

UAB Atsinaujinančios energetikos investicijos, a  
closed-end investment company for informed  
investors

THE COMPANY'S FINANCIAL STATEMENTS as of  
31 December 2020 DRAWN UP ACCORDING TO  
BUSINESS ACCOUNTING STANDARDS



**KPMG Baltics UAB**  
Lvovo g. 101  
LT-08104, Vilnius  
Lietuva / Lithuania

Phone: +370 5 2102600  
Fax: +370 5 2102659  
E-mail: vilnius@kpmg.lt  
kpmg.com/lt

## Independent auditor's opinion

To the investors of UAB Atsinaujinančios energetikos investicijos, a closed-end investment company for informed investors

### Opinion

We have performed the audit of the financial statements of UAB Atsinaujinančios energetikos investicijos, a closed-end investment company for informed investors (hereinafter referred to as the *Company*) managed by UAB Lords LB Asset Management (hereinafter – the *Management Company*). The financial statements of the Company include the following:

- the balance sheet as of 31 December 2020;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended, and
- the explanatory notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the financial statements attached hereto show the true and fair view of the financial situation of the Company as of 31 December 2020 and the financial activity results and cash flows of the year ending that day in accordance with the legal acts effective in the Republic of Lithuania.

### Grounds for stating the opinion

We have conducted the audit in accordance with the International Standards on Auditing (hereinafter – the *ISA*). Our responsibility under these standards is described in detail in the chapter 'Auditor's Responsibility for the Audit of the Financial Statements' of this opinion. We are independent from the Company and the Management Company under the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (hereinafter – the *IESBA Code*) and the requirements of the Law of the Republic of Lithuania on the Audit of Financial Statements related to audit in the Republic of Lithuania. We also adhere to other ethical requirements related to the Law of the Republic of Lithuania on the Audit of Financial Statements and the IESBA Code. We believe that the audit evidence collected by us is sufficient and appropriate to substantiate our opinion.

### Other matters

The Company's financial statements for the year ending on 31 December 2019 were not audited.

### Responsibility of the management and persons in charge of management for the financial statements



The management shall be responsible for the drawing-up of these financial statements, which show the true and fair view, and their correct presentation in accordance with the business accounting standards of the Republic of Lithuania and such internal control which, in the opinion of the management, is necessary to draw up the financial statements without any material misstatement due to fraud or error.

In drawing up the financial statements, the management must assess the company's ability to continue its operations and to disclose (if necessary) matters relating to business continuity and the application of the business continuity accounting principle, except for those cases when the management intends either to liquidate the company or to cease the activities or has no other real alternatives to doing so.

The persons in charge of management must supervise the process of the drawing-up of the financial statements of the company.

### Responsibility of the Auditor for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are not materially misstated due to fraud or error, and to issue the auditor's report, which includes our opinion. Reasonable assurance means a high level of assurance but not guarantee that a material misstatement, if any, can always be identified through an audit conducted in accordance with the IAS. Misstatements that may arise due to fraud or error shall be considered material if it can be reasonably foreseen that they, either individually or jointly, may have a big impact on the economic decisions of consumers taken on the basis of the financial statements.

In conducting the audit in accordance with the IAS, we make professional decisions and maintain the principle of professional scepticism throughout the duration of the audit. Furthermore:

- We identify and assess the risk of any material misstatements in the financial statements due to fraud or of error, plan and conduct the procedures as a response to such risks and collect sufficient appropriate audit evidence to substantiate our opinion. The risk of material misstatements due to fraud is greater than the risk of material misstatements due to error because fraud may be in the form of swindling, forgery, intentional omission, misinterpretation or failure to comply with internal controls.
- We have realised the internal controls related to the audit in order to be able to plan appropriate audit procedures suitable for specific circumstances but not in order to express an opinion on the effectiveness of the company's internal control.
- We evaluated the suitability of the applicable accounting methods and the reasonableness of the accounting estimates made by the management and related disclosures.
- We made a conclusion on the suitability of the applicable business continuity accounting principle and on the existence, based on the collected evidence, of material uncertainty related to the events and conditions, which may give rise to significant doubts on the company's ability to continue operations. If we concluded that such a material uncertainty exists, in the auditor's opinion, we must draw attention to the related disclosures in the financial statements or, if such disclosures are not sufficient, we have to modify our opinion. Our findings are based on the audit evidence that we collected up to the date of the auditor's opinion. However, future events or conditions may lead to the company's inability to continue its operations.



- We evaluated the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events so as to conform to the concept of fair presentation.

We, among other things, are obliged to inform the persons in charge of management about the scope of the audit and significant audit findings, including significant deficiencies in internal controls that we found during the audit.

On behalf of KPMG Baltics, UAB,

Domantas Dabulis  
Partner pp Certified  
Auditor

Vilnius, the Republic of  
Lithuania  
8 June 2021

*Only the Independent Auditor's Opinion presented on pages 2–4 of this document is signed by the auditor's electronic signature.*

**Balance Sheet**

	Notes	31 December 2020	31 December 2019 (adjusted)
<b>ASSETS</b>			
<b>A</b>		<b>22 420 088</b>	<b>37 118 504</b>
1.		-	-
2.		-	-
2.1.		-	-
2.1.1.		-	-
2.1.2.		-	-
2.2.		-	-
3.		-	-
3.1.		22 420 088	37 118 504
3.1.	2	4 849	1 197
3.2.	3	1 315 618	1 485 000
3.3.		-	-
3.4.		-	-
3.5.		-	-
3.6.		-	-
3.7.		-	-
3.8.		21 099 621	35 632 307
3.8.1.	22	18 348 996	35 632 307
3.8.2.		-	-
3.8.3.		-	-
3.8.4.		-	-
3.8.5.	4	2 725 625	-
3.9.	5	25 000	-
4.		-	-
4.1.		-	-
4.2.		-	-
<b>B</b>		<b>1 215 171</b>	<b>34 847</b>
1.		-	-
1.1.		-	-
1.2.		-	-
2.		800 958	-
2.1.		800 000	-
2.2.		951	-
2.3.		-	-
2.4.		7	-
3.		-	2
3.1.		-	-
3.2.		-	-
3.3.		-	2
3.3.1.		-	-
3.3.2.		-	-
3.3.3.		-	2
3.3.4.		-	-
3.4.		-	-
4.	8	414 213	34 845
<b>C.</b>	9	<b>8 000</b>	<b>119 496</b>
<b>TOTAL ASSETS</b>		<b>23 643 259</b>	<b>37 272 847</b>

The Explanatory Notes provided below form an integral part of these financial statements.

