



JSC “Atsinaujinančios Energetikos Investicijos”

Unaudited Interim
Condensed Consolidated
Financial Statements
as at 31 March 2022

Closed end Investment Company Intended
for Informed Investors



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aei

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Interim Consolidated Statement of Financial Position



	Notes	31 March 2022 Unaudited	31 December 2021 Audited
Assets			
Non-current assets			
Investment assets at fair value through profit or loss	1	78 334 626	66 680 802
Other receivables at fair value through profit or loss	2	1 919 021	2 082 835
Prepayments	3	150 000	150 000
Deferred tax assets		31	20
Total non-current assets		80 403 678	68 913 657
Current assets			
Other receivables at fair value through profit or loss	4	1 000 000	850 000
Other receivables		15 022	12 682
Cash and cash equivalents	5	14 466 423	26 463 917
Total current assets		15 481 445	27 326 599
Total assets		95 885 123	96 240 256
Equity & liabilities			
Equity			
Issued capital	6	40 062 726	40 062 726
Share premium	7	10 789 768	10 789 768
Legal reserve	8	124 308	124 308
Retained earnings		13 698 614	14 036 373
Total equity		64 675 416	65 013 175
Non-current liabilities			
Bonds issued	9	24 876 876	24 917 419
Loans received	10	111 207	111 116
Total non-current liabilities		24 998 083	25 028 535
Current liabilities			
Bonds issued	9	5 591 204	5 148 639
Trade and other payables	11	584 941	1 041 587
Payables to employees		43 757	7 519
Current tax liabilities		1 722	801
Total current liabilities		6 221 624	6 198 546
Total liabilities		31 209 707	31 227 081
Total equity & liabilities		95 885 123	96 240 256

Financial statements signed by electronic signature:

Director of the Management Company
Vilma Tvaronavičienė

Company's manager
Tomas Milašauskas

Representative of a company
providing accounting services
Virginija Skirmantė

Interim Consolidated Statement of Profit or Loss and other Comprehensive Income



	Notes	3 months to 31 March 2022 Unaudited	3 months to 31 March 2021 Unaudited
Income			
Net gain on financial assets at fair value through profit or loss		273 422	36 978
Other income		312	1 672
Total net income	12	273 734	38 650
Expenses			
Administrative expenses		(213 556)	(192 919)
Total expenses	13	(213 556)	(192 919)
Operating profit		60 178	(154 269)
Finance costs			
Interest expenses		(397 018)	(17 763)
Foreign exchange loss		(9)	-
Total finance costs	14	(397 027)	(17 763)
Profit before tax		(336 849)	(172 032)
Income tax		(910)	-
Profit after tax		(337 759)	(172 032)
Other comprehensive income (loss)			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive income (loss)		(337 759)	(172 032)

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Interim Consolidated Statement of Cash Flows



	Notes	3 months to 31 March 2022 Unaudited	3 months to 31 March 2021 Unaudited
Profit after tax		(337 759)	(172 032)
Adjustments for:			
Net gain on financial assets at fair value through profit or loss	12	(273 422)	(36 978)
Net finance costs	14	397 018	17 763
Income tax expenses (income)		910	-
Working capital adjustments			
Decrease (increase) in trade and other receivables		(2 340)	(8 961)
Decrease (increase) in contract assets		-	8 000
Increase (decrease) in trade and other payables	11	(420 408)	93 199
Net cash flows from activities		(636 001)	(99 009)
Income taxes paid		-	-
Dividends received		-	-
Net cash flows from operating activities		(636 001)	(99 009)
Loans granted	1	(11 700 000)	(850 000)
Bonds acquired	1	(339 750)	-
Redeemed bonds	1	593 000	-
Payment of bonds interests	1	39 316	-
Acquisition of subsidiary and associate	1, 3	(10 404)	(25 000)
Purchase of subsidiaries shares	1	1 250	-
Received amount from third party	2, 4	50 000	-
Net cash flows from investing activities		(11 366 588)	(875 000)
Proceeds from issue of share capital	6	-	2 643 245
Proceeds from share premium	7	-	1 231 752
Transaction costs related to bonds issue	9	5 095	-
Repayment of bonds principal	9	-	(1 019 930)
Repayment of bonds interest	9	-	(12 822)
Net cash flows from financing activities		5 095	2 842 245
Net change in cash and cash equivalents		(11 997 494)	1 868 236
Cash and cash equivalents at the beginning of the year		26 463 917	416 640
Effects of foreign exchange rate changes		-	-
Cash and cash equivalents at the end of the year		14 466 423	2 284 876

Financial statements signed by electronic signature:

Director of the Management Company
Vilma Tvaronavičienė

Company's manager
Tomas Milašauskas

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Virginija Skirmantė

Interim Consolidated Statement of Changes in Equity



For the three months ended 31 March 2022	Issued capital	Share premium	Legal reserve	Retained earning	Total
Balance as at 31 December 2021 (audited)	40 062 726	10 789 768	124 308	14 036 373	65 013 175
Contributions and redemptions by holders of redeemable shares:					
- Issue of redeemable shares	-	-	-	-	-
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	-	-	-	-	-
Profit for the period	-	-	-	(337 759)	(337 759)
Other comprehensive income for the period	-	-	-	-	-
Transfers to legal reserve	-	-	-	-	-
Balance as at 31 March 2022 (unaudited)	40 062 726	10 789 768	124 308	13 698 614	64 675 416
Balance as at 1 January 2021 (audited)	20 823 623	1 153 873	250	8 505 583	30 483 329
Contributions and redemptions by holders of redeemable shares:					
- Issue of redeemable shares	2 643 245	1 231 752	-	-	3 874 997
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	2 643 245	1 231 752	-	-	3 874 997
Profit for the period	-	-	-	(172 032)	(172 032)
Other comprehensive income for the period	-	-	-	-	-
Transfers to legal reserve	-	-	-	-	-
Balance as at 31 March 2021 (unaudited)	23 466 868	2 385 625	250	8 333 551	34 186 294

