

# UAB "Ekoelektra"

COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR 2021  
(1 JANUARY 2021 - 31 DECEMBER 2021)  
PREPARED ACCORDING TO BUSINESS  
ACCOUNTING STANDARDS

**UAB "Ekoelektra"**

**Company code 304979645, address Jogailos g. 4, Vilnius**

**FINANCIAL STATEMENTS FOR THE YEAR 2021**

(all amounts are in EUR unless otherwise stated)

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# Independent Auditor's Report

To the Shareholders of UAB Ekoelektra

## ■ Opinion

We have audited the financial statements of UAB Ekoelektra ("the Company"). The Company's financial statements comprise:

- the balance sheet as at 31 December 2021,
- the income statement for the year then ended, and
- the notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance for the year then ended in accordance with Business Accounting Standards of the Republic of Lithuania.

## ■ Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ■ Other Matter

The financial statements of the Company for the year ended 31 December 2020 were not audited.

## ■ Emphasis of Matter

During 2021 the Company incurred a loss of EUR 567,354 in 2021, its equity as at 31 December 2021 is negative by EUR 564,891, and its current liabilities exceeded current assets by EUR 9,886. The Company's financial statements are prepared on the going concern basis.

We draw attention to Note 14 of these financial statements, which discloses that the Company's parent company has approved financial support for the Company as is economically feasible for the period of at least 12 months following the approval date of the financial statements. Our opinion is not modified in respect of this matter.

## ■ Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Business Accounting Standards of the Republic of Lithuania, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## ■ Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

On behalf of KPMG Baltics, UAB

Rūta Kupiniene  
Certified Auditor

Vilnius, the Republic of Lithuania  
4 October 2022

The electronic auditor's signature applies only to the Independent Auditor's Report on pages 3 to 4 of this document.

## FINANCIAL STATEMENTS FOR THE YEAR 2021

(all amounts are in EUR unless otherwise stated)

## Financial position

	Notes	31 December 2021	31 December 2020 (unaudited)
<b>ASSETS</b>			
<b>A</b>	<b>FIXED ASSETS</b>	<b>70 450</b>	<b>6</b>
I.	Intangible assets	-	-
II.	Tangible assets	-	-
III.	Financial assets	3 70 450	-
IV.	Other fixed assets	13 -	6
<b>B</b>	<b>CURRENT ASSETS</b>	<b>2 422</b>	<b>2 457</b>
I.	Stocks	-	-
II.	Amounts receivable within one year	-	-
III.	Short-term investments	-	-
IV.	Cash and cash equivalents	4 2 422	2 457
<b>C</b>	<b>PREPAYMENTS AND ACCRUED INCOME</b>	-	-
	<b>TOTAL ASSETS</b>	<b>72 872</b>	<b>2 463</b>

The accompanying notes are an integral part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR 2021

(all amounts are in EUR unless otherwise stated)

## Financial position (continued)

	Notes	31 December 2021	31 December 2020 (unaudited)
<b>EQUITY AND LIABILITIES</b>			
<b>D. EQUITY</b>		<b>(564 891)</b>	<b>2 463</b>
I. Capital	5	2 500	2 500
II. Share premium account		-	-
III. Revaluation reserve		-	-
IV. Reserves		-	-
V. Retained profit (loss)		(567 391)	(37)
<b>E. GRANTS, SUBSIDIES</b>		-	-
<b>F. PROVISIONS</b>		-	-
<b>G. AMOUNTS PAYABLE AND OTHER LIABILITIES</b>		<b>625 878</b>	-
I. Amounts payable after one year and other long-term liabilities	7	625 455	-
II. Amounts payable within one year and other short-term liabilities	8	423	-
<b>H. ACCRUALS AND DEFERRED INCOME</b>	9	<b>11 885</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>72 872</b>	<b>2 463</b>

The accompanying notes are an integral part of these financial statements.

Financial statements signed with an electronic signature:

General Manager

*Tomas Milašauskas*

Representative of a company providing accounting services

*Virginija Skirmantė*

## Income Statement

	Notes	2021	2020 (unaudited)
I. Net turnover		-	-
II. Cost of sales		-	-
III. Fair value adjustments of the biological assets		-	-
<b>IV. GROSS PROFIT (LOSS)</b>		-	-
V. Selling expenses		-	-
VI. General and administrative expenses	10	(105 343)	(7)
VII. Other operating results		-	-
VIII. Income from investments in the shares of parent, subsidiaries and associated entities		-	-
IX. Income from other long-term investments and loans		-	-
X. Other interest and similar income	11	9 450	-
XI. The impairment of the financial assets and short-term investments	11	(439 000)	-
XII. Interest and other similar expenses	11	(32 455)	-
<b>XIII. PROFIT (LOSS) BEFORE TAXATION</b>		<b>(567 348)</b>	<b>(7)</b>
XIV. Tax on profit	13	(6)	1
<b>XV. NET PROFIT (LOSS)</b>		<b>(567 354)</b>	<b>(6)</b>

The accompanying notes are an integral part of these financial statements.

