Together we power the future

Annual report 2023

sunly

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Our mission

Provide renewable energy security of supply in our countries of operation

To align with the mission, Sunly develops renewable energy projects, large-scale energy storage projects, and invests in electrification startups. Sunly’s core activity – renewable energy production – is at the forefront of reaching societies’ climate, energy security & energy affordability goals.

The year in brief

105 GWh
Green electricity produced

164 MW
Operational portfolio

167 MW
Under construction

6.8 GW
Grid conditions obtained

Significant events in 2023

Operational

Rzezawa 60 MW solar project started operating in Poland

Pikkori 2 MW solar + 2 MWh BESS park started operating in Estonia: the first east-west + BESS project in the country

Asset construction and financing

Start of construction of Raba 45 MW solar park in **Estonia**; securing EUR 18m financing from Swedbank

Start of construction of a 52 MW solar portfolio in **Latvia**; securing EUR 22m financing from Swedbank

Start of construction of a 69 MW solar portfolio in **Poland**; securing PLN 191m senior financing from mBank

Development

26 GW total portfolio

10 GW risk-weighted portfolio

Funding

EBRD joined as an investor with EUR 30m

Baltic Energy Deal of the Year award goes to Sunly’s 2022-2023 EUR 230m capital raise

Eiffel finances Polish grid connection deposits with EUR 21m

Our journey

2018-2019

Establishment of Sunly's management and asset companies after the core team and Estonian investors had successfully exited Nelja Energia, the largest wind energy company in the Baltics

2019

Sunly started solar development in the Baltics and established **cooperation with Alseva group in Poland.** Sunly acquired the first ready-to-build solar portfolio as well as EPC services from Alseva and had its **first solar parks constructed in Poland.**

Sunly started managing **Sunly Innovation** fund, which held the cleantech start-up investments made by Nelja Energia (including the Energiasalv pumped hydro storage), and investing into new start-ups.

2020

First **JVs with large Estonian landowners** for wind and solar development.

First applications for Estonian **offshore wind.**

PLN 77m senior financing from mBank (Poland), EUR 2m from SEB (Estonia) and **EUR 13m bond from LHV** pension funds (Estonia).

2021

EUR 28m equity raised, **Vardar** joined as an investor

First pay-as-produced **solar PPA** (1.8 MW) in Estonia

PLN 157m senior financing from mBank, including **financing of the Rzezawa 60 MW** solar park in Poland

EUR 4m **Sunly Innovation 2** fund established; direct investments into cleantech start-ups, the first of which was the **Energiasalv** pumped hydro storage.

2022

Sunly's management and asset companies were merged into one group, Sunly became an **IPP**

Sunly **acquired Alseva**, including its EPC and O&M companies

EUR 11m financing secured from **Eiffel for Polish grid connection deposits** and EUR 1m from Luminor (Estonia)

2022-2023

EUR 230m equity raised, **Mirova and EBRD** joined as investors

Interview with the Chairman of the Supervisory Board

How would you describe Sunly's strengths?
One of Sunly's key strengths is our commitment to being truly renewable, which we have maintained throughout the years and will continue to do so in the future. This long-standing dedication to sustainable practices has established Sunly as a reliable and forward-thinking player in the renewable energy sector.

We actively engage with communities, collaborating on various projects and initiatives. This community-driven approach sets Sunly apart, reflecting a genuine effort to work together with local communities for mutual benefit.

Our position is further strengthened by Sunly's shareholder base, featuring recognized figures in the Estonian business community and an influx of new investors. Sunly's ability to attract experienced partners, both locally and globally, shows our capacity to enhance operations with complementary know-how. All of the above is made possible thanks to our dedicated team, skilled in both solar and wind energy.

How do you see the market developing in the future?
We have seen that the previous phase of renewable energy development involved supplementing existing energy sources with a small percentage of renewable energy, a practice that continues to this day. Innovation must occur in people's minds, and we emphasize the importance of local energy resilience. It is essential to acknowledge that innovation extends beyond technological aspects, as it also involves social innovation.

Our next step involves collaborating with local communities to shift the mindset from NIMBY to YIMBY. We aim to explore the benefits that local communities can derive from the green transition. Cooperation between the energy sector and local communities is crucial. Sunly is committed to developing a green energy-based economic model that brings tangible benefits. We aspire to create and implement such a model.

> "We aim to explore the benefits that local communities can derive from the green transition."

Can you comment on Sunly's sustainability work?
Our goal is to build a sustainable future through responsible business practices. We incorporate ESG (environmental, social, and governance) considerations into our core business model and strategic decision-making processes. This is how we develop renewable energy and large-scale energy storage projects and invest in electrification start-ups.

Some of the most important focus areas for us are inclusive stakeholder engagement, comprehensive environmental management system, sustainable supply chain management with the focus on human rights in value chain, as well as ethics and transparency in our governance practices. We undertake projects with a focus on environmental care, ensuring that we contribute positively to climate goals with Sunly's active involvement.

Martin Kruus
Chairman of the Supervisory Board

Interview with the CEO

Priit, how would you sum up 2023?
2023 was a year of preparations for what will come next. We focused on building teams with the right competencies for growth, as a result of which our organization grew from 153 to 297 people. It was important for us to not only fill positions but also make sure that we share the same vision and can work together effectively. Therefore, I am delighted that we have been able to attract talented people who are passionate about renewable energy and believe their actions can move mountains.

One of Sunly's core principles from the beginning has been to build solar and wind parks together with communities. We want to bring life back to rural areas by giving them a voice. In 2023, Sunly and KOOS.io launched a new community engagement program with a pilot project for the Herro wind park in Valgamaa, Estonia. Community members are offered virtual shares in the wind park in exchange for their participation and input. The virtual shares can be converted into cash at different points in time, enabling their holders to decide whether to exercise them immediately or hold the shares throughout the wind park's operation.

How has the development portfolio grown during the year?
In 2023, we were able to triple our operational capacity: from 53 MW to 164 MW.

At the same time, our total portfolio was not only growing from 23.4 GW to 26.0 GW but also substantially maturing. The part of our portfolio with positive answers to the applications for grid connection conditions grew from 2.4 GW to 6.8 GW.

This reflects a shift in Sunly's focus from overall growth to the maturing of near- and medium-term pipeline. We believe it is critical to capitalize on the current market prices and the momentum for renewables build-out. This is also why we have been recruiting talent to support the execution of the pipeline.

Industry forecasts suggest that within the next three years, the installed renewables capacity in our region is expected to double.

By 2030, we plan to build solar parks and wind power plants with battery storage facilities in Poland and the Baltics with a total capacity of 4.6 GW.

What are Sunly's goals for the coming years?
I would highlight two things. First, we are going to focus more on wind parks, starting from the Baltics where we are soon expecting to have our first wind projects in a ready-to-build state.

"Even in difficult times, it is still important to invest in growth and innovation."

Secondly, what differentiates Sunly from others is our thirst for innovation. In the future, we want to add energy storage opportunities to all our parks. We have already set some great examples with hybrid solar parks like Pikkori 2 MW, opened in 2023, but this is just the beginning.

We also recognize that innovation in energy markets has not stopped. In many ways, the underlying energy system has not changed since the 1960s. The Baltics are only now finally getting ready to desynchronize from the Russian electricity grid, which is expected to happen in early 2025.

Now, the rapid deployment of renewable energy will add another layer of change. This creates problems, but also opportunities that startups can seize and build solutions for. Even when the economy is moving towards more difficult times, it is still important to invest in growth and innovation. Sunly is investing 5% of the raised capital in new startups. Today, we are raising our 3rd startup investment vehicle, a EUR 50m fund, to further our commitment to cleantech innovation. We want to be as close as possible to the next unicorns that will come from the cleantech sector.

Priit Lepasepp
CEO of Sunly

Main business areas in 2023

IPP

Independent power producer: owning, financing, constructing, and operating solar and hybrid parks in Poland and the Baltics.

As at the end of 2023, investments have been made primarily in the solar energy segment.

Sunly’s long-term objective is to own and operate **4.6 GW** renewable energy generation assets in Poland and the Baltics by 2030.

Development

Wind, solar and storage hybrid projects’ development in Poland and the Baltics.

Sunly boasts a **26 GW** development portfolio, primarily aimed at serving its IPP business. Nevertheless, Sunly also offers its projects to other market participants.

EPC/O&M

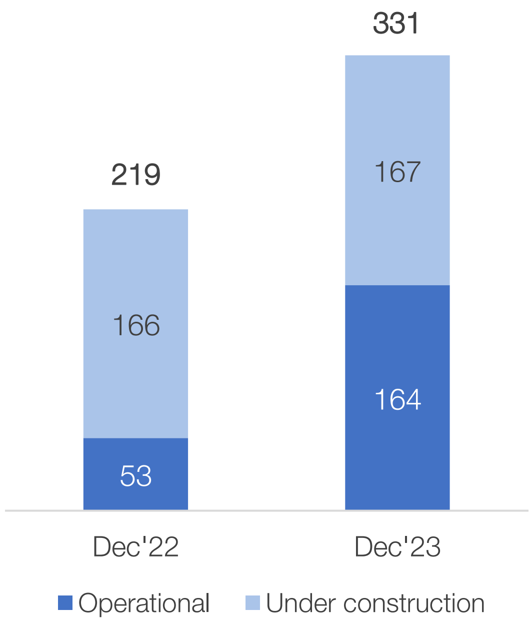
Solar parks engineering, procurement and construction in Poland and Latvia. Providing operational and maintenance services to solar parks in the EU, mainly in Poland, Dach and Benelux.

Innovation

Investing into cleantech startups in the EU, mainly in the Baltics.

IPP

Sunly's operational and under construction capacity development, MW



Rzezawa 60 MW solar park – one of the largest in **Poland** – started operating

Pikkori 2 MW solar + 2 MWh BESS park – the first east-west + BESS project in the country, and a JV with Metsagrupp* – started operating in **Estonia**

Start of construction of Raba 45 MW solar park (JV with Metsagrupp*) in **Estonia**; securing EUR 18m financing from Swedbank

Start of construction of a 52 MW solar portfolio in **Latvia**; securing EUR 22m financing from Swedbank

Start of construction of a 69 MW solar portfolio in **Poland**; securing PLN 191m senior financing from mBank

*Metsagrupp - one of the largest landowners in Estonia.

New operational capacities

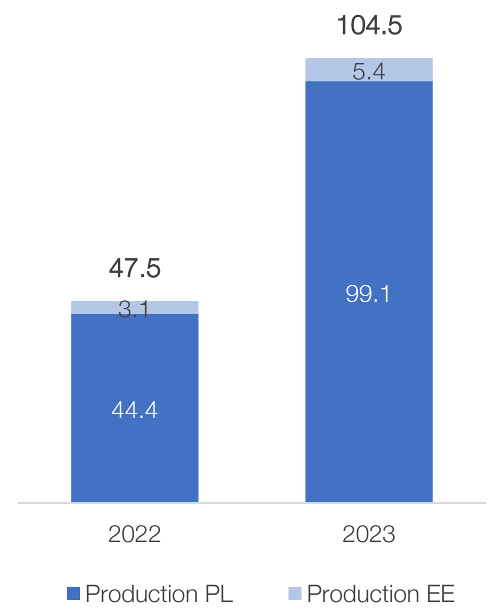
111 MW

Senior financing for construction secured

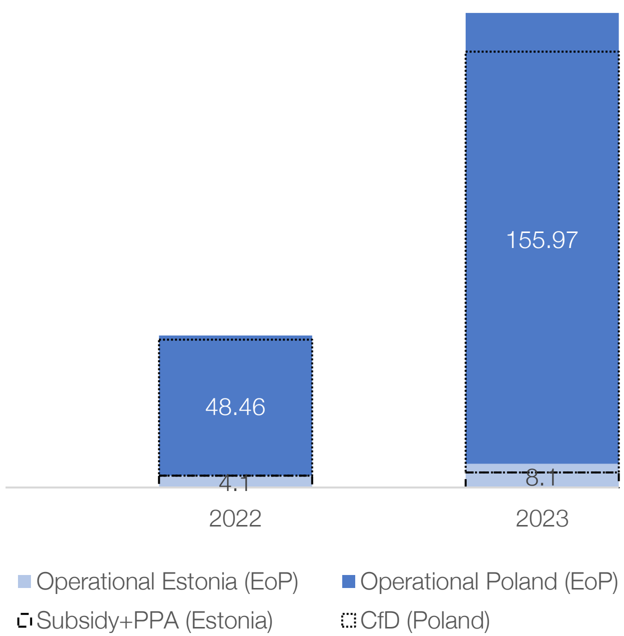
EUR 83.9m

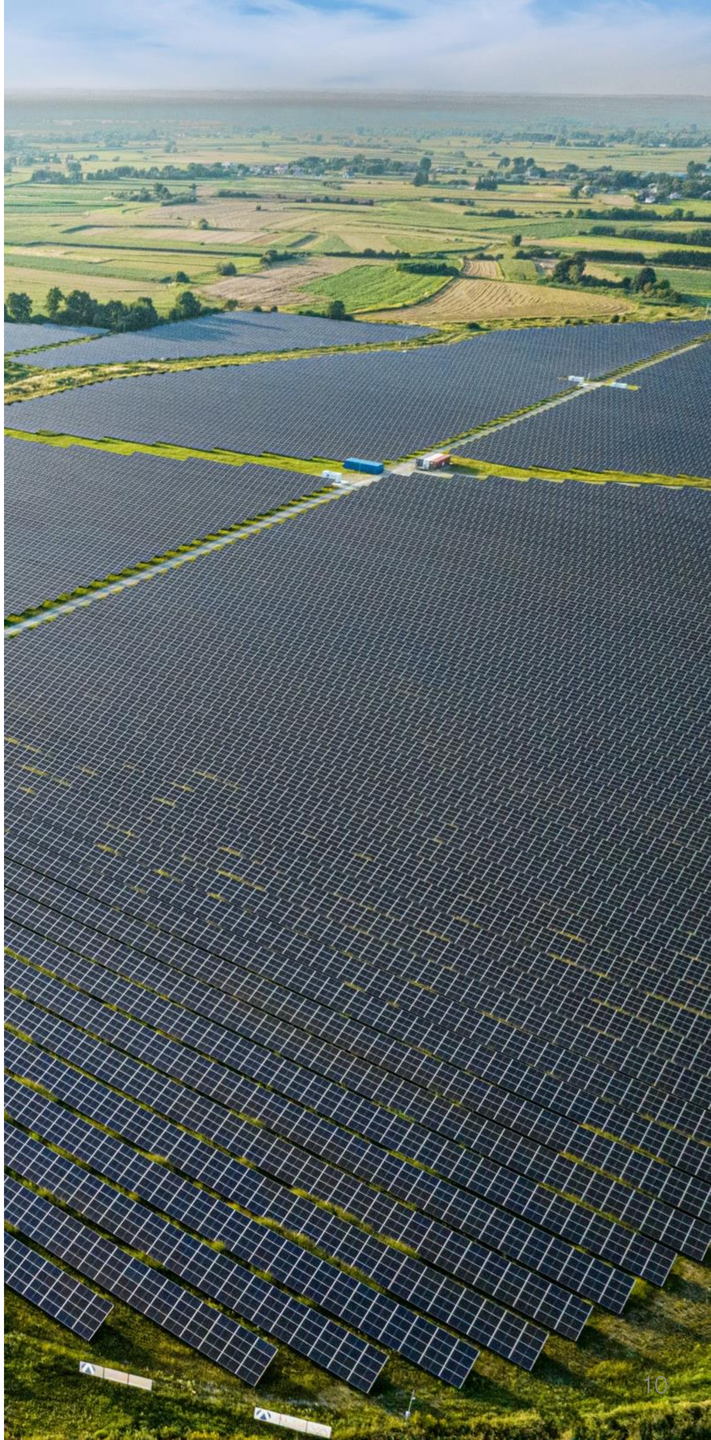
IPP

Sunly's production split per country, GWh



Sunly's production capacity by revenue security, MW





Production

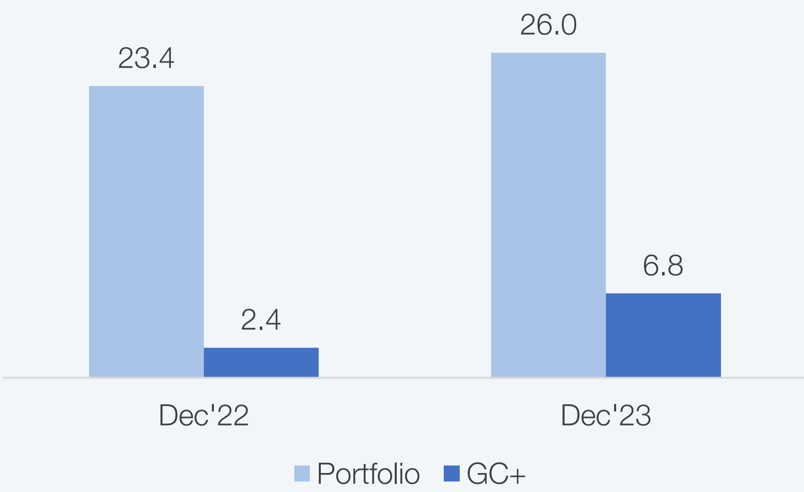
105 GWh

Revenue security

92%

Development

Sunly's development portfolio, GW



GC+ = operational + UC + RtB + GC
UC – under construction; RtB – ready to build; GC – grid connection conditions obtained

Total risk-weighted portfolio

10 GW

At the end of 2023

Development portfolio size

26 GW

At the end of 2023

Solar

In 2023, the global solar market continued to expand in terms of the volume of installations and reached new lows in solar panel prices.

At Sunly, we are advancing solar energy solutions with innovation and sustainability at the forefront. We have evolved from fixed frames to east-west oriented frames and are now focusing on tracker solutions for our solar parks. Our unwavering commitment to sustainability is evident in our use of ESG compliant panels.

We are clearly undergoing a strategic shift towards large-scale solar projects. We design these projects with hybrid grid connections, allowing for future integration of wind and storage parks to optimize grid utilization.

Wind

In 2023, the development of onshore wind technologies focused on enhancing the efficiency of electricity generation per installed megawatt capacity. This can be achieved with larger-sized wind turbines, featuring increased hub heights and expanded rotor diameters.

Sunly remains committed to the development of onshore and offshore wind portfolios in the Baltics, with this year marking the commencement of onshore wind portfolio development in Poland.

At Sunly, we recognize the importance of proactively engaging with local communities and exploring innovative collaboration approaches. In Estonia, for instance, we partnered with the KOOS.io platform to introduce a community engagement program for a wind project. This initiative aims to recognize and incentivize local residents who actively participate, share their opinions, and contribute their time towards the development of our wind park.

Storage

As renewable energy volumes increase, so does the demand for storage capacities, which are crucial for storing excess energy generated when production surpasses current consumption levels.

Sunly is co-developing the Energiasalv project in Estonia, a pumped hydro storage facility with a capacity of 500 MW / 12 hours.

In alignment with our dedication to hybrid projects, as described in the solar section, we are also developing Battery Energy Storage System (BESS) projects alongside our solar parks as a near-term solution.

Solar/storage development portfolio

14.6 GW

Wind development pipeline

9.7 GW

Co-developing pumped hydro storage project

500 MW

EPC and O&M

EPC

Sunly's subsidiary – Alseva EPC – designs, engineers and constructs solar parks both for Sunly and for external clients. Alseva EPC mainly operates in Poland but expanded also to Latvia in 2023.

Alseva EPC in 2023:

- Finished construction of 126 MW of solar parks
- Completed Rzezawa 60 MW – Sunly's largest solar park
- Entered the Baltics EPC market by starting the construction of Sunly's Barkava 11 MW solar park in Latvia
- Team – 89 employees

O&M

Sunly owns 50% of Rova, which provides a wide range of services for solar power plants.

Rova in 2023:

- Operations and maintenance (O&M) services in Poland, including vegetation management and 24/7 security management
    - Increased O&M projects portfolio from 60 MW to 160 MW
- PV industry's original equipment manufacturers' (OEMs) representation: on-site service, hotline in the EU
    - Mainly in Poland, DACH and BENELUX
- Specialized electrical measurements services
- Team – 35 employees

Finished construction of solar parks

126 MW

Increased O&M portfolio to

160 MW

Innovation

Sunly has made a **commitment to invest 5%** of its raised equity capital in innovation. This is crucial to enable more renewable energy projects in our market.

In 2023, we scaled up our strategic efforts in investing into long-term storage. Zero Terrain Paldiski, one of our earliest innovation efforts, raised EUR 11m from local investors in mid-2023, which reflects the belief that long-duration energy storage is needed for the region looking to go 100% renewable by 2030. After all, every renewable energy company will end up being a storage company sooner or later as the market matures. We have been, and continue to be, ahead of the curve.

Startups in which we have invested in 2023

UP CATALYST®

amperio

BEAST

Sunly Green Fund III

We managed to take our targeted investment strategy to a new level by establishing Sunly Green Fund III, a targeted EUR 50m cleantech fund co-funded with EUR 20m by the Estonian government's SmartCap fund. Sunly won the fund manager's tender in 2023 and is preparing to launch the new fund in 2024.

Targeted cleantech fund

EUR 50m

Co-funded by SmartCap fund

EUR 20m

Picture: Upcatalyst

Future outlook

Portfolio

Sunly operates in Estonia, Latvia, Lithuania and Poland. At the end of 2023, Sunly had **26 GW** of secured and prospective pipeline in the Baltics and Poland.

The 2023 portfolio included

14.6 GW
Solar/storage

9.7 GW
Onshore wind

1.7 GW
Offshore wind

The nearest-term pipeline is in solar development while onshore wind is estimated to become ready-to-build in short and medium term, and offshore wind in longer term.

Market	Portfolio	Solar	Onshore wind	Offshore wind	Energy storage
Poland	17.3 GW	✓	✓		✓
Baltics	8.7 GW	✓	✓	✓	✓

The way Sunly operates

Our goal is to build a sustainable future through responsible business practices. We incorporate ESG (environmental, social, and governance) considerations into our core business model and strategic decision-making processes. This is how we develop renewable energy and large-scale energy storage projects, and invest in electrification start-ups.

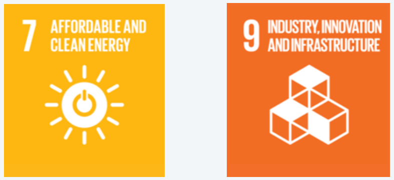
In 2023, Sunly carried out an ESG risk and materiality mapping and renewed its approach to ESG focus areas.

We aim to implement an ESG governance system with key policies in place by the end of 2024.