Financial statements signed by electronic signature:

Director of the Management Company
Vilma Tvaronavičienė

Company's manager
Tomas Milašauskas

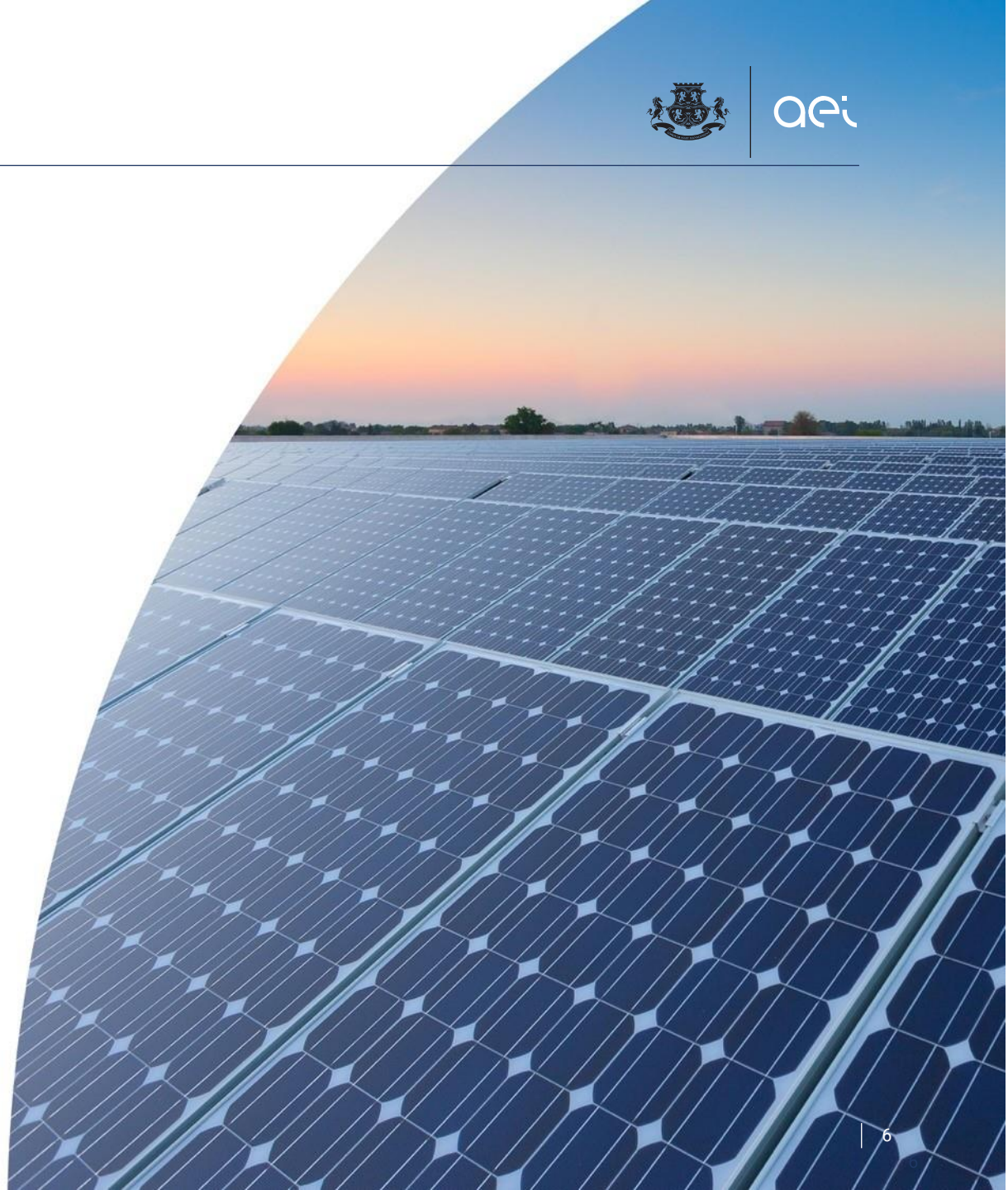
Representative of a company
providing accounting services
Virginija Skirmantė

Explanatory Note

I. General



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UAB Atsinaujinančios energetikos investicijos 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.

These interim condensed consolidated financial statements include two consolidating entities of the group AEI and UAB JTPG. The financial statements of UAB JTPG do not have material impact on the interim condensed consolidated statements since the investment activities are performed by AEI and UAB JTPG is limited to the provision of management and consulting services. For this reason, in these consolidated financial statement the Company's and Group's definitions both are used to refer to the consolidated group activities and financial data, jointly AEI and UAB JTPG.

