

IMPORTANT: You must read the following before continuing. The following applies to the Base Prospectus (the "Base Prospectus") following this page, and you are therefore required to read this carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE BASE PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES DESCRIBED IN THE BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Confirmation of your Representation: In order to be eligible to view the Base Prospectus or make an investment decision with respect to the securities described in the Base Prospectus, you must be a person other than a U.S. person (within the meaning of Regulation S under the Securities Act) who is outside the United States. By accepting the email and accessing the Base Prospectus, you shall be deemed to represent that you are not, and that any customer represented by you is not, a U.S. person; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of the Base Prospectus by electronic transmission.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorised to, deliver the Base Prospectus to any other person.

Any materials relating to the potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently no responsibility whatsoever will be accepted in respect of any difference between the Base Prospectus distributed to you in electronic format and a hard copy version that may be made available to you.



CLOSED – END INVESTMENT COMPANY INTENDED FOR INFORMED INVESTORS
UAB “ATSINAUJINANČIOS ENERGETIKOS INVESTICIJOS”

(a private limited liability company incorporated and existing under the laws of the Republic of Lithuania, company code 304213372)

EUR 100,000,000

Unsecured Fixed Rate Note Programme

Under this EUR 100,000,000 Euro Unsecured Fixed Rate Note Programme (the "**Programme**"), described in this base prospectus (the "**Base Prospectus**" or the "**Prospectus**"), Closed – End Investment Company Intended for Informed Investors UAB "Atsinaujinančios energetikos investicijos" (the "**Company**" or the "**Issuer**") may from time to time issue unsecured fixed rate notes (the "**Notes**") denominated in Euro. It should be noted that the Programme was authorised by the resolution of the Shareholders of the Issuer, dated 5 November 2021, and the Programme was extended by the resolution of the Shareholders of the Issuer, dated 27 July 2023. Therefore, the total amount of the programme has not been changed and all the Notes issued under ISIN LT0000405938 and the Notes which will be further issued under the Programme described in this Prospectus will be consolidated and form a single series with Notes under ISIN LT0000405938.

This Base Prospectus has been approved by the Bank of Lithuania (the "**BoL**"), which is the Lithuanian competent authority under Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"), as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the Notes which are to be admitted to trading on the regulated market (the "**Regulated Market**") of Nasdaq Vilnius AB (the "**Nasdaq Vilnius**") for period of twelve months after the date hereof. The BoL has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval of the BoL relates only to Notes which are to be admitted to trading on the Regulated Market of Nasdaq Vilnius within twelve months after the date hereof.

Considering that all the Notes which will be further issued under the Programme described in this Prospectus will be consolidated and form a single series with Notes under ISIN LT0000405938, application(-s) will be made for the Notes issued under the Programme to be admitted during the period of 30 business days after the date hereof to listing on the bond list (the "**Bond List**") of Nasdaq Vilnius and to trading on the Regulated Market of Nasdaq Vilnius. The Regulated Market of Nasdaq Vilnius is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**"). Thus, each separate Tranche of Notes to be issued under the present Prospectus will be issued as tap issues and to be consolidated and form a single series with Notes under ISIN LT0000405938, which are listed on the Bonds List of Nasdaq Vilnius.

The Notes being offered and sold under this Base Prospectus will be registered within Lithuanian branch of Nasdaq CSD, SE ("**Nasdaq CSD**") (the merged central securities depository of Lithuania, Latvia, Estonia and Iceland). Noteholders will be able to hold the Notes through Nasdaq CSD participants, such as investment firms and custodian banks operating in Lithuania.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 (twelve) months from its date in relation to Notes which are to be admitted to trading on a Regulated Market of Nasdaq Vilnius. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Issuer has been rated B+ by Scope Ratings GmbH ("**Scope**"). Scope is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). As such Scope is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Tranches of Notes (as defined in "*Overview of the Programme – Method of Issue*") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

An Issuer's or Notes' rating is not a recommendation to buy, sell or hold its securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States. This Base Prospectus and/or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in

Regulation S under the Securities Act (the “**Regulation S**”), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Arranger and Dealer

Luminor Bank AS

represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch

Base Prospectus dated August 2023

IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms. To the best of the knowledge and belief of the Issuer, Mr Tomas Milašauskas (manager of the Issuer), the information contained in this Prospectus is in accordance with the facts and the Base Prospectus contains no omissions likely to affect its import.

Final Terms

Each Tranche of Notes will be issued on the terms set out herein under "*General Terms and Conditions of the Notes*" (the "**Terms and Conditions**") as completed by a document specific to each such Tranche called final terms (the "**Final Terms**") as described under "*Final Terms*" below.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealer named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Any information sourced from third parties contained in this Base Prospectus has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealer nor any of its respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial position or performance of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see *Subscription and Sale*. **In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States that is subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see *Subscription and Sale*).**

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealer or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. The Dealer has not provided any financial or taxation advice in connection with the Programme or Notes issued thereunder.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593, as amended (the "**MiFID Product Governance Rules**"), Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise the Arranger (the Dealer) or any of its respective affiliates will not be a manufacturer for the purpose of the MIFID Product Governance Rules.

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 100,000,000.

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area.

References to "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Language

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

The overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of Commission Delegated Regulation (EU) 2019/980, as amended.

Issuer:	Closed – End Investment Company Intended for Informed Investors UAB “Atsinaujinančios energetikos investicijos”
Legal Entity Identifier ("LEI") of the Issuer:	98450011FE29FH8C7E10
Programme Approval:	The establishment of the Programme was authorised by the resolution of the Shareholders of the Issuer, dated 5 November 2021, and an extension was approved by the resolution of the Shareholders of the Issuer, dated 27 July 2023, and the updated prospectus was approved by the decision of the Manager of the Issuer, dated 3 August 2023.
Programme Amount:	Up to €100,000,000 aggregate nominal amount of Notes outstanding at any one time. At the date of this Prospectus there is issued €57,700,000 aggregate nominal amount of Notes under ISIN LT0000405938 and listed of which €57,000,000 aggregate nominal amount of Notes.
Description:	Unsecured Fixed Rate Notes Programme
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
Arranger:	Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch (the " Arranger ")
Dealer:	Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch (the " Dealer ")
Trustee	Intertrust (Sweden) AB, reg. no.556625-5476, address Sveavägen 9, Box 162 85, 103 25, Stockholm, Sweden, Trustee Agreement between the Issuer and the Trustee is available on the Issuer's website www.lordslb.lt/AEI_green_bonds .
Listing and Trading:	Application(-s) will be made for Notes issued under the Programme to be admitted during the period of 30 business days after the date hereof to listing on the Bond List and to trading on the Regulated Market of Nasdaq Vilnius as soon as possible following their placement to the investors. Each separate Tranche of Notes to be issued under the present Prospectus will be issued as tap issues and to be consolidated and form a single series with Notes under ISIN LT0000405938, which are listed on the Bonds List of Nasdaq Vilnius.
Clearing Systems:	The Lithuanian branch of Nasdaq CSD, SE (" Nasdaq CSD ") (the merged central securities depository of Lithuania, Latvia, Estonia and Iceland).
Method of Issue:	Notes will be issued in one Series. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be

	identical to the terms of other Tranches of the same Series) will be completed in the final terms (the " Final Terms ").
Form of Notes:	The Notes shall be issued in dematerialized form and book-entered with Nasdaq CSD. According to the Law on Markets in Financial Instruments of the Republic of Lithuania the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the Regulated Market of Nasdaq Vilnius, shall be made by Nasdaq CSD. Entity to be in charge of keeping the records will be the Issuer. The Notes shall be valid from the date of their registration until the date of their redemption. No physical certificates will be issued to the Investors. Principal and interest accrued will be credited to the Noteholders' accounts through Nasdaq CSD.
Currency:	Notes will be denominated in Euros.
Status of Notes:	Notes under the Programme will be issued as unsecured fixed rate Notes only. The Notes constitute senior, unsecured, unsubordinated, direct, general and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Final Terms:	Notes issued under the Programme will be issued pursuant to this Base Prospectus and associated Final Terms. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions as completed by the relevant Final Terms.
Issue Price:	Notes may be issued at any price (at nominal amount or at a discount or a premium to their nominal amount). The price and amount of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and established in the relevant Final Terms.
Maturities:	Any maturity up to 5 years, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Redemption:	Unless previously redeemed, or purchased and cancelled, Notes will be redeemed at their Final Redemption Amount (as specified in the relevant Final Terms) on the Maturity Date.
Redemption for Tax Reasons:	The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, in the event of certain tax changes, as further described in Condition 12(b) (<i>Redemption and Purchase of the Notes – Redemption for tax reasons</i>).
Redemption at the option of the Issuer (call option):	In whole, but not in part, before the Maturity Date on any Business Day: <ul style="list-style-type: none"> (i) falling on or after the date falling 2 (two) years after First Issue Date, at a price equal to 100.00 (one hundred) per cent. of Nominal Amount plus 50 (fifty) per cent. of coupon, or (ii) falling on or after the date falling 3 (three) years after First Issue Date, at a price equal to 100.00 (one hundred) per cent. of Nominal Amount plus 25 (twenty-five) per cent. of coupon in each case together with interest accrued to (but excluding) the date fixed for redemption, giving not less than 30 but no more than 60 calendar days' notice, as further described in Condition 12(c) (<i>Redemption and Purchase of the Notes – Redemption at the option of</i>

	<i>the Issuer (call option)</i>). No redemption at the option of the Noteholders is permitted for the Notes.
De-listing Event or Listing Failure Put Option:	If at any time while any Note remains outstanding, there occurs (A) a De-listing Event, or (B) a Listing Failure, each Noteholder will have the option to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the De-listing Event or Listing Failure Put Date at a price per Note equal to 101.00 (one hundred and one) per cent. of the Nominal Amount together with interest accrued to, but excluding, the De-listing Event or Listing Failure Put Date, as further described in Condition 12(c) (<i>Redemption and Purchase of the Notes – De-listing Event or Listing Failure Put Option</i>).
Redemption at the option of Noteholders upon a Change of Control:	If at any time while any Note remains outstanding, there occurs a Change of Control Event each Noteholder will have the option to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the Change of Control Put Date at a price per Note equal to 101.00 (one hundred and one) per cent. of the Nominal Amount together with interest accrued to, but excluding, the Change of Control Put Date, as further described in Condition 12(c) (<i>Redemption and Purchase of the Notes – Redemption at the option of Noteholders upon a Change of Control</i>).
Certain Covenants:	The Condition 13 contains certain covenants which, <i>inter alia</i> , limit the Issuer's ability and the ability of certain subsidiaries to conduct certain transactions, for example: <ul style="list-style-type: none"> (i) obligation to ensure compliance with the following financial covenants: <ul style="list-style-type: none"> (a) Minimum Liquidity – the Issuer shall in aggregate at all times maintain a combined Free Cash of minimum EUR 1,500,000 (one million five hundred thousand); (b) Equity Ratio – the Issuer ensures that Equity Ratio of the Issuer is at all times 50 (fifty) per cent. or greater (Equity Ratio is tested twice a year); (c) Leverage Ratio – the Issuer ensures that Leverage Ratio at all times is 75 (seventy five) per cent. or lower (Leverage Ratio is tested twice a year). (ii) restrictions on disposals of assets; (iii) limits on dividends payments; (iv) restrictions on financial indebtedness; all as further described in Condition 13 (<i>Special Undertakings</i>).
Interest:	Notes will be fixed rate interest bearing.
Denominations:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) (subject to compliance with all applicable legal and/or regulatory and/or central bank requirements), save that the minimum denomination of each Note will be €100,000 and (if so decided) integral multiples of EUR 1,000 in excess thereof.
Taxation:	All payments of principal and interest in respect of Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Lithuania or any political subdivision therein or authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or required to be paid subject to Condition 10 (<i>Taxation</i>). In that event, the Issuer shall (subject as provided in Condition 10 (<i>Taxation</i>)) pay such additional amounts as will result in the receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such

	<p>withholding or deduction been required, all as described in "<i>General Terms and Conditions of the Notes—Taxation</i>". For further information, see Condition 10 (<i>Taxation</i>).</p> <p>The Issuer will pay additional amounts in respect of this withholding tax on interest so that Noteholders receive the full amount they would have received had there been no such withholding tax on interest.</p>
Ratings:	<p>The Issuer has been rated B+ by Scope. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency</p>
Governing Law:	The Notes shall be governed by Lithuanian law.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, see <i>Subscription and Sale</i> below.
Use of Proceeds:	<p>The proceeds of the issue of each Series of Notes will be transferred to the Issuer and used towards refinancing existing bonds or other loan obligations or to finance, in part or in full, acquisition and development of projects in renewable solar and wind energy and related infrastructure, energy efficiency and environmentally sustainable management of living natural resources and land use, in accordance with prescribed eligibility criteria set out in the Green Bond Framework available on the Issuer's website www.lordslb.lt/AEI_green_bonds.</p>

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "General Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. The below disclosure of risks only includes the risks the Issuer deems specific to the Issuer and to the Notes within the Programme, and which the Issuer believes to be the most essential for taking an informed investment decision. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

The risk factors below are presented in categories depending on their nature. In each category the most material risk factors are mentioned first according to the assessment of the materiality of the risk factors concerned. Unless otherwise specified, the risks relating to the Issuer as discussed in this section below, apply to the Issuer together with its subsidiaries operating in Poland and Lithuania.

This Base Prospectus also contains forward-looking statements that involve risks and uncertainties. The actual results of the Issuer and its subsidiaries may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Base Prospectus. Please see Forward-Looking Statements.

RISKS RELATING TO THE ISSUER

Risks Relating to the Group's Business

1.1. The production of electricity from renewable resources depends on weather conditions on wind and solar resources.

The Group invests in and plans to continue to invest in electricity generation projects that depend on wind and solar resources. As of 30 June 2023, the Group's electricity generation capacity investment portfolio, consisting of operating assets, assets under development and assets in green field stage, represents 1,758.90 MW. Wind and solar assets represent 988.50 MW and 770.40 MW, respectively, or approximately 56.20 per cent and 43.80 per cent, respectively, of its electricity generation capacity.

Electricity generation by the Group's wind and solar assets depends largely on the kinetic energy of the wind to which its wind parks are exposed and the amount of solar irradiance available to its solar facilities. These resources are outside of the Group's control and may vary significantly over time. General meteorological conditions such as seasonal changes in resources are complex and difficult for the Group to predict, especially since exceptionally poor meteorological conditions may lead to one-time drops in production levels and in the associated levels of revenue generated by its assets. If unfavourable meteorological conditions were to continue over the long term, they could negatively affect the profitability of impacted projects. To the extent that climate change causes variations in wind or cloud cover, it may have an adverse effect on the Group's assets and business. Wind conditions may also be adversely affected by man-made obstructions constructed in the vicinity of the wind park, such as new wind parks. Any such obstructions could reduce the output of the Group's wind parks resulting in a material adverse effect on the Group's business, financial condition and operating results.

Insufficient wind or solar irradiance could lead to a decrease in the generation of electricity. By establishing a portfolio of projects in different geographical locations, performing extensive wind measurements and

evaluating which wind turbines are most suitable for the specific geographical location prior to making decisions regarding investments, the Group reduces the risk of variations in output.

The Group bases its projected electricity production in part upon statistical studies of historical weather conditions at its sites. Unfavourable weather conditions, changes in climate, technological failures and significant discrepancies between estimates and actual electricity production may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.2. Any long-lasting decline in electricity prices could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

While the Group benefits from certain subsidy programmes, a substantial proportion of the electricity produced by the Group is sold to the market. Consequently, any long-lasting decline in electricity prices could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

There are two principal renewable energy subsidy programmes that impact the Group's revenue. Contract for difference ("**CfD**"), applicable to the Group's operations in Poland, provides financial support for projects that are successful as part of an auction scheme. The support takes the form of a premium on top of the market price for electricity payable to a project owner, provided that, in the coming years, the market price for electricity is below that of the successful bidding price submitted at auction. For further information, see *Regulation—Regulations applicable in Poland*.

Feed-in-Tariffs ("**FiT**"), applicable to the Group's operations in Lithuania, provide for fixed tariffs which the energy producer receives rather than wholesale market power prices for a specified period of time. FiT rates are fixed rates, and the Group is therefore not exposed to electricity price fluctuations with respect to these assets for the duration of the FiT (although there may be an opportunity gain or loss associated).

For Group's current operating Polish assets, CfD auction scheme is applied for 15 years from start of generation for all generation capacity of the projects, and electricity which benefits from FiT subsidy programmes in Lithuania covers all generation capacity of the projects and is valid until 2025. For the remaining operating life cycle of the projects, electricity produced by the Group's facilities is expected to be sold on the power exchange in day-ahead and intra-day markets. The Group will contract third-party energy trading businesses to act as the Group's agent for purposes of executing transactions on the power exchange.

The Group will be exposed to changes in price levels on the power exchanges. Decreases in electricity prices will have a direct impact on the results of operations of the Group. Any addition of new production capacities to the regional power market, especially renewable production capacities, could decrease electricity prices.

During the early stages of renewable energy development in the markets in which the Group operates, CfD and FiT structures were put in place and designed to promote the construction of renewable energy-based capacities. The residual life of the Group's assets benefitting from the incentive schemes exceeds the residual life of the incentive schemes. Consequently, the Group expects that the price it can obtain for electricity will have a greater impact on revenue in the future, as existing FiT arrangements expire and the Group becomes increasingly exposed to market price fluctuations, see *Regulation—Regulation applicable in Lithuania*.

The Group anticipates that several projects in development will not receive subsidies but will instead be developed with the intention of either agreeing Power Purchase Agreements ("**PPA**") with customers in order to hedge the wholesale electricity price risk, see *Description of the Issuer—Competitive Strengths—Solid and visible cash flow generation enabling secure cash flows going forward*. However, the Group will remain partially exposed to fluctuations in wholesale electricity prices, and there can be no assurance that the Group's hedging and risk management strategies will be successful.

1.3. The Group's business, financial condition and operating results are affected by macroeconomic trends in the markets in which it operates.

The Group's business is influenced by macroeconomic factors affecting the economies of the markets in which it operates (namely, the Baltic countries, as well as Poland). Further, as the Group, through the usage of third-party energy trading businesses' services, sells part of the electricity it produces in Lithuania and in Poland on the power exchange, the Group's business is also impacted by macroeconomic factors affecting the Nordic, and the Eastern and Central Europe countries. Generally, there is a positive correlation between energy prices in a given region and the level of demand. One driver of energy demand is economic output: greater economic output can lead to increased demand for energy, since prices often reflect the state of the economy as a whole. For example, the price of electricity rose in the six months ended 31 December 2021 as compared with the equivalent period in 2020 due to higher demand arising from the combined impact of COVID-19, the decreased supply from hydropower plants in the Nordics, and the cold weather during winter.

Also, COVID-19 and similar level global pandemics pose various supply-chain risks for the operations of the Group, primarily the development and construction schedules of renewable energy projects. In the wind energy sector, the main challenge is posed by the delivery of wind turbines. As of today, the average delivery time of wind turbine parts is one calendar year. This means that a smooth and accurate construction process should be planned in advance to avoid any significant project delays. In the solar energy sector, the module ordering price is greatly affected by the desired delivery term, i.e., short-term delivery price will be significantly higher than the price for long-term delivery schedules. In both cases, supply-chain bottlenecks caused by global pandemics can not only delay the development of renewable energy projects, but also increase overall costs for it.

In addition, in February 2022, the Russian Federation invaded Ukraine. The military actions affect not only the economy in Ukraine, Russia and Belarus, but also the European Union and global economy. The situation in Ukraine is extremely volatile and inherently uncertain. Currently, considering the ongoing and dynamic nature of the situation, a reliable estimate of the financial and non-financial impact cannot be presently made, although such macroeconomic events pose similar supply-chain risks similar to those of a global pandemic.

Such macroeconomic trends in the countries in which the Group operates, and in Europe more broadly, have a significant impact on the Group's business and financial position and any negative macroeconomic trends could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.4. The Group's success depends on its senior management team and other key personnel.

The Group's success and its ability to carry out its growth initiatives depend on qualified executives and employees, in particular certain executive officers of the Issuer and employees with special expertise in the development, financing, engineering, construction, operation and maintenance of projects. Given their expertise in the industry, their knowledge of the Group's business processes and their relationships with the Group's local partners, the loss of the services of one or more of these individuals could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Furthermore, as the Group expands its operations, portfolio and geographic footprint, the Group's operating success and ability to carry out its business plan depend in a large part upon its ability to attract and retain additional qualified personnel who have specific technical or industry expertise, including people in the locations where the Group has operations. For example, the Group's engineering and on-the-ground personnel are critical to the development of new projects and the profitable operation of the Group's existing projects. The Group is also routinely required to assess the business, financial, legal and tax impacts of the complicated business transactions that the Group enters into, whether in connection with evaluating and developing new projects or overseeing asset construction and operation. The success of these projects is dependent on hiring and retaining personnel with sufficient expertise to allow the Group to accurately and timely complete its analysis and reporting requirements. There is significant competition in the renewable energy industry in attracting qualified personnel with the necessary expertise, and there can be no assurance that the Group will be able to hire a sufficient number to support its business plan and growth. The inability to attract and retain qualified personnel could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Additionally, from time to time, executives and other employees with technical or industry expertise may leave the Group. The Group's failure to promptly appoint qualified and effective successors for such individuals or inability to effectively manage temporary gaps in expertise or other disruption created by such departures, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.5. The Group's maintenance activities depend to a large extent on third-party contractors, which may be inadequate and thus lead to unplanned power outages, reduced output and unanticipated capital expenditures.

The Group's maintenance activities primarily aim to prevent any suspension or interruption in and to optimise the production of electricity. Suspensions and interruptions can occur as a result of a breakdown, externally inflicted damage (by fire or otherwise) or scheduled maintenance. Although insurance is in place to cover such suspensions and interruptions, there can be no assurance that the insurance will be sufficient to cover all eventualities. Such suspensions or interruptions could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group has entered into operation and maintenance ("O&M") contracts with respect to all of the Group's production assets in its Wind and Solar segments. Typically, under the terms of these O&M contracts, the Group is entitled to compensation from the O&M provider if the availability of its wind turbines and solar panels falls below a certain threshold (either 96 per cent or 98 per cent, depending on the contract). The majority of the Group's O&M contracts in its Wind and Solar segments include production-based availability guarantees. The pricing structure for O&M contracts in the Wind segment is based on either a fixed fee per turbine per year or the volume of electricity produced per turbine per year. Most contracts provide a variable fee based on the volume of electricity produced per year combined with a minimum fixed fee per turbine per year. The pricing structure for O&M contracts in the Solar segment is based on a fixed fee per solar park per year, plus any variable performance-based compensation, or bonus payments.

There is no certainty that the maintenance routines implemented by the Group will be adequate to maintain sufficient availability of the Group's assets. Suspensions or interruptions in the work of the production units may still occur, either due to lack of necessary spare parts, unavailability of necessary repair or maintenance services or other similar reasons. Over time, costs for service and maintenance of the Group's equipment may differ from those on which the cost estimate for the investment is based and actual decommissioning costs could exceed those planned or budgeted. Any such event could result in damage to the Group's production assets and unplanned outages which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. Furthermore, any increase in the fees charged for these services and/or change in the applicable terms and conditions could have a material adverse effect on the Group's business, financial condition, results of operations or prospects, as there are limited alternative service providers.

Unplanned outages of the Group's power generation facilities typically (i) increase the Group's operation and maintenance expenses and (ii) lead to reduced output, and therefore decreased revenue. In addition, critical equipment or parts may not be readily available when needed, which may lead to additional downtime. Loss of revenue in these circumstances may not be fully compensated by O&M contracts' penalty clauses and, for certain facilities, no such compensation is available. Certain specifically manufactured or designed equipment or parts require significant time and expense to build and deliver, and if such parts do not function as planned or are damaged, replacing them can create substantial expense for the Group and generate significant downtime for the relevant facility. Higher than expected capital expenditures may be required due to changing environmental, health and safety laws and regulations (including changes in the interpretation or enforcement thereof), necessary facility repairs or unexpected events (such as natural or man-made disasters or terrorist attacks). The Group has in place insurance to protect itself in the event that such circumstances were to occur but there can be no assurance that sufficient insurance is in place to cover all eventualities in respect of unplanned power outages, reduced output and unanticipated capital expenditures. Any unexpected failure, including failure associated with breakdowns, forced outages or any unanticipated capital expenditures at the Group's facilities, could result in reduced profitability and/or jeopardise the Group's ability to meet its obligations, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.6. The Group's current and prospective operations may be negatively affected by failure of information and technology systems, an inability to implement technological and information technology innovations and cyber-attacks.

If any of the Group's critical information or communications systems fail or become unavailable, the Group may need to perform certain functions manually, which would temporarily affect the efficiency and effectiveness of its operations. Moreover, the operations of the Group and of its technology and communications service providers are vulnerable to damage or interruption from human error, data inconsistency, internet slowdowns or unavailability, natural disasters, power loss, computer viruses, intentional acts of vandalism, breaches of security and similar events.

The extent to which the provision of vital services in the markets where the Group operates and plans to operate depends on technology is continually increasing. Consequently, the impact of interruptions of these services on the functioning of society, the economy and national security, in general, is increasingly significant. Due to its geopolitical location, both public and private sector companies in the Baltic region are also at risk of being a target of politically-motivated cyber-attacks. If such attacks occur, the Group may experience theft or destruction of data, including commercial, customer and financial information, which could cause commercial detriment to the Group and/or damage to its reputation. The policies maintained by the Group to protect its data may not be sufficient to prevent its systems from suffering failures or delays that might cause significant data loss or other disruptions to the Group's business.

The majority of Group operations are performed remotely via the cloud and other internet-based service solutions, thus a large part of the Group's business segments is vulnerable to various security breaches, such as financial models and analytic tools, performance analysis data, institutional and private client accounts data, growth and acquisitions strategies, earning releases and other routines business matters that could affect the reputation of the Group.

A system failure, disruption or security breach that causes a delay, interruption or impairment of the Group's services and operations, or the unsuccessful integration of ongoing projects, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.7. The Group's insurance coverage may be inadequate to compensate the Group for certain losses.

Power generation involves hazardous activities, including but not limited to operating large pieces of rotating equipment and delivering electricity to transmission and distribution systems. Hazards such as lightning, high winds, fire, explosion, collapse, and machinery failure, are inherent risks in the Group's operations and may occur as a result of inadequate internal processes, technological flaws, human error or external events. These hazards can cause significant injury or death, severe damage to and destruction of property, plant and equipment and suspension of operations. The occurrence of any of these events may subject the Group to the investigation, remediation requirements, substantial damages, personal injury and natural resource damages, fines and/or penalties and loss of revenue from suspended operations.

In addition, while the Group obtains warranties from vendors and obligates contractors to meet certain performance levels, the proceeds of warranties or performance guarantees may not sufficiently compensate the Group for lost revenue, increased expenses and financing costs or liquidated damages payments should the Group experience equipment breakdown or non-performance by contractors or vendors.

Damages or losses not covered by contractor warranties may be covered by insurance, but this may not always be the case, as such damages or losses may be (or be considered by insurers to be) outside the scope of applicable insurance policies.

1.8. The Group is subject to risks related to ethical misconduct or breaches of applicable laws by its employees and suppliers.

The Group has implemented compliance policies and procedures with respect to applicable anti-corruption laws. However, there can be no assurance that all of the Group's employees and suppliers will not violate the Group's policies or applicable laws. Any incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-corruption, sanctions, anti-money laundering or other applicable laws, by the Group's employees may subject the Group to significant fines or may lead to other

consequences, such as damage to the Group's reputation. Any such non-compliance could have a material adverse effect on the Group's business, financial condition, operating results and prospects.

1.9. The Group is subject to risks arising from PPAs.

Part of the electricity produced by the Group's wind parks in UAB "Žaliosios investicijos" is sold under financial PPA with Axpo Nordic AS, which has entered into back-to-back physical and financial PPAs with certain clients for the sale of electricity at a fixed price. After the Offering, the Group expects to continue to use the above model with view to provide additional revenue security via physical or financial PPAs, and may consider entering into direct corporate (i.e. physical) PPAs with customers. Moreover, the Group expects sales of electricity produced by certain of its development projects to be structured in the form of long-term PPAs with corporate off-takers, utilities and, in certain cases, state actors. For further information, please see *Description of the Issuer—Competitive Strengths—Solid and visible cash flow generation enabling secure cash flows going forward.*

The Group may be exposed to counterparty credit risk under its existing and future PPAs. This risk may be reduced when the Group has entered into contracts with counterparties with strong credit quality. The Group may also be exposed to other risks such as timing mismatch between the PPA amount, and its generation units load curve, price risk, and volume risk relating to the aggregate amount of generation and the PPA contract volume. In addition, there can be no assurance that the Group will be able to renew or secure new PPAs after an initial PPA ends or as to the prices under which electricity produced may be sold under any subsequent PPA or in wholesale markets following the expiration of the initial PPA. Risks associated with PPAs could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.10. The Group is subject to risks relating to its investments in associates.

As of 31 March 2023, the Group has invested in one associate in connection with its Wind segment and one associate in connection with its Solar segment: a 25 per cent equity shareholding in UAB "Žaliosios investicijos", and a 30 per cent equity shareholding in UAB "Saulės energijos projektai". The Group expects to continue conducting certain business functions in its Wind and Solar segments in part through investments in associates. The Group does not consolidate revenues from any of these entities, instead accounting for the profit or loss attributable to the shareholdings under the equity method of accounting. Cooperation with business partners allows the Group to access new regional markets, as strategic partnerships bring technical and business knowledge, valuable when entering new markets. In addition, strategic partnerships allow the Group to acquire and develop projects that require larger equity capital infusion as seen with the Group's acquisition of UAB "Žaliosios investicijos" wind project. If the Group is unable to continue its cooperation with these partners, such lack of technical and business knowledge could negatively impact the Group's ability to penetrate new markets and finance upcoming large-scale projects. This, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.11. The Group could be adversely affected by challenges to its transfer pricing arrangements.

