



UAB “Atsinaujinančios Energetikos Investicijos”

Unaudited Interim Condensed
Consolidated and Standalone
Financial Statements
as at 31 December 2022 and
Interim report for the period
of January – December 2023

Closed-end Investment Company Intended for
Informed Investors



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Interim Statement of Financial Position

Amounts are presented in thousand EUR, unless stated otherwise



	Notes	Group		Company	
		31 December 2022 Unaudited	31 December 2021 Audited	31 December 2022 Unaudited	31 December 2021 Audited
Assets					
Non-current assets					
Investment assets at fair value through profit or loss	1	144 908	66 681	144 908	66 681
Investment in subsidiary		-	-	2	-
Financial guarantees	2	1 650	-	1 650	-
Other receivables at fair value through profit or loss	3	-	2 083	-	2 083
Prepayments	4	25	150	25	150
Total non-current assets		146 583	68 914	146 585	68 914
Current assets					
Other receivables at fair value through profit or loss	5	-	850	-	850
Other receivables		167	12	128	12
Cash and cash equivalents	6	9 877	26 464	9 877	26 464
Total current assets		10 044	27 326	10 005	27 326
Total assets		156 627	96 240	156 590	96 240
Equity & liabilities					
Equity					
Issued capital	7	54 884	40 063	54 884	40 063
Share premium	8	21 128	10 790	21 128	10 790
Legal reserve	9	407	124	407	124
Retained earnings		27 114	14 036	27 113	14 036
Total equity		103 533	65 013	103 532	65 013
Non-current liabilities					
Bonds issued	10	49 757	24 917	49 757	24 917
Loans received	11	112	111	112	111
Total non-current liabilities		49 869	25 028	49 869	25 028
Current liabilities					
Bonds issued	10	116	5 149	116	5 149
Trade and other payables	12	3 084	1 042	3 073	1 042
Payables to employees		24	7	-	7
Current tax liabilities		1	1	-	1
Total current liabilities		3 225	6 199	3 189	6 199
Total liabilities		53 094	31 227	53 058	31 227
Total equity & liabilities		156 627	96 240	156 590	96 240

Financial statements signed by electronic signature

Director of Management Company
Vilma Tvaronavičienė

Company's manager
Grėtė Bukauskaitė

Representative of company providing
accounting services
Virginija Skirmantė

Interim Statement of Profit or Loss and Other Comprehensive Income

Amounts are presented in thousand EUR, unless stated otherwise



	Notes	Group		Company	
		12 months to 31 December 2022 Unaudited	12 months to 31 December 2021 Audited	12 months to 31 December 2022 Unaudited	12 months to 31 December 2021 Audited
Income					
Net gain on financial assets at fair value through profit or loss	13	19 635	7 847	19 635	7 847
Other income	13	73	2	73	2
Dividend income	13	21	204	21	204
Total net income		19 729	8 053	19 729	8 053
Expenses					
Administrative expenses	14	(4 406)	(2 104)	(4 435)	(2 104)
Loss allowance on prepayments	4	(25)	-	(25)	-
Loss from deconsolidation of a subsidiary		(22)	-	-	-
Total expenses		(4 453)	(2 104)	(4 460)	(2 104)
Operating profit		15 276	5 949	15 269	5 949
Finance income					
Foreign exchange gain		1	-	1	-
Total finance income		1	-	1	-
Finance costs					
Interest expenses	15	(1 910)	(293)	(1 910)	(293)
Total finance costs		(1 910)	(293)	(1 910)	(293)
Profit before tax		13 367	5 656	13 360	5 656
Income tax		(3)	(1)	-	(1)
Profit after tax		13 364	5 655	13 360	5 655
Other comprehensive income (loss)					
Items that may be reclassified to profit or loss		-	-	-	-
Items that will not be reclassified to profit or loss		(3)	-	-	-
Total comprehensive income (loss)		13 361	5 655	13 360	5 655

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Virginija Skirmantė

Interim Statement of Cash Flows

Amounts are presented in thousand EUR, unless stated otherwise



	Notes	Group		Company	
		12 months to 31 December 2022 Unaudited	12 months to 31 December 2021 Audited	12 months to 31 December 2022 Unaudited	12 months to 31 December 2021 Audited
Profit after tax		13 364	5 655	13 360	5 655
Adjustments for:					
Net gain on financial assets at fair value through profit or loss	13	(19 635)	(7 847)	(19 635)	(7 847)
Net finance costs	15	1 910	293	1 910	293
Income tax expenses (income)		3	1	-	1
Dividends received	13	(21)	(204)	(21)	(204)
Loss allowance on prepayments	4	25	-	25	-
Loss from deconsolidation of a subsidiary		22	-	-	-
Working capital adjustments					
Decrease (increase) in trade and other receivables		(57)	(11)	(13)	(11)
Decrease (increase) in contract assets		-	8	-	8
Increase (decrease) in trade and other payables		2 211	996	2 023	996
Net cash flows from activities		(2 178)	(1 109)	(2 351)	(1 109)
Income taxes paid		(1)	-	-	-
Dividends received	13	21	33	21	33
Net cash flows from operating activities		(2 158)	(1 076)	(2 330)	(1 076)
Loans granted	1	(50 092)	(6 090)	(50 092)	(6 090)
Payment of interest on loans granted	1	836	539	836	539
Bonds acquired	1	(15 741)	(25 218)	(15 741)	(25 218)
Redeemed bonds	1	6 234	-	6 234	-
Payment of bonds interests	1	266	-	266	-
Acquisition of subsidiary and associate	1, 4	80	(128)	80	(128)
Sale of shares of subsidiary	1	3	-	3	-
Received amount from third party	3, 5	2 750	750	2 750	750
Issue of financial guarantees	2	(5 400)	-	(5 400)	-
Transfer of financial guarantees	2	3 750	-	3 750	-
Deconsolidation of subsidiary net of cash deconsolidated		(172)	-	-	-
Net cash flows from investing activities		(57 486)	(30 147)	(57 314)	(30 147)

Interim Statement of Cash Flows

Amounts are presented in thousand EUR, unless stated otherwise



(Continued)	Notes	Group		Company	
		12 months to 31 December 2022 Unaudited	12 months to 31 December 2021 Audited	12 months to 31 December 2022 Unaudited	12 months to 31 December 2021 Audited
Proceeds from issue of share capital	7	14 821	19 239	14 821	19 239
Proceeds from share premium	8	10 338	9 636	10 338	9 636
Bonds issued	10	27 000	30 000	27 000	30 000
Transaction costs related to bonds issued	10	(226)	(360)	(226)	(360)
Discount on bonds issued	10	(1 911)	-	(1 911)	-
Repayment of bonds principal	10	(5 173)	(1 209)	(5 173)	(1 209)
Repayment of bonds interest	10	(1 792)	(36)	(1 792)	(36)
Net cash flows from financing activities		43 057	57 270	43 057	57 270
Net change in cash and cash equivalents		(16 587)	26 047	(16 587)	26 047
Cash and cash equivalents at the beginning of the period		26 464	417	26 464	417
Effects of foreign exchange rate changes		-	-	-	-
Cash and cash equivalents at the end of the period		9 877	26 464	9 877	26 464

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Company's manager
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Representative of company providing
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Virginija Skirmantė

Interim Consolidated Statement of Changes in Equity

Amounts are presented in thousand EUR, unless stated otherwise



For the 12 months ended 31 December 2022	Issued capital	Share premium	Legal reserve	Retained earning	Total
Balance as at 1 January 2022 (audited)	40 063	10 790	124	14 036	65 013
Contributions and redemptions by holders of redeemable shares:					
- Issue of redeemable shares	14 821	10 338	-	-	25 159
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	14 821	10 338	-	-	25 159
Profit for the period	-	-	-	13 364	13 364
Other comprehensive income for the period	-	-	-	(3)	(3)
Transfers to legal reserve	-	-	283	(283)	-
Balance as at 31 December 2022 (unaudited)	54 884	21 128	407	27 114	103 533
Balance as at 1 January 2021 (unaudited)	20 824	1 154	-	8 505	30 483
Contributions and redemptions by holders of redeemable shares:					
- Issue of redeemable shares	19 239	9 636	-	-	28 875
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	19 239	9 636	-	-	28 875
Profit for the period	-	-	-	5 655	5 655
Other comprehensive income for the period	-	-	-	-	-
Transfers to legal reserve	-	-	124	(124)	-
Balance as at 31 December 2021 (audited)	40 063	10 790	124	14 036	65 013

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Interim Standalone Statement of Changes in Equity

Amounts are presented in thousand EUR, unless stated otherwise



For the 12 months ended 31 December 2022	Issued capital	Share premium	Legal reserve	Retained earning	Total
Balance as at 1 January 2022 (audited)	40 063	10 790	124	14 036	65 013
Contributions and redemptions by holders of redeemable shares:					
- Issue of redeemable shares	14 821	10 338	-	-	25 159
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	14 821	10 338	-	-	25 159
Profit for the period	-	-	-	13 360	13 360
Other comprehensive income for the period	-	-	-	-	-
Transfers to legal reserve	-	-	283	(283)	-
Balance as at 31 December 2022 (unaudited)	54 884	21 128	407	27 113	103 532
Balance as at 1 January 2021 (unaudited)	20 824	1 154	-	8 505	30 483
Contributions and redemptions by holders of redeemable shares:					
- Issue of redeemable shares	19 239	9 636	-	-	28 875
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	19 239	9 636	-	-	28 875
Profit for the period	-	-	-	5 655	5 655
Other comprehensive income for the period	-	-	-	-	-
Transfers to legal reserve	-	-	124	(124)	-
Balance as at 31 December 2021 (audited)	40 063	10 790	124	14 036	65 013

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I. General Information



UAB Atsinaujinančios energetikos investicijos (hereinafter referred to as the Company) was registered in the Register of Companies at Lviso g. 25, Vilnius on 15 March 2016. The Company has its registered office at Jogailos g. 4, Vilnius. The Company specializes in renewable energy infrastructure objects and related assets such as development of new renewable energy production sources. As investments to the renewables sector have shown an extensive growth potential the decision was made to transform the Company into a separate closed-end collective investment entity to provide investors an instrument to invest directly into renewable energy sector. Based on the decision of the Supervision Service of the Bank of Lithuania dated 14 December 2020, the Company was reorganised into UAB Atsinaujinančios energetikos investicijos, a closed-end investment company for informed investors (hereinafter – AEI), after the Supervision Service of the Bank of Lithuania had approved the Articles of Association of the Company. The Company started to operate as a closed-end investment company on 16 December 2020. The Company's data are accumulated and stored at the state enterprise Centre of Registers. The Company shall operate until 5 February 2026 with a possibility of extending the operation period for additional 2 years, upon which, the Company shall redeem the shares issues from its investors.

AEI is a limited liability private legal person having its economic and commercial, financial, and organisational independence. The Company is held liable for its liabilities only to the extent of its assets.

The objective of the AEI is, by offering its shares, to collectively invest the collected funds in renewable energy infrastructure objects and related assets such as renewable energy sources, energy efficiency projects, energy resources distribution and transmission networks and their storage facilities, etc. and seek to earn profit for its Shareholders. The redemption of the Company's shares shall be restricted up until the end of the Company's investment activities on 5 February 2026 or 5 February 2028 if the operation period shall be extended for an additional 2 years.

Interim condensed consolidated financial statements include two consolidating entities of the Group – AEI and UAB AEI Development (interim condensed consolidated financial statements as at 31 December 2021 and for the period ended 30 June 2022 included – AEI and UAB JTPG). Interim condensed standalone financial statements include AEI (interim condensed standalone financial statements as at 31 December 2021 included – AEI and UAB JTPG). In these financial statements, definition of Group is used to refer to, jointly, investment activities performed by AEI and provision of project management and consulting services by UAB AEI Development, and definition of Company is used to refer to, solely, investment activities performed by AEI. In these financial statements, explanatory notes with a reference “Group and Company” presents financial data of the Company, which coincides with the consolidated financial data of the Group.