Subsidiaries and associates

As at 31 March 2022 and 31 December 2021 the Company had the following subsidiaries and associates:

	Country of domicile	Date of acquisition	Ownership, %
UAB Saulės energijos projektai	Lithuania	2016-06-15	30%
Energy Solar Projekty Sp. z. o. o.	Poland	2018-11-09	100%
PV Energy Sp. z. o. o.	Poland	2020-09-01	100%
UAB JTPG	Lithuania	2020-12-23	100%
UAB Ekoelektra	Lithuania	2021-04-21	50%
Žaliosios investicijos, UAB	Lithuania	2021-09-16	25%
Bartinles investments sp. z o.o.	Poland	2022-02-18	100%
UAB Atelda	Lithuania	2022-02-18	100%
UAB KNT Holding	Lithuania	2022-03-16	100%
Zalais Speks SIA	Latvia	2022-03-29	50%

The subsidiary UAB JTPG provides management and consulting services to the Company, therefore its' financial results are consolidated in these financial statements.

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.

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 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 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 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 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 interim financial statements have been presented in 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 but recognises 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. In addition, 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 Company's aggregated financial assets at a fair value are presented in the table below:

	31 March 2022	31 December 2021
Energy Solar Projekty Sp. z. o. o.		
Initial investment in shares	1 197	1 197
Long term loan granted	14 950 000	14 950 000
Interest on loan granted	3 177 776	2 860 089
Fair value adjustment on investments in shares	8 551 042	8 857 475
Total investment in equity and debt instrument	26 680 015	26 668 761
PV Energy Sp. z. o. o.		
Initial investment in shares	1 151	1 151
Long term loan granted	9 065 000	7 365 000
Interest on loan granted	597 151	419 772
Fair value adjustment on investments in shares	5 965 484	5 989 642
Total investment in equity and debt instrument	15 628 786	13 775 565
Bartinlles investments sp. z o.o.		
Initial investment in shares	3 004	-
Long term loan granted	10 000 000	-
Interest on loan granted	66 111	-
Fair value adjustment on investments in shares	(66 111)	-
Total investment in equity and debt instrument	10 003 004	-

III. Notes



(Continued)	31 March 2022	31 December 2021
UAB Atelda		
Initial investment in shares	3 500	-
Total investment in equity	3 500	-
UAB KNT Holding		
Initial investment in shares	2 500	-
Total investment in equity	2 500	-
Total investment in Subsidiaries	52 317 805	40 444 326
UAB Saulės enerģijas projekti		
Initial investment in shares	1 504 349	1 504 349
Fair value adjustment on investments in shares	(454 303)	(506 330)
Total investment in equity and debt instrument	1 050 046	998 019
Žaliosios investicijos, UAB		
Initial investment in shares	625	625
Bonds principal acquired	24 643 750	24 625 000
Bonds interest accrued	501 024	136 446
Fair value adjustments on investment	(501 024)	(34 112)
Total investment in equity and debt instrument	24 644 375	24 727 959
UAB Ekoelektra		
Initial investment in shares	1 250	1 250
Bonds principal acquired	321 000	593 000
Bonds interest accrued	4 493	32 455
Fair value adjustments on investment	(5 743)	(117 457)
Total investment in equity and debt instrument	321 001	510 498
Zalais Speks SIA		
Initial investment in shares	1 400	-
Total investment in equity and debt instrument	1 400	-
Total investment in Associates	26 016 821	25 725 978
Total investment assets at fair value through profit or loss	78 334 626	66 680 802

III. Notes



Movements in the fair value of the Company's investments in equity and debt instruments of subsidiaries and associates for the financial period ended 31 March 2022 are presented in the table below.

	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 March 2022
Investments in equity and debt instruments of subsidiaries:					
Energy Solar Projekty Sp. z. o. o.	26 668 761	-	-	11 254	26 680 015
PV Energy Sp. z. o. o.	13 775 564	1 700 000	-	153 222	15 628 786
Bartinles investments sp. z o.o.	-	10 003 004	-	-	10 003 004
UAB Atelda	-	3 500	-	-	3 500
UAB KNT Holding	-	2 500	-	-	2 500
Total	40 444 325	11 709 004	-	164 476	52 317 805
Investments in equity and debt instruments of associates:					
UAB Saulės energijos projektai	998 019	-	-	52 027	1 050 046
Žaliosios investicijos, UAB	24 727 959	18 750	-	(102 334)	24 644 375
UAB Ekoelektra	510 498	(272 000)	(39 316)	121 818	321 000
Zalais Speks SIA	-	1 400	-	-	1 400
Total	26 236 476	(251 850)	(39 316)	71 511	26 016 821

As at 31 March 2022 and 31 December 2021, fair value of the investments in equity and debt instruments of Energy Solar Projekty Sp. z. o. o., PV Energy Sp. z. o. o., UAB Saulės energijos projektai of the Company is accounted for based on the valuation reports of an independent appraiser (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 2021) until the end of reporting period (31 March 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 Energy Solar Projekty Sp. z. o. o., PV Energy Sp. z. o. o., UAB Saulės energijos projektai of the Company as of 31 March 2022 is accounted at the values from the reports of an independent appraiser.

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.

Based on the Company's asset valuation report, shares of UAB Ekoelektra, Žaliosios Investicijos, UAB were devalued to EUR 1 each, accordingly, as companies did not have any real estate, shares, or any other marketable asset. The Bonds of Žaliosios Investicijos UAB are accounted at fair value which Management estimates to be equal to the acquisition cost, and the interest value is reduced by the Company's share of the subsidiary's capital. Management of the Company has not identified any circumstances from the date of acquisition of investment until the reporting date that would have a material impact on the fair value of the acquired bonds.