Financial statements signed with an electronic signature:

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Representative of a company providing accounting services

*Tomas Milašauskas*

*Virginija Skirmantė*

**UAB "Ekoelektra"**

**Company code 304979645, address Jogailos g. 4, Vilnius**

**FINANCIAL STATEMENTS FOR THE YEAR 2021**

(all amounts are in EUR unless otherwise stated)

**Notes to the financial statements**

**1 General information**

UAB "Ekoelektra" (hereinafter, the Company) is a private limited liability company registered in the Republic of Lithuania. The Company's registration code is 304979645 and its registered office address is Jogailos g. 4, Vilnius. The Company's data are accumulated and stored at the state enterprise Centre of Registers.

The Company was registered on 2nd of January 2019.

The Company's main activity is the acquisition of renewable energy projects in Lithuania. The Company plans to acquire 108 MW of wind projects under development in Lithuania by 2022.

On 21 April 2021, the sole shareholder of the Company changed to UTIISIB UAB "Atsinaujinančios energetikos investicijos". As of 31 December 2021 The shareholders of the Company were:

	<b>2021</b>	
	<b>Number of shares held</b>	<b>Percentage</b>
UTIISIB UAB "Atsinaujinančios energetikos investicijos"	100	100%
Total:	<b>100</b>	<b>100%</b>

As at 31 December 2021 the Company's share capital was EUR 2 500, divided into 100 ordinary registered shares with a par value of EUR 25 each. The Company did not hold its own shares.

As at 31 December 2021, the number of employees of the Company was 1 (as at 31 December 2020 – 0).

The financial year of the Company coincides with the calendar year.

## **2 Accounting principles**

The principal accounting policies adopted in preparing the Company's financial statements for 2021 are as follows:

### **2.1. Basis of preparation**

These financial statements have been prepared in accordance with the Accounting Law of the Republic of Lithuania, Law on Financial Statements of Entities of the Republic of Lithuania and Lithuanian Business Accounting Standards (BAS), which include the standards and interpretations prepared and approved by the Authority of Audit and Accounting, effective as of 31 December 2021.

As allowed by specific provisions of legislation of the Republic of Lithuania, the Company prepared short version of the financial statements that does not require presentation of the statement of cash flows, the statement of changes in equity and the annual report.

### **2.2. Presentation currency**

The amounts shown in these financial statements are presented in euro (EUR).

### **2.3. Financial assets**

Financial assets include cash and cash equivalents, receivables and loans granted.

A financial asset is recorded when the Company receives, or becomes entitled to receive, cash or another financial asset under an executory contract. Receivables and loans are measured at cost less impairment loss. Cash and cash equivalents are measured at historical cost.

If it is probable that the Company will not be able to collect the receivables, an impairment loss is recognised for the difference between the carrying amount of the asset and the present value of the future cash flows discounted at the estimated interest rate.

### **2.4. Receivables**

Receivables are measured at cost on initial recognition. Subsequently, receivables are recorded with an allowance for impairment. If it is probable that the Company will not be able to collect the receivable, an impairment loss is recognised for the difference between the carrying amount of the asset and the present value of future cash flows discounted at the estimated interest rate.

### **2.5. Cash and cash equivalents**

Cash consists of money in bank accounts. Cash equivalents are short-term, highly liquid investments that are easily convertible into a known amount of money. Such investments have a maturity of less than three months and are subject to very little risk of changes in value.

### **2.6. Financial liabilities**

Financial liabilities include amounts payable for goods and services received and liabilities under contracts for bonds issued and loans.

Financial liabilities are recorded when the Company incurs a liability to pay cash or settle another financial asset. Amounts payable for goods and services are measured at cost.

## **2 Accounting principles (cont'd)**

### **2.6. Financial liabilities**

Bonds issued and loans received are classified as financial liabilities, redeemable in one lump sum or in instalments according to a fixed redemption schedule. Bonds and loans issued are initially recorded at fair value, which is equal to the amount of the proceeds received, less the amount of transaction costs incurred. They are subsequently measured at amortised cost using the imputed interest rate method.

Contractual obligations to deliver cash or other financial assets are classified as financial liabilities.