Balance Sheet (continued)

	Notes	31 December 2020	31 December 2019 (adjusted)
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>D. SHAREHOLDERS' EQUITY</b>	13	<b>21 931 033</b>	<b>(2 525 126)</b>
1. CAPITAL	10	20 823 623	2 500
1.1. Authorised (subscribed) or fixed capital		21 164 687	2 500
1.2. Subscribed capital unpaid (-)		(341 064)	-
2. SHARE PREMIUMS	10	1 153 873	-
3. REVALUATION RESERVE (RESULTS)		-	-
4. RESERVES	11	250	250
4.1. Legal		250	250
4.2. Other reserves		-	-
5. RETAINED PROFIT (LOSSES)	12	(46 714)	(2 527 876)
5.1. Profit (loss) in the reporting year		2 481 162	(2 721 657)
5.2. Profit (loss) in the previous year		(2 527 876)	193 781
<b>E. PROVISIONS</b>		-	-
1. Provisions for pensions and similar liabilities		-	-
2. Tax provisions		-	-
3. Other provisions		-	-
<b>F. ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>		<b>1 698 963</b>	<b>39 797 456</b>
1. ACCOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES	22	1 659 493	19 017 659
1.1. Debt liabilities		-	-
1.2. Financial debts to credit institutions		-	-
1.3. Advances received		-	-
1.4. Accounts payable for financial and investment assets		-	-
1.5. Accounts payable under bills of exchange and cheques		-	-
1.6. Accounts payable to companies of the group of companies		-	-
1.7. Accounts payable to associates		1 381 401	18 449 682
1.8. Liabilities under derivative financial instrument agreements		278 092	567 977
2. ACCOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES	14, 15	39 470	20 779 797
2.1. Debt liabilities		-	20 770 454
2.2. Financial debts to credit institutions		-	-
2.3. Advances received		-	-
2.4. Accounts payable for financial and investment assets		-	-
2.5. Accounts payable under bills of exchange and cheques		-	-
2.6. Accounts payable to companies of the group of companies		1 809	-
2.7. Accounts payable to associates		-	-
2.8. Accounts payable to the Management Company and the Depository		15 284	-
2.9. Other accounts payable within one year		22 377	1 458
2.10. Liabilities under derivative financial instrument agreements		-	-
2.11. Income tax liabilities		-	-
2.12. Employment related liabilities		-	7 885
2.13. Other current liabilities		-	-
<b>G. ACCRUED EXPENSES AND DEFERRED INCOME</b>	16	<b>13 263</b>	<b>517</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>23 643 259</b>	<b>37 272 847</b>

The Explanatory Notes provided below form an integral part of these financial statements.  
The financial statements were approved and signed on 8 June 2021.

Manager

Vilma Tvaronavičienė

Representative of the Accounting  
Company

Viliūnė Cibulskaitė

**Profit (Loss) Statement**

	Notes	2020	2019 (adjusted)
1. OPERATING INCOME		5 807 162	1 508 724
1.1. Interest income	22	2 875 518	1 358 724
1.2. Dividends	22	390 000	150 000
1.3. Lease income		-	-
1.4. Gain due to change in value and sale of investments	17	2 541 644	-
1.5. Foreign exchange gain		-	-
1.6. Gain from derivative financial instrument transactions		-	-
1.7. Margins		-	-
1.8. Income from deductions related to the sale (redemption) of the Company's shares		-	-
1.9. Other operating income		-	-
2. OPERATING EXPENSES	18	(349 381)	(2 792 591)
2.1. Loss due to change in value and sale of investments		(349 371)	(2 792 585)
2.2. Foreign exchange loss		(9)	(6)
2.3. Loss from derivative financial instrument transactions		-	-
2.4. Costs of sale of the Company's shares		-	-
2.5. Other operating expenses		-	-
3. GROSS PROFIT (LOSS)		5 457 782	(1283 867)
4. GENERAL AND ADMINISTRATIVE EXPENSES	19	(138 802)	(11 403)
4.1. Remuneration to the Management Company		(13 900)	-
4.2. Remuneration to the Depository		(1 385)	-
4.3. Remuneration to intermediaries		-	-
4.4. Audit costs		(5 445)	-
4.5. Other general and administrative expenses		(118 072)	(11 403)
4.6. Compensation of costs (—)		-	-
5. OTHER OPERATING RESULTS	20	(3 772)	2 601
6. INTEREST AND OTHER SIMILAR EXPENSES	21, 22	(2 834 046)	(1 428 988)
7. PROFIT (LOSS) BEFORE TAX		2 481 162	(2 721 657)
8. CORPORATE INCOME TAX	23	-	-
9. NET PROFIT (LOSS)		2 481 162	(2 721 657)

The Explanatory Notes provided below form an integral part of these financial statements.

The financial statements were approved and signed on 8 June 2021.

Manager

Viima Tvaronavičienė

Representative of the Accounting  
Company

Viliūnė Cibulskaitė

Statement of Changes in Equity as of 31 December 2020

	Paid-up authorised or fixed capital	Share premiums	Own shares (-)	Revaluation reserve		Legal reserves		Other reserves	Retained profit (loss)	Total
				Fixed tangible assets	Financial assets	Mandatory or reserve capital/capital buffer	For acquisition of own shares			
Balance at the end of the pre-previous reporting (annual) period	2 500	-	-	-	-	-	-	-	-	-
2. Result of change of accounting policy										
3. Result of correction of material errors									194 031	196 531
4. Adjusted balance at the end of pre-previous reporting (annual) period	2 500	-	-	-	-	-	-	-	194 031	196 531
5. Increase (decrease) in the value of fixed tangible assets										
6. Profit (loss) unrecognised in the Profit (loss) statement										
7. Net profit of the reporting period									(2 721 657)	(2 721 657)
8. Declared dividends and other payouts related to profit appropriation										
9. Formed reserves							250		(250)	
10. Used reserves										
11. Capital increase from sold shares and received contributions										
12. Capital decrease after redemption of shares and repayment of contributions										
13. Contributions to cover losses										
14. Balance at the end of the previous financial year (adjusted)	2 500	-	-	-	-	-	250	-	(2 527 876)	(2 525 126)
15. Increase (decrease) in the value of fixed tangible and financial assets										
16. Profit (loss) unrecognised in the Profit (loss) statement										
17. Net profit (loss) of the reporting period									2 481 162	2 481 162
18. Dividends and other payouts related to profit appropriation										
19. Formed reserves										
20. Used reserves										
		1 153 873								21 974 996
24. Balance at the end of the reporting period	20 823 623	1 153 873	-	-	-	-	250	-	(46 714)	21 931 032

The financial statements were approved and signed on 8 June 2021.

_____ Manager	_____ Vilma Tvaronavičienė
_____ Representative of the Accounting Company	_____ Vilūnė Cibulskaitė



**Cash Flow Statement as of 31 December 2020**

	31 December 2020	31 December 2019
1. CASH FLOW FROM OPERATING ACTIVITIES		
1.1. Cash flow of the reporting period	601 669	67 567
1.1.1. Cash received from sale of financial and investment assets	500 002	4 464
1.1.2. Received interest		
	11 667	3 103
1.1.3. Received dividends	90 000	60 000
1.1.4. Received lease income	-	-
1.1.5. Other operating income	-	-
1.2. Cash payouts of the reporting period	(13 558 110)	(25 923 662)
1.2.1. Payouts for acquisition of financial and investment assets and fulfilled liabilities	(13 391 201)	(25 868 548)
1.2.2. Payouts related to general and administrative needs	(163 909)	(55 114)
1.2.3. Other payouts	(3 000)	-
<b>Net cash flow from operating activities</b>	<b>(12 956 442)</b>	<b>(25 856 095)</b>
2. CASH FLOW FROM FINANCIAL ACTIVITIES		
2.1. Sale of the Company's shares, receipt of contributions	3 630 090	-
2.2. Redemption of the Company's shares, refund of contributions	-	-
2.3. Cash payments from profit	-	-
2.4. Loans received	15 058 000	26 213 500
2.5. Loans repaid	(5 288 599)	(300 000)
2.6. Interest paid	(63 681)	(28 567)
2.7. Cash flow related to other financing sources	-	-
2.8. Other increase in cash flow from financial activities	-	-
2.9. Other decrease in cash flow from financial activities	-	-
<b>Net cash flow from financial activities</b>	<b>13 335 810</b>	<b>25 884 934</b>
3. IMPACT OF CHANGE IN FOREIGN EXCHANGE ON NET CASH BALANCE	-	-
4. NET INCREASE (DECREASE) IN CASH FLOWS	379 368	28 839
5. CASH AT THE BEGINNING OF THE PERIOD	34 845	6 006
6. CASH AT THE END OF THE PERIOD	414 213	34 845

The Explanatory Notes provided below form an integral part of these financial statements.