In February 2022, the Company sold 50% of UAB Ekoelektra shares and UAB Ekoelektra redeemed the bonds and paid accrued interests to the Company based on agreement dated 3 May 2021. Consequently, as full amount of the bonds was redeemed the Company accounted the increase in fair value (reversal of decrease in previous reporting periods) of bonds to the amount of redemption received.

One of the subsidiaries have 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 reporting period ended on the 31 March 2022 year ended 31 December 2021, the Company did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

Incident in construction site

On March 11, 2022 there was a construction incident in 50 MW Anykščiai wind park. Žaliosios investicijos, UAB owns bonds and equity of the company that owns Anykščiai wind park. Currently incident root cause investigation is ongoing. The potential impact on valuation of bond and equity of Anykščiai wind park will be clear once root cause investigation will be completed (results expected at the end of June).

Bonds acquired

In November 2021 the Company signed the bond subscription agreement with Žaliosios investicijos, UAB under which the Company agreed to subscribe and purchase an amount of 25 000 000 units of non-convertible bonds with nominal value of EUR 1 per each. As at 31 March 2022 the Company has purchased 24 643 750 units of the subscribed bonds with the total value of EUR 24 643 750 (as at 31 December 2021 has purchased 24 625 00 units). The redemption date of the bond shall be 31 December 2052.

On 14 February 2022 the Company signed bond agreement with UAB Ekoelektra and acquired a total amount of 321 000 bonds with the issue price of EUR 1 each during reporting period. Bonds acquired are issued with interest rate of 12% and maturity date of 5 January 2028. The Company 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.

III. Notes



According to the agreements the bonds may be subordinated with regards to the bank when associated enters into financing agreement. In this case the Company 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 March 2022 and as at 31 December 2021:

Borrower	Loan date	Contractual interest rate	Maturity date	As at 31 March 2022		As at 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	-	-	625 454	510 497
Žaliosios investicijos, UAB	2021-11-23	6.00%	2052-12-31	25 144 774	24 644 374	24 761 447	24 727 959
UAB Ekoelektra	2022-02-14	12.00%	2028-01-05	325 494	321 000	-	-
				31 March 2022		31 December 2021	
Bonds principal acquired of Žaliosios investicijos, UAB				24 643 750		24 625 000	
Bonds interest accrued of Žaliosios investicijos, UAB				501 024		136 446	
Fair value adjustments on bonds acquired of Žaliosios investicijos, UAB				(500 400)		(33 487)	
Bonds principal acquired of UAB Ekoelektra				321 000		593 000	
Bonds interest accrued of UAB Ekoelektra				4 494		32 455	
Fair value adjustments on bonds acquired of UAB Ekoelektra				(4 494)		(114 958)	
Total bonds and interest acquired				24 965 374		25 238 456	

III. Notes



Loans granted

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

Borrower	31 March 2022	31 December 2021
Long term loan granted to Energy Solar Projekty Sp. z. o. o.	14 950 000	14 950 000
Long term loan granted to PV Energy Sp. z. o. o.	9 065 000	7 365 000
Long term loan granted to Bartinlles investments sp. z o.o.	10 000 000	-
Interest on loan granted to Energy Solar Projekty Sp. z. o. o.	3 177 776	2 860 089
Interest on loan granted to PV Energy Sp. z. o. o.	597 151	419 772
Interest on loan granted to Bartinlles investments sp. z o.o.	66 111	-
Fair value adjustments on loan granted to Bartinlles investments sp. z o.o.	(63 108)	-
Total loans granted	37 792 930	25 594 861

During the first quarter of 2022 the Company granted additional loan to PV Energy Sp. z. o. o. (4), based on the terms specified in the loan agreement the Company undertakes obligation to provide an additional loan in a total amount of EUR 15 500 000.

The Company signed loan agreement with newly acquired subsidiary Bartinlles Investments SP. z.o.o. under which undertook the obligation to provide loan in a total amount of EUR 19 000 000. During the first quarter of 2022 an instalment of EUR 10 000 000 was made.

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

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	18 127 776	18 127 776
PV Energy Sp. z. o. o. (1)	2020-10-01	8.50%	2026-01-05	1 529 887	1 529 887
PV Energy Sp. z. o. o. (2)	2021-03-18	8.50%	2026-01-05	4 795 860	4 795 860
PV Energy Sp. z. o. o. (3)	2021-06-02	8.50%	2026-01-05	1 615 532	1 615 532
PV Energy Sp. z. o. o. (4)	2021-09-09	8.50%	2026-01-05	1 720 872	1 720 872
Bartinlles Investments SP. z. o. o.	2022-02-28	8.50%	2026-01-05	10 066 111	10 003 003

Loan of Bartinlles Investments SP. z. o. o. are accounted at fair value which Management estimates to be equal to the acquisition cost of loans and shares.

III. Notes



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

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	17 810 089	17 810 089
PV Energy Sp. z. o. o. (1)	2020-10-01	8.50%	2026-01-05	1 500 629	1 500 629
PV Energy Sp. z. o. o. (2)	2021-03-18	8.50%	2026-01-05	4 700 698	4 700 698
PV Energy Sp. z. o. o. (3)	2021-06-02	8.50%	2026-01-05	1 583 445	1 583 445

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

	31 March 2022	31 December 2021
Receivable from a third party	1 797 694	1 997 694
Fair value adjustment on the receivable from a third party	121 327	85 141
Total non-current receivables at fair value through profit or loss	1 919 021	2 082 835

On 21 January 2020, the Company 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.

