UAB „Žaliosios investicijos“

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022 PREPARED ACCORDING TO LITHUANIAN FINANCIAL REPORTING STANDARDS

Content

Consolidated Balance sheet

		Notes	31 December 2022	31 December 2021 (corrected)
	ASSETS			
A	**NON-CURRENT ASSETS**		**233 603 203**	**203 473 851**
1.	INTANGIBLE ASSETS		60 668 663	76 158 534
1.1.	Development work		-	-
1.2.	Goodwill	4	60 668 663	76 158 534
1.3.	Software		-	-
1.4.	Concessions, patents, licenses, trade marks and similar rights		-	-
1.5.	Other intangible assets		-	-
1.6.	Prepayments for intangible assets		-	-
2.	TANGIBLE ASSETS		158 030 530	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	5	158 030 530	123 242 817
3.	FINANCIAL ASSETS		8 134 650	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	6	8 134 650	4 072 500
4.	OTHER NON-CURRENT ASSETS		6 769 360	-
4.1.	Deferred tax asset	20	6 769 360	-
4.2.	Biological assets		-	-
4.3.	Other assets		-	-
B	**CURRENT ASSETS**		**42 332 001**	**62 795 762**
1.	INVENTORIES		-	271 995
1.1.	Raw materials, materials and consumables		-	-
1.2.	Production and work in progress		-	271 995
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		-	-
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	7	935 691	1 366 929
2.1.	Trade receivables		802 871	-
2.2.	Intercompany amounts receivables		-	-
2.3.	Amounts receivable from associates		-	-
2.4.	Other amounts receivable		132 820	1 366 929
3.	CURRENT INVESTMENTS		-	-
3.1.	Shares in group companies		-	-
3.2.	Other investments		-	-
4.	CASH AND CASH EQUIVALENTS	8	41 396 310	61 156 838
C.	**PREPAID EXPENSES AND ACCRUED INCOME**	9	**1 938 000**	**-**
	TOTAL ASSETS		**277 873 204**	**266 269 613**

Consolidated Balance sheet (cont'd)

		Notes	31 December 2022	31 December 2021 (corrected)
	EQUITY AND LIABILITIES			
D.	**EQUITY**		**(105 032 589)**	**(42 116 052)**
1.	CAPITAL	10	28 838 984	2 500
1.1.	Share capital		28 838 984	2 500
1.2.	Unpaid share capital (–)		-	-
1.3.	Own shares, stock (–)		-	-
2.	SHARE PREMIUM		-	-
3.	REVALUATION RESERVE	11	(95 374 804)	(36 609 625)
4.	RESERVES	12	-	-
4.1.	Legal reserve		-	-
4.2.	Acquisition of own shares		-	-
4.3.	Other reserves		-	-
5.	RETAINED EARNINGS (LOSSES)	10	(38 496 769)	(5 508 927)
5.1.	Profit (loss) of the reporting year		(32 987 842)	(5 508 927)
5.2.	Profit (loss) of the previous year		(5 508 927)	-
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**		**377 152 996**	**297 970 612**
1.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	13, 19	370 790 338	295 110 197
1.1.	Financial debts		171 317 084	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		68 434 645	74 269 064
1.7.	Amounts payable to associates		-	-
1.8.	Other amounts payable and non-current liabilities		131 038 609	69 578 071
2.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	14	6 362 658	2 860 415
2.1.	Current portion of financial debts		-	-
2.2.	Amounts owed to credit institutions		-	-
2.3.	Advances received		-	-
2.4.	Trade payables		5 939 521	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		419	131
2.10.	Other amounts payable and current liabilities		422 718	292 005
H.	**ACCRUED EXPENSES AND DEFERRED INCOME**	15	**5 752 797**	**10 415 053**
	TOTAL EQUITY AND LIABILITIES		**277 873 204**	**266 269 613**

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 Income statement

		Notes	2022-01-01 2022-12-31	2021-11-25 - 2021-12-31 (corrected)
1.	Sales revenue		2 078 670	-
2.	Cost of sales		(60 780)	-
3.	Fair value adjustments of biological assets		-	-
4.	**GROSS PROFIT (LOSS)**		**2 017 890**	**-**
5.	Selling expenses		-	-
6.	General and administrative expenses	16	(16 643 159)	(1 358 604)
7.	Other operating results	17	15 331 051	-
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		30	-
11.	Impairment of financial assets and short-term investments		-	-
12.	Interest and other similar expenses	18, 19	(40 455 875)	(4 141 193)
13.	**PROFIT (LOSS) BEFORE TAX**		**(39 750 063)**	**(5 499 797)**
14.	Income tax	20	6 762 221	(9 130)
15.	**PROFIT (LOSS) BEFORE MINORITY INTEREST SEPARATION**		**(32 987 842)**	**(5 508 927)**
16.	MINORITY INTEREST		**-**	-
17.	**NET PROFIT (LOSS)**		**(32 987 842)**	**(5 508 927)**

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General Manager ***Grėtė Bukauskaitė***

Representative of a Company Providing Accounting Services ***Marina Lysova***

Consolidated Statement of Changes in Equity

	Share Capital	Share premium	Own shares (–)	Revaluaion reserve (corrected)		Legal reserves		Other reserves	Retained earnings (losses)	Adjustments due to exchange rate change	Minority interest	Total (corrected)
				Fixed tangible assets	Financial assets (liabilities)	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 (corrected)	-	-	-	-	(36 609 625)	-	-	-	-	-	-	(36 609 625)
7. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-	-	-
8. Profit (loss) not recognised in the income statement	-	-	-	-	-	-	-	-	-	-	-	-
9. Net profit (loss) of the reporting period (corrected)	-	-	-	-	-	-	-	-	(5 508 927)	-	-	(5 508 927)
10. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	-	-	-	-	-	-	-
14. Increase (decrease) of authorised capital	2 500	-	-	-	-	-	-	-	-	-	-	2 500
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 (corrected)	**2 500**	**-**	**-**	**-**	**(36 609 625)**	**-**	**-**	**-**	**(5 508 927)**	**-**	**-**	**(42 116 052)**
19. Increase (decrease) in the value of fixed tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
20. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	(58 765 179)	-	-	-	-	-	-	(58 765 179)
21. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-	-	-
22. Profit (loss) not recognised in the Income Statement	-	-	-	-	-	-	-	-	-	-	-	-
23. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(32 987 842)	-	-	(32 987 842)
24. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
25. Other payments	-	-	-	-	-	-	-	-	-	-	-	-
26. Formed reserves	-	-	-	-	-	-	-	-	-	-	-	-
27. Used reserves	-	-	-	-	-	-	-	-	-	-	-	-
28. Increase (decrease) of authorised capital	28 836 484	-	-	-	-	-	-	-	-	-	-	28 836 484
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	**28 838 984**	**-**	**-**	**-**	**(95 374 804)**	**-**	**-**	**-**	**(38 496 769)**	**-**	**-**	**(105 032 589)**

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General Manager ***Grėtė Bukauskaitė***