Some of our most important focus areas are:

- inclusive stakeholder engagement
- comprehensive environmental management system
- sustainable supply chain management with the focus on human rights in value chain
- ethics and transparency in our governance practices

Sunly has chosen two United Nations Sustainable Development Goals as its priorities



Operational risk management

Managing the different risks Sunly encounters in its daily activities is a significant and integral part of Sunly's business. Sunly is developing a Risk Management Framework to handle risks systematically and efficiently, prioritizing actions to align with its overarching goals. The implementation of the framework includes mapping existing risks, identifying and mitigating potential new risks, and monitoring risk management measures. Any risks surpassing Sunly's risk appetite are diligently managed to reduce their impact.

Political and regulatory impacts

Political and regulatory changes in renewable energy subsidy schemes or planning and building requirements will impact Sunly's revenues, investments, and activities. Sunly mitigates these risks by monitoring legal discussions relating to the areas of the Group's interests, and participating as an active and transparent stakeholder, where possible.

Electricity price

Changes in the market price of electricity will affect Sunly's revenues. The risks arising from the exposure of Sunly's production to electricity price volatility are mitigated by renewable energy subsidy schemes or power purchase agreements, where possible and feasible.

Financial market risks

Sunly recognizes that fluctuations in interest rates, inflation, and foreign exchange rates have the potential to adversely affect both Sunly's earnings and the value of our assets.
Our strategy aims to strike a balance between cost-effective borrowing and managing risk exposure to mitigate any negative impact on earnings in the event of a sudden and significant change in interest rates.

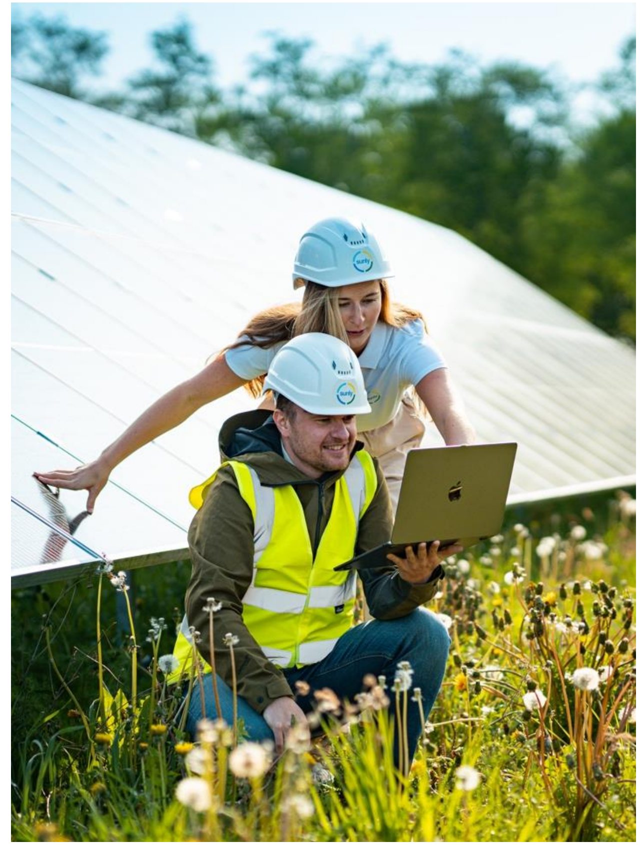
Supply chain risks & delays in construction portfolio

Supply chain risks could disrupt Sunly's operations and increase investments. The construction process of our projects is affected by various external factors, delays can cause a loss of income. Sunly manages the risks by selecting modern but proven technologies from top-tier manufacturers. Our contractors are experienced and reputable. Moreover, Sunly's subsidiaries provide EPC to our portfolio in Poland and Latvia, and O&M in Poland. Sunly has internal regulations regarding the supply chain, including thorough ESG considerations.

Cybersecurity

Sunly is primarily exposed to cybersecurity risks through cyberattacks, system failures, and inefficient security governance. Our cybersecurity capability has been thoroughly improved to comply with industry standards, and to ensure that we are able to identify, protect and respond to potential cyber threats across the Group.

Information Security Policy is in place to enhance our security governance.



Security information and event management (SIEM) will be established to get a comprehensive overview of and proactively react to potential cyber threats.

Environment

Approach to environmental impacts
Sunly is developing a 23.4 GW portfolio of solar and wind parks in the Baltics and Poland, as well as a 500 MW pumped-hydro energy storage facility in Estonia. Even partial realization of this pipeline will significantly improve energy security and affordability in our region.

During 2023, the total capacity of Sunly's operational solar parks increased from 52 MW to 164 MW. The parks generated 104.5 GWh of fossil-free energy, helping to avoid more than 69 515 tonnes of CO_2 equivalent emissions.

Sunly prevents, eliminates and constantly mitigates any possible negative impacts on the environment and project sustainability. We implement comprehensive Environmental Impact Assessments (EIAs) for wind parks, and analyse environmentally significant aspects while planning and developing the solar parks. EIAs are always carried out by independent environmental experts in keeping with national and EU laws.

During 2023, a more comprehensive environmental management system was set up in the Group.

Our main principles:

Sustainable land use
Sunly manages the environmental impacts of its projects in close cooperation with environmental specialists. We use as little land as possible while maximizing efficiency.

Sustainable construction
When building solar parks on land that could be used for agriculture in the future, we do not use permanent installation methods but systems that can be easily removed in the future.

Sustainable use of material resources
Good resource management is one of Sunly's priorities. Sunly always uses the most modern and efficient technology to produce renewable energy.

Highlights of 2023

Nurme 12 MW solar park: cooperation with the Estonian Nature Fund (Eestimaa Looduse Fond) and the University of Tartu to analyse what more can be done to enhance biodiversity practices in the park.

Partnership with the University of Agriculture in Kraków, to achieve goals such as keeping the solar park area in agricultural use and the land in good agricultural condition, and determining the ecological aspects of flower meadows at the solar park site.

Utilization of an in-house SCADA (Supervisory Control and Data Acquisition) system that allows us to closely monitor and control various aspects of the production process, such as energy generation, equipment performance, and overall efficiency.

Contribution to developing circular economy practices in the regions where we operate is also one of our priorities. For example, Sunly cooperates with Biosystem Elektro recykling for solar panel recycling development in Poland and is a member of EES-Ringlus, an organisation aimed at establishing a recycling system for solar panels in Estonia.

Approach to social impacts

The **power of togetherness** as a value reflects how Sunly believes that the key to achieving our mission is transparent communication and close cooperation with our stakeholders.

Sunly believes that developing and building solar and wind parks can only be done in cooperation with local communities.

Sunly encourages landowners to become investors in exchange for providing their land for project development.

Sunly contributes to technology development by investing in electrification start-ups, supporting international cleantech accelerators and being one of the partners of the GreenTech community led by Cleantech Estonia.

Community engagement
Sunly is committed to community involvement from the outset and creating economic opportunities for locals while addressing various concerns in wind and solar park development. The company builds long-term collaborative and mutually beneficial relationships with local communities, which reinforce Sunly's commitment to sustainable and inclusive practices.

As Sunly expanded its investor base in 2023, the main principles of the new investors, such as Mirova and EBRD, were also integrated into the company's approach. Sustainable development is a key condition for long-term growth benefiting all stakeholders, and is the cornerstone of Mirova's and EBRD's investment philosophy. This means that financial performance is aligned with positive environmental and social impacts.

This has led to Sunly:

- developing and implementing an IFC (International Finance Corporation)-compliant Stakeholder Engagement Plan (SEP) that includes the results of comprehensive stakeholder mapping;
- preparing detailed annual stakeholder engagement programs and maintaining accurate records of all stakeholder engagement activities and grievance collection;
- consulting extensively with all key stakeholders, including the surrounding local communities prior to initiating any specific project, and ensuring that detailed records of these consultations will be maintained.

Establishing wind and solar parks requires active involvement of the people residing and working in the area. Before developing new solar and wind parks, Sunly's team identifies relevant stakeholders and determines the best way to involve and communicate with them throughout the project.

Communication

Informing about the solar/wind project

Consultation

Asking information, feedback and views on the project

Providing feedback

to stakeholders, detailing the results of consultation

Sunly's projects incorporate an engagement plan, ensuring transparent, clear and timely communication and continuous dialogue throughout every project phase. Typical activities taken for stakeholder engagement include consulting airport authorities, the defense ministry, environmental groups and grid companies, as well as visiting and talking directly to neighbors and nearby residents, attending public meetings, negotiating with landowners, organizing information sessions, informing local media and organizing study visits.

To support education and policymaking, we are actively involved in working groups, shaping the renewable and electricity markets in the Baltics. We participate in various governmental and non-governmental groups, contributing to the development of renewable energy, including the Renewable Energy Council of the Ministry of Climate in Estonia; Electricity Market Council of the Estonian Transmission System Operator; Latvian Wind Energy Associations, both Solar and Wind Energy Associations in Lithuania and Poland, etc.

Sunly is a founding member of the first Estonian energy cooperative Energiaühistu, which promotes a community energy model. At the end of 2023, the cooperative had 94 members and was actively searching renewable energy ambassadors who can promote projects in local communities.

In 2023, Sunly introduced a whistleblowing system in its website where people can send complaints through an independent platform. This allows people to provide anonymous feedback on issues related to Sunly's projects or work. Sunly takes all complaints seriously and has a policy in place to effectively address and resolve each concern.

Highlights of stakeholder engagement in 2023

Estonia

In 2023, Sunly launched an innovative project with KOOS.io to engage local people by offering virtual shares[1] to community members in exchange for their participation and input. Sunly's pilot program in Estonia, Valgamaa aims at rewarding local residents who are willing and eager to participate, voice their opinions, and contribute their time to the development of Herro wind park.

There are numerous ways for community members to participate and contribute, and to acquire virtual shares that can be converted into cash, held until their value increases or throughout the wind park's operation.

In 2024, Sunly plans to introduce the virtual shares' program also in other communities where the development of clean and cost-effective renewable energy production is underway. If the innovative approach proves successful in Estonia, it will be considered also in other Sunly's markets.

[1] A virtual share essentially represents Sunly's commitment to make payouts under the terms agreed upon in virtual share conditions. However, virtual shares are not shares in the company and do not confer any rights to acquire actual shares or any other shareholder rights.

Sunly supports activities, social groups and events that align with our mission statement and vision.

Sunly was the patron of the Green Future Area at the Estonian Opinion Festival, curating nine discussions and leading the one that focused on energy security. The purpose was to openly promote and discuss the choices we make today for a more sustainable future. Sunly also actively promoted innovative green solutions and some of its startups at the area and, for the fifth time, organized a bike trip from Tallinn to Paide, where the festival took place.

Sunly continued to run the Estonian Cleantech Demo Centre that was created in 2021 together with Cleantech Estonia. The centre provides facilities to showcase 40 solutions invented in Estonia with a mission to minimize environmental footprint and pollution.

Since 2019, Sunly together with Cleantech Estonia has supported the Äripäev radio show Cleantech, where experts of the energy industry discuss business opportunities in the field of green technologies. 13 new episodes aired in 2023, covering topics ranging from energy storage to interesting showcases of cleantech.

Sunly sponsored the Cleantech Forum Europe, which took place in Tallinn in November 2023. The forum offered valuable insights, networking opportunities and knowledge and was part of Tallinn Greentech Week, which included NEXPO.

In 2023, Sunly continued a partnership with Solaride – an interdisciplinary education and cooperation project with the focus on the development of future talents and the popularization of technology education.

Several food sharing stations with solar panels donated by Sunly were opened in 2023, promoting circular economy.

Sunly donated, together with Solarstone, solar panels and a battery bank to the newly built kindergarten in the city of Ovruch, Ukraine, to reduce maintenance costs and allow the kindergarten to operate with minimal disruption. The construction of the kindergarten in the Zhytomyr region was the first large-scale Estonian state-run development project in which the public and private sectors worked together toward a common goal.

Latvia

In 2023, Sunly in Latvia focused on mapping individuals influenced by the construction of solar parks. As the construction process unfolded, neighbors were kept informed about the ongoing developments. As an example of our commitment to maintaining positive relations with neighboring communities, the Sunly team plans to plant flowers in the Iecava solar park in 2024, ensuring that the ecosystem remains undisturbed as one of the neighbors is a beekeeper.

Demonstrating our expertise in the ever-evolving energy sector, we actively participated and played a key role in the main Latvian wind energy event Wind Works.

Furthermore, we proudly support the Kurbads hockey team in the Baltic Hockey League, as they share our values in fostering the development of new promising players.

Lithuania

In 2023, we organized five public meetings for Environmental Impact Assessment. To minimize plastic usage, we provided attendees with Sunly-branded, responsibly-sourced reusable water bottles. Catering for these events was sourced from local businesses, completely eliminating the use of plastic cups.

In 2023, Sunly became involved, for the first time, in marketing and educational initiatives in Lithuania's renewable energy sector. We actively participated in major renewable energy conferences in 2023, including sponsoring a flagship event organized by Verslo Zinios.

Poland

To help our local government partners amidst dynamically changing zoning regulations, we created a guide for municipalities titled "Renewable energy sources in municipal strategy and development“. A copy was distributed to every municipality in Poland, presenting solutions that enable municipalities to plan for long-term decarbonization.

Sunly's Polish teams regularly participate in the Congress of Rural Municipalities and other events organized by local governments and associations, such as the harvest festivals in Wierzbica or Lewin Brzeski where we contribute to raising awareness about green energy among both children and their parents.

In the municipality of Ujazd, where we are building a photovoltaic park, we supported a volunteer fire department.

At the end of the year, we distributed gifts and necessities to a family living near our office in Krakow. This was an employee initiative carried out as part of the nationwide Noble Gift campaign.

Responsible sourcing and human rights in supply chain

Sunly prioritizes social responsibility and human rights within the supply chain management system.

Sunly aims to align with OECD guidelines, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the core

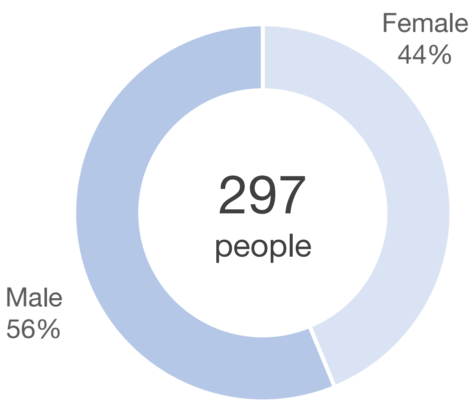
conventions of the International Labour Organization (ILO). The principles also apply to our supply chain partners through the Supply Chain Management System and Supply Chain Code of Conduct.

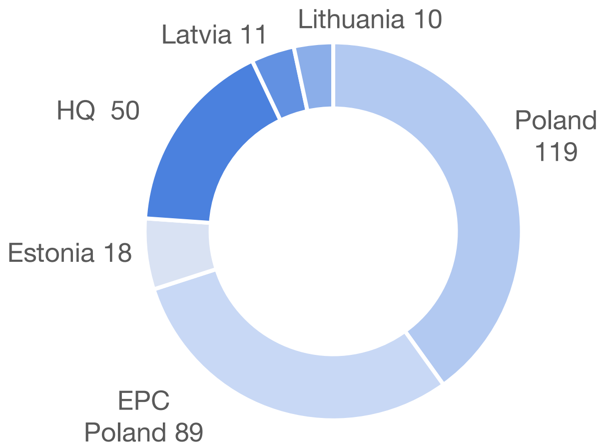
We are in frequent contact with selected suppliers and subcontractors regarding human rights protection, technological updates and price developments. We require traceability documentation from our key solar panel suppliers to ensure that there are no human rights violations in the supply chain.

Sunly people

Sunly's highly skilled team is expanding year by year and every employee plays a crucial role in achieving our goals.

At the end of the financial year, Sunly had 297 experts (2022: 153) in 4 countries – 64 in Estonia, 13 in Latvia, 10 in Lithuania and 210 in Poland – of whom 44% were women and 56% men.





Shared success

In 2023, we continued to expand our share option program among new employees, further demonstrating our commitment to fostering a collaborative and inclusive work environment at Sunly. This initiative allows eligible team members to become investors and potential owners of our success, aligning individual interests with the company's goals and emphasising the collective partnership in shaping Sunly's future.

Unified approach

As part of our ongoing commitment to unify the Sunly experience, we introduced a company-wide OKR (Objectives and Key Results) system in 2023. This strategic initiative focuses on aligning each team and individual with our overarching company goals, fostering a cohesive approach to a shared vision.

Additionally, we are preparing to streamline and align our employee benefits package across the Group, creating a unified system set to take effect in 2024. These efforts show our dedication to a seamless and purpose-driven environment, ensuring that every Sunly team member not only aligns with our objectives but also enjoys a comprehensive and consistent employee benefits experience.

Cultural foundations

In 2023 - in our rapid growth phase – we placed a significant emphasis on nurturing our culture and reinforcing our core values. Recognizing the pivotal role these principles play in shaping our identity, we engaged in a process to define and explore our cultural foundations. This initiative underlines our commitment to ensuring that, as we grow, our culture and values remain integral to the way we work. By anchoring ourselves in these core principles, we strive to foster a workplace environment that not only reflects our values but also supports our continued success and collective growth at Sunly.

Data-driven growth

In 2023, we held our first-ever employee satisfaction survey, which we plan to conduct regularly to stay attuned to our team's needs. Based on the feedback received, we swiftly implemented targeted initiatives. This included feedback training to enrich communication and foster a robust feedback culture, and introducing the unified concept of Growth Talks for team leads, focusing on the development and individual growth of our people. These initiatives are just a glimpse of our proactive approach in responding to the feedback received, reflecting our ongoing commitment to creating an environment where everyone can thrive and contribute to our shared success.

Safety

At Sunly, the wellbeing and safety of our employees remains our top priority. In 2023, we have initiated systematic efforts to enhance awareness, refine procedures, and improve our health and safety management. Incidents and near-misses involving both our employees and subcontractors are thoroughly investigated internally, with corrective measures promptly implemented. In 2023, one work-related accident was registered, involving a subcontractor's employee in Poland.

Governance

Implementation of ESG governance system
In 2023, Sunly mapped the key priorities of ESG governance system by carrying out a double materiality analysis in the Group. Internal and external stakeholders were interviewed and asked for input and feedback about the priorities.

Understanding what external stakeholders expect from Sunly and aligning their expectations with internal ambitions helps Sunly take more focused action with a long-term, sustainable vision.

The plan for 2024 is to develop additional key policies and implement the ESG governance system fully to measure and manage the long-term impacts of our operations on the environment and people.

Our ESG priorities include, for example:

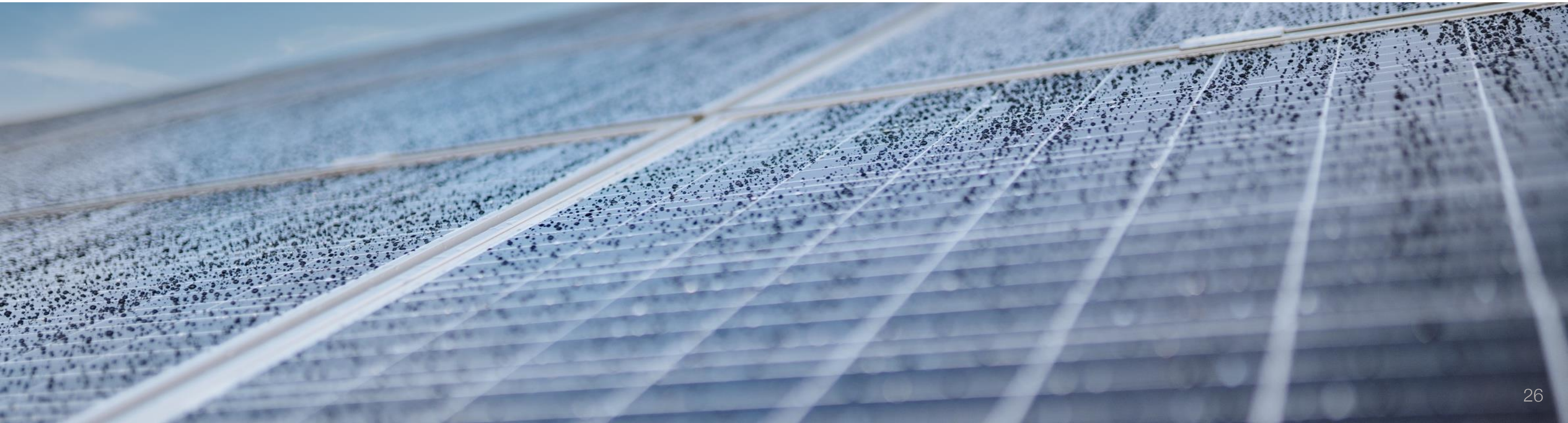
- climate change mitigation and a comprehensive environmental management system,
- ethical and transparent operations, governance and culture,
- a sustainable supply chain management system,
- health and safety of our employees, and
- active and inclusive community engagement.

The ESG Committee, formed in 2022 at the Supervisory Board level, is responsible for overseeing the continuous improvement of ESG governance matters, as well as the fulfillment of the ESG Action Plan.

Ethics & transparency
Sunly has zero tolerance for corruption, including bribery, giving or receiving improper advantages, tax evasion, and other unfair business practices. These principles are implemented through the Group Code of Ethics, Whistleblowing policy and other key policies.

Investor reporting
To maintain regular contact with investors and banks, Sunly prepares quarterly updates with the latest highlights, financial and non-financial KPIs, pipeline developments, investment status and financial results.

Once a year, Sunly holds an Investor Day where management provides an overview of Sunly's strategic direction and operations, as well as the megatrends that create opportunities ahead.