The Issuer enters into intra-group contractual arrangements with the Group entities, including with respect to the downstream of funds borrowed at the Issuer level. Under the applicable transfer pricing regulations, companies must conduct any intra-group transactions on an arm's length basis and provide sufficient documentation thereof in accordance with the applicable regulations. Any non-compliance with transfer pricing regulations (including due to insufficient documentation) could result in material adverse effects to the Group's business, results of operations, financial condition and reputation.

RISKS RELATING TO THE GROWTH STRATEGY

2.1. The Group's development plan is capital-intensive and subject to uncertainty.

The Group operates in a capital-intensive industry and any new development projects will require substantial investments. The Group expects to make significant capital expenditures in the short- and medium-term to further develop its current projects' portfolio indicated in the Group's corporate structure below. If the Group decides to proceed with any of these or other new investments, new funding would

have to be secured. There is no certainty that the Group will be able to procure funding on acceptable terms, if at all. For further details on the Group's capital expenditure, see *Description of Other Indebtedness*.

The Group's success in implementing its strategy will depend on, among other things, its ability to identify and assess potential investments, successfully finance and integrate such investments, control costs and maintain sufficient operational and financial controls. The Group's expenditure is and will continue to be made on the basis of forecasts of production and projected prices of electricity. The Group also makes certain assumptions regarding long-term interest rates and electricity prices in its decisions on making capital expenditures. These forecasts, judgments and assessments may be inaccurate, which could undermine the economic viability of such investments and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, some of the Group's development projects and prospects may require greater investment than currently planned. In the course of development, the Group may uncover problems or encounter difficulties with projects, including but not limited to the following:

- the Group may encounter difficulties in obtaining and maintaining governmental permits, licences and approvals required by existing laws and regulations or additional unanticipated regulations, particularly in connection with the development of wind parks;
- the Group may face delays associated with challenges to permits or regulatory approvals;
- the Group may encounter difficulties in securing adequate property with sufficient natural resources (such as wind) or at an acceptable price, due, in particular, to heightened competition with other renewable energy infrastructure developers in obtaining high-potential property and opposition from local communities;
- the Group may not be able to procure grid connections, or may not be able to procure these at economically viable prices;
- the Group's initial evaluations of site suitability may be based on assumptions that turn out to be incorrect, or unforeseen issues may arise with respect to the land or terrain for a project;
- adverse changes in the underlying political, legal or economic environment;
- the Group may encounter engineering and project design problems; and
- third parties that the Group partners with for initial project development may fail to perform their duties or may fail to perform them in a timely manner or to the required standards, leading to delays or a failure to discover problems with identified sites.

Moreover, certain newly constructed facilities and projects may not perform as expected. The Group forms its expectations around the performance of new facilities and projects based on assumptions, estimates, data provided by third parties and experience with similar assets that the Group has previously managed. The ability of these assets to meet the Group's performance expectations is subject to the risks inherent in newly constructed wind parks and solar plants, including, but not limited to, degradation of equipment in excess of the Group's expectations, system failures and outages.

Such matters arising during development stages may result in delays or additional costs that could render the projects less competitive than the Group initially anticipated and the Group's actual capital expenditure may differ from anticipated figures. Opportunities and projects may be delayed or postponed in implementation, reduced in scope or ownership share, sold or rejected and the Group may not pursue all of the opportunities and projects that it is currently considering. This may adversely affect the Group's ability to execute its investment plan and growth strategies. In addition, failure to meet completion deadlines may result in the loss of applicable subsidies, grid connections or project rights. The foregoing could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.2. *The Group may not be able to complete projects under construction.*

All of the development and construction phase projects are subject to risks in the development and construction phase relating in particular to engineering and design, equipment supply and construction performance. The inability to complete construction, or to complete it on a timely basis, may result in contractual defaults, contractual liability payments, impairment of assets, loss of income or a reduction in the period of eligibility for specified tariffs as a result of a failure to meet certain milestones, among other adverse consequences. Eligibility for certain subsidies may be compromised or lost if assets are not commissioned on schedule, and time-consuming and costly litigation may result among the Issuer or other members of the Group and the parties participating in or financing the project's development. Projects may encounter a range of difficulties in the construction phase that result in delays or higher than expected costs that may not be fully covered or adequately addressed by performance guarantees from contractors, damages clauses or insurance, including but not limited to the following:

- contractor or sub-contractor defaults and performance shortfalls;
- delays due to unforeseen events, such as global pandemics, recessions, or acts of war;
- damage to equipment in the course of delivery as a result of accidents or otherwise;
- damage to components or equipment in the course of installation;
- adverse weather, environmental and geological conditions, force majeure and similar events;
- theft and vandalism; and
- regulatory authorisations or difficulties in obtaining permits.

For example, on 11 March 2022, during the commissioning of Anykščiai wind farm in Lithuania owned by UAB "Žaliosios investicijos", a 5.5 MW wind turbine collapsed onsite. No injuries were reported. Based on the Results of Root Cause Analysis Report (the **Initial Findings**) by the turbine manufacturer General Electric Renewables GmbH, the cause of the collapse is isolated to only one faulty turbine. In light of the Initial Findings General Electric Renewables GmbH has decided to carry out additional works in Anykščiai wind park and to assure the quality of the wind turbines that have been delivered to the other wind parks being developed by UAB "Žaliosios Investicijos", which has led to a consequent postponement of the completion of the construction works on all the wind parks. As of today Anykščiai and Jonava wind parks are already operational. In Rokiškis wind park two out of twelve wind turbines have started operations during the last week of July. Based on the latest indications provided by General Electric Renewables GmbH, the management of UAB "Žaliosios investicijos" expects the Anykščiai and Jonava wind parks to reach the commercial operation date (COD) in Q4 2023, while whole Rokiškis wind park is estimated to be operational by the end of Q3 2023 with COD planned in Q4 2023 – Q1 2024.

In relation to the aforementioned event, as of 1 July 2022, fixed-price, monthly-fixed-volume electricity price hedging derivatives (the **Price Hedging Agreement**) entered into force for approximately 50% production for UAB Anykščių Vėjas and UAB Potentia Industriae wind parks. The wind parks being developed by these companies did not yet produce electricity nor generated revenue to cover the unplanned Price Hedging Agreement costs at the time the Price Hedging Agreement came into force. The management of UAB "Žaliosios Investicijos" has entered into a deferred payments plan under the Price Hedging Agreement. Taking into consideration obtained payouts from the insurance company and received payments for contractual liquidated damages from General Electric Renewables GmbH, an additional 3.75 mEUR equity capital injection was required by the Issuer to balance out cash flow for UAB "Žaliosios investicijos" wind park portfolio. Currently, no additional investments are expected to be made as risks related to the Price Hedging Agreement have been successfully managed. All the deferred payments have been paid in full by the end of Q2 2023."

2.3. *The Group depends on financing from various sources, in particular external debt financing, for the development, construction, and operations of its projects and any additional indebtedness could have an adverse effect on the Group's operations and financial condition*

The Group currently intends to finance a portion of its capital expenditures for the development and construction of its projects through bank borrowings. The Group had EUR 117.96 million of outstanding indebtedness (sum of non-current and current borrowings) as at 31 March 2023. The Group's access to debt financing is subject to many factors, many of which are outside of the Group's control. For example, political instability, economic downturns, social unrest or changes in the regulatory environment in which the Group has or plans to have operations could increase the Group's cost of borrowing with respect to new financing arrangements or restrict the Group's ability to obtain debt financing. Access to debt financing may be further restricted by financial covenant obligations under the Group's existing financings. There can be no assurance that it will be able to arrange financing on acceptable terms, if at all.

The inability of the Group to obtain debt financing from banks and other financial institutions, or otherwise through the capital markets, could adversely affect its ability to execute its investment plan and growth strategies, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, an increase in indebtedness may expose the Group to additional risks as debt can make companies inherently more sensitive to declines in revenue, increases in expenses and interest rates, and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if debt had not been incurred to the same extent. Leverage may also restrict the Issuer from making strategic acquisitions or cause it to make non-strategic divestitures and limit its ability to obtain additional financing. In addition, companies with relatively high fixed costs may have greater difficulty servicing higher debt levels. For further details on the Group's indebtedness, see Description of Other Indebtedness.

Debt covenants may limit the Group's ability to finance additional expansion through borrowings, which could limit the Group's scope for expansion. This could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, there is a risk that the companies of the Group will fail to fulfil their obligations in time – this would have a negative effect on the operating profit of the Group. In case of late performance of a large part of obligations, the ordinary business of the Issuer and/or companies (directly or indirectly) owned by it may be disrupted, it may be necessary to search for additional sources of financing, which may be not always available.

2.4. *The Group's business is growing and changing rapidly, raising strategic, management, operational and control challenges.*

The Group has expanded significantly in recent years (notably through acquisition of 185.5 MW wind power assets in UAB "Žaliosios investicijos" project and 114.5 MW solar power assets in PL-SUN Sp. z o.o project) and intends to further expand its business in the Baltics and Poland. The Group also intends to continually adapt its approach to keep pace with developments in its existing markets. The Group has targeted its current and future markets based on various assumptions. If these assumptions prove to be incorrect, the Group may need to adjust its strategy and restructure its operations and workforce.

As the Group's business expands and its business strategy evolves, it expects to encounter additional challenges to its internal processes, external construction management, project funding infrastructure and financing capabilities. The Group's existing operations, personnel, systems and internal controls may not be adequate to support its growth and expansion. The Group may be required to make additional unanticipated investments in its organisational structure and improve its administrative, operational and financial systems, procedures and controls. If the Group is unable to manage these changes effectively, it may not be able to take advantage of market opportunities, execute its business strategies successfully or respond to competitive pressures. As a result, there could be a material adverse effect on the Group's business, financial condition, results of operations or prospects.

RISKS RELATING TO REGULATION AND GOVERNMENT POLICIES

3.1. Unfavourable changes in existing regulations or government policies in support of renewable energies could significantly affect the performance of the Group's existing operations.

The Group's activities are to a significant extent dependent on incentive-based public policies in the countries in which the Group operates, which aim to promote the production and sale of energy from renewable resources. These policies and mechanisms typically enhance the commercial and financial viability of renewable energy installations. Changes in the regulatory environment and the government subsidies for renewable energy production could distort supply and demand-based prices, reduce the profitability of projects, or otherwise have a material adverse effect on the Group's business, financial condition, results of operations or prospects. See *Regulation–Regulations applicable in Lithuania* and *Regulation–Regulations applicable in Poland* for a summary of the principal laws and regulations applicable to the renewable energy sector in Lithuania and Poland.

For example, in accordance with the procedures adopted by the Lithuania's TSO in March 2023 for using the grid to address the 2 GW solar installations quota in Lithuania (please see *Regulation – Regulations applicable in Lithuania*), future solar and on shore development projects of the Group might face production curtailment risk. To maintain grid stability and avoid overloading the grid, renewable energy generators may be curtailed when the supply exceeds demand. The current regulation does not define the scope of such potential limits, compensation mechanisms, or protection in the event of surplus generation, although such curtailment risk poses a potential impact on various aspects of Group's renewable energy projects. Firstly, it can lead to reduced revenue and cash inflows, making it challenging for the project to meet financial obligations and maintain profitability. Secondly, the increased uncertainty in cash flow projections due to curtailment risk may make the project less attractive to investors and lenders, affecting its ability to secure financing. Lastly, curtailment can disrupt the expected returns on investment, resulting in longer payback periods.

The continuing availability of subsidy programmes for the Group's operations depends on political and policy developments relating to environmental concerns in a given country or region, which can be affected by a wide range of factors, including macroeconomic conditions in the relevant country or region, changes in governments and lobbying efforts by various affected stakeholders (including the renewable energy industry), other producers and consumers of electricity, environmental groups, agricultural businesses and others.

Any reversal of, or unfavourable changes to, such governmental incentive policies or interpretive ambiguities and uncertainties around their implementation (including, but not limited to, those described above) could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3.2. The Group is materially dependent on licences, permits and authorisations from various regulators and expiry, revocation or inability to renew licences, permits or authorisations could have a material adverse effect on the Group.

In connection with its activities, the Group is subject to significant demands with respect to obtaining permits, licences and authorisations required by applicable regulations and issued by national or local authorities. Depending on the country, these permits, licences and authorisations may take the form of urban planning authorisations (such as construction permits), mandatory environmental impact assessments or studies, production and operation authorisations, authorisations to connect to the grid, and other specific authorisations.

For example, the Group's wind assets' subsidies and associates in Lithuania are required to perform environmental impact assessments to comply with applicable environmental regulatory framework in Lithuania. Development licenses and authorizations, such as development permit, or building permit are required in order to start physical development of the project, while these projects must comply with regional planning and zoning requirements. Projects must also hold operating licenses in order to operate its electricity generating units after development is completed. The Group's solar assets in Poland are also subject environmental decisions, zoning requirements, building permits, and connection to the grid requirements. In addition, in Poland, renewable energy assets that apply government backed renewable energy subsidies, such as Auction Schemes, are subject to regulation under Renewable Energy Support

Scheme framework, see *Regulation* for a summary of the principal laws and regulations applicable to the renewable energy sector in Lithuania and Poland.

National governments and local authorities may, depending on the country, have a high degree of discretion in issuing such permits, licences and authorisations, and they may exercise their discretion arbitrarily or unpredictably. In addition, the multitude of government agencies involved may make the process of obtaining these authorisations long, complex and expensive. As a result, there can be no assurance that the Group will obtain the permits, licences and authorisations necessary for the construction of a given project or for the exercise of the business that it intends to conduct in a given country at a reasonable cost or within the expected time periods operations or prospects.

3.3. *The Group is subject to an increasingly complex regulatory environment, and regulatory changes may negatively affect its business.*

In addition to compliance with its contractual agreements, licences and permits, the Group must comply with a range of other legal requirements, including corporate, energy-sector, environmental, antitrust, administrative, data protection and property laws and regulations.

Although the Group seeks to continue to comply with all relevant laws, regulations, licences, permits and agreements, to the extent it is not able to do so, it could be subject to:

- significant administrative or civil penalties, including the imposition of fines, penalties and criminal sanctions for wilful violations;
- increased regulatory scrutiny;
- reputational damage to the Group's brand;
- default under financing and commercial agreements;
- judgments for damages, which may not be covered by insurance or in excess of insurance cover;
- termination of, or increased premiums on, insurance policies;
- difficulty in recruiting and retaining personnel (especially with specific professional backgrounds), particularly where any non-compliance relates to matters affecting its employees; and/or
- the representatives, directors or managers of the relevant Group company being subject to a fine or imprisonment.

In addition, future changes to existing regulations or the introduction of new regulations, procedures or licensing requirements (either by the European Union or the regulators or governments of the countries where the Group operates) may adversely affect the Group's business in the future. Any such expansion of the scope of regulations may require additional investment by the Group to ensure compliance, which may result in higher ongoing compliance costs and may increase the risk of non-compliance by the Group.

Any failure by the Group to fully comply with current and future laws and regulations or to maintain good relations with regulators, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3.4. *The Group's operations are subject to extensive environmental regulation and the cost of complying with such regulations could have a material adverse effect on the Group's profitability and financial condition.*

The Group is subject to significant and complex environmental regulation. For example, for assets operating in Wind segment, limitations on noise level are taken into account during the planning phase, nevertheless, any complaints from communities in the locality of the Group's sites, especially near residential areas,

could result in adverse consequences for the Group. Any new requirements on maximum noise level of production units located in residential areas could have a material adverse effect on the Group's business and financial conditions.

Failure to comply with the requirements of environmental permits or environmental laws may lead to investigations, fines, penalties, claims, costly corrective works or suspension or shutdown of operations, any of which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3.5. *The Group's operations are subject to the European Green Deal and uncertain windfall taxation which, if introduced, could have a material adverse effect on the Group's profitability and financial condition.*

The Group is also subject to the European Green Deal which acknowledges crucial role of taxation in the transition towards a greener and more sustainable European growth and the need to better align EU taxation systems with EU climate objectives. Well-designed tax reforms may boost economic growth, help reducing GHG emissions by ensuring an effective carbon pricing and contribute to a fair transition.

In the field of taxation, the European Green Deal announces the review of the Energy Taxation Directive and creation of the Carbon Border Adjustment Mechanism. The review of the Energy Taxation Directive introduces a new structure of tax rates based on the energy content and environmental performance of the fuels and electricity and broadens the taxable base by including more products in the scope and by removing some of the current exemptions and reductions. The upcoming regulation, which still has considerable uncertainties on the regulation of aforementioned taxation issues, may impose new taxes or changes in current taxes rates applicable to the Group. Such changes (if any) may have a material adverse effect on the Issuer's business, financial condition, results of operations and (or) future prospects.

During periods of high profitability in the energy industry, there is a potential risk of increased or windfall taxes on energy revenues. This risk has been observed in the past on a global scale and may resurface in the future. In response to escalating energy prices following geopolitical events, several European governments imposed windfall taxes on energy companies in 2022 to address excessive profits. The imposition of windfall taxes can significantly adversely impact the financial performance and profitability of the Group. The specific nature and extent of windfall taxes can vary among jurisdictions and are subject to changes in government policies.

3.6. *Complaints raised by and resistance of local communities or individuals in relation to the Group's activities may affect the Group's operations and its financial condition.*

The Group is subject to potential complaints by communities near the Group's sites. Members of these communities may take legal action against the Group in relation to physical damage that has been caused to their property or interference with the enjoyment of their property.

Relations with local communities are especially important for the Group in getting permission to locate its wind parks or other facilities at specific sites. The potential consequences of a complaint or third-party claim could involve the payment of substantial damages for personal injury; damage to property or interference with the enjoyment of property rights; the loss of a regulatory permit or other regulatory enforcement action; and/or the imposition of fines or obligations to investigate and clean up/remediate environmental pollution or contamination. Each of these potential consequences could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

RISKS RELATING TO COMPETITION WITHIN THE RENEWABLE ENERGY SECTOR AND BETWEEN RENEWABLE RESOURCES AND OTHER SOURCES OF ENERGY PRODUCTION

4.1. Difficulties in connecting to transmission grids, a lack of transmission capacity or potential upgrade costs to the transmission grid could significantly impact the Group's ability to build its assets and to sell the electricity that they generate.

In order to sell the electricity generated by the assets that it operates, the Group must connect the assets to the electrical transmission grid and, to a lesser extent, the distribution grid. A lack of available capacity in the grid due to congestion, overproduction by connected facilities or excessive fluctuations in electricity market prices could substantially impact the performance of the Group's assets and cause the Group to reduce the size of its facilities and lead to delays in project implementation, cancellation of projects, increases in costs from transmission upgrades and potential forfeitures of any guarantees the Group has provided to the relevant grid manager in connection with a given project's grid connection.

4.2. Renewable energy technology is newer than conventional energy technology and is rapidly changing. Its competitiveness in the power market may increase less rapidly or develop differently than currently predicted by the Group and may encounter increased competition from other sources of electricity generation.

Renewable energy technology is relatively new compared with fossil fuel and nuclear energy technology.

The competitiveness of renewable energy technology within the power generation market may increase less rapidly or develop differently than currently predicted by the Group or industry analysts. Many factors may affect the rate of growth in installed capacity and the attractiveness of renewable energy technology as compared to other energy sources, including:

- the competitiveness of electricity generated by renewable energy facilities as compared with conventional energy sources such as natural gas or nuclear energy;
- the performance, reliability and availability of renewable energy facilities as compared with other, non-renewable power generation facilities;
- technological improvements and changes in the costs of components (such as wind turbines, solar panels and other system components), as well as design, construction and O&M costs;
- fluctuations in economic and market conditions that affect the price of, and demand for, conventional energy sources, such as increases or decreases in the price of conventional energy sources (such as natural gas, coal, oil and other fossil fuels) and changes in the cost, efficiency and equipment investment needed for other electricity-producing technologies;
- variations affecting global demand for renewable energies both by state actors (in the event of changes to incentive-based public policies) and by private actors (in particular if the reputational benefit gained by private companies for sourcing their energy primarily or exclusively from renewable sources diminishes); and
- for geographical markets in which grid parity has not yet been reached, changes in the availability, substance and magnitude of support programs, including government targets, subsidies, incentives and favourable renewable energy standards, including potential adverse changes relative to programs applicable to other forms of conventional or non-conventional power generation.

Any of the above factors may evolve in ways not currently anticipated by the Group. Other new market conditions may develop, which could affect the Group's strategic planning in unforeseen ways. If the renewable energy technology develops less quickly or in a different manner than anticipated, equity and debt investor appetite for investments in the industry sector may decline, and the Group may have difficulty meeting its development targets or business objectives.

4.3. *In order to remain competitive, the Group must respond to rapid changes in the wind and solar energy markets, in particular the discovery of new technologies and their integration into existing installations and the projects being developed.*

The wind and solar energy industries are characterised by rapid improvements and increases in the diversity of technologies, products and services. Technological improvements in the wind and solar industries contribute to reduced costs and to improved technical features, in order to offer better integration into the relevant electrical grids and improved returns, thereby rendering older technologies less competitive. Additionally, companies may refine new electrical production technologies that are more competitive from a cost standpoint or more profitable than wind, biomass or solar facilities. If the Group does not succeed in identifying and developing these new technologies or updating its existing installations for these innovations, it could encounter difficulties in connection with its participation in tender procedures with attractive terms for its new projects. This could significantly impact the Group's business, financial condition and results of operations.

The Group may also encounter difficulties in negotiating financing for projects using new technologies that are unproven and not yet widespread, which could place the Group at a competitive disadvantage relative to competitors with sufficient resources to self-finance projects using these new technologies, in particular where the new technologies require a substantial initial investment and/or provide a later, significant cost advantage.

If the Group's competitors succeed in developing technologies that enable them to submit tenders at lower prices or on more attractive terms, the Group could be unable to match these bids without otherwise affecting its profitability or may be unable to submit a bid at all. Such a situation could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

MARKET RISK

5.1. *The Group faces counterparty risk.*

In conducting its business, the Group faces counterparty risk. Counterparty risk may result in financial losses (including, but not limited to, funds deposited at banks, partners in long term construction projects and revenues to be received from customers). Although the Group monitors its counterparty risks and implements risk management policies, there is a possibility that if these risks are realised, they could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

5.2. *The Group is exposed to variation in interest rates and exchange rates risk.*

Part of the operational companies enter into a large portion of non-EUR (principally in Polish zloty) denominated agreements in foreign markets, whereas some of their performance costs are incurred in EUR, therefore a drop in the rate of respective currencies can have a negative effect on profitability of the managed companies. Besides, having in mind that the operational companies operates in Poland, there is a risk that the attractiveness or profitability of the Issuer's investments will decrease also due to fluctuations in rates of other currencies. Nevertheless, the impact of such currency risk cannot be predicted reliably.

The Group's interest rate risk arises from long-term borrowings. The Group is exposed to cash flow interest rate risk as some of the Group's borrowings are subject to floating interest rates related to Euro Interbank Offered Rate and Warsaw Interbank Offer Rate. The Group seeks to manage its exposure to adverse fluctuations in exchange rates and interest rates by using currency and interest rate hedging instruments. There is a risk that the Group's results of operations may be adversely affected if its hedges are not effective in mitigating exchange rate and interest rate risks, if the Group is under hedged or if a hedge provider defaults on its obligations under the Group's hedging agreements. There can be no assurance that the Group's interest rate and exchange rate hedging arrangements or hedging policy will be sufficient or effective.

5.3. *The Group may face liquidity risk.*

Liquidity risk is the risk that the Group is unable to maintain a sufficient reserve of cash and other liquid financial assets that can be used to meet its payment obligations as they fall due. The availability of liquidity for business activities and the ability to access long-term financing are necessary to enable the Group to meet its payment obligations in cash, whether scheduled or unscheduled. This is particularly relevant in the

context of the Group's capital expenditure requirements in relation to new development projects. The Group's ability to access liquidity during periods of liquidity stress may also be constrained as a result of current and future market conditions. Although the Group monitors its liquidity position and follows procedures to manage liquidity risk, a reduction in the Group's liquidity position could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. For further information, see *Description of Other Indebtedness*.

RISKS ASSOCIATED WITH THE STRUCTURE OF THE NOTES

6.1. *The Issuer's right to redeem any Notes at its option may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

6.2. *Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.*

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

6.3. *In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.*

The Issuer will apply the proceeds from an offer of those Notes specifically for one or more eligible projects for the financing and/or refinancing of projects and activities that promote climate and other environmental purposes, in accordance with certain prescribed eligibility criteria ("**Eligible Projects**"). The Eligible Projects are described in the Green Bond Framework dated October 2021 (the "**Green Bond Framework**") published on the Issuer's website and as updated from time to time. Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. Pursuant to the International Capital Markets Association's ("**ICMA**") *Green Bond Principles 2017* recommendations, the Issuer engaged Sustainalytics ("**Sustainalytics**") to issue a second-party opinion regarding its Green Bond Framework in October 2021 (the "**Sustainalytics Opinion**"). In addition, Sustainalytics were also engaged to review and issue report on the projects funded with proceeds from the 2021-2022 Green Bonds and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Green Bond Framework (the "**Sustainalytics Annual Review 2021-2022**"). The Green Bond Framework, the Sustainalytics Opinion, the Sustainalytics Annual Review 2021-2022, and associated reporting are available on the Issuer's website www.lordslb.it/AEI_green_bonds. Neither the Green Bond Framework nor the Sustainalytics Opinion is not incorporated into and does not form part of this Base Prospectus. The Sustainalytics Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed here and other factors that may affect the value of the Green Bonds. The Sustainalytics Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date on which the Sustainalytics Opinion was initially issued.

In particular no assurance is given by the Issuer, the Dealers or any other person that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that there is currently no clearly defined definition

(legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Projects in, or substantially in, the manner described in this Base Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Projects. Nor can there be any assurance that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

LEGAL RISKS RELATED TO THE NOTES

Set out below is a brief description of certain legal risks relating to the Notes:

7.1. The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider

matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Issuer may, without the consent of Noteholders agree to the amendment of any of the provisions of the Notes in order to correct a manifest error or comply with mandatory provision of the applicable law.

The Noteholders' Meetings, as described above, do not meet the requirements of and are not regulated by the Law on the Protection of Interests of Owners of Bonds issued by Public and Private Companies of the Republic of Lithuania (in Lithuanian – *Lietuvos Respublikos akcinių bendrovių ir uždarytųjų akcinių bendrovių obligacijų savininkų interesų gynimo įstatymas*). The provisions of the above-mentioned law do not apply to Notes issued under the Programme.

7.2. Notes may be redeemed prior to their stated maturity upon certain tax law changes.

Where the payment of interest is subject to withholding tax in Lithuania, the Issuer has undertaken to pay additional amounts such that Noteholders receive the amount of interest they would have received had there been no such withholding tax on interest. Despite the gross-up of withholding tax, under certain conditions Noteholders (resident or non-resident individuals) may be required to pay personal income tax on interest as that will not be subject to the gross-up provisions. If the Issuer has or will become obliged to pay any other additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Lithuania or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions. For further information, see *Taxation*.

RISKS RELATED TO THE MARKET FOR THE NOTES

8.1. There is no active trading market for the Notes.

There can be no assurance that a liquid market for the Notes will be maintained. The investors may find it difficult to sell their Notes or to sell them at prices producing a return comparable to returns on similar investments in the secondary market. This is specifically relevant for the reason, that the minimum denomination of each Note will be €100,000. Thus, there would be not many investors, able to acquire the Notes on the secondary market.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If a market does develop, it may not be very liquid. Therefore, no liquidity of any market in the Notes can be assured; nor the ability of the Noteholders to sell their Notes or the prices at which they would be able to sell their Notes.

If the Notes are traded after their initial issuance, they may be traded at a discount or at a premium to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. It is possible that the market for the Notes will be subject to disruptions or volatility. Any such disruption or volatility may have a negative effect on holders of either series of the Notes, regardless of the Issuer's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although the Notes under ISIN LT0000405938 are admitted to listing on the Official List and to trading on the Regulated Market of Nasdaq Vilnius, there can be no assurance that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

8.2. If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition,

the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in euro Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

8.3. The value of fixed rate Notes may be adversely affected by movements in market interest rates.

Investment into Notes issued under the Programme, which are fixed rate Notes, involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Notes. Particularly long-term fixed-rate Notes involve a high risk of a material decline in value if the market rate exceeds the rate paid in accordance with the fixed rate Notes. On the other hand, Noteholders that are subject to redemption at the option of the Issuer should not expect, in case of falling market rates, that the price would substantially exceed the redemption price. The yield to maturity on the Notes is affected by number of factors that cannot be predicted at the time of the investment.

8.4. Credit ratings assigned to the Issuer may not reflect all the risks associated with an investment in those Notes.

As of the date of this Base Prospectus, the Issuer has been assigned B+ rating by Scope Ratings GmbH. Tranches of Notes to be issued under the Programme will not be rated. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency ("**CRA**") established in the E.U. or in the United Kingdom ("**UK**") and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-E.U. or non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an E.U. or UK registered CRA or the relevant non-E.U. or non-UK rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the rating agency rating the Notes changes, European or UK regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European or UK regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

8.5. Minimum Specified Denomination and higher integral multiples.

As the Notes have a denomination consisting of the minimum Specified Denomination of EUR 100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum

Specified Denomination may not trade such holdings on the regulated market and would need to purchase a principal amount of Notes which have a denomination consisting of the minimum Specified Denomination with the aim to be able to trade the whole holdings on the Regulated Market. Thus, Noteholders should be aware that Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade on the Regulated Market of Nasdaq Vilnius.