I. General Information



Subsidiaries and associates

As at 31 December 2022 the Company had the following subsidiaries and associates:

	Country of domicile	Date of acquisition	Ownership, %	Segment of investment
UAB Saulės energijos projektai	Lithuania	2016-06-15	30%	Solar PV projects
Energy Solar Projekty Sp. z o.o.	Poland	2018-11-09	100%	Solar PV projects
PV Energy Projects Sp. z o.o.	Poland	2020-09-01	100%	Solar PV projects
UAB JTPG	Lithuania	2020-12-23	100%	Solar PV projects
UAB Ekoelektra	Lithuania	2021-04-21	50%	Onshore wind projects
UAB Žaliosios investicijos	Lithuania	2021-09-16	25%	Onshore wind projects
PL Sun Sp. z o.o.	Poland	2022-02-18	100%	Solar PV projects
UAB Atelda	Lithuania	2022-02-18	100%	Onshore wind projects
UAB KNT Holding	Lithuania	2022-03-16	50%	Hybrid projects
Zalais Speks SIA	Latvia	2022-03-29	50%	Onshore wind projects
UAB Nimela	Lithuania	2022-05-13	100%	Hybrid projects
UAB AEI Development	Lithuania	2022-07-04	100%	-
UAB Rineila	Lithuania	2022-09-05	100%	Onshore wind projects

On 1 August 2022, newly established subsidiary UAB AEI Development has taken over the provision of project management and consulting services from subsidiary UAB JTPG. UAB JTPG has started to carry out activities in relation to development of wind parks. Due to changes in activities of entities of the Group, it was decided to deconsolidate subsidiary UAB JTPG and consolidate UAB AEI Development. Deconsolidation of subsidiary UAB JTPG results in a loss of EUR 22 thousand which was recognized under expenses category in the Group's Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2022.

The subsidiary UAB AEI Development provides project management and consulting services to the Company, therefore its' financial results are consolidated in consolidated financial statements. In standalone financial statements investment in subsidiary UAB AEI Development is measured at cost.

Other Group companies specialize in the production of energy from renewable energy resources, these companies are measured at fair value through profit or loss and are not consolidated.

I. General Information



The Company is managed by UAB LORDS LB Asset Management (hereinafter – the Management Company), set up and registered on 8 September 2008, company code 301849625, having its registered office at: Jogailos g. 4, Vilnius, Lithuania. Data on the Management Company are accumulated and stored in the Register of Legal Entities of the Republic of Lithuania.

By the decision of the Securities Commission of the Republic of Lithuania of 23 December 2008, UAB LORDS LB Asset Management was issued Licence No. VJK – 016 to engage in the activities of management companies operating under the Law on Collective Investment Undertakings of the Republic of Lithuania. By Decision No. 03-201 of the Board of the Bank of Lithuania dated 5 December 2013 the Management company's Licence No. VJK – 016 was expanded and it was granted the right to manage collective investment undertakings established under the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania. On 23 June 2015, the Management Company was issued Licence No. 1 to engage in the activities of the management company operating under the Law on Management Companies of Collective Investment Undertakings Intended for Qualified Investors.

II. Basis of Preparation and Statement of Compliance with IFRS



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II. Basis of Preparation and Statement of Compliance with IFRS



The interim condensed consolidated and standalone financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted by the European Union, and consists of condensed consolidated and standalone financial statements and selected explanatory notes.

The accounting policies and methods of computation used in the preparation of the interim report are the same as the accounting policies and methods of computation used in the annual report for the year ended 31 December 2021, which comply with the International Financial Reporting Standards, as adopted by the European Union (IFRS EU).

The information contained in the interim condensed consolidated and standalone financial statements has not been audited or otherwise verified by auditors and do not contain the entire range of information required for the preparation of complete financial statements. The condensed consolidated and standalone interim financial statements should be read in conjunction with the Annual Report prepared for the year ended 31 December 2021, which has been prepared in accordance with IFRS EU.

The applicable accounting policies have not changed compared to the previous financial year.

The financial figures of the condensed consolidated and standalone interim financial statements have been presented in thousand euros, unless otherwise indicated.



1. Investment assets at fair value through profit or loss

The Company meets the definition of an investment entity, therefore it does not consolidate its subsidiaries and associates (except management entity UAB AEI Development), but recognizes them as investments at fair value through profit or loss. Further, the Company holds both controlling interest in equity shares and debt instrument issued by the subsidiaries and associates. From a business strategy perspective, the Company rarely, if ever, would enter a transaction to sell one financial asset, e.g., equity shares, without the other, e.g., debt instrument. In addition, neither the debt nor the equity shares are traded in an active market. The Company's investments in loans granted is not a Company's separate substantial operating activity but are granted for the sole purpose of capital appreciation purposes in accordance with IFRS 10. Therefore, the Company aggregates its investments in subsidiaries and associates as a one financial asset in order to best present the fair value of the investment as a whole. The Group's and the Company's aggregated financial assets at a fair value are presented in the table below:

Group and Company

	31 December 2022	31 December 2021
Energy Solar Projekty Sp. z o.o.		
Initial investment in shares	1	1
Long term loan granted	14 950	14 950
Interest on loan granted	3 209	2 860
Fair value adjustment on investments in shares	5 354	8 858
Total investment in equity and debt instrument	23 514	26 669
PV Energy Sp. z o.o.		
Initial investment in shares	1	1
Long term loan granted	44 024	7 365
Interest on loan granted	2 501	420
Fair value adjustment on investments in shares	2 752	5 990
Total investment in equity and debt instrument	49 278	13 776
PL Sun Sp. z o.o.		
Initial investment in shares	3	-
Long term loan granted	13 230	-
Interest on loan granted	802	-
Fair value adjustment on investments	(1 269)	-
Total investment in equity and debt instrument	12 766	-

III. Notes



Group and Company

(Continued)

	31 December 2022	31 December 2021
UAB Atelda		
Initial investment in shares	3	-
Fair value adjustment on investments in shares	(3)	-
Total investment in equity and debt instrument	-	-
UAB Nimela		
Initial investment in shares	4	-
Bonds principal acquired	3 010	-
Bonds interest accrued	167	-
Fair value adjustment on investments	(187)	-
Total investment in equity and debt instrument	2 994	-
UAB Rineila		
Initial investment in shares	3	-
Fair value adjustment on investments in shares	(3)	-
Total investment in equity and debt instrument	-	-
UAB JTPG		
Initial investment in shares	3	-
Fair value adjustment on investments in shares	11	-
Total investment in equity and debt instrument	14	-
Total investment in Subsidiaries	88 566	40 445
UAB Saulės energijos projektai		
Initial investment in shares	1 504	1 504
Fair value adjustment on investments in shares	(1 012)	(506)
Total investment in equity and debt instrument	492	998

III. Notes



Group and Company

(Continued)

	31 December 2022	31 December 2021
UAB Žaliosios investicijos		
Initial investment in shares	7 210	1
Bonds principal acquired	22 775	24 625
Bonds interest accrued	41	136
Fair value adjustments on investment	22 920	(34)
Total investment in equity and debt instrument	52 946	24 728
UAB Ekoelektra		
Initial investment in shares	1	3
Bonds principal acquired	331	593
Bonds interest accrued	34	32
Fair value adjustments on investment	(325)	(118)
Total investment in equity and debt instrument	41	510
Zalais Speks SIA		
Initial investment in shares	1	-
Long term loan granted	203	-
Interest on loan granted	17	-
Fair value adjustments on investment	(159)	-
Total investment in equity and debt instrument	62	-
UAB KNT Holding		
Initial investment in shares	1	-
Bonds principal acquired	2 991	-
Bonds interest accrued	66	-
Fair value adjustment on investments	(257)	-
Total investment in equity and debt instrument	2 801	-
Total investment in Associates	56 342	26 236
Total investment assets at fair value through profit or loss	144 908	66 681

III. Notes



Movements in the fair value of the Group's and Company's investments in equity and debt instruments of subsidiaries and associates for the financial year ended 31 December 2022 are presented in the tables below.

Group and Company

	Fair value as at 1 January 2022	Acquisition of asset (+) / Sale of asset (-)	Interest paid	Increase (decrease) in fair value of assets	Fair value as at 31 December 2022
Investments in equity and debt instruments of subsidiaries:					
Energy Solar Projekty Sp. z o.o.	26 669	-	(939)	(2 216)	23 514
PV Energy Sp. z o.o.	13 776	33 659	-	(1 157)	49 278
PL Sun Sp. z o.o	-	13 233	-	(467)	12 766
UAB Atelda	-	3	-	(3)	-
UAB Nimela	-	3 014	-	(20)	2 994
UAB Rineila	-	3	-	(3)	-
UAB JTPG	-	3	-	11	14
Total	40 445	52 915	(939)	(3 855)	88 566
Investments in equity and debt instruments of associates:					
UAB Saulės enerģijas projektai	998	-	-	(506)	492
UAB Žaliosios investicijos	24 728	5 360	(1 591)	24 449	52 946
UAB Ekoelektra	510	(263)	(39)	(167)	41
Zalais Speks SIA	-	204	-	(142)	62
UAB KNT Holding	-	2 992	(227)	36	2 801
Total	26 236	8 293	(1 857)	23 670	56 342

As at 31 December 2022 and 31 December 2021, fair value of the investments in equity and debts instruments of subsidiaries and associates of Group (acquired until valuation date) is accounted for based on the valuation reports of an independent appraiser. Fair value of investments as at 31 December 2022 is accounted based on report dated 23 December 2022 (with the valuation of assets as of 31 October 2022), and, fair value of investments as at 31 December 2021 is accounted based on report dated 18 February 2022 (with the valuation of assets as of 31 October 2021).

The Management concluded that from the date of valuation of investment (31 October 2022) until the end of reporting period (31 December 2022) there were no circumstances or events which could have significant impact on the fair value of investment. Therefore, fair value of the investments in equity and debt instruments of subsidiaries and associates of the Group as of 31 December 2022 is accounted at the values from the reports of an independent appraiser.

III. Notes



For the valuation of assets as of 31 October 2022, income approach was selected by an independent appraiser as a valuation method for investments in subsidiaries Energy Solar Projekty Sp. z o.o., PV Energy Sp. z o.o., PL SUN Sp. z o.o. and associates UAB Žaliosios investicijos and UAB Saulės energijos projektai, as development of projects of these entities were started, were in further development stages and for some operating activities already started. Net asset approach was selected as a valuation method for investments in subsidiaries UAB Atelda, UAB Rineila, UAB Nimela, UAB JTPG, UAB AEI Development and associates UAB Ekoelektra, UAB KNT Holding and Zajais Spėks SIA, as entities did not have significant operations or their projects were at an early stage of development at valuation date.

As at 31 October 2022, value of investments in shares of subsidiary Energy Solar Projekty Sp. z o.o. have decreased compared to value as at 31 October 2021. Increase in Polish risk-free rate during year 2022, was one of the primary factors that, respectively, led to a significant increase in weighted average cost of capital (hereinafter - WACC) in Polish asset valuation. Due to increase in WACC and other corresponding valuation assumptions, compared to the previous valuation of the Group's shares, decrease in subsidiary's Energy Solar Projekty Sp. z o.o. shares value was noted.

Due to slight changes in WACC, the Group has recognized fair value adjustments on investments in shares of PV Energy Sp z o.o. and PL Sun Sp. z o.o. reflecting a smaller increase in fair value of investments in subsidiaries on an aggregated basis.