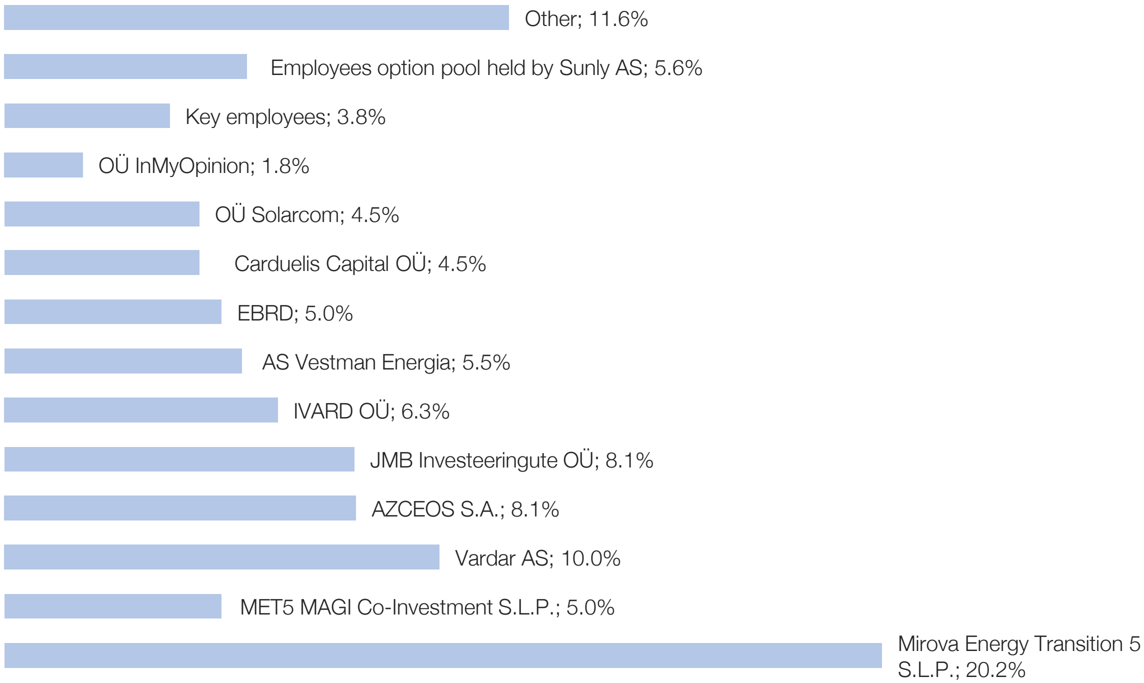


Sunly's shareholders

The shareholder structure of the Company changed in 2023 as a result of the completion of the last capital raising.

A new investor – EBRD (European Bank for Reconstruction and Development) – acquired a 5% stake in the Company. Sunly's core team has cooperated with EBRD for many years when EBRD was one of the key investors of Nelja Energia.

As at the end of 2023, the Company had 26 direct shareholders, including Sunly itself (own shares for employee option pool).



MET5 MAGI and Mirova Energy Transition 5 both have Mirova SA as fund manager.

Mirova
is an asset management company focused on sustainable investments, and an affiliate of Natixis Investment Managers. Mirova's infrastructure team dedicated to energy transition currently manages EUR 3.5bn of assets across various funds.

Vardar
is a Norwegian energy group owned by 19 municipalities with ambitions of value creation through long-term investments in renewable energy. Vardar has extensive experience in wind and hydro power and is a former majority shareholder of Nelja Energia.

EBRD
is a leading institutional investor in Poland and the Baltic States, with over EUR 15bn investments across around 800 projects. EBRD is a former shareholder of Nelja Energia.

Carduelis, Solarcom, InMyOpinion
represent the companies of Sunly's active founders – Kalle Kiigske, Martin Kruus and Priit Lepasepp

AZCEOS
is a Polish family business and the previous owner of Alseva.

JMB, IVARD and Vestman
are Estonian family businesses and also former investors in Nelja Energia.

Others
include smaller Estonian investors.

Group governance

At Sunly we value the transparency of governance, especially as we have many minority shareholders.

The Company’s corporate governance is based on the Estonian Commercial Code, the Articles of Association (AoA), Shareholders’ Agreement (SHA), and internal rules and policies.

Sunly AS (the parent company of the Group) is a limited liability company, the governing bodies of which are the General Meeting, the Supervisory Board and the Management Board. Operations at country level are managed by country managers.

General Meeting

The powers of the General Meeting are regulated by the Estonian laws and the AoA. In accordance with the AoA, the General Meeting may adopt resolutions if at least 2/3 of the votes (including votes represented by the shares of Mirova) are present at the meeting. Each share carries one vote at the General Meeting.

There were no general meetings in 2023 but on 3 occasions, decisions were taken without convening a meeting.

SHA

The shareholders with a shareholding of at least 5%, and founders OÜ Solarcom (Martin Kruus), Carduelis Capital OÜ (Kalle Kiigske) and OÜ InMyOpinion (Priit Lepasepp), have entered into a Shareholders’ Agreement establishing the principles of transferring and encumbering the Company’s shares, the principles of managing, conducting, and financing the Company’s business, and other mutual rights and obligations of the parties to the SHA.

SRA

The shareholders with a shareholding of less than 5% (except for OÜ Solarcom, Carduelis Capital OÜ and OÜ InMyOpinion) have entered into a Share Restriction Agreement (SRA) with the Company, which regulates, among other things, the principles of transferring and encumbering the Company’s shares.

Equity

By the end of 2023, Sunly had issued a total of 69,416,424 shares of one class, of which 3,883,799 are Sunly's own shares held for employee share options.

To adopt the decision to increase the share capital of the Company, it is required that at least 2/3 of all the votes are in favour, unless a larger majority vote is required by the law.

Dividend policy

Unless at least 2/3 of shareholders participating in the Company’s General Meeting decide to distribute a given year’s profit otherwise, 30% of the Company’s net profit will be distributed as dividends each year. The rest of the Company’s profit will be used mainly for future investments and for developing the Company in accordance with the decisions of the shareholders and the Supervisory Board.

Supervisory Board

According to the Estonian laws, the Supervisory Board is responsible for planning the activities and organizing the management of the Group.

- The Supervisory Board determines the principles for the Group’s strategy, organization, annual operating plans, budgets, financing, and accounting.
- The Supervisory Board elects the members of the Management Board and determines their remuneration.
- The Supervisory Board acts independently in the interests of the Group and the Company’s shareholders.

According to the AoA, the authority of the Supervisory Board includes certain matters in addition to that provided by law.

In addition to the above, the members of the Supervisory Board actively support the activities of the Management Board.

The term of office of the members of the Supervisory Board is 5 years.

The meetings of the Supervisory Board are held at least four times a year and not less frequently than once every three months.

- A meeting of the Supervisory Board has a quorum if more than half of the members of the Supervisory Board and at least one member of the Supervisory Board appointed by Mirova are present.
- According to the Commercial Code, the Supervisory Board may adopt decisions without convening a meeting.

During 2023, the Supervisory Board held 4 meetings and adopted decisions on 19 occasions without convening a meeting.

At the end of 2023, the Supervisory Board consisted of 8 members, including 2 who represented the pooled votes of minority shareholders.

During 2023, the following Supervisory Board members were recalled:

- Zbigniew Zagrajek (member until 3 February 2023) – representative of AZCEOS S.A

ESG committee
At the end of 2023, the Supervisory Board had one committee – the ESG committee – consisting of three members:

- Céline Alexandrine Jeanne Lauverjat
- Kalle Kiigkse
- Robert Olsen

During 2023, the ESG committee held 4 meetings.

Observers
As at the end of 2023, the Supervisory Board had 4 non-voting observers:

- **Markus Jonathan Mõis**, representative of JMB Investeeringute OÜ
- **Odelin Baudouin**, representative of Mirova and MET5 MAGI
- **Bastien Spagnol**, representative of Mirova and MET5 MAGI
- **Julien Mauduit**, representative of EBRD

Members of the Supervisory Board

Martin Kruus, co-founder
member from 9 March 2021

Experience
20 years of energy sector experience, mainly from Nelja Energia

Shares: 3,116,860
Options: 1,041,406
EUR 191.5k compensation for advisory role

Anna Malgorzata Zagrajek
member from 3 February 2023

Experience
8 years of energy sector experience, mainly from Alseva

Shares: 5,622,278 via co-owned AZCEOS S.A.

No compensation for SB role

Kalle Kiigske, co-founder
member from 9 March 2021

Experience
20 years of energy sector experience, mainly from Nelja Energia

Shares: 3,116,860
Options: 1,041,406
EUR 191.5k compensation for advisory role

Peeter-Jass Pikk
member from 28 September 2022

Experience
20 years of energy sector experience

Shares: 451,652 via co-owned Baltic Energy Asset Management OÜ

No compensation for SB role

Sander Rebane
member from 21 March 2019

Experience
Member of the supervisory board in Nelja Energia for 7 years

Shares: 0

No compensation for SB role

Céline Lauverjat
member from 28 September 2022

Experience
Deputy Head of Energy Transition Funds at Mirova

Shares: 0

No compensation for SB role

Robert Olsen
member from 20 June 2021

Experience
25+ years of experience in Norwegian power and utility industry

Shares: 0

No compensation for SB role

Jocelyn Dioux
member from 28 September 2022

Experience
Investment director in Mirova from 2019, in charge of energy transition investments

Shares: 0

No compensation for SB role

Management Board
The Management Board and Supervisory Board work in close cooperation to develop and pursue the Group's strategy.

Every member of the Management Board has the right to represent the Company alone in any legal and business matter.

All members of Sunly's Management Board have previous experience of working for Nelja Energia – Priit Lepasepp as general counsel, Erkki Kallas as production manager, and Lili Kirikal as external financial adviser.

Members of the Management Board

Priit Lepasepp, co-founder
Chief Executing Officer from 21 March 2019

Experience
General Counsel at Nelja Energia. Associate at Sorainen.

Shares: 1,253,083
Options: 1,041,406

Lili Kirikal
Chief Financial Officer from 26 March 2021

Experience
Transaction advisory consultant at EY Finland, EY Estonia and PwC Estonia, focusing on Energy and Infrastructure

Shares: 53,017
Options: 256,329

Erkki Kallas
Chief Technical Officer from 1 October 2021

Experience
Production manager at Nelja Energia. Field Operations Manager and Customer Service Leader at GE Renewable Energy

Shares: 0
Options: 29,159

Market highlights & financials

Electricity prices
After the price volatility in 2022, energy prices stabilized in 2023. 2022 prices were mainly impacted by high gas prices due to the war in Ukraine and economic sanctions against Russia. The peak in electricity prices in December 2022 was an outlier, and prices decreased and remained stable in the subsequent months. In 2023, the prices remained relatively lower throughout the year compared to 2022.

Electricity prices in the Baltics and Poland have been higher than in the Nordics, given the higher share of renewables in the Nordics energy mix.

The decrease in electricity prices has had a negative impact on Sunly's business.

Inflation
The geopolitical situation in Europe in 2022 led to the highest inflation for the past decades.

The main driver for inflation was energy prices, according to Eurostat. Inflation rates in 2023 showed a declining trend, reflecting a relative stabilization in energy prices during the period.

Inflation has both positive and negative impacts on Sunly's current and future operations. Although in the renewables sector, operating costs are generally small and, therefore, not very vulnerable to headline inflation, renewable energy capex is still impacted by construction price inflation. On the other hand, the CfD subsidy in Poland is linked to inflation and this has had a substantial positive impact on Sunly's business.

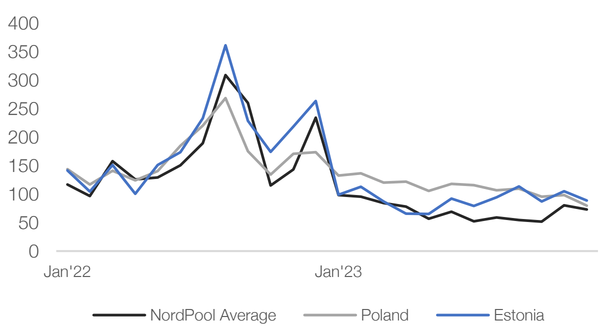
Interest rates
Sunly's financing in Estonia is linked to EURIBOR, and in Poland to WIBOR.
The decrease in interest rates had a positive impact on Sunly's operations in 2023.

EU price cap in Poland
The EU temporarily allowed countries to set price caps for certain energy producers during 2023, to help countries raise funds to compensate the most vulnerable consumers for high energy prices. While the measures taken by the Baltic countries did not have a significant impact on Sunly, Poland introduced a price cap for renewable energy producers at 405-425 PLN/MWh (86-90* EUR/MWh).

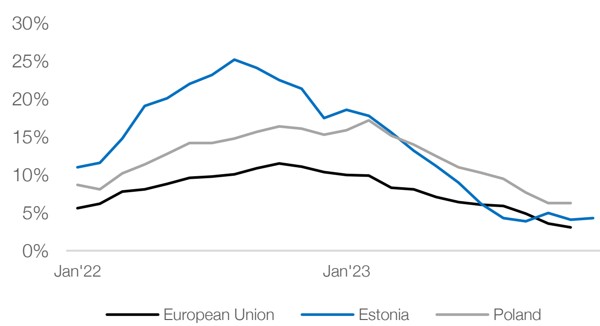
Sunly's direct exposure to price cap was minimal, given that almost all of Sunly's operational parks in Poland had secured a CfD subsidy (including all parks that have raised project financing). However, the cap prevented Sunly from optimizing the revenues under the CfD system.

The cap will be discontinued in 2024.

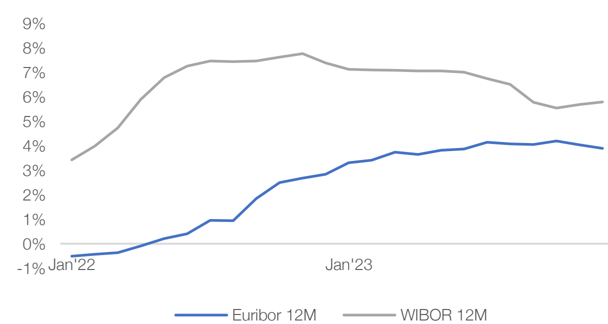
Electricity prices at NordPool, EUR/MWh



Consumer price index monthly level



Interest rates monthly level



Key financials

2023 revenues and EBITDA were mainly driven by **new capacities becoming operational**, partially offset by a **decrease in electricity prices**.

EPC external revenues increased only marginally, as the focus of the EPC business was on internal projects.

Decrease in other revenues is caused by the reclassification of capitalized internal DEVEX from revenues to costs (with a positive sign).

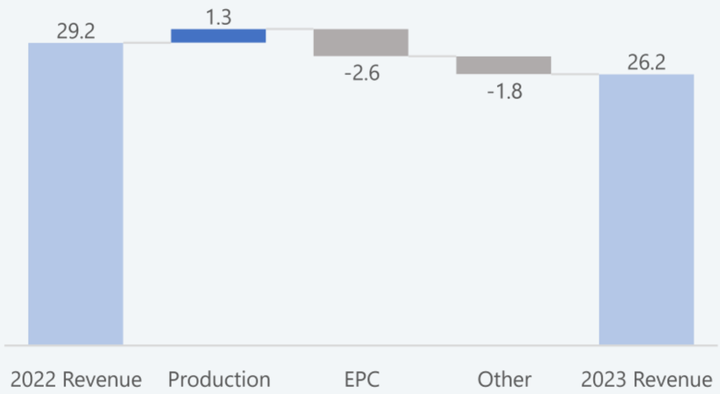
The negative impact on EBITDA from EPC segment was mainly due to budget revisions for the older part of the portfolio.

Increase in other costs is driven by growth in the number of FTEs and subsequently higher employee costs, partially offset by capitalized internal DEVEX.

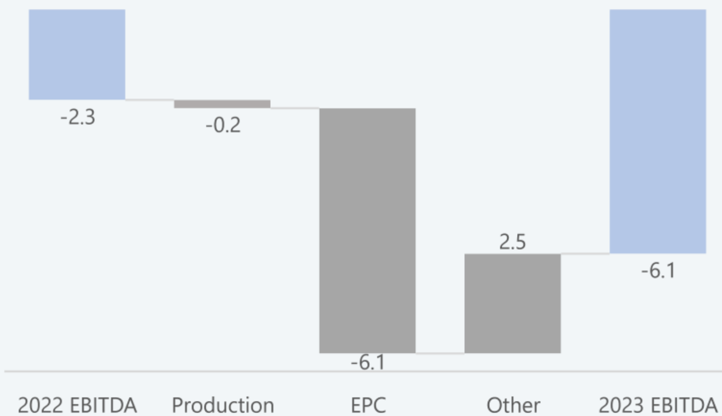
EBITDA for 2023 is adjusted for employee option expenses (non-cash), advisory fees related to capital raising, and other non-regular income and expenses.

(in EURk)	2023	Change	2022
Total revenue	26 212	-3 036	29 248
EBITDA	-6 078	-3 824	-2 254
Adjusted EBITDA	-3 652	-7 262	3 610
EBIT	-10 984	-5 218	-5 766
Net profit	-9 693	5 334	-15 027
Cash and cash equivalents	51 598	-44 143	95 741
Equity	280 086	51 184	228 902
Loans and borrowings	142 120	82 770	59 350
Total assets	509 840	146 720	363 120
CAPEX	145 012	110 337	34 675
EBITDA margin	-23%	-15%	-7.7%
ROIC (Return on invested capital)	-3%	0%	-3.0%

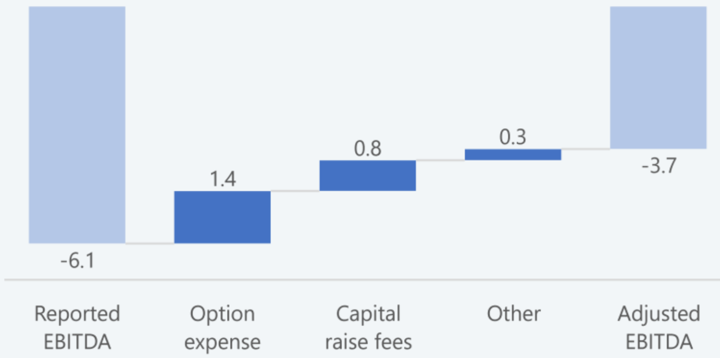
Revenue bridge, EURm



EBITDA bridge, EURm



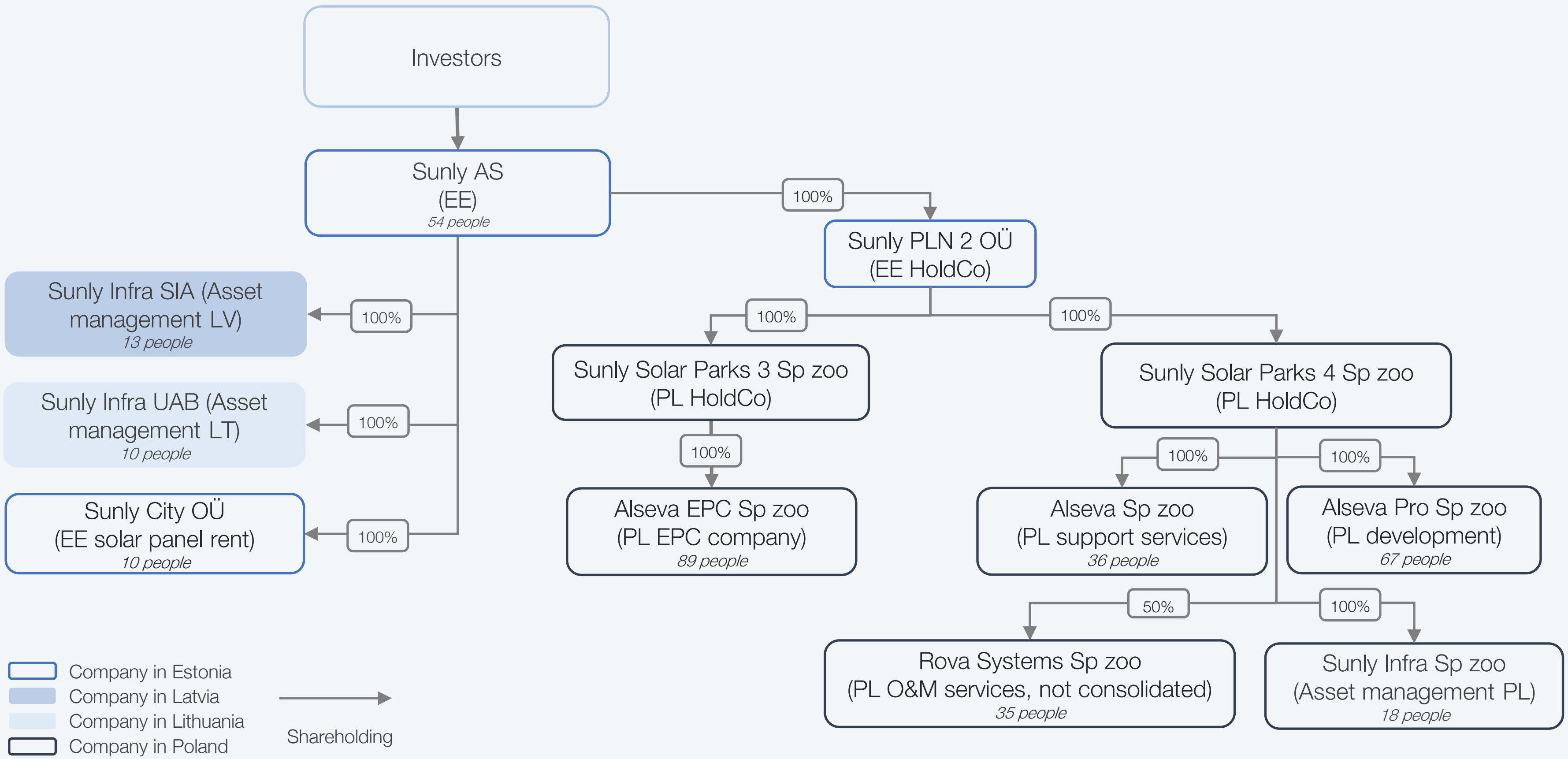
2023 adjusted EBITDA bridge, EURm



Corporate overview

Corporate structure

Sunly AS, an Estonian public limited company (the „Company”) is the parent company of Sunly group (the “Group”). The Company has subsidiaries in Estonia, Latvia, Lithuania, and Poland.