8.6. Risks relating to the clearing and settlement in the Nasdaq CSD's book-entry system

The Notes will be affiliated to the account-based system of the Lithuanian branch of Nasdaq CSD and no physical notes will be issued. Clearing and settlement relating to the Notes will be carried out within the Nasdaq CSD's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of the Nasdaq CSD's account-based system.

INFORMATION INCORPORATED BY REFERENCE

The documents set out below that are incorporated by reference in this Base Prospectus are, where indicated, direct translations into English from the original languages of the documents. To the extent that there are any inconsistencies between the original language versions and the translations, the original language versions shall prevail. The information set out shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the unaudited interim condensed consolidated financial statements of the Issuer, as at and for the quarter year ended 31 March 2023 with comparative figures as at and for the financial year ended 31 December 2022 and quarter ended 31 March 2022, dated 21 May 2023 (available at: https://lordslb.lt/AEI_green_bonds/).
2. the audited consolidated financial statements of the Issuer, as at and for the financial year ended 31 December 2022 with comparative figures as at and for the financial year ended 31 December 2021, dated 17 April 2023, together with the consolidated annual report and the independent auditor's report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
3. the audited consolidated financial statements of the Issuer, as at and for the financial year ended 31 December 2021 with comparative figures as at and for the financial year ended 31 December 2020, dated 19 April 2022, together with the consolidated annual report and the independent auditor's report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
4. the audited financial statements of the Issuer, as at and for the financial year ended 31 December 2020 with comparative figures as at and for the financial year ended 31 December 2019, dated 8 June 2021, together with the annual report and the independent auditor's report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
5. Articles of Association of the Issuer (they may be found at https://lordslb.lt/AEI_green_bonds/).

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus will be published on the websites of (a) the Issuer at https://lordslb.lt/AEI_green_bonds/, (b) Nasdaq Vilnius at www.nasdaqbaltic.com and (c) also on website of the Central Storage Facility of Lithuania at www.crib.lt.

In addition to that, copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may also be inspected, free of charge, during normal business hours at the offices of the Issuer at Jogailos str. 4, Vilnius, the Republic of Lithuania for 12 months from the date of this Base Prospectus.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus and shall be considered as additional information, not required by the schedules of the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation. In particular, the independent auditor's reports mentioned above contain references to "Other Information". Such "Other Information" does not form a part of this Base Prospectus.

FINAL TERMS

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information which is necessary to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses, financial position and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Final Terms.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus in order to obtain all relevant information. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions described in the relevant Final Terms.

Following the publication of this Base Prospectus, if required, a supplement may be prepared by the Issuer and approved by the BoL in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent introduction of any issue of Notes to trading on Regulated Market of Nasdaq Vilnius.

GENERAL TERMS AND CONDITIONS OF THE NOTES

The following is the text of the General Terms and Conditions which, as completed by the relevant Final Terms, will constitute terms and conditions of each Note issued under these General Terms and Conditions. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend, or replace any information in these General Terms and Conditions.

1. Introduction

- (a) **General Terms and Conditions:** Closed – End Investment Company Intended for Informed Investors UAB “Atsinaujinančios energetikos investicijos” (the "**Issuer**") has established these General Terms and Conditions (the "**Terms and Conditions**") for the issuance of up to EUR 100,000,000 (one hundred million euro) in aggregate principal amount of notes (the "**Notes**").
- (b) **Final Terms:** Notes issued under the Terms and Conditions are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these Terms and Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Terms and Conditions as completed by the relevant Final Terms. The Notes of each Tranche will all be subject to identical terms, except that the Issue Dates (as defined below) and the Issue Prices (as defined below) thereof may be different in respect of different Tranches. In the event of any inconsistency between these Terms and Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **The Notes:** All subsequent references in these Terms and Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Notes will be unsecured fixed rate Notes only. Copies of the relevant Final Terms are available for viewing and copies may be obtained from the Issuer closed – end investment company intended for informed investors UAB “Atsinaujinančios energetikos investicijos”, at Jogailos str. 4, Vilnius, Lithuania.

2. Interpretation

- (a) **Definitions:** In these Terms and Conditions the following expressions have the following meanings:

"**Accounting Principles**" means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Associated Company**" means, in relation to the Issuer, any legal entity (corporation, partnership, limited liability company, joint venture, association, unincorporated organisation or contractual fund thereof, or any other entity, whether or not having a separate legal personality), in respect of which the Issuer, directly or indirectly, (i) does own shares or ownership rights representing 50 (fifty) per cent. or less of the total number of votes held by the owners, or (ii) otherwise does control 50 (fifty) per cent. or less of the total number of votes held by the owners.

"**Business Day**" means a day other than a Saturday, a Sunday, a national or a public holiday in Lithuania.

"**Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day.

"Cash and Cash Equivalents" means cash and cash equivalents in accordance with the Accounting Principles.

"Compliance Certificate" means a certificate, in form and substance reasonably satisfactory to the Trustee, signed by an authorised signatory of the Issuer certifying that (A) the financial covenant set forth in Clause 13(b)(i) is met on each day of the quarter to which the Compliance Certificate refers to; (B) there was no breach of any other undertakings set forth in Clauses 13(a) and 13(c)-(i); (C) so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it and:

- (i) if provided in connection with a Financial Report of the Issuer being made available, including calculations and figures in respect of the financial covenants as set forth in Clause 13(b)(ii) and (iii), that the financial covenants set forth in Clauses 13(b)(ii) and (iii) are met as per the last day of the quarter to which the Compliance Certificate refers to; or
- (ii) if provided in connection with a Subsequent Note Issue, that the financial covenants are met calculated *pro forma* including the Subsequent Note Issue.

The first reporting period will be for the year ending 31 December 2021.

"Dealer" and **"Issuing Agent"** means Luminor Bank AS, reg. No 11315936, address: Liivalaia 45, 10145, Tallinn, Estonia, registered with the Estonian Commercial Register, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian Branch, registered at Konstitucijos ave. 21A, 03601 Vilnius, Lithuania, reg no. 304870069.

"EUR" means the lawful currency of Lithuania.

"Event of Default" means an event or circumstance specified in Clause 14.

"External Financial Debt" means financial debt as stated in the relevant Financial Report, excluding debt between Issuer, any of the Subsidiaries or any of the Associated Companies.

"Final Redemption Amount" means, in respect of any Note, its principal amount as specified in the relevant Final Terms, payable at the Maturity Date.

"Financial Report" means the annual financial statements of any Group Company or any Associate Company and the quarterly interim statements of any Group Company or any Associate Company prepared in accordance with the applicable law.

"Financial Report of the Issuer" means consolidated financial statements of the Issuer and its subsidiary UAB "AEI Development" prepared in accordance with the applicable law.

"First Issue Date" means the date specified in the relevant Final Terms.

"Green Bond Framework" means a document created by the Issuer that sets out the Issuer's intention to apply the proceeds from the Notes specifically for one or more eligible projects for the financing and/or refinancing of projects and activities that promote climate and other environmental purposes, in accordance with certain prescribed eligibility criteria.

"Group" means the Issuer and all the Subsidiaries from time to time (each a **"Group Company"**).

"Initial Note Issue" has the meaning set forth in Clause 3(a).

"Interest" means the interest on the Notes calculated in accordance with Clauses 11(a) to 11(c).

"Interest Commencement Date" means the Issue Date of the Notes as specified in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and to the extent such day is not a Business Day, adjusted in accordance with the relevant Business Day Convention.

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

"Interest Rate" has the meaning given in the relevant Final Terms.

"Issue Date" has the meaning given in the relevant Final Terms.

"Issuer" means UAB "Atsinaujinančios energetikos investicijos", a private limited liability closed - end investment company intended for informed investors registered in Lithuania. The Bank of Lithuania has approved the Articles of Association of the Issuer on 14 December 2020. UAB "Lords LB Asset Management", registry code 301849625, is acting as the Management Company of the Issuer.

"Law on the Protection of Interests of Owners of Bonds " means the Law on the Protection of Interests of Owners of Bonds issued by Public and Private Liability Companies of the Republic of Lithuania (in Lithuanian: *Lietuvos Respublikos akcinių bendrovių ir uždarųjų akcinių bendrovių obligacijų savininkų interesų gynimo įstatymas*).

"Law on Securities" means the Law on Securities of the Republic of Lithuania (in Lithuanian: *Lietuvos Respublikos vertybinių popierių įstatymas*).

"Market Loan" means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Vilnius or any other regulated market or unregulated recognised marketplace.

"Material Adverse Effect" means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer's ability or willingness to perform and comply with its payment and other undertakings under these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

"Material Company" means the Issuer, a Subsidiary representing more than 5.00 (five) per cent. of total Issuer's business valuation as set forth in Clause 13(c) or Associated Company representing more than 5.00 (five) per cent. of total Issuer's business valuation as set forth in Clause 13(c).

"Maturity Date" means the date specified in the relevant Final Terms.

"Nasdaq CSD" means the Issuer's central securities depository and registrar in respect of the Notes from time to time; initially Lithuanian branch of Nasdaq CSD SE, reg. no. 304602060, address Konstitucijos ave. 29-1, Vilnius, Lithuania.

"Nasdaq Vilnius" means the regulated market (as defined in Directive 2014/65/EU on markets in financial instruments) of AB Nasdaq Vilnius, reg. no. 110057488, Konstitucijos av. 29, Vilnius, Lithuania.

"Nominal Amount" has the meaning set forth in Clause 6(a).

"Noteholder" means the Person who's Notes are registered on the Securities Account.

"Noteholders' Meeting" means a meeting among the Noteholders held in accordance with Clause 15 (*Noteholders' Meeting and Procedure in Writing, Modification and Waiver*)

"Permitted Business" means (a) any businesses in activities engaged in by the Issuer or any of its Subsidiaries on the Issue Date or (b) any businesses that are related, complementary, incidental, ancillary or similar to the foregoing or are reasonable extensions or developments of any thereof in Lithuania, Latvia, Estonia or Poland;

"Permitted Disposal" means the sale or otherwise disposal of shares in any Group Company or of any of Issuer's or any Group Company's assets or operations where such individual transaction and the total amount of such transactions during one calendar year does not exceed EUR 500,000 (five hundred thousand) and the transaction is carried out at fair market value, on terms customary for such transactions.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, unincorporated organisation, contractual fund, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

"Procedure in Writing" means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 15 (*Noteholders' Meeting and Procedure in Writing, Modification and Waiver*).

"Redemption Date" means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Notes*).

"Relevant Period" means each period of 3 (three), 6 (six), 9 (nine) or 12 (twelve) consecutive calendar months of the relevant Financial Report.

"Securities Account" means the account for dematerialised securities opened in the name of Noteholder with a financial institution which is a member of Nasdaq Vilnius.

"Subsequent Note Issue" has the meaning set forth in Clause 3(b).

"Subsidiary" means, in relation to the Issuer, any legal entity, in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than 50 (fifty) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than 50 (fifty) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

"Trustee" means the Noteholders' Trustee under these Terms and Conditions from time to time; initially Intertrust (Sweden) AB, reg. no.556625-5476, address Sveavägen 9, Box 162 85, 103 25, Stockholm, Sweden.

"Trustee Agreement" means the agreement entered into on or before the Issue Date between the Issuer and the Trustee, or any replacement Trustee agreement entered into after the Issue Date between the Issuer and the Trustee.

(b) *Interpretation:* In these Terms and Conditions:

(i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Clause 10 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Terms and Conditions;

- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Clause 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Terms and Conditions;
- (iii) if an expression is stated in Clause 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes;
- (iv) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - “assets” includes present and future properties, revenues and rights of every description;
 - any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - a “regulation” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
 - a provision of law is a reference to that provision as amended or re-enacted; and
 - a time of day is a reference to Lithuanian local time.
- (v) An Event of Default is continuing if it has not been remedied or waived.
- (vi) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website (www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.
- (vii) A notice shall be deemed to be sent by way of press release if it is made available to the public within Lithuania promptly and in a non-discriminatory manner.
- (viii) No delay or omission of the Trustee or of any Noteholder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

3. **Principal amount and issuance of the Notes**

- a) Under these Terms and Conditions for the issuance of notes the Issuer may issue notes up to an aggregate principal amount of EUR 100,000,000 (one hundred million euro) (the “**Notes**”). The maximum aggregate nominal amount of the initial Notes is up to EUR 25,000,000 (twenty five million euro) (“**Initial Note Issue**”).
- b) After the Initial Note Issue is issued, the Issuer may at one or more occasions issue subsequent Note issues under these Terms and Conditions (each such issue, a “**Subsequent Note Issue**”), until the total amount under such Subsequent Note Issue(s) and the Initial Note Issue equals EUR 100,000,000 (one hundred million euro) subject conditions set forth in Clause 13(h) are met.
- c) By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to these Terms and Conditions and the Final Terms, and by acquiring Notes each subsequent Noteholder confirms these Terms and Conditions and the Final Terms.

4. **Status of the Notes**

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Use of Proceeds**

The proceeds of the issue of each Series of Notes will be transferred to the Issuer and used towards refinancing existing bonds or other loan obligations or to finance, in part or in full, acquisition and development of projects in renewable solar and wind energy and related infrastructure, energy efficiency and environmentally sustainable management of living natural resources and land use, in accordance with prescribed eligibility criteria set out in the Green Bond Framework (the “**Eligible Green Projects**”) available on the Issuer's website www.lordslb.lt/AEI_green_bonds.

6. **Denomination, Title, Issue Price, Transfer and Underwriting**

- (a) **Denomination:** Denomination of each Note is EUR 100,000 (one hundred thousand) and integral multiples of EUR 1,000 (one thousand) in excess thereof (the “**Nominal Amount**”).
- (b) **Title to Notes:** The title to the Notes will pass to the relevant investors when the respective entries regarding the ownership of the Notes are made in their Securities Accounts.
- (c) **Issue Price:** The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount (the “**Issue Price**”). The Issue Price shall be determined by the Issuer and specified in the applicable Final Terms.

The yield of each Tranche set out in the applicable Final Terms will be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future yield.

- (d) **Transfers of Notes:** The Notes are freely transferrable. Notes subscribed and paid for shall be entered to the respective book-entry Securities Accounts of the subscriber(s) on a date set out in the Final Terms in accordance with the Lithuanian legislation governing the book-entry system and book-entry accounts as well as the Nasdaq CSD Rules.
- (e) **No charge:** The transfer of a Note will be effected without charge by or on behalf of the Issuer. However, the investors may be obliged to cover expenses which are related to the opening of Securities Accounts with credit institutions or investment brokerage firms, as well as commissions which are charged by the credit institutions or investment brokerage firms in relation to the execution of the investor's purchase or selling orders of the Notes, the holding of the Notes or any other operations in relation to the Notes. The Issuer and or the Dealer will not compensate the Noteholders for any such expenses.
- (f) **Underwriting:** None of the Tranches of Notes will be underwritten.

7. **Notes in Book-Entry Form**

The Notes shall be issued as registered book-entry (dematerialised) securities as entries within Nasdaq CSD, which is regional Baltic central securities depository (CSD) with a business presence in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia. Nasdaq CSD is licensed under the CSDR and authorised and supervised by the Latvian Financial and Capital Market Commission. Nasdaq CSD operates as the operator of the Lithuanian securities settlement system, which is governed by Lithuanian law and notified to the ESMA in accordance with the Settlement Finality Directive 98/26/EC and provides central securities deposit services, clearance and settlement of securities transactions and maintenance of the dematerialised securities and their Noteholders in accordance with the applicable Lithuanian legislation. Consequently, the Notes

exist as an electronic entry in a securities account with Nasdaq CSD. Only persons holding the Notes directly or indirectly (e.g., through omnibus accounts maintained by investment firms) with Nasdaq CSD will be considered by the Issuer as the Noteholders of such Notes.

8. **Right to Act on Behalf of a Noteholder**

- (a) If any Person other than a Noteholder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- (b) A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under these Terms and Conditions in relation to the Notes for which such representative is entitled to represent the Noteholder.
- (c) The Trustee shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8(a) and 8(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

9. **Payments to the Noteholders**

- (a) **Payments:** Payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Notes will be made to the Noteholders thereof, as appearing in Nasdaq CSD on the fifth (5th) Business Day preceding the due date for such payment (the "**Record Date**"). Payment of amounts due on the final redemption of the Notes will be made simultaneously with deletion of the Notes. The Noteholders shall not be required to provide any requests to redeem the Notes, as upon Maturity Date of the Notes, the nominal value thereof with the cumulative interest accrued shall be transferred to the accounts indicated by the Noteholders without separate requests/requirements of the Noteholders. As of that moment the Issuer shall be deemed to have fully executed the obligations, related to the Notes and their redemption, disregarding the fact, whether the Noteholder actually accepts the funds or not. In case requisites of the account of the Noteholder changes, he/she/it shall have an obligation to promptly inform the Issuer thereof.
- (b) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Clause 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments by the Issuer. However, the investors may be obliged to cover commissions and/or other expenses, which are charged by the credit institutions or investment brokerage firms in relation to such payments. The Issuer and/or the Dealer will not compensate the Noteholders for any such expenses.
- (c) **Payments on Business Days:** If the due date for payment of the Final Redemption Amount of the Notes is not a Business Day, the Noteholder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with the Terms and Conditions.

10. **Taxation**

- (a) **Gross up:** All interest payments in the case of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any

present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Lithuania or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in respect of interest, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note.

In that event, in respect of interest, the Issuer shall pay such additional amounts as will result held by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note.

- (b) **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Lithuania, references in these Terms and Conditions to the Republic of Lithuania shall be construed as references to the Republic of Lithuania and/or such other jurisdiction.

11. **Interest**

- (a) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Clause 9 (*Payments to the Noteholders*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Clause 11 (as well after as before judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made semi-annually in arrears to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest in respect of the Notes will be calculated on the basis of a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days, i.e., a day count convention 30E/360 shall be used. When interest is required to be calculated in respect of a period of less than a full year (other than in respect of the First Interest Period) it shall be calculated on the basis of (i) the actual number of days in the period from and including the date from which interest begins to accrue (the “**Accrual Date**”) to but excluding the date on which it falls due, divided by (ii) the actual number of days from and including the Accrual Date to, but excluding the next following Interest Payment Date.

12. **Redemption and Repurchase of the Notes**

- (a) **Scheduled redemption at maturity:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount together with accrued but unpaid Interest on the Maturity Date, subject as provided in Clause 9 (*Payments to the Noteholders*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 (thirty) but no more than 60

(sixty) calendar days' irrevocable notice to the Noteholders at an amount equal to 100 (one hundred) per-cent of their nominal amount together with any accrued but unpaid interest to, but excluding, the date of redemption, if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Clause 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Lithuania or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the Initial Note Issue; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate signed by the director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Clause 12((b)), the Issuer shall be bound to redeem the Notes in accordance with this Clause 12((b)).

- (c) ***Redemption at the option of the Issuer (call option)***: Notes may be redeemed at the option of the Issuer in whole, but not in part on any Business Day:
 - i. falling on or after the date falling 2 (two) years after First Issue Date, at a price equal to 100.00 (one hundred) per cent. of Nominal Amount plus 50 (fifty) per cent. of coupon together with interest (accrued to but excluding the date of redemption); or
 - ii. falling on or after the date falling 3 (three) years after First Issue Date, at a price equal to 100.00 (one hundred) per cent. of Nominal Amount plus 25 (twenty-five) per cent. of coupon together with interest (accrued to but excluding the date of redemption).

Redemption in accordance with Clause 12((c)) shall be made by the Issuer giving not less than 30 (thirty) but no more than 60 (sixty) calendar days' notice to the Noteholders and the Trustee (which notice shall be irrevocable and shall specify the date fixed for redemption).

- (d) ***De-listing Event or Listing Failure Put Option***

If at any time while any Note remains outstanding, there occurs (A) a **De-listing Event** (as defined below), or (B) a Listing Failure (as defined below), each Noteholder will have the option (the "**De-listing Event or Listing Failure Put Option**") (unless, prior to the giving of the De-listing Event or Listing Failure Event Notice (as defined below), the Issuer gives notice to redeem the Notes under Clause 12((b)) or 12((c)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the De-listing Event or Listing Failure Put Date (as defined below) at a price per Note

equal to 101.00 (one hundred and one) per cent. of the Nominal Amount together with interest accrued to, but excluding, the De-listing Event or Listing Failure Put Date.

Where:

A "**De-listing Event**" shall be deemed to have occurred if at any time following the listing of the Notes, trading in the Notes on Nasdaq Vilnius regulated market is suspended for a period of 15 (fifteen) consecutive Business Days (when Nasdaq Vilnius is at the same time open for trading).

A "**Listing Failure**" shall be deemed to have occurred if at any time following the First Issue Date either i) the Notes issued under the Initial Note Issue are not listed on the Baltic Bond List of Nasdaq Vilnius within 12 (twelve) months after the Issue Date, or ii) upon any Subsequent Note Issue, the Notes are not listed or the volume of Notes listed on Nasdaq Vilnius is not increased accordingly not later than 30 (thirty) Business Days after the relevant Issue Date.

Promptly upon the Issuer becoming aware that a De-listing Event or Listing Failure has occurred, the Issuer shall give notice (a "**De-listing Event or Listing Failure Notice**") to the Noteholders in accordance with Clause 17 (*Notices*) specifying the nature of the De-listing Event or Listing Failure and the circumstances giving rise to it and the procedure for exercising the De-listing Event or Listing Failure Put Option contained in this Clause 12((d)).

To exercise the De-listing Event or Listing Failure Put Option, the Noteholder must notify the Issuer at any time falling within the period (the "**De-listing Event or Listing Failure Put Period**") of 30 (thirty) days after a De-listing Event or Listing Failure Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Issuer within the De-listing Event or Listing Failure Period (a "**Change of Control Put Exercise Notice**"). Payment in respect of any Notes will be made, if the Noteholder duly specified a bank account in the De-listing Event or Listing Failure Put Exercise Notice to which payment is to be made, on the date which is the 5th (fifth) Business Day following the expiration of the De-listing Event or Listing Failure Put Period (the "**De-listing Event or Listing Failure Put Date**") by transfer to that bank account. A De-listing Event or Listing Failure Put Exercise Notice, once given, shall be irrevocable.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any De-listing Event or Listing Failure Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 75 (seventy-five) per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Clause 12((d)), the Issuer may, on not less than 30 (thirty) but not more than sixty (60) calendar days' irrevocable notice to the Noteholders in accordance with Clause 17 (*Notices*) given within 30 (thirty) days after the De-listing Event or Listing Failure Put Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at a price per Note equal to 101.00 (one hundred and one) per cent. of the Nominal Amount, together with interest accrued to, but excluding, the date of redemption.

The Issuer shall not be required to repurchase any Notes pursuant to this Clause 12(d), if a third party in connection with the occurrence of a De-listing Event or Listing Failure, as applicable, offers to purchase the Notes in the manner and on the terms set out in this

Clause 12(d) (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 12(d), the Issuer shall repurchase any such Notes within 5 (five) Business Days after the expiry of the time limit.

- (e) **Redemption at the option of Noteholders upon a Change of Control.** If at any time while any Note remains outstanding, there occurs a Change of Control Event (as defined below) each Noteholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Change of Control Event Notice (as defined below), the Issuer gives notice to redeem the Notes under Clause 12((b) or 12((c)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the Change of Control Put Date (as defined below) at a price per Note equal to 101.00 (one hundred and one) per cent. of the Nominal Amount together with interest accrued to, but excluding, the Change of Control Put Date.

Where:

A "**Change of Control Event**" shall be deemed to have occurred if UAB Lords LB Asset Management, registry code 301849625, no longer is acting as the management company of the Issuer.

Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Clause 17 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Clause 12((e).

To exercise the Change of Control Put Option, the Noteholder must notify the Issuer at any time falling within the period (the "**Change of Control Put Period**") of 30 (thirty) days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Issuer or Trustee within the Change of Control Put Period (a "**Change of Control Put Exercise Notice**"). Payment in respect of any Notes will be made, if the Noteholder duly specified a bank account in the Change of Control Put Exercise Notice to which payment is to be made, on the date which is the 5th (fifth) Business Day following the expiration of the Change of Control Put Period (the "**Change of Control Put Date**") by transfer to that bank account. A Change of Control Put Exercise Notice, once given, shall be irrevocable.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 75 (seventy-five) per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Clause 12((e), the Issuer may, on not less than 30 (thirty) but not more than 60 (sixty) calendar days' irrevocable notice to the Noteholders in accordance with Clause 17 (*Notices*) given within 30 (thirty) days after the Change of Control Put Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at a price per Note equal to 101.00 (one hundred and one) per cent. of the Nominal Amount, together with interest accrued to but excluding the date of redemption.

The Issuer shall not be required to repurchase any Notes pursuant to this Clause 12(e) if a third party in connection with the occurrence of a Change of Control Event, as applicable, offers to purchase the Notes in the manner and on the terms set out in this Clause 12(e) (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 12(e), the Issuer shall repurchase any such Notes within 5 (five) Business Days after the expiry of the time limit.

- (f) **Purchase:** The Issuer, or any of its Subsidiaries, may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, resold or surrendered by the purchaser through the Issuer for cancellation. Notes held by or for the account of the Issuer or any of its Subsidiaries for their own account will not carry the right to vote at the Noteholders' Meetings or within Procedure in Writing and will not be taken into account in determining how many Notes are outstanding for the purposes of these Terms and Conditions of the Notes.

13. **Special Undertakings**

So long as any Notes remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 13.

- a) **Nature of business:** The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Issuer on the First Issue Date.
- b) **Financial covenants:** The Issuer shall, during as long as any Note is outstanding ensure compliance with the following financial covenants:
- (i) **Minimum Liquidity** – the Issuer shall in aggregate at all times maintain a combined Free Cash of minimum EUR 1,500,000 (one million five hundred thousand).

Where:

A "**Free Cash**" shall mean on any date the amount of unrestricted, unpledged and freely available cash on the Issuer's accounts. The Minimum Liquidity covenant shall be tested on each day and published in the quarterly Financial Reports of the Issuer.

In case of the breach of Minimum Liquidity requirement, Free Cash amount has to be restored in 30 (thirty) calendar days. The Issuer shall provide the Trustee with such further information as the Trustee may request (acting reasonably), including, for the avoidance of doubt, calculations, figures and supporting documents in respect of Minimum Liquidity covenant.

- (ii) **Equity Ratio** – the Issuer ensures that Equity Ratio of the Issuer is at all times 50 (fifty) per cent. or greater. Equity Ratio is tested twice a year.

Where:

A "**Equity Ratio**" shall mean Equity divided by Total Assets.

A "**Equity**" shall mean the aggregate book value of total equity of the Issuer at the end of any Relevant Period according to the latest semi-annual or annual Financial Report of the Issuer.

A "**Total Assets**" shall mean the aggregate book value of the Issuer's total assets according to the latest semi-annual or annual Financial Report of the Issuer.

In case of the breach of Equity Ratio requirement, the Issuer together with the Compliance Certificate has to provide the Trustee with the list of measures which would evidence the

restoration of Equity Ratio during next six months but not later than until next Equity Ratio testing date. The Issuer shall provide the Trustee with such further information as the Trustee may request (acting reasonably), including, for the avoidance of doubt, calculations, figures and supporting documents in respect of Equity Ratio covenant.

(iii) **Leverage Ratio** – the Issuer ensures that Leverage Ratio at all times is 75 (seventy five) per cent. or lower. Leverage Ratio is tested twice a year.

Where:

A "**Leverage Ratio**" shall mean Consolidated External Financial Debt divided by the sum of Equity and Consolidated External Financial Debt.

A "**Consolidated External Financial Debt**" shall mean the aggregate of: External Financial Debt of the Issuer, External Financial Debt of each Subsidiary multiplied by the per cent. of equity owned by the Issuer in that Subsidiary, External Financial Debt of each Associated Company multiplied by the per cent. of equity owned by the Issuer in that Associated Company at the end of any Relevant Period according to the latest semi-annual or annual Financial Report of the relevant entity.

An "**Equity**" shall mean the aggregate book value of total equity of the Issuer at the end of any Relevant Period according to the latest semi-annual or annual Financial Report of the Issuer.

In case of the breach of Leverage Ratio requirement, the Issuer together with the Compliance Certificate has to provide the Trustee with the list of measures which would evidence the restoration of Leverage Ratio during next six months but not later than until next Leverage Ratio testing date. The Issuer shall provide the Trustee with such further information as the Trustee may request (acting reasonably), including, for the avoidance of doubt, calculations, figures and supporting documents in respect of Leverage Ratio covenant.

- c) **Business valuations:** The Issuer shall, at least once a year, procure that an external Issuer's business valuation report is prepared by a reputable independent business appraiser, such as Newsec Valuations, Colliers International Advisors, Oberhaus or any other reputable and licenced independent business appraiser licensed in Lithuania. The Issuer shall further procure that the results of such business valuation report, or (if available) any subsequent comparable valuation report(s) replacing such valuation report(s), are reflected in good faith and in accordance with the Issuer's valuation policy in the following Financial Report(s) of the Issuer.
- d) **Disposals of assets:** The Issuer shall not, and shall procure that none of the Subsidiaries, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless such sale, transfer or disposal:
- (i) constitutes a Permitted Disposal, or
 - (ii) the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at a price, which cannot be more than 5% lower than the market value based on:
 - a. in case of sale of shares in any Group Company – the valuation reports set forth in Clause 13(c) and on Terms and Conditions customary for such transaction;

b. in case of sale of assets – the valuation reports of those assets, prepared by a reputable independent property valuator, licensed in Lithuania, and

provided that at least 75 (seventy five) per cent. of the consideration is received in cash.

