GEEN Holding, a.s.

Consolidated Financial Report

As of and for the year ended 31 December 2020

GEEN Holding, a.s.
Klimentská 1216/46, Prague 1
Ident.Nr.: 28916794
Legal form: Joint stock company
Subject of business: Production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act, Production, installation, repair of electrical machinery and apparatus, electronic and telecommunications equipment,
Sale of chemicals and chemical mixtures classified as highly toxic and toxic.
Balance sheet date: 31 December 2020
Date of preparation of the report: 10 September 2021

CONTENT

A. STATEMENT OF FINANCIAL POSITION

As of 31 December

In thousands of CZK	**Note**	**2020**	**2019**
Assets			
Intangible fixed assets		31 784	39 104
Tangible fixed assets	1.1	5 371 780	3 637 901
Financial investments		-	46 134
Receivables due from related parties	1.2	-	479 879
Advance payments and other receivables		73 906	21 466
Non-current assets		**5 477 470**	**4 224 484**
Inventories		21 482	22 233
Trade receivables		53 122	48 117
Other receivables		224 471	111 339
Cash and cash equivalents		307 410	93 600
Prepayments		50 226	58 054
Current assets		**656 711**	**333 343**
Total assets		**6 134 181**	**4 557 827**

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As of 31 December

In thousands of CZK	**Note**	**2020**	**2019**
Equity			
Share capital		7 800	7 800
Other capital funds		230 160	6 900
Revaluation reserve		1 675 391	1 178 700
Reserves from profit		- 1 002	4 125
Loss of the current period		- 98 911	-190 727
Retained earnings		- 154 166	21 509
Total equity		**1 659 272**	**1 028 307**
Liabilities			
Bonds issued	2.2	1 505 775	1 395 791
Bank loans, non-current part	2.1	1 018 961	531 065
Liabilities to related parties		-	24 399
Other non-current payables		25 319	12 757
Deferred tax liabilities	2.3	502 272	398 483
Non-current liabilities		**3 052 327**	**2 362 495**
Bonds issued	2.2	493 611	313 281
Bank loans, current part	2.1	142 968	23 095
Trade payables		61 847	405 505
Advances received		93 341	52 338
Accrued liabilities		19 180	22 441
Other current payables		628 947	133 894
Current liabilities		**1 439 894**	**950 554**
Total liabilities		**4 492 221**	**3 313 049**
Minority interests		**-17 312**	**216 471**
Total equity and liabilities		**6 134 181**	**4 557 827**

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

B. STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December

In thousands of CZK	**Note**	**2020**	**2019**
Revenues from the sale of electricity		490 313	288 089
Revenues from the sale of goods		201 212	150 938
Revenues from sales	3.1	**691 525**	**439 027**
Costs of goods sold		145 009	126 507
Costs of materials and energy		163 831	120 860
Costs of purchased services		96 997	72 078
Change in inventories of own production (cost (+) / income (-))		-3 148	-8 117
Other operating income		43 722	8 040
Personnel costs		68 101	65 496
Other operating expenses		23 557	64 043
Depreciation		173 457	100 391
Operating result		**67 443**	**-94 191**
Interest income		4 670	22 173
Interest expense	3.2	198 596	132 082
Adjustments and financial provisions (cost (+) / income (-))		-51 352	-6 550
Other financial expenses - net		28 714	18 010
Financial result		**- 171 288**	**-121 369**
Net result before taxes		**- 103 845**	**-215 560**
Current income tax		18 733	3 904
Deferred income tax (cost (+) / income (-))		- 11 099	-11 539
Net result after tax		**- 111 479**	**-207 925**
Net result attributable to minority interests		- 12 568	-17 198
Net result for accounting period (without minority interests)		**- 98 911**	**-190 727**
Other comprehensive income			
Revaluation of tangible fixed assets		319 240	733 367
Other comprehensive income total		**319 240**	**733 367**
Total comprehensive income		**220 329**	**542 640**

