UAB „Žaliosios investicijos“

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021 PREPARED ACCORDING TO BUSINESS ACCOUNTING STANDARDS

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Independent Auditor's Report

To the Shareholders of UAB Žaliosios investicijos

Opinion

We have audited the consolidated financial statements of UAB Žaliosios investicijos and its subsidiaries ("the Group"). The consolidated financial statements comprise:

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

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows 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 Consolidated Financial Statements section of our report. We are independent of the Group 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.

Emphasis of Matter

During 2021 the Group incurred a loss of EUR 5 570 514, its equity as at 31 December 2021 is negative by EUR 5 568 014. The Group's financial statements are prepared on the going concern basis.

We draw attention to Note 17 of these financial statements, which discloses that the Group's shareholders have confirmed their intentions to maintain its solvency, to the extent economically justified 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.

Company code: 111494971
VAT code: LT114949716

Other Information

The other information comprises the information included in the Group's consolidated annual management report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Group's consolidated annual management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements and whether consolidated annual management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of consolidated financial statements, in our opinion, in all material respects:

- The information given in the Group's consolidated annual management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The Group's consolidated annual management report has been prepared in accordance with the requirements of the Law of the Republic of Lithuania on Consolidated Financial Reporting by Groups of Undertakings.

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

Management is responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Kupinienė
Certified Auditor

Vilnius, the Republic of Lithuania
28 October 2022

The electronic auditor‘s signature applies only to the Independent Auditor‘s Report on pages 2 to 4 of this document.

Consolidated Statement of Financial Position

		Notes	31 December 2021	31 December 2020
	ASSETS			
A	**NON-CURRENT ASSETS**		**207 431 978**	**-**
1.	INTANGIBLE ASSETS	4	80 116 661	-
1.1.	Development work		-	-
1.2.	Goodwill		79 792 192	-
1.3.	Software		-	-
1.4.	Concessions, patents, licenses, trade marks and similar rights		-	-
1.5.	Other intangible assets		324 469	-
1.6.	Prepayments for intangible assets		-	-
2.	TANGIBLE ASSETS	5	123 242 817	-
2.1.	Land		-	-
2.2.	Buildings and structures		-	-
2.3.	Plant and equipment		-	-
2.4.	Vehicles		-	-
2.5.	Other equipment		-	-
2.6.	Investment property		-	-
2.6.1.	Land		-	-
2.6.2.	Buildings		-	-
2.7.	Prepayments for tangible assets and assets under construction		123 242 817	-
3.	FINANCIAL ASSETS	6	4 072 500	-
3.1.	Shares in group companies		-	-
3.2.	Loans to group companies		-	-
3.3.	Receivables from group companies		-	-
3.4.	Shares in associates		-	-
3.5.	Loans to associates		-	-
3.6.	Receivables from associates		-	-
3.7.	Long-term investments		-	-
3.8.	Amounts receivable after one year		-	-
3.9.	Other financial assets		4 072 500	-
4.	OTHER NON-CURRENT ASSETS		-	-
4.1.	Deferred tax asset	16	652 103	-
4.2.	Biological assets		-	-
4.3.	Other assets		-	-
B	**CURRENT ASSETS**		**62 795 762**	**-**
1.	INVENTORIES		271 995	-
1.1.	Raw materials, materials and consumables		-	-
1.2.	Production and work in progress		-	-
1.3.	Finished goods		-	-
1.4.	Goods for resale		-	-
1.5.	Biological assets		-	-
1.6.	Non-current tangible assets held for sale		-	-
1.7.	Prepayments		271 995	-
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	7	1 366 929	-
2.1.	Trade receivables		-	-
2.2.	Intercompany amounts receivables		-	-
2.3.	Amounts receivable from associates		-	-
2.4.	Other amounts receivable		1 366 929	-
3.	CURRENT INVESTMENTS		-	-
3.1.	Shares in group companies		-	-
3.2.	Other investments		-	-
4.	CASH AND CASH EQUIVALENTS		61 156 838	-
C.	**PREPAID EXPENSES AND ACCRUED INCOME**		**-**	**-**
	TOTAL ASSETS		**270 227 740**	**-**

Consolidated Statement of Financial Position (cont'd)

		Notes	31 December 2021	31 December 2020
	EQUITY AND LIABILITIES			
D.	**EQUITY**		**(5 568 014)**	**-**
1.	CAPITAL	8	2 500	-
1.1.	Share capital		2 500	-
1.2.	Unpaid share capital (–)		-	-
1.3.	Own shares, stock (–)		-	-
2.	SHARE PREMIUM		-	-
3.	REVALUATION RESERVE		-	-
4.	RESERVES	9	-	-
4.1.	Legal reserve		-	-
4.2.	Acquisition of own shares		-	-
4.3.	Other reserves		-	-
5.	RETAINED EARNINGS (LOSSES)		(5 570 514)	-
5.1.	Profit (loss) of the reporting year		(5 570 514)	-
5.2.	Profit (loss) of the previous year		-	-
6.	ADJUSTMENTS DUE TO EXCHANGE RATE CHANGE		-	-
7.	MINORITY INTEREST		-	-
E.	**GRANTS AND SUBSIDIES**		-	-
F.	**PROVISIONS**		**-**	**-**
1.	Pensions and similar provisions		-	-
2.	Tax provisions		-	-
3.	Other provisions		-	-
G.	**AMOUNTS PAYABLE AND LIABILITIES**		**266 032 804**	**-**
1.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	10, 15	229 970 351	-
1.1.	Financial debts		151 263 062	-
1.2.	Amounts owed to credit institutions		-	-
1.3.	Advances received		-	-
1.4.	Trade payables		-	-
1.5.	Payables under the bills and checks		-	-
1.6.	Intercompany amounts payable		74 269 064	-
1.7.	Amounts payable to associates		-	-
1.8.	Other amounts payable and non-current liabilities	3	4 438 225	-
2.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	11	36 062 453	-
2.1.	Current portion of financial debts		-	-
2.2.	Amounts owed to credit institutions		-	-
2.3.	Advances received		-	-
2.4.	Trade payables		2 568 279	-
2.5.	Payables under the bills and checks		-	-
2.6.	Intercompany amounts payable		-	-
2.7.	Amounts payable to associates		-	-
2.8.	Corporate income tax liabilities		-	-
2.9.	Employment related liabilities		131	-
2.10.	Other amounts payable and current liabilities		33 494 043	-
H.	**ACCRUED EXPENSES AND DEFERRED INCOME**	12	**10 415 053**	**-**
	TOTAL EQUITY AND LIABILITIES		**270 879 843**	**-**