As at 31 March 2022, nominal value of non-current share of receivable from third party is EUR 2 500 000 (as at 31 December 2021 – EUR 2 550 000). For the financial periods ended 31 March 2022, 31 December 2021 the Company recognized a gain on the receivable from the change of fair value, amounts are presented in tables below. As at 31 March 2022 receivable amount of EUR 200 000 was reclassified to other current receivables at fair value through profit and loss. Movements in the fair value of the Company's receivable amount from a third party for the financial period ended 31 March 2022 are presented in the table below:

III. Notes



	Fair value as at 1 January 2022	Increase (+) / Decrease (-) of receivable amount	Increase (decrease) in fair value of receivable amount	Fair value as at 31 March 2022
Receivable from a third party	2 082 835	(200 000)	36 186	1 919 021

3. Prepayments

	31 March 2022	31 December 2021
Prepayments	150 000	150 000
Total prepayments	150 000	150 000

As at 31 March 2022 prepayments made by the Company are in amount of EUR 150 000 (as at 31 December 2021 – EUR 150 000) and consist of prepayments for the shares of UAB Raguvēlēs vējas, UAB Pakruojo vējas and UAB Troškūņų vējas.

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

	31 March 2022	31 December 2021
Current share of receivable from third party at fair value through profit or loss	1 000 000	850 000
Total other current receivables at fair value through profit or loss	1 000 000	850 000

As at 31 March 2022 the Company's current share of the receivable from a third party in amount of EUR 1 000 000 refer to the receivable amount for shares and loans sold previously held in AS Agro Lestene and AS Zalas Zemes Energija (refer more to Note 2 (as at 31 December 2021 – EUR 850 000 receivable for shares and loans sold previously held in AS Agro Lestene and AS Zalas Zemes Energija).

5. Cash and cash equivalents

	31 March 2022	31 December 2021
Cash	14 466 423	26 463 917
Total cash and cash equivalents	14 466 423	26 463 917

III. Notes



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

- AB SEB bankas;
- AB Šiaulių bankas.

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

	Moody's	Standard & Poor's
AB SEB bankas	AA3	A+
AB Šiaulių bankas	BAA2	-

Net debt reconciliation for the financial period ended 31 March 2022 is as follows:

	Liabilities from financing activities	Cash and cash equivalents	Total
Net debt as at 1 January 2022	(30 177 174)	26 463 917	(3 713 257)
Operating and investment cash flows	(397 018)	(12 002 589)	(12 399 607)
Transaction costs related to bonds issue	(5 095)	5 095	-
Net debt as at 31 March 2022	(30 579 287)	14 466 423	(16 112 864)

6. Issued capital

	31 March 2022	31 December 2021
Authorised share capital fully paid	40 062 726	40 062 726
Total issued capital	40 062 726	40 062 726

As at 31 March 2022, the Company's authorised share capital amounted to EUR 40 062 726 and was comprised of 40 062 726 ordinary shares of EUR 1 each (as at 31 December 2021 – 40 062 726).

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

III. Notes



	31 March 2022	31 December 2021
As at period start	40 062 726	21 164 687
Issue of ordinary shares	-	18 898 039
As at period end	40 062 726	40 062 726

7. Share premium

	31 March 2022	31 December 2021
As at period start	10 789 768	1 153 873
Share premium	-	9 635 895
As at period end	10 789 768	10 789 768

8. 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 March 2022 legal reserve is amounted to EUR 124 058 (as at 31 December – 124 058).

9. Bonds issued

	31 March 2022	31 December 2021
Non-current liabilities		
Bonds principal issued	40 000 000	40 000 000
Bonds principal repaid	(14 827 007)	(14 827 007)
Bonds interest accrued	1 967 773	1 964 097
Bonds interest paid	(1 963 199)	(1 963 199)
Amortized costs of bonds issue	(300 691)	(256 472)
Current liabilities		
Bonds principal issued	5 000 000	5 000 000
Bonds interest accrued	591 204	218 080
Amortized costs of bonds issue	-	(69 441)
Total bonds issued	30 468 080	30 066 058

III. Notes



As at 31 March 2022 the total Company's bonds issued and interest accrued amounted to EUR 30 468 080 (as at 31 December 2021 – EUR 30 066 058), of which EUR 5 591 204 allocated to current liabilities (as at 31 December 2021 – EUR 5 148 639) and EUR 24 876 876 allocated to non-current liabilities (as at 31 December 2021 – EUR 24 917 419).