As at 31 October 2022, fair value of investments in shares of associate Žaliosios Investicijos UAB has increased. It already had several wind turbines working in year 2022 and the rest of turbines are planned to start operations in year 2023. On 20 December 2022, according to decision of shareholders of the entity, share capital of UAB Žaliosios investicijos was increased by issuing 7 209 121 units of shares with nominal value of EUR 1 each. Increase in share capital has contributed to an overall increase in the fair value of investments in shares. Based on valuation report, decrease in fair value of bonds of Žaliosios Investicijos UAB was reported to reflect increase in Lithuanian risk-free rates, however as the Group measures investments at fair value on an aggregated basis, the Group recognizes a fair value adjustment reflecting a smaller increase in the fair value of aggregated investments in both, debt and equity, instruments of associate Žaliosios Investicijos UAB.

Based on the Group's asset valuation report of an independent appraiser, shares of subsidiaries UAB Atelda, UAB Nimela, UAB Rineila, as well as, shares of associate's UAB KNT Holding, UAB Ekoelektra and SIA Zalais Speks were valued as EUR 1 each, as companies did not have any real estate, shares, or any other marketable asset and were in early stage of development.

Fair value of investments in equity and debt instruments of subsidiaries and associates depends on the assessment of the assets that are managed by the entities themselves. As required by IFRS 13, the fair value of the investment shall represent the most accurate fair value of an investment to the reporting date.

One of the subsidiaries Energy Solar Projekty Sp. z o.o. has a loan with certain restrictions that need to be met before transferring funds to the Investment entity for Historic Average debt service coverage ratio (ADSCR), Prospective ADSCR, Loan Life Coverage Ratio (LLCR), full repayment of Debt Service due, the amount standing to the credit of the Debt Service Reserve account and of the Maintenance Reserve Account.

During the year ended on the 31 December 2022 and 31 December 2021, the Group did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.



Bonds acquired

On 22 November 2021 the Group signed the bond subscription agreement with UAB Žaliosios investicijos under which the Group agreed to subscribe and purchase an amount of 25 000 000 units of non-convertible bonds with nominal value of EUR 1 per each. On 18 November 2022 the Group has signed amendment to the bond subscription agreement and agreed to subscribe and purchase an amount of total 30 000 000 units of non-convertible bonds with nominal value of EUR 1 per each. As at 31 December 2022 the Group has purchased 28 393 750 units of the subscribed bonds with the total value of EUR 28 394 thousand (as at 31 December 2021 has purchased 24 625 000 units). The redemption date of the bond shall be 31 December 2052.

On 14 February 2022 the Group signed bond agreement with UAB Ekoelektra and acquired a total amount of 331 000 bonds with the issue price of EUR 1 each during reporting year. Bonds acquired are issued with interest rate of 12% and maturity date of 5 January 2028. The Group subscribed to a total amount of 3 000 000 bonds and based on the agreement has the right to acquire the rest of the bonds until 31 March 2026.

On 11 April 2022 the Group signed bond agreement with UAB KNT Holding and acquired a total amount of 5 641 000 bonds with the issue price of EUR 1 each during reporting year. Bonds acquired are issued with interest rate of 12% and maturity date of 5 February 2026. The Group subscribed to a total amount of 40 000 000 bonds and based on the agreement has the right to acquire the rest of the bonds until 5 February 2026. On 27 October 2022 UAB KNT Holding has redeemed outstanding amount of bonds (EUR 5 641 thousand) and outstanding payable interest on bonds (EUR 227 thousand) based on agreement signed on 11 April 2022.

On 18 July 2022 the Group signed bond agreement with UAB Nimela and acquired a total amount of 3 010 000 bonds with the issue price of EUR 1 each during reporting year. Bonds acquired are issued with interest rate of 12% and maturity date of 5 February 2026. The Group subscribed to a total amount of 30 000 000 bonds and based on the agreement has the right to acquire the rest of the bonds until 5 February 2026.

On 27 October 2022 the Group signed bond agreement with UAB KNT Holding and acquired a total amount of 2 990 466 bonds with the issue price of EUR 1 each during reporting year. Bonds acquired are issued with interest rate of 12% and maturity date of 5 January 2028. The Group subscribed to a total amount of 20 000 000 bonds and based on the agreement has the right to acquire the rest of the bonds until 31 March 2026.

According to the agreements the bonds may be subordinated with regards to the bank when associated enters into financing agreement. In this case the Group shall provide the consent in writing for such subordination and the redemption of the bonds or payment of interest shall only be permitted with prior consent from the bank or when all obligations to the bank had been fully fulfilled.

The carrying amount and accrued interests of bonds acquired as at 31 December 2022 and as at 31 December 2021 are provided in the table below.

Group and Company

Borrower	Bonds agreement date	Contractual interest rate	Maturity date	As at 31 December 2022		As at 31 December 2021	
				Carrying amount and accrued interests	Fair value of bonds and interest accrued	Carrying amount and accrued interests	Fair value of bonds and interest accrued
UAB Ekoelektra	2021-05-03	8,50%	2028-01-05	-	-	625	510
UAB Žaliosios investicijos	2021-11-23	6,00%	2052-12-31	22 816	22 816	24 761	24 727

III. Notes



Group and Company

(Continued)

Borrower	Bonds agreement date	Contractual interest rate	Maturity date	As at 31 December 2022		As at 31 December 2021	
				Carrying amount and accrued interests	Fair value of bonds and interest accrued	Carrying amount and accrued interests	Fair value of bonds and interest accrued
UAB Ekoelektra	2022-02-14	12,00%	2028-01-05	365	41	-	-
UAB KNT Holding	2022-10-27	12,00%	2026-02-05	3 057	2 801	-	-
UAB Nimela	2022-07-18	12,00%	2026-02-05	3 177	2 994	-	-

Group and Company

Borrower	31 December 2022	31 December 2021
Bonds principal acquired of UAB Žaliosios investicijos	22 775	24 625
Bonds interest accrued of UAB Žaliosios investicijos	41	136
Fair value adjustments on bonds acquired of UAB Žaliosios investicijos	-	(34)
Bonds principal acquired of UAB Ekoelektra	331	593
Bonds interest accrued of UAB Ekoelektra	34	32
Fair value adjustments on bonds acquired of UAB Ekoelektra	(324)	(115)
Bonds principal acquired of UAB KNT Holding	2 991	-
Bonds interest accrued of UAB KNT Holding	66	-
Fair value adjustments on bonds acquired of UAB KNT Holding	(256)	-
Bonds principal acquired of UAB Nimela	3 010	-
Bonds interest accrued of UAB Nimela	167	-
Fair value adjustments on bonds acquired of UAB Nimela	(183)	-
Total bonds and interest accrued:	28 652	25 237

Loans granted

Table below presents the principal loan amounts provided to the Subsidiaries and Associates and accrued interest at certain reporting dates:

Group and Company

Borrower	31 December 2022	31 December 2021
Long term loan granted to Energy Solar Projekty Sp. z o.o.	14 950	14 950
Interest on loan granted to Energy Solar Projekty Sp. z o.o.	3 209	2 860
Long term loan granted to PV Energy Sp. z o.o.	44 024	7 365
Interest on loan granted to PV Energy Sp. z o.o.	2 501	420
Long term loan granted to PL Sun Sp. z o.o.	13 230	-
Interest on loan granted to PL Sun Sp. z o.o.	802	-
Fair value adjustments on loan granted to PL Sun Sp. z o.o.	(1 266)	-
Long term loan granted to Zalais Speks SIA	203	-
Interest on loan granted to Zalais Speks SIA	17	-
Fair value adjustments on loan granted to Zalais Speks SIA	(158)	-
Total loans granted	77 512	25 595

During the year ended 31 December 2022 the Group made instalments according to the loan agreement (4) of EUR 15 500 thousand to PV Energy Projects Sp. z o.o. providing full amount of the loan that agreement was signed for.

During the year ended 31 December 2022 the Group made instalments according to the loan agreement (5) of EUR 21 159 thousand to PV Energy Projects Sp. z o.o. Based on the terms specified in the loan agreement the Group undertakes obligation to provide a loan in a total amount of EUR 36 600 thousand until 31 December 2023.

On 28 February 2022, the Group signed loan agreement with subsidiary PL Sun Sp. z o.o. under which undertook the obligation to provide loan in a total amount of EUR 19 000 thousand. During the year ended 31 December 2022, instalments of EUR 12 310 thousand were made.

On 29 July 2022, the Group signed loan agreement with subsidiary PL Sun Sp. z o.o. under which undertook the obligation to provide loan in a total amount of EUR 1 980 thousand. During the year ended 31 December 2022, instalments of EUR 1 280 thousand were made.

On 7 December 2022 the Group signed loan agreement with subsidiary PL Sun Sp. z o.o. under which undertook the obligation to provide loan in a total amount of EUR 1 314 thousand. During the year ended 31 December 2022, instalments of EUR 920 thousand were made.

On 28 April 2022 the Group signed loan agreement with associate Zalais Speks SIA under which undertook the obligation to provide loan in a total amount of EUR 203 thousand. During the year ended 31 December 2022 an instalment of EUR 203 thousand was made.

III. Notes



As at 31 December 2022, fair value adjustment on loans granted to PL Sun Sp. z o.o. and Zalais Speks SIA were recognized based on the valuation report with valuation of assets as at 31 October 2022 and due to decrease in value of shares of PL Sun Sp. z o.o. and Zalais Speks SIA.

The carrying amounts and accrued interests of the loans granted as at 31 December 2022:

Group and Company

Borrower	Loan date	Contractual interest rate	Maturity date	Carrying amount and accrued interests	Fair value of loans and interests accrued
Energy Solar Projekty Sp. z o.o.	2019-05-31	8,50%	2026-01-05	18 159	18 159
PV Energy Projects Sp. z o.o. (1)	2020-10-01	8,50%	2026-01-05	1 619	1 619
PV Energy Projects Sp. z o.o. (2)	2021-03-18	8,50%	2026-01-05	5 087	5 087
PV Energy Projects Sp. z o.o. (3)	2021-06-02	8,50%	2026-01-05	1 713	1 713
PV Energy Projects Sp. z o.o. (4)	2021-09-09	8,50%	2026-01-05	16 340	16 340
PV Energy Projects Sp. z o.o. (5)	2022-06-20	8,50%	2026-01-05	21 766	21 766
PL Sun Sp. z o.o. (1)	2022-02-28	8,50%	2026-01-05	11 773	10 536
PL Sun Sp. z o.o. (2)	2022-07-29	8,50%	2026-01-05	1 291	1 280
PL Sun Sp. z o.o. (3)	2022-12-07	14,00%	2026-01-05	968	950
Zalais Speks SIA	2022-04-28	12,00%	2028-01-05	220	62

The carrying amounts and accrued interests of the loans granted as at 31 December 2021:

Group and Company

Borrower	Loan date	Contractual interest rate	Maturity date	Carrying amount and accrued interests	Fair value of loans and interests accrued
Energy Solar Projekty Sp. z o.o.	2019-05-31	8,50%	2026-01-05	17 810	17 810
PV Energy Projects Sp. z o.o. (1)	2020-10-01	8,50%	2026-01-05	1 501	1 501
PV Energy Projects Sp. z o.o. (2)	2021-03-18	8,50%	2026-01-05	4 701	4 701
PV Energy Projects Sp. z o.o. (3)	2021-06-02	8,50%	2026-01-05	1 583	1 583

2. Financial guarantees

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
As at period start	-	-	-	-
Financial guarantees	1 650	-	1 650	-
At at period end	1 650	-	1 650	-

During the year ended 31 December 2022 the Group made instalments in total amount of EUR 5 400 thousand for receiving of bank guarantees. On 3 August 2022, the Group has applied for an amendment of one of the financial guarantees based on which full amount of the guarantee (EUR 3 750 thousand) was transferred to UAB KNT Holding. As at 31 December 2022 and after a transfer of one of the financial guarantees, remaining balance of financial guarantees is EUR 1 650 thousand.