The accompanying explanatory notes are an integral part of these financial statements.
These financial statements were signed electronically

General Manager	Grėtė Bukauskaitė	
Representative of a Company Providing Accounting Services	Agnė Jasinskienė	

Consolidated Statement of Profit or Loss

		Notes	2021	2020
1.	Sales revenue		-	-
2.	Cost of sales		-	-
3.	Fair value adjustments of biological assets		-	-
4.	**GROSS PROFIT (LOSS)**		**-**	**-**
5.	Selling expenses		-	-
6.	General and administrative expenses	13	(1 420 191)	-
7.	Other operating results		-	-
8.	Revenue from investments into shares of parent, subsidiary and associate		-	-
9.	Revenue from other long-term investments and loans		-	-
10.	Other interest and similar revenue		-	-
11.	Impairment of financial assets and short-term investments		-	-
12.	Interest and other similar expenses	14, 15	(4 141 193)	-
13.	**PROFIT (LOSS) BEFORE TAX**		**(5 561 384)**	**-**
14.	Income tax		(9 130)	-
15.	**PROFIT (LOSS) BEFORE MINORITY INTEREST SEPARATION**		**(5 570 514)**	**-**
16.	MINORITY INTEREST		**-**	**-**
17.	**NET PROFIT (LOSS)**		**(5 570 514)**	**-**

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General Manager	Grėtė Bukauskaitė	
Representative of a Company Providing Accounting Services	Agnė Jasinskienė	

Consolidated Statement of Changes in Equity

	Share Capital	Share premium	Own shares (–)	Revaluaion reserve		Legal reserves		Other reserves	Retained earnings (losses)	Adjustments due to exchange rate change	Minority interest	Total
				Fixed tangible assets	Financial assets	Compulsory reserve	Reserve for acquiring own shares					
1. Balance at the end of the reporting (yearly) period before previous	-	-	-	-	-	-	-	-	-	-	-	**-**
2. Result of changes in accounting policies	-	-	-	-	-	-	-	-	-		-	-
3. Result of correcting material errors	-	-	-	-	-	-	-	-	-		-	-
4. Recalculated balance at the end of the reporting (yearly) period before previous	-	-	-	-	-	-	-	-	-	-	-	**-**
5. Increase (decrease) in the value of fixed tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
6. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-
7. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-	-	-
8. Profit (loss) not recognised in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-	-	-
9. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
10. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	-	-	-	-	-	-	-
14. Increase (decrease) of authorised capital	-	-	-	-	-	-	-	-	-	-	-	-
15. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-	-	-
16. Exchange rate change on	-	-	-	-	-	-	-	-	-	-	-	-
17. Increase (decrease) of minority interest	-	-	-	-	-	-	-	-	-	-	-	-
18. Balance at the end of the previous reporting (yearly) period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19. Increase (decrease) in the value of fixed tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
20. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-
21. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-	-	-
22. Profit (loss) not recognised in the profit (loss) Statement	-	-	-	-	-	-	-	-	-	-	-	-
23. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(5 570 514)	-	-	(5 570 514)
24. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
25. Other payments	-	-	-	-	-	-	-	-	-	-	-	-
26. Formed reserves	-	-	-	-	-	-	-	-	-	-	-	-
27. Used reserves	-	-	-	-	-	-	-	-	-	-	-	-
28. Increase (decrease) of authorised capital	2 500	-	-	-	-	-	-	-	-	-	-	2 500
29. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-	-	-
30. Exchange rate change on	-	-	-	-	-	-	-	-	-	-	-	-
31. Increase (decrease) of minority interest	-	-	-	-	-	-	-	-	-	-	-	-
32. Balance at the end of the reporting period	**2 500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5 570 514)**	**-**	**-**	**(5 568 014)**

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General Manager	Grėtė Bukauskaitė	
Representative of a Company Providing Accounting Services	Agnė Jasinskienė	