Representative of a Company Providing Accounting Services ***Marina Lysova***

Consolidated Cash Flow Statement

		Notes	2022-01-01 2022-12-31	2021-11-25 - 2021-12-31 (corrected)
1.	**Cash flows from operating activities**			
1.1.	Net profit (loss)		(32 987 842)	(5 508 927)
1.2.	Minority interest		-	-
1.3.	Depreciation and amortisation expenses	4	15 489 871	1 290 823
1.4.	Elimination of results of disposals of fixed tangible and intangible assets		-	-
1.5.	Elimination of results of financing and investing activities	14	13 733 536	4 141 194
1.6.	Elimination of results of other non-cash transactions	11, 18	2 695 360	-
1.7.	Decrease (increase) in intercompany amounts receivable and receivables from associates		-	-
1.8.	Decrease (increase) in other amounts receivable after one year	6, 7	(4 062 150)	-
1.9.	Decrease (increase) in deferred tax asset	20	(6 769 360)	-
1.10.	Decrease (increase) in inventories, except advance payments		271 995	-
1.11.	Decrease (increase) in advance payments		-	12 183
1.12.	Decrease (increase) in trade receivables	7	(802 871)	-
1.13.	Decrease (increase) in intercompany amounts owed and amounts owed by associates		-	-
1.14.	Decrease (increase) in other amounts receivable	7	1 237 769	15 771
1.15.	Decrease (increase) in short-term investments		-	-
1.16.	Decrease (increase) in prepayments and accrued income	9	(1 938 000)	-
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	14	3 371 242	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	7	(3 660)	-
1.25.	Increase (decrease) in employment related liabilities	14	288	131
1.26.	Increase (decrease) in other amounts payable and liabilities	14	422 713	8
1.27.	Increase (decrease) in accruals and deferred income	15	(4 662 256)	34 380
	Net cash flows from operating activities		**(14 003 365)**	**23 290**
2.	**Cash flows from investing activities**			
2.1.	Acquisition of fixed assets (excluding investments)	5	(34 787 713)	(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		**(34 787 713)**	**(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	10,13	-	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		29 030 550	114 261 540
3.2.1.	Increase in financial debts		31 980 530	126 580 200
3.2.1.1.	Loans received		28 211 780	101 955 200
3.2.1.2.	Issue of bonds		3 768 750	24 625 000
3.2.2.	Decrease in financial debts		(2 657 980)	(12 579 650)
3.2.2.1.	Loans repaid		(479 697)	(12 070 270)
3.2.2.2.	Redemption of bonds		-	-
3.2.2.3.	Interest paid		(2 178 283)	(509 380)
3.2.2.4.	Finance leases payments		-	-
3.2.3.	Increase in entity's other liabilities	14	-	292 000
3.2.4.	Decrease in entity's other liabilities	14	(292 000)	-
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		**29 030 550**	**114 264 040**
4.	**Adjustments due to exchange rates on the balance of cash and cash equivalents**		-	-
5.	**Increase (decrease) of net's cash flows**		**(19 760 528)**	**61 156 838**
6.	**Cash and cash equivalents at the beginning of the period**		**61 156 838**	**-**
7.	**Cash and cash equivalents at the end of the period**		**41 396 310**	**61 156 838**

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General Manager ***Grėtė Bukauskaitė***

Representative of a Company Providing Accounting Services ***Marina Lysova***

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 Jogailos str. 4, 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 2022, 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) and Taaleri SolarWind II Co-Invest SCSp (Company codes B232448, registered address Boulevard F.W. Raiffeisen 15, Luxembourg).

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).

	31 December 2022		31 December 2021	
	Number of shares	Share of the stock held	Number of shares	Share of the stock held
Taaleri SolarWind II S.a.r.l.	16 481 479	57,15%	1 875	75,00%
UAB Atsinaujinančios energetikos investicijos	7 209 746	25,00%	625	25,00%
Taaleri SolarWind II Co-Invest SCSp	5 147 759	17,85%	-	-
Total	**28 838 984**	**100,00%**	**2 500**	**100,00%**

As at 31 December 2022, the Company's authorised share capital amounted to EUR 28 838 984 (as at 31 December 2021 - 2 500). As at 31 December 2022 and at 31 December 2021 the authorised share capital is divided ordinary registered shares with the par value of EUR 1 each. As at 31 December 2022 and 31 December 2021 the Company's share capital is fully paid. The Company does not have its own shares.

As at 31 December 2022 and 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 2022 and 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 2022	Share of the stock held by the Group 2021
EE Emerald Holding UAB	100%	100%
UAB Geotyrimų centras	-	100%
UAB Potentia industriae	100%	100%
UAB Anykščių vėjas	100%	100%
UAB Rokvėja	100%	100%

On 12 January 2022 after the reorganization, the subsidiary company "Geotyrimų centras" UAB was merged to UAB Potentia Industriae, which ended its activities after the reorganization.

The Group's fiscal year aligns with the calendar year. The first year of the Group commenced on 26 November 2021, and concluded on 31 December 2021.

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 Lithuanian Financial reporting standards.

2 Accounting policy

Main accounting principles applied in the preparation of Group's financial statements for the year end 2022 are as follows:

2.1. Principles of preparation

These financial statements have been prepared in accordance with the Law on Financial Accounting of the Republic of Lithuania, Law on Financial Reporting by Undertakings of the Republic of Lithuania, and Lithuanian Financial Reporting Standards (LFRS) and on other legal acts in force in the Republic of Lithuania, regulating financial accounting and financial reporting, which include the standards and guidance prepared and approved by the Authority of Audit, Accounting, Valuation and Insolvency, effective as at 31 December 2022. In accordance with the Law on Financial Reporting by Undertakings of the Republic of Lithuania, the Group is attributed to the category of small enterprises.

A parent company may not prepare consolidated financial statements, if on the last day of the reporting period, the indicators of the parent company's joint group of companies for two consecutive financial years, including the reporting financial year, in the annual financial statements do not exceed the amounts determined by the Law on Consolidated Financial Reporting of Companies of the Republic of Lithuania. The total amount of net sales revenue of the group of companies without deducting mutual transactions and the average annual number of employees according to the list for two consecutive years, including the reporting financial year, did not exceed the values set by the Law on Consolidated Financial Reporting of Companies of the Republic of Lithuania.

The Group is not obligated by law to prepare consolidated financial statements, has chosen to do so at its own discretion.

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 income statement.

2 Accounting policy (cont'd)

2.5. Tangible non-current assets

Non-current tangible assets of the Group is considered to include the asset that renders economic benefits to the Group for a period longer than one year and the Group 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.

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.

Each wind park developed by the Group is considered as one asset unit. Depreciation of the Group's assets begins to be calculated when the documents confirming the completion of the construction of the wind park are received. The depreciation period corresponds to the planned service life of the wind park, i.e., up to 30 years. The useful life is regularly reviewed to ensure that the depreciation period corresponds to the estimated useful life of the property, plant and equipment.

Construction in progress is accounted for at acquisition cost. It consists of the value of construction, buildings and equipment and other directly attributable costs. Depreciation of construction-in-progress is not calculated until the construction is completed and the asset is put into use.

Impairment of long-term tangible assets is assessed when events or circumstances show that the asset's value may not be recouped. If possible, impairment of the asset is observed, the recoverable amount of such asset is calculated. Impairment losses are recorded when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Losses incurred due to depreciation are recorded in the income statement. The reversal of impairment recorded in previous periods is recorded when there are indications that the recognized losses due to the decrease in the value of the asset no longer exist or have significantly decreased. The reversal is recorded in the income statement in the same line item as the impairment loss.

2.6. Amounts receivable

Trade and other receivables are recognized when the Group 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 Accounting policy (cont'd)

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 recognized in the Group in accordance with the principles of accrual and comparison in the reporting period when the related revenue is earned, regardless of the timing of spending money. Expenses are measured at the amount of cash or cash equivalents paid or payable, net of value added tax.

The costs of goods sold by the Group are recognized, recorded in the accounting, and presented in the financial statements in the same reporting period in which the goods were sold and when the amount of revenue can be measured reliably.

After the start of the operation of the wind park, the land rental costs are included in the cost of sales.

2.12. Financial expenses

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

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 2022 and 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, 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 balance sheet 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 Accounting policy (cont'd)

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.

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.

Market risk

The electricity produced by the Group was sold at market prices, which depend not only on the demand and supply of electricity, but also on natural disasters, political decisions, and other factors that the Group cannot control or predict. In order to protect itself from price fluctuations in the electricity market, the Group has entered into an electricity price swap agreement to sell 50 percent of the possible average quantity at a fixed price.