The Company carefully monitors the market interest rates, therefore fixed interest rates that are determined in the bond and loan agreements the Company 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 cost value of the Company's liabilities from bonds for the financial period ended 31 March 2022 is presented in the table below:

	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 March 2022
Bonds							
Shareholder (1)	173 891	-	-	3 676	-	-	177 567
Green bonds	24 732 578	-	-	311 480	-	25 222	25 069 280
External lender 1	3 095 753	-	-	36 986	-	-	3 132 739
External lender 2	1 031 918	-	-	12 329	-	-	1 044 247
External lender 3	1 031 918	-	-	12 329	-	-	1 044 247
Total liabilities	30 066 058	-	-	376 800	-	25 222	30 468 080

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

Lender	Loan date	Interest rate	Maturity date	Outstanding balance as at 31 March 2022	Outstanding balance as at 31 December 2021
Greens Bonds					
	2021-12-15	5.00%	2025-12-14	25 069 280	24 732 578
Principal amount:				25 000 000	25 000 000
Interest accrued:				369 971	58 491
Amortized costs of bonds issue				(300 691)	(325 913)

III. Notes



(Continued) Lender	Loan date	Interest rate	Maturity date	Outstanding balance as at 31 March 2022	Outstanding balance as at 31 December 2021
External lender 1	2021-05-12	5.00%	2022-05-13	3 132 739	3 095 753
Principal amount:				3 000 000	3 000 000
Interest accrued:				132 740	95 753
External lender 2	2021-05-12	5.00%	2022-05-13	1 044 247	1 031 918
Principal amount:				1 000 000	1 000 000
Interest accrued:				44 247	31 918
External lender 3	2021-05-12	5.00%	2022-05-13	1 044 247	1 031 918
Principal amount:				1 000 000	1 000 000
Interest accrued:				44 247	31 918
Shareholder	2019-06-01	8.50%	2026-01-05	177 567	173 891
Principal amount:				15 000 000	15 000 000
Principal repaid:				(14 827 007)	(14 827 007)
Interest accrued:				1 967 773	1 964 097
Interest repaid:				(1 963 199)	(1 963 199)

Compliance with Financial covenants

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

- Minimum liquidity requirement of EUR 1 500 000;
- Equity ratio 50% or greater;
- Leverage ratio 75% or lower.

III. Notes



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.

10. Loans received

	31 March 2022	31 December 2021
Non-current liabilities		
Principal amount	992 478	992 478
Principal repaid	(980 163)	(980 163)
Interest accrued	98 892	98 801
Total loans received	111 207	111 116

The Company 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 Company carefully monitors the market interest rates, therefore fixed interest rates that are determined in the bond and loan agreements the Company 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 Company's liabilities from loans for the financial period ended 31 March 2022 is presented in the table below:

Lender	As at 1 January 2022	Proceeds from loans received	Repayment of loans received	Interest accrued	Interest paid	As at 31 March 2022
UAB Saulės energijos projektai	111 116	-	-	91	-	111 207

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

III. Notes



Lender	Loan date	Interest rate	Maturity date	Outstanding balance as at 31 March 2022	Outstanding balance as at 31 December 2021
UAB Saulės energijos projektai	2016-06-30	3%	2025-06-30	111 207	111 116
Principal amount:				992 478	992 478
Principal repaid:				(980 163)	(980 163)
Interest accrued:				98 892	98 801
Total				111 207	111 116

11. Trade and other payables

	31 March 2022	31 December 2021
Accrued success fee	245 478	630 637
Payable to the Management company	219 672	242 642
Accrued expenses	75 340	129 758
VAT payable	19 987	9 816
Payable to depository	17 363	12 674
Trade payables	7 101	16 060
Total trade and other payables	584 941	1 041 587

As at 31 March 2022 the Company accrued expenses in amount of EUR 75 340 (as at 31 December 2021 – EUR 129 758), 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 in the end of December 2021 and 31 March 2022, therefore success fee was accrued according to the Prospectus of Company.

12. Income

	3 months to 31 March 2022	3 months to 31 March 2021
Net gain on investments in equity and debt instruments at fair value through profit or loss (Note 1)	237 236	407
Net gain (loss) on other non-current receivables at fair value through profit or loss (Note 2)	36 186	36 571
Other revenue	312	1 672
Total income	273 734	38 650

The Company aggregates its financial assets at fair value through profit and loss (refer to Notes 1 and 2) in order to best represent fair value of its financial assets. The Company's gain on investments increased due to growth of investments fair value as described in Note 1.

III. Notes



13. Expenses

	3 months to 31 March 2022	3 months to 31 March 2021
Management fee	219 672	92 747
Consulting services	119 287	9 759
Employment related costs	107 920	47 963
Development and management costs of investment objects	30 636	303
Bank charges	28 052	99
Legal expenses	26 059	19 931
Accounting services	23 288	8 167
Depository expenses	18 670	8 407
Office maintenance expenses	10 108	1 328
Due diligence expenses	8 401	-
Audit expenses	4 235	1 361
Success fee	(385 160)	-
Other administrative expenses	2 388	2 854
Total expenses	213 556	192 919

Exceeded hurdle rate of net return on investment led to accrual of success fee expenses in end of 2021. Since there were no significant changes in investment assets at fair value and profit and loss during first quarter of 2022, the rate of return decreased and as a result accrued expenses of success fee were reduced accordingly.