Consolidated Cash Flow Statement

		Notes	2021	2020
1.	**Cash flows from operating activities**			
1.1.	Net profit (loss)		(6 271 287)	-
1.2.	Minority interest			-
1.3.	Depreciation and amortisation expenses	4	1 352 410	-
1.4.	Elimination of results of disposals of fixed tangible and intangible assets		-	-
1.5.	Elimination of results of financing and investing activities	14	4 141 194	-
1.6.	Elimination of results of other non-cash transactions		-	-
1.7.	Decrease (increase) in intercompany amounts receivable and receivables from associates		-	-
1.8.	Decrease (increase) in other amounts receivable after one year		-	-
1.9.	Decrease (increase) in deferred tax asset		700 772	-
1.10.	Decrease (increase) in inventories, except advance payments		-	-
1.11.	Decrease (increase) in advance payments		12 183	-
1.12.	Decrease (increase) in trade receivables		-	-
1.13.	Decrease (increase) in intercompany amounts owed and amounts owed by associates		-	-
1.14.	Decrease (increase) in other amounts receivable		15 771	-
1.15.	Decrease (increase) in short-term investments		-	-
1.16.	Decrease (increase) in prepayments and accrued income		-	-
1.17.	Increase (decrease) in provisions		9 130	-
1.18.	Increase (decrease) in long-term trade payables and prepayments		-	-
1.19.	Increase (decrease) in long-term amounts payable under the bills and checks		-	-
1.20.	Increase (decrease) in long-term intercompany payables and payables to associates		-	-
1.21.	Increase (decrease) in short-term trade payables and prepayments		28 597	-
1.22.	Increase (decrease) in short-term amounts payable under the bills and checks		-	-
1.23.	Increase (decrease) in short-term intercompany payables and payables to associates		-	-
1.24.	Increase (decrease) in corporate income tax liabilities		-	-
1.25.	Increase (decrease) in employment related liabilities		131	-
1.26.	Increase (decrease) in other amounts payable and liabilities		8	-
1.27.	Increase (decrease) in accruals and deferred income		34 380	-
	Net cash flows from operating activities		**23 289**	**-**
2.	**Cash flows from investing activities**			
2.1.	Acquisition of fixed assets (excluding investments)		(21 032 101)	-
2.2.	Disposal of fixed assets (excluding investments)		-	-
2.3.	Acquisition of long-term investments (excluding investments in subsidiaries)		-	-
2.4.	Disposal of long-term investments (excluding investments in subsidiaries)		-	-
2.5.	Acquisition of investments in subsidiaries		(32 098 391)	-
2.6.	Disposal of investments in subsidiaries		-	-
2.7.	Loans granted		-	-
2.8.	Loans recovered		-	-
2.9.	Dividends and interest received		-	-
2.10.	Other increases in cash flows from investing activities		-	-
2.11.	Other decreases in cash flows from investing activities		-	-
	Net cash flows from investing activities		**(53 130 492)**	**-**
3.	**Cash flows from financing activities**			
3.1.	Cash flows related to entity's owners		2 500	-
3.1.1.	Issue of shares	8	2 500	-
3.1.2.	Owner's contributions to cover losses		-	-
3.1.3.	Purchase of own shares		-	-
3.1.4.	Dividends paid		-	-
3.2.	Cash flows related to other financing sources		114 261 541	-
3.2.1.	Increase in financial debts		126 580 201	-
3.2.1.1.	Loans received		101 955 201	-
3.2.1.2.	Issue of bonds		24 625 000	-
3.2.2.	Decrease in financial debts		(12 579 650)	-
3.2.2.1.	Loans repaid		(12 070 270)	-
3.2.2.2.	Redemption of bonds		-	-
3.2.2.3.	Interest paid		(509 380)	-
3.2.2.4.	Finance leases payments		-	-
3.2.3.	Increase in entity's other liabilities	11	292 000	-
3.2.4.	Decrease in entity's other liabilities		-	-
3.2.5.	Other increases in cash flows from financing activities		-	-
3.2.6.	Other decreases in cash flows from financing activities		(31 010)	-
	Net cash flows from financing activities		**114 264 041**	**-**
4.	**Adjustments due to exchange rates on the balance of cash and cash equivalents**		-	-
5.	**Increase (decrease) of net's cash flows**		**61 156 838**	**-**
6.	**Cash and cash equivalents at the beginning of the period**		**-**	**-**
7.	**Cash and cash equivalents at the end of the period**		**61 156 838**	**-**

The accompanying explanatory notes are an integral part of these financial statements.
These financial statements were signed electronically

General Manager — Grėtė Bukauskaitė

Representative of a Company Providing Accounting Services — Agnė Jasinskienė

Notes to the financial statements

1 General

UAB Žaliosios investicijos (thereafter - "the Company") is a private limited liability company registered with the State Enterprise Center of Registers on 24 September 2021. The Company's registered address is Lvovo st. 25-104, Vilnius. The Group company's data is collected and stored in the Register of Legal Entities of the Republic of Lithuania.

The main activity of the Company and its subsidiaries (thereafter - "the Group") is development and operation of wind parks.

As at 31 December 2021, the shareholders of the Company are Closed-end investment company intended for informed investors UAB Atsinaujinančios energetikos investicijos (Company code 301849625, registered address Jogailos st. 4, Vilnius) and Taaleri SolarWind II S.a.r.l. (Company code B238553, registered address Boulevard F.W. Raiffeisen 15, Luxembourg).

	2021	
	Number of shares	**Share of the stock held**
Taaleri SolarWind II S.a.r.l.	1 875	75,00%
UAB Atsinaujinančios energetikos investicijos	625	25,00%
Total	2 500	100,00%

As at 31 December 2021, the Company's authorised share capital amounted to EUR 2 500. As at 31 December 2021 the authorised share capital is divided into 2 500 ordinary registered shares with the par value of EUR 1 each. As at 31 December 2021 the Company's share capital is fully paid. The Company does not have its own shares.

As at 31 December 2021, the Company had no branches or representative offices.

As at 31 December 2021, the average number of employees was 1.

As at 31 December 2021, the Group consists of UAB Žaliosios investicijos and the following directly and indirectly controlled subsidiaries in Lithuania:

Name of subsidiary	Share of the stock held by the Group 2021
EE Emerald Holding UAB	100%
UAB Geotyrimų centras	100%
UAB Potentia industriae	100%
UAB Anykščių vėjas	100%
UAB Rokvėja	100%

The financial year of the Group ends on 31 December.

The consolidated financial statements (further - financial statements) of the Group have been prepared in accordance with legal acts regulating financial accounting and preparation of financial statements in the Republic of Lithuania and Business Accounting Standards.

2 Accounting policy

Main accounting principles applied in the preparation of Group's financial statements for the year end 2021 are as follows:

2.1. Principles of preparation

These financial statements have been prepared in accordance with the Accounting Law of the Republic of Lithuania, Law on Financial Reporting of Enterprises of the Republic of Lithuania and Business Accounting Standards (BAS) of the Republic of Lithuania, which include the standards and guidance prepared and approved by the Authority of Audit, Accounting, Valuation and Insolvency, effective as at 31 December 2021. In accordance with the Law on Financial Reporting by Undertakings of the Republic of Lithuania, the Company is attributed to the category of small enterprises.