Within 365 days after the receipt of any net proceeds from the transaction, the Issuer (or the applicable Subsidiary, as the case may be) may apply such net proceeds (at the option of the Issuer or such Subsidiary):

- (i) to repay, repurchase, prepay or redeem (i) Financial Indebtedness of the Issuer or any Subsidiary or Associated Company; (ii) the Notes, pursuant to relevant Redemption conditions;
- (ii) to acquire all or substantially all of the assets of, or a majority interest in the capital stock of, another Permitted Business;
- (iii) to make a capital expenditure;
- (iv) any combination of the foregoing.

The Issuer shall notify the Trustee of any such transaction and provide the Trustee with a confirmation regarding compliance with the conditions set out in Clause 13(d) above. The Issuer shall, upon request by the Trustee, provide the Trustee with (i) any information relating to the transaction which the Trustee deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Trustee may assume that any information provided by the Issuer is correct, and the Trustee shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Trustee is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination above.

e) **Financial reporting:** The Issuer shall:

- (i) prepare and make available the annual audited Financial Reports of the Issuer to the Trustee and on Issuer's website not later than 4 (four) months after the expiry of each financial year;
- (ii) prepare and make available the quarterly interim unaudited Financial Reports of the Issuer to the Trustee and on Issuer's website not later than 2 (two) months after the expiry of each relevant interim period;
- (iii) prepare and make available a Compliance Certificate to the Trustee and on Issuer's website (i) when a Financial Report of the Issuer is made available, (ii) in connection with any other Subsequent Note Issue, which requires that the Financial covenants set forth in Clause 13(b) are tested and met, and (iii) at the Trustee's reasonable request, within 20 (twenty) calendar days from such request; and
- (iv) prepare the Financial Reports of the Issuer in accordance with the Accounting Principles and make them available together with Compliance Certificate in accordance with the rules and regulations of Nasdaq Vilnius and the Law on Securities (as amended from time to time) upon listing of the Notes.
- (v) prepare quarterly unaudited consolidated financial statements of each of the direct Subsidiaries or direct Associated Companies according to local accounting standards

and make them available to any Noteholder upon request, unless the Issuer decides to publish them on the Issuer's website www.lordslb.lt/AEI_green_bonds.

- (vi) prepare annual audited consolidated financial statements of each of the direct Subsidiaries or direct Associated Companies according to local accounting standards and make them available to any Noteholder upon request, unless the Issuer decides to publish them on the Issuer's website www.lordslb.lt/AEI_green_bonds.

f) Negative Pledge

The Issuer shall not, as long as the Notes are not redeemed in full, incur, create or permit to subsist any security over all or any of its present or future assets or revenues or rights or enter into arrangements having a similar effect, other than share pledges on the Issuer's shares in its Subsidiaries securing the respective Subsidiary's financing arrangements.

g) Limits on dividends

The Issuer undertakes that it will not make any payment of Distribution for years 2022 and 2023. Any payment of Distribution starting from the year 2024 shall be subject to that a Compliance Certificate duly signed by the Issuer is provided to the Trustee confirming that:

- (i) no Event of Default is outstanding, continuing or would occur from such Distribution; and
- (ii) the Financial covenants set forth in Clause 13(b) are met and continued compliance immediately after such Distribution.
- (iii) the Distribution amount for the relevant period does not exceed the consolidated cashflow of the Group (excluding asset sale proceeds and/or increase in debt) of that period reduced by the amount needed to service Consolidated External Financial Debt and by the amount needed to service issued Notes during the same period.

Where:

A "**Distribution**" over the Issuer shall mean any (i) payment of dividend on shares, (ii) repurchase of own shares, (iii) redemption of share capital or other restricted equity with repayment to Issuer's shareholders, or (iv) any other similar distribution or transfers of value to the direct and/or indirect shareholders of the Issuer without mutual consideration.

h) Financial Indebtedness restrictions

The Issuer shall not, as long as the Notes are not redeemed in full, incur, create or permit to subsist any Financial Indebtedness other than Permitted Debt.

Where:

A "**Financial Indebtedness**" shall mean any indebtedness as defined in accordance with the Accounting Principles in respect of:

- (i) monies borrowed or raised, including Market Loans;
- (ii) the amount of any liability in respect of any leases, to the extent the arrangement is or would have been treated as lease in accordance with the Accounting Principles as applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (iii) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);

- (iv) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (v) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (vi) any counter-indemnity obligation in respect of a guarantee, indemnity, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (vii) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (i) to (vi).

For the avoidance of doubt, deferred tax liability shall not be treated as Financial Indebtedness.

A "**Permitted Debt**" shall mean incurrence of any of the following items of Financial Indebtedness as defined in accordance with the Accounting Principles:

- (i) incurred under or in connection as a result of issuance of Notes by the Issuer under these Terms and Conditions;
- (ii) taken up from a Group Company;
- (iii) incurred in order to fully refinance the Notes and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Notes (taking into account the rules and regulations of the Nasdaq CSD);
- (iv) any financial indebtedness under any hedging arrangements entered into on market terms and as part of the ordinary course of business of the Issuer and for non-speculative purposes;
- (v) the incurrence by the Issuer of Existing Indebtedness with no right to increase, extend or renew the maturity of the Existing Indebtedness. Where a "**Existing Indebtedness**" shall mean Financial Indebtedness of the Issuer in existence as of the first issuance of Notes under these Terms and Conditions;
- (vi) guarantee or other assurance provided by Issuer for the benefit of:
 - a. Group Company's or Associated Company's counterparts of long-term fixed price power purchase agreements; or
 - b. Group Company's or Associated Company's counterparts of business/assets acquisitions transactions;

with the total amount of such guarantees or other assurances at any time not exceeding EUR 18,000,000 (eighteen million) in 2021, EUR 30,000,000 (thirty million) in 2022 and EUR 40,000,000 (forty million) in 2023 and later;

always provided that: (A) a Compliance Certificate duly signed by the Issuer is provided to the Trustee additionally confirming that a) no Event of Default is continuing, or would result from the additional borrowing and b) the Financial covenants as set forth in Clause 13(b) are met and continued compliance immediately after such Distribution additional borrowing; and (B) such other documents and information as is agreed between the Trustee and the Issuer are provided to the Trustee.

i) General warranties and undertakings

The Issuer warrants to the Noteholders and the Trustee at the date of these Terms and Conditions and for as long as any of the Notes are outstanding that:

- (i) The Issuer is a duly registered a private liability closed end investment company intended for informed investors operating in compliance with the laws of Lithuania;
- (ii) All the Issuer's obligations assumed under the Terms and Conditions are valid and legally binding to the Issuer and performance of these obligations is not contrary to law or the fund rules of the Issuer;
- (iii) The Issuer has all the rights and sufficient authorizations to and the Issuer has performed all the formalities required for issuing the Notes;
- (iv) All information that is provided by the Issuer to the Trustee or the Noteholders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any respect;
- (v) The Issuer is solvent, able to pay its debts as they fall due, there are no liquidation or insolvency proceedings pending or initiated against the Issuer;
- (vi) There are no legal or arbitration proceedings pending or initiated against the Issuer which may have, or have had significant effects on the Issuer's or Group's financial position or profitability; and
- (vii) There are no criminal or misdemeanour proceedings pending or initiated against the Issuer.

14. Events of Default

- a) If an Event of Default (as defined below) occurs, any Noteholder may at any time falling within the period of 60 (sixty) days after an Event of Default Notice is given (the "**Early Repayment Notice Period**"), by written notice to the Issuer declare any Note held by it and the interest accrued on such Note to be prematurely due and payable, provided that an Event of Default is continuing on the date of receipt of the Noteholder's notice by the Issuer. Payment in respect of such Notes will be made on the date which is the 5th (fifth) Business Day following the expiration of the Early Repayment Notice Period (the "**Early Repayment Date**"). Interest on such Note accrues until the Early Repayment Date (excluding the Early Repayment Date).
- b) The Issuer shall notify the Noteholders and the Trustee about the occurrence of an Event of Default (and the steps, if any, taken to remedy it) in accordance with Clause 17 (*Notices*) promptly upon becoming aware of its occurrence.
- c) Each of the following events shall constitute an event of default (an "**Event of Default**"):
 - (i) **Non-payment:** The Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and the default continues for a period of 5 (five) days.
 - (ii) **Breach of other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under Clause 13(c)(i) above, excluding with Financial covenants as set out under Clause 13(b) above, and it is not remedied within 30 (thirty) calendar days of the earlier of the Trustee giving notice or the Issuer should have become aware of the non-compliance.
 - (iii) **Breach of Financial covenants:** The Issuer does not comply with any financial covenant as set forth in Clause 13(b) and is not remedied within:

- 30 (thirty) calendar days in case of the breach of Minimum Liquidity requirement;
or
- 6 (six) months period when Equity Ratio or Leverage Ratio covenants under Clause 13(b)(ii) or (iii) were tested in accordance with the next relevant Financial Report.

(iv) **Cross-Default:**

- i. Any Financial Indebtedness of the Issuer, Associated Company or any Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of the Issuer, Associated Company and any Group Company; or
- ii. Any security interest securing Financial Indebtedness over any asset of the Issuer, Associated Company and any Group Company is enforced,

provided however that the amount of Financial Indebtedness referred to under item i. and/or ii. above, individually or on the consolidated basis exceeds an amount corresponding to EUR 500,000 (five hundred thousand).

(v) **Insolvency:** The Issuer is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness or the value of the assets of the Issuer is less than its liabilities (taking into account contingent and prospective liabilities).

(vi) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 30 (thirty) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, voluntary liquidations) in relation to:

- i. winding-up, dissolution, administration or reorganisation (in Lithuanian: *nemokumas, lividavimas, bankrotas, restruktūrizavimas*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Company;
- ii. the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer in respect of any Material Company or any of its assets; or
- iii. any analogous procedure or step is taken in any jurisdiction in respect of any Material Company.

(vii) **Mergers and demergers:**

- i. A decision is made that any Material Company (other than the Issuer) shall be merged or demerged into a company which is not a Group Company, unless the Trustee has given its consent (not to be unreasonably withheld or delayed) in writing prior to the merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or
- ii. the Issuer merges with any other Person or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

(viii) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable.

- d) If the Issuer is declared insolvent, the Trustee shall represent the Noteholders in all legal proceedings and take every reasonable measure necessary to recover the amounts outstanding under the Notes. The Issuer shall notify the Trustee about being declared insolvent in accordance with Clause 17 (*Notices*) promptly upon becoming aware of its occurrence. In such a case, all payments by the Issuer relating to the Notes transferred to the Trustee, or to someone appointed by the Trustee, and shall constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders. The Trustee shall arrange for payments of such funds in the following order of priority as soon as reasonably practicable.
- (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee, (ii) other costs, expenses and indemnities relating to the protection of the Noteholders' rights, (iii) any non-reimbursed costs incurred by the Trustee for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Trustee in relation to a Noteholders' Meeting or a Written Procedure;
 - (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
 - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

If the Trustee makes any payment under this Clause 14(d), the Trustee, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid.

15. **Noteholders' Meeting and Procedure in Writing, Modification and Waiver**

Important note: Following Article 3(2) of the Law on the Protection of Interests of Owners of Bonds and taking into consideration that the offering of Notes under these Terms and Conditions will always comply with the requirements, established in Article 1(4) (c) and (d) of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"), the indicated Lithuanian law shall not be applicable to the Notes, issued under these Terms and Conditions, including without limitation the requirement to appoint a trustee of noteholders, provisions, related to initiation, convocation and holding noteholders meetings, etc. Accordingly, the Meetings of Noteholders and respective provisions in connection therewith, as described in these Terms and Condition below, do not meet the requirements of and are not regulated by the Law on the Protection of Interests of Owners of Bonds.

The Trustee will, in accordance with the Terms and Conditions, represent the Noteholders in respect of the Notes.

- a) **General provisions:** The decisions of the Noteholders (including decisions on amendments to these Terms and Conditions Notes or the Final Terms of the relevant Series or granting of consent or waiver) shall be passed at the Noteholders' Meeting or in Procedure in Writing at the choice of the Trustee.

The Trustee shall have a right to convene the Noteholders' Meeting or instigate the Procedure in Writing at any time and Trustee shall do so following a written request from the Issuer or

Noteholders who, on the day of the request, represent not less than 1/10 (one-tenth) of the aggregate principal amount of the outstanding Notes or of the aggregate principal amount of the outstanding Notes of the relevant Series (as applicable) (excluding the Issuer and its Subsidiaries). As a general rule, the Noteholders' Meeting or in Procedure in Writing is convened by a decision of the Trustee.

The Trustee may refrain from convening the Noteholders' Meeting or instigating the Procedure in Writing if (i) the suggested decision does not fall under the competence of Noteholders, or (ii) the suggested decision is not in accordance with applicable laws.

In case convening of the Noteholders' Meeting or instigation of the Procedure in Writing is requested by the Issuer or Noteholders, the Trustee shall be obliged to convene the Noteholders' Meeting or instigate the Procedure in Writing within 1 (one) month after receipt of the respective Issuer's or Noteholders' written request.

All expenses in relation to the convening and holding the Meeting of Bondholders shall be covered by the Issuer.

Only those who were registered as the Noteholders by the end of the 5th (fifth) Business Day prior to convening the Noteholders' Meeting or instigation of the Procedure in Writing or proxies authorised by such Noteholders, may exercise their voting rights at the Noteholders' Meeting or in the Procedure in Writing.

If the Issuer and/or its Subsidiaries are the Noteholders, their principal amount of the Notes will be excluded when a quorum is calculated.

Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of the Noteholders' Meeting or the Procedure in Writing as the Trustee may deem appropriate. Such regulations may include e.g. a possibility for Noteholders to vote without attending the meeting in person, holding the Noteholders' Meeting in the form of a video conference etc.

- b) **Quorum:** Quorum at the Noteholders' Meeting or in respect of the Procedure in Writing only exists if (i) at least 2 (two) or more persons representing at least 50 (fifty) per cent or (ii) one Noteholder holding 100 (one hundred) per cent of the principal amount of the Series of Notes outstanding are present in the meeting or provide replies in the Procedure in Writing.

If quorum does not exist at the Noteholders' Meeting or in respect of the Procedure in Writing, the Issuer can convene an adjourned Noteholders' Meeting or instigate a second Procedure in Writing, as the case may be, on a date no earlier than 14 (fourteen) days and no later than 28 (twenty-eight) days after the original meeting at a place to be determined by the Issuer.

The adjourned Noteholders' meeting constitutes a quorum, if (i) at least 2 (two) or more persons representing at least 10 (ten) per cent or (ii) one Noteholder holding 100 (one hundred) per cent of the principal amount of the Series of Notes outstanding are present in the meeting or provide replies in the Procedure in Writing.

The notice of the adjourned meeting or, in the Procedure in Writing, information regarding the extended time for replies, must be given in the same manner as the notice of the original meeting or the Procedure in Writing. The notice must also include the requirements for a constitution of a quorum.

The voting rights of the Noteholders will be determined on the basis of the principal amount of the Notes held.

c) ***Noteholders decisions:*** A Noteholders' Meeting or a Procedure in Writing may, at the request of the Issuer, make decisions that are binding on the Noteholders on:

- (i) any amendments to the terms and conditions of the relevant Series of Notes, and
- (ii) a temporary waiver regarding the terms and conditions of the relevant Series of Notes.

The consent of Noteholders representing at least 75 (seventy-five) per cent of the aggregate principal amount of the outstanding Notes attending the Noteholders' Meeting or participating in the Procedure in Writing will be required to make any amendments to the terms and conditions of the relevant Series of Notes, including:

- (i) change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes; or
- (ii) change Clause 4 (*Status of the Notes*), Clause 14 (*Events of Default*) or Clause 18 (*Governing Law and Jurisdiction*); or
- (iii) waive a breach of or amend an undertakings set out in Clause 13 (*Special undertakings*);
- (iv) change the quorum requirements of the Noteholders' Meeting or Procedure in Writing; and/or
- (v) change the majority required for the decisions of the Noteholders' Meeting or Procedure in Writing.

Consent of simple majority (more than 50 (fifty) per cent) of all Noteholders or the Noteholders of the respective Series (as applicable) attending the Noteholders' Meeting or participating in the Procedure in Writing is required for a temporary waiver regarding the terms and conditions of the relevant Series of Notes.

Notes held by or for the account of the Issuer or any of its subsidiaries for their own account will not carry the right to vote at the Noteholders' Meetings and will not be taken into account in determining how many Notes are outstanding for the purposes of the present Clauses of these Terms and Conditions.

The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take any necessary actions to enforce the decisions of the Noteholders' Meeting or the Procedure in Writing.

A matter decided at the Noteholders' Meeting or the Procedure in Writing is binding on all Noteholders of the relevant Series of Notes, irrespective of whether they were present at the Noteholders' Meeting or participated in the Procedure in Writing. Decisions made at the Noteholders' Meeting or in the Procedure in Writing are deemed to have been received by the Noteholders of the relevant Series at the time (i) they have been entered in the issue account maintained by Nasdaq CSD, or (ii) notified to the Noteholders in accordance with Clause 17 (*Notices*), provided that a failure to do so shall not invalidate any decision made or voting result achieved. In addition, the Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' meeting and the Procedure in Writing.

A notice to Nasdaq CSD must be given on (i) the convening of a Noteholders' Meeting or the request for a Procedure in Writing, and (ii) on their resolutions made in accordance with Nasdaq CSD Rules.

All expenses in relation to the convening and holding the Noteholders' Meeting or a Procedure in Writing shall be covered by the Issuer.

- d) **Meetings of Noteholders:** If a decision of the Noteholders is intended to be passed at the Noteholders' Meeting, then a respective notice of the Noteholders' Meeting shall be provided to the Noteholders in accordance with Clause 17 (*Notices*) no later than 10 (ten) Business Days prior to the meeting. Furthermore, the notice shall specify the time, place and agenda of the meeting, as well as any action required on the part of the Noteholders that will attend the meeting. No matters other than those referred to in the notice may be resolved at the Noteholders' Meeting.

The Noteholders' Meeting shall be held in Vilnius, Lithuania, and its chairman shall be the Issuer's representative appointed by the Issuer.

The Noteholders' Meeting shall be organised by the chairman of the Noteholders' Meeting.

The Noteholders' Meeting shall be held in English with translation into Lithuanian, unless the Noteholders present in the respective Noteholders' Meeting unanimously decide that the respective Noteholders' Meeting shall be held only in Lithuanian or English.

Representatives of the Issuer and persons authorised to act for the Issuer may attend and speak at the Noteholders' Meeting.

Minutes of the Noteholders' Meeting shall be kept, recording the day and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions which were adopted. The minutes shall be signed by the keeper of the minutes, which shall be appointed by the Noteholders' Meeting. The minutes shall be attested by the chairman of the Noteholders' Meeting, if the chairman is not the keeper of the minutes, as well as by one of the persons appointed by the Noteholders' Meeting to attest the minutes. The minutes from the relevant Noteholders' Meeting shall at the request of a Noteholder be sent to it by the Issuer.

- e) **Procedure in Writing:** If a decision of the Noteholders is intended to be passed by the Procedure in Writing, then a respective communication of the Procedure in Writing shall be provided to the Noteholders in accordance with Clause 17 (*Notices*). Communication to the Noteholders shall include:

- (i) each request for a decision by the Noteholders;
- (ii) a description of the reasons for each request;
- (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote "yes" or "no" for each request), as well as a form of a power of attorney;
- (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 10 (ten) Business Days from the communication pursuant to paragraph e) above) and a manner of a reply; and
- (vi) a statement that if the Noteholder does not reply to the request in the stipulated time period, then it shall be deemed that the Noteholder has voted against each request.

When the requisite majority consents have been received in a Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired.

- f) **Minor modification:** The Notes and these Terms and Conditions may be amended by the Issuer without the consent of the Noteholders to correct a manifest error or is to comply with mandatory provision of the applicable law. In addition, the Issuer shall have a right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders.

16. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Clause 13 (*Special Undertakings*), create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) and so that such further issue shall be consolidated and form a single series with the Notes. References in these Terms and Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Clause 16 and forming a single series with the Notes.

17. **Notices**

Noteholders shall be advised of matters relating to the Notes by a notice:

- (a) in English and Lithuanian sent to the Noteholders via emails indicated in the Subscription Orders (before Listing); or
- (b) published in English and Lithuanian on the Issuer's website at [www.lordslb.lt/AEI green bonds](http://www.lordslb.lt/AEI_green_bonds) as well as on www.nasdaqbaltic.com and in Central Regulated Information Base (www.crib.lt) (upon Listing).

Any such notice shall be deemed to have been received by the Noteholders when sent or published in the manner specified in this Clause 17.

18. **Appointment and Replacement of the Trustee**

- (a) **Appointment of Trustee:** By subscribing for Notes, each initial Noteholder appoints the Trustee to act as its agent in all matters relating to the Notes and these Terms and Conditions, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation or insolvency (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Trustee to act on its behalf. Any initial Noteholder is entitled to withdraw such appointment and authorisation of the Trustee by giving a withdrawal notice to the Trustee by sending it to the Trustee's registered address.

Each Noteholder shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), as the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Trustee is under no obligation to represent a Noteholder which does not comply with such request.

The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Trustee Agreement, and the Trustee's obligations under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications. The Trustee is not obliged to expend or risk its own funds or otherwise incur any financial liability (including, but without limitation, legal fees) in the performance of its duties, obligations or responsibilities or the exercise of any right, power,

authority or discretion if it has grounds for believing the repayment of such funds is not reasonably assured to it. For this purpose, the Trustee may demand, prior to taking any such action, payment in advance as it considers (without prejudice to any further demand) shall be sufficient to prefund it.

The Issuer shall on demand by the Trustee pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Trustee reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Notes which the Trustee reasonably believes may be detrimental to the interests of the Noteholders under the Terms and Conditions, and (iii) in connection with any Noteholders' Meeting or Procedure in Writing, or (iv) in connection with any amendment (whether contemplated by the Terms and Conditions or not) or waiver under the Terms and Conditions.

When acting pursuant to these Terms and Conditions, the Trustee is always acting with binding effect on behalf of the Noteholders. The Trustee is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Trustee does not bind the Noteholders or the Issuer.

The Trustee is entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as trustee, without having to first obtain any consent from the Noteholders or the Issuer, but the Trustee shall remain liable for the actions of such parties under these Terms and Conditions.

The Trustee may act as agent for several issues of securities issued by or relating to the Issuer and other group companies notwithstanding potential conflicts of interest.

- (b) **Duties of the Trustee:** The Trustee shall represent the Noteholders in accordance with these Terms and Conditions and shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill. However, the Trustee is not responsible for the execution or enforceability of these Terms and Conditions. The Trustee shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) and they will be available on the website of the Trustee upon listing of the Notes.

Upon request by a Noteholder, the Trustee shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes (at the discretion of the Trustee). The Trustee may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Trustee in doing so (including a reasonable fee for the work of the Trustee) before any such information is distributed. The Trustee shall upon request by a Noteholder disclose the identity of any other Noteholder who has consented to the Trustee in doing so.

The Trustee shall treat all Noteholders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in these Terms and Conditions and the Trustee Agreement.

If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require. The Trustee shall give a notice to the Noteholders (i) before it ceases to perform its

obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under these Terms and Conditions or the Trustee Agreement, or (ii) if it refrains from acting for any reason described in this Clause.

Other than as specifically set out in the Terms and Conditions, the Trustee shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under Terms and Conditions, or (iii) whether any other event specified in any Finance Document has occurred. Should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge of such event or circumstance.

The Trustee shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in these Terms and Conditions and as otherwise agreed between the Issuer and the Trustee, (ii) check that the information in the Compliance Certificate is correctly extracted from the financial statements delivered pursuant to Clause 13(e) or other relevant documents supplied together with the Compliance Certificate, and (iii) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. The Issuer shall promptly upon request provide the Trustee with such information as the Trustee reasonably considers necessary for the purpose of being able to comply with this clause.

The Trustee shall neither be liable to the Issuer or the Noteholders for damage due to any documents and information delivered to the Trustee not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

The Trustee shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Terms and Conditions or the Trustee Agreement or (ii) if it refrains from acting for any reason described above.

- (c) **Limited Liability of the Trustee:** The Trustee will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Trustee shall never be responsible for indirect loss.

The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

The Trustee shall have no liability to the Issuer or the Noteholders for damage caused by the Trustee acting in accordance with instructions of the Noteholders given in accordance with these Terms and Conditions.

- (d) **Replacement of the Trustee:** The Trustee may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Trustee at a Noteholders' Meeting convened by the retiring Trustee or by way of Procedure in Writing initiated by the retiring Trustee.

If the Trustee is insolvent or becomes subject to bankruptcy proceedings, the Trustee shall be deemed to resign and the Issuer shall within ten (10) Business Days appoint a successor Trustee

which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

A Noteholders representing not less than 1/10 (one-tenth) of the Adjusted Nominal Amount may, by notice to the Issuer require that a Noteholders' Meeting is held for the purpose of dismissing the trustee and appointing a new Trustee. The Issuer may, at a Noteholders' Meeting convened by it or by way of Procedure in Writing initiated by it, propose to the Noteholders that the Trustee be dismissed and a new Trustee appointed.

If the Noteholders have not appointed a successor Trustee within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.

- (e) **Other provisions:** For the purpose of or in connection with any Noteholders' Meeting or any Procedure in Writing, at the request of the Trustee, the Issuer shall promptly obtain the list of the Noteholders and provide it to the Trustee.

The Issuer shall issue any necessary power of attorney to Trustee or such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the Nasdaq CSD in respect of the Notes and Noteholders. The Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Noteholders.

19. **Governing Law and Jurisdiction**

- a) *Governing law:* These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Lithuania.
- b) *Courts of the Republic of Lithuania:* Any dispute or claim arising out of or in relation to these Terms and Conditions, including any non-contractual obligation arising out of or in connection with the Notes, shall be finally settled by the courts of the Republic of Lithuania.

FORM OF FINAL TERMS OF THE NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the General Terms and Conditions.

[MiFID II Product Governance / Eligible Counterparties, Professional Clients and Retail Clients Target Market

Solely for the purposes of [the] [each] manufacturer['s] [s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")] [MiFID II], and [(ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised services and execution-only]] [(ii) the following channels for distribution of the Notes are appropriate: investment advice [,] [and] portfolio management [,] [and] [non-advised services] [and execution-only]] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate: investment advice [,] [and] portfolio management [,] [and] [non-advised services] [and execution-only] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. Any person subsequently offering, selling or recommending the Notes (a "Distributor") should take into consideration the manufacturer['s][s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s][s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

CLOSED – END INVESTMENT COMPANY INTENDED FOR INFORMED INVESTORS

UAB "ATSINAUJINANČIOS ENERGETIKOS INVESTICIJOS"

Legal entity identifier (LEI): [●]

Issue of [Aggregate Nominal Amount of Tranche] Notes due [●]

under the General Terms and Conditions for the Issuance of Unsecured Fixed Rate Notes maximum EUR 100,000,000 with the Maturity up to 5 Years

[to be consolidated and form a single series with [●]]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the General Terms and Conditions for the Issuance of Unsecured Fixed Rate Notes maximum EUR 100,000,000 with the Maturity up to 5 Years (the "General Terms and Conditions ") dated [●] December 2021. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the General Terms and Conditions in order to obtain all relevant information. Full information on the offer of the Notes is only available on the basis of the combination of these Final Terms and the General Terms and Conditions.

The Final Terms and the General Terms and Conditions are available for viewing on the Issuer's website [●]. Copies may also be obtained from the registered office of the Issuer at the address Jogailos str. 4, Vilnius, the Republic of Lithuania.]

[Upon listing and public offering:

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated [●] which constitutes a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all relevant information. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus is available for viewing on the website of AB Nasdaq Vilnius Stock Exchange ("Nasdaq Vilnius") (<https://nasdaqbaltic.com/>) and is also available at the Issuer's website [●] as well as at the website of the Central Regulated Information Base www.crib.lt. Copies may also be obtained from the registered office of the Issuer at the address Jogailos str. 4, Vilnius, the Republic of Lithuania.

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.]

1.	(i) Issuer:	Closed – End Investment Company Intended for Informed Investors UAB “Atsinaujinančios energetikos investicijos”
2.	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
3.	Specified Currency:	Euro (EUR)
4.	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5.	Issue Price:	[●]
6.	Specified Denominations:	EUR 100,000 and integral multiples of EUR 1,000.
7.	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	Issue Date
	(iii) First Issue Date:	
8.	Maturity Date:	[●]
9.	Final Redemption Amount:	Subject to any early redemption, the Notes will be redeemed on the Maturity Date at [●]
10.	Put/Call Options:	Investor Put
		Issuer Call
		<i>(See paragraph 13-14-15 below)</i>
11.	(i) Status of the Notes:	Unsecured
	(ii) Date [Board] [Shareholder] decision for issuance of Notes obtained:	[●]

PROVISIONS RELATING TO INTEREST PAYABLE		
12.	Fixed Rate Note Provisions	
	(i) Interest Rate:	The Fixed Rate of Interest is [●] per cent. per annum in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date payable in arrear on each Interest Payment Date.
	(ii) Interest Payment Date(s):	[●] and [●] in each year
	(iii) Day Count Fraction:	30E/360
PROVISIONS RELATING TO EARLY REDEMPTION		
13.	Call Option	Applicable
	(i) Optional Redemption Date(s):	Any Business Day falling on or after the date falling two (2) years after Initial Issue Date
	(ii) Optional Redemption Amount(s) of each Note:	100% per Nominal Amount plus 50% of coupon in the case of the Optional Redemption Date(s) falling on or after the date falling two (2) years after First Issue Date; or 100% per Nominal Amount plus 25% of coupon in the case of the Optional Redemption Date(s) falling on or after the date falling three (3) years after First Issue Date
	(iii) Notice period:	Not less than 30 nor more than 60 days
14.	Put Option	Only due to De-listing Event or Listing Failure
	(i) De-listing Event or Listing Failure Put Date / Optional Redemption Date:	The 5 th (fifth) Business Day following the expiration of the De-listing Event or Listing Failure Put Period
	(ii) Optional Redemption Amount of each Note:	101% per Nominal Amount
	(iii) De-listing Event or Listing Failure Put Period /Notice period:	Not more than 30 days
15.	Early redemption for tax reasons:	Applicable
	(i) Early Redemption Amount:	100% per Nominal Amount
	(ii) Notice period:	Not less than 30 nor more than 60 days

GENERAL PROVISIONS APPLICABLE TO THE NOTES		
16.	Form of Notes:	The Notes shall be issued in non-material registered form. According to the Law on Markets in Financial Instruments of the Republic of Lithuania the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the Regulated Market (Nasdaq Vilnius), shall be made by Nasdaq CSD. The Notes shall be valid from the date of their registration until the date of their redemption. No physical certificates will be issued to the Investors. Principal and interest accrued will be credited to the Noteholders' accounts through Nasdaq CSD.