Non-market financial liabilities consist of loans and trade payables.

On initial recognition, non-market financial liabilities are measured at cost and transaction costs are recognised as an expense in the income statement. In subsequent periods, these financial liabilities are carried at amortised cost using the effective interest rate. Short-term financial liabilities are carried at cost as the effect of applying the effective interest rate is immaterial.

### **2.7. Corporate income tax**

Income tax is calculated based on the Lithuanian tax legislation. In 2021 and 2020 the standard income tax rate in Lithuania was 15%.

Tax losses can be claimed indefinitely, except for losses arising from the transfer of securities and/or derivatives. Such carry-forward shall cease if the Company ceases to carry on the activity giving rise to the losses, unless the Company ceases to carry on the activity for reasons beyond its control. Losses on the disposal of securities and/or derivatives may be incurred for a period of 5 years and shall only be covered by profits from transactions of the same nature.

According to the Law on Corporate Income Tax of the Republic of Lithuania, the amount of deductible tax loss carry-forwards, except for tax losses arising from the transfer of securities and/or derivatives (non-financial institutions), may not exceed 70 % of the taxpayer's income for the taxable period, calculated after deducting from the income the tax-exempt income, the allowed deductions and the deductions of limited amounts, except for the tax losses for the taxable period of the previous year. This also applies to losses incurred by financial institutions as a result of the disposal of securities and/or derivatives.

Deferred taxes are calculated using the balance sheet liability method. Deferred tax reflects the net tax effect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period in which the asset is realised or the liability settled, taking into account tax rates that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised in the balance sheet to the extent that the Company's management expects that it will be realised in the foreseeable future, taking into account forecasts of taxable profit. If it is probable that part of the deferred tax will not be realised, that part of the deferred tax is not recognised in the financial statements.

### **2.8. Revenue recognition**

Sales revenue is recognised on an accruals basis. Revenue from sales comprises the fair value of consideration received or receivable for goods and services sold in the ordinary course of the Company's business. Revenue is stated net of value added tax, returns and price discounts. Interest income is recognised on an accrual basis as earned.

## **2 Accounting principles (cont'd)**

### **2.9. Expense recognition**

Expenses are recognised on an accruals and comparative basis in the period in which the related income is earned, irrespective of when the cash is spent. When expenses incurred during the period cannot be directly attributed to the generation of specific income and will not generate income in future periods, they are recognised as an expense in the period in which they are incurred. Expenses are measured at fair value.

### **2.10. Borrowing costs**

Interest on loans and bond contracts is recognised in the income statement on an accruals basis.

### **2.11. Financial risk management policy**

#### Credit risk

The Company has a significant concentration of credit risk. Credit risk, or the risk that a counterparty will default, is controlled through credit terms and supervisory procedures. Credit risk is controlled by the Company.

#### Interest rate risk

The Company's income and cash flows from operations are largely independent of changes in market interest rates.

The most significant balance sheet item sensitive to changes in interest rates in the Company's balance sheet is bonds issued. The liabilities are at fixed interest rates. The Company does not use any financial instruments to manage the risk of interest rate fluctuations.

#### Currency risk

The Company does not have a significant concentration of exchange rate risk as the majority of settlements are denominated in Euro.

#### Liquidity risk

The Company's policy is to maintain sufficient cash and cash equivalents, or to secure financing from the parent company, to meet the commitments in its strategic plans.

### **2.12. Foreign currencies**

All currency items in the balance sheet are valued in euro using the exchange rate at the balance sheet date. Assets carried at cost that are purchased for foreign currency are valued in euro on the balance sheet at the exchange rate ruling at the time of acquisition. Assets whose fair value is measured in a foreign currency are measured in euro in the balance sheet at the exchange rate at the date of the fair value measurement. Transactions denominated in foreign currencies are valued in euro at the exchange rate on the date of the transaction. Differences arising from the settlement of amounts recorded in foreign currency items at a different exchange rate are recognised as income or expense in the reporting period.

## **2 Accounting principles (cont'd)**

### **2.13. Contingencies**

Contingent liabilities are not recognised in the financial statements. They are described in the financial statements unless the probability of loss of economic benefits is remote.

The preparation of financial statements in conformity with Accounting Standards requires management to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties. Future events may change the assumptions used in making the estimates. The result of such changes in estimates will be recorded in the financial statements when determined.

Contingent assets are not recognised in the financial statements, but are described in the financial statements when it is probable that income or economic benefits will flow.

### **2.14. Subsequent events**

Subsequent events that provide information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Off-balance sheet events that are not adjusting events are described in the notes when they are material.