Bank guarantees are intended to confirm that subsidiaries would perform their obligation under agreements related with investing in solar and wind farm infrastructure. Under the confirmation letter a bank is obligated to pay to the beneficiary amounts upon receipt of payment demand, whereas the payable amount cannot exceed funds paid by the Group indicated above. The bank guarantees are valid until 31 July 2025.

3. Other non-current receivables at fair value through profit or loss

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Receivable from a third party	-	1 998	-	1 998
Fair value adjustment on the receivable from a third party	-	85	-	85
Total non-current receivables at fair value through profit or loss	-	2 083	-	2 083

On 21 January 2020, the Group sold the shares and loans it held in AS Agro Lestene and AS Zalas Zemes Energija to a third party, for which the third party will settle by instalments. The receivable amount from a third party was assessed in the valuation reports of an independent appraiser (dated 3 July 2021, with the valuation of assets as at 31 May 2021) for which the fair value was calculated. The decrease in the fair value of the receivable amount was accounted due to the difference between the carrying amount and the selling price.

On 22 May 2022, the Group and the third party signed an agreement to sell receivable amount from the third party and on 2 June 2022, the receivable amount was fully paid.

III. Notes



Group and Company

	Fair value as at 1 January 2022	Increase (+) / Decrease (-) of receivable amount	Increase (decrease) in fair value of receivable amount	Repaid amount	Fair value as at 31 December 2022
Receivable from a third party	2 083	-	(183)	(1 900)	-

4. Prepayments

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Prepayments	50	150	50	150
Loss allowance on prepayments	(25)	-	(25)	-
Total prepayments	25	150	25	150

Group and Company

	As as at 1 January 2022	Increase (decrease) in loss allowance on prepayments	Repaid amount	As at 31 December 2022
Prepayments	150	(25)	(100)	25

On 12 December 2022 the Group signed agreement on mutual commitments netting with UAB KNT Holding and seller of shares of UAB Troškūņu vējas. Based on the agreement UAB KNT Holding has confirmed acquisition of shares of UAB Troškūņu vējas and transferred EUR 100 thousand to the Group in regards to prepayments for the shares Group made in previous year.

As at 31 December 2022 prepayments made by the Group consist of prepayments for the shares of UAB Raguvēlēs vējas and UAB Pakruojo vējas. Loss allowance on prepayment for the shares of UAB Pakruojo vējas is recognized as Management is no longer expecting to acquire entity and considers the probability of continuing development of UAB Pakruojo vējas project to be very low.

5. Other current receivables at fair value through profit or loss

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Current share of receivable from third party at fair value through profit or loss	-	850	-	850
Total other current receivables at fair value through profit or loss	-	850	-	850

As at 31 December 2022 the Group's current share of the receivable from a third party was fully paid. As at 31 December 2021 EUR 850 thousand receivable refers to the receivable amount for shares and loans sold, previously held in AS Agro Lestene and AS Zalas Zemes Energija (refer to note 3).

6. Cash and cash equivalents

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash	9 877	26 464	9 877	26 464
Total cash and cash equivalents	9 877	26 464	9 877	26 464

As at 31 December 2022 and 31 December 2021 all cash balances have a low credit risk at the reporting date and the impairment loss determined on 12-month expected credit losses is resulted in an immaterial amount.

As at 31 December 2022 and 31 December 2021 the Group's cash was held at bank accounts:

- AB SEB bankas;
- AB Šiaulių bankas;
- AS Citadele banka Lietuvos filialas.

The credit risk associated with bank balances is limited as the Group conducts transactions with banks with high long-term debt ratings issued by foreign rating agencies. Bank ratings are given below:

Group and Company	Moody's	Standard & Poor's
AB SEB bankas	AA3	A+
AB Šiaulių bankas	BAA2	-
AS Citadele banka Lietuvos filialas	BAA2	-

III. Notes



Net debt reconciliation for the financial year ended 31 December 2022 is as follows:

Group and Company	Liabilities from financing activities	Cash and cash equivalents	Total
Net debt as at 1 January 2022	(30 177)	26 464	(3 713)
Operating and investment cash flows	(1 910)	(59 644)	(61 554)
Proceeds from issue of share capital	-	14 821	14 821
Proceeds from share premium	-	10 338	10 338
Bonds issued	(27 000)	27 000	-
Repayment of bonds	5 173	(5 173)	-
Repayment of bonds interest	1 792	(1 792)	-
Transaction costs related to bonds issue	226	(226)	-
Discount on bonds issued	1 911	(1 911)	-
Net debt as at 31 December 2022	(49 985)	9 877	(40 108)

7. Issued capital

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Authorised share capital fully paid	54 884	40 063	54 884	40 063
Total issued capital	54 884	40 063	54 884	40 063

As at 31 December 2022, the Group's authorised share capital amounted to EUR 54 884 thousand and was comprised of 54 884 151 ordinary shares of EUR 1 each (as at 31 December 2021 – EUR 40 063 thousand).

For the financial year ended 31 December 2022 and 31 December 2021 reconciliation of the number of shares issued and outstanding is provided in the table below:

Group and Company	31 December 2022	31 December 2021
As at period start	40 063	21 165
Issue of ordinary shares	14 821	18 898
As at period end	54 884	40 063

8. Share premium

Group and Company

	31 December 2022	31 December 2021
As at period start	10 790	1 154
Share premium	10 338	9 636
As at period end	21 128	10 790

9. Legal reserve

The legal reserve is mandatory in accordance with the legal acts of the Republic of Lithuania. It is mandatory to transfer to the legal reserve each year at least 5% of net profit calculated in accordance with the Lithuanian accounting principles until the reserve reaches 10% of the authorised capital. As at 31 December 2022 legal reserve is amounted to EUR 407 thousand (as at 31 December 2021 – EUR 124 thousand).

10. Bonds issued

Group and Company

	31 December 2022	31 December 2021
Non-current liabilities		
Bonds principal issued	67 000	40 000
Bonds principal repaid	(15 000)	(14 827)
Bonds interest accrued	1 973	1 964
Bonds interest paid	(1 973)	(1 963)
Amortized costs of bonds issue	(450)	(257)
Amortized discount on bonds issued	(1 793)	-
Total non-current liabilities	49 757	24 917
Current liabilities		
Bonds principal issued	5 000	5 000
Bonds principal paid	(5 000)	-
Bonds interest accrued	1 991	218
Bonds interest paid	(1 875)	-
Amortized costs of bonds issue	-	(69)
Total current liabilities	116	5 149
Total bonds issued	49 873	30 066

III. Notes



On 13 May 2022, the Group redeemed EUR 5 000 thousand of bonds with accrued interest of EUR 250 thousand based on agreements with External lenders (1), (2) and (3) signed on 12 May 2021.

During the year ended 31 December 2022, the Group redeemed EUR 173 thousand outstanding amount of bonds and EUR 10 thousand outstanding payable interest on bonds based on the agreement with Shareholder (1) signed on 1 June 2019.

During the year ended 31 December 2022, based on Green Bonds agreement, the Group has issued new emissions of bonds in total amount of EUR 27 000 thousand with 5,00 % of fixed coupon interest rate and maturity date of 14 December 2025. Issue price of new emissions of bonds is lower than nominal value of bonds, therefore discount on bonds was recognized and will be amortized over the term of the bonds issued.

During the year ended 31 December 2022, based on Green Bonds agreement, the Group has paid to investors EUR 1 625 thousand of fixed coupon interest.

The Group carefully monitors the market interest rates, therefore fixed interest rates that are determined in the bond and loan agreements the Group concluded with its subsidiaries, associates or external / third parties are set considering the interests rates that are applicable in the market at the time of undertaking the liability.

Changes in the amortized cost value of the Group's liabilities from bonds for the financial year ended 31 December 2022 is presented in the table below:

Group and Company

	As at 1 January 2022	Proceeds from bonds issued	Repayment of bonds issued	Interest accrued	Interest paid	Amortized costs of bonds issue	As at 31 December 2022
Shareholder (1)	174	-	(173)	9	(10)	-	-
Green bonds	24 732	27 000	-	1 683	(1 625)	(1 917)	49 873
External lender 1	3 096	-	(3 000)	54	(150)	-	-
External lender 2	1 032	-	(1 000)	18	(50)	-	-
External lender 3	1 032	-	(1 000)	18	(50)	-	-
Total liabilities	30 066	27 000	(5 173)	1 782	(1 885)	(1 917)	49 873

Details and outstanding balances of bonds issued based on each of the bond agreement as at 31 December 2022 and 31 December 2021 are provided below:

III. Notes



Group and Company

Lender	Bond issue date	Interest rate	Maturity date	Outstanding balance as at 31 December 2022	Outstanding balance as at 31 December 2021
Greens Bonds	2021-12-15	5,00%	2025-12-14	49 873	24 732
Principal amount:				52 000	25 000
Interest accrued:				1 741	58
Interest paid:				(1 625)	-
Amortized costs of bonds issue:				(450)	(326)
Amortized discount on bonds issued:				(1 793)	-
External lender 1	2021-05-12	5,00%	2022-05-13	-	3 096
Principal amount:				3 000	3 000
Principal amount repaid:				(3 000)	-
Interest accrued:				150	96
Interest repaid:				(150)	-
External lender 2	2021-05-12	5,00%	2022-05-13	-	1 032
Principal amount:				1 000	1 000
Principal amount repaid:				(1 000)	-
Interest accrued:				50	32
Interest repaid:				(50)	-
External lender 3	2021-05-12	5,00%	2022-05-13	-	1 032
Principal amount:				1 000	1 000
Principal amount repaid:				(1 000)	-
Interest accrued:				50	32
Interest repaid:				(50)	-
Shareholder	2019-06-01	8,50%	2026-01-05	-	174
Principal amount:				15 000	15 000
Principal repaid:				(15 000)	(14 827)
Interest accrued:				1 973	1 964
Interest repaid:				(1 973)	(1 963)

Compliance with Financial covenants

Under the terms of the Green Bonds agreement the Group is obligated to comply with financial covenants as listed below:

- Minimum liquidity requirement of EUR 1 500 thousand;
- Equity ratio 50% or greater;
- Leverage ratio 75% or lower.

In addition to the financial covenants following conditions are set in the agreement:

- No event of default has occurred as at the end data of reporting period;
- No change of nature of business, disposal of assets, negative pledge, limits on dividends, financial indebtedness restrictions has occurred;
- Other conditions set in the Green bonds agreement such as publication of audited consolidated annual financial statements, quarterly interim consolidated unaudited financial statements each of direct subsidiary or direct associated companies.

For the financial year ended 31 December 2022, the Group complies with financial covenants set out in terms of Green Bonds agreement.

11. Loans received

Group and Company

	31 December 2022	31 December 2021
Principal amount	992	992
Principal repaid	(980)	(980)
Interest accrued	100	99
Total loans received	112	111

The Group made the assessment that contractual interest rates are in line with the effective interest rate and the nominal value of received loans correctly reflect the amortized cost of financial liabilities. The Group carefully monitors the market interest rates, therefore fixed interest rates that are determined in the bond and loan agreements the Group concluded with its subsidiaries, associates or external / third parties are set considering the interests rates that are applicable in the market at the time of undertaking the liability.