The financial statements were approved and signed on 8 June 2021.

Manager	Vilma Tvaronavičienė	
Representative of the Accounting Company	Viliūnė Cibulskaitė	

**UAB Atsinaujinančios energetikos investicijos, a closed-end investment company for informed investors**

Company code: 304213372, address: Jogailos g. 4, Vilnius

**THE COMPANY'S FINANCIAL STATEMENTS as of 31 December 2020**

(in EUR, unless indicated otherwise)

---

**Explanatory Notes to the Financial Statements**

**I. General information**

UAB Atsinaujinančios energetikos investicijos was registered in the Register of Companies at Lvovo g. 25, Vilnius on 15 March 2016. The Company has its registered office at Jogailos g. 4, Vilnius. Based on the decision of the Supervision Service of the Bank of Lithuania dated 14 December 2020, the Company was reorganised into UAB Atsinaujinančios energetikos investicijos, a closed-end investment company for informed investors (hereinafter – the Company), after the Supervision Service of the Bank of Lithuania had approved the Articles of Association of the Company. The Company started to operate as a closed-end investment company on 16 December 2020. The Company's data are accumulated and stored at the state enterprise Centre of Registers.

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

The objective of the Company is, by offering its shares, to collectively invest the collected funds in renewable energy infrastructure objects and related assets such as renewable energy sources, energy efficiency projects, energy resources distribution and transmission networks and their storage facilities, etc. and seek to earn profit for its shareholders. The redemption of the Company's shares shall be restricted.

As of 31 December 2020, the authorised capital of the Company amounted to EUR 20 823 623 (EUR 2 500 in 2019). As of 31 December 2020, the authorised capital was divided into 21 164 687 ordinary registered shares (2 500 in 2019) with the par value of EUR 1 each. As of 31 December 2020, the Company's subscribed but unpaid amounted to EUR 341 064 (EUR 0 in 2019), whereas share premiums made up EUR 1 153 873.31 (EUR 0 in 2019). The Company does not have its own shares.

As of 31 December 2020, just as of 31 December 2019, the Company held a 30 % stake in UAB Saulės energijos projektai.

As of 31 December 2020, just as of 31 December 2019, the Company held a 100 % stake in Energy Solar Projekty Sp. z. o. o.

As of 31 December 2020, the Company held a 100 % stake in PV Energy Sp. z. o. o.

As of 31 December 2020, the Company held a 100 % stake in JTPG, UAB.

The Company's financial year coincides with the calendar year. The Company will operate until 5 February 2026. The term of the Company's operations may be extended for another 2 years.

The Company is managed by UAB LORDS LB Asset Management (hereinafter – the *Management Company*), set up and registered on 8 September 2008, company code 301849625, having its registered office at: Jogailos g. 4, Vilnius, Lithuania. Data on the Management Company are accumulated and stored in the Register of Legal Entities of the Republic of Lithuania. By the decision of the Securities Commission of the Republic of Lithuania of 23 December 2008, UAB LORDS LB Asset Management was issued Licence No. VJK – 016 to engage in the activities of management companies operating under the Law on Collective Investment Undertakings of the Republic of Lithuania. By Decision No. 03-201 of the Board of the Bank of Lithuania dated 5 December 2013 the management company's Licence No. VJK – 016 was expanded and it was granted the right to manage collective investment undertakings established under the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania. On 23 June 2015, the Management Company was issued Licence No. 1 to engage in the activities of the management company operating under the Law on Management Companies of Collective Investment Undertakings Intended for Qualified Investors.

The Depository of the Company is AB SEB bankas, company code 112021238, registered office address: Gedimino pr. 12, 01103 Vilnius, Lithuania.

The audit company of the Company is UAB KPMG Baltics, legal entity code 111494971, registered office address: Lvovo g. 101, LT-08104 Vilnius, Lithuania.

## **II. Accounting policy**

The main accounting principles applied to the drawing up of the Company's financial statements for 2020 are as follows:

These financial statements have been prepared in compliance with the Law on Accounting of the Republic of Lithuania, the Law on Financial Reporting by Undertakings of the Republic of Lithuania and the Business Accounting Standards effective as of 31 December 2020, which comprise the standards and methodological recommendations prepared and approved by the Authority of Audit, Accounting, Property Valuation and Insolvency Management.

These financial statements have been drawn up on the basis of the principle of business continuity and precondition that the Company will be able to carry out its activities in the immediate future. According to the Company's Prospectus and Articles of Association, the Company will operate until 5 February 2026 with the possibility of extending its activities for another 2 years.

The Company's financial books and records are maintained separately from those of the Management Company according to the approved chart of accounts. The Company complies with the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania (LCIUII).

The values of the Company's net assets (NAV) and shares as well as all amounts shown in these financial statements are presented in the national currency of the Republic of Lithuania, Euro. Upon initial recognition, foreign currency transactions are accounted for applying the foreign exchange rate applicable as of the transaction date.

The Company took advantage of Article 52(6) of Chapter IV of the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania, under which a collective investment undertaking is not obliged to draw up a consolidated set of financial reports in relation to the undertakings acquired by the collective investment undertaking for the purposes of investment (please refer to this Article).

### **1. Investments of the Company**

The objective of the Company is to earn a return for the Company's investors on investment in renewable energy infrastructure objects and related assets. Renewable energy infrastructure objects and related assets include renewable energy sources, energy efficiency projects, energy resource distribution and transmission networks and their storage facilities, etc.

By investing in infrastructure objects and related assets, the Company acquires equity and non-equity securities, including convertible bonds, movable and immovable properties.

The Company's temporarily available funds may be invested into: (1) EU government bonds with a maturity not exceeding 3 years, liquid and with an investment rating (by S&P or alternative certified rating agency), (2) deposits held in EU credit institutions with a maturity not exceeding 1 year.

The Company may conclude derivative financial instrument transactions only for the purposes of risk management, thus seeking to hedge the Company's portfolio against potential adverse market changes.

### **2. Risks related to the Company's investments and risk management**

#### *General risk*

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

#### *Market risk*

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

## II. Accounting policy (continued)

### 2. Risks related to the Company's investments and risk management (continued)

#### *Liquidity risk*

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

#### *Property development risk*

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

#### *Limited diversification risk*

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

#### *Currency risk*

The Company's investments will be mainly made in the Euro; therefore, there is a risk that the euro will depreciate against other currencies, as a result of which the value of the Company's investments can decrease. To mitigate this risk, the Company will hedge against exchange rate risks using derivative financial instruments but neither the Company nor the Management Company can guarantee that these hedges will cover the entire or majority of the investment portfolio.