C. GENERAL INFORMATION

1. DESCRIPTION OF THE COMPANY AND OF THE GROUP

1.1 Description of the company

Company:	GEEN Holding a.s. (hereinafter referred to as the "Company")
Identification number:	28916794
Date of Establishment:	The Company was set up by the Articles of association on 2.6.2019 and registered into commercial register on 16.6.2019.
Registered Office:	Klimentská 1216/46, Praha 1
Legal form:	Joint stock company
Subject of business:	Production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act, Production, installation, repair of electrical machinery and apparatus, electronic and telecommunications equipment, Sale of chemicals and chemical mixtures classified as highly toxic and toxic.
Trade Register File Nr:	Section B 15361, entry of the Commercial Register kept by the Regional Court in Prague
Country of incorporation:	Czech Republic
Accounting period:	1 January 2020 – 31 December 2020

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

The Board of Directors members are:

Name	Function	From (date)	To (date)
Ing. Aleš Mokrý	Chairman of the Board of Directors	16.6.2009	

The Supervisory Board members are:

Name	Function	From (date)	To (date)
Mgr. Roman Klimus	Chairman of the Supervisory Board	21.6.2018	
Mgr. Michal Černý	Member of the Supervisory Board	21.7.2010	
Ing. Tomáš Smutný	Member of the Supervisory Board	29.9.2009	

In April 2021, Ing. Aleš Mokrý resigned from the position of Chairman of the Board of Directors and left the GEEN Group. At the same time, Aleš Mokrý and Petr Dezort were appointed as members of Board of Directors.

1.3 Shareholders

The company is ultimately owned by several Czech natural persons.

1.4 Group structure - consolidation unit

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

INFORMATION ABOUT SUBSIDIARIES AS AT 31.12.2020	PLACE OF ESTABLISHMENT AND OPERATION	PROPERTY SHARE WITH VOTING RIGHT	METHOD OF CONSOLIDATION
GenChem s.r.o.	Brno, Czech Republic	100,00%	Full
GEEN Rent s.r.o.	Brno, Czech Republic	100,00%	Full
GEEN CJ a.s.*	Brno, Czech Republic	100,00%	Full
GEEN OBNOVITELNÉ ZDROJE s.r.o. *	Brno, Czech Republic	100,00%	Full
General Energy Leasing s.r.o.	Brno, Czech Republic	100,00%	Full
GEEN Development a.s.	Brno, Czech Republic	100,00%	Full
GEEN Sale a.s.	Brno, Czech Republic	100,00%	Full
General Energy a.s.	Brno, Czech Republic	51,00%	Full
Energy Development s.r.o.	Brno, Czech Republic	100,00%	Full
Radvanická sluneční s.r.o.	Brno, Czech Republic	100,00%	Full
Rouchovanská sluneční s.r.o.	Brno, Czech Republic	100,00%	Full
Water – Energy s.r.o.	Brno, Czech Republic	100,00%	Full
REN Services VIET s.r.o.	Brno, Czech Republic	85,00%	Full
Template Slovakia s.r.o.	Bratislava, Slovakia	100,00%	Full
Enerslov s.r.o.	Bratislava, Slovakia	100,00%	Full
MVE s.r.o./Elektráreň Bujakovo s.r.o. [2]	Nitra, Slovakia	100,00%	Full
DECRIS INDUSTRIES s.r.l.***	Romania	62,00%	Full
GEEN Georgia LLC [1]	Georgia	92,00%	Full
Jonouli 1 LLC [1]	Georgia	76,00%	Full
Jonouli 2 LLC[1]	Georgia	76,00%	Full
Energana Gospic 1 d.o.o.	Šopot, Croatia	100,00%	Full
GEEN Kyrgyzstan	Kyrgyzstan	85,00%	Full
Maltezian a.s.	Brno, Czech Republic	100,00%	Full
ENERGANA BENKOVAC d.o.o.	Šopot Croatia	100,00%	Full
ENERGANA ŽUPANJA d.o.o.	Županja, Croatia	100,00%	Full
PELETI B2E d.o.o.	Županja, Croatia	100,00%	Full

* companies established upon merger project in 2020 and included into consolidation group for 2020

*** consolidation units not included in the consolidation group due to insignificance

[1] consolidated results
[2] MVE was renamed to Elektráreň Bujakovo on 6 May 2021

The organisation chart of the Group is provided as appendix to the notes to this consolidated financial report.