Changes in the amortised value of the Group's liabilities from loans for the financial year ended 31 December 2022 are presented in the table below:

Group and Company

Lender	As at 1 January 2022	Proceeds from loans received	Repayment of loans received	Interest accrued	Interest paid	As at 31 December 2022
UAB Saulės energijos projektai	111	-	-	1	-	112

III. Notes



Details and outstanding balances of loans received based on each of the loan agreement that the Group had as at 31 December 2022 and 31 December 2021 are provided below:

Group and Company

Lender	Loan date	Interest rate	Maturity date	Outstanding balance as at 31 December 2022	Outstanding balance as at 31 December 2021
UAB Saulės energijos projektai	2016-06-30	3,00 %	2025-06-30		
Principal amount:				992	992
Principal repaid:				(980)	(980)
Interest accrued:				100	99
Total:				112	111

12. Trade and other payables

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Accrued success fee	2 503	630	2 503	630
Payable to Management Company	312	243	312	243
Accrued expenses	166	130	166	130
Trade payables	68	16	67	16
Payable to depository	26	13	25	13
VAT payable	9	10	-	10
Total trade and other payables	3 084	1 042	3 073	1 042

As at 31 December 2022 the Group and Company has accrued expenses in amount of EUR 166 thousand (as at 31 December 2021 – EUR 130 thousand), which mainly relates to legal and transactional costs related to issued bonds, valuation, accounting services, audit expenses and securities accounting expenses. The Company's net return on investment exceeded 8 % hurdle rate at 31 December 2021 and at 31 December 2022, therefore success fee was accrued according to the Prospectus of Company.

13. Income

	Group		Company	
	12 months to 31 December 2022	12 months to 31 December 2021	12 months to 31 December 2022	12 months to 31 December 2021
Net gain on investments in equity and debt instruments at fair value through profit or loss (Note 1)	19 818	7 690	19 818	7 690
Other income	73	2	73	2
Dividend income	21	204	21	204
Net loss on other non-current receivables at through profit or loss (Note 3)	(183)	157	(183)	157
Total income	19 729	8 053	19 729	8 053

The Group measures its investments at fair value through profit or loss on an aggregated basis. The Group's net gain recognized for the financial year ended 31 December 2022 has increased due to a significant growth of fair value of its investments (refer to Note 1).

14. Administrative expenses

	Group		Company	
	12 months to 31 December 2022	12 months to 31 December 2021	12 months to 31 December 2022	12 months to 31 December 2021
Success fee	1 873	631	1 873	631
Management fee	1 064	631	1 064	631
Employment related costs	405	215	-	215
Valuation services	186	53	186	53
Consulting services	185	95	758	95
Development and management costs of investment objects	183	85	118	85
Legal expenses	122	175	119	175
Depository expenses	90	42	88	42
Accounting services	90	59	82	59
Bank charges	61	9	61	9
Office maintenance expenses	49	20	2	20
Audit expenses	37	33	37	33
Other administrative expenses	61	56	47	56
Total expenses	4 406	2 104	4 435	2 104



Exceeded hurdle rate of net return on investment led to accrual of success fee expenses in the year ended 31 December 2022 and 31 December 2021.

15. Finance costs

Group and Company

	12 months to 31 December 2022	12 months to 31 December 2021
Interest expenses on bonds issued	1 806	255
Transaction fee	103	34
Interest expenses on loans received	1	4
Total finance costs	1 910	293

The increase of interest expenses on bonds issued in comparison to the 12 months interim period of 2021 is related with the issue of Green bonds on 14th December 2021 and estimated interest expenses under agreement.

16. Segment information

Operating reportable segments of the Group are separated on the basis of each consolidated entity, as chief operating decision-maker (hereinafter - CODM) monitors performance of Group entities and makes decisions about resources based on results of Group entities separately.

The Group provides two type of services, which are identified as its reportable segments. The following summary provides description of services of each reportable segment:

Reportable segment	Description of services
Investment services	Investment of collected funds in renewable energy infrastructure objects and related assets such as renewable energy sources, energy efficiency projects, energy resources distribution and transmission networks and their storage facilities, etc. Services are provided by AEI for the year ended 31 December 2022.
Project management and consultation services	Provision of project management and consultation services in relation to development and operational activities of the Group. Services are provided by JTPG for the period starting 1 January 2022 ending 31 July 2022 and by AEI Development starting 1 August 2022 ending 31 December 2022.

III. Notes



The Company is an investment entity, therefore most important measure of performance of investing activities is the change in fair value of investments. The following table provides description of each reportable segment in regards to the Company's investments:

Reportable segment	Description of investment projects
Solar PV projects	Investments in Solar PV energy parks, as well as related support infrastructure including roads to solar park sites, cables, transformers, inverters and security infrastructure development, building, and management.
Onshore Wind projects	Investments in onshore wind parks, as well as related support infrastructure including roads to wind park sites, cables, transformers, inverters and security infrastructure development, building, and management.
Hybrid projects	Investments in Solar PV energy parks and wind parks, as well related infrastructure including roads to solar park sites, cables, transformers, inverters and security infrastructure development, building, and management.
Other projects	Investments in biogas plants.

The CODM does not monitor the results of the Group based on geographical segments.

The following table presents information on profit or loss, assets and liabilities by operating reportable segments of the Group for the year ended 31 December 2022:

	Investment services	Project management and consultation services	Reclassifications and consolidation adjustments	Total
Segment profit or loss				
Income				
Net gain on financial assets at fair value through profit or loss	19 635	-	-	19 635
Other income	73	-	-	73
Dividend income	21	-	-	21
Inter-segment income	-	780	(780)	-
Total income	19 729	780	(780)	19 729

III. Notes



(Continued)

	Investment services	Project management and consultation services	Reclassifications and consolidation adjustments	Total
Expenses				
Administrative expenses	(4 435)	(751)	780	(4 406)
Loss allowance on prepayments	(25)	-	-	(25)
Loss from deconsolidation of a subsidiary	-	-	(22)	(22)
Foreign exchange income	1	-	-	1
Interest expenses	(1 910)	-	-	(1 910)
Profit before tax	13 360	29	(22)	13 367
Income tax	-	(3)	-	(3)
Profit after tax	13 360	26	(22)	13 364
Segment assets and liabilities				
Segment assets	156 590	37	-	156 627
Segment liabilities	53 058	36	-	53 094

The following table presents information on profit or loss, assets and liabilities by operating reportable segments of the Group for the year ended 31 December 2021:

	Investment services	Project management and consultation services	Reclassifications and consolidation adjustments	Total
Segment profit or loss				
Income				
Net gain on financial assets at fair value through profit or loss	7 847	-	-	7 847
Other income	2	-	-	2
Dividend income	204	-	-	204
Inter-segment income	-	285	(285)	-
Total income	8 053	285	(285)	8 053

III. Notes



(Continued)

	Investment services	Project management and consultation services	Reclassifications and consolidation adjustments	Total
Expenses				
Administrative expenses	(2 110)	(279)	285	(2 104)
Interest expenses	(293)	-	-	(293)
Profit before tax	5 650	6	-	5 656
Income tax	-	(1)	-	(1)
Profit after tax	5 650	5	-	5 655
Segment assets and liabilities				
Segment assets	96 215	25	-	96 240
Segment liabilities	31 209	18	-	31 227

Total of profit after tax of reportable segments presented in the tables above reconciles with consolidated profit after tax presented in the Consolidated Statement of Profit or Loss for the year ended 31 December 2022 and 31 December 2021. Total assets and liabilities of reportable segments presented in the table above reconciles with consolidated assets and liabilities presented in the Consolidated Statement of Financial Position as at 31 December 2022 and 31 December 2021.

The following table presents segment information for investment assets measured at fair value through profit or loss and net gain of investments measured at fair value through profit or loss in relation with investment activities in the Group for the year ended 31 December 2022:

	Solar PV projects	Onshore Wind projects	Hybrid projects	Other projects	Total
Assets					
Investment assets at fair value through profit or loss	86 064	53 049	5 795	-	144 908
Income					
Net gain on financial assets at fair value through profit or loss	(4 335)	24 137	16	(183)	19 635

III. Notes



The following table presents segment information for investment assets measured at fair value through profit or loss and net gain of investments measured at fair value through profit or loss in relation with investment activities in the Group for the year ended 31 December 2021:

	Solar PV projects	Onshore Wind projects	Hybrid projects	Other projects	Total
Assets					
Investment assets at fair value through profit or loss	41 443	25 238	-	-	66 681
Other receivables at fair value through profit or loss	-	-	-	2 933	2 933
Income					
Net gain on financial assets at fair value through profit or loss	7 673	17	-	157	7 847

Total of investment assets at fair value through profit or loss of reportable segments presented in the table above reconciles with consolidated investment assets and other receivables at fair value through profit or loss presented in the Consolidated Statement of Financial Position as at 31 December 2022 and 31 December 2021. Total of net gain on financial assets at fair value through profit or loss of reportable segments presented in the table above reconciles with consolidated net gain on financial assets at fair value through profit or loss presented in the Consolidated Statement of Profit or Loss for the year ended 31 December 2022 and 31 December 2021.

17. Related parties

The following income and expenses occurred with related parties:

Group and Company

Related party	Income / Expense type	Note	12 months to 31 December 2022	12 months to 31 December 2021
Shareholder	Interest expenses on bonds issued	10, 15	9	36
UAB Saulės energijos projektai	Dividend income	1, 13	21	204
UAB Saulės energijos projektai	Interest expenses on loan received	11, 15	1	4
Energy Solar Projekty Sp. z o.o.	Interest income on loan granted	1, 13	1 288	1 288

III. Notes



Group and Company

(Continued)

Related party	Income / Expense type	Note	12 months to 31 December 2022	12 months to 31 December 2021
PV Energy Sp. z o.o.	Interest income on loan granted	1, 13	2 081	406
PL Sun Sp. z o.o.	Interest income on loan granted	1, 13	790	-
Zalais Speks SIA	Interest income on loan granted	1, 13	17	-
UAB Ekoelektra	Interest income on bonds acquired	1, 13	41	32
UAB Ēaliosios investicijas	Interest income on bonds acquired	1, 13	1 496	136
UAB KNT Holding	Interest income on bonds acquired	1, 13	293	-
UAB Nimela	Interest income on bonds acquired	1, 13	167	-

The following outstanding balances are outstanding at the end of the financial period in relation to transaction with related parties:

Group and Company

Related party	Asset / Liability type	Note	31 December 2022	31 December 2021
Shareholder	Non-redeemed bonds	10	-	173
Shareholder	Payable interest amount on bonds	10	-	1
UAB Saulés energijas projekta	Payable principal on loan received	11	12	12
UAB Saulés energijas projekta	Payable interest amount on loan received	11	100	99
Energy Solar Projekty Sp. z o.o.	Receivable principal on loan granted	1	14 950	14 950
Energy Solar Projekty Sp. z o.o.	Receivable interest on loan granted	1	3 209	2 860
PV Energy Sp. z o.o.	Receivable principal on loan granted	1	44 024	7 365
PV Energy Sp. z o.o.	Receivable interest on loan granted	1	2 501	420
PL Sun Sp. z o.o.	Receivable principal on loan granted	1	13 230	-
PL Sun Sp. z o.o.	Receivable interest on loan granted	1	790	-
Zalais Speks SIA	Receivable principal on loan granted	1	203	-
Zalais Speks SIA	Receivable interest on loan granted	1	17	-

III. Notes



Group and Company

(Continued)

Related party	Asset / Liability type	Note	31 December 2022	31 December 2021
UAB Ekoelektra	Receivable principal on bonds acquired	1	331	593
UAB Ekoelektra	Receivable interest on bonds acquired	1	34	32
UAB Žaliosios investicijos	Receivable principal on bonds acquired	1	22 775	24 625
UAB Žaliosios investicijos	Receivable interest on bonds acquired	1	41	136
UAB KNT Holding	Receivable principal on bonds acquired	1	2 991	-
UAB KNT Holding	Receivable interest on bonds acquired	1	66	-
UAB Nimela	Receivable principal on bonds acquired	1	3 010	-
UAB Nimela	Receivable interest on bonds acquired	1	167	-

Transactions with Key Management Body

The following income and expenses occurred with Key Management Body:

Related party	Income/ Expenses type	31 December 2022	31 December 2021
Management Company	Success fee	1 873	631
Management Company	Management fee	1 064	631

The following asset and liabilities occurred with Key Management Body:

Related party	Asset / Liability type	31 December 2022	31 December 2021
Management Company	Accrued success fee	2 503	631
Management Company	Payable management fee	312	243

Share purchase and sale transactions with related parties

Group and Company

	31 December 2022	31 December 2021
As at period start	18 728	18 348
Shares distributed (related company)	1 831	-
Redeemed shares (related company)	-	-
Shares distributed (related person)	-	381
Redeemed shares (related person)	-	-
As at period end	20 560	18 728

As at 31 December 2022, related parties owned 20 559 560 units of the Company's shares amounting to 37,46% of the total amount of shares (as at 31 December 2021, related parties owned 18 728 394 units and 46,75% of the total amount of shares).