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 LFRS 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.

One notable aspect of these consolidated financial statements involves the utilization of estimates. This encompasses the valuation assumptions for derivative hedging instruments, recognition of deferred income tax, rectification of prior period errors, and the re-evaluation of goodwill. It's important to note that forthcoming events could alter the assumptions underlying these estimates. Any impact stemming from such alterations will be reflected in the financial statements once ascertained.

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. Derivative financial instruments

A financial asset and a financial liability arising from a derivative financial instrument are recorded in the accounting when the right to receive the asset or the liability to fulfill the obligation is acquired under the contract. At the time of conclusion of the contract, the derivative financial instrument is accounted at the acquisition cost.

At the end of each year, the derivatives financial instruments are measured at a fair value. For this purpose, at the end of each year, the determination of the fair value is carried out by an independent appraiser, considering forecasted electricity prices, the Group's credit risk indicators and the situation in the electricity market sector.

2 Accounting policy (cont'd)

2.20. Derivative financial instruments

In accordance with the LFRS, a hedging risk management policy is prepared, and an effectiveness assessment is carried out. The derivative financial instrument evaluation policy provides the purpose of hedging, describes the hedged risk, the hedging instrument and specifies how the effectiveness of hedging is calculated.

The result of the revaluation of the effective part of the derivative financial instrument is recorded in the balance sheet, in the equity part, in the revaluation reserve account and the result of the revaluation of the ineffective part of the hedging instrument is recorded in the income statement: the profit is recognized in the interest and other similar income account, and the loss is recognized in the interest and other similar expenses account.

Every month, invoices are received from another derivative financial hedging party when the price of electricity is higher than the agreed price, based on which the difference calculated between the higher market price of electricity and the fixed contract price for the hedged amount of electricity is paid. In cases where the price of electricity is lower than the agreed price, invoices are issued to the counterparty of the derivative financial hedging instrument, based on which, the other counterparty of the derivative financial hedging instrument pays the difference to the Group, calculated between the fixed and the market price for the hedged amount of electricity. Income and costs from partial fulfillment are recorded in the income statement, with the profit being recognized in the interest and other similar income account, and the loss being recognized in the interest and other similar expenses account.

If the derivative financial hedging instrument does not meet the requirements for hedging accounting, after it expires or after it is sold, terminated, or executed, the accounting of the hedging instrument is terminated prospectively. Accumulated profit or loss previously accounted for in the equity section of the balance sheet are retained there until the intended transaction is completed. After the financial asset or financial liability arising from the hedging instrument is written off, all the accumulated profit or loss related to it, registered in the revaluation reserve (result) account, is included in the income statement of the reporting period.

2.21. Change in accounting policy

The Group did not change its accounting policy during the reporting period.

2.22. Comparative information

Where necessary, comparative information shall be reclassified in the financial statements so that its grouping is consistent with the classification for the current period.

2.23. Correction of errors

Prior periods accounting errors in the financial statements may be detected in the current reporting period. Accounting errors may result from inaccurate mathematical calculations, misapplication of accounting policies, misinterpretation of facts, fraud or misunderstanding. If these errors are not material, they are corrected in the current period accounting and financial statements. The result of the correction is included in the same line of the balance sheet and the income statement in which it was made. Errors also can be corrected in a retrospective manner. In that case, changes and revisions are made not only during the reporting period and in the future reporting periods, but the comparative financial statement information is also corrected.

By making the 2021 financial statements, the Group inaccurately interpreted the requirements of LFRS regarding the initial recognition of a derivative financial hedging instrument and did not account the fair value of hedge instruments and subsequentlly the subsiadiaries did not perform the evaluation of the effectiveness of the financial instrument 31 December 2021.

Additionally, it has been discovered that the external valuator used an incorrect valuation method for the Hedge instrument on the business acquisition date. Based on management valuation the outcome included in the revaluation reserve account should not be factored into the Goodwill calculation, since this reserve is not formed by the owners of acquired companies but is affected by changes in the fair value of Hedge instruments.

This resulted in an erroneous recognition of Goodwill. Subsequently, this error was rectified retrospectively during the compilation of the 2022 financial statements. The specific details of this correction, along with its impact on the financial statements, are outlined in Note 23, where significant errors are identified and summarized.

2.24. 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 2022 and 31 December 2021.

The following table summarizes 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 (made in FY2021)	FV adjustments (corrected in FY2022)	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	(691 642)	9 130
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	-	(4 671 816)	(28 984 184)	(33 656 000)
Loans and borrowings	(134 362 496)	(60 871)	-	(134 423 367)
Trade and other payables	(16 530 752)	-	-	(16 530 752)
Revaluation reserve (Hegde instrument)	-	4 671 816	28 984 184	33 656 000
Fair value of net assets acquired	**(11 461 169)**	**924 830**	**(976 571)**	**(11 512 910)**
Goodwill (note 4)				77 449 357
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.

Description of significant errors in fair value adjustments for acquired companies as of 25 November 2021

Reports of independent external asset valuators were used to determine the fair values of companies as at 26 November 2021.

During the evaluation process, a liability arising from the executed Power Purchase Agreement (referred - PPA) was identified. To determine the fair value of the PPA as of the business combination date, the income approach method was utilized. This method relied on a comparison of cash flows with and without the PPA. Distinct Weighted Average Cost of Capital (WACC) rates were applied: a lower WACC for cash flows associated with the PPA and a higher WACC for those without it. Consequently, the independent valuator concluded that an intangible asset of EUR 324 469 should be recognized for the PPA, while a liability of EUR 4 671 816 should also be accounted in the financial statements.

In reviewing the financial statements for FY2021, Group management identified a discrepancy in the assessment of the purpose of signed PPA by the external valuator. It was noted that the clarity of this assessment was lacking, and an inaccurate evaluation method was employed. The acquired companies utilize PPAs as a risk management tool for fluctuations in electricity prices. Consequently, these instruments should be classified as hedge instruments. Therefore, the focus should be on evaluating the fair value of potential liabilities arising from these PPA agreements rather than assessing the benefit or loss derived from them.

To ensure accurate valuation as of the acquisition date, the Group engaged an appraiser with expertise in valuing these instruments. The new valuation reports indicate that the fair value of four PPAs has increased to EUR 33 656 000. This represents a significant adjustment from the previous valuation, which identified an intangible asset of EUR 324 469 (now reversed) and a liability of EUR 4 671 818 (increased). The main assumptions for reevaluating the value of PPAs is thoroughly outlined in Note 13.

Hedge accounting instruments are to be valued at fair value as of the acquisition date. Lithuanian Corporate law prohibits the distribution of dividends from the revaluation reserve. Therefore based on managment valuation the outcomes recorded in the revaluation reserve account should not impact the calculation of Goodwill. Consequently, the Goodwill recognized at the end of 2021 was recalculated in accordance with these accounting standards explanations.

During the valuation process as at 25 November 2021, it was conducted that deferred tax assets and liabilities should be determined based on the assessed fair value of PPA instruments. Following the Group's valuation and consultations with tax advisors, the Group has concluded that fluctuations in the fair value of PPA instruments do not impact the calculation of corporate income tax. This is attributed to the multiple factors influencing fair value, including electricity price forecasts for the remaining PPA term, considerations of Group and counterparty risks, and broader economic and political conditions and other factors.

Consequently, the Group's management has determined that the fair value of PPAs has no bearing on the calculation of Corporate Income Tax, and there are no temporary differences in the interpretations of accounting and corporate tax regulations. Accordingly, deferred tax assets and liabilities are not be recognized, and any previously recognized amounts was reversed with revaluation of goodwill in FY2022.

The Group's management assessed that the carrying amounts of the remaining assets and liabilities approximate their fair values. No discrepancies were identified in this category compared to valuations made as of 25 November 2021.