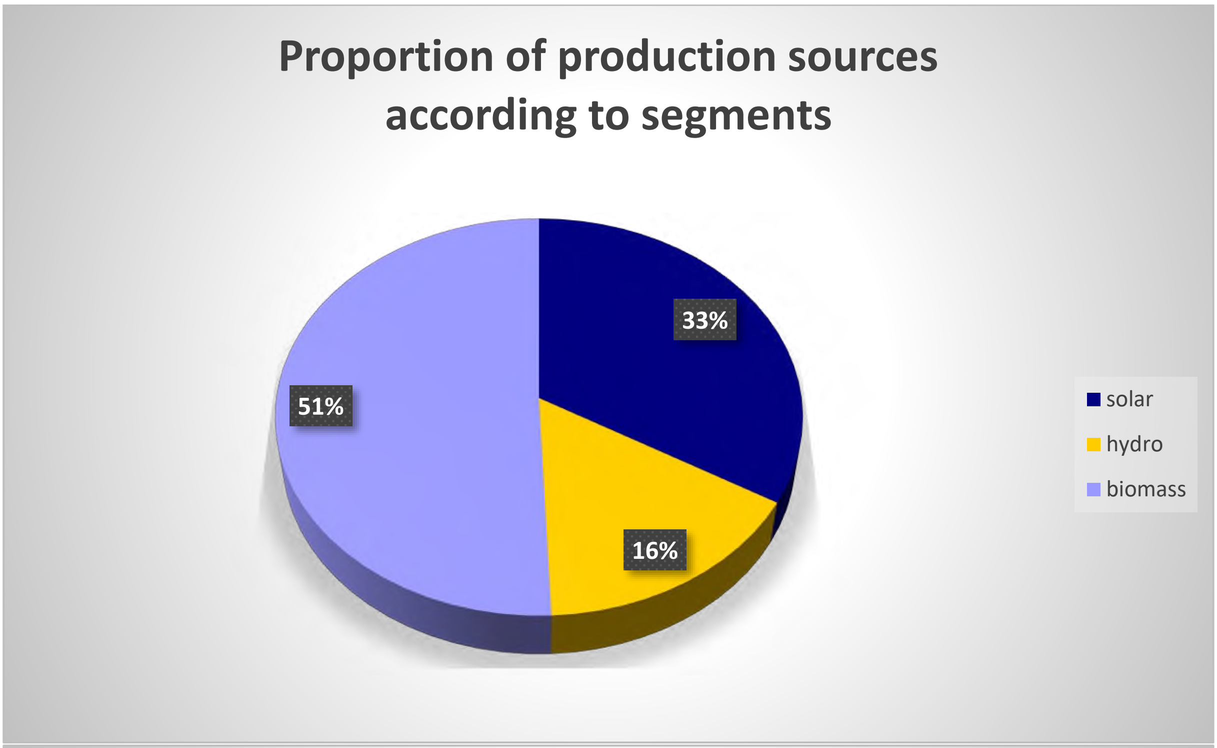
TPA Audit s.r.o., číslo oprávnění KAČR 080
tpa