18. Financial risk management

The Group assesses following financial risks related to its activity: liquidity, credit, interest rate, foreign exchange, and operational risks. Objective of financial risk management is to identify, assess and manage the risks that the Group might be exposed to.

18.1. General risk

The value of Group's investments may both go up and down and, therefore, the values of the Group's Shares may fluctuate during the term of the Group's operations. Past performance of the Group cannot guarantee the same future results. In addition, main investments of the Group will be made in infrastructure assets and related properties so there are risks related to investments in such infrastructure assets and properties. This risk may be inherent to the overall market of this type of properties or separate segments of this market and cover, inter alia, global, regional, or national socio-economic conditions, supply of and demand for infrastructure assets and properties targeted by the Group for investment, financial capacity of buyers and sellers, changes in the legal environment and legislation related to infrastructure assets and properties, changes in the tax environment, etc.

18.2. Market risk

There is a risk that due to the deteriorating global, regional, or national situation (e.g., macroeconomic changes, wholesale energy prices, political, legal risks, or actions of investors in a particular region) the value of the property acquired by the Group or income received from it will decrease, maintenance (administration) costs of such property will increase thereby reducing the value of Group's investments.



18.3. Liquidity risk

There is a risk of incurring losses due to a low market liquidity which will prevent the disposal of the infrastructure assets and related properties acquired by the Group at the preferred time and the desired price, or which will prevent the sale of the infrastructure assets and related properties acquired by the Group in general. There is also a risk that due to the deteriorating global, regional, or national economic situation the return demanded by the Investors will increase and the terms of financing from banks will deteriorate, which will make the sale of the Group's investments last longer than expected. To mitigate this risk, the Group will start selling the acquired assets at least 2 to 3 years before the end of the term of the Company's operations so that it can freely regulate the sale process and choose from the offers of buyers.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group's objective is to maintain sufficient liquidity resources to maintain operations, meet its financial obligations and liabilities, pay distributions, and provide funds for capital expenditures and investment opportunities. Management seeks to achieve these objectives through:

- Preparation of regular forecast cash flows to understand the application and use of funds; and
- Identification of future funding, including new debt facilities.

The Group describes management of liquidity risk as conservative which refers to the sufficient ensuring of the amount of cash and cash equivalents. The Group's cash flows are positive, hence the liquidity risk is considered to be low. Due to this reason, the Group's management did not implement any formal procedures to manage the liquidity risk. The Group manages the liquidity risk by signing long-term trading contracts with major buyers.

The following tables present contractual maturities of the Group's and Company's financial assets and liabilities based on discounted contractual payments as at 31 December 2022 and 31 December 2021.

Group

	Cash flows as at 31 December 2022				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Financial assets					
Non-current assets					
Bonds acquired	29 107	-	-	3 010	26 097
Loans granted	72 407	-	-	72 204	203
Financial guarantees	1 650	-	-	1 650	-
Current assets					
Cash and cash equivalents	9 877	9 877	-	-	-
Total financial assets	113 041	9 877	-	76 864	26 300

III. Notes



Group

(Continued)	Cash flows as at 31 December 2022				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Financial liabilities					
Non-current liabilities					
Bonds issued	52 000	-	-	52 000	-
Loans received	112	-	-	112	-
Current liabilities					
Bonds issued	116	116	-	-	-
Trade and other payables	389	389	-	-	-
Total financial liabilities	52 617	505	-	52 112	-

Company

	Cash flows as at 31 December 2022				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Financial assets					
Non-current assets					
Bonds acquired	29 107	-	-	3 010	26 097
Loans granted	72 407	-	-	72 204	203
Other receivables	1 650	-	-	1 650	-
Current assets					
Cash and cash equivalents	9 877	9 877	-	-	-
Total financial assets	113 041	9 877	-	76 864	26 300
Financial liabilities					
Non-current liabilities					
Bonds issued	52 000	-	-	52 000	-
Loans received	112	-	-	112	-
Current liabilities					
Bonds issued	116	116	-	-	-
Trade and other payables	379	379	-	-	-
Total financial liabilities	52 607	495	-	52 112	-

Group and Company

	Cash flows as at 31 December 2021				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Financial assets					
Non-current assets					
Bonds acquired	25 218	-	-	-	25 218
Loans granted	22 315	-	-	22 315	-
Other receivables	2 400	-	1 600	800	-
Current assets					
Other receivables	860	860	-	-	-
Cash and cash equivalents	26 464	26 464	-	-	-
Total financial assets	77 257	27 324	1 600	23 115	25 218
Financial liabilities					
Non-current liabilities					
Bonds issued	25 232	58	-	25 174	-
Loans received	111	-	-	111	-
Current liabilities					
Bonds issued	5 160	5 160	-	-	-
Trade and other payables	271	271	-	-	-
Total financial liabilities	30 774	5 489	-	25 285	-

18.4. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a contractual obligation or commitment that it has entered with the Group, resulting in a financial loss to the Group. In managing the credit risk, the Group seeks to select only creditworthy counterparties whose reliability is not in doubt.

As at 31 December 2022 and 31 December 2021 credit risk is assessed in regard to bank guarantees and cash at bank which are not accounted at fair value through profit and loss.

The Group is exposed to limited credit risk in regard to cash held at bank as the bank is a counterparty with a high credit rating issued by foreign rating agencies (please refer to Note 5). Given the high credit ratings of the banks, the Group considers the probability of bank failure to be zero.

III. Notes



Maximum credit risk of financial assets, excluding financial assets measured at fair value through profit or loss, is equal to the accounting value of such financial assets.

As at 31 December 2022 and 31 December 2021, the Group does not hold any collaterals in respect of loans granted and bonds acquired. Loan agreements that the Group concluded have clauses specifying that no additional collateral shall be offered to the Group to secure the performance of obligations under the loan agreements concluded.

On 29 June 2016, the Group concluded agreement with AB SEB bankas, by which the Group has guaranteed that it's associate completes obligations under loan agreement until 27 June 2023. The shares of the associate are pledged under this agreement.

On 26 October 2021, the Group has signed a guarantee agreement with EE Lithuania Emerald ApS, by which it unconditionally guaranteed for the payment for the full and timely fulfilment of the shares purchase agreement payment obligation concerning the entire share capital of UAB EE Emerald Holding. The contingent liability of the Group under this guarantee agreement is limited to EUR 8 966 thousand.

As at 31 December 2022 and 31 December 2021, the Group had loans that have not yet been paid out. The Group's commitments in regard to loans granted and not yet paid out are summarized in the table below. Commitments in regard to loans granted and bonds issued as at 31 December 2022:

Group and Company

Borrower	Type	Debt date	Maturity date	Contractual interest rate	Amount of loan granted	Commitment amount according to loan agreement
Energy Solar Projekty Sp. z o.o.	Loan	2019-05-31	2026-01-05	8,50%	44 950	48 000
PV Energy Projects Sp. z o.o. (3)	Loan	2021-06-02	2026-01-05	8,50%	1 510	2 752
PV Energy Projects Sp. z o.o. (5)	Loan	2022-06-20	2026-01-05	8,50%	21 159	36 600
PL Sun Sp. z o.o. (1)	Loan	2022-02-28	2026-01-05	8,50%	11 000	19 000
PL Sun Sp. z o.o. (2)	Loan	2022-07-29	2026-01-05	8,50%	1 280	1 980
PL Sun Sp. z o.o. (3)	Loan	2022-12-07	2026-01-05	8,50%	950	1 314
UAB Ekoelektra	Bonds	2022-02-14	2028-01-05	12,00%	331	3 000
UAB Žaliosios investicijos	Bonds	2021-11-12	2052-12-31	8,50%	28 394	30 000
UAB KNT Holding	Bonds	2022-10-27	2028-01-05	12,00%	2 990	20 000
UAB Nimela	Bonds	2022-07-18	2026-02-05	12,00%	3 010	30 000

Commitments in regard to loans granted and bonds issued as at 31 December 2021:

Group and Company

Borrower	Type	Debt date	Maturity date	Contractual interest rate	Amount of loan granted	Commitment amount according to loan agreement
Energy Solar Projekty Sp.z o.o.	Loan	2019-05-31	2026-01-05	8,50%	44 950	48 000
PV Energy Projects Sp. z o.o. (1)	Loan	2020-10-01	2026-01-05	8,50%	1 377	2 400
PV Energy Projects Sp. z o.o. (3)	Loan	2021-06-02	2026-01-05	8,50%	1 510	2 752
PV Energy Projects Sp. z o.o. (4)	Loan	2021-09-09	2023-04-30	8,50%	-	15 500
UAB Žaliosios investicijos	Bonds	2021-11-12	2052-12-31	8,50%	24 625	25 000

18.5. Fair value

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

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

As at 31 December 2022 and 31 December 2021, the Group does not have any assets at fair value that would belong to the Level 1 and Level 2 group upon finding the value. All of the Group's investments are carried at fair value and belong to the Level 3 group according to the valuation method (see Note 1).

The main Group's financial asset and liabilities components are measured at fair value, therefore carrying value do not differ materially from their fair value.

18.6. Equity price risk

Equity price risk is the risk of unfavourable changes in the fair value of equity instruments.

As at 31 December 2022 and 31 December 2021 the Group holds shares of its subsidiaries and associates, therefore is exposed to equity securities price risk, as prices of such securities in the future are uncertain. Equity securities prices are observed and measured based on market value of subsidiaries and associates determined in the valuation report by the independent assessors, which is prepared at least twice a year. The Group holds both controlling interest in equity shares and debt instrument issued by the subsidiaries and associates, therefore the fair value is determined for the aggregated equity and debt financial instrument as one unit.

III. Notes



The Group's and the Company's aggregated financial assets at a fair value are as follows:

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Equity and debt financial instrument	144 908	66 681	144 908	66 681

As equity securities are not publicly traded, its prices are determined based on valuation reports submitted by independent assessors and benchmark indexes are not used, impact of changes in the fair value cannot be reasonably evaluated.

In order to manage the price risk, the Group's Management is obliged to ensure diversification of the investments. The Group's management responsibly selects investment objects, perform a thorough investment analysis, and make efforts to ensure to comply with the investment restrictions set out in the Group's prospectus.