#### *Interest rate risk*

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

#### *Tax risk*

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

#### *Political and legal risk*

A company which invests in one geographic region or economic sector is exposed to higher political and/or legal risks. Political risks are inherent to all the developing countries. They are high in the countries that are not members of the European Union, especially in the developing countries. Political instability in the country may lead to legal, tax, fiscal and regulatory changes such as nationalisation, confiscation, restriction of the free movement of capital and other political decisions which may have an adverse effect on the value of the Company's Share. The value of the Company's shares or the amount of investment income of the Shareholder may be affected by changes in legislation and tax environment. To mitigate this risk, the Company will seek to refrain from investing in regions with high political and legal risks or to remove the Company's investments from eminently higher-risk regions as soon as possible.

#### *Geopolitical risk*

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

## **II. Accounting policy (continued)**

### **2. Risks related to the Company's investments and risk management (continued)**

#### *Company's property valuation risk*

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

#### *Fluctuation risk*

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

### **3. Criteria for recognition of assets and liabilities**

The increased value of cash in bank or the value of acquired cash equivalents is reported in the cash account. The decreased value of this account is respectively included into reporting as well.

Financial assets are entered into accounting records when the Company is granted or acquires the right to receive cash or other financial assets. Planned transactions, guarantees and warranties obtained are not recognised as the Company's assets until they comply with the definition of financial assets. Acquired assets are recorded at the date of transfer of the right of ownership.

Financial liabilities are recorded when the Company assumes the obligation to pay the money or settle accounts using other financial assets. Planned transactions, issued guarantees and warranties that are not yet due are not recognised as the Company's liabilities as long as they don't meet the definition of financial liabilities.

### **4. Rules of accounting for deductions to the Management Company and the Depository and other expenses**

The Company's Management Fee, Depository service fees, auditors' fees, Company's incorporation (business structuring) costs, investment object acquisition, management and sale costs, costs of financial institutions, remuneration to the Company's property valuers, Company's accounting, fees of NAV calculation and share value determination services, currency exchange fees, costs of hedging with currency exchange and interest rate swaps, litigation costs, costs related to loans obtained on behalf of the Company exceeding income from loans granted on behalf of the Company to its SPV, fees for the management of the Company's securities and other accounts, fees for the safekeeping of the Company's securities, fees for the management of the shareholders' personal securities accounts, costs of execution, registration and deregistration of security instruments, costs of enforced recovery, state and municipal fees and charges, costs of preparation, translation and presentation of information on the Company, costs of preparation and revision of the Articles of Association, the Prospectus and the Key Investor Information Document, consultancy costs, notary fees, costs of registration and legal services, costs of insurance for the persons of the Management Company responsible for the Company's activities, costs incurred by the Investment Committee in connection with the Company's activities, and the Company's presentation costs shall be covered from the Company's assets. The amount of all these costs should not exceed 5 % of the Company's average annual NAV.

The maximum cost rates on the Company's average annual NAV have also been set for certain types of costs:

<b>Cost item</b>	<b>Maximum rate</b>
Depository fee	0.20 %
Auditors' fees	1.00 %
Remuneration to financial intermediaries	1.00 %
Investment object management costs	2.50 %

In addition, the Company's incorporation costs covered from the Company's bank account will not exceed EUR 30,000 if the Company's investments are made only through the companies and/or other entities established in the Republic of Lithuania. The surplus of this amount will be covered by the Management Company. When making investments through the companies and/or entities established in other states at the Investors' request, the incorporation costs exceeding EUR 30,000 shall be covered by the Investors.

The Management Fee is the remuneration paid to the Management Company for the management of the Company's assets, which is calculated under the following procedure:

- From the start of the Company's activities until the expiry of the Investment Period – 1.5 % on the amount of Commitments given by all the Investors to the Company under the Investment Agreements. The Management Fee shall be paid to the Management Company pro rata to the amount of all the Commitments given to the Company;

## II. Accounting policy (continued)

### 4. Rules of accounting for deductions to the Management Company and the Depository and other costs (continued)

- Upon the expiry of the Investment Period, the Management Fee is calculated on the actual amount invested by the Shareholders in the Company.

The Articles of Association of the Company provide for the Success Fee to the Management Company which depends on the Company's net return on investment for the entire life period. When the 8 % hurdle rate is exceeded, the Success Fee is accounted for on the accrual basis.

All other deductions to the Management Company and the Depository and other costs are accounted for on the accrual basis.

### 5. Methods and assumptions used in the valuation of assets and liabilities, periodicity of revaluation of investments

Investments into associates and subsidiaries which were acquired without the intention to sell them within 12 months are accounted for in compliance with the procedure laid down in Business Accounting Standard No. 15 *Investments in associates* and Business Accounting Standard No. 16 *Consolidated financial statements and investments in subsidiaries* and are stated at acquisition cost. The acquisition cost is adjusted only in such cases where the recoverable value of investments decreases. A decrease in the value of investments is accounted for under the procedure laid down in Business Accounting Standard No. 23 *Impairment of assets*. When applying the cost method, the value of investment is invariable and is not affected by the performance of the company in which investments are made. The investor does not record the share of profit (loss) from the company in which he invested in his accounting books and records. The investor enters into his accounting books only the income received by him when the company in which the investments were made pays out dividends.

Investments in associates and subsidiaries which are to be sold within 12 months and calculation of other assets and liabilities must be based on the fair value, except in such cases where it is impossible to determine it reliably. The fair value of assets and liabilities is determined on the basis of observable market transactions or market information. If there are no observable market transactions or market information related to assets and liabilities, the fair value is determined using the valuation methodologies. When determining the fair value, the same objective, i.e., to calculate the amount for which the parties to the transaction can sell assets or services or transfer a liability to each other under an arm's length transaction on the value determination date, should be sought in all cases.

The fair value of instruments traded on trading venues shall be determined as follows:

- Equity securities and units of collective investment undertakings – on the basis of the closing price of the last trading session on the main market indicated in the specification of the NAV calculation procedures and announced publicly.

- Other instruments – on the basis of the closing price of the last trading session of the main market indicated in the specification of the NAV calculation procedures and announced publicly;

Non-equity securities and money market instruments that are not traded on trading venues are valued according to the applicable accounting standards. Derivative financial instruments are valued according to the applicable accounting standards and the NAV calculation procedures of the Management Company which are prepared on the basis of the Net Asset Value Calculation Methodology approved by the Supervisory Authority.

Term deposits held in banks are valued at amortised cost. Cash at hand and in bank are stated at their nominal value.

Equity securities that are not traded on trading venues are valued on the basis of the valuation carried out by an independent business valuator entitled to practice this activity. Equity securities that are not traded on trading venues are valued at least once per year provided that no material economic changes that require a new valuation have occurred. Equity securities that are not traded on trading venues are valued in compliance with the NAV determination procedure approved by the Management Company.