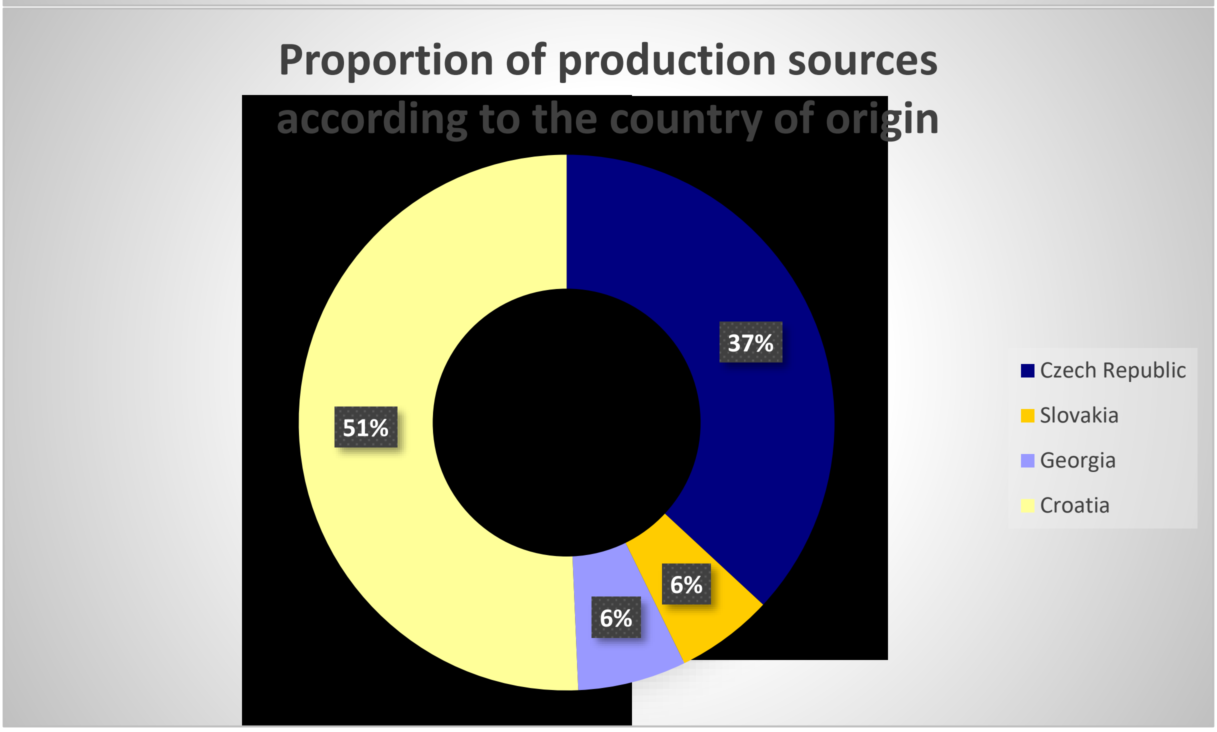
1.5 Employees

In 2020, the Group had 107 employees and in 2019 it had 100 employees (in both years this is the average full-time employee equivalent).

1.6 Territorial overview of the Group's production capacities

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





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

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

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

The accounting period for 2020 is the period of twelve months from 1 January 2020 to 31 December 2020.

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

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

3. ACCOUNTING POLICIES

Functional currency

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

Business operations in foreign currency

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

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

FX rates CZK	quantity	31.12.2020	31.12.2019
EUR	1	26,245	25,410
HRK	1	3,477	3,414
USD	1	21,387	22,621
GEL	1	6,554	7,951

Sensitivity analysis

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

The table below illustrates the sensitivity of the power plant revenues to a change in the selling price for individual types of renewable energy sources. For example, with constant production and an increase in selling price of electricity from photovoltaic power plants by 3%, or 8% would increase revenues by 3,74 Mio CZK, or 9,98 Mio CZK. On the contrary, a decrease in the selling price would lead to a corresponding decrease in revenues.

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

Sensitivity analysis (continuation)

		Relative change of selling price				
		-10,0%	-5,0%	0.0%	3,0%	8,0%
Change in revenue	solar	-12 478 561 CZK	-6 239 280 CZK	0 CZK	3 743 568 CZK	9 982 849 CZK
	water	-1 420 096 CZK	-710 048 CZK	0 CZK	426 029 CZK	1 136 077 CZK
	biomass	-34 746 971 CZK	-17 373 485 CZK	0 CZK	10 424 091 CZK	27 797 577 CZK

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

		Change in the exchange rate of the relevant foreign currency against CZK				
		-10,0%	-5,0%	0.0%	3,0%	8,0%
Change in revenue	EUR	-1 899 233 CZK	-949 616 CZK	0 CZK	569 770 CZK	1 519 386 CZK
	HRK	-34 746 971 CZK	-17 373 485 CZK	0 CZK	10 424 091 CZK	27 797 577 CZK
	GEL	-284 325 CZK	-142 162 CZK	0 CZK	85 297 CZK	227 460 CZK

Determining the fair value of the tangible fixed assets

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

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

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

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

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

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

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

Photovoltaic power plants – the Czech Republic and Slovakia

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

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

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

Small hydro power plants – the Czech Republic and Slovakia

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

Biomass power plants – Croatia

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

Small hydro power plants – Georgia

The purchase prices of electricity from small hydroelectric power plants in Georgia are in relation to market electricity prices. During 2022 it is expected to start free trade in the wholesale of electricity based on the relevant Decision of the Georgian Ministry of Economy and Sustainable Development which is based on the requirements of the Association Agreements between Georgia and the European Union. The liberalisation should strengthen market pricing of electricity and link the price to the surrounding influences, among other with electricity price in Turkey.