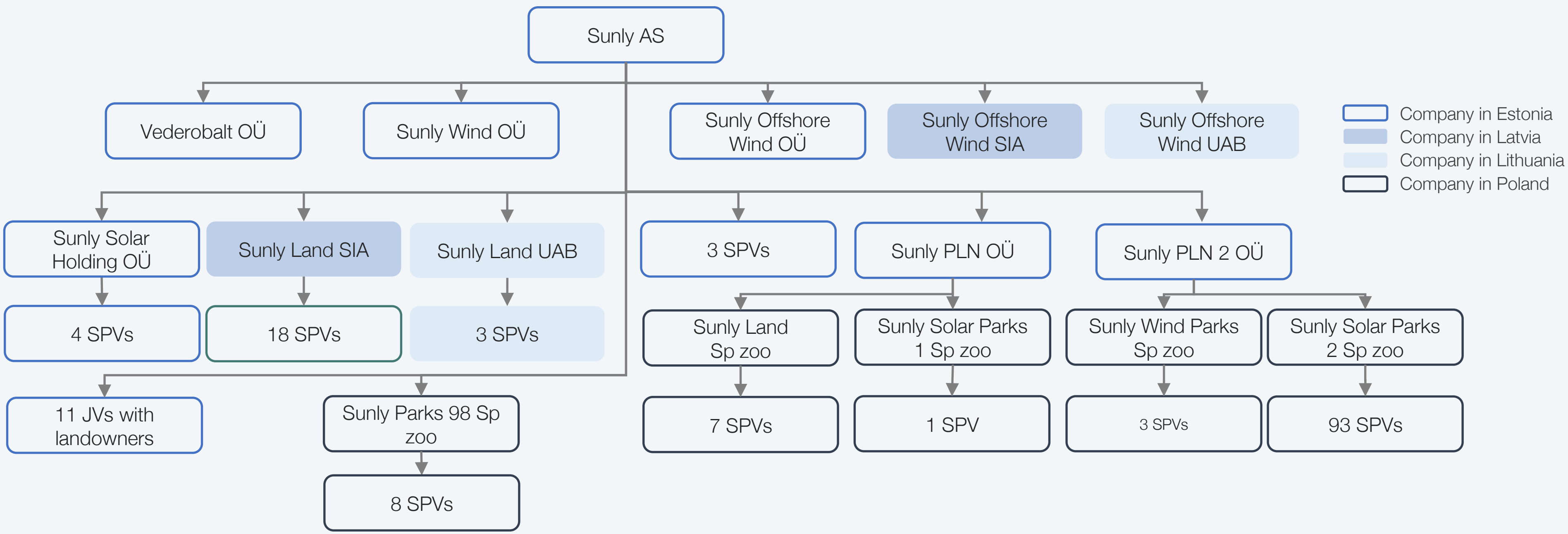
Sunly's project SPVs & JVs

Sunly's renewable energy and storage projects, land and rights to land are held in separate asset holding subsidiaries (SPVs), to secure project financing to the projects.

The current portfolio of operational and in-construction assets is 100% owned by the Group companies, except for:

- 51% shareholding in Metsapäike OÜ: Estonian 45 MW Raba solar park project
- 51% shareholding in Metsapäike 2 OÜ: for Estonian 2.3 MW Pikkori solar park project
- 90% shareholding in Metsapäike 3 OÜ: for Estonian 12 MW Nurme solar park project

The pipeline is almost fully in 100% and majority-owned SPVs.



Sunly Innovation

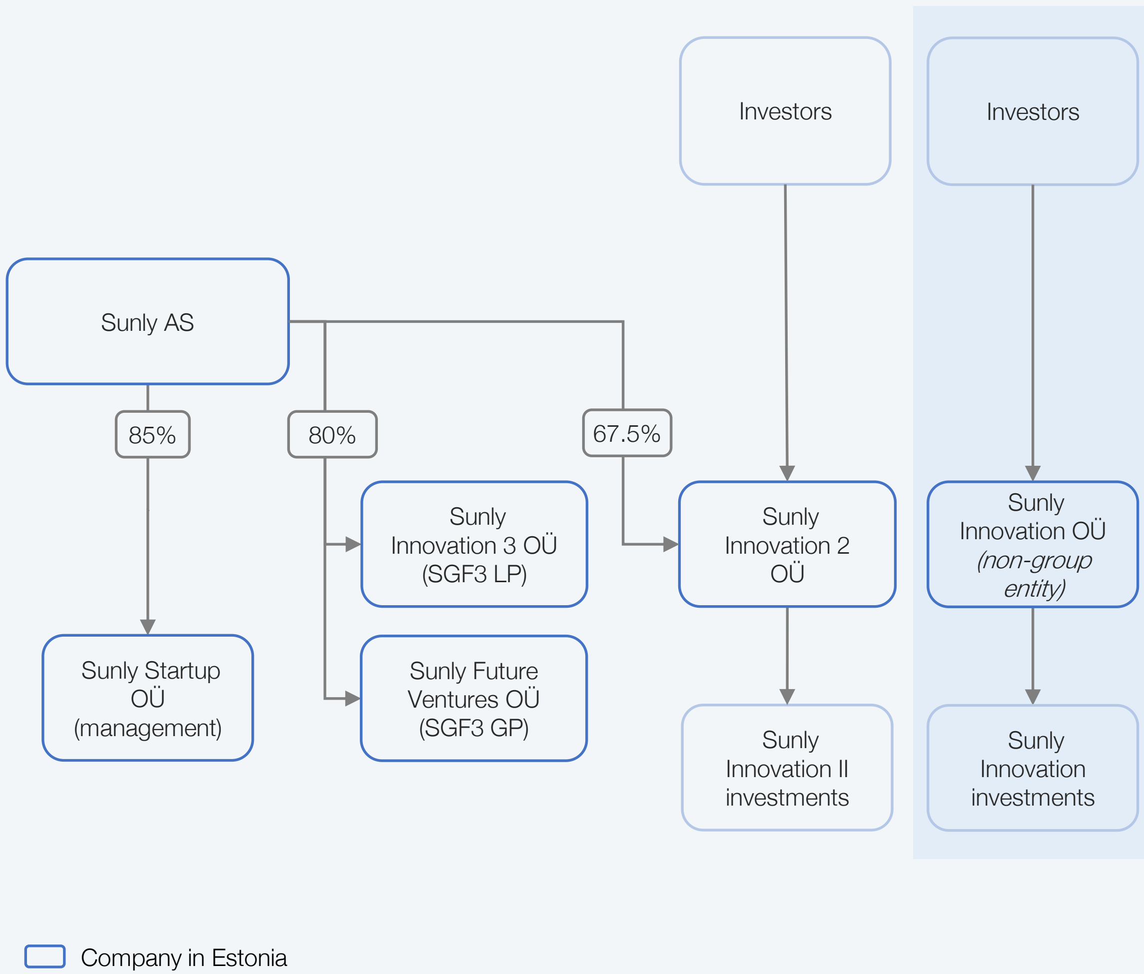
Sunly's innovation arm includes:

85% of Sunly Startup OÜ, which provides management services to Sunly Innovation OÜ and Sunly Innovation 2 OÜ. Sunly Startup OÜ does not have any employees but has a management contract with the Company. A minority shareholding is held by Vardar AS, as the founding investor, and by the previous investment manager.

67.5% of Sunly Innovation 2 OÜ, which has a mandate to invest in electrification start-ups.

80% of Sunly Innovation 3 OÜ, which will act as a limited partner in Sunly Green Fund III („SGF3") (to be established).

80% of Sunly Future Ventures OÜ, which will act as a general partner in SGF3 (to be established).



List of abbreviations

Abbreviation	Explanation
AoA	Articles of Association
CAPEX	Capital Expenditure
CEO	Chief execution officer
CfD	Contract for differences
CGU	Cash generating unit
DEVEX	Capitalized Development Expenses
DSRA	Debt service reserve account
EBIT	Earnings before interest, tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EBRD	European Bank for Reconstruction and Development
EE	Estonia
EIA	Environmental Impact Assessment
EPC	Engineering, Procurement, and Construction
ESG	Environmental, Social, Governance
EU	European Union
FIFO	First in, first out
FiP	Feed-in-premium
FV	Fair value
GC	Grid connection
GW	Gigawatt
GWh	Gigawatt-hours
HoldCo	Holding company
IAS	International Accounting Standards
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IPP	Independent Power Producer

Abbreviation	Explanation
JV	Joint venture
KPIs	Key performance indicators
LT	Lithuania
LV	Latvia
MW	Megawatt
MWh	Megawatt-hours
O&M	Operations and Maintenance
OECD	Organization for economic co-operation and development
OKR	Objectives and Key Results
PL	Poland
PoA	Power of Attorney
POC	Percentage of completion
PPA	Power Purchase Agreement
PV	Photovoltaic
ROIC	Return on invested capital
RtB	Ready to build
SB	Supervisory Board
SEP	Stakeholder Engagement Plan
SGF3	Sunly Green Fund III
SHA	Shareholders' Agreement
SIEM	Security information and event management
SPV	Special Purpose Vehicle
SRA	Share Restriction Agreement
UN	United Nations
VAT	Value added tax
YTD	Year to date

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The notes on pages 43 to 87 are an integral part of the consolidated financial statements.

(in EURk)	Note	31 December 2023	31 December 2022
Non-current assets			
Property, plant and equipment	8	208 870	76 969
Intangible assets and goodwill	9	146 973	132 443
Investment property	10	1 425	1 542
Investments in equity-accounted investees		77	76
Other non-current financial assets	12	28 315	2 900
Other investments	13	5 711	1 780
Prepayments	14	291	183
Deferred tax assets	20	3 104	1 216
Total non-current assets		**394 766**	**217 109**
Current assets			
Inventories		8 219	3 480
Trade and other receivables	15	12 952	10 160
Prepayments	14	41 674	36 139
Other current financial assets	12	631	491
Cash and cash equivalents		51 598	95 741
Total current assets		**115 074**	**146 011**
Total assets		**509 840**	**363 120**
Equity			
Share capital	16	69 416	62 856
Own shares	16	-3 884	-4 178
Share premium	16	28 135	28 135
Share option reserve	16, 26	4 530	3 910
Reserves	16	224 263	174 251
Foreign currency translation reserve		2 696	176
Retained earnings		-46 873	-37 039
Equity attributable to owners of the Company		**278 283**	**228 111**
Non-controlling interests		1 803	791
Total equity		**280 086**	**228 902**
Liabilities			
Borrowings	17	136 321	55 107
Trade and other payables	19	38 254	49 664
Provisions	21	6 155	1 815
Deferred tax liabilities	20	1 669	793
Total non-current liabilities		**182 399**	**107 379**
Current tax liabilities	20	1 689	3 106
Borrowings	17	5 799	4 243
Trade and other payables	19	38 934	17 404
Provisions	21	784	1 884
Deferred revenue		149	202
Total current liabilities		**47 355**	**26 839**
Total liabilities		**229 754**	**134 218**
Total equity and liabilities		**509 840**	**363 120**

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30. 03. 2024
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KPMG, Tallinn

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The notes on pages 43 to 87 are an integral part of the consolidated financial statements.

(in EURk)	Note	2023	2022
Revenue	**22**	**26 212**	**29 248**
Other income		338	314
Goods, raw materials and services	23	-11 099	-19 028
Other operating expenses	24	-7 959	-4 769
Staff costs	25	-13 567	-8 020
Depreciation on property, plant and equipment	8	-2 944	-1 312
Amortisation and impairment on intangible assets	9	-1 963	-2 200
Other expenses		-2	0
Operating loss		**-10 984**	**-5 767**
Interest income		1 867	162
Interest expenses	27	-5 931	-4 627
Change in fair value of contingent consideration	11.1	-976	-3 294
Other finance income/expense		6 173	-808
Net finance costs	**27**	**1 133**	**-8 567**
Share of loss of equity-accounted investees, net of tax	11	85	11
Loss before tax		**-9 766**	**-14 322**
Income tax	20	73	-741
Loss for the period		**-9 693**	**-15 063**
Loss attributable to owners of the Company		-9 583	-15 027
Loss attributable to non-controlling interests		-110	-36
Other comprehensive income			
Items that are or maybe reclassified to profit or loss			
Foreign currency translation differences of foreign operations		2 520	671
Total comprehensive expense for the period		**-7 173**	**-14 392**
Comprehensive expense attributable to owners of the Company		**-7 063**	**-14 356**
Comprehensive expense/income attributable to non-controlling interests		**-110**	**-36**

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30. 03. 2024
Signature / allkiri ....
KPMG, Tallinn

CONSOLIDATED STATEMENT OF CASH FLOWS

The notes on pages 43 to 87 are an integral part of the consolidated financial statements.

(in EURk)	Note	2023	2022
Cash flows from operating activities			
Loss before tax		**-9 767**	**-14 321**
Adjustments for:			
Depreciation, amortisation and impairment on property, plant and equipment and intangible assets	8, 9	4 907	3 512
Share of income of equity-accounted investees, net of tax	11.1	-85	-11
Share option reserve expense	26	1 351	3 388
Change in provisions	21	3 321	3 050
Net finance costs	27	-1 134	8 566
Other adjustments		-2	0
Total adjustments		**8 359**	**18 505**
Changes in trade and other receivables		-2 792	-8 145
Prepayments made		-652	-9 472
Changes in inventories		-4 737	-3 106
Changes in trade and other payables		103	7 060
Interest received		1 867	162
Income taxes paid		-939	-1 075
Net cash used in operating activities		**-8 559**	**-10 391**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	8, 9	-132 430	-33 950
Acquisition of investment property		-363	-725
Acquisition of subsidiaries, net of cash acquired	11	-9 010	-38 779
Acquisition/sale of associates	11	83	-21
Other investing activities*	11	-34 476	-28 639
Net cash used in investing activities		**-176 196**	**-102 114**
Cash flows from financing activities			
Proceeds from borrowings		86 322	45 750
Repayments of borrowings		-5 174	-17 607
Interest paid		-5 931	-4 568
Proceeds from issue of share capital		56 700	171 999
Net cash from financing activities		**131 917**	**195 574**
Total cash flow		**-52 837**	**83 068**
Cash and cash equivalents at 1 January		95 741	12 810
Effect of movements in exchange rates on cash held		8 694	-137
Cash and cash equivalents at 31 December		**51 598**	**95 741**

* Includes restricted cash in amount of EUR 26 193k (31 December 2022: EUR 1 120k). Restricted cash includes Debt Service Reserve Accounts in Estonia and Poland, as well as cash deposits for grid connection deposit guarantees in the Baltics.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The notes on pages 43 to 87 are an integral part of the consolidated financial statements.

	Attributable to owners of the Company									
(in EURk)	**Share capital**	**Own shares**	**Share premium**	**Share option reserve**	**Other reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance as at 31 December 2021	**32 423**	**0**	**20 039**	**707**	**127**	**-496**	**-6 543**	**46 257**	**69**	**46 326**
Loss for the period	0	0	0	0	0	0	-15 027	-15 027	-36	-15 063
Other comprehensive income	**0**	**0**	**0**	**0**	**0**	671	**0**	671	**0**	671
Comprehensive expense for the period	**0**	**0**	**0**	**0**	**0**	**671**	**-15 027**	**-14 356**	**-36**	**-14 392**
Transactions with owners of the Company										
Issue of ordinary shares	30 432	0	8 096	0	174 124	0	0	212 652	0	212 652
Purchase of own shares	0	-4 178	0	0	0	0	0	-4 178	0	-4 178
Changes in share option reserve	0	0	0	3 203	0	0	0	3 203	0	3 203
Dividends paid to a third party*	0	0	0	0	0	0	-2 291	-2 291	0	-2 291
Contribution of Sunly Infra shares	0	0	0	0	0	0	-9 842	-9 842	0	-9 842
Founder options	0	0	0	0	0	0	-3 124	-3 124	0	-3 124
Other changes in equity	0	0	0	0	0	1	-212	-211	759	548
Total transactions with owners of the Company	**30 432**	**-4 178**	**8 096**	**3 203**	**174 124**	**1**	**-15 469**	**196 209**	**759**	**196 968**
Balance as at 31 December 2022	**62 856**	**-4 178**	**28 135**	**3 910**	**174 251**	**176**	**-37 039**	**228 111**	**791**	**228 902**
Loss for the period	0	0	0	0	0	0	-9 583	-9 583	-110	-9 693
Other comprehensive income	0	0	0	0	0	2 520	0	2 520	0	2 520
Comprehensive expense for the period	**0**	**0**	**0**	**0**	**0**	**2 520**	**-9 583**	**-7 063**	**-110**	**-7 173**
Transactions with owners of the Company										
Issue of ordinary shares	6 561	0	0	0	50 139	0	0	56 700	0	56 700
Realised share options	0	294	0	0	0	0	0	294	0	294
Changes in share option reserve	0	0	0	620	0	0	437	1 057	0	1 057
Other changes in equity	0	0	0	0	-127	0	-688	-816	1 121	306
Total transactions with owners of the Company	**6 561**	**294**	**0**	**620**	**50 012**	**0**	**-251**	**57 237**	**1 121**	**58 358**
Balance as at 31 December 2023	**69 416**	**-3 884**	**28 135**	**4 530**	**224 263**	**2 696**	**-46 873**	**278 283**	**1 803**	**280 086**

More detailed information on the Group's equity items is provided in Note 16. * Please see Note 11.1 on the components of Alseva entities' acquisition.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. REPORTING ENTITY

Sunly AS (also referred to as the 'Parent' or the 'Company') is a company incorporated and registered in the Republic of Estonia on 2 April 2019. The Company's registered office is at Telliskivi tn 60/5, Tallinn, 10412, Republic of Estonia. The consolidated financial statements of Sunly AS as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in developing, constructing, and operating renewable energy projects in the Baltics and Poland.

The Group does not have an immediate parent company or one ultimate controlling party. The names of entities with joint control of, or significant influence over, Sunly AS are disclosed in the Note 28 Related Party Disclosures.

Group's parent entity's internal merger

In December 2021, the shareholders of the Group approved the merger of Sunly Land AS with its subsidiary Sunly OÜ and the latter's subsidiary Sunly Infra OÜ. The merger was completed in February 2022 and the surviving entity (Sunly Land AS) was renamed Sunly AS.

This had an impact on the Group's consolidated financials as the non-controlling shareholding on Sunly Infra OÜ level moved to Sunly AS level. Sunly AS stand-alone financials were also impacted by the merger.

Acquisition of Alseva

In April 2022, Sunly finalised the acquisition of entities constituting the Alseva group. Alseva is one of the largest Polish solar power developers and constructors.

This had an impact on the Group's consolidated financials as (i) 97 Alseva entities were purchased and (ii) Engineering, Procurement, and Construction (EPC) became a new business area for the Group.

NOTE 2. BASIS OF ACCOUNTING

The Group's consolidated financial statements as at and for the year ended 31 December 2023 have been prepared in accordance with the Estonian Accounting Act and International Financial Reporting Standards as adopted by the European Union (IFRS).

The accounting and reporting principles described have been applied consistently to all periods presented.

The Management Board authorised these consolidated financial statements for issue on 30 March 2024. Under the Estonian Commercial Code, the annual report must also be approved by the Supervisory Board and the shareholders. The shareholders may decide to not approve the annual report prepared by the Management Board and approved by the Supervisory Board and to demand the preparation of a new annual report.

NOTE 3. FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Group companies operating in Estonia, Latvia and Lithuania is the euro (EUR). The functional currency of the Group companies operating in Poland is the Polish złoty (PLN).

The presentation currency of these consolidated financial statements is the euro (EUR).

The following PLN exchange rates have been applied:

	2023	2022
Average exchange rate	4.54517	4.68387
Spot exchange rate as at the reporting date	4.33950	4.68068

NOTE 4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are the following:

- In 2022, the Group's subsidiary Sunly Solar Parks 2 Sp. z o.o. acquired the Alseva subsidiaries (special purpose vehicles) in Poland for the purpose of developing solar parks. The solar projects in the acquired subsidiaries were in early stage development or "ready to build" phase, meaning that there were no physical solar parks at the time of acquisition. The acquisition included: (i) rights to the land relating to the solar parks, (ii) relevant permits relating to the solar parks, and (iii) an EPC (engineering, procurement and construction) contract, under which a third party undertook to build some of the acquired solar parks. The Group has assessed that these acquisitions did not constitute acquisitions of businesses and were therefore outside the scope of accounting for business combinations. The Group has accounted for such transactions as intangible asset acquisitions.
- The Company owns:
  - a 51% interest in the following jointly founded companies: SW Metsatuul OÜ, SW Tuulekohin OÜ, SW Multituul OÜ, SW Tuulerii OÜ, SW Eretuul OÜ, SW Tuulepõld OÜ, Metsapäike OÜ, Vejai LT UAB;
  - a 50% interest in the following jointly founded companies: SPV Kurzeme SIA, Sunly Land Solar 1 SIA, Sunly Land Solar 2 SIA, SLD 2 SIA, SLD 5 SIA, EPLANT 61 Sp. z o.o.

  Management has determined that the Company controls all of these companies and has consolidated these entities into its consolidated financial statements.
- On 1 April 2022 the Group acquired the Alseva group. Please refer to Note 11.1 for details of this acquisition.
- The useful lives of property, plant and equipment and intangible assets are determined in accordance with the Group's accounting policy. Please refer to Note 6 for details of accounting policies in relation to the useful lives of property, plant and equipment and intangible assets.

Judgements about assumptions and estimation uncertainties at the reporting date that have a risk of resulting in an adjustment to the carrying amounts of assets and liabilities within the next financial year are the following:

- Management prepared an impairment test for goodwill. For the impairment test the management applied certain assumptions regarding the underlying recoverable amounts. Please refer to Note 11.1 for details of this impairment test.

Determination of the useful lives of items of property, plant and equipment

The estimated useful lives of items of property, plant and equipment are based on management's estimate of the period during which the asset will be used.

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Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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.

In measuring fair value, a transaction to sell an asset or transfer a liability is assumed to occur either:

- in the principal market for the asset or liability; or
- if there is no principal market, in the most advantageous market.

The Group must have access to the main or most advantageous market on the measurement date.

The measurement of the fair value of an asset or liability uses assumptions that market participants would use in determining the price of the asset or liability, assuming that market participants act in their best economic interests. The measurement of the fair value of a non-financial asset takes into account the ability of the market participant to generate economic benefits by making the highest and best use of the asset or by selling it to the market participant that would make the best use of the asset.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 7 Financial instruments
- Note 11.1 Acquisition of Alseva entities

NOTE 5. CHANGES IN MATERIAL ACCOUNTING POLICIES

The following new standards, interpretations and amendments were not yet effective for the annual reporting period ended 31 December 2023 and have not been applied in preparing these consolidated financial statements. The Group plans to adopt these pronouncements when they become effective.

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Standard / Amendment / Interpretation	Nature of impending change in accounting policy	Possible impact on financial statements
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it will be endorsed by the EU in the foreseeable future)	The amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that: • a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while • a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements.
Amendments to IAS 1 *Presentation of Financial Statements*: Non-Current Liabilities with Covenants (Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted. Specific transition requirements apply for companies that have early- adopted the previously issued but not yet effective 2020 amendments).	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments, as issued in 2020, have removed the requirement for a right to be unconditional and instead require that a right to defer settlement must exist at the reporting date and have substance (the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early). The amendments, as issued in 2022, further clarify that when the right to defer settlement is subject to a company complying with conditions (covenants) specified in a loan arrangement, only covenants with which the company must comply *on or before* the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply *after* the reporting date do not affect a liability's classification at that date. However, the amendments require companies to disclose information about these future covenants to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments also clarify how a	The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements.