14. Finance costs

	3 months to 31 March 2022	3 months to 31 March 2021
Interest expenses on bonds issued	376 800	16 407
Transaction fee	20 127	-
Interest expenses on loans received	91	1 356
Foreign exchange loss	9	-
Total finance costs	397 027	17 763

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

III. Notes



15. Related parties

The following income and expenses occurred with related parties:

Related party	Income / Expense type	Note	3 months to 31 March 2022	3 months to 31 March 2021
Shareholder	Interest expenses on bonds issued	9, 14	3 676	16 407
UAB Saulės energijos projektai	Interest expenses	10, 14	91	1 356
Energy Solar Projekty Sp. z. o. o.	Interest income on loan granted	1, 12	3 676	16 407
PV Energy Sp. z. o. o.	Interest income on loan granted	1, 12	177 378	28 900
Bartinlles investments sp. z o.o.	Interest income on loan granted	1, 12	66 111	-
UAB Ekoelektra	Interest income on bonds acquired	1, 12	11 355	-
Žaliosios investicijos, UAB	Interest income on loan granted	1, 12	364 577	-

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

Related party	Asset / Liability type	Note	31 March 2022	31 December 2021
Shareholder	Non-redeemed bonds and accrued interests	9, 14	177 567	173 891
UAB Saulės energijos projektai	Payable principal on loan received	10	12 315	12 315
UAB Saulės energijos projektai	Payable interest amount on loan received	10	98 892	98 801
Energy Solar Projekty Sp. z. o. o.	Receivable principal on loan granted	1	14 950 000	14 950 000
Energy Solar Projekty Sp. z. o. o.	Receivable interest on loan granted	1	3 177 776	2 860 089
Energy Solar Projekty Sp. z. o. o.	Receivable for recharged expenses		187	187
PV Energy Sp. z. o. o.	Receivable principal on loan granted	1	9 065 000	7 365 000
PV Energy Sp. z. o. o.	Receivable interest on loan granted	1	597 151	419 772
Bartinlles investments sp. z o.o.	Receivable principal on loan granted	1	10 000 000	-
Bartinlles investments sp. z o.o.	Receivable interest on loan granted	1	66 111	-
UAB Ekoelektra	Receivable principal on bonds acquired	1	321 000	593 000
UAB Ekoelektra	Receivable interest on bonds acquired	1	4 493	32 455
Žaliosios investicijos, UAB	Receivable principal on bonds acquired	1	24 643 750	24 625 000
Žaliosios investicijos, UAB	Receivable interest on bonds acquired	1	501 024	136 446

III. Notes



Transactions with Key Management Body

The following income and expenses occurred with Key Management Body:

Related party	Asset / Liability type	31 March 2022	31 March 2021
Management company	Accrued success fee	245 478	-
Management company	Payable management fee	219 672	92 748
Management company	Other receivable amounts	7	-

Share purchase and sale transactions with related parties

	31 March 2022	31 December 2021
As at period start	18 728 394	18 347 500
Shares distributed (related company)	-	-
Redeemed shares (related company)	-	-
Shares distributed (related person)	-	380 894
Redeemed shares (related person)	-	-
As at period end	18 728 394	18 728 394

As at 31 March 2022 and 31 December 2021, related parties owned 18 728 395 units of the Company's shares amounting to 46.75% of the total amount of shares.

16. Financial risk management

The Company 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 Company might be exposed to.

16.1. General risk

The value of Company's investments may both go up and down and, therefore, the values of the Company's Shares may fluctuate during the term of the Company's operations. Past performance of the Company cannot guarantee the same future results. In addition, main investments of the Company 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 Company 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.

16.2. 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 Company or income received from it will decrease, maintenance (administration) costs of such property will increase thereby reducing the value of Company's investments.

16.3. 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 Company at the preferred time and the desired price, or which will prevent the sale of the infrastructure assets and related properties acquired by the Company 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 Company's investments last longer than expected. To mitigate this risk, the Company 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 Company 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 Company'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;
- Identification of future funding, including new debt facilities.

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

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

III. Notes



	Cash flows as at 31 March 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	24 964 750	-	-	-	24 964 750
Loans granted	34 015 000	-	-	34 015 000	-
Other receivables	2 200 000	-	1 600 000	600 000	-
Current assets					
Other receivables	1 009 375	1 009 375	-	-	-
Cash and cash equivalents	14 466 423	14 466 423	-	-	-
Total financial assets	76 655 548	15 475 798	1 600 000	34 615 000	24 964 750
Financial liabilities					
Non-current liabilities					
Bonds issued	25 177 567	-	-	25 177 567	-
Loans received	111 207	-	-	111 207	-
Current liabilities					
Bonds issued	5 591 204	5 591 204	-	-	-
Trade and other payables	244 136	244 136	-	-	-
Total financial liabilities	31 124 114	5 835 340	-	25 288 774	-
	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	25 218 000	-	-	-	25 218 000
Loans granted	22 315 000	-	-	22 315 000	-
Other receivables	2 400 000	-	1 600 000	800 000	-
Other receivables	859 537	859 537	-	-	-
Cash and cash equivalents	26 463 917	26 463 917	-	-	-
Total financial assets	77 256 454	27 323 454	1 600 000	23 115 000	25 218 000

III. Notes



(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	25 290 872	58 491	-	25 173 891	-
Loans received	111 116	-	-	111 116	-
Current liabilities					
Bonds issued	5 159 589	5 159 589	-	-	-
Trade and other payables	271 375	271 375	-	-	-
Total financial liabilities	30 832 952	5 430 964	-	25 285 007	-

As at 31 March 2022 and 31 December 2021, current asset and cash of the Company exceeds current liabilities.

16.4. 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 Company, resulting in a financial loss to the Company. In managing the credit risk, the Company seeks to select only creditworthy counterparties whose reliability is not in doubt.

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

In relation to the agreement with third party regarding the sale of shares and loans previously held at AS Agro Lestene and AS Zalas Zemes Energija the Company and a third party entered a pledge agreement. Based on this agreement third party undertakes to register the pledge over the shares and loans sold in favour of the Company and the pledge is released only after full amount of receivable is received. During the full time of pledge, the third party, based on the pledge agreement, may not sell, release, or take possession of the shares sold, collect any proceeds, or exercise all other rights as are conferred by applicable law.