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

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

Receivables and other financial assets

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

Borrowing costs

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

Financial assets

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

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

Other financial liabilities

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

Interest bearing liabilities

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

Derivative financial instruments

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

Impairment

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

Provisions and contingent liabilities

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

Current taxes

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

Deferred taxes

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

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

Operating lease contracts

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

Recognition of revenues

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

Dividend income

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

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

Judgments and estimates

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

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

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

The following changes or revisions to standards and interpretations had been announced as of the balance sheet date, but have not yet been adopted by the EU, and are therefore not applicable:

Standard/Interpretation [IAS 8.31 (a), 8.31(c)]	**Nature of impending change in accounting policy** *[IAS 8.31 (b)]*	**Possible impact on financial statements *[IAS 8.30 (b); 31 (e)]***
Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Effective for annual periods beginning on or after 1 January 2020. These amendments are not yet endorsed by the EU.	The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.	The Entity does not expect the Amendments to have a material impact on its financial statements when initially applied.
Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Effective for annual periods beginning on or after 1 January 2020.	The amendments are mandatory and apply to all hedging relationships directly affected by uncertainties related to the IBOR reform. The amendments provide temporary relief from applying specific hedge accounting requirements to the hedging relationships with the effect that IBOR reform should not generally cause hedge accounting to terminate. The key reliefs provided by the amendments relate to: • 'Highly probable' requirement. • Risk components • Prospective assessments • Retrospective effectiveness test (for IAS 39) • Recycling of the cash flow hedging reserve.	The Entity does not expect the amendments to have a material impact on its financial statements when initially applied.

	The amendments also require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.	
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture The European Commission decided to defer the endorsement indefinitely.	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 Entity expects that the amendments, when initially applied, will not have a material impact on the financial statements of the Entity as it currently recognises a full gain or loss in statement of comprehensive income. However, the quantitative impact of the adoption of the Amendments can only be assessed in the year of initial application of the Amendments, as this will depend on the transfer of asset or businesses to the associate or joint venture that take place during that reporting period.
Amendments to IFRS 3 Business Combinations Effective for annual periods beginning on or after 1 January 2020. These amendments are not yet endorsed by the EU.	The amendments narrowed and clarified the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business.	The Entity does not expect the Amendments to have a material impact on its financial statements when initially applied.

4. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

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

a. Production facilities in the field of renewable energy.

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

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

5. INFORMATION ON RISKS, RISK PROFILE

Credit risk

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

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

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

Liquidity risk

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

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

Currency risk

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

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

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

Currency risk	Assets		Liabilities		Net exposure	
	2020	2019	2020	2019	2020	2019
EUR	545	2 475	35 703	376 270	-35 158	-373 795
HRK	50 720	43 614	853 679	499 165	-802 959	-455 551
GEL	4 240	5 216	198	225	4 042	4 991
Total	**55 505**	**51 306**	**889 580**	**875 660**	**-834 076**	**-824 354**

Market risk and property-specific risk

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

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

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

An economic slowdown or recession, in addition to other economic and non-economic factors such as an excess supply of properties, low inflation etc. could have a negative impact on the values of the Issuer's investments, as they are also appropriately linked to the macroeconomic situation.

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

Settlement risk – This risk primarily consists of counterparty's failure when a transaction should be settled. These risks are primarily minimised by selecting credible counterparties, by settling investment instrument transactions within reliable settlement systems and, if real estate asset transactions are involved, by using quality legal institutes to govern such transactions.

Risk of insufficient liquidity, based on a certain asset of the Group not being encashed in time at a reasonable price – Given the nature of the real estate market, which may make up a substantial portion of the Group's assets, we need to point out that encashing an immovable property in an effort to obtain the best price requires time. In an extreme scenario, the liquidity risk may lead to a liquidity crisis.

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

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

This risk is addressed by a suitable mix.

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

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

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

D. NOTES TO THE FINANCIAL STATEMENTS

1.1 Tangible fixed assets

Tangible fixed assets were valued using the discounted cash-flow method. Expert valuation is done once a year by an independent valuation expert for the purposes of the year-end valuation. Management of the Group provides the independent expert with the required information and assumptions.