The fair value of infrastructure objects and related assets that are both directly owned by the Company and the special purpose vehicles (SPV) acquired or set up by the Company is determined on the basis of the valuation report submitted by the independent property valuator who has the right to carry out a valuation and meets the criteria laid down in the Company's incorporation documents. Infrastructure objects will be valued at least once per year provided that no material economic changes that require a new valuation have occurred. If the Company's investments are made through SPV, the SPV's equity securities will be valued having regard to the value of the infrastructure objects acquired by the SPV, i.e., in all cases when the valuation of infrastructure objects is carried out, a valuation of the securities held by the SPV must be carried out. During the valuation, an independent valuator determines the values the infrastructure objects and the SPV business separately. After an independent valuator has determined and provided both values (of infrastructure objects and the business), the value of the SPV's equity securities is obtained and it is deemed the fair value of the Company's assets. Other assets are valued according to the most likely selling price determined according to the selected valuation method (specified in the NAV calculation procedures) which is universally recognised and applied on the financial market.

Interest income and expenses are recognised on the accrual basis if it is likely that economic benefit will be received and the amount of income or expenses can be reliably determined.

## II. Accounting policy (continued)

### 6. Retrospective changes

When the Company became an investment company, the values of the assets which will be sold within 12 months and of investments into associates in 2019 were recalculated retrospectively into the fair values in compliance with the accounting policy described above (see p. 1 of the Notes).

### 7. Net asset value (NAV) calculation procedure

The NAV is calculated by subtracting the Company's liabilities from the value of the Company's assets. When calculating the NAV, the values of the Company's assets and liabilities are calculated separately.

### 8. Rules for determination of the share value

The value of the shares is determined by dividing the NAV by the number of all the shares in circulation. The value of the shares (parts thereof) is determined with a precision of four decimal places and is rounded according to the mathematical rounding rules. The value of the all the shares in calculation is equal to the Company's NAV at all times.

### 9. Cash equivalents

Cash includes cash in the Company's bank accounts. Short-term deposits (up to 3 months) that cannot be taken from the account of the credit institution without losing accrued interest are assigned to term deposits. Term deposits are accounted for at the nominal value with interest accruing on a straight-line basis until the end of the term.

### 10. Use of estimates in drawing up the financial statements

When preparing the financial statements in compliance with the Business Accounting Standards, the management needs to make certain assumptions and assessments that affect the presented amounts of assets, liabilities, income and expenses, and disclosures of contingencies. Future events may change the assumptions used for assessments. The result of changes in such assessments will be recorded in the financial statements once it is determined.

### 11. Contingencies

Contingent liabilities are not recognised in the financial statements. They are described in the financial statements, except in such cases where the probability that the resources giving economic benefit will be lost is very low.

Contingent assets are not recognised in the financial statements but they are described in the financial statements when it is likely that income or economic benefit will be received.

### 12. Post balance sheet events

Post balance sheet events that provide further evidence on the condition of the Company as of the Company's balance sheet date (adjusting events) are reflected in the financial statements. Post balance sheet events that are non-adjusting events are reported in the Notes, when material.

\_\_\_\_\_  
Manager

\_\_\_\_\_  
Vilma Tvaronavičienė

\_\_\_\_\_  
Representative of the Accounting Company

\_\_\_\_\_  
Viliūnė Cibulskaitė

III. Notes

1 Changes in accounting policies

Assets

Amounts owed by companies of the group of companies  
 Shares in associated entities

Change	2019 (adjusted)	2019
(2 531 532)	-	2 531 532
(19349)	1 485 000	1 504 349
(2 550 881)	1 485 000	4 035 881

Equity capital

Profit (loss) for the reporting year

Change	2019 (adjusted)	2019
(2 550 881)	(2 721 657)	(170 776)
(2 550 881)	(2 721 657)	(170 776)

Profit (loss)

Losses due to change in value and sale of investments

Change	2019 (adjusted)	2019
(2 550 881)	(2 792 585)	(241 704)
(2 550 881)	(2 792 585)	(241 704)

Due to the change of the Company's accounting policy (see Paragraph 6 of the Accounting Policy), the Company's investments have been recalculated and accounted in terms of fair value.

2 Shares in the companies of the group of companies

Shares owned by the Company as of 31 December 2020:

	Quantity	31/12/2019	Acquired	Sold (redeemed)	Change of value	31/12/2020
Energy Solar Projekty Sp. z. o. o.	100%	1 197	-	-	-	1 197
Agro Lestene AS	100%	1	-	(1)	-	-
Zalas Zemes Energija AS	100%	1	-	(1)	-	-
PV Energy Sp. z. o. o.	100%	-	1 151	-	-	1 151
JTPG, UAB	100%	-	2 500	-	-	2 500
<b>Total</b>		<b>1 199</b>	<b>3 651</b>	<b>(2)</b>	<b>-</b>	<b>4 848</b>

Shares owned by the Company as of 31 December 2019:

	Quantity	31/12/2018	Acquired	Sold (redeemed)	Change of value	31/12/2019
Energy Solar Projekty Sp. z. o. o.	100%	1 197	-	-	-	1 197
Agro Lestene AS	100%	-	35 816	-	(35 815)	1
Zalas Zemes Energija AS	100%	-	205 890	-	(205 889)	1
<b>Total</b>		<b>1 197</b>	<b>241 706</b>	<b>-</b>	<b>(241 704)</b>	<b>1 199</b>

During 2020, the Company sold its short-term investments – 100% of shares it had in each of the two companies Agro Lestene AS and Zalas Zemes Energija AS. It also acquired 100% in PV Energy Sp. Z. o. o. and 100 % of shares in JTPG, UAB.

Main indicators of the subsidiaries

	Acquisition cost, EUR	Equity capital	Net profit (loss) for 2020
Energy Solar Projekty Sp. z. o. o.	1 197	(11 899 736)	(6 586 644)
PV Energy Sp. z. o. o.	1 151	135 281	136 378
JTPG, UAB	2 500	3 064	619
<b>Total</b>	<b>4 849</b>	<b>(11 761 392)</b>	<b>(6 449 647)</b>

3 Shares in associated entities

Shares held by the Company in associated entities as of 31 December 2020

	Quantity	31/12/2019	Acquired	Sold (redeemed)	Change of value	31/12/2020
UAB Saulės energijos projektai	30%	1 485 000	-	-	(169 382)	1 315 618
<b>Total</b>		<b>1 485 000</b>	<b>-</b>	<b>-</b>	<b>(169 382)</b>	<b>1 315 618</b>

The value of the shares of the associated entity has been reduced by the dividends paid after the valuation date performed on 30 September 2020.

Shares held by the Company in associated entities as of 31 December 2019

	Quantity	31/12/2018	Acquired	Sold (redeemed)	Change of value	31/12/2019
Saulės Energijos Projektai, UAB	30%	1 504 349	-	-	(19 349)	1 485 000
<b>Total</b>		<b>1 504 349</b>	<b>-</b>	<b>-</b>	<b>(19 349)</b>	<b>1 485 000</b>

4 Other amounts receivable

	2020	2019
Amounts receivable at the discounted amount of money	2 797 694	-
Accrued interest	107 920	-
Change in value	(179 989)	-
	<b>2 725 625</b>	<b>-</b>

On 21 January 2020, the Company sold the shares and loans it held in Agro Lestene and Zalas Zemes Energija (hereinafter – the Short-term Investment) to a third party, for which the buyer will settle by instalments (hereinafter – the Receivable Amount). To account the Receivable Amount, the Company applied the discount rate to discount the Receivable Amount into the present value.