4 Goodwill

	31 December 2022	31 December 2021 (corrected)
Cost		
Balance as start of period	77 449 357	-
Acquisitions through business combinations	-	77 449 357
Additions	-	-
Disposals	-	-
Balance as at end of period	**77 449 357**	**77 449 357**
Accumulated amortization and impairment losses		
Balance as start of period	(1 290 823)	-
Amortization	(15 489 871)	(1 290 823)
Impairment	-	-
Balance as at end of period	**(16 780 694)**	**(1 290 823)**
Net book value as end of period	**60 668 663**	**76 158 534**

The amortization costs of goodwill are included into general and administrative expenses in the profit or loss.

The Group's management estimates that after the wind park start operating at full capacity and considering the forecasted performance results of the subsidiary companies, on 31 December 2022 and 31 December 2021 no signs of impairment of subsidiaries' shares were identified.

Description of significant errors in Goodwill recognition and amortization calculation as of 31 December 2021

As detailed in Note 3, incorrect accounting treatment was applied to the Hedge instrument, PPAs value, and the recognition of deferred tax assets and liabilities based on the fair value of PPAs in the previous financial year. In the present financial year, the Group's management conducted an additional assessment of the Hedge instrument treatment for goodwill calculation purposes and the recognition of deferred tax assets related to PPA fair value.

This resulted in a re-evaluation of fair value adjustments for acquired companies, ultimately leading to a recalculation of Goodwill recognized on the business acquisition date and its amortisation in FY2021.

Influence of significant error correction on previous accounting period reporting amounts

Article	Amount before correction 2021	Reversal of recognized Goodwill, intangible asset in FY2021	Reversal of Goodwill amortization costs in FY2021	Corrected Goodwill amount at acquisition date	Corrected goodwill amortization costs in FY2021	Total correction amount	Amount after correction 2021
Goodwill	**79 792 192**	(81 144 602)	1 352 410	77 449 357	(1 290 823)	**(3 633 658)**	**76 158 534**
Intangible assets	**324 469**	(324 469)	-	-	-	**(324 469)**	**-**
Deferred tax asset acquired at business combination	**652 103**	(652 103)	-	-	-	**(652 103)**	**-**
General and administrative expenses	**(1 420 191)**	-	1 352 410	-	(1 290 823)	**61 587**	**(1 358 604)**
Total assets	**270 879 843**	**(82 121 174)**	**1 352 410**	**77 449 357**	**(1 290 823)**	**(4 610 230)**	**266 269 613**
Net profit (loss)	**(5 570 514)**	**-**	**1 352 410**	**-**	**(1 290 823)**	**61 587**	**(5 508 927)**

5 Prepayments for tangible assets and assets under construction

	31 December 2022	31 December 2021
Acquisition value		
Balance as start of period	123 242 817	-
Acquisitions through business combinations	-	106 075 880
Additions	34 787 713	17 166 937
Reclassifications	-	-
Disposals	-	-
Balance as at end of period	**158 030 530**	**123 242 817**

At the end of the reporting period and the previous reporting period, the balance consists of capitalized costs (construction in progress) related to the construction of the power plant.

As at 31 December 2022, the construction works of the parks are not finished. Several turbines were operating in the Anykščių park in test mode, so even though electricity was being produced, no fixed asset depreciation was calculated. Depreciation of on other parks are not calculated, because the construction and preparation for the operation of the wind power plant were still in progress.

During August - September 2023 the contractor and the Group signed a facility completion act of three parks. Subsequently, in December, the facility completion agreement for the fourth park was finalized, which provides for infrastructure and environmental management works that the contractor must perform within two months. At the time of signing these financial statements, the all parks operates at full capacity.

6 Other financial assets

	31 December 2022	31 December 2021
Bank guaranties	8 134 650	4 072 500
	8 134 650	**4 072 500**

Other long-term assets consist of cash deposited as a guarantee. The bank guarantee is intended to confirm that the Group will fulfill its obligations under contracts related to investments in wind farm infrastructure. According to the confirmation letter, the bank undertook to pay the beneficiary the amounts after receiving the payment request, if the Group does not meet the requirements listed in the letter of intent signed with the network operator, and the amount due cannot exceed the payment made above. Bank guarantees are valid until all the requirements listed in the letter of intent signed with the network operator are met or until 7 March 2024 (for Anykščiai), 23 April 2024 (for Jonava I park) and until 24 August 2024 (for Jonava II and Rokiškis park).

The use of deposited funds for the guarantee is limited to use in the Group's normal activities. Deposited funds for guarantee are kept in credit institutions with a high long-term debt rating, therefore the management does not see the risk that the deposited funds cannot be used for the purpose for which the funds are currently considered deposited or cannot be released for use in the Group's normal activities when the implementation of the storage of deposited funds will be implemented. Management assumes that there is no indication that the guarantee paid will be lost and therefore there is no indication of the impairment of the guarantee.

During the reporting period, all bank guarantees were extended due to the prolonged construction completion time of the wind parks. This extension of security necessitated additional funds from shareholders. Additionally, the bank guarantee, previously accounted for as a short-term receivable, was reclassified to other financial assets.

7 Other amounts receivable

	31 December 2022	31 December 2021
Trade debtors	802 871	-
VAT receivable	124 160	505 811
Bank deposit	5 000	-
Advance CIT	3 660	-
Guarantees provided by the bank	-	851 500
Other amounts receivable	-	9 618
	935 691	**1 366 929**

The bank guarantee, categorized as a short-term receivable as of 31 December 2021, has been reclassified to other financial assets, reflecting an extended bank guarantee period during 2022.

8 Cash and cash equivalents

	31 December 2022	31 December 2021
Restricted cash at bank accounts	28 084 693	32 968 003
Cash at bank accounts	13 311 617	28 188 835
	41 396 310	**61 156 838**

The final instalment of the share price under the SPA for acquisition is payable within 20 business days of the parks achieving commercial operation date. Funds are securely held in escrow accounts and pledged to the senior lender to ensure SPA compliance. Disbursement requires permission from the senior lender.

9 Prepaid expenses and accrued income

	31 December 2022	31 December 2021
Receivable forfeit for late construction work	1 938 000	-
	1 938 000	**-**

The Group received payments from the contractor on 26 January 2023.

10 Share capital

At the end of the reporting period the shares capital of the Group was equal to EUR 28 838 984, it was divided into 28 838 984 units of registered ordinary shares with the value of EUR 1 each. During the reporting period the shares capital of the Group was increased by issuing 28 836 484 units of ordinary registered shares with the value of EUR 1 each. At the end of the previous reporting period the share capital of the Group was equal to EUR 2 500, it was divided into 2 500 units of ordinary registered shares with the value of EUR 1 each. 100 % of all shares were owned by the sole shareholder of the Group, the shares were fully paid.

During the reporting and previous reporting period the Group did not acquire or hold its own shares.

10 Share capital (cont'd)

At the end of the reporting period, the Group had loss in the amount of EUR 32 987 842 and its equity is negative in the amount of EUR 105 032 589 (at the end of the previous reporting period, the Group had loss in the amount of EUR 5 508 927, and its equity was negative in the amount of EUR 42 116 052).

Following the requirements of the Law on Companies of the Republic of Lithuania, the Group's equity shall not be less than ½ of its share capital specified in the Group's Articles of Association. The Group did not meet the requirement of the minimum level of equity.

As at 31 December 2022 the most significant factor contributing to the negative equity was the revaluation reserve, which was resulted from the determination of the fair value of the hedging instruments (see Note 11). The Group's management assesses that, compared to the last assessment, the current energy market price forecasts have significantly decreased. As a result, it is expected that the value of the Group's derivative hedging instruments will decrease by the end of 2023 in comparison to its current value. Additionally, the fair value of the hedging instrument will decrease as certain obligations under the contract are fulfilled.