Non-current fixed assets	Land	Buildings	Technology & equipment	Vehicles and fittings	Unfinished investments	Total
Acquisition prices						
As at 31.12.2018	**15 532**	**560 814**	**1 356 437**	**13 800**	**737 691**	**2 687 274**
Additions	0	167 539	495 544	4 922	587 606	1 255 611
Disposals	-74	-567	-133	-204	-1 055 955	-1 056 933
Revaluation	0	182 597	766 191	0	0	948 788
As at 31.12.2019	**15 458**	**910 383**	**2 618 039**	**18 518**	**269 342**	**3 831 740**
Additions	58 087	608 708	1 088 086	10 645	0	1 765 526
Disposals / Transfers	0	169 520	-117	-5 443	-169 520	-5 560
Revaluation	0	60 856	333 267	0	0	394 123
Exchange difference	-20	-9 548	16 033	-171	3 414	9 708
Final balance as at 31.12.2020	**73 525**	**1 739 919**	**4 055 308**	**23 549**	**103 236**	**5 995 537**
Accumulated depreciation						
As at 31.12.2018	**0**	**60 795**	**37 180**	**5 341**	**0**	**103 316**
Depreciation	0	25 603	64 758	4 110	0	94 471
Disposals	0	0	-3 927	-21	0	-3 948
As at 31.12.2019	**0**	**86 398**	**98 011**	**9 430**	**0**	**193 839**
Depreciation	0	31 447	137 252	4 758	0	173 457
Additions – acquisitions	0	55 448	209 616	0	0	265 064
Disposals	0	0	49	5 411	0	5 460
Exchange difference	0	-1 527	-1 579	-37	0	-3 143
Closing balance as at 31.12.2020	**0**	**171 766**	**443 251**	**8 740**	**0**	**623 757**
Net book amounts						
Closing balance as at 31.12.2019	**15 458**	**823 985**	**2 520 028**	**9 088**	**269 342**	**3 637 901**
Closing balance as at 31.12.2020	**73 525**	**1 568 153**	**3 612 057**	**14 809**	**103 236**	**5 371 780**

Acquisition prices of fixed assets (incl. land) before revaluation as at 31 December 2020 amounted to CZK 2 976 Mio. (31.12.2019: CZK 1 420 Mio.). The effect on depreciation due to revaluation to fair value and also due to the adjustment of depreciation rates in comparison with depreciation in the financial statements according to Czech accounting regulations is an increase in depreciation by CZK 28,0 Mio. for 2020 (2019: CZK 26,8 Mio.).

The market value of fixed assets, which is pledged in favor to creditors totals to CZK 3 722 million as at 31 December 2020 (CZK 1 099 million as at 31 December 2019).

At at 31 December 2020, the Group had no contract with third parties, which would commit the Group to significant future capital expenditures.

As at 31 December 2020, the Group recorded CZK 103 197 ths. as tangible fixed assets in progress (incl. advance payments for tangible assets), of which CZK 100 Mio. was for power plant in Gospić, which the Group's management expects to be completed by the end of 2020 or in the beginning of 2021 and testing is also expected to be completed in 2021.

1.2 Receivables due from related parties

As at 31 December 2019, receivables due from related parties contained especially loans to companies belonging to the GEEN DZ Asset, a.s. Group, which became part of the GEEN Holding, a.s. Group in 2020. For this reason, this balance was eliminated upon consolidation and as at 31 December 2020, the Group had no balance of receivables due from related parties. The same applies to liabilities to related parties.

2.1 Financing liabilities – bank loans

Bank loans	2020	2019
The maturity of bank loans in the Group is as follows:		
Year 2020	-	22 382
Year 2021	142 250	50 143
Year 2022	145 877	49 131
Year 2023	149 593	51 011
Year 2024	150 857	50 129
Year 2025 and later	573 352	331 364
Total bank loans as at 31 December	**1 161 929**	**554 160**

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

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

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

2.2 Financing liabilities - bonds

The bonds bear interest at a fixed rate. The total weighted average annual cost, including commissions for arranging individual subscriptions, was 7.96% in 2020 (2019: 7,87%).