In the valuation report of 30 September 2020, an independent valuator, in addition to the value of shares, also evaluated the Receivable Amount discounted by the value method. Respectively, according to the asset valuation report, the Company also evaluated, as of 31 December 2020, the change in value between the discounted Receivable Amount and accrued interest calculated by the Company and the discounted Receivable Amount and accrued interest according to the discount rate determined by the independent valuator.

5 Other non-current financial assets

	2020	2019
Advances paid	25 000	-
	<b>25 000</b>	<b>-</b>



III. Notes (continued)

6 Amounts receivable within one year

	2020	2019 (adjusted)
Portion of the Receivable Amount in the current year	800 000	-
Debts of the Group's companies	951	-
Taxes overpaid	6	-
Loans granted	-	2 389 500
Impairment of loans granted (-)	-	(2 389 500)
Interest on loans granted	-	142 032
Impairment of interest on loans granted (-)	-	(142 032)
	<b>800 957</b>	<b>-</b>

According to the valuator's report of 30 November 2019, the Company's loans to associated entities were depreciated to EUR 0. On 21 January 2020, those loans were sold to a third party (see Notes 1, 2 and 17).

7 Short-term Investments

	2020	2019 (adjusted)
AS Agro Lestene	-	35 816
AS Zala Zemes Energija	-	205 890
Impairment of investment assets	-	(241 704)
	<b>-</b>	<b>2</b>

On 13 September 2019, the Company acquired 100% in the companies AS Agro Lestene and AS Zala Zemes Energija. Based on the concluded share sale agreement, those shares were depreciated retrospectively on 31 December 2019, while adjusting the Company's book value of shares, costs, and equity capital as of 31 December 2019 (see Note 1). The shares owned were sold to a third party on 21 January 2021 together with the owned Short-term Investment (see Notes 4 and 6).

8 Cash and cash equivalents

	2020	2019 (adjusted)
Cash in bank	414 213	34 845
	<b>414 213</b>	<b>34 845</b>

9 Deferred costs and accrued income

	2020	2019 (adjusted)
Accrued income from management services	8 000	54 620
Accrued income from the commitment fee	-	64 877
	<b>8 000</b>	<b>119 496</b>

10 Authorised capital

As of 31 December 2020, the Company's authorised capital amounted to EUR 20 823 623 (in 2019 – EUR 2 500), out of which EUR 21 164 687 (in 2019 – EUR 2 500) is the whole subscribed share capital and EUR (341 064)(in 2019 m. – EUR 0) is the subscribed unpaid authorised capital.

	2020	2019 (adjusted)
Subscribed paid-up authorised capital	21 164 687	2 500
Subscribed non-paid-up authorised capital	(341 064)	-
<b>Authorised capital</b>	<b>20 823 623</b>	<b>2 500</b>

In 2020, the Company issued 21 162 187 ordinary registered uncertificated shares. The issue price of part of the shares was higher than the face value, so share premiums were formed:

	2020	2019 (adjusted)
Share premium account	1 153 873	-
	<b>1 153 873</b>	<b>-</b>

11 Reserves

The legal reserve is mandatory in accordance with the legal acts of the Republic of Lithuania. It is mandatory to transfer to the legal reserve each year at least 5% of net profit calculated in accordance with the Lithuanian accounting principles until the reserve reaches 10% of the authorised capital. In 2019, the Company met this requirement; in 2020, the legal reserve has not yet been formed.

12 Draft profit distribution

The draft profit distribution was not prepared as of the day of the signing of these financial statements.

13 Net asset value and share price

The Company started to carry out investment activities upon the approval of the Company's Articles of Association by the Supervision Service of the Bank of Lithuania – on 16 December 2020. The Company calculated the net asset value on 31 December 2020. For the purposes of comparison, the Company has also calculated the net asset value as of the beginning of the activities:

	31/12/2020	15/12/2020	31/12/2019
Net asset value, EUR	30 482 766	26 887 641	-
Share price, EUR	1.4639	1.4655	-
Paid-up authorised capital (quantity of shares)	20 823 623	18 347 500	-

When allocating the Company's available funds, including that at the time of the end of the Company's activities, the management company is paid a success fee if the Company's net return exceeds the minimum return threshold. As of 31 December 2020, the Company's net return was (3.1) %, so it did not exceed the minimum return threshold of 8%.

Difference between the Company's equity capital and net asset value

According to the NAV calculation policy, the Company accounts the assets and liabilities, insofar as this is possible, at fair value. Meanwhile, these financial statements account investments in subsidiaries and associates that were acquired without planning to sell them within a period of 12 months in accordance with 15 BAS. Respectively, below is the difference between the Company's assets, liabilities and equity capital accounted in terms of fair value and assets, liabilities and equity capital accounted at cost.

	Difference	Cost	Fair value
<b>ASSETS</b>			
NON-CURRENT ASSETS	(11 302 358)	19 669 463	30 971 821
FINANCIAL ASSETS	(11 302 358)	19 669 463	30 971 821
Investments in companies of the group of companies	(8 590 058)	4 849	8 594 907
<b>TOTAL ASSETS</b>	<b>(11 302 358)</b>	<b>20 892 633</b>	<b>32 194 992</b>
<b>EQUITY AND LIABILITIES</b>			
EQUITY	(8 551 733)	21 931 033	30 482 766
RETAINED PROFIT (LOSS)	(8 551 733)	(46 714)	8 505 020
Profit (loss) for the reporting year	(2 817 095)	2 481 162	5 298 258
Profit (loss) brought forward	(5 734 638)	(2 527 876)	3 206 762
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(8 551 733)</b>	<b>23 643 259</b>	<b>32 194 992</b>

III. Notes (continued)

13 Net asset value and share price (continued)

The Company's investments in subsidiaries and associates have been accounted in terms of fair value according to the NAV

on 31 December 2020:

	Quantity	31/12/2019	Acquired	Sold (redeemed)	Change of value	31/12/2020
Energy Solar Projekty Sp. z. o. o.	100%	5 735 108	-	-	2 832 298	8 567 406
Agro Lestene AS	100%	1	-	(1)	-	-
Zalas Zemes Energija AS	100%	1	-	(1)	-	-
Saulės Energijos Projektai, UAB	30%	1 485 727	-	-	(170 109)	1 315 618
PV Energy Sp. z. o. o.	100%	-	1 151	-	(1 150)	1
JTPG, UAB	100%	-	2 500	-	-	2 500
UAB Raguvelės vejas	-	-	25 000	-	-	25 000
<b>Total</b>		<b>7 220 837</b>	<b>28 651</b>	<b>(2)</b>	<b>2 661 039</b>	<b>9 910 525</b>

As of 31 December 2019:

	Quantity	31/12/2018	Acquired	Sold (redeemed)	Change of value	31/12/2019
Energy Solar Projekty Sp. z. o. o.	100%	1 197	-	-	5 733 911	5 735 108
Agro Lestene AS	100%	-	35 816	-	(35 815)	1
Zalas Zemes Energija AS	100%	-	205 890	-	(205 889)	1
Saulės Energijos Projektai, UAB	30%	1 505 301	-	-	(19 574)	1 485 727
<b>Total</b>		<b>1 506 498</b>	<b>241 706</b>	<b>-</b>	<b>5 472 633</b>	<b>7 220 837</b>

Assumptions for the assessment of the shares of subsidiaries

The fair value of equity securities has been determined on the basis of the independent valuator's valuation report as of 30/09/2020 (the date of the valuation reports – 07/12/2020). The share value is affected by the reports on the valuation of the assets managed by the companies themselves. In evaluating the assets owned by the companies, the following valuation assumptions were relied on:

- The valuation method for UAB Saulės energijos projektai – income-based valuation method; discount rate – 3.65% to 5.56%. Capitalisation rate – 5.56%.
- The valuation method for Energy Solar Projekty Sp. z. o. o. – asset-based valuation method. The companies managed by the company were based on the income-based valuation method; discount rates – 3.90% to 7.03%.
- PV Energy Sp. z. o. o. was not evaluated due to the lack of data on the company. Respectively, based on a decision of the Company's manager, the company's shares have been depreciated to EUR 1.
- UAB JTPG was acquired after the drawing-up of the valuation and, therefore, was not evaluated.
- An advance payment was made for the shares of UAB Raguvelės vejas, but the right of ownership in those shares have not yet passed to the Company.