The Group invests in renewable energy infrastructure facilities and related assets. Renewable energy infrastructure facilities and related assets include the following facilities: renewable energy production sources, energy efficiency projects, distribution and transmission networks of energy resources and their storage and other similar facilities. The Group invests in renewable energy infrastructure facilities and related assets by acquiring equity securities (not less than 10% of equity securities that grant the voting right, if these securities are not admitted to trading on a trading venue, in other cases – not more than 20% of equity securities that grant the voting rights) and non-equity securities, including convertible bonds, movable property (plant, equipment, and other similar property) and real estate.

18.7. Interest rate risk

There is a risk that a rapid recovery of the global economy or higher inflation rate may force central banks to raise interest rates which will entail higher costs of administration of credits related to the Group's investments, thereby reducing the value of Group's investments. To mitigate this risk, the Group may hedge against interest rate risks by concluding respective transactions in financial instruments, where necessary.

As at 31 December 2022 and 31 December 2021 the Group only has assets (loans granted, bonds acquired) and liabilities (loans received, bonds issued) that are subject to fixed interest rates, therefore the Group is not exposed to interest rate risk. The Group's assets and liabilities do not use benchmark rates.

The fair value of the Group's investments in equity and debts instruments is measured by an aggregated basis. Among other investments, it holds both a controlling interest in equity shares and a debt instrument issued by the subsidiaries.

From a business strategy perspective, and in a manner consistent with standard practice in its industry, The Group evaluates the performance of its investments in subsidiaries and makes acquisition and disposal decisions on an aggregate basis rather than by considering the shares and debt separately.

When it holds both a controlling interest in the shares of a subsidiary and debt issued by that subsidiary, the Group rarely, if ever, disposes of one instrument without also disposing of the other as this ensures that its return on investment is maximised. Therefore, the risk arising solely from interest is not applicable.

18.8. Foreign exchange risk

Foreign exchange risk is the risk that the value of cash flows of financial instruments may volatile in the future due to changes in foreign exchanges rates. The Group's investments will be mainly made in the Euro, therefore Group asset and liabilities are considered to be free of foreign exchange risk. Most of Company's subsidiaries operations are carried out in currencies of the economic environment in which subsidiaries operates: euros in Lithuania, Latvia and zloty in Poland. The foreign exchange risk arises from translation of Poland subsidiaries currency to Group's functional currency.

To mitigate this risk, the Group may hedge against exchange rate risks using derivative financial instruments but neither the Group nor the Management Group can guarantee that these hedges will cover the entire or majority of the investment portfolio.

For the financial year ended 31 December 2022 and the financial year ended 31 December 2021 derivative financial instruments are not used to hedge against the risks associated with foreign currency fluctuations.

18.9. Operational risk

Operational risk refers to mismanagement, error, or fraud in relation to financial risk management resulting in financial loss to the Group. It is managed by maintaining a strict review of the accounts and the financials of the Group, whilst ensuring that suitably experienced and qualified staff implements those reviews, appropriate contractual arrangements are in place with counterparties and compliance with the laws and regulations is maintained.

18.10. Capital risk management

The Group's objective in managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group performs the following in order to maintain capital structure and ensure effective capital management:

- Regularly monitor the performance of the Group and adjust distributions the Group pays to Shareholders;
- Issue new shares in accordance with the constitutional documents of the Group to existing or new Shareholders;
- Restrict redemption of shares in accordance with the constitutional documents.

18.11. Property development risk

There is a risk that the development projects of the Group will take longer or cost more than expected, thereby reducing the value of the Group's investments. To mitigate this risk, the Group will allocate sufficient resources to control the budget and implementation deadlines of the development projects.

18.12. Limited diversification risk

The limits of investment of the Group's assets are not regulated as tightly as those of other collective investment undertakings so the risk spread is not broad and there is a risk that even a single unsuccessful investment may have a significant negative effect on the overall result of the Group due to a limited number of investments. To mitigate this risk, the Management Company will choose the investment objects responsibly, analyse the investments in great detail and will make every endeavour to ensure that the investment restrictions laid down in this Prospectus are complied with.

18.13. Tax risk

There is a risk that a change in the economic climate and political situation in the country may result in new taxes applicable to the Group and investment objects of the Group and/or an increase in the current tax rates, thereby reducing the return on investments of the Group.

18.14. Political and legal risk

A Group which invests in one geographic region or economic sector is exposed to higher political and/or legal risks. Political risks are inherent to all the developing countries. They are high in the countries that are not members of the European Union, especially in the developing countries. Political instability in the country may lead to legal, tax, fiscal and regulatory changes such as nationalisation, confiscation, restriction of the free movement of capital and other political decisions which may have an adverse effect on the value of the Group's Share.

18.15. Geopolitical risk

There is a risk that operations of the Group may be affected by geopolitical changes (such as conflicts between countries, internal conflicts of neighbouring countries, uprisings, or wars) resulting in a lower value of the Group's investments or failure to dispose of the investment objects acquired by the Group at the preferred time and the desired price.

18.16. Group's property valuation risk

The assets acquired by the Group will be evaluated according to the main rules laid down in the Prospectus. The valuation of individual items of assets of the Group will be carried out by a property or business valuator but such valuation constitutes only the estimated value of the assets which does not automatically mean an accurate realisable value of the Group's assets which depends on a number of factors, e.g., economic, and other conditions beyond the control of the Management Group and its employees. Therefore, the realisable value of the Group's assets may be either above or below the value of the assets determined by the property or business valuator.

18.17. Fluctuation risk

The value of the Group's investments may significantly increase or decrease within a relatively short period of time and as a result of this the Group's NAV may significantly increase or decrease within a relatively short period of time. A significant increase or decrease in the Group's NAV within a relatively short period of time may cause sudden significant fluctuations (increase or decrease) in the value of the Group's Shares.

19. Subsequent events

On 5th of January 2023, the Group has acquired a total amount of 1 000 bonds with issue price of EUR 1 according to bond subscription agreement with UAB Nimela dated 18th of July 2022.

On 9th of January 2023, the Group has entered new bond agreement with UAB Atelda and acquired a total amount of 50 000 bonds with issue price of EUR 1 each. Bonds acquired are issued with interest rate of 14% and maturity date of 5 February 2026. The Group subscribed to a total amount of 3 000 000 bonds and based on the agreement has the right to acquire the rest of the bonds until 5 February 2026.

On 9th of January 2023, the Group has made loan instalments in amount of EUR 2 600 thousand to subsidiary PV Energy Projects Sp. z o.o. based on loan agreement dated 20th June 2022.

On 19th of January 2023, the Group has made loan instalments in amount of EUR 2 005 thousand to subsidiary PL Sun Sp. z o.o. based on loan agreement dated 28th February 2022.

On 20th of January 2023, the Group has acquired a total amount of 23 000 bonds with issue price of EUR 1 according to bond subscription agreement with UAB Ekoelektra dated 14th of February 2022.

On 25th of January 2023, the Group has entered new bond agreement with UAB JTPG and acquired a total amount of 50 000 bonds with issue price of EUR 1 each. Bonds acquired are issued with interest rate of 14% and maturity date of 5 February 2026. The Group subscribed to a total amount of 12 000 000 bonds and based on the agreement has the right to acquire the rest of the bonds until 5 February 2026.

On 27th of January 2023, the Group has made loan instalments in amount of EUR 1 200 thousand to subsidiary PL Sun Sp. z o.o. based on a new loan agreement dated 24th January 2023. The Group is obligated to grant loan of EUR 19 000 thousand.

On 27th of January 2023, the Group has made loan instalments in amount of EUR 1 100 thousand to subsidiary PV Energy Projects Sp. z o.o. based on a loan agreement dated 20th June 2022.

On 31st of January 2023, the Group has issued a guarantee in amount of EUR 2 000 thousand in regards to obligations subsidiary UAB Atelda has towards major landowner, UAB and with an intention to confirm that subsidiary would fulfill its obligations under their cooperation agreement.

On 9th of February 2023, the Group has acquired a total amount of 2 507 000 bonds with issue price of EUR 1 according to bond subscription agreement with UAB Ekoelektra dated 14th of February 2022.

There were no other significant events after end of the reporting financial year.

Interim report of the Company for the period of January – December 2022



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1. The Company's situation, review of performance and development, main risks and uncertainties faced by the Company

UAB Atsinaujinančios energetikos investicijos, a closed-end investment company intended for informed investors (hereinafter – the Company), Company identification number: 304213372, registered on 15 March 2016 as UAB Atsinaujinančios energetikos investicijos. By the decision of the Supervision Service of the Bank of Lithuania of 14 December 2020, the Company was transformed into a closed-end investment company intended for informed investors UAB Atsinaujinančios energetikos investicijos upon approval of the Company's Articles of Association by the Supervision Service of the Bank of Lithuania. The Company began operating as a closed-end investment company on 16 December 2020. The Company's data is stored and accumulated by the State Enterprise Centre of Registers (VĮ Registrų centras). The address of the Company: Jogailos g. 4, Vilnius.

The area of activities of the Company

The objective of the Company is, by distributing the Company's shares, to collectively invest the attracted funds into facilities of the renewable energy infrastructure and related assets, such as renewable energy production sources, energy efficiency projects, energy resources distribution and transmission networks and their protection, etc. as well as striving for earning profit for the shareholders.

The Company's s shareholders who have more than 25% of the shares

ENERGY AND INFRASTRUCTURE SME FUND, a closed-end investment fund for informed investors (holds 33.43% of shares as of 31 December 2022).

The Company has not acquired its own shares.

The Company's manager

Grėtė Bukauskaitė

Review of performance and development

68.1 MW of operating solar power projects in Poland and Lithuania have continued to operate smoothly in 2022, with no major disturbances to report. The results have exceeded expectations, with revenue increasing by 47% and EBITDA by 59% compared to the budget. This was driven by favourable weather conditions and high electricity prices during the high yield season. Consolidated operating projects' EBITDA for the year was EUR million 9.0, which is significantly higher than the budgeted amount of EUR million 5.6. Similarly, consolidated operating projects' revenues for the year were million EUR 10.9 compared to the budgeted amount of million EUR 7.4.

Construction of a 67.8 MW solar PV portfolio in Poland is on track, with 46 MW of PV modules installed across 24 project sites. As of the end of the year the construction has been completed in 7 projects, which are expected to be ready for energization in Q1 2023.

The new portfolio of solar development projects in Poland has a capacity of 108.8 MW. The BoS tender for the first 67 MW is in the final stages of completion and is expected to be signed by mid-March 2023, the contracts with solar module and inverter providers have been executed.

The Company holds 25% of shares of UAB „Žaliosios investicijos”, which manages the construction of a 185.5 MW portfolio, consisting of 34 wind turbines in Lithuania. The construction of the 49.5 MW wind park is in the final construction stage, which first six turbines being energized during Q4 2022. The park is expected to be fully operational in Q1 2023. The construction of Jonava (70 MW) and Rokiškis (66 MW) wind parks is in process with energization forecasted in Q1-Q2 2023.

As of 1 July 2022, fixed-price, monthly-fixed-volume electricity price hedging derivatives (hereinafter referred to as the Price Hedging Agreement) have been put in force for approximately 50% production for UAB „Anykščių Vėjas” and UAB „Potentia Industriae” wind parks. The wind parks under construction by these companies do not yet generate enough electricity or revenue to cover the Price Hedging Agreement costs. The Company's management has evaluated various short-term financing options to manage the group's working capital until the wind parks are fully operational. The Shareholders of UAB „Žaliosios investicijos” have injected an additional amount of million EUR 15 to secure additional liquidity of subsidiaries. Based on the assessment of the management of UAB „Žaliosios investicijos”, most recent construction schedules and the electricity price forecasts, the positive cash flow from shareholders is expected to be sufficient to cover the expected cash flow from the Price Hedging Agreement.