A notable portion of the Group's losses is accounted for by the amortization of goodwill. Please refer to Note 4 for a detailed breakdown of Goodwill expense.

In 2022 and 2021 construction of wind parks took place in the Group. After incident on 11 March 2022 in one of the parks, the contractor, according to the preliminary findings of the investigation, decided to perform additional work in all the wind parks developed by the Group, and this accordingly led to the postponement of the completion of the construction works of all the wind parks under development. In addition, from the 1 July 2022 electricity price hedging derivatives came into force due to approximately 50% of the planned electricity production of three wind power plants. The wind power plants developed by the companies did not produce enough electricity and did not generate income to cover the costs of the electricity price hedging contract at the time the contracts entered into force. Losses from the year 2022 incurred by subsidiaries are related to ongoing constructions and obligations under electricity price hedging contracts. In 2021 wind farms were developed, preparatory work was carried out and construction started. In the 4th quarter of 2022, the first wind park started operating in testing mode.

At the time of signing of these financial statements, the construction of all parks is completed, and the parks are generating revenues from core activities. The Group's management anticipates that once the wind parks begin operating at full capacity and the fair value of derivative financial instruments decreases, the generated profit will be sufficient to ensure compliance with the minimum capital requirement over the next several financial years.

11 Revaluation reserve

	31 December 2022	31 December 2021 (corrected)
Effective part of the derivative financial instruments (revaluation reserve)	98 070 164	36 609 625
The ineffective part of the derivative financial instruments (interest and other similar costs)	(2 695 360)	-
	95 374 804	**36 609 625**

To hedge against the risk of changes in electricity prices, on 30 June 2021 the acquired companies entered into an electricity price swap agreement with an unrelated party. This agreement hedges against electricity price fluctuations. Under terms of these contracts, the Group commits to selling a predetermined quantity of its generated electricity at an agreed price. According to the electricity swap agreements, the Group fixes the electricity sales price, thus transferring the risk of fluctuating market price to the other party of the transaction.

At the end of each financial year, the Group evaluates the derivative financial instrument at its fair value and performs an effectiveness test in 2022 and 2021 at the end of the year, the fair value was determined by an independent appraiser.

Prior to engaging in the electricity price swap agreement, the acquired entities established a hedging policy. Under this policy, effectiveness tests were carried out. The results indicated that two out of the four PPAs were fully effective, while the remaining two showed partial ineffectiveness. As a result, the ineffective portion was included in the Group's income statement.

Description of significant errors in fair value of PPA as of 31 December 2021

While preparing the financial statements for 2021 the Group incorrectly interpreted the requirements of the financial reporting standards regarding the moment of initial recognition of the derivative financial hedging instrument in the accounting. The electricity swap agreement was concluded in June 2021, the obligation to sell the agreed amount of electricity at the agreed price came into effect on 1 July 2022 and the last on 1 April 2023.

In accordance with the provisions of Business Accounting Standard 26, the Group must account for a financial asset or liability when it acquires the right to receive the asset or fulfill the liability. Therefore, the Company had the obligation to recognize the liability at acquisition cost for the first time on 30 June 2021 to account for the derivative financial instrument at fair value and to carry out the effectiveness test as at 31 December 2021.

As detailed in Note 3, an incorrect valuation approach was employed for PPAs during the acquisition. The external valuator assessed the instrument's benefit or loss instead of determining the fair value of the Group's liabilities to an external party. In 2022, PPA experts were enlisted to reevaluate the fair value of these hedge instruments as of the acquisition date. Given the previously noted fair value of instrument, the Group's management has concluded that there were no significant factors likely to affect the valuation as of 31 December 2021. It is considered that the indicated fair value as of 31 December 2021 closely approximates the fair value on the business acquisition date.

The Group recognized recalculated fair value of PPA and corrected an error retrospectively the result of the fair value assessment and effectiveness calculation of the derivative financial hedging instrument for year 2021 when preparing the financial statements for year 2022.

11 Revaluation reserve (cont'd)

Influence of significant error correction on previous accounting period reporting amounts

	Amount before correction 2021	Correction amount	Amount after correction 2021
Revaluation reserve	-	(36 609 625)	(36 609 625)
Total equity before correction of goodwill amortization	**(5 568 014)**	**(36 609 625)**	**(42 177 639)**
Significant error’s correction goodwill amortization (Note 4)	-	61 587	61 587
Total equity after both significant errors correction	**(5 568 014)**	**(36 548 038)**	**(42 116 052)**

12 Reserves

According to the legislation of the Republic of Lithuania, the Group is required to form a mandatory reserve. At least 5 percent of the net profit, calculated according to Business Accounting Standards, must be allocated to it annually until the reserve reaches 10 percent of the authorized capital. As of the end of the reporting and previous reporting periods, the mandatory reserve had not been formed.

13 Non-current amounts payable

	31 December 2022	31 December 2021 (corrected)
Secured loans	148 500 434	126 501 615
Fair value of the derivative financial instrument	98 070 164	36 609 625
Loans from shareholders and accrued (note 19)	68 311 123	73 875 000
Amount payable for shares	32 968 444	32 968 444
Unsecured bond issues and accrued interests (note 19)	22 775 468	24 625 000
Interest payable for loans from shareholders (note 19)	123 522	394 064
Interest payable for unsecured bonds (note 19)	41 183	136 449
	370 790 338	**295 110 197**

The Group received long-term loans from an external financier. The loan repayment term is up to 25 years from the start of commercial operation of the power plants. The Group's shares of subsidiaries and cash at Escrow accounts (note 8) are pledged in accordance with the financing agreement.

The Group received a long-term loan from Shareholder with a fixed annual interest rate during both the current and previous reporting periods. The loan is due for repayment until 31 December 2052. On 20 December 2022, the Group and Shareholder 1 entered into an agreement to offset counterclaims. This resulted in a set-off of EUR 21 627 363, which covered the repayment of the loan and the receivable related to the investment in shares of the Group, following the shareholders' decision to increase share capital. The set-off includes EUR 16 870 126 for the principal loan amount and EUR 4 757 237 for interest.

On 23 December 2022, Shareholder 2 assigned 23.8% of the receivable loan along with accrued interests to the new Shareholder 3, as per the terms of the share purchase and loan assignment agreement.

On 18 November 2022, Shareholder 2 amended the bond subscription agreement with the Group, originally executed on 22 November 2021, agreeing to subscribe and purchase a total of 30 000 000 units of non-convertible bonds at a nominal value of EUR 1 each. As of 31 December 2022, the Group has acquired 28 393 750 units of the subscribed bonds, totalling EUR 28 393 750 (compared to 24 625 000 units as of 31 December 2021). The bond's redemption date is set until 31 December 2052. On 20 December 2022, the Group and Shareholder 2 concluded an agreement to offset counterclaims. This led to a set-off of EUR 7 209 121 pertaining to the bond redemption against a receivable amount for the investment in shares of the Group, following the shareholders' decision to increase share capital. The set-off consists of EUR 5 618 284 for the principal amount of redeemed bonds and EUR 1 590 837 for interest.

On 30 June 2021 the acquired companies signed an electricity price swap agreement. The agreement is long-term and valid until 30 June 2032 (and one until 31 March 2023). As of 31 December 2022, 31 December 2021, and 25 November 2021 the electricity price hedging transactions were valued at fair value, determined by an independent appraiser. As of the 31 December 2022, the fair value of derivative hedging instruments was significantly higher compared to 2021 since the projected electricity prices in 2022 were significantly higher than in 2021 when the electricity market experienced much greater stability.