The Company 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 Company considers the probability of bank failure to be zero.

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

III. Notes



On 29 June 2016, the Company concluded agreement with AB SEB bankas, by which the Company 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 Company 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 Company under this guarantee agreement is limited to EUR 8 965 837.

As at 31 March 2022 and 31 December 2021, the Company had loans that have not yet been paid out. The Company'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 March 2022:

Borrower	Type	Debt date	Maturity date	Contractual interest rate	Amount of loan granted	Commitment amount according to loan agreement
Energy Solar Projekty Sp.	Loan	2019-05-31	2026-01-05	8.50%	44 950 000	48 000 000
PV Energy Sp. z. o. o. (1)	Loan	2020-10-01	2026-01-05	8.50%	1 376 823	2 400 000
PV Energy Sp. z. o. o. (3)	Loan	2021-06-02	2026-01-05	8.50%	1 510 000	2 752 000
PV Energy Sp. z. o. o. (4)	Loan	2021-09-09	2023-04-30	8,50%	1 700 000	15 500 000
Bartinlles Investments SP. z o.o.	Loan	2022-02-28	2026-01-05	8,50%	10 000 000	19 000 000
UAB Ekoelektra	Bonds	2022-02-14	2028-01-05	12.00%	321 000	3 000 000
Žaliosios investicijos, UAB	Bonds	2021-11-12	2058-12-31	8,50%	24 643 750	25 000 000

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

Borrower	Type	Debt date	Maturity date	Contractual interest rate	Amount of loan granted	Commitment amount according to loan agreement
Energy Solar Projekty Sp.	Loan	2019-05-31	2026-01-05	8.50%	44 950 000	48 000 000
PV Energy Sp. z. o. o. (1)	Loan	2020-10-01	2026-01-05	8.50%	1 275 000	2 400 000
PV Energy Sp. z. o. o. (3)	Loan	2021-06-02	2026-01-05	8.50%	1 510 000	2 752 000
PV Energy Sp. z. o. o. (4)	Loan	2021-09-09	2023-04-30	8,50%	-	15 500 000
Žaliosios investicijos, UAB	Bonds	2021-11-12	2058-12-31	8,50%	24 625 000	25 000 000

16.5. 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 March 2022 and 31 December 2021, the Company 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 Groups' investments are carried at fair value and belong to the Level 3 group according to the valuation method (see Note 1, 2).

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

16.6. Equity price risk

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

As at 31 March 2022, 31 December 2021, and 31 March 2021 the Company 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 Company 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. The Company's aggregated financial assets at a fair value are as follows:

	31 March 2022	31 December 2021
Equity and debt financial instrument	78 334 626	66 680 802

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 Company's Management is obliged to ensure diversification of the investments. The Company'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 Company's prospectus.

The Company 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 Company 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.

16.7. 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 Company's investments, thereby reducing the value of Company's investments. To mitigate this risk, the Company may hedge against interest rate risks by concluding respective transactions in financial instruments, where necessary.

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

The fair value of the Company'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 Company 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 Company 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.

16.8. 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 Company's investments will be mainly made in the Euro, therefore Company 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 Company's functional currency.

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

For the financial period ended 31 March 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.

16.9. Operational risk

Operational risk refers to mismanagement, error, or fraud in relation to financial risk management resulting in financial loss to the Company. It is managed by maintaining a strict review of the accounts and the financials of the Company, 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.

16.10. Capital risk management

The Company's objective in managing capital is to safeguard the Company'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 Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company.

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

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

16.11. Property development risk

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

16.12. Limited diversification risk

The limits of investment of the Company'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 Company 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.

16.13. 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 Company and investment objects of the Company and/or an increase in the current tax rates, thereby reducing the return on investments of the Company.

16.14. Political and legal risk

A company 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 Company's Share.

16.15. Geopolitical risk

There is a risk that operations of the Company 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 Company's investments or failure to dispose of the investment objects acquired by the Company at the preferred time and the desired price.

16.16. Company's property valuation risk

The assets acquired by the Company will be evaluated according to the main rules laid down in the Prospectus. The valuation of individual items of assets of the Company 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 Company's assets which depends on a number of factors, e.g., economic, and other conditions beyond the control of the Management Company and its employees. Therefore, the realisable value of the Company's assets may be either above or below the value of the assets determined by the property or business valuator.

16.17. Fluctuation risk

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

17. Subsequent events

On 11th April 2022, the Company purchased 1 750 000 bonds from KNT Holding, UAB issue and subscribed for 40 000 000 units.

Management Company of Investment Company adopted the decision to increase the authorised capital of Company by EUR 15 000 000 **on 14th April 2022**. Authorised capital is increased by issuing 9 155 832 units of ordinary shares with price EUR 1,6383 per unit.

On 3rd May 2022, the Company granted a loan of EUR 203 000 for Zalais Speks SIA and **on 11th May 2022** a loan of EUR 6 200 000 to PV Energy Projects.

On 13th May 2022, the Company redeemed EUR 5 000 000 of bonds with accrued EUR 250 000 interest.

On 13th May 2022, the Company acquired new subsidiary measured at fair value through profit and loss, that operates in Lithuania, with purchase value of EUR 3 500.

On 22nd May 2022, the Company and the third party signed an agreement to sell receivable from the third party. The financial effect to the Company is not material.