2.2. Presentation currency

The amounts shown in these financial statements are presented in the local currency of the Republic Lithuania, Euro (EUR). Transactions in foreign currencies are initially recognized at the rate of exchange at the date of the transaction.

2.3. Basis of consolidation

(a) Business combinations

Acquisitions of subsidiaries are accounted for by applying the purchase method. Acquisition cost comprises the fair value of transferred assets, securities issued or liabilities assumed as at the acquisition date plus any costs directly attributable to the acquisition. Assets and liabilities of the acquired entity are assessed at fair values as at the acquisition date.

The difference between the price paid and the value of the acquired net assets is recognised as goodwill, profit or loss due to a business combination. It is calculated as at the acquisition date, i.e. when the acquiring entity obtains control over the acquired entity. A portion of the value of net assets of the acquired entity or business that exceeds the price paid by the acquirer of the entity or business is recognised as a gain from a business combination. Any goodwill that arises is amortised over a period of 5 years.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4. Intangible assets and goodwill

Assets and liabilities of a subsidiary company are stated at fair value as at acquisition date. The difference between the acquisition cost of investment and the share of the net assets of the subsidiary controlled by the Parent Company is recognised as goodwill, if future economic benefits are expected. Otherwise, it is considered as loss incurred due to business combination and is stated in income statement. Goodwill on acquisitions of subsidiaries is included under intangible assets. Separately recognised goodwill is amortised over a period of 5 years and carried at cost less accumulated amortisation. Amortisation of goodwill is recognised in profit or loss. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets, including contracts, patents and trademarks that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

2.5. Tangible non-current assets

Non-current tangible assets of the Company is considered to include the asset that renders economic benefits to the Company for a period longer than one year and the Company reasonably expects a flow of economic benefits from such assets in future periods.

Non-current tangible assets are recorded at acquisition cost and disclosed in the financial statements at acquisition cost less accumulated depreciation and impairment.

2 Accounting policy (cont'd)

2.5. Tangible non-current assets (cont'd)

The initial value of non-current tangible assets is represented by its acquisition price including the unrecoverable acquisition taxes and all other costs directly attributable to the preparation of the asset for the use and the transfer of the same to its location of use.
Exploitation expenses of non-current tangible assets are expensed when they incurred. Depreciation is calculated on a straight-line basis.

2.6. Amounts receivable

Trade and other receivables are recognized when the Company receives or has the right to receive cash or other financial asset under the contract. Receivables are measured at cost less impairment losses.

If it is probable that the Group will not be able to collect all receivables due, the impairment loss is recognized as the difference between the asset's book value and the present value of estimated future cash flows, discounted at the original effective interest rate.

2.7. Cash and cash equivalents

Cash and cash equivalents include cash in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. Cash and cash equivalents are measured at cost.

2.8. Financial liabilities

Financial liabilities include amounts payable for goods and services received and liabilities under bond agreements issued, loans received.

Financial liabilities are recognized when the Group has a present obligation to pay cash or another financial asset. Amounts payable for goods and services are measured at cost.

Bonds issued are classified as financial liabilities that are redeemable for a single amount or in installments according to a specified redemption schedule. Bonds issued and loans received are initially recognized at cost, which is the amount of the proceeds received. Transaction costs are recognized as an expense in the financial statements. Financial liabilities are subsequently measured at amortized cost using the effective interest method.

2.9. Calculated interest rate method

The calculated interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. Effective interest rate is the rate that discounts estimated future cash flows (including any taxes paid or received that are an integral part of the calculated interest rate, transaction costs and other premiums or discounts) to the net carrying amount of the initial recognition over the expected period of the financial asset or financial liability or, if appropriate, a shorter period.

2.10. Sales revenue

Revenue is recognised on an accrual basis. Revenue is measured at fair value, net of discounts granted and expected and net of returns and rebates. When a service transaction is completed in the same period as it is initiated, revenue is recognised in the same period and measured at the amount specified in the contract. When services according to the service transaction are provided for more than one reporting period, revenue is allocated to the periods in which the services are rendered.

2.11. Cost of sales and operating expenses

Expenses are recognised on an accrual and comparison basis in the accounting period the income related to the costs is generated. Expenses incurred during the reporting period, which cannot be attributed directly to specific revenue earned and will not generate any revenue in subsequent reporting periods, are recognised as expenses when incurred. Expenses are measured at fair value.

2.12. Financial expenses

Interest on loans and bond agreements are recognised in the income statement on an accrual basis.

2 Accounting policy (cont'd)

2.13. Provisions

Provision is recognised in the balance sheet when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of liabilities can be reliably measured.

2.14. Income tax

In 2021 the corporate income tax rate applied to companies in the Republic of Lithuania was 15%.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Tax losses arising from Lithuanian entities can be carried forward for an indefinite period, except for the losses incurred as a result of disposal of securities and/or derivate financial instruments. The losses from disposal of securities and/or derivative financial instruments can be carried forward for five consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. When calculating the income tax for Lithuanian based entities for 2015 and subsequent years, only 70% of the taxable result for the period can be set off against tax loss utilised.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.15. Foreign currencies

All currency items in the balance sheet are estimated in euros using the exchange rate prevailing at the date of the balance sheet. Assets purchased using foreign currency and accounted for in the balance sheet at the acquisition cost are estimated in euros using the exchange rate prevailing at the acquisition date. Assets whose fair value is measured in a foreign currency are translated into euros in the balance sheet using the exchange rates at the date when the fair value was determined. Foreign currency transactions are stated in euros using the exchange rate prevailing at the date of the transaction. Differences resulting from the settlement of amounts recorded in foreign currencies at different exchange rates are recognised as income or expenses of the reporting period.

2.16. Financial risk management

The Group is exposed to a variety of financial risks in the course of its operations. Risk management is performed by management.