Determining the fair value of an electricity price swap agreements are based on several key assumptions:

- The expected price change of Lithuanian basic electricity was estimated based on the data of the annual futures of Lithuanian electricity and forecasts provided by an independent forecaster. The comparison predicts the average monthly market price during the term of the derivative instrument on 31 December 2022 amounted to EUR 101,23 (31 December 2021: EUR 63,16).
- On 31 December 2022, 31 December 2021 and 25 November 2021, a fixed electricity price adjustments parameter were applied to the valuation model to ensure that the fair value at the time of initial recognition corresponds to the instrument's signing cost at the time of the conclusion of the contracts.
- On 31 December 2022, 31 December 2021 and 25 November 2021 discount factors based on the zero-coupon curve of the EUR market, constructed using Euribor forecasts, market information on interest rate forward agreements and interest rate swaps (IRS).
- The credit risk related to the electricity price swap agreements were assessed based on the assumptions of the Group and the counterparty. Collaterals, credit ratings, and probability of default were considered.

13 Non-current amounts payable (cont'd)

Description of significant errors in fair value of PPA as of 31 December 2021

In Note 3, it was disclosed that an incorrect valuation method was initially used for PPAs during the acquisition. To rectify this, PPA experts were engaged in 2022 to reevaluate their fair value. Given the previous valuation, the Group's management believes there are no significant factors likely to impact the valuation as of 31 December 2022, and considers the indicated fair value as of 31 December 2021 to closely approximate the business acquisition date value.

In the process of preparing the FY2022 financial statements, there was a retrospective recalculation of the fair value of hedge instruments, resulting in corrected figures for the previous year.

Influence of significant error correction on previous accounting period reporting amounts

	Amount before correction 2021	Correction amount	Amount after correction 2021
Other amounts payable and non-current liabilities	4 671 816	31 937 809	36 609 625
Total amounts payable and liabilities	**266 032 804**	**31 937 809**	**297 970 613**

CORRECTION OF ERRORS

	Amount before correction 2021	Correction amount	Amount after correction 2021
Amounts payable after one year and other long-term liabilities (including significant error correction)	261 908 160	32 968 444	294 876 604
Amounts payable within one year and other short-term liabilities	36 062 453	(32 968 444)	3 094 009
Total amounts payable and liabilities	**297 970 613**	**-**	**297 970 613**

As of the end of FY2022 compared to FY2021, management has gathered substantial evidence indicating that the COD won't be achieved until the reporting period following the next one. Therefore, liabilities pertaining to the outstanding amount under the SPA are now being recognized as long-term liabilities. These liabilities were initially classified as short-term at the end of FY2021, but after reassessment **of adjusting post balance sheet events**, the Group has reclassified them as long-term.

14 Current amounts payable and liabilities

	31 December 2022	31 December 2021 (corrected)
Amount payable for fixed assets and trade payables	5 939 521	2 568 279
Payable interest on delayed actual PPA payments	359 948	-
Payable interest on bank balance	62 770	-
Employment related liabilities	419	131
Repayable loan overpayment	-	292 000
Other amount payable	-	6
	6 362 658	**2 860 415**

Description of errors in fair value of PPA as of 31 December 2021

In the annual financial statements for FY2021, the valuation of the PPA involved the categorization into short-term and long-term liabilities. The associated liability was systematically amortized over a ten-year period. Following the completion of the financial statements for FY2022, it was established that the PPA qualifies as a hedge instrument, obviating the need for the aforementioned split.

Influence of significant error correction on previous accounting period reporting amounts

	Amount before correction 2021	Correction amount	Amount after correction 2021
PPA liability	233 591	(233 591)	-
Current amounts payable and liabilities	36 062 453	(233 591)	35 828 862
Significant error’s correction PPA fair value (note 13)	4 671 816	31 937 809	36 609 625
Total amounts payable and liabilities	**266 032 804**	**31 937 809**	**297 970 613**

15 Accrued expenses and deferred income

	31 December 2022	31 December 2021
Accrued payable amounts according to energy swaps	5 065 211	-
Accrued construction costs land lease costs	505 027	10 364 173
Accrued legal expenses	50 568	-
Accrued audit fees	38 632	40 680
Other accrued expenses	93 359	10 200
	5 752 797	**10 415 053**

Accumulated amount payable according to energy swaps for the hedged quantity for December 2022, as the electricity market price exceeded the electricity sale price stipulated in the hedging contract. Accumulations were made based on the invoices received after the end of the financial year 2022.

16 General and administrative expenses

	2022-01-01 2022-12-31	2021-11-25 - 2021-12-31 (corrected)
Goodwill amortisation	15 489 871	1 290 823
Audit, accounting and other consulting expenses	467 639	31 325
Insurance costs	205 025	-
Management services	60 000	-
Donation	17 000	-
Bank commission fees	10 554	20 000
Remuneration and related costs	5 955	-
Other general and administrative expenses	387 115	16 456
	16 643 159	**1 358 604**

Goodwill amortization costs were retrospectively recalculated to account for changes in the goodwill amount. The impact of these error corrections is detailed in Note 4.

17 Other operating results

	2022-01-01 2022-12-31	2021-11-25 - 2021-12-31
Contractual liquidated damages for construction delays	15 061 051	-
Compensation from insurance	300 000	-
Other management costs	(30 000)	-
	15 331 051	**-**

An insurance payout was obtained for one turbine that collapsed during testing.

18 Interest and other similar expenses

	2022-01-01 2022-12-31	2021-11-25 - 2021-12-31
Actual costs of the hedging instrument	23 904 983	-
External loans' interest expenses	7 751 268	652 452
Shareholders' loan interest expenses (note 19)	4 486 694	394 064
Ineffective part of the derivatives	2 695 360	-
Bonds interest expenses (note 19)	1 495 574	136 447
Bank interest on bank account	121 512	574
Loss on exchange rate changes	465	-
Fines and interest on late payments	19	-
Loans upfront fees	-	2 957 656
	40 455 875	**4 141 193**

The actual cost of the hedging instruments consists of invoices received from the hedging counterparty for the hedged quantity of electricity for the period from 1 July 2022 until 31 December 2022. During this period, the electricity market price was higher than the agreed price, so the other party to the hedging transaction issued an invoice for the estimated difference between the higher electricity market price and the fixed contract price for the insured amount of electricity.

In accordance with the accounting policy, the Group performed the evaluation of the effectiveness of the hedging instruments available at the end of 2022. This assessment showed that some of the hedging instruments must be considered ineffective. This inefficiency is attributed to the construction schedules of the projects at the end of 2022 which provide insufficient evidence that the first wind farm within January - March 2023 will produce the insured amount of electricity, and the second wind farm within January - June 2023 will produce the insured quantity. Therefore, the part of the fair value of the derivative hedging instruments for the mentioned periods is recognized as ineffective and is recognized as an expense of the current period.

19 Related party transactions

In both 2022 and 2021, there were four key management personnel. The Group's management, represented by the General Manager, engaged solely in salary transactions with no other financial dealings in both years. Additionally, no remuneration was provided to board members.