Signed on behalf of the Issuer:

[•]

By:
Duly authorised

PART B – OTHER INFORMATION

1.	LISTING AND ADMISSION TO TRADING	
	(i) Admission to Trading:	[Applications will be made for Notes issued under these Final Terms to be admitted during the period of twelve (12) months after the date hereof to listing on the Bond List and to trading on the Regulated Market of Nasdaq Vilnius.] / [Applications will be made for Notes issued under these Final Terms to be admitted during the period of thirty (30) days after the date hereof to listing on the Bond List and to trading on the Regulated Market of Nasdaq Vilnius.]
	(ii) Estimate of total expenses related to admission to trading:	[•]
2.	RATINGS	[Scope Ratings GmbH: [•]
3.	INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER	
	Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealer and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.	
4.	YIELD	
	Indication of yield:	[•]
	<i>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.</i>	

5.	OPERATIONAL INFORMATION	
	(i) ISIN:	LT[●]
	(ii) Delivery:	[Delivery [against / free of] payment] / [Early prepayment] [other details if needed]
	(iii) Settlement Date	
6.	DISTRIBUTION	
	(i) Distribution period	[●]
	(ii) Method of Distribution:	[Syndicated/Non-syndicated]
	(iii) Name of Dealer[s]:	Luminor Bank AS Lithuanian branch [give names]
7.	OTHER INFORMATION	
	(i) Use of Proceeds:	The proceeds of the issue of each Series of Notes will be used towards refinancing existing bonds or other loan obligations or to finance, in part or in full, acquisition and development of projects in renewable solar and wind energy and related infrastructure, energy efficiency and environmentally sustainable management of living natural resources and land use, in accordance with prescribed eligibility criteria set out in the Green Bond Framework available on the Issuer's website.
	(ii) Information about the securities of the Issuer that are already admitted to trading:	No other securities of the Issuer that are already admitted to trading

PRESENTATION OF FINANCIAL INFORMATION OF THE ISSUER

With the exception of certain alternative performance measures ("**APMs**"), the consolidated financial information of the Issuer as of and for the quarter ended 31 March 2023, and for the years ended 31 December 2022, and 31 December 2021, and financial information as of and for the year ended 31 December 2020, included in this Base Prospectus have been derived from the unaudited interim condensed consolidated financial statements of the Issuer, as at and for the quarter year ended 31 March 2023, and the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2021 prepared in accordance with the International Financial Reporting Standards as adopted by the E.U. ("**IFRS**") (the "**2023 Q1 Financial Statements**", "**2022 Financial Statements**" and "**2021 Financial Statements**") and audited financial statements for the year ended 31 December 2020 prepared in accordance with the Law on Accounting of the Republic of Lithuania, the Law on Financial Reporting by Undertakings of the Republic of Lithuania, and Business Accounting Standards of the Republic of Lithuania ("**Local GAAP**") (the "**2020 Financial Statements**").

Certain amounts and percentages which appear in this Base Prospectus have been subject to rounding adjustments, and, accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

KPMG Baltics UAB, independent auditors, with its registered office in Lvivo str. 101, Vilnius Lithuania, audited the 2022 Financial Statements, 2021 Financial Statements and the 2020 Financial Statements and issued an unqualified auditors' reports on the aforementioned financial statements.

Changes in accounting policies and changes in comparative financial information

First time IFRS adoption

The 2021 Financial Statements are the first annual consolidated financial statements of the Issuer prepared in accordance with IFRS. For the financial periods up to and including the financial year ended 31 December 2020, the Issuer prepared its financial statements in accordance with the Local GAAP.

Accordingly, the Issuer has prepared 2021 Financial Statements that comply with IFRS applicable as of 31 December 2021, together with the comparative period data for the financial year ended 31 December 2020. In preparing the 2021 Financial Statement, the Issuer's opening statement of financial position was prepared as of 1 January 2020, the Issuer's date of transition to IFRS. The tables below explain the principal adjustments made by the Issuer in restating its Local GAAP financial statements, including the statement of financial position as of 1 January 2020 and the financial statements as of, and for, the financial year ended 31 December 2020.

Reconciliation of financial position as at 1 January 2020 (date of transition to IFRS)

Reconciliation of financial position of the Issuer as at 1 January 2020 is provided below:

	Local GAAP	Adoption adjustments	IFRS
Assets			
Non-current assets			
Investment assets at fair value through profit or loss	37,118,504	5,733,911	42,852,415
Loans granted	-	-	-
Other receivables	-	-	-
Deferred tax assets	-	-	-
Total non-current assets	37,118,504	5,733,911	42,852,415
Current assets			
Loans granted	-	-	-
Financial assets for sale	2	-	2
Contract assets	119,496	-	119,496
Cash and cash equivalents	34,845	-	34,845
Total current assets	154,343	-	154,343
Total assets	37,272,847	5,733,911	43,006,758
Equity and liabilities			
Equity			
Issued capital	2,500	-	2,500
Legal reserve	250	-	250
Retained earnings	(2,527,876)	5,733,911	3,206,035
Total equity	(2,525,126)	5,733,911	3,208,785
Non-current liabilities			
Loans received	567,977	-	567,977
Bonds issued	18,449,682	-	18,449,682
Total non-current liabilities	19,017,659	-	19,017,659
Current liabilities			
Bonds issued	20,569,288	-	20,569,288
Loans received	201,167	-	201,167
Trade and other payables	1,975	-	1,975
Payables to employees	7,885	-	7,885
Total current liabilities	20,780,314	-	20,780,314
Total liabilities	39,797,973	-	39,797,973
Total equity and liabilities	37,272,847	5,733,911	43,006,758

Reconciliation of financial position as at 31 December 2020

Reconciliation of financial position of the Issuer as at 31 December 2020 is provided below:

	Local GAAP	Adoption adjustments	IFRS
Assets			
Non-current assets			
Investment assets at fair value through profit or loss	19,666,963	8,551,733	28,218,696
Other non-current receivables through profit and loss	2,725,625	-	2,725,625
Prepayments	25,000	-	25,000
Deferred tax assets	3	-	3
Total non-current assets	22,417,591	8,551,733	30,969,324
Current assets			
Other receivables	802,151	-	802,151
Contract assets	8,000	-	8,000
Cash and cash equivalents	416,640	-	416,640
Total current assets	1,226,791	-	1,226,791
Total assets	23,644,382	8,551,733	32,196,115
Equity and liabilities			
Equity			
Issued capital	20,823,623	-	20,823,623
Share premium	1,153,873	-	1,153,873
Legal reserve	250	-	250
Retained earnings	(46,150)	8,551,733	8,505,583
Total equity	21,931,596	8,551,733	30,483,329
Non-current liabilities			
Bonds issued	1,381,401	-	1,381,401
Loans received	278,092	-	278,092
Total non-current liabilities	1,659,493	-	1,659,493
Current liabilities			
Trade and other payables	49,518	-	49,518
Payables to employees	3,672	-	3,672
Current tax liabilities	103	-	103
Total current liabilities	53,293	-	53,293
Total liabilities	1,712,786	-	1,712,786
Total equity and liabilities	23,644,382	8,551,733	32,196,115

IFRS adoption adjustment in amount of EUR 5,733,911 in the reconciliation of financial position as at 1 January 2020 and in amount of EUR 8,551,733 in the reconciliation of financial position as at 31 December 2021 present the change in the fair value of the Issuer's investments in subsidiaries and associate and reflects the impact on the value of the Issuer's investments of going from measuring investments at 'acquisition cost', which is required by Local GAAP, to measuring investments at 'fair value through profit or loss', which is required by IFRS.

Reconciliation of profit or loss and comprehensive income as at 31 December 2020

	Local GAAP	Adoption adjustments	IFRS
Income			
Net gain on financial assets at fair value through profit or loss	5,046,013	2,817,822	7,863,835
Interest income	11,667	-	11,667
Net gain from sale of investments	10,112	-	10,112
Other income	40,831	-	40,831
Dividend income	390,000	-	390,000
Gain from bargain purchase	99	-	99
Total net income	5,498,722	2,817,822	8,316,544
Expenses			
Administrative expenses	(182,669)	-	(182,669)
Total expenses	(182,669)	-	(182,669)
Operating profit	5,316,053	2,817,822	8,133,875
Finance costs			
Interest expenses	(2,834,046)	-	(2,834,046)
Foreign exchange loss	(9)	-	(9)
Total finance costs	(2,834,055)	-	(2,834,055)
Profit before tax	2,481,998	2,817,822	5,299,820
Income tax	(272)	-	(272)
Profit after tax	2,481,726	2,817,822	5,299,548
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)	2,481,726	2,817,822	5,299,548

IFRS adoption adjustment in amount of EUR 2,817,822 in the reconciliation of profit or loss and comprehensive income for period ended 31 December 2020 present the change in the fair value of the Issuer's investments in subsidiaries and associate and reflects the impact on the value of the Issuer's investments of going from measuring investments at 'acquisition cost', which is required under Local GAAP, to measuring investments at 'fair value through profit or loss', which is required by IFRS.

Local GAAP figures in the tables above under sections "Reconciliation of financial position as at 31 December 2020" and "Reconciliation of profit or loss and comprehensive income as at 31 December 2020" differ from the corresponding figures in 2020 Financial Statements due to the consolidation effect of UAB "JTPG" as 2021 Financial Statements were prepared under IFRS, which allows the consolidation of UAB "JTPG", while such consolidation is not required under Local GAAP. On 23 December 2020, the Issuer acquired UAB "JTPG" and since the acquired company's sales revenues, net profit (loss) and total assets figures were minimal as at 31 December 2020, the management of the Issuer made the decision not to consolidate UAB "JTPG" for the purpose of preparing 2020 Financial Statements, but instead start the consolidation from 1 January 2021. The deviation between the figures listed in aforementioned tables and 2020 Financial Statements are immaterial.

Alternative Performance Measures

This Base Prospectus contains certain financial measures that are not defined or recognised under IFRS and which are considered to be “alternative performance measures” as defined in the “ESMA Guidelines on Alternative Performance Measures” issued by the European Securities and Markets Authority on 5 October 2015 (the “Alternative Performance Measures” or “APMs”).

Alternative performance measures below are presented for the Issuer and the Group’s operating (electricity generating) entities of the Group – Energy Solar Projekty Sp. z o.o and UAB “Saulės energijos projektai”.

For the calculation of APMs the following information was used:

1. the unaudited interim condensed consolidated financial statements of the Issuer, as at and for the quarter year ended 31 March 2023 with comparative figures as at and for the financial year ended 31 December 2022 and quarter ended 31 March 2022, dated 21 May 2023 (available at: https://lordslb.lt/AEI_green_bonds/).
2. the audited consolidated financial statements of the Issuer, as at and for the financial year ended 31 December 2022, with comparative figures as at and for the financial year ended 31 December 2021, dated 17 April 2023, together with the consolidated annual report and the independent auditor’s report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
3. the audited consolidated financial statements of the Issuer, as at and for the financial year ended 31 December 2021, with comparative figures as at and for the financial year ended 31 December 2020, dated 19 April 2022, together with the consolidated annual report and the independent auditor’s report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
4. the unaudited financial statements of the associate UAB “Saulės energijos projektai”, as at and for the quarter ended 31 March 2023 with comparative figures as at and for the financial year ended 31 December 2022 and quarter ended 31 March 2022, dated 26 April 2023, together the independent auditor’s report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
5. the audited financial statements of the associate UAB “Saulės energijos projektai”, as at and for the financial year ended 31 December 2022 with comparative figures as at and for the financial year ended 31 December 2020, dated 9 June 2023, together the independent auditor’s report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
6. the audited financial statements of the associate UAB “Saulės energijos projektai”, as at and for the financial year ended 31 December 2021 with comparative figures as at and for the financial year ended 31 December 2020, dated 21 March 2022, together the independent auditor’s report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
7. the unaudited consolidated financial statements of the Energy Solar Projekty Sp. z o.o, as at and for the quarter ended 31 March 2023 with comparative figures as at and for the financial year ended 31 December 2022 and quarter ended 31 March 2022, dated 11 May 2023 (available at: https://lordslb.lt/AEI_green_bonds/).
8. the unaudited consolidated financial statements of the Energy Solar Projekty Sp. z o.o, as at and for the financial year ended 31 December 2022 with comparative figures as at and for the financial year ended 31 December 2021, dated 23 February 2023 (available at: https://lordslb.lt/AEI_green_bonds/).
9. the audited consolidated financial statements of the Energy Solar Projekty Sp. z o.o, as at and for the financial year ended 31 December 2021 with comparative figures as at and for the financial year ended 31 December 2020, dated 30 August 2022 together with the consolidated annual report and the independent auditor’s report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
10. the audited consolidated financial statements of the UAB “Žaliosios investicijos”, as at and for the financial year ended 31 December 2021, with comparative figures as at and for the financial year ended 31 December 2020, dated 28 October 2022 together with the consolidated annual report and the independent auditor’s report thereon (available at: https://lordslb.lt/AEI_green_bonds/).
11. the preliminary financial information of the Group’s financial debt as at 31 December 2022 and 31 March 2023.

Alternative Performance Measures

(a) EBITDA of the Issuer's Operating (Electricity Generating) Subsidiaries and Associates

Energy Solar Projekty Sp. z o.o

		2020	2021	2022	2023 Q1
Generation volume	MWh	54,887	67,854	73,355	9,130
Net sales and equivalents	PLN	11,806,591	26,950,290	45,980,169	3,997,605
Other operating revenues	PLN	4,449,502	246,887	317,708	11,754
Operating expenses	PLN	(11,573,647)	(14,983,180)	(15,508,896)	(3,771,252)
Other operating expenses	PLN	(863,227)	(246,887)	(1,219,549)	(6,177)
Amortization and depreciation	PLN	4,997,650	6,596,066	6,596,066	1,649,016
EBITDA¹	PLN	8,816,870	18,563,176	36,165,498	1,880,946
Average Electricity Sales Price*	PLN/MWh	296	401	631	439

UAB "Saulės energijos projektai"

		2020	2021	2022	2023 Q1
Generation volume	MWh	2,888	2,883	2,897	266
Net sales revenue	EUR	1,261,666	1,259,742	1,266,206	116,210
Cost of sales	EUR	(382,210)	(356,901)	(370,612)	(66,543)
Operating expenses	EUR	(13,816)	(11,777)	(7,351)	(3,077)
Depreciation	EUR	218,639	220,797	219,084	38,783
EBITDA¹	EUR	1,084,279	1,111,861	1,107,327	85,373
Average Electricity Sales Price*	EUR	437	437	437	437

*Average Electricity Sales Prices is calculated as Net Sales Revenue and Other Operating Revenues, divided by Generation Volume.

**Depreciation amount for UAB "Saulės energijos projektai" for Q1 2023 has been derived from internal financial information, as depreciation figure disclosure is not made in the Q1 2023 financial statements of UAB "Saulės energijos projektai".

EBITDA¹

EBITDA should not be considered as alternative to profit before tax as defined by IFRS or to cash flows from operating activities (or any other performance measure determined in accordance with IFRS) or as indicators of operating performance or as measures of the Group's liquidity. EBITDA should not be considered as measures of discretionary cash available to the Group to invest in the growth of the Group's businesses.

EBITDA has certain limitations as analytical tools, and should not be considered in isolation, or as a substitute for financial information as reported under IFRS. Investors should not place undue reliance on this data.

No statement in this Base Prospectus is intended as a profit/EBITDA/adjusted EBITDA forecast and no statement in this Base Prospectus should be interpreted to mean that the earnings of the Group for the current or future years would necessarily match or exceed the historical published earnings of the Group.

For Energy Solar Projekty Sp. z o.o, EBITDA in this Base Prospectus is presented, for each period, as net sales revenue and equivalents, other operating revenues less relevant operating expenses, other operating expenses plus amortisation and depreciation expenses.

For UAB "Saulės energijos projektai", EBITDA in this Base Prospectus is presented, for each period, as net sales revenue less cost of sales, operating expenses plus depreciation expenses.

EBITDA is used as an indicator of the overall profitability of a business.

In addition, EBITDA is monitored and provided by the Issuer, because the Issuer believes that these measures are commonly used by lenders, investors, and business analysts to evaluate financial performance or financial leverage of the business entities.

(b) Equity and Leverage Ratios of the Issuer

Equity Ratio

The Equity Ratio and Leverage Ratio are few of the covenant levels set in accordance with Notes issued under the Programme that the Issuer has the obligation to ensure compliance with. Equity Ratio and Leverage Ratio are used as indicators of the level of debt incurred by the Issuer and is commonly used by lenders, investors, and business analysts to evaluate financial leverage of the business entities.

Equity Ratio covenant ensures that Equity Ratio of the Issuer is always 50 (fifty) per cent. or greater. Equity Ratio means Issuer's Equity divided by Total Assets and multiplied by 100.

		31 December 2020	31 December 2021	31 December 2022	31 March 2023
in thousand					
Issuer's Total Assets	EUR	32,196	96,240	156,627	160,466
Issuer's Equity	EUR	30,483	65,013	103,533	107,262
Equity Ratio	%	94.48	67.55	66.10	66.84

Leverage Ratio

Leverage Ratio covenant ensures that Leverage Ratio at all times is 75 (seventy-five) per cent. or lower. Leverage Ratio means Consolidated External Financial Debt of the Issuer and its subsidiaries and associates at the end of any relevant period. Leverage Ratio means Consolidated External Financial Debt* divided by the sum of Consolidated External Financial Debt and Issuer's Equity with result multiplied by 100.

		31 December 2020	31 December 2021	31 December 2022	31 March 2023
in thousand					
Issuer's Equity	EUR	30,483	65,013	103,533	107,262
Consolidated External Financial Debt	EUR	37,744	94,387	116,710	117,958
Leverage Ratio	%	55.32	59.21	52.99	52.37

* Consolidated External Financial Debt is the aggregate of: External Financial Debt of the Issuer, External Financial Debt of each Subsidiary multiplied by the per cent. of equity owned by the Issuer in that Subsidiary, External Financial Debt of each Associated Company multiplied by the per cent of equity owned by the Issuer in that Associated Company at the end of any Relevant Period.

Consolidated External Financial Debt information was derived from the preliminary financial information of the Group's financial debt as at 31 December 2022 and quarter ended 31 March 2023, while Consolidated External Financial Debt information as at 31 December 2021 and 31 December 2020 was derived from audited financial statements of the Issuer and its subsidiaries and associates. Consolidated External Financial Debt is as follows:

31 March 2023

In thousand

Entity	Ownership, %	Native Currency	External debt amount, Total (in Native Currency)	External debt amount, Total (in EUR)	External debt amount, Actual Ownership (in EUR)
Energy Solar Projekty Sp. z. o. o	100%	PLN	138,284	29,540	29,540
UAB Saulės energijos projektai	30%	EUR	340	340	102
UAB Žaliosios Investicijos	25%	EUR	150,504	150,504	37,626*
The Issuer	-	EUR	50,690	50,690	50,690
Total					117,958

*External Financial Debt amount of UAB Žaliosios investicijos is based on preliminary financial information as of 31 March 2023

31 December 2022

In thousand

Entity	Ownership, %	Native Currency	External debt amount, Total (in Native Currency)	External debt amount, Total (in EUR)	External debt amount, Actual Ownership (in EUR)
Energy Solar Projekty Sp. z. o. o	100%	PLN	138,321	29,551	29,551
UAB Saulės energijos projektai	30%	EUR	535	535	160
UAB Žaliosios Investicijos	25%	EUR	148,504	148,504	37,126*
The Issuer	-	EUR	49,873	49,873	49,873
Total					116,710

*External Financial Debt amount of UAB Žaliosios investicijos is based on preliminary financial information as of 31 December 2022

31 December 2021

In thousand

Entity	Ownership, %	Native Currency	External debt amount, Total (in Native Currency)	External debt amount, Total (in EUR)	External debt amount, Actual Ownership (in EUR)
Energy Solar Projekty Sp. z. o. o	100%	PLN	148,532	32,311	32,311
UAB Saulės energijos projektai	30%	EUR	1,280	1,280	384
UAB Žaliosios Investicijos	25%	EUR	126,502	126,502	31,625
The Issuer	-	EUR	30,066	30,066	30,066
Total					94,387

31 December 2020

In thousand

Entity	Ownership, %	Native Currency	External debt amount, Total (in Native Currency)	External debt amount, Total (in EUR)	External debt amount, Actual Ownership (in EUR)
Energy Solar Projekty Sp. z. o. o	100%	PLN	162,915	35,729	35,729
UAB Saulės energijos projektai	30%	EUR	2,113	2,113	634
The Issuer	-	EUR	1,381	1,381	1,381
Total					37,744

Market Value of the Issuer's Investment⁴

Market value of the Issuer's investments presents the fair value of the Issuer's investments in equity and debt instruments of subsidiaries and associates. The metric is used by the Issuer to track its investments' value growth through various development stages and overall market value of the portfolio.

For the valuation methodology for determining the market value of the Issuer's investments refer to 2023 Q1 Financial Statements, 2022 Financial Statements, 2021 Financial Statements, and 2020 Financial Statements.

The following table illustrates the methodology the Issuer used to determine market value of the Issuer's investments for the quarter ended 31 March 2023, and years ended 31 December 2022, 31 December 2021 and 31 December 2020:

31 March 2023

in thousand		Saulės Energijos Projektai	Energy Solar Projekty	PV Energy Projects	Žaliosios investicijos	Ekoelektra
Initial investment in shares	EUR	1,504	1	1	7,210	1
Long term loan granted.....	EUR	-	14,950	47,724	22,775	2,861
Interest on loan granted	EUR	-	868	3,504	378	87
Fair value adjustment on investments in shares	EUR	(1,012)	5,036	1,749	22,836	(378)
Market value of the Issuer's investment	EUR	492	20,855	52,978	53,199	2,571

in thousand		PL - SUN	Atelda	Zalais Speks	KNT Holding	Nimela
Initial investment in shares	EUR	3	3	1	1	4
Long term loan granted.....	EUR	17,735	50	203	3,000	3,011
Interest on loan granted	EUR	1,154	2	22	156	258
Fair value adjustment on investments in shares	EUR	(1,621)	(5)	(164)	(346)	(278)
Market value of the Issuer's investment	EUR	17,271	50	62	2,811	2,995

in thousand		Rineila	JTPG	Zala Elektrība
Initial investment in shares	EUR	3	3	1
Long term loan granted.....	EUR	32	50	1,100
Interest on loan granted	EUR	-	1	1
Fair value adjustment on investments in shares	EUR	(3)	10	(1)
Market value of the Issuer's investment	EUR	32	64	1,101

31 December 2022

in thousand		Saulės Energijos Projektai	Energy Solar Projekty	PV Energy Projects	Žaliosios investicijos	Ekoelektra
Initial investment in shares	EUR	1,504	1	1	7,210	1
Long term loan granted.....	EUR	-	14,950	44,024	22,775	331
Interest on loan granted	EUR	-	3,209	2,501	41	34
Fair value adjustment on investments in shares	EUR	(1,012)	5,354	2,752	22,920	(325)
Market value of the Issuer's investment	EUR	492	23,514	49,278	52,946	41

in thousand		PL - SUN	Atelda	Zalais Speks	KNT Holding	Nimela
Initial investment in shares	EUR	3	3	1	1	4
Long term loan granted.....	EUR	13,230	-	203	2,991	3,010
Interest on loan granted	EUR	790	-	17	66	167
Fair value adjustment on investments in shares	EUR	(1,257)	(3)	(159)	(257)	(187)
Market value of the Issuer's investment	EUR	12,766	-	62	2,801	2,994

in thousand		Rineila	JTPG
Initial investment in shares	EUR	3	3
Long term loan granted.....	EUR	-	-
Interest on loan granted	EUR	-	-
Fair value adjustment on investments in shares	EUR	(3)	11
Market value of the Issuer's investment	EUR	-	14

31 December 2021

in thousand		Saulės Energijos Projektai	Energy Solar Projekty	PV Energy Projects	Žaliosios investicijos	Ekoelektra
Initial investment in shares	EUR	1,504	1	1	1	3
Long term loan granted.....	EUR	-	14,950	7,365	24,625	593
Interest on loan granted	EUR	-	2,111	420	136	32
Fair value adjustment on investments in shares	EUR	(506)	8,857	5,990	(34)	(117)
Market value of the Issuer's investment	EUR	998	25,919	13,776	24,728	510

31 December 2020

in thousand		Saulės Energijos Projektai	Energy Solar Projekty	PV Energy Projects
Initial investment in shares	EUR	1,504	1	1
Long term loan granted.....	EUR	-	14,950	1,275
Interest on loan granted	EUR	-	2,860	13
Fair value adjustment on investments in shares	EUR	(189)	8,566	(14)
Market value of the Issuer's investment	EUR	1,316	26,377	1,275

OVERVIEW OF THE FINANCIAL INFORMATION

The following tables set forth summary consolidated financial information of the Issuer as of and for the quarter ended 31 March 2023 and year ended 31 December 2022.

With the exception of APMs discussed in *Presentation of Financial Information of the Group*, the financial information as of and for the quarter ended 31 March 2023 and year ended 31 December 2022 incorporated by reference in this Base Prospectus has been derived from the 2023 Q1 Financial Statements and 2022 Financial Statements, respectively.

The summary financial data in the tables below should be read together with the Financial Statements, including the notes thereto. Please also see *Presentation of Financial Information of the Group* and *Risk Factors* herein.