The following main financial risk management procedures are applied in the Group’s operations:

Credit risk

The Group does not have a significant credit risk concentration. Credit risks or the risks of counterparties defaulting, are controlled by the application of credit terms and monitoring procedures. Credit risk is controlled by the Parent Company itself and, if necessary, assisted by credit risk management companies.

Interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rate.

The most significant balance sheet items of the Group sensitive to changes in interest rates are issued bonds and received loans. Liabilities are with fixed interest rates, therefore, interest expenses are not dependent on changes in market interest rates. The Group does not use any financial instruments to manage interest rate risk.

2 Accounting policy (cont'd)

2.16. Financial risk management (cont'd)

Interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rate.

The most significant balance sheet items of the Group sensitive to changes in interest rates are issued bonds and received loans. Liabilities are with fixed interest rates, therefore, interest expenses are not dependent on changes in market interest rates. The Group does not use any financial instruments to manage interest rate risk.

Foreign exchange risk

The Group has no significant concentration of foreign exchange risk, because the major portion of settlements are conducted in the euro (EUR).

Liquidity risk

The Group’s policy is to maintain sufficient cash and cash equivalents or to secure funding from the parent fund and credit institutions to meet the obligations set out in its strategic plans.

2.17. Related parties

Related parties are defined as members, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

2.18. Significant accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with BAS requires from the management to make judgments and estimates based on assumptions that have effect on the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates.

The significant estimats in these financial statements are the following:
- According to BAS, the amortization period of goodwill can not exceed 5 years. The management estimated that the period of amortization should be set for 5 years;
- Based on the valuation report of external valuator, no impairment of goodwill was identified;
- Due to the fact that wind parks are still under construction, in these financial statements management decided not to recognize the deferred tax asset arising from taxable losses. Taxable losses can be used to lower future taxable income.

2.19. Contingencies

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

A contingent asset is not recognised in the financial statements but disclosed when an inflow or economic benefit is probable.

2.20. Subsequent events

Subsequent events that provide additional information about the Group’s position at the date of the statement of financial position (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

3 Acquisition of subsidiaries

On 26 November 2021, the Group has acquired 100% of the shares and voting interest in UAB EE Emerald Holding which through its subsidiaries engages in development and operation of wind parks in Lithuania. Price for the acquisition paid in cash amounts to EUR 32 968 thousand, remaining payable amount for shares is EUR 32 968 thousand as at 31 December 2021.

The following table summarises fair values of the assets, liabilities and contingent liabilities acquired as at the date of the acquisition:

EUR	Consolidated BV of companies acquired	FV adjustments	Consolidated FV of companies acquired
Intangible assets	-	324 469	324 469
Prepayments for tangible assets and construction in progress	106 075 880	-	106 075 880
Other financial assets	4 924 000	-	4 924 000
Deferred tax asset	-	700 772	700 772
Trade and other receivables	27 562 587	-	27 562 587
Cash and cash equivalents	869 612	-	869 612
Deferred tax liabilities	-	(39 540)	(39 540)
Other long-term payables (note 10)	-	(4 671 816)	(4 671 816)
Loans and borrowings	(134 362 496)	(60 871)	(134 423 367)
Trade and other payables	(16 530 752)		(16 530 752)
Fair value of net assets acquired	**(11 461 169)**	**(3 746 986)**	**(15 208 155)**
Goodwill (note 4)			81 144 602
Acquisition price			**65 936 447**

Acquisition price of the shares of wind parks exceeded the value of the acquired fair value of net assets, therefore goodwill was recognized.

Reports of independent external asset valuators were used to determine the fair values of companies as at 26 November 2021. During the evaluations the liability was indentify arrising from singed Power Purchase Agreement. Purchase Power agreements were signed, where agreed fixed price is lower than energy market prices on acquisition date, therefore the provision was estimated for the obligation to provide energy at a loss, with aggregate fair value estimate of EUR 4,672 thousand. The market value of intangible assets and liabilities as at the date of the business combination were determined using the income approach method. The fair value of the remaining assets and liabilities was assumed to be equal to carrying amounts.

4 Intangible assets and goodwill

	Goodwill	Other intangible assets	Total
Cost			
Balance as at 31 December 2020	-	-	-
Acquisitions through business combinations	81 144 602	324 469	81 469 071
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 December 2021	81 144 602	324 469	81 469 071
Accumulated amortisation and impairment losses			
Balance as at 31 December 2020	-	-	-
Amortisation	1 352 410	-	1 352 410
Disposals	-	-	-
Balance as at 31 December 2021	1 352 410	-	1 352 410
Net book value as at 31 December 2021	**79 792 192**	**324 469**	**80 116 661**
Net book value as at 31 December 2020	**-**	**-**	**-**

The amortisation costs of goodwill are included into general and administrative expenses in the profit or loss. Other intangible assets are assets that arise from signed Power Purchase Agreement (PPA). They will be amoritised during the ten year period and they are not amortised until the operations of wind parks start.

5 Property, plant and equipment

	Construction in progress	Total
Acquisition value		
Balance as at 31 December 2020	-	-
Acquisitions through business combinations	106 075 880	106 075 880
Additions	17 166 937	17 166 937
Reclasifications	-	-
Disposals	-	-
Balance as at 31 December 2021	123 242 817	123 242 817
Accumulated amortisation and impairment losses		
Balance as at 31 December 2020	-	-
Depreciation	-	-
Disposals	-	-
Balance as at 31 December 2021	-	-
Net book value as at 31 December 2021	**123 242 817**	**123 242 817**
Net book value as at 31 December 2020	**-**	**-**

6 Other financial assets

Other financial assets consist of guarantees provided by the bank, which as at 31 December 2021 amount to EUR 4 mln and are valid until 2023.