Transactions with other related parties:

2022	Interest expenses	Interest income	Purchases	Sales	Amounts receivable	Amounts payable
Shareholder 1 (note 13,18)	4 462 641	-	-	-	-	52 152 545
Shareholder 2 (note 13,18)	1 495 574	-	-	-	-	22 816 650
Shareholder 3 (note 13,18)	24 053					16 282 100
	5 982 268	**-**	**-**	**-**	**-**	**91 251 296**

2021	Interest expenses	Interest income	Purchases	Sales	Amounts receivable	Amounts payable
Shareholder 1 (note 13,18)	394 064	-	-	-	-	74 269 064
Shareholder 2 (note 13,18)	136 447	-	-	-	-	24 761 449
	530 511	**-**	**-**	**-**	**-**	**99 030 513**

20 Income tax

	2022-01-01 2022-12-31	2021-11-25 - 2021-12-31 (corrected)
Income tax components		
Profit (loss) before tax	(39 750 063)	(5 499 797)
Revaluation reserve	(58 765 179)	(36 609 625)
Non-taxable income	(15 361 051)	-
Additional deductible expenses	-	-
Non-deductible expenses	87 813 354	38 642 412
Taxable profit (loss)	(26 062 939)	(3 467 010)
Tax losses transferred from intergroup companies	-	-
Use of accumulated previous periods tax losses	-	-
Taxable profit (loss) after use of losses	(26 062 939)	(3 467 010)
Current period income tax	**-**	**-**

	2022-01-01 2022-12-31	2021-11-25 - 2021-12-31 (corrected)
Income tax revenue (expenses) components		
Current period income tax (expenses)	(7 139)	-
Deferred tax revenue (expenses)	6 769 360	(9 130)
Income tax revenue (expenses) recognized in income statement	**6 762 221**	**(9 130)**

	31 December 2022	31 December 2021 (corrected)
Deferred tax asset		
Tax losses carried forward	5 332 123	1 422 682
Interest costs according to Article 30-1.	2 312 915	687 653
Fair value of liabilities assumed at business combination	-	-
Accruals	-	-
Deferred tax asset before decrease in realisable value	**7 645 038**	**2 110 335**
Minus: decrease in realisable value	(875 678)	(2 110 335)
Total deferred tax asset	6 769 360	-

Deferred tax liability	31 December 2022	31 December 2021
Fair value of intangible assets acquired at business combination	-	-
Total deferred tax liability	-	-
Net deferred tax	**6 769 360**	**-**

The Group forecasts the utilization of accumulated tax losses in the perspective of several future tax years. It also provides that prior and current year interest expenses will be classified as deductible expenses. Therefore, the Group recognizes deferred income tax assets for the first time in 2022. Deferred income tax assets in 2021 was not recognized because the construction of the wind farm was still underway, and the Group could not reliably estimate the yield of tax losses.

The misinterpretation of deferred tax assets and liabilities calculation is indicated in Note 3.

21 Going concern

At the end of the reporting period the Group suffered a loss of EUR 32 987 842, and its equity is negative by EUR 105 032 589, short-term assets exceeded short-term liabilities. While preparing the financial statements, the Group's management thoroughly evaluated all known circumstances, encompassing both current and anticipated future events, that could impact the Group's ability to operate as a sustainable entity. As of the financial statement signing date, the Group has successfully completed the construction of four wind parks, received the facility completion documentation from the contractor, and is in the process of negotiating the production permit. The most recent park has initiated cash flow generation from core operations.

Based on the assessment conducted by the Group's management, it is anticipated that the projected cash flow from primary activities will be adequate to meet obligations to suppliers, employees, creditors, and other pertinent stakeholders. The Group's wind park development project is nearing completion, and the Group has already begun generating cash flows from its core operations. The Group's shareholders have established long-term strategies for the Group and have affirmed their commitment to ensuring its financial viability, as long as it remains economically justified, for a period of at least 12 months from the approval date of the financial statements.

Taking into account the aforementioned circumstances, the Group's management holds the view that there is no significant uncertainty regarding the Group's ability to continue operating as a going concern. Consequently, these financial statements have been prepared on a going concern basis.

At the end of February 2022, the conflict in Ukraine escalated rapidly, causing significant global impact. Given that the Group has not entered into contracts with Ukraine, Russia, and Belarus, this conflict is not anticipated to have a substantial negative impact on the Group's operations in the upcoming reporting periods. However, in the view of the Group's management, due to the ongoing uncertainty, the full assessment of the impact on the Group's companies' activities is not yet possible.

The Group's management ensures compliance with relevant EU sanctions and monitors whether there are any additional restrictions.

In October 2023, Hamas launched an attack on Israel, leading to a significant escalation of hostilities. Israel responded with an offensive, causing widespread displacement and intensifying the humanitarian crisis in Gaza. The conflict has further strained relations between Israel and the Palestinians, casting doubt on the viability of a two-state solution and emphasizing the need for immediate international efforts to stabilize the situation.

Management has assessed the current conflict in Gaza and determined that there is no indication that it will have a significant impact on the group's activities. Nevertheless, it is important to note that management is vigilantly monitoring the situation and remains prepared to respond accordingly to any unforeseen developments.

22 Contingent liabilities and assets

As per the signed SPA, the final share price milestone is contingent on the progress of the acquired companies and their financial performance, as per the initial model and SPA terms. The ultimate payment under the SPA will be reevaluated once the parks achieve COD. The Group's management expects that this final milestone will not exceed the value of the shares acquired and the remaining liabilities recognized on the initial recognition date. Due to uncertainties related to COD, such as weather conditions, regulatory availability, and other factors, there are currently uncertainties surrounding the final payment amount under the SPA.

Group management assesses this as a contingency due to the variable nature of the final share price and the uncertainties associated with achieving COD. This assessment is based on the terms outlined in the SPA and the initial recognition of shares and liabilities.

During the reporting and the previous reporting periods, the Group did not participate in any legal procedures, had no other significant contingent liabilities and / or contingent assets that according to the Group management’s opinion could have significant impact on preparing these annual financial statements.

During the financial year 2022 and 2021, the State Tax Inspectorate did not conduct any tax investigation or inspections in the Group.

23 Summary correction of significant errors

The comprehensive description of substantial error corrections an be found in Notes 3, 4, 11, 13, and 14, 20. This note provides an overview of the overall impact of these significant errors on the Company's total assets, equity, and liabilities.

	Amount before correction 2021	Correction amount	Amount after correction 2021
Goodwill recalculation(Note 3, 4)	81 144 602	(3 695 245)	77 449 357
Goodwill amortisation costs recalculation (Note 3 ,4)	(1 352 410)	61 587	(1 290 823)
Other intangible assets (Note 3,4)	324 469	(324 469)	-
Deferred tax asset acquired at business combination (Note 3, 4, 20)	652 103	(652 103)	-
Total assets	270 879 843	(4 610 230)	266 269 613
General and administrative expenses	(1 420 191)	61 587	(1 358 604)
Profit (loss) before tax	**(5 570 514)**	**61 587**	(5 508 927)
Revaluation reserve	-	(36 609 625)	(36 609 625)
Total Equity	**(5 568 014)**	**(36 548 038)**	**(42 116 052)**
Other amounts payable and non-current liabilities	4 438 225	65 139 846	69 578 071
Current amounts payable and liabilities	33 494 043	(33 202 038)	292 005
NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	**229 970 351**	**31 937 808**	**261 908 159**

24 Subsequent events

During the months of January - December of 2023, an additional loan of mEUR 43,5 was received from an external financier.

In April the Group secured additional funding of mEur 3,5 from its Shareholders, allocated based on the pro-rata principle.

There were no other subsequent events that could have impact on the financial statements and / or should be disclosed after the end of the reporting period till the approval date of these annual financial statements.

These financial statements were signed electronically

General Manager	***Grėtė Bukauskaitė***
Representative of a Company Providing Accounting Services	***Marina Lysova***

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. At the time of signing of this annual consolidated report, the construction of all parks is completed, and the parks are generating revenues from core activities.

Registered address

Jogailos str. 4, Vilnius, Lithuania

Shareholders as of 31 December 2022

- Taaleri SolarWind II S.a.r – 57,15%.
- UAB Atsinaujinančios energetikos investicijos, a closed-end investment company intended for informed investors – 25 %.
- Taaleri SolarWind II Co-Invest SCSp - 17,85%.

Shares

As at 31 December 2022, the Group's authorised share capital amounted to EUR 28 838 984 and was comprised of 28 838 984 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. The Group currently manages a wind parks of 185,50 MW (34 wind turbines) portfolio in Lithuania.