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Standard / Amendment / Interpretation	Nature of impending change in accounting policy	Possible impact on financial statements
	company classifies a liability that can be settled in its own shares (e.g. convertible debt).	
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures:* Supplier Finance Arrangements (Effective for annual periods beginning on or after 1 January 2024. Disclosure of comparative information for any reporting periods presented before, and information as at the beginning of, the annual reporting period in which the entity first applies those amendments is not required. Also, an entity is not required to disclose the information otherwise required by the amendments for any interim period presented within the annual reporting period in which the entity first applies those amendments. Early application is permitted)	The amendments introduce additional disclosure requirements for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. The amendments apply to supplier finance arrangements (also referred to as supply chain finance, payables finance or reverse factoring arrangements) that have all of the following characteristics: - a finance provider (also referred to as the factor) pays amounts a company (the buyer) owes its suppliers; - a company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid; - the company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date. However, the amendments do not apply to arrangements for financing receivables or inventory.	The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements.
Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback (Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted)	The amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The amendments confirm the following: • on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction; • after initial recognition, the seller-lessee applies the general requirements for subsequent	The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements.

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Standard / Amendment / Interpretation	Nature of impending change in accounting policy	Possible impact on financial statements
	accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction.	
Amendments to IAS 12 *Income taxes*: International Tax Reform – Pillar Two Model Rules (The relief is effective immediately upon issuance of the amendments on 23 May 2023 and applies retrospectively. Disclosure requirements, other than those about the relief, apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.)	'Pillar Two taxes' are taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The Pillar Two model rules aim to ensure that large multinational groups pay taxes at least at the minimum rate of 15 percent on income arising in each jurisdiction in which they operate by applying a system of top-up taxes. There are three active mechanisms under Pillar Two model rules that countries can adopt: the income inclusion rule, the undertaxed payment rule and a qualified domestic minimum top-up tax. They are often referred to as 'global minimum top-up tax' or 'top-up tax' The amendments address stakeholders' concerns about deferred tax accounting in relation to the new top-up tax under IFRSs by • providing entities with a temporary mandatory relief from deferred tax accounting for top-up tax; and • requiring entities to provide new disclosures in relation to the top-up tax and the relief	The Group will apply the amendments once the respective tax law is enacted. The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements.
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*: Lack of exchangeability (Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.	Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. IAS 21 was amended to clarify: • when a currency is exchangeable	The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements

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Standard / Amendment / Interpretation	Nature of impending change in accounting policy	Possible impact on financial statements
	into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability. The amendments also include additional disclosure requirements to help users to assess the impact of using an estimated exchange rate on the financial statements.	

NOTE 6. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The accounting policies described have been applied consistently, unless otherwise stated in the following text.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Sunly AS and its subsidiaries, consolidated line by line.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Business combinations

A business combination is a transaction or other event in which the Group obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income or generating other income from ordinary activities. If the assets acquired are not a business, the Group accounts for the transaction or other event as an asset acquisition.

As of the acquisition date, the acquirer recognises its interest in the acquiree's assets, liabilities and contingent liabilities and any goodwill arising in its consolidated statement of financial position and its share of the acquiree's income and expenses in the consolidated statement of profit and loss and other comprehensive income. Consolidation of a subsidiary ceases when the parent loses control of the subsidiary.

Business combinations are accounted for in the consolidated financial statements using the acquisition method.

Non-controlling interests

A non-controlling interest is a present ownership interest that entitles the Group to a proportionate share of an entity’s net assets upon the entity’s liquidation.

If less than 100% of a subsidiary is acquired in a business combination, then the Group can elect on a transaction-by-transaction basis to measure non-controlling interest either at:

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- fair value at the date of acquisition; or
- the holder's proportionate interest in the recognised amount of the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are recognised as equity transactions.

Loss of control

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and the related non-controlling interests and other equity components. Gains or losses arising from the loss of control are recognised in profit or loss. The retained interest in the former subsidiary is measured at fair value.

Transactions eliminated on consolidation

All intragroup transactions, balances and any unrealised profits and losses resulting from intragroup transactions are eliminated in full in preparing consolidated financial statements. Unrealised losses are not eliminated if they indicate impairment.

Property, plant and equipment

Initial recognition

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

If an item of property, plant and equipment consists of significant parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives. The total cost of an asset is allocated to its parts based on their significance.

Cost

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, agreement and commitment fees and other directly attributable expenditure. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Land is measured at cost.

Subsequent costs

Subsequent expenditure on an item of property, plant and equipment is recognised as part of its carrying amount only if it is probable that future economic benefits associated with the item will flow to the entity and the expenditure can be measured reliably. Costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as they are incurred.

Depreciation

When an item of property, plant and equipment is recognised, it is assigned a useful life which serves as a basis for determining its depreciation rate. Exceptions include assets with an unlimited useful life, which are not depreciated. Depreciation of an asset begins when it is available for use in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when it is fully depreciated or derecognised. If a fully depreciated asset is still in use, it is carried in the statement of financial position at nil value until it is permanently withdrawn from use.

Items of property, plant and equipment are depreciated using the straight-line method. Depreciation is calculated once a month. Depreciation of an asset does not cease when it becomes idle or is temporarily retired from active use. Useful lives of property, plant and equipment are reviewed at least at each financial year-end.

Asset classes are assigned the following annual depreciation rates:

– buildings	4-10%
– machinery and equipment	20-30%
– computers and computer systems	20-30%
– other property, plant and equipment	20-30%

In the case of individually significant or non-standard items, the depreciation rate is determined for each asset separately, based on the expected useful life of the specific item.

If the estimated useful life of an asset differs significantly from the previous estimate, the remaining useful life of the asset is adjusted prospectively, resulting in a change in the asset's depreciation charge for subsequent periods.

The assessment of impairment of assets is described in more detail in the accounting policy *Impairment of assets*.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the item becomes permanently unfit for use, when it is sold or otherwise disposed of, when it is leased out under a finance lease, when its loss is detected during a physical inspection, or when no future economic benefits are expected from its use or disposal.

A gain or loss arising on the derecognition of an item of property, plant and equipment is recognised in profit or loss within other expenses when the item is derecognised.

Intangible assets and goodwill

Initial recognition

Goodwill	An asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.
Other intangible assets	Intangible assets include trademarks, patents, licences, rights of use, software, and other non-physical assets that the Group uses in the production of products or services or for administrative purposes.

Intangible assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any provision for impairment.

In a business combination the assets, liabilities, and contingent liabilities acquired are measure at their fair values at the acquisition date. Goodwill is recognised as the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised using the straight–line method over the useful economic life.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets, less their estimated residual values, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Goodwill is not amortised. Intangible assets that are purchased for the development of renewables, i.e rights, are amortised over the period when relevant physical assets are ready for use until the end of their useful lives, which for solar farms is 25 years. All other categories of intangible assets are amortised over a 10-year period.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The assessment of impairment of assets is described in more detail in the accounting policy *Impairment of assets*.

Impairment of assets

Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at least annually at the end of the reporting period. The purpose of the review is to determine whether there is any indication that would require the asset to be written down. If there is reason to believe that the recoverable amount of a non-financial asset may have fallen below its carrying amount, an impairment test is performed and, if necessary, the asset is written down.

The recoverable amount of an asset or its 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the period they are identified. An impairment loss for a cash-generating unit is recognised first to reduce the carrying amount of goodwill allocated to the unit and then to reduce the carrying amount of the unit's other assets proportionately.

If the reason for an impairment loss recognised in prior periods disappears, the previously recognised impairment loss is reversed. Changes in circumstances are analysed at least once a year at the end of the reporting period. Impairment losses are reversed and the value of the asset is increased to the carrying amount that would have been determined (net of amortisation or depreciation), had the asset not been written down in prior years. Reversals of impairment losses are recognised in profit or loss within the same line item where the impairment losses were recognised.

Impairment of financial assets

The assessment of impairment of financial assets is described in more detail in the accounting policies for financial assets and liabilities.

Leases

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

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, at an amount equal to the initial measurement of the lease liability. The amount of the initial measurement of the lease liability is adjusted for any advance lease payments, any direct costs incurred and any restoration costs to be incurred (in dismantling the asset and restoring the site or the asset). Any lease incentives received are deducted from this amount.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the expiry of the lease term unless the ownership of the underlying asset transfers to the Group at the end of the lease term or the carrying amount of the right-of-use assets indicates that the Group plans to exercise the purchase option. In that case, the underlying asset is depreciated over its entire estimated useful life, which is determined using the same approach that is used for similar items of property, plant and equipment that are owned. Right-of-use assets are also adjusted for impairment losses, if any. In addition, right-of-use assets are adjusted to reflect certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of the lease payments not paid by the commencement date of the lease, using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The Group generally applies the incremental borrowing rate as the discount rate.

The incremental borrowing rate is determined by reference to different sources of financing. The inputs received are adjusted to reflect the terms of the lease and the type of underlying asset, to find the incremental borrowing rate appropriate for the asset.

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

- fixed payments (including in-substance fixed payments);
- penalties for terminating the lease (if termination is reasonably certain);
- the exercise price of a purchase option (if the lessee is reasonably certain to exercise the option);
- amounts expected to be payable by the lessee under residual value guarantees;
- lease payments that depend on an index or a rate.

The lease liability is measured at amortised cost. It is remeasured if (a) there is a change in future lease payments, reflecting a change in the index or rate used to determine the payments, (b) the amounts expected to be payable under a residual value guarantee are reassessed or (c) the Group changes its assessment of whether it intends to exercise the option to (i) purchase the underlying asset or (ii) extend or terminate the lease. The lease liability is also remeasured to reflect changes in fixed payments (including in-substance fixed payments).

If the lease liability is remeasured due to the above reasons, a corresponding adjustment is made to the carrying amount of the right-of-use asset. The effect of the change in the lease liability is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. The Group recognises these lease payments as an expense on a straight-line basis over the lease term.

When entering into or modifying a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their stand-alone price.

The Group as a lessor

For contracts under which the Group is the lessor, the Group determines at the commencement date whether the lease is an operating lease or a finance lease.

The Group assesses in each case whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If yes, the lease is classified as a finance lease. If not, the lease is classified as an operating lease. As part of this assessment, the Group also considers certain other indicators (e.g. whether the lease term is for the major part of the economic life of the underlying asset).

If the contract contains both lease and non-lease components, the Group applies the accounting policies of IFRS 15 to allocate the consideration in the contract to the components.

The Group applies the derecognition and impairment requirements of IFRS 9 to the lessor’s net investment in the lease. The Group reviews regularly estimated unguaranteed residual values used in computing the lessor’s gross investment in the lease.

For operating leases, the Group recognises lease payments as income in profit or loss on a straight-line basis over the lease term.

Investment property

Investment property is property (land or a building, or part of a building, or both) held (by the owner or by the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes.

An investment property is measured initially at its cost. The cost of a purchased investment property comprises its purchase price and any expenditure directly attributable to its purchase.

After initial recognition, investment property is measured at its cost.

When applying the cost method, investment property is measured in the same way as property, plant and equipment, i.e. at cost less accumulated depreciation and any accumulated impairment losses. Land is an asset with an indefinite useful life and is not depreciated.

Costs associated with subsequent repairs are included in the carrying amount of an investment property only if they meet the definition of an investment property and the criteria for recognising an asset in the statement of financial position (including the criterion of expected future economic benefits). Expenses related to the current maintenance and repair of investment properties are recognised as an expense for the period. When an investment property component (such as a partition) is replaced, the cost of the new component is added to the carrying amount of the asset and the carrying amount of the component being replaced is written off.

Other investments

Current and non-current investments in shares and other equity instruments (except for investments in subsidiaries and associates) are stated at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity-accounted investees

An associate is an entity over which the Group has significant influence but not control. In general, significant influence is presumed to exist when the Group holds 20-50% of the voting power of an entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, an investment is initially recognised at cost and adjusted in the following periods for the investor's interest in the changes in equity of the investee.

Investments in subsidiaries and associates in the parent company's unconsolidated statement of financial position

Investments in subsidiaries and associates are stated at cost in the parent company's unconsolidated statement of financial position. Under the cost method, the initial acquisition cost is adjusted in subsequent periods for any impairment losses on the investment. An assessment is made at each reporting date as to whether there is any indication that the recoverable amount of an investment may have fallen below its carrying amount. If such indication exists, an impairment test is performed. Dividends paid by the investee are recognised as income when the investor becomes entitled to the dividends.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle (FIFO).

The main inventory items are solar panels, which are stored in Poland and Estonia.

Financial assets and liabilities

Recognition and initial measurement

Trade receivables are recognised at origination. All other financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at initial recognition at the transaction price.

Classification, subsequent measurement and gains and losses

Financial assets

After initial recognition, the Group measures a financial asset at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

Financial assets are not reclassified subsequent to initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group classifies cash and cash equivalents, trade receivables and other receivables as financial assets measured at amortised cost.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and it has not been designated as a financial asset at fair value through profit or loss:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets that have not been classified as financial assets measured at amortised cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss.

At initial recognition, the Group may designate a financial asset that meets the conditions for financial assets measured at amortised cost or fair value through other comprehensive income as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The following table provides an overview of the Group's financial assets and their measurement and recognition of gains and losses.

Amortised cost	Assets designated to this category are measured at amortised cost using the effective interest method. In determining amortised cost, impairment losses are deducted from the carrying amount. Interest income, foreign exchange

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	gains and losses and impairment losses on the assets are recognised in profit or loss. A gain or loss arising on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost or fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss when it is held for trading, is a derivative, or designated as such upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and any gain or loss on them, as well as any interest expense, is recognised in profit or loss.

Other financial liabilities are measured at amortised cost, using the effective interest method. Interest expense and foreign exchange gains and losses on them are recognised in profit or loss. Gains and losses arising on derecognition are recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when, and only when, its contractual rights to the cash flows from the financial asset expire or when the Group transfers the financial asset and the transfer qualifies for derecognition. The Group transfers the contractual rights to receive the cash flows of a financial asset in a transaction by which it transfers all the risks and rewards of ownership of the financial asset or by which it does not transfer the risks and rewards of ownership of the financial asset but loses (does not retain) control of the financial asset.

If the Group transfers a financial asset recognised in its financial statements but retains all, or substantially all, the risks and rewards of ownership of the financial asset, the asset is not derecognised.

Financial liabilities

The Group removes a financial liability from its statement of financial position when, and only when, it is extinguished. That is, when the obligation specified in the contract is discharged or cancelled or expires. A financial liability is derecognised when its terms are substantially modified so that its cash flows become significantly different from the originally agreed ones. In that case the Group recognises a new financial liability based on the modified terms and measures it at fair value.

The difference between (i) the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and (ii) the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

A financial asset and a financial liability are offset, and the net amount is presented in the statement of financial position, when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on a financial asset measured at amortised cost.

The Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses, except for financial assets whose loss allowance is measured at an amount equal to a 12-month expected credit losses, such as:

- other receivables;
- cash and cash equivalents whose credit risk has not increased significantly since initial recognition.

The Group accounts for expected credit losses on all trade receivables using the simplified approach provided in IFRS 9 that allows recognising the loss allowance at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are calculated using a provision matrix, which is based on the Group's historical credit loss experience, adjusted for factors specific to the debtors, general economic conditions and, where appropriate, the time value of money.

Expected credit losses are a probability-weighted estimate of credit losses. A credit loss is a difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the financial asset's effective interest rate.

At each reporting date, the Group assesses whether a financial asset measured at amortised cost might be credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtor,
- a breach of contract (such as a default or past due event),
- the Group, for reasons relating to the debtor's financial difficulty, has granted the debtor concessions in restructuring the amount due that it would otherwise not have been considered,
- it is becoming probable that the debtor will encounter financial difficulty.

The carrying amount of a financial asset measured at amortised cost is reduced by the amount of its loss allowance.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current accounts and short-term (with a maturity of up to three months) highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value such as term deposits with a maturity of up to three months and units in money market funds.

The statement of cash flows is prepared using the indirect method whereby the net cash flow from operating activities is determined by adjusting profit before tax for the effects of gains and losses associated with investing or financing activities, transactions of a non-cash nature and changes during the period in current assets and current liabilities related to operating activities.

Cash flows from investing and financing activities are reported by disclosing gross cash receipts and gross cash payments. Non-cash transactions are excluded.

Restricted cash is presented generally as other financial assets in the statement of financial position. Classification between current and non-current depends on the general current vs non-current classification principles. As restricted cash is not presented as cash in the statement of financial position, it is not presented as cash in the statement of cash flows. Instead, restricted cash is presented either in investing activities, operating activities or financing activities, depending on the substance of the restricted cash.

Foreign currency

The functional currency of each consolidated Group entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Group's Estonian, Latvian and Lithuanian subsidiaries is the euro and the functional currency of the Polish subsidiaries is the Polish zloty. The Group's presentation currency is the official currency of the Republic of Estonia, the euro (EUR).

Foreign currency translations

Transactions in foreign currencies are translated into the respective functional currencies of the Group companies at the exchange rates at the dates of the transactions. A transaction in a foreign currency is translated to euros using the exchange rate of the European Central Bank quoted at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange differences are generally recognised in profit or loss and presented within finance costs.

Foreign operations

The assets and liabilities of foreign operations are translated into euros at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the exchange rates at the dates of the transactions.

If the functional currency of a subsidiary does not coincide with the functional currency of the parent, the following exchange rates are used in translating the financial statements of the subsidiary:

(a) all assets and liabilities of the subsidiary are translated at the exchange rate at the reporting date;

(b) income, expenses and other changes in equity of the subsidiary are translated at the average exchange rate for the period.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of that asset. Borrowing costs that are directly attributable are those borrowing costs that would have been avoided if expenditure on the qualifying asset had not been made. If funds are borrowed specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on the loan during the period, less any investment income on the temporary investment of the borrowed amounts. Other borrowing costs are recognised in profit or loss in the period in which they are incurred, using the effective interest method.

Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions are measured based on the estimates of management and, if necessary, the estimates of independent experts. Provisions are recognised in the statement of financial position in the amounts necessary to settle the obligations related to the provisions at the reporting date.

Own shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction in the own (treasury) shares reserve. Repurchased shares are classified as own shares and are presented in the own shares reserve. When own shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Employee benefits

Current employee benefits

Employee benefits comprise wages, salaries, social security contributions, and short-term compensated absences, such as paid annual leave and similar temporary suspensions of the employment contract where the absences occur within twelve months after the end of the period in which the employees render the related service and the compensation for the absences is due to be settled within twelve months after the end of the period in which the employees render the related service. When an employee has rendered service to the Group during the reporting period, the Group recognises the amount of the employee benefits expected to be paid in exchange for the service as a liability (accrued expense) after deducting any amount already paid.

Share-based payments

Group has concluded share option agreements with several employees. Since the Group receives services from its employees and assumes an obligation to settle the transactions with equity instruments, this is recognised as share-based payment. The fair value of the services that entitle the employees to an allotment of equity instruments is expensed at the time the services are rendered and, at the same time, a corresponding increase in equity is recognised as a share option reserve.

The fair value of the equity instruments is calculated as per the grant date for accounting purposes i.e. the measurement date. The measurement date refers to the date when a contract was entered into and the parties agreed on the terms of the share-based payment. On the grant date, the employees are granted rights to share-based payment. Since the granted equity instruments are not vested until the employees have fulfilled a period of service, it is assumed that the services are rendered during the vesting period. This means that the cost and corresponding increase in equity are recognised over the entire vesting period.

Revenue

Revenue is measured based on the consideration agreed in the contract signed with the customer. The Group recognises revenue when (or as) it satisfies the performance obligation by transferring the goods or service to the customer. The table below provides information about the nature and timing of performance obligations arising from contracts with customers and related revenue accounting policies.

Type of product/service	Nature and timing of the satisfaction of the performance obligation, and significant payment terms	Revenue recognition
Sale of produced electricity	The Group produces and sells electricity to customers. Revenue is recognised on the basis of actual units produced and sold. Invoices are generated at the beginning of the next month and are usually payable within 14-30 days.	Revenue from the sale of electricity units is recognised in the period in which the units are delivered. Revenue is recognised based on actual units delivered.
	The Group receives government support for electricity produced from renewable energy sources. This support forms one part of the revenue from the sale of electricity produced by the Group.	
	In Estonia, the Group receives both feed-in-premium (FiP) and downside protection subsidies. The term for renewable energy subsidies in Estonia is 12 years from commissioning, subsidies are not indexed to the consumer price index (CPI).	In Estonia, the subsidies are received and recognised in profit or loss monthly.
	In 2023, a price cap on electricity sales was applied in Poland by the Polish government. The price cap was in force for 1 year and does not apply in 2024. It applied to	In Poland, when the CfD result is positive, a subsidy is received and recognised in profit or loss monthly. When the CfD result is negative, provisions are made

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	electricity sold in the market and not subject to the CfD scheme.	on the statement of financial position and in profit or loss the subsidy is recognised in the negative amount. The expected realisation time for the CfD provisions is 12-15 years.
	In 2023, a price cap on electricity sales was applied in Poland by the Polish government. The price cap was in force for 1 year and does not apply in 2024. It applied to electricity sold in the market and not subject to the CfD scheme.	In Poland, the difference between the market price and the price cap (if positive) was paid to the government agency on a monthly basis with a one month delay. Provisions were made for the 1 month payment amounts.
Development services	The Group provides development services to customers. Development services include all activities until the solar park is ready for construction. Revenue is recognised on the basis of the cost of the completed services. Invoices are generated at the beginning of the next month and are usually payable within 7-30 days.	Revenue from development services is recognised in the period in which the services are delivered. Revenue is recognised based on actual services delivered.
Construction services	The Group provides solar park construction services. Revenue is recognised on the basis of the percentage of completion (POC) method. Invoices are generated based on completed works and are usually payable within 14-30 days.	Revenue from solar park construction services is recognised over time based on the POC. Progress of the performance obligation is measured by using the cost method. The cost of unistalled goods is recognised as revenue only after the installation of these goods has been completed.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss, except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the amount of tax expected to be paid or received that also reflects the uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Corporate income tax in Estonia

In accordance with the laws of the Republic of Estonia, Estonian entities do not pay income tax on profits earned. Instead, Estonian entities pay income tax on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business expenditures and transfer price adjustments. The income tax rate is 20% from the gross amount, i.e. 20/80 (2022: 20/80) of the net dividend distribution. Starting from 2019, it is possible to apply a more favourable tax rate to dividend payments (14%, i.e. 14/86 of the net distribution). The more favourable tax rate can be applied to a dividend distribution that amounts to up to three preceding years' average dividend distribution.