14 Debt obligations to related persons

	2020	2019 (adjusted)
Other amounts payable	1 809	-
Loans received	-	200 000
Interest on loans received	-	1 166
<b>Total</b>	<b>1 809</b>	<b>201 166</b>

In 2020, the Company repaid a short-term loan and accrued interest to related persons.

15 Other short-term amounts payable

	2020	2019 (adjusted)
Trade payables	22 174	1 458
Amounts payable to the management company	13 900	-
Amounts payable to the depositary	1 385	-
Liabilities related with labour relations	203	7 885
Loans received	-	20 000 000
Interest on loans received	-	569 288
<b>Total</b>	<b>37 661</b>	<b>20 578 631</b>

In 2020, the Company repaid a short-term loan and accrued interest to third parties.

16 Accrued expenses and deferred income

	2020	2019 (adjusted)
Accrued accounting expenses	4 477	-
Accrued audit expenses	5 445	-
Accrued expense from consulting management services	3 341	-
Accrued expense from accounting and safekeeping of securities	-	517
<b>Total</b>	<b>13 263</b>	<b>517</b>

17 Profit due to change in value and sale of investments

	2020	2019 (adjusted)
Profit from the sale of loans	2 541 644	-
<b>Total</b>	<b>2 541 644</b>	<b>-</b>

According to the valuator's report of 30 November 2019, the Company's loans to associated entities were depreciated to EUR 0. On 21 January 2020, those loans were sold to a third party (see Notes 2 and 6).

18 Losses due to change in value and sale of investments

	2020	2019 (adjusted)
Loss from the impairment of the receivable amount	179 989	-
Loss from the impairment of shares	169 382	261 053
Negative impact of currency exchange rate	9	6
Loss from the impairment of loans	-	2 531 532
<b>Total</b>	<b>349 380</b>	<b>2 792 591</b>

III. Notes (continued)

19 General and administrative costs

	Amount charged in 2020	% from the average net asset value of the reporting period	Maximum amount of deductions
Management fee	13 900	0.05%	
Depositary charge	1 385	0.00%	0.20%
Audit costs	5 445	0.02%	1.00%
Cost of investment objects	-	0.00%	2.50%
Other operating costs	118 072	0.39%	
	<b>138 802</b>	<b>0.46%</b>	<b>5.00%</b>

Structure of other general and administrative costs

	2020	2019 (adjusted)
Legal and notary services	66 629	1 056
Personnel remuneration and social insurance costs	17 721	5 480
Consultancy and professional services costs	21 007	636
Accounting costs	7 165	957
Business travel costs	824	658
Other general and administrative expenses	4 725	2 616
	<b>118 072</b>	<b>11 403</b>

20 Other operating results

	2020	2019 (adjusted)
Legal and notary services	777	30 701
Personnel remuneration and social insurance costs	27 966	4 816
Consultancy and professional services costs	6 279	4 367
Accounting costs	1 971	3 000
Business travel costs	1 211	424
Other general and administrative expenses	6 400	8 711
<b>Total costs:</b>	<b>44 604</b>	<b>52 019</b>
Margin	2 230	2 601
<b>Total income</b>	<b>46 834</b>	<b>54 620</b>
Corrections of previous year	(6 002)	-
<b>Net result</b>	<b>(3 772)</b>	<b>2 601</b>

21 Interest and other similar expenses

	2020	2019 (adjusted)
Interest on bonds and loans	2 834 046	1 428 988
	<b>2 834 046</b>	<b>1 428 988</b>

22 Transactions of related parties

Transactions with other related parties

2020	Dividends received	Interest revenue	Receivables	Interest expenses	Amounts payable
Shareholder	-	-	-	2 809 121	1 381 401
Associate	390 000	-	-	10 114	278 092
Other related persons	-	2 767 598	18 356 996	3 155	-
	<b>390 000</b>	<b>2 767 598</b>	<b>18 356 996</b>	<b>2 822 391</b>	<b>1 659 493</b>

2019 (adjusted)	Dividends received	Interest revenue	Receivables	Interest expenses	Amounts payable
Shareholder	-	-	-	880 465	18 449 682
Associate	150 000	-	-	15 446	567 977
Other related persons	-	1 358 724	38 163 839	28 667	201 167
	<b>150 000</b>	<b>1 358 724</b>	<b>38 163 839</b>	<b>924 578</b>	<b>19 218 826</b>

As of 31 December 2020, the Company had bonds non-redeemed from the Shareholder:

	Redemption date	Amount, EUR
Shareholder	05/01/2026	1 381 401
		<b>1 381 401</b>

As of 31 December 2019, the Company had bonds non-redeemed from the Shareholder:

	Redemption date	Amount, EUR
Shareholder	05/01/2026	17 542 647
		<b>17 542 647</b>

As of 31 December 2020, the Company had loans non-repaid to other related persons:

	Grant date	Repayment due date	Amount, EUR
Associate	30/06/2016	30/06/2025	183 315
			<b>183 315</b>

As of 31 December 2019, the Company had loans non-repaid to other related persons:

	Grant date	Repayment due date	Amount, EUR
Associate	30/06/2016	30/06/2025	483 315
Related person 1	14/12/2018	05/05/2020	200 000
			<b>683 315</b>

III. Notes (continued)

22. Transactions of related parties (continued)

As of 31 December 2020, the Company had a loan granted to other related persons:

	Grant date	Repayment due date	Amount, EUR
Subsidiary 1	25/11/2019	05/01/2026	14 950 000
Subsidiary 2*	14/10/2020	05/01/2026	1 275 000
			<b>16 225 000</b>

\* The Company has performed an internal evaluation model of Subsidiary 2, according to which, by the evaluation of the Company, there are no signs of the impairment of the loan.

As of 31 December 2019, the Company had a loan granted to other related persons:

	Grant date	Repayment due date	Amount, EUR
Subsidiary 1	25/11/2019	05/01/2026	12 021 452
			<b>12 021 452</b>

23 Corporate income tax

	2020	2019 (adjusted)
Components of corporate income tax		
Pre-tax profit (loss)	2 481 162	-
Additionally allowed	(9 247)	-
Non-taxable income	(3 158 323)	(5 883 911)
Non-allowable deductions	432 024	2 794 073
Implied interest revenue	1 849	12 414
<b>Taxable profit (tax losses)</b>	<b>(252 534)</b>	<b>(65 396)</b>
Use of tax losses taken over from the group of companies	-	-
Use of accrued previous year's tax losses	-	-
Taxable profit (tax losses) after the use of the losses	-	-
Corporate income tax of the reporting period	-	-

According to the Law on Corporate Income Tax of the Republic of Lithuania, the income of collective investment undertakings shall not be taxed and their costs, respectively, are non-allowable deductions.

