

UAB "Nimela"

COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR 2022
(1 JANUARY 2022 - 31 DECEMBER 2022)
PREPARED ACCORDING TO LITHUANIAN
FINANCIAL REPORTING STANDARDS

UAB "Nimela"

Company code 306074786, address Jogailos g. 4, LT-01116 Vilnius

FINANCIAL STATEMENTS FOR THE YEAR 2022

(all amounts are in EUR unless otherwise stated)

CONTENT

BALANCE SHEET	3
INCOME STATEMENT	4
EXPLANATIONS TO THE FINANCIAL STATEMENTS	5
PRACTITIONER'S REVIEW REPORT	7

Financial position

	31 December 2022	31 December 2021
ASSETS		
A. FIXED ASSETS	3 000 000	-
1. Tangible assets	-	-
2. Other fixed assets	3 000 000	-
B. CURRENT ASSETS	307	-
1. Inventory	-	-
2. Other current assets	307	-
C. PREPAYMENTS AND ACCRUED INCOME	-	-
TOTAL ASSETS	3 000 307	-
EQUITY AND LIABILITIES		
D. EQUITY	(189 012)	-
E. GRANTS, SUBSIDIES	-	-
F. PROVISIONS	-	-
G. AMOUNTS PAYABLE	3 183 453	-
1. Amounts payable after one year and other long-term liabilities	3 177 557	-
2. Amounts payable within one year and other short-term liabilities	5 896	-
H. ACCRUALS AND DEFERRED INCOME	5 866	-
TOTAL EQUITY AND LIABILITIES	3 000 307	-

Financial statements were signed using electronic signature by:

General Manager

Grėtė Bukauskaitė

Company representative in charge of accounting

Virginija Skirmantė

UAB "Nimela"

Company code 306074786, address Jogailos g. 4, LT-01116 Vilnius

FINANCIAL STATEMENTS FOR THE YEAR 2022

(all amounts are in EUR unless otherwise stated)

Income Statement

	<u>2022</u>	<u>2021</u>
1. Net turnover	-	-
2. Other income	-	-
3. Acquired stocks and used resources	-	-
4. The change of stocks value	-	-
5. Expenses related to employment relations	(696)	-
6. Depreciation, amortization and impairment of assets	-	-
7. Other expenses	(190 816)	-
8. Tax on profit	-	-
9. Net profit (loss)	(191 512)	-

Financial statements were signed using electronic signature by:

General Manager

Grėtė Bukauskaitė

Company representative in charge of accounting

Virginija Skirmantė

Explanations to the financial statements

Other fixed assets

Other fixed asset consist of cash deposited for guarantee amounting to EUR 3 000 000. Bank guarantee is intended to confirm that company planned to be acquired, would perform it obligation under agreements related with investing in solar farm infrastructure. Under the confirmation letter the bank is obligated to pay to the beneficiary amounts upon receipt of payment demand in case the company does not fulfil the requirements listed in letter of intent with the grid operator, whereas the payable amount cannot exceed funds paid by the Company indicated above. The bank guarantee is valid until the earlier of the following events – fulfilment of all requirements listed in the letter of intent with the grid operator or 1 July 2026. There is a possibility to extend the guarantee by 6 months

Instalments for guarantee are held as cash restricted for the Company's general use. Restricted cash for guarantees is held at well-established credit institution with high long-term debt rating, therefore Management does not see a risk of restricted cash not being able to be used for the purpose it is currently held as restricted or not being freed up for the Company's general use once purpose of holding restricted cash is fulfilled. Management presumes that the project will proceed as planned and that the guarantee payment will not be forfeited, hence, there is no indication of impairment of the guarantee.

Amounts payable after one year and other long-term liabilities

	31 December 2022	31 December 2021
Bonds issued	3 010 000	-
Accrued interest on bonds issued	167 557	-
	3 177 557	-

On 18 July 2022 the Company signed bond agreement with Shareholder - UAB "Atsinaujinančios Energetikos Investicijos", a closed-end investment Company intended for informed investors, under which the Shareholder agreed to subscribe and purchase total amount of 30 000 000 units of bonds with issue price of EUR 1 each. Based on the agreement the Shareholder has the right to acquire the rest of the bonds until 5 February 2026. Bonds acquired are issued with fixed interest rate and maturity date of 5 February 2026.

As at 31 March 2023 the Group has issued 3 010 000 bonds units.

Liquidity risk and going concern

As of December 31st, 2022, the Company has reported liabilities exceeding assets by EUR 183 146. At the reporting period, a loss of EUR 191 512 and negative equity of EUR 189 012 were recorded, current liabilities exceeded current assets by EUR 5 589.

Due to the extended timeline involved in the development and construction of renewable energy projects, it takes several years before these parks begin generating revenue from their primary operations. As a result, the Company's management anticipates potential short-term liquidity challenges during the project development phase.

To reduce liquidity risk, the Company is taking a proactive approach to managing cash flow, implementing a comprehensive forecasting process to anticipate and respond to potential mismatches. Additionally, short-term financing options like shareholder equity and bond issuance will be considered as needed to manage cash flows.

The Company shall persist in executing its strategy of procuring a firm that is involved in the development of a solar power project in Lithuania.

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.

The Company's shareholder undertakes to continue providing financial and non-financial assistance, as economical reasonably feasible, for a minimum of one year following the signing of these Financial Statements. This is to ensure the uninterrupted operation of the Company and compliance with its obligation.

Accordingly, these financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations.

UAB "Nimela"

Company code 306074786, address Jogailos g. 4, LT-01116 Vilnius

FINANCIAL STATEMENTS FOR THE YEAR 2022

(all amounts are in EUR unless otherwise stated)

Subsequent events

In 2023, a shareholder of the Company purchased additional bonds of the Company for EUR 20 500.

There were no other significant subsequent events.

Financial statements were signed using electronic signature by:

General Manager

Grėtė Bukauskaitė

Company representative in charge of accounting

Virginija Skirmantė

Independent Practitioner's Review Report

To the Shareholders of UAB Nimela

■ Report on the Financial Statements

We have reviewed the accompanying financial statements of UAB Nimela (“the Company”), which comprise the balance sheet as at 31 December 2022 and the income statement for the year then ended, which are set out on pages 3–6.

■ Emphasis of Matter

We draw attention to explanations to the financial statements, which indicate that the Company's current liabilities exceed its current assets by EUR 6 thousand. In addition, the Company's equity as at 31 December 2022 is negative and does not meet the requirement of the Law on Companies of the Republic of Lithuania. The Company's financial statements are prepared on a going concern basis. The going concern assessment was based on the assumption that the parent undertaking had approved the provision of financial support to the Company to the extent that it is economically reasonable, for a period of at least twelve months from the date of approval of the financial statements. Our opinion is not modified in respect of this matter.

■ Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Lithuanian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

■ Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.



A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

■ Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of UAB Nimela as at 31 December 2022, and its financial performance for the year then ended, in accordance with Lithuanian Financial Reporting Standards.

On behalf of KPMG Baltics, UAB

Monika Saulienė
Certified Auditor

Vilnius, the Republic of Lithuania
9 June 2023

The electronic auditor's signature applies only to the Independent Practitioner's Review Report on pages 7 to 8 of this document.