Corporate income tax in Latvia

In accordance with the laws of the Republic of Latvia, Latvian entities do not pay income tax on profits earned. Instead, Latvian entities pay income tax on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business expenditures and transfer price adjustments. The income tax rate is 20% of the gross amount, i.e. 20/80 (2022: 20/80) of the net dividend distribution.

Corporate income tax in Lithuania

In Lithuania, corporate profits are subject to income tax. The corporate income tax rate is 15% of taxable income. Taxable income is calculated by adjusting profit before tax for permanent and temporary differences as permitted by local tax laws.

Corporate income tax in Poland

In Poland, corporate profits are subject to income tax. The corporate income tax rate is 19% of taxable income. Companies with revenues of up to EUR 2m in the given tax year and companies starting business activity may, under certain conditions, apply a 9% income tax rate. Taxable income is calculated by adjusting profit before tax for permanent and temporary differences as permitted by local tax laws.

Deferred tax

Deferred tax is recognised 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 recognised 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.

Deferred tax assets are recognised 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 recognise a deferred tax asset in full, then future taxable profits, adjusted for the reversals of existing temporary differences, are considered, based on the business plans of the Group's subsidiaries. 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 realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and it reflects the uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

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Related parties

For the purposes of these consolidated financial statements, parties are related if one controls the other or can exert significant influence on the other's operating decisions. In general, related parties include:

- investors (including non-controlling) and ultimate beneficiaries of the parent company;
- other companies belonging to the same Group; and
- members of the Group's Management and Supervisory Boards with a significant ownership interest unless those persons cannot exert significant influence on the Group's operating decisions.

In addition, related parties include close family members of the above persons and companies related to them.

Events after the reporting period

The consolidated financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date and the date on which the financial statements were authorised for issue but are related to the reporting or prior periods.

Subsequent events that are indicative of conditions that arose after the reporting date but which will have a significant effect on the result of the next financial year are disclosed in the notes to the consolidated financial statements.

NOTE 7. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Classification and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities,

The management of the Group has assessed that the fair value of loans is equal to their carrying amount, as the contractual interest rates correspond to market interest rates.

Additional information about contingent consideration liabilities is disclosed in Note 11.1

(in EURk)	Carrying amount 31 December 2023	Carrying amount 31 December 2022	FV level	Fair value 31 December 2023	Fair value 31 December 2022
Financial assets measured at amortised cost					
Trade and other receivables (Note 15)	12 952	10 160	3	12 952	10 160
Other financial assets (Note 12)	28 946	3 391	3	28 946	3 391
Cash and cash equivalents	51 598	95 741	1	51 598	95 741
Total financial assets	**93 496**	**109 292**		**93 496**	**109 292**
Financial liabilities measured at amortised cost					
Loans (Note 17)	129 039	53 510	2	129 039	53 510
Trade payables (Note 19)	5 200	3 743	3	5 200	3 743
Other payables (except Received advances) (Note 19)	34 324	4 980	3	34 324	4 980
Lease liabilities (Note 17)	13 081	5 840	2	13 081	5 840
Financial liabilities measured at fair value					
Contingent consideration liabilities	37 139	58 190	2	37 139	58 190
Total financial liabilities	**194 726**	**126 263**		**194 726**	**126 263**

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Credit risk

Credit risk is the risk that a customer or a party to a financial instrument will cause a financial loss for the Group by failing to meet a contractual obligation and arises primarily from the Group's trade receivables.

The carrying amount of financial assets reflects the maximum exposure to credit risk.
No impairment losses on financial assets were recognised in profit or loss in the reporting period.
Customers' payment behaviour is monitored regularly and at least once a month.

More information is disclosed in Note 15.

Expected credit losses

The Group always recognises an allowance for trade receivables equal to the credit loss expected to arise during their lifetime. The expected credit loss of these assets is estimated using a provision matrix, which is based on the Group's historical credit loss experience, adjusted for specific factors related to debtors, general economic conditions and, if necessary, the time value of money. Expected credit losses are probability-weighted estimated credit losses. A credit loss is the difference between the contractual cash flows and the expected cash flows of the Group, which is discounted at the internal rate of return on the financial asset.

No significant credit risk related to customers exists in the electricity sales segment as electricity produced by the Group is paid for by the Estonian and Polish electricity trading companies. Hence there are no agreements with individual energy users and the credit risk of customers is insignificant.

Credit risk in the EPC and development service segments is mitigated by cooperation with state-owned companies (e.g., PGE, ENEA), and cooperation with proven, long-term contractors.

Therefore, no credit loss allowances were booked during the period from 1 January 2022 to 31 December 2023.

Cash and cash equivalents

As at 31 December 2023, the Group had EUR 51 598k of cash and cash equivalents (31 December 2022: EUR 95 741k). Cash and cash equivalents are held with the following financial institutions:

- SEB in Estonia, Latvia and Lithuania, with a Fitch rating of AA-.
- Swedbank in Estonia and Latvia, with a Fitch rating of AA-.
- Luminor Bank AS in Estonia, with Moody's rating Baa1 (no Fitch rating available)
- Citadele banka, Eesti filiaal AS in Estonia, with a Moody's rating of Baa2 (no Fitch rating available).
- Coop Pank in Estonia, with a Moody's rating of Baa2 (no Fitch rating available).
- ING BSK S.A. in Poland, with a Fitch rating of A+.
- BNP Paribas Bank in Poland, with a Fitch rating of A+.
- mBank S.A. in Poland, with a Fitch rating of BBB-.

The Group estimates that the credit risk of cash and cash equivalents is low based on the credit ratings issued to the financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with the transfer of cash or another financial asset. Long-term liquidity risk is the risk that the Group will not have sufficient free cash or other sources of liquidity to cover future liquidity needs to implement its business plan and meet its obligations, or that the Group will therefore have to raise available funds within a limited time period.

To minimise liquidity risks, Sunly's project financing agreements take into account the duration and value of subsidies, if any, and the relevant project's production estimate.

Exposure to liquidity risk

The remaining contractual maturities of financial liabilities as at the reporting date are as follows. The amounts are gross and undiscounted and include contractual interest payments.

		Contractual cash flows					
31 December 2023 (in EURk)	**Gross carrying amount**	**1-3 months**	**4-6 months**	**7-12 months**	**1-5 years**	**Over 5 years**	**Total**
Loans (Note 17)	129 039	3 074	3 693	8 331	117 580	38 920	171 598
Lease liabilities (Note 17)	13 081	467	463	919	6 835	8 858	17 543
Trade payables (Note 19)	5 200	5 200	0	0	0	0	5 200
Other payables (Note 19)	71 988	33 734	0	0	38 254	0	71 988
Total	**219 308**	**42 474**	**4 156**	**9 250**	**162 669**	**47 778**	**266 328**

		Contractual cash flows					
31 December 2022 (in EURk)	**Gross carrying amount**	**1-3 months**	**4-6 months**	**7-12 months**	**1-5 years**	**Over 5 years**	**Total**
Loans (Note 17)	53 236	1 034	1 526	3 790	46 126	12 158	64 634
Lease liabilities (Note 17)	6 114	201	200	360	2 728	4 455	7 944
Trade payables (Note 19)	3 743	3 743	0	0	0	0	3 743
Other payables (Note 19)	63 325	13 661	0	0	49 664	0	63 325
Total	**126 418**	**18 639**	**1 726**	**4 150**	**98 518**	**16 613**	**139 646**

Market risk

Market risk is the risk that changes in market prices, such as the prices of commodities, will affect the Group's income, costs or the value of investments. The purpose of market risk management is to manage and keep positions exposed to market risk within acceptable limits while optimising returns.

To manage the risks arising from the exposure of Sunly's production to electricity price volatility, Sunly may fix the electricity prices to a certain extent. Projects which have secured a renewable energy subsidy are generally at least partially mitigated against electricity price volatility. All hedging activities are subject to the approval of the Supervisory Board.

Risks related to changes in the subsidy schemes are monitored through participation in industry associations, and by being an active and responsible stakeholder in the legislative process.

The Group's EPC segment is exposed to market risk related to changes in raw materials prices (PV panels, cables, steel). Mitigation measures include signing an EPC contract with a variable price in case of changes in input prices, requesting prepayments from customers to fix the price of inputs, and purchasing materials in advance (keeping inventories of materials required).

Currency risk

The Group is exposed to foreign currency risk as the exchange rate of the Polish zloty (PLN) against the euro (EUR) is not fixed and the currencies in which the Group's transactions are primarily denominated are the euro and the Polish zloty.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is mitigated by reinvesting the revenue from Poland in the medium term. Mitigation measures include also concluding EPC contracts so that panel sales prices are fixed in the purchase currency (EUR) and receiving advance payments from customers according to the actual panel purchase price.

Management has assessed currency risk and finds the mitigation measures sufficient.

The following significant exchange rates have been applied.

	Average rate		Year-end spot rate	
	2023	2022	2023	2022
PLN 1	**0.2220**	**0.2134**	**0.2304**	**0.2136**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Polish zloty against the euro on 31 December would have affected the measurement of financial instruments denominated in a foreign currency and thus equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Effect in EURk	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2023				
PLN (8% movement)	**365**	**-428**	**-626**	**735**
31 December 2022				
PLN (8% movement)	**213**	**-251**	**-5**	**6**

Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk arises from the Group's floating rate debt and involves the risk that financial expenses will increase as interest rates rise. The Group's financing in Estonia is linked to EURIBOR, and in Poland, the Group's financing is linked to WIBOR.

A significant factor affecting interest rate risk is fixed-rate periods. The management of interest rate risk is aimed at reducing the negative effects of changes in market interest rates. The Group strives to achieve a balance between cost-effective borrowing and risk exposure on the one hand, and a negative impact on earnings in the event of a sudden major change in interest rates on the other.

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. Information about loan outstanding balances and interest rates is disclosed in Note 17.

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Effect in EURk	Profit or loss 100 bp increase	100 bp decrease
31 December 2023		
Variable-rate instruments	**-581**	**581**
31 December 2022		
Variable-rate instruments	**-369**	**369**

Capital management

The Group's policy is to maintain a strong capital base, so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group monitors capital using the ratio of net debt to equity. Net debt is calculated as total liabilities less cash and cash equivalents. Equity comprises all components of equity.

The Group's net debt to equity ratio was as follows:

(in EURk)	31 December 2023	31 December 2022
Total liabilities	229 754	134 218
Less: cash and cash equivalents	-51 598	-95 741
Total net debt	**178 156**	**38 477**
Total equity	280 086	228 902
Net debt to equity ratio	**0.64**	**0.17**

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

(in EURk)	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Right-of-use assets	Assets under construc-tion	Total
Cost at 31 December 2021	632	19 742	314	212	5 195	19 660	**45 755**
Accumulated depreciation at 31 December 2021	0	-761	-91	-7	-183	0	**-1 042**
Carrying amount at 31 December 2021	**632**	**18 981**	**223**	**205**	**5 012**	**19 660**	**44 713**
Additions	560	175	152	91	1 652	30 782	**33 412**
Reclassifications	0	7 893	0	0	0	-7 893	**0**
Depreciation	0	-866	-69	-10	-367	0	**-1 312**
Additions from purchase of Alseva entities	0	0	164	0	0	48	**212**
Accumulated depreciation from purchase of Alseva entities	0	0	-56	0	0	0	**-56**
Cost at 31 December 2022	1 192	27 810	630	303	6 847	42 597	**79 379**
Accumulated depreciation at 31 December 2022	0	-1 627	-216	-17	-550	0	**-2 410**
Carrying amount at 31 December 2022	**1 192**	**26 183**	**414**	**286**	**6 296**	**42 597**	**76 969**

Additions	1 353	1 221	3 094	2 332	6 386	120 732	**135 118**
Reclassifications	0	61 225	0	0	0	-61 225	**0**
Depreciation	0	-2 040	-386	-61	-354	0	**-2 840**
Write off	-50	0	-9	0	0	-45	**-104**
Other changes	0	-129	-169	25	0	0	**-272**
Cost at 31 December 2023	2 495	90 255	3 714	2 636	13 234	102 058	**214 392**
Accumulated depreciation at 31 December 2023	0	-3 795	-769	-53	-905	0	**-5 522**
Carrying amount at 31 December 2023	**2 495**	**86 460**	**2 945**	**2 583**	**12 329**	**102 058**	**208 870**

Right-of-use assets consist of land and other equipment. See Note 18 for more information on right-of-use assets, lease liabilities and amounts recognised in profit or loss.

More information about items pledged as security is provided in Note 17.

NOTE 9. INTANGIBLE ASSETS

(in EURk)	Concessions, patents, licences, trademarks	Solar parks*	Goodwill**	Total
Cost at 31 December 2021	2	6 733	8 273	**15 008**
Accumulated amortisation at 31 December 2021	0	-563	0	**-563**
Carrying amount at 31 December 2021	**2**	**6 170**	**8 273**	**14 445**
Acquisitions through business combinations**	0	33 787	86 028	**119 815**
Additions	383	1	0	**384**
Amortisation	-4	-2 196	0	**-2 200**
Other changes	0	-1	0	**-1**
Cost at 31 December 2022	385	40 520	94 301	**135 206**
Accumulated amortisation at 31 December 2022	-4	-2 759	0	**-2 763**
Carrying amount at 31 December 2022	**381**	**37 761**	**94 301**	**132 443**
Acquisitions ***	0	16 251	502	**16 753**
Additions	23	0	0	**23**
Amortisation	-48	-1 914	0	**-1 963**
Other changes	0	-283	0	**-282**
Cost at 31 December 2023	408	56 770	94 803	**151 981**
Accumulated amortisation at 31 December 2023	-53	-4 955	0	**-5 008**
Carrying amount at 31 December 2023	**355**	**51 815**	**94 803**	**146 973**

* Acquisitions of (i) rights to the land relating to the solar parks, (ii) relevant permits relating to the solar parks.

** On 23 December 2021, Sunly signed an investment agreement for acquiring certain entities constituting the Alseva group in Poland. The transaction was closed on 1 April 2022. More information is disclosed in Note 11.1.

*** In 2023 Sunly purchased the remaining 50% of its investee PV Piotrowa Sp. z o.o. and became 100% owner of the entity.

NOTE 10. INVESTMENT PROPERTY

(in EURk)	Land	Total
Cost at 31 December 2021	817	**817**
Carrying amount at 31 December 2021	**817**	**817**
Additions	725	**725**
Reclassifications	0	**0**
Sale of investment property	0	**0**
Cost at 31 December 2022	1 542	**1 542**
Carrying amount at 31 December 2022	**1 542**	**1 542**
Additions	362	**362**
Reclassifications to property, plant and equipment	-302	**-302**
Sale of investment property	-178	**-178**
Cost at 31 December 2023	1 425	**1 425**
Carrying amount at 31 December 2023	**1 425**	**1 425**

Investment property is measured using the cost model. The fair value of the purchased land is similar to its carrying amount at the reporting date.

NOTE 11. EQUITY-ACCOUNTED INVESTEES AND INVESTMENTS IN SUBSIDIARIES

List of subsidiaries

Investments in subsidiaries, as at the end of the reporting period:

Subsidiary	Core business	Domicile	Ownership interest at 31 Dec 2023	Ownership interest at 31 Dec 2022
Sunly PLN OÜ	Holding company	Estonia	100%	100%
Sunly Land Sp. z o.o	Holding company	Poland	100%	100%
Polish Solar SPVs (7 SPVs)	Solar electricity development/ generation	Poland	100%	100%
Sunly Solar Parks 1 Sp.z o.o.	Holding company	Poland	100%	100%
Eplant 60 Sp.z o.o.	Solar electricity generation	Poland	100%	100%
Sunly PLN 2 OÜ	Holding company	Estonia	100%	100%
Sunly Solar Parks 2 Sp.z o.o.	Holding company	Poland	100%	100%
Solar Power Staniscze	Solar electricity development	Poland	100%	100%
Polish Solar SPVs (92 SPVs)*	Solar and wind electricity development	Poland	100%	100%
Sunly Solar Parks 3 Sp.z o.o.	Holding company	Poland	100%	100%
Alseva EPC Sp. z o.o. *	Construction company	Poland	100%	100%
Sunly Solar Parks 4 Sp.z o.o.	Holding company	Poland	100%	100%
Alseva Pro Sp. z o.o.*	Development company	Poland	100%	100%
Alseva Sp. z o.o.*	Management company	Poland	100%	100%
Sunly Wind Parks Sp zoo**	Holding company	Poland	100%	100%
Polish Wind SPVs (3 SPVs)	Wind electricity development	Poland	100%	100%
Sunly Infra Sp.zo.o.	Management company	Poland	100%	100%
Sunly Infra UAB	Management company	Lithuania	100%	100%
Sunly Infra SIA	Management company	Latvia	100%	100%
Sunly Startup OÜ	Investment management activities	Estonia	85%	85%
Sunly Future Ventures OÜ	Investing activities	Estonia	80%	0%

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Subsidiary	Core business	Domicile	Ownership interest at 31 Dec 2023	Ownership interest at 31 Dec 2022
Sunly Solar OÜ	Solar electricity generation	Estonia	100%	100%
Sunly Solar Holding OÜ	Holding company/ solar electricity development	Estonia	100%	100%
Sunly Solar 2 OÜ	Solar electricity development/ generation	Estonia	100%	100%
Sunly Solar 3 OÜ	Solar electricity development	Estonia	100%	100%
Sunly Solar 4 OÜ	Solar electricity development	Estonia	100%	0%
Sunly Storage OÜ	Electricity storage	Estonia	100%	0%
Sunly Parks 98 Sp.zo.o.	Holding company	Poland	100%	0%
Polish Solar SPVs (8 SPVs)	Solar electricity generation	Poland	100%	0%
Sunly City OÜ	Solar panels rental/ solar electricity generation	Estonia	100%	100%
Sunly Innovation 2 OÜ	Investing activities	Estonia	67.5%	100%
Sunly Innovation 3 OÜ	Investing activities	Estonia	80%	0%
Vederobalt OÜ	Growing of vegetables (including squash), acquisition of land	Estonia	100%	100%
Sunare OÜ	Solar electricity, storage and charging development	Estonia	80%	80%
Õunamõisa OÜ	Solar electricity development	Estonia	100%	100%
Metsapäike OÜ	Solar electricity development	Estonia	51%	51%
Metsapäike 2 OÜ	Solar electricity generation	Estonia	51%	0%
Metsapäike 3 OÜ	Solar electricity development	Estonia	51%	0%
Metsapäike Risti OÜ	Solar electricity development	Estonia	67%	0%
Sunly Land UAB	Holding company, solar and wind electricity development	Lithuania	100%	100%
Vejai LT UAB	Wind development	Lithuania	51%	51%
Sunly Solar UAB	Solar electricity development	Lithuania	100%	100%
Sunly saulės parkas 1 UAB	Solar energy development	Lithuania	100%	100%
Sunly Land SIA	Holding company	Latvia	100%	100%
SPD A SIA	Solar electricity development	Latvia	100%	100%
SPV Kurzeme SIA	Solar electricity development	Latvia	50%	50%
Sunly Land Solar 1 SIA	Solar and wind electricity development	Latvia	50%	50%
Sunly Land Solar 2 SIA	Solar and wind electricity development	Latvia	50%	50%
Sunly Land Solar 3 SIA	Solar and wind electricity development	Latvia	100%	100%
Sunly Land Solar 4 SIA	Solar electricity development	Latvia	100%	100%
Sunly Land Solar 5 SIA	Solar and wind electricity development	Latvia	100%	100%
SPD Samanta SIA	Solar electricity development	Latvia	100%	100%
Shera SIA	Solar electricity development	Latvia	100%	100%

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Subsidiary	Core business	Domicile	Ownership interest at 31 Dec 2023	Ownership interest at 31 Dec 2022
SLD 1 SIA	Solar electricity development	Latvia	100%	100%
SLD 2 SIA	Solar electricity development	Latvia	50%	50%
SLD 3 SIA	Solar electricity development	Latvia	100%	100%
SLD 4 SIA	Solar electricity development	Latvia	100%	100%
SLD 5 SIA	Solar electricity development	Latvia	50%	50%
Azurskis SIA	Solar electricity development	Latvia	100%	0%
SPD Mira SIA	Solar electricity development	Latvia	100%	0%
Abgunstes Dārzs SIA	Solar electricity development	Latvia	100%	0%
SPV Kurzeme SIA	Solar and wind electricity development	Latvia	50%	0%
MAX SOLAR SIA	Solar electricity development	Latvia	100%	0%
Sunly Wind OÜ	Wind electricity development	Estonia	100%	100%
SunWind OÜ	Wind electricity development	Estonia	100%	0%
Sunly Offshore Wind OÜ	Wind electricity development	Estonia	100%	100%
Sunly Offshore Wind SIA	Wind electricity development	Latvia	100%	100%
Sunly Offshore Wind UAB	Wind electricity development	Lithuania	100%	100%
SW Metsatuul OÜ	Wind electricity development	Estonia	51%	51%
SW Tuulerii OÜ	Wind electricity development	Estonia	51%	51%
SW Tuulekohin OÜ	Wind electricity development	Estonia	51%	51%
SW Multituul OÜ	Wind electricity development	Estonia	51%	51%
SW Tuulepõld OÜ	Wind electricity development	Estonia	51%	51%
SW Eretuul OÜ	Wind electricity development	Estonia	51%	51%

* Purchased Alseva entities. More information is in Note 11.1. Alseva Sp. z o.o. Sp. K was renamed and the new name is Alseva EPC Sp. z o.o.

** The entity was renamed, the previous name was Sunly Solar Parks 6 Sp.z o.o.

List of associates

Investments of the Group's parent company in associates, as at the end of the reporting period:

Associate	Core business	Domicile	Ownership interest at 31 Dec 2023	Ownership interest at 31 Dec 2022
Rova Systems Sp. z o.o.*	Solar park maintenance services	Poland	50%	50%
A-PLANT Sp. z o.o.*	Solar electricity generation	Poland	0%	33%
PV Sejny Sp. z o.o.*	Solar electricity generation	Poland	50%	50%
PV Magnuszowiczki Sp. z o.o.*	Solar electricity generation	Poland	40%	40%
Eplant 61. Sp.z o.o.*	Solar electricity generation	Poland	50%	50%
PV Obrowiec Sp. z o.o.*	Solar electricity generation	Poland	50%	50%

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Polscen OÜ**	Energy trading	Estonia	33%	33%
Scobis OÜ	Holding company	Estonia	50%	50%

* Purchased Alseva entities. More information is in Note 11.1.