	2020	2019 (adjusted)
Components of income (costs) from corporate income tax		
Corporate income tax costs of the reporting period	-	-
Income (costs) of deferred corporate income tax	-	-

Income (costs) of corporate income tax recorded in the profit (loss) statement

	2020	2019 (adjusted)
Deferred corporate income tax assets		
Provisions for bad debts	-	-
Accumulations	-	7
Accumulated tax losses	72 696	34 754
Depreciation of investments	-	36 256
Deferred tax assets before decrease in realisable value	<b>72 696</b>	<b>71 016</b>
Minus: decrease in realisable value	(72 696)	(71 016)
Deferred tax assets in fair value	-	-
Liability of deferred corporate income tax		
Difference of the depreciation of non-current tangible assets between the financial and tax value	-	-
Deferred tax liability	-	-
Deferred tax in fair value	-	-

Deferred tax assets were accounted using a rate of 15%. When the Company became an investment undertaking, the taxation of the Company changed respectively in accordance with the provisions of the Law on Corporate Income Tax of the Republic of Lithuania. Therefore, deferred corporate income tax assets as of 31 December 2020 are not recognised from tax losses and accumulations because the Company will not have the possibility to realise the accumulated tax losses.

	2020	Recognised in the profit (loss) statement	Non-recognised in the profit (loss) statement	2019 (adjusted)
Provisions for bad debts				
Accumulations	-		(44)	44
Accumulated tax losses	484 642		247 276	237 365
Correction of the accumulated tax losses of previous periods			5 675	(5 675)
Depreciation of investments	-		(241 704)	241 704
Difference of the depreciation of non-current tangible assets between the financial and tax value				
Total temporary differences before decrease in realisable value	<b>484 642</b>	-	<b>11 203</b>	<b>473 438</b>
Minus: decrease in realisable value	(484 642)	-	(11 203)	(473 438)
Deferred tax assets in fair value	-	-	-	-
Profit before tax	2 481 162			(2 721 657)
Corporate income tax (costs) accounted with application of the rate provided for by law in Lithuania.	-			-
Total Income (costs) from corporate income tax	-			-

Deferred tax assets were accounted using a rate of 15%. When the Company became an investment undertaking, the taxation of the Company changed respectively in accordance with the provisions of the Law on Corporate Income Tax of the Republic of Lithuania. Therefore, deferred corporate income tax assets as of 31 December 2020 are not recognised from tax losses and accumulations because the Company will not have the possibility to realise the accumulated tax losses.

III. Notes (continued)

24 Information on the distribution of the investment instruments portfolio of the collective investment undertaking

BY ASSET CLASS	31/12/2020		31/12/2019*	
	Market value, EUR	Portion of assets, %	Market value, EUR	Portion of assets, %
Cash	32 194 992	154.10%	43 007 485	115.39%
Deposits	414 213	1.98%	34 845	0.09%
Money market instruments	-	0.00%	-	0.00%
Non-equity securities	-	0.00%	-	0.00%
Equity securities	18 335 671	87.76%	35 632 307	95.60%
Other instruments	9 885 525	47.32%	7 220 835	19.37%
BY CURRENCIES	3 559 582	17.04%	119 498	0.32%
EUR	32 194 992	200.00%	43 007 485	100.00%

\*The Company became an investment undertaking in December 2020; therefore, the data for 2019 are provided for purposes of comparison only.

25 Return on investments and risk indicators of the collective investment undertaking

	This	Reporting period		
		1 year ago	2 years ago	10 years ago
Change in share value, EUR*	(0.0016)	-	-	-
Annual total return on investment*	-1.86%	-	-	-
Annual net return on investment*	-3.10%	-	-	-
Standard deviation of change in share value, EUR*	-	-	-	-

\* Change in share value is calculated from 16 December 2021 – the day when the Company became a closed-end investment company.

The above indicators have been calculated from the moment when the Company became an investment undertaking - 16/12/2020. The Company's net asset value, share price as well as net return and total return during the reporting period were determined once – as of 31 December 2020; therefore, there are no comparable data.

	During the last year			From the commencement of activities
	3 years	5 years	10 years	
Average change in share value	-	-	-	(0.0011)
Average total return on investment	-	-	-	-1.86%
Average net return on investment	-	-	-	-3.10%
Standard deviation of change in share value	-	-	-	(0.0016)

The Company's net asset value, share price as well as net return and total return during the reporting period were determined once – as of 31 December 2020; therefore, there are no comparable data.

Share value	In this period		In last period	
	Date	Value	Date	Value
	31/12/2020	1.4639	-	-

Annual net return on investment means the return on investment the calculation of which takes into account trading and management costs.

Annual total return on investment means the return on investment the calculation of which takes into account trading costs.

Standard deviation of change in share value means the statistical risk indicator showing how strong changes in share value fluctuations are compared to their average change.

Average change in the value of an accounting (investment) unit means the geometrical average of annual relative changes in the value of an accounting unit during the respective period expressed in terms of annual interest.

Average total return on investment means the total return on investment of the respective period expressed in terms of annual interest.

Average net return on investment means the net return on investment of the respective period expressed in terms of annual interest.

The Company's net asset value, share price as well as net return and total return during the reporting period were determined once – as of 31 December 2020; therefore, there are no comparable data.

26 Collective investment undertaking's net assets, value of investment units (shares) and benchmark values

The Company does not apply any benchmark.

27 Costs of remuneration to intermediaries

There were no remunerations to intermediaries

28 Significant accounting estimates

The Company has estimated the potential impact of the COVID-19 pandemic situation, including quarantine, which was declared in the Republic of Lithuania on 16 March 2020, on these financial statements and going concern assumption. According to the management's estimate, this issue will not have a significantly negative impact on the Company's possibilities to continue operating because the accumulated money reserve will be sufficient to perform all financial liabilities during at least 12 months from the date of the drawing-up of these financial statements.

III. Notes (continued)

29 Events after the statements

After the drawing-up of the financial statements, the Company redeemed bonds from the Shareholder and paid accumulated interest for EUR 1 032 752.

The authorised capital of the Company was increased on 17 February 2021 by issuing 2 302 181 ordinary registered shares.

On 21 April 2021, the Company acquired 100% of shares of the company UAB Ekoelektra (company identification number: 304979645), with one share having a face value of EUR 25.

On 13 April 2021, the Company acquired bonds from the subsidiary UAB Ekoelektra for EUR 510 000.

On 13 April 2021, the Company distributed bonds for EUR 5 000 000 to non-related investors.

There were no other significant events after the statements from the drawing-up of these financial statements to their signing.

---

Manager

---

Vilma Tvaronavičienė

---

Representative of the Accounting  
Company

---

Viliūnė Cibulskaitė

I, translator Lina Okienė am  
informed about article 235 of the Criminal Code of  
the Republic of Lithuania, which provides for criminal  
liability for untrue translation.

Translated by Lina Okienė

Signature *Lina Okienė*



Bound, numbered and sealed:  
54 (fifty four) pages  
*Lina Okienė*