7 Other amounts receivable

	31 December 2021	31 December 2020
Guarantees provided by the bank	851 500	-
VAT receivable	505 811	
Other amounts receivable	9 618	-
	1 366 929	**-**

8 Share capital

The share capital of the Group as at 31 December 2021 is EUR 2 500. The share capital is divided into 2 500 ordinary registered shares with the par value of EUR 1 each.

9 Reserves

The legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5% of distributable retained earnings calculated for statutory reporting purposes are required until the reserve reaches 10% of the share capital. The legal reserve is not formed as at 31 December 2021. In accordance with legislation, the reserve can be used to cover the company's losses.

10 Non-current amounts payable

	31 December 2021	31 December 2020
Secured loans	126 501 615	-
Loans from shareholders (note 15)	73 875 000	-
Unsecured bond issues (note 15)	24 625 000	-
Other long-term payables under Power Purchase Agreement	4 438 225	
Interest payable for loans from shareholders (note 15)	394 064	-
Interest payable for unsecured bonds (note 15)	136 447	-
	229 970 351	**-**

On 25th November 2021 four wind parks signed secured loan agreements with external lender. Total amount of loans received as at 31 December 2021 is EUR 125 879 598, acrrued interest - EUR 622 017. Accrued interest as at 31 December 2021 was capitalised into loan. The interest rate is fixed. The repayment date of three loans is 2046.06.30 and for one loan - it is 2046.12.31. Under these financing agreements, all Group's assets and shares are pledged to the lender.

On 22 November 2021 EUR 74 mln. loan agreement was signed with Shareholder 1. Interest rate is fixed. The borrower can repay any part of the loan and accrued interest at any point of time, but the final repayment date of the loan and accrued interest is 31 December 2052. As at 31 December 2021 total amount of loan received was EUR 73 875 thousand and accrued interest amounted to EUR 394 064.

On 22 November 2021 EUR 25 mln. unsecured non-convertible bonds subscription agreement was signed with Shareholder 2. Interest rate is fixed. The borrower can redeem any part of the bonds and pay accrued interest at any point of time, but the final redemption date of bonds is 31 December 2052. The carrying amount of non-convertible bonds as at 31 December 2021 amounts to EUR 24 625 thousand and accrued payable interest - EUR 136 447.

On 30 June 2021 four wind parks signed a Power Purchase Agreement with a third party. Under the agreement the parks are obliged to sell part of generated electricity at a fixed price. The term of the agreement is 10 years. Total amount payable under the following agreement is EUR 4 671 816, with a current part of EUR 233 591. The liability under this agreement is amortized on staight line basis over the period of 10 years.

Future payments under loan, bond subscription agreements and other long-term liabilities are as follows:

	31 December 2021	31 December 2020
In 1 year	233 591	-
From 1 to 5 years	2 335 908	-
After 5 years	227 634 443	-
	230 203 942	**-**

11 Current amounts payable and liabilities

	31 December 2021	31 December 2020
Amount payable for shares	32 968 444	-
Amount payable for fixed assets	2 454 920	-
Repayable loan overpayment	292 000	-
Other current payables under Power Purchase Agreement	233 591	
Trade payables	113 359	-
Employment related liabilities	131	
Other amount payable	8	-
	36 062 453	**-**

12 Accrued expenses and deferred income

	31 December 2021	31 December 2020
Accrued construction costs	10 364 173	-
Accrued audit fees	40 680	-
Other accrued expenses	10 200	-
	10 415 053	**-**

13 General and administrative expenses

	2021	2020
Goodwill amortisation	1 352 410	-
Audit, accounting and other consulting expenses	31 325	-
Bank commission fees	20 000	-
Other general and administrative expenses	16 456	-
	1 420 191	**-**

14 Interest and other similar expenses

	2021	2020
Loans upfront fees	2 957 656	-
External loans' interest expenses	652 452	-
Shareholder's loan interest expenses (note 15)	394 064	-
Bonds interest expenses (note 15)	136 447	-
Other finance expenses	574	-
	4 141 193	**-**

15 Related party transactions

There was 1 person as key management personnel in 2021. The Group's management is considered to be a general manager with whom there were no transactions other than salary in 2021.

Transactions with other related parties:

2021	**Interest expenses**	**Interest income**	**Purchases**	**Sales**	**Amounts receivable**	**Amounts payable**
Shareholder 1 (note 10)	394 064	-	-	-	-	74 269 064
Shareholder 2 (note 10)	136 447	-	-	-	-	24 761 447
	530 511	**-**	**-**	**-**	**-**	**99 030 511**

2020	**Interest expenses**	**Interest income**	**Purchases**	**Sales**	**Amounts receivable**	**Amounts payable**
Shareholder 1	-	-	-	-	-	-
Shareholder 2	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

16 Income tax

	2021	2020
Income tax components		
Profit (loss) before tax	(5 561 384)	-
Additional deductible expenses	-	-
Non-deductible expenses	2 032 787	-
Non-taxable revenue	-	-
Taxable profit (loss)	(3 528 597)	-
Tax losses transferred from intergroup companies	-	-
Use of accumulated previous periods tax losses	-	-
Taxable profit (loss) after use of losses	(3 528 597)	-
Current period income tax	-	-

	2021	2020
Income tax revenue (expenses) components		
Current period income tax (expenses)	-	-
Deferred tax revenue (expenses)	(9 130)	-
Income tax revenue (expenses) recognized in profit (loss) statement	**(9 130)**	**-**

	2021	2020
Deferre tax asset		
Tax losses carried forward	1 488 487	-
Fair value of liabilities assumed at business combination	700 773	
Accruals	-	-
Deferred tax asset before decrease in realisable value	**2 189 260**	**-**
Minus: decrease in realisable value	(1 488 487)	-
Total deferred tax asset	700 773	-

16 Income tax (cont'd)

Deferred tax liability	**2021**	**2020**
Fair value of intangible assets acquired at business combination	(48 670)	-
Total deferred tax liability	(48 670)	-
Net deferred tax	**652 103**	**-**

Deferred tax has been calculated using 15% income tax rate. The Group has not recognised deferred tax asset from taxable losses carried forward due to uncertainty if these tax losses carried forward will be used in the foreseeable future. In addition to that, Group can realise deferred tax liability arising from fair value of intangible assets only upon disposal of these assets, which is not planned in the near foreseeable future.