**The entity was renamed in 2022, the previous name was Sunly Solar Parks 5 Sp.z o.o.

NOTE 11.1 ACQUISITION OF ALSEVA ENTITIES

On 23 December 2021, Sunly signed an investment agreement for acquiring certain entities constituting the Alseva group in Poland:

- 100% of Alseva Pro Spzoo (Alseva Pro) – the successor of the business of Alseva Innowacje Sp. z o.o., which included development of solar parks in Poland as well as other renewable energy related initiatives. The company employed a team of professionals experienced in early-stage development of solar parks. The team provided development services to both external customers and the SPVs in the Alseva group.
- 100% shareholding in around 70 SPVs (special purpose vehicles) in the Alseva group (except for a few SPVs where 33-50% shareholding was acquired) – the SPVs owned the rights to land and various permits for solar parks' development in Poland. The SPVs did not employ any people and were managed by Alseva Pro.
- Alseva Sp. z o.o. Sp. k. (Alseva EPC) – a company providing engineering, procurement and contracting (EPC) services for solar parks' construction in Poland. The company employed a team of professionals experienced in designing and constructing solar parks. Customers included both the Sunly group and external customers.
- 100% of Alseva Sp. z o.o. (Alseva Accounting) – a company providing accounting services to the Alseva group entities and, from 2022, also to Sunly's Polish entities.
- 50% of Rova Sp. z o.o. (Rova) – a company providing operational and maintenance (O&M) services both to external customers as well as to the SPVs, which owned projects in an operational phase in the Sunly and Alseva groups.

The transaction was closed on 1 April 2022 and it had a significant impact on the Group's financials.

The transaction price comprised of:

- The cash purchase price paid at completion
- A 3-year put option on the EUR 13m of purchase price re-injected into Sunly by the seller, with an exercise price equal to the price at which the respective capital was injected into Sunly
- An employee bonus reserve payable during up to 6 years after the acquisition
- Earn-outs payable during 1-5 years after the acquisition and dependent on ready-to-build MWs achieved by Alseva.

Additional components of the transaction included:

- A re-injection by the seller of EUR 13m of the purchase price into Sunly, whereby the seller acquired a shareholding in Sunly
- Acquisition of outstanding shareholder loans in the acquired SPVs (EUR 5 185k)
- A dividend payment (EUR 2 291k) related to the interim dividend in Alseva EPC due to the sellers, which was paid out after the completion of the transaction.

After the transaction, the current management of Alseva remained in place and the Alseva brand continues to be used in the Polish market.

As a result of the finalisation of the acquisition of 100% of Alseva and 50% of Rova in Poland on 1 April 2022, Sunly can offer a full range of solar energy services in Poland, both for internal purposes and for external customers.

Goodwill and intangible assets arising from the acquisition on 1 April 2022 have been recognised as follows.

(in EURk)	1 Apr 2022 Aggregated	31 Dec 2022 Aggregated
Assets	31 365	74 357
incl. cash and cash equivalents	*1 896*	*11 479*
Liabilities	29 498	72 458
Group's share of net assets	**676**	**708**
Current year profit (YTD)	*102*	*2 101*

	31.12.2022
Contingent consideration liabilities at discounted value (payment mainly dependent on fulfilment of the agreed targets)	**44 437**
Short term	*11 611*
Long term	*32 826*
Put option agreed price and FV difference	**37 000**
Goodwill	**86 013**
Intangible assets	**33 494**

Additional information is disclosed in Note 9.

Contingent consideration liabilities assumed in acquisition of Alseva at discounted value were calculated based on the share purchase agreement, considering future payment components of the purchase price. As at 31 December 2022 they included earn-outs related to ready-to-build MW targets set for Alseva teams and commitments for employee bonuses. Liabilities were divided into short-term and long-term based on the date when the liability is expected to materialise: if less than a year, it is recorded as short-term, otherwise, long-term. According to management's assessment, it is likely that all the earn-outs will be realised.

In order to reflect liabilities at their present value, the carrying amounts were discounted using a 6% discount rate.

The fair value (FV) of the put option (for the calculation of the difference between the exercise price and the FV of the put option) was based on indicative valuations from three external advisers, based on a combination of the discounted cash flow and market multiples valuation methods.

As at 31 December 2023 the liabilities were revalued (change of discount factor related to timing of liabilities) EUR 452k (2022: EUR 2 629k). Difference was booked through Change in fair value of contingent consideration in Net finance costs. Info disclosed in Note 27.

(in EURk)	Earn-out and bonus payment liabilities	Put option liability
As at 31 Dec 2022 before revaluation	**44 437**	**11 080**
Revaluation of liability	2 629	664
Decrease of liability	-621	0
As at 31 Dec 2022 after revaluation	**46 445**	**11 744**
Revaluation of liability	452	523
Decrease of liability	-22 027	0
As at 31 Dec 2023 after revaluation	**24 870**	**12 267**

Intangible assets from Alseva transaction relate to:

- SPVs owning the rights to land and various permits for solar parks' development in Poland
- Third-party EPC contracts ongoing at the time of the transaction. As at 31 December 2023 intangible assets related to these contract have been fully amortised.

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Goodwill from the Alseva transaction relates to:

- EPC contracts with the Sunly group, which were ongoing at the time of the transaction
- The team of people working at Alseva Pro, Alseva EPC, Alseva Accounting and Rova
- Ongoing business activities of the above entities, which are assessed to have indefinite useful lives.

Impairment test

For the purposes of impairment testing, goodwill has been allocated to the Group's cash generating units (CGUs) as follows.

(in EURk)	31 December 2023	31 December 2022
SPVs acquired in the Alseva transaction	69 425	69 425
EPC business	11 452	11 452
Development business	5 137	5 137
Total goodwill	**86 013**	**86 013**

The key assumptions used in the estimation of the recoverable amount are presented below. The values assigned to the key assumptions represent management's assessment of future trends, the Group's business plan and current pipeline. Both internal and external sources have been used for inputs. For cash flow projections, the 2024 budget was used, along with the Group's updated financial model prepared for the valuation of the Group.

SPVs acquired in the Alseva transaction

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value, based on the inputs to the valuation technique used.

(in percent)	31 December 2023	31 December 2022
Discount rate (cost of equity)	11.6%	11.4%
Budgeted EBITDA growth rate (average)	2.0%	3.5%

The discount rate was the cost of equity estimated based on the historical average weighted-average cost of capital. No debt is assumed in the forecasts, thus free cash flow to equity is discounted at the cost of equity.

Average EBITDA growth rate for the period 2032-2061 (after cash flows stabilise) is assumed to be 2%. This includes a higher growth rate at the beginning of the forecast period, when projects are assumed to gradually start operations, then a stable rate of 1-2% and a negative rate at the end of the forecast period.

The cash flow projections are based on the useful economic life of the assets, taking into consideration the construction periods (and respective CAPEX), and demolition at the end of the useful economic life. No terminal value and no terminal value growth rate is assumed for this CGU, as all projects have a definite useful life of 35 years.

Budgeted cash flows were estimated taking into account the following assumptions:

1. Revenues are based on the assumption that all production will be sold based on PPAs (power purchase agreements). PPA prices are assumed based on the latest offer in the Polish market, known at the moment of the analysis.
2. Operational expenses are based on historical data, technical advisers' recommendations, and management's estimates.
3. CAPEX is based on BloombergNEF forecasts.

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The estimated recoverable amount of the CGU significantly exceeded its carrying value. Management has performed a sensitivity analysis based on altering the discount rate by +/- 1 percentage point, which still resulted in a significantly higher recoverable amount, compared to the carrying value.

EPC business

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value, based on the inputs to the valuation technique used.

(in percent)	31 December 2023	31 December 2022
Discount rate (cost of equity)	**12.1%**	13.0%
Terminal value growth rate	**2.0%**	2.0%
Budgeted EBITDA growth rate (average of next five years)	**35.1%**	27.5%
The amount by which the unit's recoverable amount exceeds its carrying amount in millions of euros	**18**	140
The amount by which EBITDA growth rate must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's recoverable amount to be equal to its carrying amount	**27.9%**	16.4%

The discount rate was the cost of equity estimated based on the historical average weighted-average cost of capital. No debt is assumed in the forecasts, thus free cash flow to equity is discounted at the cost of equity.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate for EBITDA, consistent with the long-term consumer price index forecasts for the EU.

Budgeted EBITDA was estimated taking into account past experience, the 2024 budget and the following assumptions:

1. Revenues are based on the internal (Sunly group) pipeline, the external pipeline and margin on top of CAPEX cost per MW constructed.
2. Operational expenses are based on historical data and management's estimates.
3. CAPEX per MW is based on BloombergNEF forecasts.

The estimated recoverable amount of the CGU significantly exceeded its carrying value. Management has performed a sensitivity analysis based on altering the discount rate and the terminal growth rate by +/- 1 percentage point, which still resulted in a significantly higher recoverable amount, compared to the carrying value.

Development business and accounting business

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value, based on the inputs to the valuation technique used.

(in percent)	31 December 2023	31 December 2022
Discount rate (cost of equity)	**11.5%**	11.3%
Terminal value growth rate	**2.0%**	2.0%
Budgeted EBITDA growth rate (average of next five years)	**39.1%**	10.1%
The amount by which the unit's recoverable amount exceeds its carrying amount in millions of euros	**10**	0.3
The amount by which EBITDA growth rate must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's recoverable amount to be equal to its carrying amount	**45.6%**	1.8%

The discount rate was the cost of equity estimated based on the historical average weighted-average cost of capital. No debt is assumed in the forecasts, thus free cash flow to equity is discounted at the cost of equity.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate for EBITDA, consistent with the long-term consumer price index forecasts for the EU.

Budgeted EBITDA was estimated taking into account past experience, the 2024 budget and the following assumptions:

1. Revenues are based on the pipeline for ready to build MW targets and the development cost for these MWs.
2. Operational expenses are based on historical data and management's estimates.

The estimated recoverable amount of the CGU exceeded its carrying value. Management has performed a sensitivity analysis based on altering the discount rate and the terminal growth rate by +/- 1 percentage point, which resulted in a range, the lower end of which includes the carrying value.

NOTE 12. OTHER FINANCIAL ASSETS

	Loan balance		Loan repayments		Accrued interest	Interest repayments	
(in EURk)	31 Dec 2022	31 Dec 2023	<1 year	>1 year	31 Dec 2023	<1 year	>1 year
Loans issued in:							
EUR	1 537	1 325	80	1 245	9	9	0
PLN	629	792	1	791	85	0	85
Total loans given	**2 165**	**2 117**	**81**	**2 036**	**94**	**9**	**85**
Restricted cash	1 120	26 193	0	26 193	0	0	0
Accrued bank deposit interest					541	541	0
Total	**3 285**	**28 310**	**81**	**28 229**	**635**	**550**	**85**

* Restricted cash includes Debt Service Reserve Account (DSRAs) relating to loan agreements in Poland and Estonia, as well as cash deposits for grid connection deposit guarantees in the Baltics.

Additional information is disclosed in Note7.

NOTE 13. OTHER INVESTMENTS

(in EURk)	31 December 2023	31 December 2022
Shares in:		
Energiasalv Valdus OÜ	4 291	1 200
Other*	1 420	580
Total	**5 711**	**1 780**

* includes investments in Beamline 3 Usaldusfond (trust fund), Energiaühistu (energy cooperative), Amperio Sp. z.o.o, Switch EV LTD, Electric Beast Global OÜ, UP Catalyst OÜ

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NOTE 14. PREPAYMENTS

(in EURk)	31 December 2023	31 December 2022
Prepaid and refundable taxes*	11 543	11 751
Prepaid expenses	2 204	2 092
Prepayment for grid connections	27 168	22 177
Other prepayments	1 050	302
Total	**41 965**	**36 322**

Non-current	291	183
Current	41 674	36 139
Total	**41 965**	**36 322**

* Mostly VAT prepayments, related to the development and construction of solar parks.

NOTE 15. TRADE AND OTHER RECEIVABLES

(in EURk)	31 December 2023	31 December 2022
Trade receivables	7 204	2 764
Electricity sales	*43*	*137*
Development services sales	*218*	*317*
Construction services sales	*5 999*	*1 670*
Other	*944*	*640*
Accrued revenue (construction service)	3 961	0
Auction bid bonds	1 153	2 237
Other receivables	634	5 159
Total	**12 952**	**10 160**

Non-current	0	0
Current	12 952	10 160
Total	**12 952**	**10 160**

Credit risk, market risk and impairment of financial assets

Information on the Group's credit and market risks and credit losses due to impairment of receivables is provided in Note 7.

NOTE 16. CAPITAL AND RESERVES

Share capital

Share capital of EUR 69 416k (31 December 2022: EUR 62 856k) consists of 69 416 424 ordinary shares (31 December 2022: 62 855 568 ordinary shares) with a nominal value of EUR 1 (31 December 2022: EUR 1) each.

Own shares

Own shares of EUR 3 884 (31 December 2022: EUR 4 178k) consists of 3 883 799 ordinary shares with a nominal value EUR 1 each. Shares are reserved for issue under option programs for employees and founders. More detailed information is disclosed in Note 26.

Dividends

During 2022, a recently acquired subsidiary of the Group (Alseva Sp. z o.o. Sp. k.) paid EUR 2 291k of dividends to Alseva Innowacje Sp. z o.o., from retained earnings of the periods before the acquisition. More detailed information is disclosed in Note 11.1.

Information on the Group's retained earnings and contingent income tax liability is disclosed in Note 29.

Share premium

During the 2022-2023 capital raise process, part of the capital raised was transferred to other reserves within equity.

During the 2022 Alseva acquisition transaction, part of the purchase price re-injected into Sunly AS was transferred to share premium.

No pay-out restrictions apply to these reserves.

Nature and purpose of reserves

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Share option reserve

The share option reserve represents the cumulative amounts charged to profit or loss in respect of employee share option arrangements where the scheme has not yet been settled by means of an award of shares to an individual.

Out of the total outstanding own shares reserve of 3 883 799 ordinary shares, 3 563 028 have been issued to employees and founders (i.e. the vesting or exercise period is ongoing). The share option reserve includes the part of the share options issued to employees, as their vesting is conditional on continuous employment. The options issued to founders are included in retained earnings as they are not conditional on employment (there is no current employment contract with the founders).

More information is disclosed in Note 26.

Other reserve

During the 2022-2023 capital raise process, part of the capital raised was transferred to the other reserve. No pay-out restrictions apply to this reserve.

Transactions in capital and reserves in 2023

(in EURk)	Share capital	Own shares	Share premium	Other reserve	Total
Capital raise					
Monetary	6 561	0	0	50 139	**56 700**
Realised share options					
Non-monetary	0	-294	0	0	**-294**
Total	**6 561**	**-294**	**0**	**50 139**	**56 406**
Monetary	6 561	0	0	50 139	56 700
Non-monetary	0	-294	0	0	-294

Transactions in capital and reserves in 2022

(in EURk)	Share capital	Own shares	Share premium	Other reserve	Total
Merger of Sunly Land AS and Sunly OÜ groups					
Non-monetary	1 523	0	718	0	**2 241**

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Acquisition of Alseva entities					
Monetary	5 622	0	7 378	0	**13 000**
Non-monetary (put option)	0	0	0	25 920	**25 920**
Capital raise					
Monetary	18 410	0	0	113 373	**131 783**
Monetary	2 524	0	0	13 264	**15 789**
Non-monetary (purchase of a subsidiary's non-controlling shares by converting them to Sunly AS shares)	0	0	0	7 651	**7 651**
Conversion of SHL principal, monetary	2 353	0	0	13 252	**15 605**
Conversion of SHL interest, non-monetary	0	0	0	663	**663**
Purchase of own shares					
Monetary	0	-4 178	0	0	**-4 178**
Total	**30 432**	**-4 178**	**8 096**	**174 124**	**208 474**
Monetary	28 910	-4 178	7 378	139 889	171 999
Non-monetary	1 523	0	718	34 234	36 475

NOTE 17. LOANS AND BORROWINGS

				31 Dec 2023		Loan repayments		
(in EURk)	Base currency	Interest rate	Maturity date	Contractual balance	IFRS balance	<1 year	2-5 years	>5 years
Loan agreements with:								
Non-controlling shareholder of Sunare OÜ	EUR	0%	08 Jul 2025	166	166	0	166	0
Non-controlling shareholders of Sunly Future Ventures OÜ	EUR	7%	30 Sep 2028	14	14	0	14	0
Non-controlling shareholders of Metsapäike OÜ	EUR	7%	30 Apr 2034	6 107	6 107	563	0	5 544
Non-controlling shareholders of Metsapäike 2 OÜ	EUR	7%	31 Aug 2033	708	708	0	0	708
Previous owner of MAX Solar SIA	EUR	2%-4%	31 Dec 2024	102	102	102	0	0
Swedbank Estonia	EUR	1.75% + 6M EURIBOR	14 Aug 2030	11 239	11 239	712	6 084	4 443
Swedbank Latvia	EUR	2.60% +1M EURIBOR	22 Nov 2030	1 193	1 193	0	501	692
SEB Pank Estonia	EUR	2.85% + 6M EURIBOR	30 Sep 2025	1 386	1 387	55	1 332	0
mBank	PLN	2.85% + 1M WIBOR	15 Oct 2028	28 891	28 436	1 864	26 572	0
mBank	PLN	2.50% + 3M WIBOR	29 Mar 2029	21 766	21 357	1 272	5 037	15 048
mBank	PLN	2.20% + 3M WIBOR	28 Dec 2042	23 658	23 657	0	11 461	12 196
Eiffel	PLN	8.80%	17 Nov 2025	21 041	20 741	0	20 741	0
Luminor Bank Estonia	EUR	2.76% + 6M EURIBOR	25 Sep 2027	832	832	49	783	0
Other borrowings:								
LHV bond	EUR	8.00%	17 Nov 2025	13 100	13 100	0	13 100	0
Lease liabilities IFRS 16	PLN	3.5%-7.2%	5-29 years	13 081	13 081	1 182	4 300	7 599
Total				**143 284**	**142 120**	**5 799**	**90 091**	**46 230**

Additional information is disclosed in Note 7 and Note 8.

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(in EURk)	Base currency	Interest rate	Maturity date	31 Dec 2022 Contractual balance	31 Dec 2022 IFRS balance	Loan repayments <1 year	Loan repayments 2-5 years	Loan repayments >5 years
Loan agreements with:								
Pro Vento	PLN	2.00%	31 Dec 2022	6	6	6	0	0
Previous shareholders of Shera SIA	EUR	0.00%	02 Jan 2023	10	10	10	0	0
Alseva Innowacje	PLN	3.00%	30 Jun 2023	30	30	30	0	0
Non-controlling shareholders of Eplant 61	PLN	3.00%	31 Dec 2023	126	126	126	0	0
Non-controlling shareholder of Sunare OÜ	EUR	0%	08 Jul 2025	166	166	0	166	0
SEB Pank Estonia	EUR	2.85% + 6M EURIBOR	30 Sep 2025	1 439	1 439	55	1 384	0
mBank	PLN	2.85% + 1M WIBOR	15 Oct 2028	25 215	24 969	1 723	17 261	5 954
mBank VAT*	PLN	1.70% + 1M WIBOR	30 Sep 2023	204	204	204	0	0
mBank	PLN	2.50% + 3M WIBOR	29 Mar 2029	12 228	11 849	1 045	5 776	5 028
mBank VAT*	PLN	1.50% + 1M WIBOR	30 Sep 2023	487	487	487	0	0
BNP Paribas	PLN	0%	26 Jun 2023	44	44	44	0	0
Luminor Bank Estonia	EUR	2.76% + 6M EURIBOR	25 Sep 2027	805	805	32	773	0
Other borrowings:								
LHV bond	EUR	8.00%	17 Nov 2025	13 100	13 100	0	13 100	0
Lease liabilities	PLN		1-2 years	274	274	110	164	0
Lease liabilities IFRS 16	PLN	3.5%; 6%	25-29 years	5 840	5 840	369	1 477	3 994
Total				**59 975**	**59 350**	**4 243**	**40 131**	**14 976**

Additional information is disclosed in Note 7 and Note 8.

As the transaction costs incurred in connection with the loan agreement with mBank are amortised over the loan term, the loan IFRS balance differs from the contractual balance.

The loans are secured with:

- share and asset pledges on the relevant SPV,
- security assignment from selected agreements,
- subordination of intragroup loans,
- guarantees.

Loans are secured with property, plant and equipment assets in amount of EUR 149 621k.

During 2023 there were no non-monetary transactions in loans and borrowings. Additional info about monetary transactions is disclosed in Consolidated Statement of Cash Flows.

Loan agreements with the banks contain certain restrictive financial and non-financial covenants, which have to be maintained and followed throughout the term of the respective financing agreements. As at the reporting dates, the Group was not in default on any of the covenants.

The Group had the following loans with a 0% of interest rate:

- A loan issued by the non-controlling shareholder of Sunare OÜ for the financing of the purchase of land from the non-controlling shareholder. The loan is planned to be decreased by increasing the share of non-controlling shareholder in Sunare OÜ.
- A loan issued by BNP Paribas in Poland. Government support to help entities to overcome the difficulties caused by COVID.
- A loan issued by the previous shareholders of Shera SIA. During the purchase process of Shera SIA, it was agreed that only the loan balance will be transferred to the new owner and no additional interest will be calculated. The loan was repaid according to agreed maturity date.

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NOTE 18. LEASES

Leases as a lessee

The Group leases several assets, including land. The land leases' average duration is 25-29 years.

The Group has also entered into leases for which the underlying asset is of low value (where the asset, when new, has a value of less than EUR 5k). The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets. The Group has also elected not to recognise right-of-use assets and lease liabilities for short-term leases (leases with a term of less than 12 months).

Information about leases for which the Group is a lessee is summarised below.

Right-of-use assets

(in EURk)	Note	Land	Other	Total
Balance at 31 December 2021	8	**5 012**	**0**	**5 012**
Depreciation charge for the year		-231	-137	-368
Additions to right-of-use assets		1 172	480	1 652
Balance at 31 December 2022	8	**5 954**	**343**	**6 297**
Depreciation charge for the year		-354		-354
Additions to right-of-use assets		4 771	1 615	6 386
Balance at 31 December 2023	8	**10 371**	**1 958**	**12 329**

Lease liabilities

(in EURk)	Note	Land	Other	Total
Balance at 31 December 2021	17	**4 972**	**0**	**4 972**
Repayments		-206	-206	-412
Additions		1 172	480	1 652
Effects of movements in exchange rates		-98	0	-98
Balance at 31 December 2022	17	**5 840**	**274**	**6 114**
Repayments		-201	-274	-475
Additions		4 771	1 958	6 729
Effects of movements in exchange rates		713	0	713
Balance at 31 December 2023	17	**11 123**	**1 958**	**13 081**

	31 December 2023	31 December 2023	31 December 2023
Current	705	477	1 182
Non-current	10 418	1 481	11 899
Total	**11 123**	**1 958**	**13 081**

Amounts recognised in profit or loss

(in EURk)	2023	2022
Interest on lease liabilities	-440	-219
Expenses relating to land lease (reversal)	641	425
Expenses relating to exchange rate movements	-713	98
Depreciation	-354	-231
Total	**-866**	**73**

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Amounts recognised in the statement of cash flows

(in EURk)	2023	2022
Principal payments related to leases	-201	-206
Interest payments related to leases	-440	-219
Total cash outflow for leases	**-641**	**-425**

Leases as a lessor

The Group has not leased any assets to third parties.