### **2.15. Related parties**

Parties are considered to be related if one of the parties is in a position to control the other party or to exercise significant influence over the other party in financial and other decisions. Related parties include shareholders, employees, members of the Board of Directors, their close relatives and companies that directly or indirectly through an intermediary control the Company or are controlled, either individually or jointly, by another party that is also considered a related party.

**3 Financial assets**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Loans granted	500 000	-
Interest on loans granted	9 450	-
Impairment of loans granted	(439 000)	-
<b>Total financial assets:</b>	<b>70 450</b>	<b>-</b>

The Company had granted special-purpose loans to group companies Raguvėlės vėjas and Pakruojo vėjas. The loans are intended to finance project development works. The borrowers undertake to repay the full amount of the loan and to pay interest no later than 3 months after the signing of the deed of completion of Phase 2. The completion of Phase 2 is defined in the Share Purchase Agreement as the event when the seller of the shares has fulfilled the conditions set out in the agreement. Impairment has been recognised on loans granted by the Company to Raguvėlės vėjas and Pakruojo vėjas. In the opinion of the Company's management, the borrowers will not be able to repay in full the arrears incurred up to the date of the Company's financial statements for the period ending 31 December 2021.

**Cash and cash equivalents**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Cash	2 422	2 457
<b>Total cash and cash equivalents:</b>	<b>2 422</b>	<b>2 457</b>

**5 Capital**

As at 31 December 2021 The authorised capital of UAB Ekoelektra was EUR 2 500, divided into 100 ordinary registered shares with a par value of EUR 25 each (in 2020 the authorised capital was EUR 2 500).

According to the Law on Companies of the Republic of Lithuania, a Company's equity capital may not be less than ½ of its share capital, as specified in its articles of association. On 31 December 2021 the Company did not comply with this requirement (as at 31 December 2020 it did comply). Subsequent to the date of these financial statements, it is planned to capitalise part of the loans received from related parties in order for the Company's equity to meet the above requirement.

**6 Draft distribution of profits**

As at the date of signing these financial statements, the draft profit appropriation had not been prepared yet.

**7 Amounts payable after one year and other long-term liabilities**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Bonds issued	593 000	-
Accrued interest on bonds issued	32 455	-
	<b>625 455</b>	<b>-</b>

As at 31 December 2021 the Company had issued bonds with a value of EUR 593 000. The bonds bear a fixed interest rate of 8,5 % and mature on 5 January 2028. During the period from 31 December 2021 to the date of the financial statements preparation, the Company redeemed the bonds and paid the accrued interest (see note 16).

**8 Amounts payable within one year and other short-term liabilities**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Trade payables	423	-
	<b>423</b>	<b>-</b>

**9 Accruals and deferred income**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Accrued audit expenses	8 470	-
Accrued accounting expenses	2 965	-
Accrued securities management expenses	450	-
	<b>11 885</b>	<b>-</b>

**10 General and administrative expenses**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Legal expenses	86 412	-
Audit expenses	8 470	-
Accounting services expenses	7 320	-
Securities accounting expenses	1 100	-
Salary expenses	1 083	-
Consulting expenses	908	-
Bank expenses	50	7
	<b>105 343</b>	<b>7</b>

**11 Other interest and similar income**

**Net result from financing and investing activities**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Interest income on loans granted	9 450	-
<b>Income from financing and investment activities</b>	<b>9 450</b>	<b>-</b>
Interest expense on bonds issued	32 455	-
<b>Expenses of financing and investment activities</b>	<b>32 455</b>	<b>-</b>
<b>Income (expense) from financing and investment activities - net result</b>	<b>(23 005)</b>	<b>-</b>

**Change in value of financial assets and short-term investments**

	<b>31 December 2021</b>	<b>31 December 2020</b> <b>(unaudited)</b>
Impairment of financial assets and short-term investments	439 000	-
	<b>439 000</b>	<b>-</b>

**12 Related party transactions**

During 2021 related party transactions consisted of the following:

<b>Related parties</b>	<b>Payables</b>	<b>Receivables</b>	<b>Interest expenses</b>
Shareholder	625 455	-	32 455

During 2020 related party transactions consisted of the following:

<b>Related parties</b>	<b>Payables</b>	<b>Receivables</b>	<b>Interest expenses</b>
Shareholder	-	-	-

As at 31 December 2021, the Company had issued bonds with a total value of EUR 625 455 including accrued interest (as at 31 December 2020 - EUR 0).

