of the bonds (at a redemption/call price of 105% until June 30, 2023 and 107.5% thereafter). In addition to the equity/sales cures, bondholders will also, no later than April 30, 2023, receive a preference share in an Alternus Midco, which will hold certain development projects in Spain and Italy. The shares will have preference on any distribution from Midco to Alternus up to €10 million, and Midco will divest assets to ensure repayment of the €10 million should the bonds not have been fully repaid at maturity (January 6, 2024). Finally, bondholders will receive a 1% amendment fee, which equates to €1.4 million.

27) Subsequent Events

Management has evaluated subsequent events that have occurred through 13 June, 2023, which is the date the financial statements were available to be issued and has determined that there were no subsequent events that required recognition or disclosure in the financial statements as of and for the year ended December 31, 2022, except as disclosed below.

On January 24, 2023, Alternus Energy Group Plc announced the filing by Clean Earth Acquisitions Corp. ("Clean Earth") (NASDAQ: CLIN), a publicly traded special purpose acquisition company, of a Proxy Statement with the U.S. Securities and Exchange Commission ("SEC") relating to the previously announced proposed business combination of Alternus Energy and Clean Earth.

On May 17, 2023, the Company and a representative group of the bondholders have agreed to an extension of the temporary waivers until 30 September 2023. To support Solis' efforts in exploring alternative funding options, including sale of certain assets, equity offerings and/or refinancing, and to ensure adequate and clear communication between Solis and the bond trustee going forward, the bond trustee will be granted certain additional information rights and have the right to appoint half of the members of the board of directors of Solis, in addition to the members of the board appointed by Alternus. The bondholders have until June 5, 2023 to vote on whether to approve this extension.

On June 2, 2023 the bondholders voted and approved the extension of the temporary waivers until 30 September 2023.

On May 4, 2023 Alternus received notice that Solartechnik filed an arbitration claim against Alternus Energy Group PLC, Solis Bond Company DAC and ALT POL HC 01 SP. Z.o.o. in the Court of Arbitration at the Polish Chamber of Commerce, claiming that PLN 24,980,589 ($5.97M) is due and owed to Solartechnik pursuant to a preliminary share purchase agreement by and among the parties that did not ultimately close. This amount has been accrued for in the financial statements as of December 31, 2022.

28) Approval of Consolidated Financial Statements

The consolidated financial statements in respect of the year ended 31 December 2022 were approved and authorised for issue by the Directors on 13 June, 2023.