NOTE 19. TRADE AND OTHER PAYABLES

(in EURk)	31 December 2023	31 December 2022
Trade payables	**5 200**	**3 743**
Total trade payables	**5 200**	**3 743**
CAPEX payables	17 983	193
Advances received	525	323
Payables to employees	1 441	155
Interest payables	660	137
Other accrued liabilities	14 241	4 328
Contingent consideration liability*	37 138	58 190
Total other payables	**71 988**	**63 325**
Total	**77 188**	**67 068**
Non-current	38 254	49 664
Current	38 934	17 404
Total	**77 188**	**67 068**

*Includes liabilities related to the purchase of Alseva entities of EUR 24 871k (31 December 2022: EUR 46 445k) and a put option liability of EUR 12 267k (31 December 2022: EUR 11 744k) as at 31 December 2023. Additional information is disclosed in Note 11.1.

NOTE 20. INCOME TAX AND TAX LIABILITIES

Amounts recognised in profit or loss

(in EURk)	31 December 2023	31 December 2022
Current tax for the year	-1 432	-1 074
Deferred tax	1 505	333
Income tax for the year	**73**	**-741**
Tax using the Company's domestic tax rate*	0	0
Effect of tax rates in foreign jurisdictions	73	-741
Tax on dividends	0	0
Income tax for the year	**73**	**-741**
Loss before tax	**-9 766**	**-14 322**
Effective tax rate	0.75%	5.18%

(in EURk)	31 December 2023	31 December 2022
Deferred tax recognised in the statement of financial position		
Opening balance, deferred tax assets	1 216	122
Opening balance, deferred tax liabilities	793	32
(Charged)/credited to profit or loss	**-1 505**	**-333**
Closing balance, deferred tax assets	3 104	1 216
Closing balance, deferred tax liabilities	1 669	793
Corporate income tax	0	25
Other tax prepayments and payables	1 689	3 081
Total tax liabilities	**1 689**	**3 106**
Non-current	0	0
Current	1 689	3 106
Total	**1 689**	**3 106**

*In Estonia and Latvia, instead of profit, only profit distributions are subject to income tax.

Unrecognised deferred tax liabilities

As at 31 December 2023, there was no deferred tax liability (2022: EUR 0) for temporary differences related to investments in subsidiaries and a joint venture. In case there had been such a liability then it would not have been recognised because the Group controls the dividend policy of its subsidiaries and is able to veto the payment of dividends by its joint venture – i.e. the Group controls the timing of the reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

NOTE 21. PROVISIONS

(in EURk)	Other provisions	Total
Balance at 31 December 2022	**3 699**	**3 699**
Provisions increased during the year	4 339	4 339
Provisions used during the year	-1 100	-1 100
Balance at 31 December 2023	**6 939**	**6 939**

	31 Dec 2023	31 Dec 2022
Non-current	6 155	1 815
Current	784	1 884
Total	**6 939**	**3 699**

Demolition costs

The provision for the estimated discounted demolition costs of solar parks after the end of their useful life included in the balance above is EUR 1 808k (31 December 2022: EUR 586k). The provision has been estimated per MW and discounted for the period of the useful life of the assets at a discount rate of 6%. The Group expects to settle the liability at the end of the useful life (20 years) of each asset for which the provision is made.

Contracts for difference (CfD)

The provisions include EUR 4 347k (31 December 2022: EUR 1 228k) for the Polish contract-for-difference (CfD) subsidy scheme. The Polish CfD subsidy is negative when actual market prices exceed the bid made at the subsidy auctions. The provision is based on the actual prices and amounts of electricity produced and reported under the subsidy scheme. The expected realisation time for the CfD provisions is between 12-15 years.

Other provision

The provisions include EUR 784k (31 December 2022: EUR 1 884k) for the estimated advisory fees related to the capital raise process finished in 2023.

NOTE 22. REVENUE

Revenue from contracts with customers by geographical area

(in EURk)	2023	2022
Sales to European Union countries		
Poland	25 676	28 617
Estonia	536	631
Total sales to European Union countries	**26 212**	**29 248**
Total	**26 212**	**29 248**
Revenue from contracts with customers by major products/service lines		
Sale of electricity produced	7 251	5 908
Sale of development services	85	1 977
Sale of construction services	18 683	21 309
Other revenue	193	54
Total	**26 212**	**29 248**
Timing of revenue recognition from contracts with customers		
Products and services transferred to customers over time	**26 212**	**29 248**
Total revenue from contracts with customers	**26 212**	**29 248**

NOTE 23. GOODS, RAW MATERIALS AND SERVICES

(in EURk)	2023	2022
Goods and services for development and construction businesses		
Goods and services for development and construction businesses*	-21 769	-39 305
Operating expenses for development and construction business transferred to projects or capitalised**	13 163	21 483
Maintenance	-737	-396
Own use of electricity	-152	-94
Trading fee	-202	-43
Insurance	-240	-104
Taxes (incl. land tax)	-338	-539
Other	-824	-30
Total	**-11 099**	**-19 028**

* Costs of external projects (i.e. not services provided within Sunly group)

** Transfer and/or capitalisation of costs relating to both external and internal projects

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NOTE 24. OTHER OPERATING EXPENSES

(in EURk)	2023	2022
IT services	-536	-40
Accounting services	-433	-78
Fringe benefits	-339	-231
Travel	-568	-149
Office rent and maintenance	-560	-249
Transport	-1 231	-355
Marketing	-611	-94
Legal and consultancy services*	-2 787	-3 460
Other	-894	-113
Total	**-7 959**	**-4 769**

* Legal and consultancy services mainly relate to the 2022-2023 capital raise processes and to the 2022 Alseva acquisition.

NOTE 25. STAFF COSTS

(in EURk)	Note	2023	2022
Salary expenses		-10 154	-3 740
Share option reserve expense	26	-1 351	-3 388
Social security charges		-2 062	-892
Total		**-13 567**	**-8 020**
Average number of staff*		241	110

* In 2022, Sunly purchased Alseva entities and Alseva's employees became part of the Sunly group from 1 April 2022.

Social security charges include a contribution to state pension funds. The Group has no obligation to make pension or similar payments beyond the social security tax.

NOTE 26. SHARE OPTION PROGRAM

The Group has an equity-settled share option program. The program was established to motivate the Group's key employees and management to become shareholders. The option program is intended to ensure that the Group's financial results would improve, and thus enables employees to obtain benefits from an increase in the value of the shares as a result of their work. The option program was extended in 2022 and 2023.

Under the share option program, holders of vested options are entitled to purchase shares at the price agreed in the share option agreement. In general, part of the options will vest after the third anniversary of entering into the share option agreement and the remaining options will vest after certain agreed performance conditions are met.

As at 31 December 2023, share option agreements had been concluded with 83 employees (including management) (2022: 47 employees).

The fair value of the employee share options has been measured using the Group's valuation model. It was not necessary to use option-pricing models, as the exercise price was generally marginal compared to the value of the underlying shares. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

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Agreement conditions			Fair value (in EURk)				
Start date	Vesting date***	Call option deadline	Value at the agreement date	Value difference at the replacement date**	Value at 31 Dec 2023	Expensed in 2023	Expensed in 2022
Employees							
2019	2022*	2027	0	274	0	0	91**
2020	2023*	2028	467	123	591	0	335**
2021	2024	2029	57	0	162	0	50
2022	2026	2026	1 907	0	1 637	0	1 907
2023	2026	2026	1 174	0	1 351	1 351	0
			3 605	**397**	**3 741**	**1 351**	**2 383**
Management							
2020	2023	2028	337	426	1 963	0	501**
2022	2026	2026	504	0	504	0	504
			841	**426**	**2 467**	**0**	**1 005**
Total			**4 446**	**823**	**6 208**	**1 351**	**3 388**

* During 2023 options vested in the amount of EUR 461k (2022: EUR 185k).

** Options issued in 2019-2020 in the Sunly OÜ group were transferred to Sunly AS in 2022, after Sunly OÜ shares were contributed to Sunly AS in 2021. At this date, Sunly OÜ group options were replaced with Sunly AS options, based on the valuation made at that date. The accumulated expense relating to the proportional vesting period of the options was recognised in retained earnings.

*** The vesting date of the options is generally at least 3 years from the issue date. The vesting period is generally followed by an exercise period of up to 6 months.

Information about own shares is disclosed in Note 16.

NOTE 27. NET FINANCE COSTS

(in EURk)	2023	2022
Interest income	1 867	162
Interest expenses	-5 931	-4 627
Interest expenses on bank loans	*-4 111*	*-2 573*
Interest expenses on shareholder loans	*-17*	*-795*
Interest expenses on bonds	*-1 063*	*-1 063*
Interest expenses on leases	*-440*	*-218*
Interest expenses (EIR)	*-300*	*22*
Change in fair value of contingent consideration*	-976	-3 294
Other financial expenses**	6 173	-808
Total	**1 133**	**-8 567**

*Additional info disclosed in Note 11.1.

** Foreign currency translation differences for foreign operations.

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NOTE 28. RELATED PARTY DISCLOSURES

Loans received

2023 (in EURk)	Base currency	Interest rate	Maturity date	Loans received	Repayments of borrowings	Interest paid
Entities with joint control of, or significant influence over, the entity						
Non-controlling shareholder of Sunare OÜ	EUR	0%	08 July 2025	166	0	0
Non-controlling shareholders of Sunly Future Ventures OÜ	EUR	7%	30 Sep 2028	14	0	0
Non-controlling shareholders of Metsapäike OÜ	EUR	7%	30 Apr 2034	6 107	0	0
Non-controlling shareholders of Metsapäike 2 OÜ	EUR	7%	31 Aug 2033	708	0	0
Total				**6 995**	**0**	**0**

2022 (in EURk)	Base currency	Interest rate	Maturity date	Loans received	Repayments of borrowings	Interest paid
Entities with joint control of, or significant influence over, the entity						
Perleal OÜ	EUR	15%	30 Nov 2022	20	-20	1
Metsagrupp OÜ	EUR	15%	30 Nov 2022	72	-72	2
Trailborg OÜ	EUR	15%	30 Nov 2022	72	-72	2
Aktsiaselts Direct Consulting	EUR	15%	30 Nov 2022	95	-95	3
Baltic Energy Asset Management OÜ	EUR	15%	30 Nov 2022	130	-130	6
Scandium Energia AS	EUR	15%	30 Nov 2022	130	-130	5
Warmeston OÜ	EUR	15%	30 Nov 2022	216	-216	6
Päikese ja Tuule OÜ	EUR	15%	30 Nov 2022	230	-230	10
OÜ Atradius	EUR	15%	30 Nov 2022	300	-300	8
JMB Investeeringute OÜ	EUR	15%	30 Nov 2022	500	-500	13
Metsagrupp OÜ	EUR	15%	30 Nov 2022	500	-500	21
Trailborg OÜ	EUR	15%	30 Nov 2022	500	-500	21
Vardar AS	EUR	15%	30 Nov 2022	598	-598	16
Vestman Energia AS	EUR	15%	30 Nov 2022	606	-606	16
Ivard OÜ	EUR	15%	30 Nov 2022	692	-692	18
Aktsiaselts Direct Consulting	EUR	15%	30 Nov 2022	1 000	-1 000	42
JMB Investeeringute OÜ	EUR	15%	30 Nov 2022	1 000	-1 000	44
Vestman Energia AS	EUR	15%	30 Nov 2022	1 096	-1 096	48
Ivard OÜ	EUR	15%	30 Nov 2022	1 500	-1 500	63
Warmeston OÜ	EUR	15%	30 Nov 2022	3 000	-3 000	126
Vardar AS	EUR	15%	30 Nov 2022	6 500	-6 500	275
Total				**18 757**	**-18 757**	**747**

The Group considers parties to be related if one party has control over the other party or significant influence over the other party's business decisions. Related party transactions include transactions with shareholders, executive and senior management, their close relatives and companies under the control or significant influence of all the above.

Transactions with key management personnel

Payments of fixed and variable remuneration to the members of the Management Board and the members of the Supervisory Board in 2023 amounted to EUR 822k (2022: EUR 526k). Only two members of the Supervisory Board – Martin Kruus and Kalle Kiigske – receive remuneration, given that they are also engaged in advisory capacity. No share-based payments were made to the members of Management Board and the members of Supervisory Board in 2023.

Additionally, active founders and key personnel were granted options in 2022 under the share option program described in Note 26.

As at 31 December 2023 active founders and the members of the Management Board had options in amount of 3 418 071.

NOTE 29. CONTINGENT LIABILITIES

At the end of the reporting period, the Group's retained earnings amounted to EUR -46 873k (31 December 2022: EUR -37 039k). The amount that could be distributed as the net dividend to the Company's shareholders is EUR 0 (31 December 2022: EUR 0); therefore, the maximum corporate income tax liability that could arise (based on the Estonian tax system) is EUR 0 (31 December 2022: EUR 0).

The maximum possible income tax liability has been calculated on the assumptions that (i) the net dividend and the income tax expense reported in statement of profit or loss and other comprehensive income for 2023 may not exceed total retained earnings as at the end of the reporting period, and (ii) income tax already paid by the subsidiaries is not taxed again.

Dividends may only be paid out from the net profit or retained earnings of previous financial years, from which prior period accumulated losses have been deducted. Dividends may not be paid to the shareholders if the net assets of the Company, as recorded in the approved annual report of the previous financial year, are less than or would be less than total share capital and reserves, which, pursuant to applicable law or the articles of association, may not be distributed to the shareholders.

NOTE 30. FINANCIAL INFORMATION ON THE GROUP'S PARENT COMPANY

The financial information on the Parent comprises the primary financial statements of the Parent, which are required to be disclosed in accordance with the Estonian Accounting Act. The primary financial statements of the Parent have been prepared using the same accounting policies as were applied on preparing the consolidated financial statements, except that investments in subsidiaries are measured at cost.

STATEMENT OF FINANCIAL POSITION

(in EURk)	31 December 2023	31 December 2022
Non-current assets		
Property, plant and equipment	4 136	681
Investment property	1 627	1 268
Investments in subsidiaries and associates	18 375	15 168
Loans to subsidiaries	263 532	158 182
Total non-current assets	**287 670**	**175 299**
Current assets		
Inventories	172	198
Receivables and prepayments	11 350	2 936
Cash and cash equivalents	9 589	58 242
Total current assets	**21 111**	**61 376**
Total assets	**308 781**	**236 675**

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(in EURk)	31 December 2023	31 December 2022
Equity		
Share capital	69 416	62 856
Own shares	-3 884	-4 363
Share premium	28 135	28 135
Reserves	202 872	152 298
Retained earnings	-11 503	-18 490
Total equity	**285 036**	**220 435**
Liabilities		
Borrowings	14 581	13 100
Total non-current liabilities	**14 581**	**13 100**
Borrowings	478	0
Trade and other payables	8 686	3 140
Total current liabilities	**9 164**	**3 140**
Total liabilities	**23 745**	**16 240**
Total equity and liabilities	**308 781**	**236 675**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in EURk)	2023	2022
Revenue	85	1
Other income	910	1 466
Other operating expenses	-7 005	-9 974
Depreciation, amortisation and impairment losses	-127	-51
Other expenses	-2	0
Operating loss	**-6 139**	**-8 558**
Interest income	14 939	5 479
Interest expenses	-1 070	-1 859
Other finance income	2 112	0
Other finance costs	0	-464
Net finance income	**15 981**	**3 156**
Share of loss of equity-accounted investees, net of tax	**0**	**-41**
Profit/Loss before tax	**9 842**	**-5 444**
Income tax	**0**	**0**
Profit/Loss for the period	**9 842**	**-5 444**
Total comprehensive income/expense for the period	**9 842**	**-5 444**

STATEMENT OF CASH FLOWS

(in EURk)	2023	2022
Cash flows from operating activities		
Profit/loss for the period	**9 842**	**-5 443**
Adjustments for:		
Depreciation and amortisation	127	51
Share of loss of equity-accounted investees, net of tax	0	42
Net finance costs	-15 981	-3 157
Total adjustments	**-15 854**	**- 3 064**

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(in EURk)	2023	2022
Changes in trade and other receivables	-8 414	-703
Changes in inventories	26	177
Changes in trade and other payables	19 558	10 714
Net cash from operating activities	**5 158**	**1 681**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	-1 624	-645
Acquisition of investment property	-359	-39
Acquisition of a subsidiary, net of cash acquired	-3 207	-2 083
Loans granted	-161 319	-137 815
Repayments of loans granted	55 969	11 031
Net cash used in investing activities	**-110 540**	**-129 551**
Cash flows from financing activities		
Proceeds from borrowings	0	8 551
Repayments of borrowings	0	-3 151
Interest paid	0	-977
Proceeds from issue of share capital	54 617	171 999
Net cash from financing activities	**54 617**	**176 422**
Total cash flow	**-50 765**	**48 552**
Cash and cash equivalents at 1 January	58 242	10 152
Effect of movements in foreign exchange rates on cash held	2 112	-462
Cash and cash equivalents at 31 December	**9 589**	**58 242**

STATEMENT OF CHANGES IN EQUITY

(in EURk)	Share capital	Own shares	Share premium	Reserves	Retained earnings	Total
Balance at 31 December 2021	**32 423**	**0**	**20 039**	**1 350**	**-3 202**	**50 610**
Profit for the period	0	0	0	0	-5 443	-5 443
Other comprehensive income	0	0	0	0	0	0
Comprehensive expense for the period	**0**	**0**	**0**	**0**	**-5 443**	**-5 443**
Transactions with owners of the Company						
Issue of ordinary shares	30 432	0	8 096	148 203	**0**	**186 731**
Own shares	0	-4 363	0	0	0	-4 363
Other changes in equity	0	0	0	0	50	50
Other changes in equity (merger)	0	0	0	0	-11 244	-11 246
Changes in share option reserve	0	0	0	2 744	1 350	4 094
Total transactions with owners of the Company	**30 432**	**-4 363**	**8 096**	**150 947**	**-9 844**	**175 266**
Balance at 31 December 2022	**62 855**	**-4 363**	**28 135**	**152 297**	**-18 489**	**220 435**
Carrying amount of interests under control and significant influence	**0**	**0**	**0**	**0**	-3 578	-3 578
Value of interests under control and significant influence under the equity method	**0**	**0**	**0**	**0**	12 044	12 044
Adjusted unconsolidated equity at 31 December 2022	**62 855**	**-4 363**	**28 135**	**152 297**	**-10 023**	**228 901**

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(in EURk)	Share capital	Own shares	Share premium	Reserves	Retained earnings	Total
Balance at 31 December 2022	**62 855**	**-4 363**	**28 135**	**152 297**	**-18 489**	**220 435**
Loss for the period	0	0	0	0	9 842	9 842
Other comprehensive income	0	0	0	0	0	0
Comprehensive expense for the period	**0**	**0**	**0**	**0**	**9 842**	**9 842**
Transactions with owners of the Company						
Issue of ordinary shares	6 561	0	0	50 139	**0**	**56 700**
Own shares	0	479	0	-184	0	295
Other changes in equity	0	0	0	0	-3 125	-3 125
Changes in share option reserve	0	0	0	620	269	889
Total transactions with owners of the Company	**6 561**	**479**	**0**	**50 575**	**-2 856**	**54 759**
Balance at 31 December 2023	**69 416**	**-3 884**	**28 135**	**202 872**	**-11 503**	**285 036**
Carrying amount of interests under control and significant influence	**0**	**0**	**0**	**0**	-23 325	-23 325
Value of interests under control and significant influence under the equity method	**0**	**0**	**0**	**0**	18 375	18 375
Adjusted unconsolidated equity at 31 December 2023	**69 416**	**-3 884**	**28 135**	**202 872**	**-16 453**	**280 086**

In accordance with the Estonian Accounting Act, adjusted unconsolidated retained earnings represent the amount that is available for distribution to shareholders.

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PROPOSAL FOR ALLOCATING THE LOSS

Based on the audited financial results, the Management Board proposes to the shareholders' annual general meeting that the 2023 comprehensive expense attributable to owners of the Company of EUR -9 583k and retained earnings of previous periods of EUR -37 290k, totalling EUR -46 873k, be allocated as follows:

Net loss for the period ended 31 December 2023	EUR -9 583k
Retained earnings of previous periods	EUR -37 290k
Total retained earnings	**EUR -46 873k**
Transfer to legal reserve	EUR 0
Dividend distribution	EUR 0
Balance of retained earnings after allocations	EUR -46 873k

SIGNATURES OF THE MANAGEMENT BOARD TO THE ANNUAL REPORT 2023

The Company's Management Board has approved the GROUP ANNUAL REPORT 2023 of Sunly AS for the year ended 31 December 2023.

The Supervisory Board has reviewed the annual report prepared by the Management Board, consisting of the management report, the consolidated financial statements, the profit allocation proposal and the auditors' report, and has approved it for submission to the general meeting of shareholders.

30 March 2024

Priit Lepasepp
Chairman of the Management Board

Lili Kirikal
Member of the Management Board

Erkki Kallas
Member of the Management Board

KPMG

Independent auditors' report

To the Shareholders of Sunly AS

Opinion

We have audited the consolidated financial statements of Sunly AS and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements.

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 and we state that the information presented in the management report is materially consistent with the consolidated financial statements and in accordance with the applicable legal and regulatory requirements.

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

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

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Tallinn, 30 March 2024

Indrek Alliksaar

Certified Public Accountant, Licence No 446

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CONTACT DETAILS

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Main activity:	Development and operation of solar energy
Commercial registry number:	14695483
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Country of incorporation:	Republic of Estonia
Phone:	+372 56264164
E-mail:	info@sunly.ee
Corporate website:	www.sunly.ee
Beginning of financial year:	1 January 2023
End of financial year:	31 December 2023
Legal form:	Limited company
Auditor:	KPMG Baltics