The following tables set forth summary of 2023 Q1 Financial Statements:

2023 Q1 Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousand	31 March 2023 (unaudited)	31 December 2022 (audited)
Assets		
Non-current assets		
Investment assets at fair value through profit or loss	154,481	144,908
Other financial assets	1,650	1,650
Prepayments	25	25
Total non-current assets	156,156	146,583
Current assets		
Other receivables	615	167
Cash and cash equivalents	3,695	9,877
Total current assets	4,310	10,044
Total assets	160,466	156,627
Equity & liabilities		
Equity		
Issued capital	57,388	54,884
Share premium	23,113	21,128
Legal reserve	407	407
Retained earnings	26,354	27,114
Total equity	107,262	103,533
Non-current liabilities		
Bonds issued	49,925	49,757
Loans received	112	112
Total non-current liabilities	50,037	49,869
Current liabilities		
Bonds issued	766	116
Trade and other payables	2,326	3,084
Payables to employees	72	24
Current tax liabilities	3	1
Total current liabilities	3,167	3,225
Total liabilities	53,204	53,094
Total equity & liabilities	160,466	156,627

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in thousand	2023 Q1 (unaudited)	2022 Q1 (audited)
Income		
Net gain on financial assets at fair value through profit or loss	253	274
Total net income	253	274
Expenses		
Administrative expenses	(193)	(214)
Total expenses	(193)	(214)
Operating profit	60	60
Finance costs		
Interest expenses	(818)	(397)
Total finance costs	(818)	(397)
Loss before tax	(758)	(337)
Income tax	(2)	(1)
Loss after tax	(760)	(338)
Other comprehensive income (loss)		
<i>Items that may be reclassified to profit or loss</i>	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-
Total comprehensive income (loss)	(760)	(338)

CONSOLIDATED STATEMENT OF CASH FLOWS

in thousand	2023 Q1 (unaudited)	2022 Q1 (audited)
Loss before tax	(758)	(337)
Adjustments for:		
Net gain on financial assets at fair value through profit or loss	(253)	(273)
Net finance costs	818	397
Working capital adjustments		
Decrease (increase) in trade and other receivables	(2)	(2)
Increase (decrease) in trade and other payables	(710)	(420)
Net cash flows from operating activities	(905)	(636)
Loans granted	(9,305)	(11,700)
Payment of interest on loans granted	2,213	-
Bonds acquired	(2,673)	(340)
Redeemed bonds	-	593
Payment of bonds interests	-	39
Acquisition of subsidiary and associate	(1)	(10)
Sale of shares of subsidiary	-	1
Received amount from third party	-	50
Net cash flows from investing activities	(9,766)	(11,367)
Proceeds from issue of share capital	2,504	-
Proceeds from share premium	1,985	-
Transaction costs related to bonds issued	-	5
Net cash flows from financing activities	4,489	5
Net change in cash and cash equivalents	(6,182)	(11,998)
Cash and cash equivalents at the beginning of the period	9,877	26,464
Effects of foreign exchange rate changes	-	-
Cash and cash equivalents at the end of the period	3,695	14,466

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousand	Issued capital	Share premium	Legal reserve	Retained earning	Total
Balance as of 1 January 2023 (audited)	54,884	21,128	407	27,114	103,533
Contributions and redemptions by holders of redeemable shares:					
- Issue of redeemable shares	2,504	1,985	-	-	4,489
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	2,504	1,985	-	-	4,489
Loss for the period	-	-	-	(760)	(760)
Other comprehensive income for the period	-	-	-	-	-
Transfers to legal reserve	-	-	-	-	-
Balance as at 31 March 2023 (unaudited)	57,388	23,113	407	26,354	107,262
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	-	-	-	-	-
- Redemption of redeemable shares	-	-	-	-	-
Total contributions and redemptions by holders of redeemable shares	-	-	-	-	-
Loss for the period	-	-	-	(338)	(338)
Other comprehensive income for the period	-	-	-	-	-
Transfers to legal reserve	-	-	-	-	-
Balance as at 31 March 2022 (unaudited)	40,063	10,790	124	13,698	64,675

The following tables set forth summary of 2023 Q1 Financial Statements:

2022 Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022 (audited)	2021 (comparative figures)
Income		
Net gain on financial assets at fair value through profit or loss	19,635	7,847
Other income	73	2
Dividend income	21	204
Total net income	19,729	8,053
Expenses		
Administrative expenses	(4,406)	(2,104)
Loss allowance on prepayments	(25)	-
Loss from deconsolidation of a subsidiary	(22)	-
Total expenses	(4,453)	(2,104)
Operating profit	15,276	5,949
Finance income		
Foreign exchange gain	1	-
Total finance income	1	-
Finance costs		
Interest expenses	(1,910)	(293)
Total finance costs	(1,910)	(293)
Profit before tax	13,367	5,656
Income tax	(3)	(1)
Profit after tax	13,364	5,655
Other comprehensive income (loss)		
<i>Items that may be reclassified to profit or loss</i>	-	-
<i>Items that will not be reclassified to profit or loss</i>	(3)	-
Fair value adjustment on investment in deconsolidated entity	(3)	-
Total comprehensive income (loss)	13,361	5,655

CONSOLIDATED STATEMENT OF CASH FLOWS

in thousand	2022 (audited)	2021 (comparative figures)
Profit before tax	13,367	5,656
Adjustments for:		
Net gain on financial assets at fair value through profit or loss	(19,635)	(7,847)
Net finance costs	1,910	293
Dividends received	(21)	(204)
Loss allowance on prepayments	25	-
Loss from deconsolidation of a subsidiary	22	-
Working capital adjustments		
Decrease (increase) in trade and other receivables	(56)	(11)
Decrease (increase) in contract assets	-	8
Increase (decrease) in trade and other payables	2,214	996
Net cash flows from activities	(2,174)	(1,109)
Income taxes paid	(3)	-
Dividends received	21	33
Net cash flows from operating activities	(2,156)	(1,076)
Loans granted	(50,092)	(6,090)
Payment of interest on loans granted	836	539
Bonds acquired	(15,741)	(25,218)
Redeemed bonds	6,234	-
Payment of bonds interests	266	-
Acquisition of subsidiary and associate	(20)	(128)
Sale of shares of subsidiary	3	-
Received amount from third party	2,750	750
Issue of financial guarantees	(5,400)	-
Transfer of financial guarantees	3,750	-
Deconsolidation of subsidiary net of cash deconsolidated	(174)	-
Advance payment for shares repaid	100	-
Net cash flows from investing activities	(57,488)	(30,147)
Proceeds from issue of share capital	14,821	19,239
Proceeds from share premium	10,338	9,636
Bonds issued	25,182	30,000
Transaction costs related to bonds issued	(226)	(360)
Repayment of bonds principal	(5,173)	(1,209)
Repayment of bonds interest	(1,885)	(36)
Net cash flows from financing activities	43,057	57,270
Net change in cash and cash equivalents	(16,587)	26,047
Cash and cash equivalents at the beginning of the year	26,464	417
Effects of foreign exchange rate changes	-	-
Cash and cash equivalents at the end of the year	9,877	26,464

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousand	Issued capital	Share premium	Legal reserve	Retained earning	Total
Balance as at 1 January 2022 (comparative figures)	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 year	-	-	-	13,364	13,364
Other comprehensive income for the year	-	-	-	(3)	(3)
Transfers to legal reserve	-	-	283	(283)	-
Balance as at 31 December 2022 (audited)	54,884	21,128	407	27,114	103,533
Balance as at 1 January 2021 (comparative figures)	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 year	-	-	-	5,655	5,655
Other comprehensive income for the year	-	-	-	-	-
Transfers to legal reserve	-	-	124	(124)	-
Balance as at 31 December 2021 (comparative figures)	40,063	10,790	124	14,036	65,013

USE OF PROCEEDS

The proceeds of the issue of each Series of Notes will be transferred to the Issuer and used towards refinancing existing bonds or other loan obligations or to finance, in part or in full, acquisition and development of projects in renewable solar and wind energy and related infrastructure, energy efficiency and environmentally sustainable management of living natural resources and land use, in accordance with prescribed eligibility criteria set out in the Green Bond Framework (the "**Eligible Green Projects**") available on the Issuer's website www.lordslb.lt/AEI_green_bonds.

The proceeds from Green Bonds issuances (ISIN LT0000405938) in the amount of EUR 57,000,000 (fifty-seven million euro) issued until 30 June 2023 were used in the following way:

- December 2021 – EUR 5,900,000 used for the capital expenditures of UAB "Žaliosios investicijos" project.
- February 2022 – EUR 1,700,000 used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- February 2022 – EUR 3,300 used for the acquisition cost payment of PL-SUN Sp. z o.o. project.
- March 2022 – EUR 10,000,000 used for the acquisition cost payment of PL-SUN Sp. z o.o. project.
- May 2022 – EUR 1,000,000 used for the acquisition cost payment of PL-SUN Sp. z o.o. project.
- May 2022 – EUR 6,200,000 used for used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- June 2022 – EUR 210,000 used for used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- July 2022 – EUR 6,100,000 used for used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- August 2022 – EUR 3,200,000 used for used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- September 2022 – EUR 4,900,000 used for used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- December 2022 – EUR 2,800,000 used for used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- December 2022 – EUR 950,000 used for the acquisition cost payment of PL-SUN Sp. z o.o. project.
- January 2023 – EUR 3,700,000 used for used for the capital expenditures of PV Energy Projects Sp. z o.o. project.
- January 2023 – EUR 2,000,000 used for the capital expenditures of PL-SUN Sp. z o.o. project.
- January 2023 – EUR 1,200,000 used for the capital expenditures of PL-SUN Sp. z o.o. project.
- March 2023 – EUR 100,000 used for the capital expenditures of PL-SUN Sp. z o.o. project.
- April 2023 – EUR 250,000 used for the working capital management of UAB "Žaliosios investicijos" project.
- May 2023 – EUR 2,000,000 used for the capital expenditures of PL-SUN Sp. z o.o. project.
- June 2023 – EUR 2,700,000 used for the capital expenditures of PL-SUN Sp. z o.o. project.

DESCRIPTION OF THE ISSUER

Overview

UAB "Atsinaujinančios energetikos investicijos" (the "**Issuer**") is a closed-ended investment company for informed investors, managed by Lords LB Asset Management (the "**Management Company**").

The Issuer was registered as a closed-ended investment company for informed investors in the Enterprise Register of the Republic of Lithuania on 7 December 2020. The Bank of Lithuania approved the Articles of Association of the Issuer on 14 December 2020. The period of operation of the Issuer is until 5 February 2026. The term of operation of the Issuer may be extended for an additional 2 years accordingly to the conditions set forth in the Articles of Association.

The Issuer, together with its directly and indirectly controller subsidiaries and associates (the "**Group**") focuses on the development and investments in renewable energy assets, primarily ready-to-build and construction stage solar and wind projects in the Baltics and Poland.

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 renewable energy projects.

As of 31 December 2021, the Issuer's assets under management included:

- 30 per cent ownership stake in UAB "Saulės energijos projektai", a company operating 2.6 MW of operational solar power capacity assets in Lithuania;
- 100 per cent stake in PV Energy Projects Sp. z o.o., a company group managing 70.6 MW (subject to construction competition) of under-construction solar power capacity assets in Poland. The total expected project investment cost is EUR 51 million with first year expected annual production of 80,326 MWh;
- 100 per cent stake in Energy Solar Projekty Sp. z o.o., a company group managing 65.5 MW of operational solar power capacity assets in Poland;
- 25 per cent stake in UAB "Žaliosios investicijos", a company group managing 185.5 MW (subject to construction completion) of under-construction wind power capacity assets in Lithuania. The total expected project investment cost is EUR 284.7 million with expected annual production of 583,463 MWh;
- 100 per cent stake in UAB "Ekoelektra", a company managing 100 MW (subject to construction completion) of under development wind power capacity assets in Lithuania.

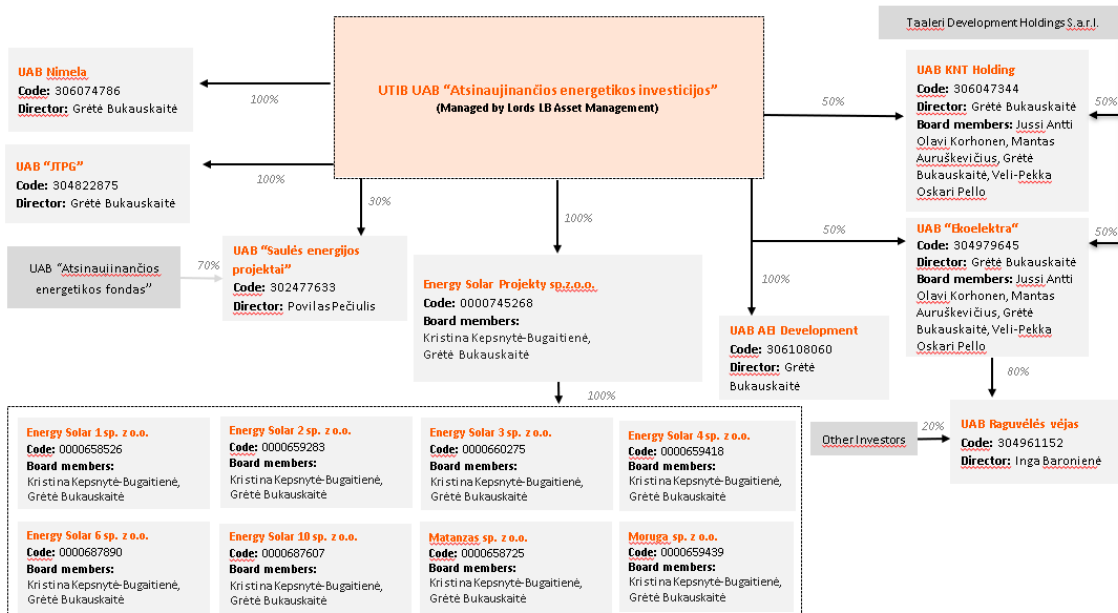
In 2022 the Group acquired or established the following entities and as of 31 December 2022 manages the additional:

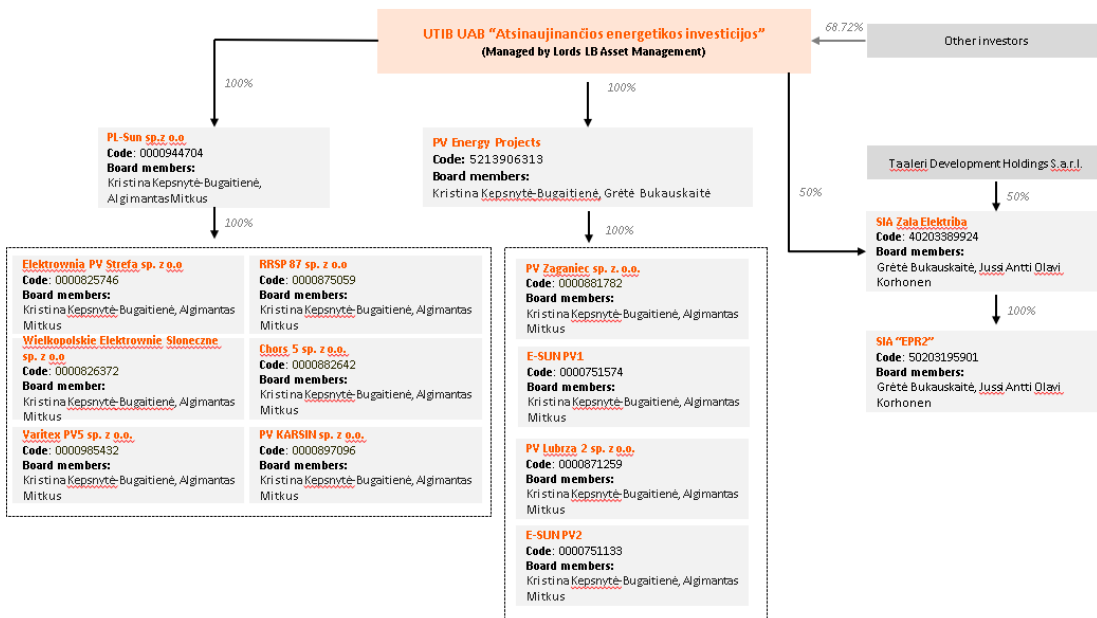
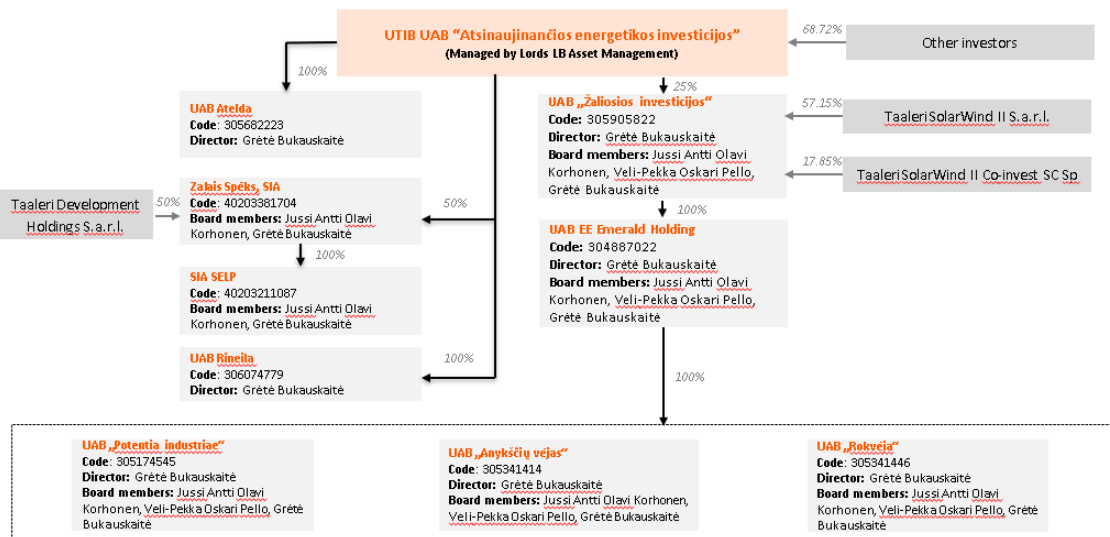
- 100 per cent stake in PL-SUN Sp. z o.o., a company group managing 114.5 MW (subject to construction completion) of ready-to-build and development solar power capacity assets in Poland. The total expected project investment cost is EUR 84.6 million with first year expected annual production of 128,261 MWh;
- 50 per cent stake in UAB "KNT Holding", a company managing 250 MW (subject to construction completion) of green field stage wind and solar power capacity assets in Lithuania;
- 100 per cent stake in UAB "Atelda", a company managing 150 MW (subject to construction completion) of green field stage wind power capacity assets in Lithuania;
- 100 per cent stake in UAB "Nimela", a company managing 200 MW (subject to construction completion) of green field solar power capacity assets in Lithuania;
- 50 per cent stake in "Zaļais Spēks" SIA, a company managing 132 MW (subject to construction completion) of under development stage wind power capacity assets in Latvia.
- 100 per cent stake in UAB "JTPG", a company managing 70 MW (subject to construction completion) of under development solar power capacity assets in Lithuania.

During HY I 2023 the following key events have occurred:

- On the 31st of March 2023 the Issuer closed its final share subscription period with total investor commitments reaching 91,815,628.25 EUR.
- The 100 MW wind power project managed by UAB "Ekoelektra" has reached major development milestone - the project has secured grid connection and received the development permit.
- The 250 MW solar power project managed by UAB "KNT Holding" has secured grid connection and the development permit for the whole capacity.
- The 70 MW solar PV project managed by UAB "JTPG" has secured grid connection and the development permit for the whole capacity.
- PV Energy Projects Sp. z.o.o. has secured long-term financing for its 67.8 MW solar project, which is currently under construction.
- The Issuer acquired a 50 per cent share in "Zala Elektriba" SIA, a new 102 MW wind power development project in Latvia and has secured the grid connection for the whole capacity.

The chart below sets out the Group's corporate structure as of 30 June 2023:





History and Development of the Issuer

Principal events during the Group's history and development include:

- November 2020 - Energy Solar Projekty Sp. z o.o completed the development of 65.5 MW solar power capacity assets in Poland.
- December 2020 - On 7 December 2020, UAB "Atsinaujinančios energetikos investicijos" was registered as a closed-end investment company for informed investors.
- December 2020 - UAB "Atsinaujinančios energetikos investicijos" purchased 100% stake in PV Energy Projects Sp. z o.o, which includes 10 MW of ready-to-build solar power capacity assets in Poland.
- May 2021 - PV Energy Projects Sp. z o.o purchased additional 63.3 MW of ready-to-build solar power capacity assets in Poland.
- November 2021 - UAB "Atsinaujinančios energetikos investicijos" purchased 25% stake in UAB "Žaliosios investicijos" with 185.5 MW of under-construction and ready-to-build wind power capacity assets in Lithuania.
- December 2021 - UAB "Atsinaujinančios energetikos investicijos" made its first private sector green bond issue in the field of renewable energy with a total value of EUR 25 million.
- February 2022 - UAB "Atsinaujinančios energetikos investicijos" purchased 100% stake in UAB "Atelda" with 150 MW of green field development stage wind power capacity assets in Lithuania.
- March 2022 - UAB "Atsinaujinančios energetikos investicijos" purchased 100% stake in Bartinless Investments Sp. z o.o, (renamed to PL-SUN Sp. z o.o.) which includes 97.5 MW of ready-to-build and development stage solar power capacity assets in Poland and 50% stake in "Zalais Speks" SIA, which includes 132 MW of green field development stage wind power capacity assets in Lithuania.
- April 2022 - UAB "Atsinaujinančios energetikos investicijos" purchased 100% stake in UAB "KNT Holding" which includes 450 MW of green field development stage solar and wind power capacity assets in Lithuania.
- May 2022 - UAB "Atsinaujinančios energetikos investicijos" purchased 100% stake in UAB "Nimela" which includes 200 MW of green field development stage solar power capacity assets in Lithuania.
- May 2022 - UAB "Atsinaujinančios energetikos investicijos" secured rights to acquire 400 MW of green field development stage hybrid solar and wind power capacity assets in Lithuania.
- June 2022 - PL-SUN Sp. z o.o purchased additional 17 MW of ready-to-build solar power capacity assets in Poland.
- July 2022 - UAB "Atsinaujinančios energetikos investicijos" secured rights to acquire 80 MW of green field development stage hybrid solar and wind power capacity assets in Lithuania.
- July 2022 - UAB "Atsinaujinančios energetikos investicijos" secured rights to acquire 66 MW of green field development stage wind power capacity assets in Latvia.
- March 2023 - UAB "Atsinaujinančios energetikos investicijos" signed SPA to acquire 102 MW of green field development stage wind power capacity assets in Latvia.

Key information about the Issuer

Legal and commercial name of the Issuer	UAB "Atsinaujinančios energetikos investicijos", a private limited liability closed - end investment company intended for informed investors registered in Lithuania.
Legal form of the Issuer	Private limited liability company
Place of registration of the Issuer (registered office)	Jogailos str. 4, Vilnius, Lithuania
Corporate ID code of the Issuer	304213372
LEI	98450011FE29FH8C7E10
Legislation under which the Issuer operates	The on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania and other laws of the Republic of Lithuania
Date of incorporation of the Issuer	7 December 2020
Operating period	until 25 February 2026 (with possibility to extend for two years)
Telephone number	+370 5 261 94 70
E-mail	info@lordslb.lt
Website	https://lordslb.lt/ _The information on the website does not form part of the Prospectus, unless certain information is incorporated by reference into the Prospectus (please see Section <i>Information Incorporated by Reference</i>)

Principle Subsidiaries and Associates

UAB "Saulės energijos projektai"

30 per cent owned by the Issuer as at the date of this Base Prospectus. UAB "Saulės energijos projektai" operates 2.6 MW solar park in Kaunas District, Lithuania. 100 per cent of the electricity is sold for a fixed tariff in accordance with agreement signed between UAB "Saulės energijos projektai" and AB LESTO, which, in 2016 merged with Lietuvos Dujos AB to form "Energijos skirstymo operatorius" AB. The agreement is valid until 2025, after which, electricity is expected to be sold under market terms.

PV Energy Projects Sp. z o.o.

100 per cent owned by the Issuer as at the date of this Base Prospectus. PV Energy Projects Sp. z o.o. manages 67.8 MW of under-construction solar power capacity assets in Poland. PV Energy Projects Sp. z o.o. group comprises of a holding company and four additional **SPVs** (a special purpose vehicle which the company controls and through which the Issuer invests in assets compliant with the investment strategy of the Issuer), which own all operating assets. Construction close is expected to be reached in Q1 2024. The completion of PV Energy Projects Sp. z o.o. is dependent on a number of contingencies, including circumstances outside of the control of the Issuer. 60.8 MW of assets in the "PV Energy Projects Sp. z o.o." group have secured a CfD tariff in the Poland renewable energy systems auction scheme, under which, part of the electricity will be sold to the Poland electricity regulator. Remaining electricity generation capacity is expected to be sold to a well-known and established energy off-taker.

PL-SUN Sp. z o.o.

100 per cent owned by the Issuer as at the date of this Base Prospectus. "PL-SUN Sp. z o.o." manages 114.5 MW of under-construction and ready to build solar power capacity assets in Poland. "PL-SUN Sp. Z o.o." group comprises of a holding company and eight additional SPVs which own all operating assets.

Construction close is expected to be reached in Q4 2024. The completion of "PL-SUN Sp. z o.o." is dependent on a number of contingencies, including circumstances outside of the control of the Issuer.

Energy Solar Projekty Sp. z o.o.

100 per cent owned by the Issuer as at the date of this Base Prospectus. "Energy Solar Projekty Sp. z o.o." operates 65.5 MW of operational solar power capacity assets in Poland. "Energy Solar Projekty Sp. z o.o." group comprises of a holding company and eight additional SPVs, which own all operating assets. All of the electricity generation capacity of "Energy Solar Projekty Sp. z o.o." group is sold under CfD tariff for tariff price of approximately EUR 94.86 quoted as at 31 December 2022 and indexed every year by polish CPI.

UAB "Žaliosios investicijos"

25 per cent owned by the Issuer as at the date of this Base Prospectus. UAB "Žaliosios investicijos" manages 185.5 MW of under development wind power capacity assets in Lithuania. UAB "Žaliosios investicijos" group comprises of a holding company, a sub-holding company and three additional SPVs, which own all operating assets. Construction close for the last wind park is expected to be reached in Q4 2023 – Q1 2024. The completion of UAB "Žaliosios investicijos" is dependent on a number of contingencies, including circumstances outside of the control of the Issuer. Half of the electricity generation capacity will be sold under PPA terms to energy off-taker, while remaining generation capacity is expected to be sold under prevailing market terms.

Major shareholders of the Issuer

On the 31st of March 2023 the authorised capital of the Issuer is EUR 49,218,558 and authorised share capital is to EUR 57,388,203 which is comprised of 57,388,203 ordinary shares of EUR 1 each. All the shares issued by the Issuer entitle equal voting rights to their holders.

In the table below the information is provided on shareholders of the Issuer on the 31st of March 2023.

Shareholders of the Issuer, holding more than 5% of shares and votes of the Issuer as of the date hereof

No.	Shareholder	Number of owned shares and votes directly	Percentage owned directly, %	Votes, held by other persons, acting in concert, %	Total, %
1.	Energy and Infrastructure SME Fund	18,347,500	31.97 %	-	31.97 %
2.	UAB Lotus invest	5,453,888	9.50 %	-	9.50 %

According to the Issuer, there are no natural persons that directly or indirectly hold more than 50% of the UAB Lotus Invest shares.

The management of the shareholding is carried out in accordance with the Law on Companies and the Articles of Association of the Issuer. The rights and obligations of the shareholders and General Meeting of Shareholders are provided in the articles of association of the Issuer. The Issuer's articles of association foresee the influence and control of the shareholders and their involvement in the management of the Issuer.

The Issuer is intended for informed investors who seek to obtain an increase in the capital value from the investments and who tolerate a higher-than average long-term risk. The shares are intended for the following persons:

- Investors who hold the status of professional investors under the Law on Markets in Financial Instruments of the Republic of Lithuania;

- Natural persons who do not have the status of professional investors, who have confirmed to the Management Company their status as informed investors and who meet at least with one of the following requirements:
 - a) undertake to invest at least EUR 125,000 or an equivalent amount in another currency in the Issuer; or
 - b) a legal person (or an analogous entity of another EU Member State) who has the right to provide investment services in the Republic of Lithuania, having collected and evaluated the information specified in the Law on Markets in Financial Instruments of the Republic of Lithuania, has confirmed in writing that the Issuer's Shares are suitable for that particular person having regard to his risk tolerance and possibilities to assume losses.;
- Natural persons who do not have the status of professional investors, and who are the managers of the Management Company or the person making investment decisions at the Issuer (natural persons). For the sake of clarity, it is noted that these persons shall undertake to invest at least EUR 20,000 or an equivalent amount in another currency in the Issuer;
- Legal persons that do not have the professional investor status, whose main activity is not investment in collective investment undertakings intended for informed investors, provided that they have confirmed their status of informed investors to the Management Company in writing, and who meet at least with one of the following requirements:
 - undertake to invest at least EUR 125,000 or the equivalent amount in another currency in the Issuer; or
 - a legal person (or an analogous entity of another EU Member State) who has the right to provide investment services in the Republic of Lithuania, having collected and evaluated the information specified in the Law on Markets in Financial Instruments of the Republic of Lithuania, has confirmed in writing that the Issuer's Shares are suitable for that particular person having regard to his risk tolerance and possibilities to assume losses.

Management

In accordance with Lithuanian law, the operational management of the Issuer is entrusted to the Management Company, which is responsible for the day-to-day management and strategic planning of the Issuer's operations and is authorised to represent the Issuer based on the law and the Articles of Association.

The management and supervisory bodies of the Issuer are not formed. The management of the Issuer is entrusted to the Management Company.

The Management Company is organizing the operations of the Issuer, appropriate handling of information about the operations of the Issuer and performance of the other functions assigned to the Management Company. The Management Company is responsible for making decisions regarding investments of the Issuer and management, use and disposal of assets of the Issuer. These decisions are inter alia including decisions regarding acquisition, transfer, management and management restriction of assets of the Issuer and its SPVs, decisions related to the financing of the acquisition of operations and assets of the Issuer and the SPVs as well as decisions regarding the realization of the rights of the Issuer as a shareholder of other companies. Any such contracts of the Issuer or the SPVs may not be executed in the absence of the respective decision of the Management Company. The decisions referred to herein shall be taken by the manager appointed by the Management Company. Specific decisions shall be taken by the Board of the Management Company, i.e. the Issuer may reinvest retained funds of the Issuer by decision of the Board of the Management Company; decisions; decisions (approvals) to nominate a manager of Issuer; decisions (approvals) of the acquisition of the shares of other companies; decisions form an Investment Committee; etc.

The Management Company is responsible for the convening and holding of the General Meeting of Shareholders of the Issuer and may at its own discretion form an Investment Committee.

The Investment Committee is advising on investments of the Issuer and disposal of assets of the Issuer. It is necessary to obtain an opinion of the Investment Committee of the Issuer regarding approval (or non-approval) of investment decisions, but this opinion regarding approval (or non-approval) shall only have the nature of the recommendation. The Investment Committee may be formed by decision of the Management Company and consist of 5 to 7 members.

Another body of the Issuer is the General Meeting of Shareholders. The competence of the General Meeting of Shareholders and the procedure of convening the meeting and decision-taking by the meeting coincide with the competence and procedure prescribed by the Law on Companies of the Republic of Lithuania to the extent the Articles of Association do not provide differently. Additionally to the rights granted to the General Meeting of Shareholders under the Law on Companies, the articles of association of the Issuer foresees that the General Meeting of Shareholders is responsible for taking decisions regarding the change of the Management Company, decisions regarding the content and signing of the Management Agreement with the Management Company and decision on setting of the maximum amount for which shares of the Issuer may be subscribed.

Pursuant to the on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania and other laws of the Republic of Lithuania the Issue has an obligation to perform market valuation of its shares, as the share were offered to informed investors. The independent valuator of the Issuer's shares is Ernst & Young Bulgaria EOOD valutors, legal entity code 130971516, registered office address: „Polygraphia Office Center“, Tsarigradsko shose blvd 47A, Sofia 1124, Bulgaria

The audit firm that audited the consolidated financial statements of the Issuer and its subsidiary UAB "AEI Development" was UAB KPMG Baltics, legal entity code: 111494971, registered office address: Lvivo str. 101, LT-08105 Vilnius, Lithuania

Key executives of the Issuer:

Grėtė Bukauskaitė joined UAB "Atsinaujinančios energetikos investicijos" in March 2020 and currently serves as the Investment Company Manager. Additionally, she has been a member of the Energy and Infrastructure SME since October 2020, working as a Deputy Fund Manager and since October 2022 as a Fund Manager. Grėtė is the managing director of all subsidiaries and associates of the Issuer (except for UAB "Saulės energijos projektai". She earned both her Bachelor of Science and Master of Science degrees in Economics from Ludwig Maximilian University in Munich, Germany.