Overview of bonds issued per maturity:

Age structure (maturity) In thous. CZK	2020	2019
2020	0	313 281
2021	493 745	491 145
2022	671 692	652 107
2023	449 215	49
2024	184 784	194 240
2025	48 434	0
2026	0	0
2027	61 448	58 250
2028	90 068	0
TOTAL	**1 999 386**	**1 709 072**

2.3 Deferred tax

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

Tax receivables and payables	31.12.2020	31.12.2019
Fixed assets - acquisition prices	284	1 727
Fixed assets - revaluation	-496 082	-406 975
Other temporary differences	12 480	6 765
Net deferred tax receivable / liability (-)	**-483 318**	**-398 483**

The change in deferred tax due to the revaluation of fixed assets is recorded against the revaluation reserve within equity.

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

3.1 Revenues

	2020	2019
Energy production	490 313	249 569
- *photovoltaic power plants*	*125 431*	*15 204*
- *hydropower plants*	*14 201*	*13 016*
- *biomass*	*350 681*	*221 349*
Sales of electricity and gas	193 615	140 546
Chemical industry	7 133	8 565
Services	228	15 349
Services GEEN Optim	23 635	15 560
Other	288	9 438
Total	**715 212**	**439 027**

3.2 Interest expenses

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

INTEREST COSTS AND SIMILAR COSTS	2020	2019
Interest expenses – bank loans	45 885	12 366
Interest expenses – bonds	152 711	117 674
Interest expenses – related party loans	0	2 042
Total	**198 596**	**132 082**

E. SUBSEQUENT EVENTS

In April 2021, Ing. Aleš Mokrý resigned from the post of Chairman of the Board of Directors and left the GEEN Group. At the same time, Aleš Mokrý and Petr Dezort were appointed as members of the Board of Directors.

In 2020, state support was granted to the companies Energana Benkovac and Energana Županja as a 20 % bonus to revenues following the compliance with relevant parameters and this subsidy will be received throughout 2021.

After 31 December 2020, bonds were issued in the total amount of CZK 410 mio. due in 2024 and in total amount of EUR 0,6 mio. due in 2024, in total amount of CZK 50 mio. due in 2025 and in total amount of CZK 70 mio. due in 2029. From the beginning of 2021 to date of issue of consolidated financial report, principal of bonds in the amount of CZK 272 mio. was repaid.

After 31 December 2020, the company Energana Gospić has preagreed the financing of the new biomass power plant to repay the liabilities to its supplier in a way of third party non-bank financing in the amount of EUR 20 milion. The Group management assumes that a major part of this financing will be refinanced via a bank loan in a short-term period.

At the end of 2019, the first reports emerged from China regarding COVID-19 (coronavirus). In the first months of 2020, the corona-virus ("COVID-19") started spreading in China and worldwide and caused huge economic damages. At the time of compiling this Consolidated financial report the Company's management did not indicate any significant decrease in revenues. However, the situation is continuously changing and that is why the future impacts on company's activities cannot be predicted. The Company's management will continue to monitor the potential impact and take new possible steps to mitigate any adverse effects on the Company and its employees.

The Company's management considered the potential impacts of COVID-19 on its business activities and concluded that it did not have a significant effect on the going concern assumption. As a result of this, the financial statements for the year ended 31 December 2020 were prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future.

No significant events that could have a significant impact on the financial position of the Company incurred between the financial statement date and the date of financial statements approval.