17 Going concern

While prepraring financial statements, Group‘s management has assessed all known circumstaces, both those that are already accounted for and those that are expected in the future, that may affect Group‘s ability to continue as a going concern. Currently the Group is developing wind parks and does not earn income on its own in the short-term. As at 31 December 2021, the Group’s equity was negative and during 2021 the Group incurred EUR 5,3 mln loss. The Company’s shareholders have long-term plans for the Group and have confirmed their intentions to maintain its solvency, to the extent economically justified for the period of at least 12 months following the approval date of the financial statements. Additionally there are still more than EUR 60 mln of external loans available for projects' financing. Considering the above-mentioned circumstances, the Group’s management is of the opinion that no significant uncertainty exists with regard to the Group’s abilities to continue as a going concern; therefore, these financial statements were prepared on a going concern basis.

18 Subsequent events

In January 2022 the Shareholder 1 provided additional EUR 56 250 of loan under existing loan agreement and Shareholder 2 redeemed 18 750 of bonds with par value EUR 1 in total amount EUR 18 750.

On 7 January 2020 the Group has returned to external lender the overpaid loan amount EUR 292 thousand.

On 19 January 2022 two of the Group companies were merged into one entity.

In February 2022 the Group has received additional EUR 9 885 621 and in March additional payment EUR 5 206 055 of loans from external lender.

On 11 August 2022, Group received from the wind turbine manufacturer and contractor General Electric Renewables GmbH an indicative updated schedule for the completion of the construction of the wind. The schedule has been adjusted taking into account the Initial Results of Root Cause Analysis Report (hereinafter referred to as the Initial Findings) following an investigation into an incident on 11 March 2022, in which one of the wind turbines fell during testing and was damaged. General Electric Renewables GmbH, in light of the Initial Findings, has decided to carry out additional works on all the wind parks being developed by Group, which has led to a consequent postponement of the completion of the construction works on all the wind parks in question. Currently, according to the indications provided by General Electric Renewables GmbH, the Group's Management expects the Anykščių Vėjas UAB wind park to start generating electricity by the end of Q4 2022, Rokvėja UAB by the end of Q1 2023 and Potentia Industriae UAB by the end of Q2 2023.

As of 1 July 2022, fixed-price, monthly-fixed-volume electricity price hedging derivatives (hereinafter referred to as the Price Hedging Agreement) entered into force for approximately 50% production for Anykščių Vėjas UAB and Potentia Industriae UAB wind parks. The wind parks under construction by these companies do not yet produce enough electricity nor generate revenue to cover the unplanned Price Hedging Agreement costs. The Management of the Group has assessed various short-term financing options to manage the Group’s working capital until the wind turbines will start operating. One of the potential short-term working capital management solutions is for the Shareholders of the Group to inject additional capital up to EUR 15 000 000, as based on the Management’s assessment the positive cash flow from Shareholders’ capital injection will be sufficient to cover the expected negative cash flow from Price Hedging agreement.

On 24 February 2022, the Russian Federation started war in Ukraine, which might lead to developments in the Company’s business environment. The war might lead to the shortage of building materials and labour as well as future changes in economic conditions; however, the effect of the war on the mentioned factors cannot be currently objectively estimated. This event is treated by the Company as a post-balance sheet event which is not expected to lead to adjustments to the financial statements for the year 2021. The impact of the war on economic conditions and prospects will be assessed in determining the fair value of the Company’s assets when preparing the financial statements for 2022.

There were no other significant events after the reporting date which could have a significant effect on the financial statements as at 31 December 2021.

These financial statements were signed electronically

General Manager	Grėtė Bukauskaitė	
Representative of a Company Providing Accounting Services	Agnė Jasinskienė	

UAB ŽALIOSIOS INVESTICIJOS

CONSOLIDATED ANNUAL MANAGEMENT REPORT

General information about Group

UAB Žaliosios investicijos (thereafter - the Group) is a private limited liability company registered with the State Enterprise Center of Registers on 24 September 2021.

The Group and its subsidiaries develop and manage wind parks projects in Lithuania. The projects are currently in construction stage, which is estimated to be completed by the end of 2022 and the beginning of 2023.

Registered address

Lvivo str. 25-104, Vilnius, Lithuania

Shareholders as of 31 December 2021

- Taaleri SolarWind II S.a.r – 75%;
- UAB Atsinaujinančios energetikos investicijos, a closed-end investment company intended for informed investors – 25 %.

Shares

As at 31 December 2021, the Group's authorised share capital amounted to EUR 2 500 and was comprised of 2 500 ordinary shares of EUR 1 each.

Group's Manager

Grėtė Bukauskaitė

Review of performance and development

The Group invests in the development wind power park project in Lithuania and plans further portfolio extension of such assets. The Group currently manages a contraction of 185,50 MW (34 wind turbines) portfolio in Lithuania.

On 11 August 2022, Group received from the wind turbine manufacturer and contractor General Electric Renewables GmbH an indicative updated schedule for the completion of the construction of the wind. The schedule has been adjusted taking into account the Initial Results of Root Cause Analysis Report (hereinafter referred to as the Initial Findings) following an investigation into an incident on 11 March 2022, in which one of the wind turbines fell during testing and was damaged. General Electric Renewables GmbH, in light of the Initial Findings, has decided to carry out additional works on all the wind parks being developed by Group, which has led to a consequent postponement of the completion of the construction works on all the wind parks in question. Currently, according to the indications provided by General Electric Renewables GmbH, the Group's Management expects the Anykščių Vėjas UAB wind park to start generating electricity by the end of Q4 2022, Rokvėja UAB by the end of Q1 2023 and Potentia Industriae UAB by the end of Q2 2023.