Kristina Kepsnytė-Bugaitienė joined UAB "Atsinaujinančios energetikos investicijos" in November 2020 and currently serves as the Head of Business Development. She has accumulated 15 years of experience in the energy sector, project management, and manufacturing. Since 2015, she has been employed by a solar module manufacturing company, where she is responsible for strategy and sales. She then served as the CEO of "Solitek LT" from 2018 to 2019, overseeing solar project installation in the B2B sector. Kristina worked at UAB "Solitek" as a business developer from 2019 to 2020, focusing on solar project development and construction.

Mantas Auruškevičius joined UAB "Atsinaujinančios energetikos investicijos" in June 2021 and currently serves as the Head of Finance. Previously, he worked as a senior audit associate at Ernst & Young, where he audited private and publicly traded national and international clients from various industries, including power and utilities, manufacturing, banking, consumer products & retail, health, and wealth and asset management. Mantas earned his Bachelor of Science degree in Finance and Economics from Grand Canyon University in Phoenix, Arizona, USA

Key executives of the Management Company:

Jan Ake Gustaf Litborn is a chairman of the management board of the Management Company. He has obtained higher education in the legal field. In 1977 – 1981 Jan attended the Stockholm School of Economics and he holds a master's degree in law from Stockholm University from 1982. Jan Litborn is also a partner and chairman of the board of honor at law firm Glimstedt. He is also the founder of the Baltic law firm Glimstedt, a member of the Swedish Bar Association and the International Bar Association, and has been a lawyer since 1982. Jan Litborn has extensive experience representing some of Sweden's largest real estate and private equity firms, in particular in the areas of mergers and acquisitions, financing and debt securitization. Jan Litborn has also been working on many major international transactions, attended seminars, and has published several publications on mergers and acquisitions and debt securitization. Jan Litborn's clients include public and private companies, as well as private equity investors, which he advises on public and private mergers and acquisitions. He has extensive experience in a wide variety of real estate transactions.

Mindaugas Marcinkevičius has over 20 years of experience in real estate development within VP Group, the largest business consortium in the Baltics. In the Lords LB Management Company Mindaugas Marcinkevičius is responsible for real estate development and project management. For 10 years he was a Chairman of Akropolis, the largest and most successful shopping centre developer in the Baltics with operations in Lithuania, Latvia, Estonia and Bulgaria. Under Mindaugas Marcinkevičius' management, Akropolis developed over 250.000 m² of flagship retail & office space which has been recognized as the most valuable commercial real estate assets in Lithuania. He holds Master's degree in Real estate valuation and management from Vilnius Gediminas Technical University.

Andrius Stonkus is the founder of the leading RE advisory and asset management company in the Baltic States Re&Solution, which was later partly acquired by Newsec and became Newsec / Re&Solution. He also founded Lords LB Asset Management in 2008 where he is responsible for fund raising and acquisitions. Prior to Re&Solution, during 2001 – 2004, Mr. Stonkus was the Director of RE investment company Prime Real Estate and held a number of financial and management positions at Prime Investment. During his career Andrius Stonkus was managing and participating in RE transactions totalling EUR 1 billion. Andrius Stonkus holds a Bachelor degree in Banking from Vilnius University and has taken various courses in finance and analysis.

Antanas Vainauskas is a co-founder of leading oil exploration and production companies in Lithuania TAN Oil (indirectly controlled by Tethys Oil) and LL Investicijos, which was later partly acquired by an American multinational energy corporation Chevron. In the Lords LB Management Company A. Vainauskas is responsible for energy and infrastructure projects. Mr. Vainauskas has been a board member of various companies in one of the largest business groups in Lithuania, SBA Concern, whose

activities concentrate on 4 business areas – furniture, apparel, business centres and energy. A. Vainauskas holds Master's degree in European Law from Stockholm University and a bachelor's degree with specialization in law from Vilnius University.

Vilma Tvaronavičienė is an experienced manager holding the Manager's position on Relations with Investors in the Management Company since 2011. In 2012 Vilma has been also appointed as the person responsible for compliance with the Prevention of Money Laundering and / or Terrorist Financing (hereinafter - AMLT) in the activities of the Management Company. With long-term experience in the Management Company, Vilma is familiar with the operating principles of the Management Company, business strategy and operating procedures, operating principles of financial institutions and institutions, financial markets and investment funds. Vilma Tvaronavičienė participates in the investment activities of the Management Company and the funds managed by it, contributes to the development of investment strategies of the funds, actively participates in establishing and maintaining contacts with clients of all investment funds, participates in the activities of the Management Company and the investment funds managed by it. Vilma has a higher education in the field of mechanical engineering as she graduated from Kaunas University of Technology and obtained a bachelor's degree in mechanical engineering in 2000. In 2005 Vilma participated in the trainings of International Institute of Leadership and Management and successfully passed an exam of „Foundation Award in Management principles. From 2019 Vilma Tvaronavičienė is continuing her master's studies at Kaunas University of Technology, specializing in business management (specialization – Corporate Governance).

Members of the Investment Committee:

Tomas Kučinskas, an experienced manager and well-known Lithuanian businessman, worked as the Managing Director at UAB Švyturys-Utenos alus from 1999 to 2002, as the President at Calsberg Baltics from 2002 to 2009, and as the Chairman of UAB Švyturys-Utenos alus from 2009 to 2011. He was also a Board Member at Kitron Group and Auga Group. Currently, Tomas Kučinskas is the founder and director of the investment company JSC “Provestum” and a Member of the Supervisory Board at Lords LB Special Fund V and an Investment Committee Member at UAB "Atsinaujinančios energetikos investicijos".

Rimantas Bukauskas, a businessman and private investor with over 20 years of experience in real estate, energy, facility management, and entertainment sectors, was a shareholder and a board member of JSC "Rubicon Group" from 1991 to 2010. From 2010 to 2020, he was a shareholder, board member, and the Managing Director of the company JSC "SEVEN entertainment". Since 2016, Rimantas Bukauskas is a shareholder and board member of the real estate development company JSC "Sigma projektai" and also undertakes private equity investments in real estate and energy infrastructure sectors. He is also an Investment Committee Member at UAB "Atsinaujinančios energetikos investicijos".

Rolandas Vingilis, a well-known Lithuanian businessman and co-founder of various companies, served as the Chairman of the Board at UAB MG Valda from 1995 to 2018 and at UAB Trojina from 1996 to 2004. Currently, Rolandas Vingilis is a Board Member at UAB MVGroup and UAB Verslo Trikampis. He is also the co-founder and CEO of the investment company UAB Extera Baltic and holds the position of Vice-president at Lietuvos Teniso federacija, along with being a Board Member at Vaikų liginės paramos fondas. Rolandas Vingilis is also an Investment Committee Member at Energy and Infrastructure Fund SME.

Arvydas Avulis, a prominent Lithuanian entrepreneur widely recognized for his significant contributions to the real estate and investment sectors. He is the majority shareholder and Chairman of the Board of AB Hanner, a renowned real estate development company. AB Hanner has received numerous awards, including the best developer in Lithuania and Latvia. Arvydas graduated from the former Vilnius Civil Engineering Institute (currently Vilnius Gediminas Technical University) with a Civil Engineering degree.

Mindaugas Marcinkevičius has over 20 years of experience in real estate development within VP Group, the largest business consortium in the Baltics. He is responsible for real estate development and project management at Lords LB Management Company. For 10 years, he served as the Chairman of Akropolis, the largest shopping center developer in the Baltics, with operations in Lithuania, Latvia, Estonia, and Bulgaria. Under his management, Akropolis developed over 250,000 m² of flagship retail & office space, which is recognized as the most valuable commercial real estate assets in Lithuania. Mindaugas Marcinkevičius holds a Master's degree in Real estate valuation and management from Vilnius Gediminas Technical University. Currently, he is a Board member at UAB Ordeta and a Supervisory Board member

at AS PN Project. He is also the sole shareholder and manager of UAB Glera, UAB Taikos Projektas, and UAB Biruliškių projektas, and the sole shareholder and Board member at OU Attexo.

Competitive Strengths

Attractive Baltic, Baltics and Polish renewables sector

Worldwide demand for renewable energy has grown rapidly over the last decade, driven by favourable government policies, increasing consumption targets at both the national and supranational levels, and rising electricity prices across EU. According to International Renewable Energy Agency from 2014 to 2022, installed solar photovoltaic and onshore wind capacity increased from 4,567 MW to 21,577 MW (approximately 372.45%) in the Baltics and Poland regions, while according to NordPool and Towarowa Gielda Energii S.A. data, from 2019 to 2022, average annual electricity prices increased from 46.09 EUR/MWh to 216.65 EUR/MWh in the Baltics and from 53.80 EUR/MWh to 171.75 EUR/MWh in Poland. In addition, the countries in which the Group operates have set national targets for renewable energy to constitute between 21 per cent and 51 per cent of total domestic energy consumption by 2030. Further, on 14 July 2021, the European Commission adopted a package of proposals for the EU's climate, energy, land use, transport and taxation policies to reduce net greenhouse gas emissions by at least 55 per cent by 2030. To add, countries, such as Poland, are financing renewable energy projects development through various incentives and subsidies, such as renewable energy systems auction schemes. After 5 years from the announcement of the first auctions, the auction system has become the most important instrument to support the photovoltaic market in Poland. In 2021, Poland experienced largest increase in RES auctions participation with roughly 2.2 GW of new solar capacity and about 0.3 GW of wind power capacity to be built in Poland as a result of the auctions held in May and June 2021.

As part of its investment strategy, the Issuer aims to increase its operating renewable energy assets production capacity to 500 MW. Increased investment in renewable energy will be needed to meet such targets, and the Issuer is well-positioned to capitalise on this trend. In addition to the increased demand and consumption targets, investment in the renewable energy industry is attractive due to geographical and economic advantages. Wind parks in the Baltics have among the highest wind speeds and most favourable wind conditions in the European Union, and as such there is significant potential for future development. The Baltics have some of the highest sovereign credit ratings and lowest debt-to-GDP ratios in the European Union.

Significant and sizeable near-term and long-term pipeline of renewable projects

The Issuer has a strong and geographically diversified pipeline of renewable energy projects, with an interim target of up to 500 MW of installed operating capacity. The Issuer's potential long-term development pipeline consists of projects of up to 1,500 MW. The completion of these projects is dependent on a number of contingencies, including circumstances outside of the control of the Issuer Group's.

Currently, the Issuer has projects spanning countries such as Lithuania, Latvia and Poland, in various stages of development with potential project acquisitions in other Baltics countries.

Solid and visible cash flow generation enabling secure cash flows going forward

In 2022, the Issuer's subsidiaries and associates received majority of the revenues via regulated or contracted means. Energy Solar Projekty Sp. z o.o. benefits from a CPI indexed, 15-year CfD, tariff price of approximately 94.86 EUR/MWh, while UAB "Saulės energijos projektai" operates under a valid feed-in-tariff until 2025. UAB "Žaliosios investicijos" wind parks are expected to half of their generation capacity under PPA contract terms, while 60.9 MW out of 67.8 MW of installed capacity PV Energy Projects Sp. z o.o. projects have secured CPI indexed, 15-year CfD, tariff prices. In 2022, approximate 95% of electricity sales revenues were generated from fixed tariffs and off-take agreements. The Issuer's disciplined approach to operating expenditure supports strong cash flow generation.

Experienced management team with a proven track record and local know-how

The Issuer's core management team has significant experience in the industry and in the region. The team has a proven track record and a deep understanding of the challenges and opportunities in the market. The management team has strong experience in the renewable energy industry with approximate combined 35+ years of experience in energy, regulatory, consulting and finance sector. Moreover, it has a proven track record in successful execution of large energy development projects in the Baltic region, such as the Energy Solar Projekty Sp. z o.o., the 65.5 MW capacity solar power project in Poland and UAB "Žaliosios investicijos", the 185.5 MW capacity wind power parks project in Lithuania. The management team has

developed clear strategic priorities in the wind and solar sectors for future value creation, as well as strong organisation culture and high leadership quality. The management team is supported by fully qualified in-house asset management and operating personnel that are highly experienced in supporting the management in operating, maintaining, and developing assets across the operating segments.

Sustainability contribution

The Issuer recognizes that its economic activities have an influence on society and the environment. As a result, the Issuer is dedicated to being responsible in business operations by incorporating environmental, social, and governance aspects into investment and operational choices.

The Issuer is committed to contribute to EU's long-term strategy of achieving carbon neutrality by 2050 and takes full responsibility to make investments only in renewable energy assets and development projects to support transition towards decarbonized economy.

The Issuer's sustainable strategy stems from two specific Sustainable Development Goals set by the United Nations (UN SDGs): Business activity directly advances SDG 7 (Affordable and Clean energy) via investing in renewable energy projects and commitment to contribute to SDG 13 (Climate Action) via building net-zero carbon emission balance sheet. As of 31 December 2022,, currently operating assets are avoiding annual GHG emission of 52,212 tCO₂e, compensating an upward of 2.2 million of trees and 4,351 hectares of forest.

Strategic partnership in Lithuania

The Issuer has a strategic partnership with Taaleri Energia, a Finnish renewable energy assets developer and investor managing 2.8 GW of wind and solar portfolio in Europe, the US, and Middle East. Partnership allows the Issuer to leverage Taaleri Energia's expertise during acquisition, development and operating of wind parks in the Baltic states. For example, in December 2021 the Issuer and Taaleri Energia acquired the three wind parks in Lithuania totalling 185.5 MW of wind power capacity.

Insurance and Risk Management

The subsidiaries and associates of the Issuer usually renews its insurance policies on an annual basis every year in order to cover various types of risks to which it may be exposed. Some of the risks related to the Issuer are covered under corporate insurances. In addition, the Issuer has entered into additional separate policies. The Issuer assumes that it has sufficient insurance coverage at reasonable premiums. The insurance coverage is regularly reviewed and is adapted when required. However, it cannot be ruled out that the Issuer will incur loss or damage that is not fully covered or not covered at all or that exceeds the coverage limits.

The management of different risks the Issuer encounters in its everyday activities is a significant and integral part of the Issuer's business activities, see *Risk Factors–Risks Relating to the Group's Business*.

The Issuer has a defined set of risk management policies and procedures in place, relating to each of the following:

- Risk management governance;
- Risk assessment;
- Risk handling;
- Risk management taking place through strategy, organisation, routines and responsible Operations.

The Management Company has the overall responsibility for ensuring that the Issuer has established appropriate and effective processes for risk management and internal control. The Issuer has established an internal whistle-blower procedures. An internal reporting facility allows employees to report malpractice, unlawful or unethical behaviour through the Issuer's intranet.

To manage part of the price risk, the Issuer currently uses fixed price contracts for a part of its production input and sales, typically with a duration from three to fifteen years. FiTs, CfDs, PPAs for electricity sales provide improved revenue certainty.

The Issuer may use financial hedges for managing the electricity market risk once the share of regulated/contracted revenue falls, although the Issuer is not currently making use of such derivative contracts. Hedging could be used both for operating assets' revenues, by entering into future contracts for power prices, and for development projects not falling under subsidy schemes, by entering into long-term PPAs. Suitable market instruments for hedging the electricity price, depending on the asset type and

location, include regional power exchange price futures and electricity price area differential contracts where sufficient liquidity exists.

The Issuer is exposed to limited currency risk from existing and possible future projects in Poland, for which the revenue is denominated in Polish zloty. When operating in Poland, currency swaps or financing in the local currency might be considered to mitigate the currency risk.

The Group currently hedges against interest rate risk arising from its loan contracts in Energy Solar Projekty Sp. z o.o. project in Poland. 95% of total bank borrowings of Energy Solar Projekty Sp. z o.o. are hedged using interest rate swap contract. In the future, the Issuer may continue using interest rate swaps to cover part of the risk arising from possible interest rate increases for existing or future financing obligations.

Related Party Transactions

The relationships between the Issuer, including its group companies, and its related parties, identified according to the principles of International Accounting Standard 24 ("**IAS 24**"), primarily consist of business transactions relating to the sale and purchase of products, goods and services. They fall within the activities carried out by the Issuer and its group companies in the ordinary course of its business. Please see Note 22 of the 2021 Financial Statements for information on the Issuer's and its group companies' related party transactions conducted in such respective periods.

The Issuer's and its group companies' transactions with its related parties are regulated by Lithuanian Law on Companies, Articles of Association and transfer pricing documents, which provides for comprehensive regulation of rules concerning related party transactions and conflicts of interest between a company and its management (and persons close to such members).

Legal Proceedings

The Issuer and its group companies are not currently involved in any legal proceedings which, at Issuer's opinion, would individually or in the aggregate, have any material adverse effect on its results of operations or financial condition.

DESCRIPTION OF OTHER INDEBTEDNESS

The following summary of certain provisions of the Issuer's material other indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the financial statements. Please also see respective Notes of the 2023 Q1 Financial Statements, 2022 Financial Statements and the 2021 Financial Statements, which are incorporated by reference in this Base Prospectus.

The Issuer's indebtedness consists of borrowings from financial institutions and the inaugural issuance of Notes under the Programme, which was established in 2021. The Issuer maintains a flexible funding strategy and monitors domestic and foreign financial market conditions as part of its financing activities.

Current Bonds Issued and Loans Received

The Issuer's current borrowing position is as set forth in the table below:

In thousand	31 March 2023	31 December 2022	31 December 2021
Bonds issued.....	766	116	5,149
Loans Received	-	-	-
Current Bonds Issued and Loans Received.....	766	116	5,149

On 13 May 2022, the Issuer redeemed EUR 5,000 thousand of bonds based on previously signed agreements with external lenders signed on 12 May 2021.

Non-current Bonds Issued and Loans Received

The Issuer's ' non-current borrowings position is set forth in the table below:

In thousand	31 March 2023	31 December 2022	31 December 2021
Bonds issued.....	49,925	49,757	24,917
Loans Received	112	112	111
Non-current Bonds Issued and Loans Received	50,037	49,869	25,028

On 14 December 2021, the Issuer issued EUR 25,000 thousand of bonds for 4 years at annual 5.00 % coupon. During the year ended 31 December 2022, based on Green Bonds agreement, the Issuer 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.”

REGULATION

The Issuer operates under a wide and complex set of regulations in the field of renewable energy sources. A brief, non-exhaustive summary overview of the regulatory framework to which the Issuer is subject to in Lithuania and Poland is set out below. The description is based on laws in effect as at the date of this Base Prospectus.

EU Framework for Renewable Energy Sources

On 11 December 1997 the Kyoto Protocol, operationalizing the United Nations Framework Convention on Climate Change and committing industrialized countries and economies in transition to limit and reduce greenhouse gases emissions in accordance with agreed individual targets, was adopted and entered into force on 16 February 2005.

EU made commitments under the Kyoto protocol to promote the electricity from renewable energy sources ("**RES**"), such as wind power, solar power, biomass and biogas. The primary EU legislation for the support of renewable energy is the Directive 2009/28/EC on the Promotion of the Use of Energy from Renewable Sources (and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC) (the "**Renewable Energy Directive**"), which entered into force in 2009. The Renewable Energy Directive targeted having 20% of the total energy consumption across the EU come from renewables by 2020 and set a mandatory national target for each Member State, stating the overall share of gross energy consumption that must come from RES.

On 30 November 2016 the European Commission released a package of legislative initiatives, known as the Clean Energy Package, including a recast of the Renewable Energy Directive. The Clean Energy Package was adopted by the European Parliament On 22 May 2019. The Clean Energy Package is focused on three key areas: (i) energy efficiency; (ii) creating a global leadership role for the EU in relation to the development and deployment of renewable technology; and (iii) creating a fair deal for the consumers. The Clean Energy Package sets the EU energy efficiency and renewable energy goals of at least 32% share of RES in final energy consumption by 2030. The new rules also reflect the EU's ambitions towards a climate-neutral economy by the end of 2050 while maintaining a framework for economic growth and competitiveness.

On 6 October 2022, the Council of the EU adopted Council Regulation 2022/1854 on an emergency intervention to address high energy prices, which contains several measures related to the current situation in the EU energy market. This Regulation on an emergency intervention to address high energy prices establishes an emergency intervention to mitigate the effects of high energy prices through exceptional, targeted and time-limited measures. Those measures provide for: (i) a reduction of monthly and peak hours gross electricity consumption, (ii) a mandatory cap of 180 EUR/MWh on revenues of electricity producers, (iii) the possibility for EU Member States to support final customers through public interventions and lowering of retail prices, and (iv) an extraordinary solidarity contribution by fossil fuel companies.

One of the main points of this intervention is a temporary 180 EUR/MWh cap which applies to electricity revenues where electricity is generated at lower marginal costs (including nuclear, lignite and renewables). Any revenues above this level will be collected by the governments of the EU Member States that will redistribute them to energy consumers to reduce the impact of high energy prices.

On 15 December 2022, the Parliament of the Republic of Lithuania adopted the Law on Implementing Regulation (EU) 2022/181 of the Republic of Lithuania, which implements the Regulation on an emergency intervention to address high energy prices. According to the law, it is expected to reduce electricity consumption by 10% and by 5% during peak hours. It also introduces rules on the energy market revenues and surpluses, calculated with regard to the mandatory cap of 180 EUR/MWh on revenues of electricity producers. It is provided that the funds raised will be used to support electricity consumers to mitigate the impact of high prices, encourage investment in renewable energy, and reduce dependence on fossil fuels. The law stipulates that the National Energy Regulatory Council of the Republic of Lithuania Council ("**NERC**") shall be responsible for the preparation and approval of the methodology for determining market revenues and calculating excess revenues.

On 30 December 2022, the NERC approved the Methodology for determining market revenues and calculating excess revenues, which regulates the procedure for the determination of market revenues and the calculation of excess revenues in order to contribute to the objectives of the reduction of prices for final customers set out in the Regulation on an emergency intervention to address high energy prices.

Regulations applicable in Lithuania

Currently, the Law on RES is the key law focusing on renewable energy sources and contains sectoral objectives: to increase the share of electricity produced from RES by up to at least 39,8% of national consumption by 2027, among this to increase the share of centrally supplied heat energy produced from RES by up to at least 70% of the heat energy balance by 2025, and to increase the share of RES used in households by up to at least 80% of the total energy consumption by 2030. Currently, discussions are ongoing regarding the new draft version of the Law on RES which could set even more ambitious targets and objectives for renewable energy sources in Lithuania.

The Law on RES determines the State management, regulation, supervision, and control of activities in the renewable energy sector, as well as designating the energy network operators, renewable energy producers under state regulation, their supervision, and control of their relationship with the performing institutions.

In June 2022, Lithuania has adopted the so-called Breakthrough Package. The Breakthrough Package includes the Law on Electricity, the Law on RES, the Law on Environmental Impact Assessment of Planned Economic Activities, the Law on Special Conditions for the Use of Land, and the Law on Territorial Planning. The adopted amendments open opportunities for more ambitious and more rapid development of green energy, for example, they remove requirements for sanitary protection zones and set criteria of maximum distance to buildings instead; remove the restriction for prosumers to install renewable energy power plants with the capacity of no more than 1 MW; new public, industrial and commercial, residential buildings have to be planned with the intention to install facilities producing electricity from renewable energy sources; in nonurbanized areas, wind and solar power plants can be installed without changing main land use purposes; it is possible to develop hybrid power plants – power plants which use different types of renewable energy and connect them to the network at the same connection point; it is allowed to install more renewable energy capacities than the generation that the transmission network can accept. Also, the amendments detail the procedure and requirements for offshore wind development.

Newly added Article 13(10) of the Law on RES established that the total installed capacity of PV plants cannot exceed 2 GW. It should be noted that the Law on RES provides a separate additional 2 GW cap applicable to PV plants of prosumers.

According to Article 13(10), once the 2 GW cap of total installed capacity set for PV plants is reached, the NERC is to inform network operators. From the moment of such notification, network operators cannot issue or sign new preliminary connection conditions, connection conditions, letters of intent. The Government should decide on further development and expansion (beyond 2 GW) of PV plants. On 13 July 2022, the NERC informed network operators that the 2 GW cap for the total installed capacity of PV plants was exceeded and thus new preliminary connection conditions, connection conditions cannot be issued, and letters of intent cannot be signed. According to the NERC, signed letters of intent indicated that the 2 GW cap was exceeded approximately by another 2 GW. The 2 GW cap is irrelevant for those projects which have already acquired permits for development – these projects can continue without any additional hindrances.

To tackle the problem of the exceeded 2 GW cap, on 24 October 2022 the NERC adopted a decision regarding the description of the evaluation procedure for applications submitted by individuals for the issuance of permits to develop electricity production capacities by installing solar power plants. The decision establishes a principle that those developers who initiated signing of a LoI with the network operators first, get a priority to obtain a permit for development over those developers who initiated signing of a LoI after them. This means that all developers who meet necessary requirements (have acquired rights to land plots, have financial capabilities to fulfil the project etc.) are listed based on the date when they signed a LoI with the network operator. Developers with the earliest signed letters of intent are granted a permit for development. The issuance of permits will be halted when the total installed capacity of already operational PV plants together with the capacity permitted for development reaches the 2 GW cap.

On March 2023 a new procedure for using the grid was prepared by the TSO and addressed the 2 GW quota problem. One of the proposed solutions was that developers would be allowed to exceed the maximum network capabilities in cases when they are transforming already existing renewable energy power plants into hybrid power plants (example of a hybrid power plant: PV plant + wind farm) or are building hybrid power plants from the ground up. This new procedure is sometimes referred to as the 100+100 principle. It means that if a specific line in the network has reached its full potential of installed capacity, for example due to a connected PV plant of 2 MW, additional 2 MW of wind power can be connected to the same

network line, and vice versa. When applying the 100+100 principle, additional restrictions may apply – developers must install energy storage devices or agree to reduce the generating capacity (if necessary and by the discretion of the TSO) of the hybrid power plant in order to receive rights to network capacities.

The Breakthrough Package also introduced a new requirement for the project developer, if it plans to build any power plant (including PV plants and energy storage devices) with the estimated permitted generating power of which is at least 50 MW, such developer must be assessed with respect to compliance of the requirements of national security and it must be ensured that it does not pose a threat to the interests of national security. This new requirement is not applicable if letter of intent was already signed with the network (grid) operator before aforementioned amendments came into force, i.e. before 8 July 2022.

Development Projects

Permit to develop power plant parks and grid connection

In order to start development of power plant parks, the developer must apply for a permit to develop electricity generation capacities (the "**Development Permit**").

The Development Permits are issued by the NERC, provided that the applicant meets the respective prerequisites, e.g. availability to connect the planned power plant to the grid (i.e., signed letter of intent with the grid operator and security in the form of a bank guarantee in the amount of EUR 50/kW), existence of land use rights, compliance with land use and construction site selection requirements). The developer, depending on the capacity, may be requested to obtain an environmental impact assessment report and public health impact assessment. The grid connection conditions should also be received from the grid operator. The grid operators are allowed to refuse connection only when there are no economic or technical conditions for connection to the grid or supply of energy. The grid operators are obliged to interconnect RES installations with priority over other energy sources.

The procedure is simplified depending on the capacity of the power plant park. The Development Permit is not necessary if a person intends to construct or develop the facility with a capacity not exceeding 100 kW to produce electricity for private use (i.e. without electricity supply to the electricity grid).

The Development Permit is valid for 36 months (or 24 months if the power allowed to be generated by PV plant is less than 6 MW) with possible extensions in the following circumstances: (i) in case the planned construction works are late due to the actions of the State or a third party or force majeure events for the time period of such hindrance; and (ii) in case the construction permit has been issued (unless a construction permit is not required) and at least 50% of the project development works have been completed, for an extension of six months.

The Breakthrough Package also introduced new types of permits – an energy storage development permit and a permit for generation from energy storage. These permits are required to build energy storage devices, i.e., batteries, and store electricity in them. These permits are issued by the NERC. Energy storage development permits are also issued for 36 months. Permits for generation from energy storage are valid indefinitely.

Planning rules and authorisations

The Chief of Defence of the Republic of Lithuania has established certain areas where construction of wind parks (turbines) is prohibited due to national security issues (i.e. due to impact on the air surveillance radars of the Lithuanian Armed Forces) and areas where construction of wind turbines is possible only subject to certain conditions such as height restrictions or payment of compensation to the Lithuanian Armed Forces at the rate of 18 EUR/kW of the planned capacity that is indicated in the Development Permit.

After Breakthrough Package entered into force construction of wind parks (turbines) no longer require to be established in territorial planning documents and, further, construction of wind parks (turbines) is split into two options: (i) if the wind park (turbines) are planned in areas that are not urbanized (not planned to be urbanized), pursuant to applicable territorial planning documents (general plan of municipal or local level, special plan or detailed plan) – the wind parks (turbines) may be constructed without changing the purpose of use of the land plots to designed purpose of use¹, or (ii) if the wind park (turbines) are planned in areas that are urbanized (planned to be urbanized), pursuant to applicable territorial planning documents, the wind parks (turbines) may be constructed only in land plots where purpose of use land plots is changed to *territories of transportation and engineering communications service facilities* and respective changes to applicable territorial planning documents are made (if necessary). If development of a power plant park

¹ *Territories of transportation and engineering communications service facilities.*

is based on a general plan, no other territorial planning documents are necessary. However, aforementioned provisions do not change or negate regulations of existing territorial planning documents; therefore, if existing territorial planning documents foresee restrictions or specific areas for wind developments, Breakthrough Package does not overrule these provisions and regulations of territorial planning documents must be followed.

In such case, where additional territorial planning documents are not necessary, it is necessary to prepare design proposals and carry out respective publication procedures to obtain the approval of the director of the municipal administration. If development of a power plant park is based on a special or detailed plan, preparation of design proposals and their publication is not necessary.