10 September 2021

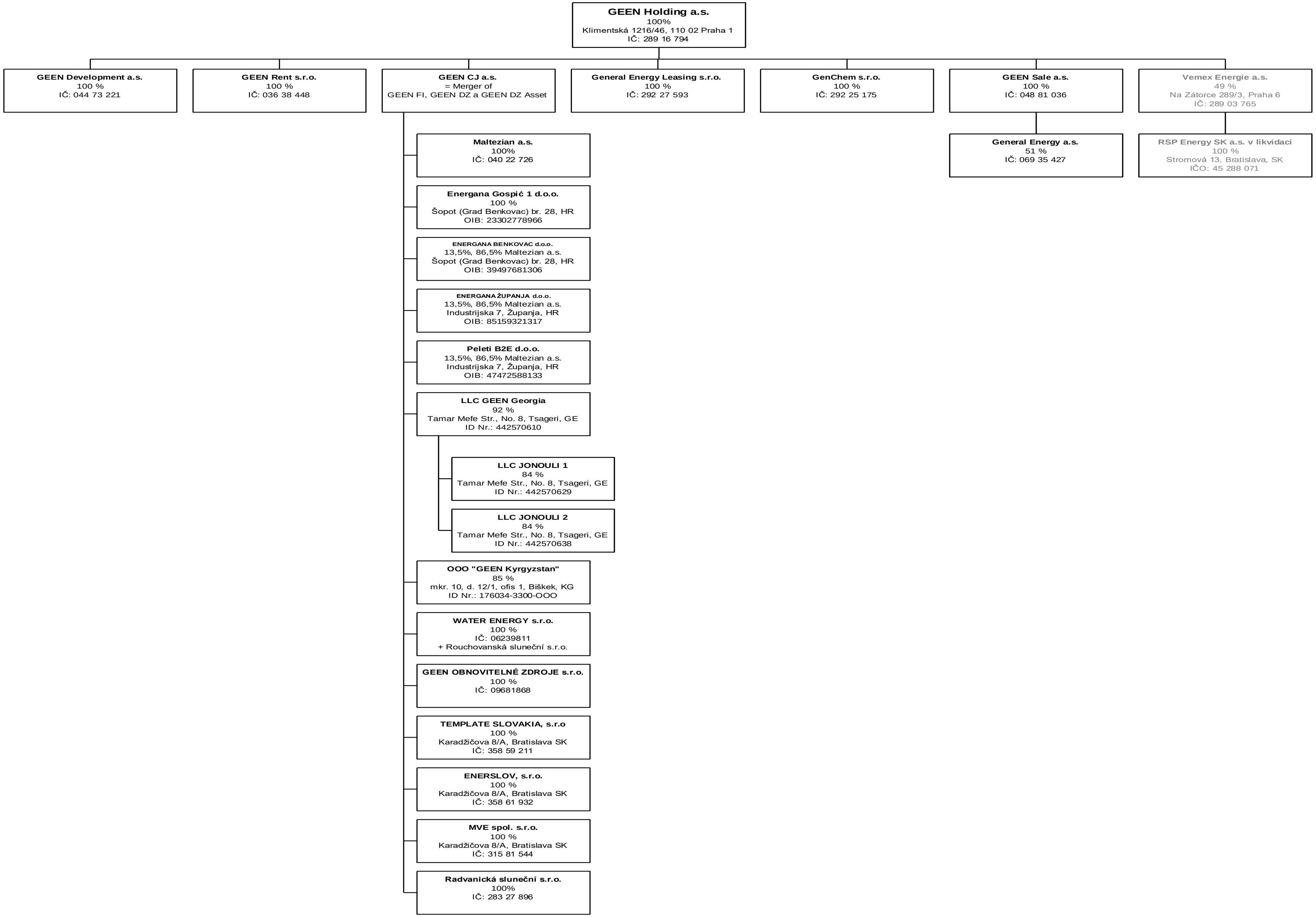
....

Aleš Mokrý
Chairman of the Board of Directors

....

Petr Dezort
Member of the Board of Directors

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



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

Report of independent auditor for special purposes

GEEN Holding a.s.

Accounting period
from 1.1.2020 to 31.12.2020

Identification of the Accounting Unit

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

The report is for the company´s shareholders

Auditor's Opinion

We have audited the accompanying consolidated financial report of the company GEEN Holding a.s. (further also as the "Company") prepared in accordance with the principles of the International Financial Reporting Standards as adopted by the European Union, that comprise of the Statement of Financial Position as of 31.12.2020, of the Statement of Comprehensive Income for the year ended 31.12.2020 and notes to this consolidated financial report, including a summary of significant accounting policies and other explanatory information. For details of the Company GEEN Holding a.s. refer to Note 1 to the consolidated financial report.

In our opinion, the consolidated financial report of the company GEEN Holding a.s. as of 31.12.2020 and for the year then ended, was prepared correctly, in all material respects, on the basis of the consolidated financial statements of the company GEEN Holding a.s. for the year ended 31.12.2020 prepared in accordance with the Czech accounting legislation ("Statutory consolidated financial statements"), and reflecting all material differences between the Czech accounting legislation and the International Financial Reporting Standards as adopted by the European Union ("IFRS EU").

Basis for Opinion

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

Emphasis of Matter

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

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

Responsibility of the Statutory Director for the Consolidated Financial Report

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

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

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

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

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

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

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

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

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

In Prague, on 10.9.2021

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

tpa

....

Auditor:
Ing. Radek Stein
číslo oprávnění 2193 KAČR

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