Other notable key events 2022 were:

- Share purchase agreement for a hybrid 250 MW wind and 250 MW solar PV plant in Lithuania has been signed. The grid was secured by signing the Letter of Intent (LOI) with the TSO in Q2 2022.
- The rights to acquire 40 MW and 200 MW hybrid projects in Lithuania have been secured. The grid for both projects has been secured by signing the Letter of Intent (LOI) with the TSO in Q2 2022.
- 70 MW solar PV development project has reached a development milestone - grid capacity has been secured.
- The environmental impact assessment procedure was completed for a 15 units of wind turbine generators (WTG's) park. As of the end of Q4 2022, the application for the grid reservation has been submitted to the TSO. Grid reservation is planned for Q1 2023, while the RtB stage is planned to be achieved in Q1 2024.
- Cooperation agreement with a major landowner was signed with the potential to develop a 150 MW wind park in Lithuania.
- Company has made initial investments into an early-stage 102 MW wind power park project in Latvia.
- Company has signed a LOI to acquire a 66 MW wind park in Latvia.

Risks and uncertainties

Irrespective of the pandemic caused by the Covid-19 virus, the governments of the Baltic States and Poland continue to be strongly committed to maintaining the Green Deal. Investments in renewable energy and infrastructure will be growing both in Poland and the Baltic countries. Similar trends prevail throughout the world, from America to Australia. This also brings about certain risk, such as the risk of rise in raw materials prices and longer supply time. In the wind energy sector, the main challenge is posed by the delivery of wind turbines and transformers for the connection point. As of today, the average delivery time of wind turbine parts is approximately 18 months. This means that a smooth construction process should be planned in advance very precisely, hence entrance to the project development in the earlier stage is favourable.

The solar energy sector has maintained a steady production of components since the second quarter of 2022, and there have been no significant changes in delivery and transportation issues. The price of solar panels is closely linked to the price of silicon, which has been decreasing since the end of 2022, resulting in lower prices for modules. Despite advancements in renewable energy, solar projects have encountered difficulties due to extended delivery times for transformer stations, which have resulted in a 20-30% increase in prices compared to the previous period. Additionally, to keep up with the fast pace of development, it is necessary to expand the capacity of electricity networks, which is dependent on government-controlled electricity network companies. This is one of the factors that limits the rapid development of renewable energy.

Changes in the regulatory environment in Lithuania may lead to an intensive growth of hybrid projects. Existing stand-alone solar PV or wind farms may seek to install a second-generation source in order to make more efficient use of grid capacity.

In February 2022, the Russian Federation invaded Ukraine. The military actions affect not only the economies of Ukraine, Russia and Belarus, but also the whole European Union and global economy. As at the date these financial statements were authorized for issue, the situation in Ukraine is extremely volatile and inherently uncertain. Company does not invest in the Ukraine, Russia and Belarus and does not have subsidiaries in these markets, the management of the Company has concluded that:

- no expected credit losses adjustments should be made as Company and its subsidiaries do not have balances with indicated country's;
- no adjustments to the carrying amounts of assets and liabilities should be made;
- the situation does not have impact on Company's ability to continue as a going concern;
- general potential effects that are tightly related to the Company's activities are an increase in electricity prices, possible disruptions in supply chain as well increased inflation and growing prices of other materials.

In the management's opinion, considering the ongoing and dynamic nature of the situation, a reliable estimate of the financial impact cannot be presently made.

2. Analysis of financial and non-financial operating results; environment and personnel-related information

The Company's objective is to earn return for the Company's investors from investments in facilities of the renewable energy infrastructure and related assets.

As at 31 December 2022, the Company's investment assets at fair value through profit or loss were thousand EUR 144,908, which compared to 31 December 2021 grew by thousand EUR 78,227 or 117.32%. As at 31 December 2022, the Company's total assets were thousand EUR 156,590 total equity was thousand EUR 103,532, while total liabilities were thousand EUR 53,058. The Company's total comprehensive income for the period was thousand EUR 13,360, which was primarily driven by gain on investment portfolio due to the annual valuation of the Company's shares.

In 2020, the Company was transformed into an investment company. All employees and related costs have been transferred to the newly acquired company UAB „JTPG“. The main activities of UAB „JTPG“: management of the Company's projects.

From August 2022, all employees of UAB „JTPG“ were transferred to the newly established UAB „AEI Development“, which took over the management of the Company's projects and UAB „JTPG“ started to invest directly in renewable energy projects.

The objective of the Company is sustainable investments as defined in Article 9 of Regulation (EU) 2019/2088 of 27 November 2019 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector. The “do no significant harm” principle applies only to those investments of the Company that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities. This classification stresses the Company's ambition not only to advance green energy transition in the region but also to maintain transparent value chain and favourable working conditions in the target companies followed by engagement with the stakeholders.

In December 2021 and throughout 2022, the Company issued Green bonds to finance projects aimed at reducing emissions and increasing renewable energy capacity, the total company's obligations under Green bonds consist of million EUR 52.0. Currently, three projects are financed by the Green Bond proceeds with a focus on renewable energy only: one wind farm project in Lithuania and two PV Solar Parks in Poland. The company published separate report with an overview of the positive environmental impact achieved using proceeds from Green Bonds issuances.

3. References and additional explanations about the data provided in the interim financial statements.

In drawing up the interim financial statements, the Company was guided by the provisions of the Law on Financial Reporting of the Republic of Lithuania and the International Financial Reporting Standards.

4. The number of all shares acquired and held by the Company and their face value and the portion of the authorised capital constituted by those shares.

None.

5. The number of all shares acquired during the reporting period and held by the Company and their face value and the portion of the authorised capital constituted by those shares.

None.

6. Information about payment for own shares if they are acquired or transferred for consideration.

None.

7. Reason for the acquisition of own shares by the Company during the reporting period.

None.



8. Information on the Company's branches and representative offices

The Company does not have any representative offices or branches.

9. Information about significant events that took place after the end of the reporting period.

There were no significant events except for those disclosed in the financial statements.

10. The Company's operational plans and forecasts for 2023

In 2023, the Company will continue the two main strategic directions: investment in the development and construction of solar PV and wind power plants. Primary investments will be mostly concentrated in solar PV power plants in Poland and wind parks in Lithuania. The development of these projects will require considerable funds, which will be acquired through share capital and green bonds issuances as well as through refinancing of shareholder loans from the Company.

11. Information on the Company's research and development activities.

None.

12. Objectives of the Company's financial risk management, security instruments used for the main groups of envisaged transactions, which are subject to hedge accounting, and scopes of the company's price risk, credit risk, liquidity risk, and cash flow risk.

Information about financial risk management of the Company is disclosed in financial statements.

13. Information about other managerial positions held by the manager, board members, and supervisory board members of the public limited liability company and private limited liability company (manager of the legal entity (legal form, name, identification number, registered office address), member of a management body or supervisory body of the legal entity (legal form, name, identification number, registered office address)) and most important information about their main working place (position, legal entity's legal form, name, registered office address).

Management company's Board of Directors: As of 31 December 2022, the board of directors comprised of 5 board members:

- Jan Ake Gustaf Litborn
- Mindaugas Marcinkevičius
- Andrius Stonkus
- Antanas Vainauskas
- Giedrius Bernotas

Manager of the Company:

- Tomas Milašauskas (until 27th January 2023);
- Vilma Tvaronavičienė (from 28th January until 26th February 2023);
- Grėtė Bukauskaitė (from 27th February 2023).



Board members and Company's Manager data in the activities and capital of other companies, institutions and organisations:

No.	Board Member	The Name of the Company, Entity or Organization	Position	Portion in the capital of the organisation, %
1	Antanas Vainauskas	UAB "Serenus"	Shareholder	100%
		UAB INVESTI LT	Manager	50% shares owns UAB Serenus
		Advokatų kontora „Vainauskas ir partneriai“	Lawyer	100%
		UAB „LL Investicijos“	Board member	0%
		UAB „TAN Oil“	Board member	0%
2	Mindaugas Marcinkevičius	UAB „Diseta“	Board member	0%
		UAB „Glera“	Shareholder, Manager	100%
		UAB „Taikos projektas“	Shareholder, Manager	100%
		UAB „Biruliškių projektas“	Shareholder	100%
		OÜ Attexo	Shareholder, Board member	100%
		UAB „Ordeta“	Board member	0%
3	Andrius Stonkus	AS „PN Project“	Supervisory Board member	0%
		UAB "Aemulus"	Shareholder	100%
		Starlynx investment OU	Board member	100%
		UAB „Koversijos projektai“	Indirect shareholder (via UAB Aemulus)	100%
		UAB "Parkdema"	Board member	0%
		UAB "Cogito Invest"	Manager, Board member	0%
		UAB Humitas	Indirect shareholder (via UAB Aemulus)	50%
AB Sparta	Supervisory Board member	0%		
4	Jan Ake Gustaf Litborn	Advokatų kontora PK Advokat AB	Managing Partner	36%
		Varakani AB	Managing Partner (via PK Advokat AB)	100%
		Atlant Ocean Racing AB	Shareholder	19%
		Donap Advokat AB	Shareholder	100%
		Backastad AB	Shareholder	15%
5	Giedrius Bernotas	UAB „Airport Business Park“	Shareholder	10%
		AS „PN Project“	Board member	0%
		SIA „PN Management“	Board member	0%
		UAB „Matuda“	Director	0%



No.	Board Member	The Name of the Company, Entity or Organization	Position	Portion in the capital of the organisation, %
6	Tomas Milašauskas	Elektrownia PV Strefa sp. z o.o.	Board member	0%
		RRSP 87 sp. z.o.o	Board member	0%
		PV Zaganiec sp. z. o.o.	Board member	0%
		PV Lubrza 2 sp. z o.o.	Board member	0%
		E-SUN PV1	Board member	0%
		E-SUN PV2	Board member	0%
		UAB Ekoelektra	Board Member	0%
		UAB JTPG	Director	0%
		UAB KNT Holding	Director	0%
		UAB Nimela	Director	0%
		UAB Atelda	Director	0%
		UAB Rineila	Director	0%
		Zaļais Spēks, SIA	Board member	0%
		SIA SELP	Board member	0%
		UAB „Žaliosios investicijos“	Board member	0%
		UAB EE Emerald Holding	Board member	0%
		UAB „Potentia industriae“	Board member	0%
UAB „Anykščių vėjas“	Board member	0%		
UAB „Rokvėja“	Board member	0%		
UAB „AEI Development“	Director	0%		
7	Vilma Tvaronavičienė	UAB Lords LB Asset Management	Director	0%
8	Grėtė Bukauskaitė	Energy and Infrastructure SME fund	Fund Manager	0%
		Energy Solar Projekty sp.z.o.o.	Board member	0%
		Energy Solar 1 sp. z o.o.	Board member	0%
		Energy Solar 2 sp. z o.o.	Board member	0%
		Energy Solar 3 sp. z o.o.	Board member	0%
		Energy Solar 4 sp. z o.o.	Board member	0%
		Energy Solar 6 sp. z o.o.	Board member	0%
		Energy Solar 10 sp. z o.o.	Board member	0%
		Matanzas sp. z o.o.	Board member	0%
		Moruga sp. z o.o.	Board member	0%
		UAB Ekoelektra	Director & Board member	0%
		UAB Žaliosios investicijos	Director	0%
		UAB EE Emerald Holding	Director	0%
		UAB Rokvėja	Director	0%
		UAB Anykščių vėjas	Director	0%
UAB Potentia Industriae	Director	0%		
PV Energy Projects sp. z o.o.	Board member	0%		
UAB KNT Holding	Board member	0%		

This interim management report has been signed electronically by

Manager of UAB Atsinaujinančios energetikos investicijos, a closed-end investment company intended for informed investors.

Grėtė Bukauskaitė