In certain cases, depending on the size, location and potential impact of the power plant project (e.g. the planned territory exceeds 10 km²) screening of strategic environmental assessment ("SEA") or environmental impact assessment ("EIA") of the territorial planning documents is required in order to adopt or amend territorial planning documents. As integral part of SEA or EIA, or as a separate study, a noise assessment is usually also required for wind parks.

Full EIA or screening of EIA² shall also be conducted before application for a construction permit. Full EIA is necessary if: (i) wind park (turbines) is planned in the territorial sea of the Republic of Lithuania and/or in the exclusive economic zone of the Republic of Lithuania in the Baltic Sea, or (ii) wind park (turbines) is planned on land, when 7 or more wind farms are planned to be built and the distance between the wind farms³ is 5 km or less. Screening of EIA shall be conducted if (i) it is planned to build 3 or more wind power plants, where height of least one wind turbine is 50 m or more (except where full EIA is required); or (ii) the wind turbine is planned to be built closer than 1 km from the protected area. After the screening of EIA the Environmental Protection Agency determines whether full EIA is required or not. During full EIA procedures, health impact assessment ("HIA") procedures are carried out, where noise, flickering and other parameters of wind turbine operations, that may have negative effect to public health, are calculated.

Developer of the power plant park shall also obtain use rights with regards to the land where the power plant and the related infrastructure (electricity cables, access roads, etc.) are planned to be located (e.g., ownership title, right to build (superficies) or long-term lease (as rights in rem), simple lease, easement, etc.). Further, land plot formation and reformation projects to divide the existing land plots by forming smaller land plots intended for the construction of power plants are usually prepared; and, for land plots designated for construction of transformer substations, by way of land plot formation and reformation project purpose of intended use of the land plot is changed.

Additionally, after Breakthrough Package entered into force, previously applicable regulations regarding requirement to establish of sanitary protection zones was revoked. However, in turn, pursuant to Law on RES, the developer of the power plant park must inform nearby (distanced within radius of 4 wind turbine tower heights) land and building owners on its intent to construct a wind turbine with more than 30 kW installed power. Notably, the land owners (of land plots located within radius of 1 wind turbine tower height) and building owners (that are located within radius of 4 wind turbine towers height) may refuse the construction of wind turbine; in such event, the wind turbine may only be constructed if agreement with land / building owner is reached and signed, where the land / building owner is compensated accordingly.

Construction design documentation of power plant parks are subject to approval from a number of governmental authorities, such as the Transport Competence Agency, the Chief of Defence of the Republic of Lithuania and the State Border Guard Service.

A construction permit for the construction of power plant park is also required. Such permits are issued by the director of municipal administration. When construction of power plant park and the related infrastructure is completed, the developer must obtain a construction completion act which is to be signed by respective governmental authorities.

Operation of power plant parks

As a rule, electricity producers, operating power plant parks, are required to hold a permit to generate electricity (the "**Generation Permit**"). Generation Permits are issued by the NERC for indefinite period of time.

² Simplified procedure of EIA to determine, whether the full EIA procedures are necessary.

³ Including existing wind turbines, wind turbines planned-to-be-built, and wind turbines under construction, as well as existing, planned-to-be-built, and wind turbines under construction of third parties.

In general, the Generation Permit is issued in case: (i) the construction or re-construction works have been finished and comply with the applicable requirements; (ii) the generation installations have been tested and deemed suitable for operation; and (iii) the owner of power plant has undertaken in writing to demolish or deconstruct the generation installations, if the NERC revokes the Generation Permit.

In addition, wind parks are subject to the normative levels established for outdoor noise under the respective hygiene norms. The owner of wind park shall ensure that the noise from its wind parks located in the vicinity of residential and public purpose buildings does not exceed the allowed normative levels and, if needed, apply appropriate noise abatement measures. Monitoring of the impact of wind park operations may also be required (e.g., by examining the potential deaths of birds or bat).

Renewable Energy Support Schemes

In 2011 the Law on RES introduced fundamentally changed framework for the promotion of energy generation from renewable energy sources. The support scheme was based on fixed price guarantee (i.e. FiT) for certain quotas of specific RES (e.g. wind, solar, etc.) based on electricity generation capacities to be installed, which was allocated under auction procedure. The FiT, declared by the winning bidder, together with other support measures (such as electricity priority dispatch, discount for grid connection costs, release from balancing responsibility, electricity off-take) was guaranteed for the period of 12 years.

On 1 May 2019 the amendments to the Law on RES entered into force and introduced a new revised support scheme which mainly consisted of: (i) a sliding premium payable on top of the electricity market price (i.e. FiP); (ii) electricity priority dispatch; and (iii) release from balancing responsibility in case of generation installations with the capacity of up to 500 kW or certain pilot power plant parks.

On 1 January 2022 the new amendments to the Law on RES entered into force and modified the conditions for release from balancing responsibility. Producers may benefit from the said support scheme, if: (i) installed capacities are up to 400 kW; (ii) installed capacities are up to 200 kW, provided that the Generation Permit is received after 1 January 2026.

Price Premium Support Scheme

The sliding FiP support scheme has defined new concepts, such as: (i) maximum price – the maximum electricity price set for producers by the NERC that will be taken into consideration when paying funds for electricity produced and supplied into the grid; (ii) reference price – the price of electricity from RES set by the NERC that shall be used to determine the maximum premium and shall be set for a particular auction; (iii) premium to market price for electricity from RES – the producer's additional income for a unit of electricity from RES produced and supplied into the grid.

The premium cannot exceed the difference between the maximum price and the reference price. As it is a sliding premium scheme, the premium's payment depends on market conditions. The full amount of the premium is paid only if the sum of the hourly spot price and the winning premium is lower or equal to the maximum price set by the NERC. A partial amount of the premium is paid at hours when the sum of the spot price and the winning premium is higher than the maximum price set by the NERC. No premium is paid if the spot price is higher than the maximum price. Also, no support is given for electricity produced in the period of six or more consecutive hours when electricity prices are negative. No premium is paid for electricity generated in excess of the annual support quota amount that was assigned to the producer as a result of the auction.

The new support model aimed to integrate electricity producers that use RES into the market and, thus, such producers are obliged to sell electricity on the market.

Technology Neutral Auctions

The premium shall be set and the support quota shall be allocated under the technologically neutral auction procedure. The key criteria to determine auction winners is the smallest premium offered to the electricity market price in the Nord Pool exchange that will be paid for the period of 12 years from the day when the Generation Permit is received for a certain annual production amount that is allocated in the auction. The premium is not paid for electricity generated above the annual support amount that was assigned in the auction.

The producers to whom the support scheme applies shall have to ensure that electricity in the amount equal to the support quota amount is supplied to the grid on a three-year average basis during the 12-year support

period. Failing to deliver the full amount will result in a financial penalty, subject to an allowed 20% deviation from support quota amount.

The foreign EU producers wishing participate in an auction and construct power plant in their home states may participate in the auction provided that: (i) there is a direct electricity interconnection between Lithuania and home state of the foreign producer and (ii) there is an agreement concluded between Lithuania and home state of the foreign producer.

Auctions are organised following an auctions schedule approved by the Government.

The first auction under the new support scheme was announced by the NERC on 2 September 2019 and ended in January 2020 where support for annual electricity production in the amount of 0.3 TWh was allocated. The Government planned three auctions in each of 2020, 2021 and 2022 with 0.7 TWh of annual production quota to be allocated in each auction, depending on the actual progress of reaching the renewable energy target. In March 2021, the NERC announced that the target quota of 5 TWh for annual renewable energy production has been reached (taking into account capacities installed and/or under development), therefore no further auctions shall be organised under the currently applicable support scheme.

Producing Customers

Other measures promoting renewable resources are being actively implemented as well. On 1 October 2019 major amendments to the Law on REC concerning producing customers entered into force. These amendments significantly expanded producing customers' operational capabilities by increasing the potential capacity of renewable installations, expanding the total power of the power plants of producing customers and, among others, introducing the concept of remote customer. The remote customer (natural or legal person) may have a power plant and produce electricity in one place and use it in another. The power plants of producing customers may be constructed, installed and operated by other persons authorised to develop electricity generating capacity and to produce electricity.

Guarantees of origin

For the purposes of demonstrating to final customers the share or quantity of energy from renewable sources in an energy supplier's energy mix and in the energy supplied to consumers under contracts marketed with reference to the consumption of energy from RES, the guarantees of origin can be issued. Upon producer request guarantees of origin shall be issued for each unit (1 MWh) produced and supplied to the grid electricity from RES.

Trading

Trade of electricity from RES, produced in power plant parks, in the domestic market is conducted using two methods: (i) trading under bilateral agreements, including power purchase agreements ("PPA") with grid operator or the customer (PPA allows the possibility for the customer to purchase electricity directly from the producer of renewable electricity without a permit to independent electricity supply); and (ii) trading on the electricity exchange.

Since 18 June 2012, wholesale trading on the Lithuanian Electricity Exchange has been administered by Nord Pool Spot AS, an operator of the Nordic and Baltic electricity exchanges. It should be noted that on 31 May 2018 the NERC approved the offer received from the Baltic States transmission operators for operation of more than one electricity exchange operator in the Baltic States. Therefore, it opened the way for Epex Spot (which previously expressed its interest) and other power exchanges to enter the Lithuanian market.

Offshore wind park development in Lithuania

Lithuania has announced two offshore wind parks (700 MW each) to be built in the Baltic Sea by 2030. The relevant laws (primary legislation) have been adopted in March 2022. On 15 March 2023 the Government adopted a resolution regarding the very first offshore wind park in Lithuania. The resolution details the planned location of this new offshore wind park, its intended installed and permitted generating capacities.

On 29 March 2023 the NERC adopted the description of the procedure for organizing tenders and issuing permits to use parts of the maritime area for the development and operation of power plants using renewable energy resources. The description covers both planned tenders: the tender to build an offshore wind park with available state support and the tender to build an offshore wind park without the state's support.

On 30 March 2023 the NERC announced the commencement of Lithuania's first offshore wind tender. After the end of the submission of the documents it was announced that 2 tenderers had registered to

participate in Lithuania's first offshore wind tender. Currently NERC is evaluating the documents submitted by the tenderers. Tender for Lithuania's second offshore wind park should be announced on 1 September 2023.

Both tenders hold many similarities, for example, development permits under both tenders will be issued for 41 years, requirements for tender participants remain the same etc. Despite many similarities, the second tender has a few distinctive features. First, there will be no subsidy available. Second, tender participants will compete against each other by offering higher development fees in real time. Third, the winner of the tender will be responsible for conducting most of the necessary research and surveys. Fourth, tender procedures will be significantly shorter.

Regulations applicable in Poland

Renewable Energy Support Scheme

The Act on Renewable Energy Sources of 20 February 2015 (the "**Act on RES**") constitutes a central legislative act from the perspective of development of renewable energy sources market in Poland. Together with the Act of 10 April 1997 – Energy Law (the "**Polish Energy Law**") and numerous pieces of secondary legislation, it creates a legal framework for the implementation and operation of renewable energy projects.

In order to stimulate the growth of the RES market, the Act on RES introduced fundamental modifications to the existing RES support system and created a new auction-based CfD-like scheme (the "**Auction Scheme**"). The Auction Scheme is the basic and target support system for RES installations with a capacity equal to or exceeding 500 kW. It provides support for those projects that are successful at auction. The support takes the form of a premium on top of the market price of electricity (a quasi-contract for difference model), payable to a project owner, provided that, in the coming years, the market price of electricity is below the successful bidding price submitted in the auction (and subject to certain limitations and conditions regulating the Auction Scheme).

Under the auction-based scheme, the support is provided only for RES projects that are successful in competitive auctions, which are organised by the President of the Energy Regulatory Office (the "**ERO**") at least once a year, in an electronic form, via an Internet auction platform.

RES auctions are conducted separately for:

- (i) Installations falling within one of five "technological baskets";
- (ii) large (>1 MW of installed capacity) and small (\leq 1 MW of installed capacity) RES installations; and
- (iii) new, migrating, and modernised RES installations.

During a RES auction, a RES producer submits a bid, offering to sell electricity from the relevant RES installation at a certain price (the "**Auction Price**"). The support is granted to the lowest bidders (until the quantity or the value of the electricity set for the given auction is exhausted) and to the bidders whose bid(s) (jointly) do(es) not exceed the 80% per cent cap (i.e., 80 per cent of the volume of the energy covered by all the bids submitted for the auction).

In its bid, each producer must state, among other things, the specific RES installation, the Auction Price, and the quantity of electricity it plans to sell under the Auction Scheme in subsequent calendar years for the period of support. The Auction Price may not exceed the technology specific reference price, i.e., the maximum price in PLN per MWh, determined annually by the Minister of Climate and Environment.

Producers of electricity from RES installations with an installed capacity of 500 kW or more that are successful at auction are free to sell the electricity on the market and, additionally, as a result of the successful auction, are entitled to cover a so-called "negative balance" in settlements with the State-owned entity responsible for carrying out settlements of negative balances, i.e., the RES Settlements Operator.

A "negative balance" is calculated as the difference between: (i) the net value of the sales of electricity generated in the RES installation and sold in the relevant month, less VAT, calculated as specified in the Act on RES; and (ii) the value of that electricity determined on the basis of the indexed adjusted price, i.e., the Auction Price minus the value of the investment aid received (if any). It might also be the case that the difference between those values is positive. In such cases (where the balance is positive in the relevant month), it should be offset against any future negative balance. Such settlements of the positive balance must be carried out by the end of the support period. If the positive balance is not settled by the end of the

support period, it must be returned to the RES Settlements Operator in six equal instalments, starting from the end of the support period.

The Act on RES does not provide for any minimum statutory period of support under the auction-based scheme. However, it provides for a maximum period of support, amounting to a period of 15 years, provided that period does not extend beyond 30 June 2039.

Development Projects

(a) General remarks

Under Polish law, the development, construction, and operation of a solar park requires several administrative decisions issued at different stages of the project life cycle. In principle, a typical project should obtain at least the following permits: (i) an environmental decision; (ii) a zoning permit (or zoning plan); (iii) a building permit; and (iv) an occupancy permit (or notification about the completion of the construction works). Depending on specific conditions, other project permits such as water, archeological or road permits might also be required. Additional, stringent regulations are applicable to the development of onshore wind projects.

(b) Environmental decisions

The environmental decision contains an analysis of the impact of the planned RES installation on the environment and sets out the conditions that the investor should meet in order to protect it. A decision is required for any planned: (i) investments that will have a significant impact on the environment; or (ii) investments that may potentially have a significant impact on the environment. In those cases, the authority conducting the proceedings is obliged to assess the impact of the project on the environment. It should be notified, that PV farms of development area less, than 1 ha, are generally exempted from having to obtain the environmental decision. Detailed rules on the issuance of environmental decisions are included in the Act on Providing Information on the Environment and its Protection, Public Participation in Environmental Protection and Environmental Impact Assessments, and in the secondary legislation. A list of types of projects that may significantly affect the environment is set out in the secondary legislation adopted by the Council of Ministers.

While proceeding the environmental impact assessment, the body conducting the administrative proceedings may decide that the environmental impact report is required. In such cases, the applicant is obliged to file a report the scope of which is determined by the authority.

(c) Zoning requirements

Under Polish law, the permitted use of land allocated for any planned project is provided for in a local zoning plan (which is adopted for a given territory in the form of a resolution of local authorities). This is especially important for wind farms, that are not allowed to be located outside of areas covered by local zoning plan. In case of PV plants, the absence of such local zoning plan in force for the area where the planned project is to be located requires the development of the project to obtain a location permit issued in the form of an administrative decision. There are two types of location permits: (i) a "regular" planning permit (*decyzja o warunkach zabudowy*), and (ii) a public purpose investment decision (*decyzja o lokalizacji inwestycji celu publicznego*), which can only be issued in the case of developments which qualify as investments for a "public purpose" (a legally defined term in Polish law which does not explicitly refer to renewable energy sources, though these decisions in some cases are issued for PV plants). Detailed zoning regulations are included in the Act of 27 March 2003 on Planning and Spatial Development, as well as in relevant secondary legislation.

(d) Building permits

Under Polish construction law, the construction and commissioning of a RES installation require, as a rule, a building permit. In principle, the building permit is issued for the whole construction undertaking, i.e., in the case of a PV installation it covers all the PV panels as well as ancillary infrastructure (such as a transformer station, cable lines required to connect the PV plant or access roads). Lastly, there is an obligation to issue a permit for use – a decision permitting the operating of a RES installation. In some cases, only a notification of the end of construction work is needed instead of permit to use.

(e) Connection to the grid

Under Polish Energy Law, all energy grid operators, subject to certain limitations, are obliged to connect to the grid, under equal treatment rules, any entity applying for connection that meets the statutory requirements. The energy grid operators are allowed to refuse connection only when there are no economic or technical conditions for connection to the grid or supply of energy. The grid operators are obliged by law to interconnect RES installations with priority over other energy sources.

Connection to the grid takes place on the basis of a grid connection agreement executed between the grid operator and the entity to be connected, subject to the fulfilment of certain requirements and conditions set out in the grid connection conditions.

(f) Amendment of 10H localisation rule for onshore wind farms

The recent amendment to the Act of 20 May 2016 on Investments in Wind Power Plants liberalised rules on siting onshore investments. Local governments will be able to designate the location of wind power plants as part of the procedure of amending a zoning plan, or adopting a plan, and set minimum distances of 700 m. It is still possible to designate the location of a wind power plant exclusively on the basis of a local plan.

The liberalisation is narrower than market expectations, but there are claims that this might have been a deliberate action to avoid clogging the grid with additional capacity and, in turn, to enable offshore wind farms and the planned nuclear power plant to be connected to the grid.

Operational assets

(a) Energy licence

As a general rule, a RES producer that intends to produce and trade in electricity (to commence selling) from RES must apply to the President of the ERO for a production license. Obtaining a production license is the last stage of the development phase of a production project (in practice, it is possible to obtain a license to carry out business activity in the form of production of electricity only after an occupancy permit or similar authorisation for the project has been issued and has become final). Alternatively, in case of RES installations with capacity less than 1 MW, instead of the production license, the entry into the register of energy producers in a small installation kept by the President of the ERO is required

(b) Environmental matters

The environmental decision issued for a RES project may, depending on specific conditions, impose certain additional requirements to be met when operating the installation. Such requirements usually aim at limiting the impact of the operation of the project on the environment. They may also specifically relate to the decommissioning of the plant. Issues related to any potential emissions or waste generation and disposal are regulated in particular in the Act on Waste and the Environmental Protection Law. In some specific cases, construction and/or operation of a RES project may also require a water permit.

Current electricity market price limits affecting solar and wind RES installations

The current geopolitical situation and the increase in energy prices have led to intervention by the European Union and Member States in regulating those prices for electricity sellers to its end users. Poland adopted the Act of 27 October 2022 on Extraordinary Measures to Restrict Electricity Prices and Provide Support to Certain Recipients in 2023 (the "**Act on price caps**"). the "**Polish Energy Law**")

(a) Deduction to the fund

The Act on price caps provides for the procurement of funds for payment of compensation to energy sellers caused by the imposed cap in a form of contributions by certain generators to a fund managed by the state-owned settlement entity. The detailed rules for calculating contributions to the fund are specified in the Act on price caps and secondary legislation thereto.

The deduction to the fund is calculated based on the volume of electricity sold multiplied by the positive difference between the volume-weighted average market price of electricity sold and the volume-weighted average price limit of electricity sold, where all values are determined on the date of calculation of the

deduction to the fund. In case of installations which won the auction within the Auction Scheme, the price limit is the Auction Price after indexation each year in accordance with the Act on RES.

This obligation to pay the deduction is to be exercised for the energy sold within the period from 1 December 2022 to 31 December 2023.

(b) Exemptions from the fund deduction scheme

The obligation to pay the deduction to the fund will not apply to generators producing electricity in an installation:

- a) of an installed electrical capacity of not more than 1 MW or, where the electricity generator has more than one installation, of a total installed electrical capacity of not more than 3 MW (provided that the installed electrical capacity of any one of those installations is not more than 1 MW);
- b) being a demonstration project;
- c) being a RES installation that benefits from i.a.: the Auction Scheme, from the energy generated and sold within the Auction Scheme.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

The Republic of Lithuania Taxation

The information contained within this section is limited to Lithuanian withholding and income tax issues and prospective purchasers of Notes are advised to consult their own tax advisers concerning the overall Lithuanian tax consequences of the ownership and disposition of Notes.

A “**resident individual**” means an individual whose permanent place of residence is in the Republic of Lithuania, or whose personal, social or economic interests are located in the Republic of Lithuania or who is present in the Republic of Lithuania for more than 183 days in the relevant tax period or more than 280 days in two consecutive tax periods and at least 90 days in one of these tax periods, and a “**resident entity**” means an entity which is legally established in the Republic of Lithuania, and a “**non-resident individual**” means an individual whose permanent place of residence is outside the Republic of Lithuania, whose personal, social or economic interests are located outside the Republic of Lithuania and who is present in the Republic of Lithuania for less than 183 days in the relevant tax period and less than 280 days in two consecutive tax periods or who is present in the Republic of Lithuania for more than 280 days in two consecutive tax periods, but less than 90 days in one of these tax periods, and a “**non-resident entity**” means an entity which is legally established or otherwise organised outside the Republic of Lithuania.

Taxation of interest income and capital gains earned by non-resident entities acting through a permanent establishment in the Republic of Lithuania is the same as that of resident entities defined above, therefore, it is not separately outlined in the further sections of this Base Prospectus. For relevant details on the taxation of Lithuanian permanent establishments as Noteholders, please refer to the taxation of resident entities. Taxation of non-resident individuals acting through a fixed base in the Republic of Lithuania is the same as that of resident individuals defined above, if such a non-resident individual earns interest income performing activity through a fixed base in the Republic of Lithuania.

Withholding Tax, Income Tax

Taxation of interest

Payments to individuals

Payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to a resident or non-resident individual will be subject to personal income tax at progressive tax rates of (i) 15 per cent., if the total amount of income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by an individual during a calendar year does not exceed the sum of 120 Lithuanian gross average salaries, which shall be determined as the state gross average monthly salary set forth by law for calculation the basis of state social insurance contributions of the insured persons for the relevant year (in 2023, this figure is EUR 1,684.90 and the threshold equals to EUR 202,188) and (ii) 20 per cent., which shall be applied to any income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by an individual during the calendar year, exceeding the aforementioned threshold. When calculating the threshold, the following Lithuanian-sourced income is taken into account: interest, royalties, income from sports and entertainment activities, capital gains and income from the rent from real estate located in the Republic of Lithuania and capital gains from movable property registerable in the Republic of Lithuania.

The total amount of interest (including interest on the Notes) received during the calendar year not exceeding EUR 500 will not be subject to the personal income tax. The personal income tax is to be paid by the resident individual himself/herself.

When interest is earned by a non-resident individual, the Issuer, as a Lithuanian interest-paying entity, will withhold 15 per cent. personal income tax and if it turns out at the end of the year that a part of the amount was subject to 20 per cent. rate, the non-resident individual is to pay the difference himself/herself.

Separate double taxation treaties with the Republic of Lithuania can provide for a lower tax rate for non-resident individuals.

Payments to entities

Payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes):

- (i) to a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to 15 per cent. corporate income tax (5 per cent. for small-sized entities or an incentive rate applicable to the Noteholder). Banks and credit unions, including central credit unions and branches of foreign banks in the Republic of Lithuania, shall pay an additional 5 per cent. corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million. Banks and central credit unions' financial groups established and operating in the Republic of Lithuania, including branches of foreign banks in the Republic of Lithuania, for the period from 9 May 2023 until 2024 shall pay an additional 60 per cent. temporary solidarity contribution on the net interest income (subject to special calculation rules) exceeding by 50 per cent. the average amount of net interest income during the 4 financial years preceding the last year (conditions apply).
- (ii) to a non-resident entity, which is registered or otherwise organised in a state of the European Economic Area or in a state with which the Republic of Lithuania has concluded and brought into effect a double tax treaty, will not be subject to withholding tax in the Republic of Lithuania.
- (iii) to a non-resident entity other than those listed above will be subject to 10 per cent. withholding tax.

If the Issuer as an interest-paying person is unable to identify the Noteholder and determine such Noteholder's eligibility for a lower tax rate or exemption from withholding tax, payments of interest in respect of the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to any such Noteholder will be subject to 15 per cent. personal income tax to be withheld and paid to the budget of the Republic of Lithuania by the Issuer.

Taxation on Disposition of Notes

Payments to individuals

Capital gains (i.e. the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident individual will be subject to progressive tax rates of (i) 15 per cent., if the total amount of income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by a resident individual during the calendar year does not exceed the sum of 120 Lithuanian gross average salaries (in 2023, this figure is 1,684.90 and the threshold amounts to EUR 202,188) and (ii) 20 per cent., which shall be applied to any income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by a resident individual during the calendar year, exceeding the aforementioned threshold. Any capital gains received from the sale of securities (including the Notes) during the calendar year not exceeding EUR 500 will not be subject to personal income tax. The tax exemption will not apply if the sale proceeds are received from entities established in a tax haven or from individuals whose permanent place of residence is in a tax haven.

The disposition of Notes by non-resident individuals will not be subject to any Lithuanian income or capital gains tax.

Payments to entities

Capital gains (i.e. the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to 15 per cent. corporate income tax (5 per cent. for small-sized entities or an incentive rate applicable to the Noteholder). Banks and credit unions, including central credit unions and branches of foreign banks in the Republic of Lithuania shall pay additional 5 per cent. corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million.

The disposition of Notes by a non-resident entity will not be subject to any Lithuanian income or capital gains tax.

Registration and Stamp Duty

Transfers of Notes will not be subject to any registration or stamp duty in the Republic of Lithuania.

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which, remains unclear. Additional E.U. Member States may decide to participate. Several Member States, such as France, Italy and Spain, have in the recent years implemented unilateral FTTs.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of Lithuania) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payments" and Notes that are treated as debt (or which are not otherwise characterised as equity and have a defined term) for U.S. federal income purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer or any other person will not be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Issuer by Dealer within the United States or to, or for the account or benefit of, U.S. persons, and Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Dealer has represented, warranted and agreed, and each further dealer appointed (if any) will be required to represent, warrant and agree, that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to UK Retail Investors

Dealer has represented and agreed, and each further dealer appointed (if any) will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one or more of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Republic of Lithuania

Dealer has represented, warranted and agreed, and each further dealer appointed (if any) will be required to represent, warrant and agree, that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy any Notes or distribute any draft or definite document in relation to any such offer, invitation or sale in the Republic of Lithuania other than in compliance with the Law on

Securities of the Republic of Lithuania and any other laws applicable in the Republic of Lithuania governing the issue, offering and sale of Notes.

The Dealer Agreement

Dealer has represented, warranted and agreed that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealer shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealer described in the paragraph headed "*General*" above.

Neither the Issuer or Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

GENERAL INFORMATION

1. Authorisation

The establishment of the Programme was authorised by the resolution of the Shareholders of the Issuer, dated 5 November 2021, and the Programme was extended by the resolution of the Shareholders of the Issuer, dated 27 July 2023. The Prospectus has been approved by the decision of the Manager of the Issuer, dated 3 August 2023.

2. Legal and Arbitration Proceedings

The Group Companies are not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Issuer and/or Group's financial position or profitability.

3. Significant/Material Change

Since 31 March 2023 there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries nor any significant change in the financial position or performance of the Issuer or the Issuer and its Subsidiaries.

4. Auditors

Auditors KPMG Baltics UAB has audited the consolidated financial statements of the Issuer and its subsidiary UAB "JTPG" for the years ended 31 December 2020, 31 December 2021 and consolidated financial statements of the Issuer and its subsidiary UAB "AEI Development" for the year ended 31 December 2022. All these financial statements are incorporated into this Base Prospectus by reference. Audit company issued unmodified auditor's reports regarding all these financial statements. KPMG Baltics UAB is a member of the Lithuanian Chamber of Auditors.

5. Documents on Display

Electronic copies of the following documents (together with English translations thereof, where applicable) may be obtained from during normal business hours at the offices of the Issuer at Jogailos str. 4, Vilnius, the Republic of Lithuania, or at website www.lordslb.lt for 12 months from the date of this Base Prospectus:

- (i) the Articles of Association of the Issuer;
- (ii) this Base Prospectus.

For the avoidance of doubt, unless specifically incorporated by reference to this Base Prospectus, information on the website of the Issuer does not form part of this Base Prospectus.

6. Material Contracts

No contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer that are, or may be, material or contain provisions under which the Issuer or any of its Subsidiaries has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

7. Clearing of the Notes

The Notes have been accepted for clearance through Nasdaq CSD. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

8. Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer in consultation with the relevant Dealer(s) at the time of issue

in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

9. Dealer transacting with the Issuer

Dealer and/or its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealer and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Dealer or its affiliates may have a lending relationship with the Issuer and may, in such cases, routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealer and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes under the Programme. The Dealer and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

10. The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 98450011FE29FH8C7E10.

11. Issuer Website

The Issuer's website is www.lordslb.it. Unless specifically incorporated by reference to this Base Prospectus, information contained on the website does not form part of this Base Prospectus and has not been scrutinised or approved by the BoL.

12. Validity of prospectus and prospectus supplements

For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

REGISTERED OFFICE OF THE ISSUER

**Closed – End Investment Company Intended for Informed Investors
UAB “Atsinaujinančios energetikos investicijos”**

Jogailos str. 4
Vilnius
Lithuania

ARRANGER AND DEALER

Luminor Bank AS
represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch
Konstitucijos ave. 21A, 03601 Vilnius
Lithuania

ISSUER’S LEGAL ADVISER

As to Lithuanian law:
TGS Baltic
Konstitucijos ave. 21A^o
Vilnius
Lithuania

AUDITORS TO THE ISSUER

KPMG Baltics UAB
Lvivo str. 101
Vilnius
Lithuania