The Company's management consisted of 1 person in 2021. The management of the Company is considered to be a director with whom there were no transactions other than payroll in 2021. The salary paid to Company's director in 2021 was equal to EUR 644 (the director is recruited since May 2021)

**13 Income tax****Components of income tax expenses (income):**

	2021	2020 (unaudited)
Current income tax expenses	-	-
Deferred income tax income (expenses)	6	(1)
	<b>6</b>	<b>(1)</b>

**Components of corporate income tax**

	2021	2020 (unaudited)
Profit (loss) before tax	(567 348)	(7)
Additional taxable income	23 005	-
Non-deductible expenses	439 000	-
Taxable profit (tax loss)	(105 343)	(7)
Utilisation of accumulated tax losses from previous years	-	-
Taxable profit (tax loss) after loss utilisation	(105 343)	(7)
Income tax for the reporting period	-	-

**Deferred income tax assets**

	2021	2020 (unaudited)
Tax loss carried forward	19 259	6
Impairment of financial assets	65 850	-
	<b>85 109</b>	<b>6</b>
Deferred income tax asset before valuation allowance	<b>85 109</b>	<b>6</b>
Less: valuation allowance	<b>85 109</b>	-
Deferred income tax asset	-	<b>6</b>
<b>Deferred tax liability</b>		
Deferred tax liability	-	-
Deferred tax, net value	-	<b>6</b>

Deferred tax assets were accounted for using the 15% rate. Deferred income tax assets are realised when the company expects to generate future profits. As at 31 December 2021, no deferred income tax asset is recognised as the Company's management does not have sufficient evidence that taxable profits will be generated to allow the realisation of these temporary differences.

**UAB "Ekoelektra"**

**Company code 304979645, address Jogailos g. 4, Vilnius**

**FINANCIAL STATEMENTS FOR THE YEAR 2021**

(all amounts are in EUR unless otherwise stated)

**14 Liquidity risk and business continuity**

As at 31 December 2021 the Company's liabilities exceeded the Company's assets by EUR 553 006. Liquidity risk is managed by planning the Company's cash flow movements. Cash flow forecasts are made to mitigate liquidity risk. Short-term financing through Shareholders' equity will be used as needed to manage short-term cash flow mismatches (inflow and payments). The Company will continue to pursue the Company's strategy through the acquisition of UAB Raguvėlės vėjas and UAB Pakruojo vėjas and the development of wind farm projects in Lithuania.

At the end of the reporting period, the Company made a loss of EUR 567 354 and had a negative equity of EUR 564 891, with current liabilities exceeding current assets by EUR 9 886 (at the end of the previous reporting period, the Company made a loss of EUR 6, with a positive equity of EUR 2 463, and with current liabilities exceeding current assets by EUR 0)

According to the Law on Companies of the Republic of Lithuania, a Company's equity capital may not be less than ½ of its share capital, as specified in its articles of association. The Company did not meet the minimum capital requirement. Subsequent to the date of these financial statements, it is planned to capitalise part of the loans received from related parties in order to bring the Company's equity capital in line with the above requirement. The financial statements of the Company have been prepared based on the principle of business continuity, as the Company's parent company will provide financial support to the Company, to the extent economically reasonable, for at least twelve months from the date of approval of the financial statements.

**15 Contingent assets and liabilities**

The Company had concluded agreements for the acquisition of shares in UAB Raguvėlės vėjas and UAB Pakruojo vėjas. The share purchase transaction is carried out in two stages. Upon full fulfilment of the pre-conditions of the first stage, the Company will pay the first part of the price and acquire full ownership of the shares. The purchase price of the shares will depend on the number of MW of total installed capacity of the wind farm authorised for the Company. Contingent assets and liabilities arise from uncertainties related to the timing and price of the transfer of shares. As at 31 December 2021, the shares had not yet been acquired under the transaction, and the contractual obligation to pay arises after the completion of the first phase, with a value of EUR 1 000 000.

**15 Subsequent events**

On 14 February 2022, the sole shareholder of the Company, UTIISIB UAB "Atsinaujinančios energetikos investicijos", sold 50% of its shares in the Company to Taaleri Development Holdings S.a.r.l.

On 14 February 2022, the Company issued 6 000 000 units of bonds with a value of EUR 1 each. The Shareholders of the Company undertook to purchase the bonds in proportionate instalments until 31 July 2024. As at the date of the financial statements, the Company had issued 652 000 units of bonds.

On 18 February 2022 The Company redeemed the bonds under the original agreement with UTIISIB UAB "Atsinaujinančios energetikos investicijos". The total value of the bonds and accrued interest were fully paid on the redemption date.

Financial statements signed with an electronic signature:

General Manager

*Tomas Milašauskas*

Representative of a company providing accounting services

*Virginija Skirmantė*