As of 1 July 2022, fixed-price, monthly-fixed-volume electricity price hedging derivatives (hereinafter referred to as the **Price Hedging Agreement**) entered into force for approximately 50% production for Anykščių Vėjas UAB and Potentia Industriae UAB wind parks. The wind parks under construction by these companies do not yet produce enough electricity nor generate revenue to cover the unplanned Price Hedging Agreement costs. The Management of the Group has assessed various short-term financing options to manage the Group's working capital until the wind turbines will start operating. One of the potential short-term working capital management solutions is for the Shareholders of the Group to inject additional capital up to EUR 15 000 000, as based on the Management's assessment the positive cash flow from Shareholders' capital injection will be sufficient to cover the expected negative cash flow from Price Hedging agreement.

Risks and uncertainties

Irrespective of the pandemic cause by the Covid-19 virus, the countries' governments continue to be strongly committed to maintaining the Green Deal. In the recent times, the government announced heightened investments goals into renewable energy and infrastructure fields. Similar trends prevail throughout the world, from America to Australia. This creates better investment environment, but also brings about certain risk, such as the risk of rise in raw materials prices and longer supply time. In the wind energy sector, the main challenge is posed by the delivery of wind turbines. As of today, the average delivery time of wind turbine parts is one calendar year. This means that a smooth construction process should be planned very precisely.

In February 2022, the Russian Federation invaded Ukraine. The military actions affect not only the economy in Ukraine, Russia and Belarus, but also the European Union and global economy. As at the date these financial statements were authorised for issue, the situation in Ukraine is extremely volatile and inherently uncertain. In the Management‘s opinion, considering the ongoing and dynamic nature of the situation, a reliable estimate of the financial impact cannot be presently made.

In 2022, Europe continues to undergo an energy crisis, as regional electricity market prices increased to all time high levels. Due to this, regional national governmental bodies are analyzing various action plans to tackle the energy crisis, which if implemented, may have an adverse effect to the Group’s long term business case. Thus, in Management’s opinion, regulatory risk related to adverse changes in energy sector legislation is high.

Analysis of financial and non-financial operating results

The Group’s objective is to earn return for the Shareholders from investments in facilities of the renewable energy infrastructure and production of electricity.

During 2021, the Group incurred net loss of EUR 5.571 million. The losses of 2021 mainly comprised financing costs and amortisation of goodwill. During the construction stage Group does not earn revenues and consequently incurs net loss.

Information on significant events after the end of the financial year

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

The Group’s plans and forecasts

Group's Management expects that UAB Anykščių vėjas parkas starts generating electricity by the end of Q4 2022, UAB Rokvėja begins generating electricity by the end of Q1 2023 and UAB Potentia Industriae starts generating electricity by the end of Q2 2023. It is planned that wind farms could produce 583,463 MWh of electricity per year.

Board members and Group‘s Manager data in the activities and capital of other companies institutions and organisations:

Board Member	The Name of the Company, Entity or Organization	Country	Position	Portion in the capital of the organisation, %
Veli-Pekka Pello	Global Bonaventur, S.L.U.	Spain	Board member	0%
	Taaleri Haram AS	Norway	Board member	0%
	Haram Kraft AS Norway	Norway	Board member	0%
	Oltava Wind Park Holding GmbH	Germany	Board member	0%
	Oltava WP Holding GmbH	Germany	Board member	0%
	Escalade Holdings LLC USA	USA	Board member	0%
	Taaleri Slageryd AB	Sweden	Board member	0%
	Slageryds Vindkraft AB	Sweden	Board member	0%
	Taaleri Målajord AB	Sweden	Board member	0%
	Målajord Vindkraft AB	Sweden	Board member	0%
	UAB Ekoelektra	Lithuania	Board member	0%
	Global Evenor, S.L.	Spain	Board member	0%
	Global Berserker, S.L.	Spain	Board member	0%
	Taaleri Energia Iberia, S.L.	Spain	Board member	0%
	Taaleri Energia Holdings Sarl	Luxembourg	Board member	0%
	Taaleri Development Holdings Sarl	Luxembourg	Board member	0%
	Taaleri Energia North America LLC	USA	Board member	0%
	YSUB Oy Finland Dormant	Finland	Board member	0%
	SMYS S.A. Luxembourg	Luxembourg	Board member	0%
	Trigoria Sarl-S	Luxembourg	Personal Company	0%

Board Member	The Name of the Company, Entity or Organization	Country	Position	Portion in the capital of the organisation, %
Vladimir Gorelov	UAB “Ekoelektra“	Lithuania	Board member	0%
Tomas Milašauskas	UAB “Atsinaujinančios Energetikos Investicijos"	Lithuania	Fund Manager	0%
	PL-Sun sp.z o.o	Poland	Board member	0%
	PV Zaganiec sp. z. o.o.	Poland	Board member	0%
	PV Lubrza 2 sp. z o.o.	Poland	Board member	0%
	E-SUN PV1	Poland	Board member	0%
	E-SUN PV2	Poland	Board member	0%
	UAB “Ekoelektra“	Lithuania	Director	0%
	UAB “JTPG”	Lithuania	Director	0%
	UAB KNT Holding	Lithuania	Director	0%
	UAB Nimela	Lithuania	Director	0%
	UAB Atelda	Lithuania	Director	0%
	UAB „AEI Development“	Lithuania	Director	0%
	UAB "Rineila"	Lithuania	Director	0%
	Zaļais Spēks, SIA	Latvia	Board member	0%
Grėtė Bukauskaitė	Energy and Infrastructure SME Fund	Lithuania	Fund Manager	0%

Other required information to disclose

The Group has not acquired its own shares.

The Group had no branches or representative offices.

The Group did not acquire, transfer, or hold any treasury shares during reporting period.

This annual management report has been signed by

General Manager of Group

Grėtė Bukauskaitė