In 2022 and 2021 construction of wind parks took place in the Group. The construction process of the wind park portfolio for UAB „Žaliosios investicijos" was completed in Q3 2023. The Turbine Supplier, UAB „Anykščių vėjas", and UAB „Potentia Industriae", UAB Rokvėja signed Facility Completion Certificates, hence, the Full Service Agreement for the wind turbines came into force.

From the 1 July 2022 electricity price hedging derivatives came into force due to approximately 50% of the planned electricity production of three wind power plants. The wind power plants developed by the companies did not produce enough electricity and did not generate income to cover the costs of the electricity price hedging contract at the time the contracts entered into force.

Risks and uncertainties

At the end of February 2022, the conflict in Ukraine escalated rapidly, causing significant global impact. Given that the Group has not entered contracts with Ukraine, Russia, and Belarus, this conflict is not anticipated to have a substantial negative impact on the Group's operations in the upcoming reporting periods. However, in the view of the Group's management, due to the ongoing uncertainty, the full assessment of the impact on the Group's companies' activities is not yet possible. The Group's management ensures compliance with relevant EU sanctions and monitors whether there are any additional restrictions.

In October 2023, Hamas launched an attack on Israel, leading to a significant escalation of hostilities. Israel responded with an offensive, causing widespread displacement and intensifying the humanitarian crisis in Gaza. The conflict has further strained relations between Israel and the Palestinians, casting doubt on the viability of a two-state solution and emphasizing the need for immediate international efforts to stabilize the situation.

Management has assessed the current conflict in Gaza and determined that there is no indication that it will have a significant impact on the group's activities. Nevertheless, it is important to note that management is vigilantly monitoring the situation and remains prepared to respond accordingly to any unforeseen developments.

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.

In the fiscal year 2022, the Group recorded a net loss of EUR 33 million. This loss primarily stemmed from the actual expenses related to hedging instruments, amortization of goodwill, and financing costs. The Group's management expects that once the wind parks are fully operational, the generated revenues will be adequate to offset expenses and cover goodwill amortization costs.

During the fiscal year 2022, the Group initiated the production of renewable electricity through the installation of several wind turbines in Anykščiai. Over the course of several months, specifically during March and from October and December of 2023, the park generated a total of 6,760 MW of renewable wind energy.

The Group's decision-making framework, management structure, and operational processes are strategically designed to proactively manage actions associated with combating corruption and bribery, with particular emphasis on preventing bribery of foreign officials in international business dealings.

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

The Commercial Energy Production Licenses for all 4 parks are planned to be secured in Q2 2024.

It is planned that wind farms could produce 583,463 MWh of electricity per year.

Board members data in the activities and capital of other companies' institutions and organisations as at 31 December 2022:

Board member	The Name of the Company, Entity or Organization	Country	Position
Veli-Pekka Oskari Pello	Taaleri Haram AS	Norway	Board member
	Haram Kraft AS	Norway	Board member
	Oltava Wind Park Holding GmbH	Germany	Board member
	Oltava WP Holding GmbH	Germany	Board member
	Escalade Holdings LLC	USA	Board member
	Taaleri Energia North America LLC	USA	Board member
	AMADOR BESS HOLDINGS INC.	USA	Board member
	UAB KNT Holding	Lithuania	Board member
	UAB Ekoelektra	Lithuania	Board member
	Taaleri Slageryd AB	Sweden	Board member
	Slageryds Vindkraft AB	Sweden	Board member
	Taaleri Målajord AB	Sweden	Board member
	Målajord Vindkraft AB	Sweden	Board member
	Global Bonaventur, S.L.U	Spain	Board member
	Planta Solar Niebla I, SL	Spain	Board member
	Global Evenor, S.L.	Spain	Board member
	Global Berserker, S.L.	Spain	Board member
	Taaleri Energia Iberia, S.L	Spain	Board member
	Taaleri Energia Holdings Sarl	Luxembourg	Board member

Board member	The Name of the Company, Entity or Organization	Country	Position
Jussi Antti Olavi Korhonen	Elecion Energy Production and Trading of Electricity Société Anonyme	Greece	Board member
	Viru Nigula-Tuulepark Oü	Estonia	Board member
	Viru Nigula Tuulepark Holding OÜ	Estonia	Board member
	Zala Elektriba SIA	Latvia	Board member
	EKO Ezers SIA	Latvia	Board member
	Zalais Speks SIA	Latvia	Board member
	SIA WPR2	Latvia	Board member
	EKO Ziemeļi SIA	Latvia	Board member
	SIA SELP	Latvia	Board member
	UAB Ekoelektra	Lithuania	Board member
	UAB KNT Holding	Lithuania	Board member
	P.Wind Sp. Z.o.o	Poland	Board member
	Virazon Sp.z o.o	Poland	Board member
	Landinfra Energy 1 AB	Sweden	Board member
	Nimeks -2004	Bulgarian	Board member
	GLOBAL BESKAR, S.L.U.	Spain	Board member
	GLOBAL CAPELLA, S.L.U.	Spain	Board member
	GLOBAL JEDDA, S.L.U.	Spain	Board member
	Tesla BV	The Netherlands	Board member
Tomas Milašauskas	Elektrownia PV Strefa sp. z o. o.	Poland	Board member
	RRSP 87 sp. z o. o.	Poland	Board member
	PV Zaganiec sp. z. o. o.	Poland	Board member
	PV Lubrza 2 sp. z o. o.	Poland	Board member
	E-SUN PV1	Poland	Board member
	E-SUN PV2	Poland	Board member
	UAB Ekoelektra	Lithuania	Board Member
	UAB JTPG	Lithuania	Director
	UAB KNT Holding	Lithuania	Director
	UAB Nimela	Lithuania	Director
	UAB Atelda	Lithuania	Director
	UAB Rineila	Lithuania	Director
	Zaļais Spēks, SIA	Latvia	Board member
	SIA SELP	Latvia	Board member
	UAB AEI Development	Lithuania	Director

On 24 January 2023, Tomas Milašauskas was recalled from the Board members of the Group.

On 25 January 2023 Grėtė Bukauskaitė was elected and appointed as the new member of the Board for the Group companies.

Director’s data in the activities and capital of other companies’ institutions and organization’s as at 31 December 2022:

Director	The Name of the Company, Entity or Organization	Country	Position
Grėtė Bukauskaitė	Energy and Infastructure SME fund	Lithuania	Fund Manager
	UAB Ekoelektra	Lithuania	Director & Board member
	UAB KNT Holding	Lithuania	Board member
	Energy Solar Projekty sp.z o. o.	Poland	Board member
	Energy Solar 1 sp. z o. o.	Poland	Board member
	Energy Solar 2 sp. z o. o.	Poland	Board member
	Energy Solar 3 sp. z o. o.	Poland	Board member
	Energy Solar 4 sp. z o. o.	Poland	Board member
	Energy Solar 6 sp. z o. o.	Poland	Board member
	Energy Solar 10 sp. z o. o.	Poland	Board member
	Matanzas sp. z o. o.	Poland	Board member
	Moruga sp. z o. o.	Poland	Board member
	PV Energy Projects sp. z o. o.	Poland	Board member

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

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LT 08104 Vilnius
Lithuania

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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 2022,
- 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 material 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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Lithuanian Financial Reporting Standarts.

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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and 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

We draw attention to Note 21 to the consolidated financial statements, which indicates that in 2022 the Group incurred the loss of EUR 32 987 842, the Group's equity as at 31 December 2022 is negative by an amount of EUR 105 032 589. These consolidated financial statements of the Group were prepared on a going concern basis. The going concern assessment was based on the assumption that the forecasted cash from operating activities will be sufficient to cover the liabilities. In addition, the Group's parent company has approved the provision of financial support to the Group, to the extent economically feasible, for a period of at least twelve months from the date of approval of the consolidated financial statements. Our opinion is not modified in respect of this matter.

We also draw attention to Note 23 to the consolidated financial statements which discloses that the comparative information as at 31 December 2022 has been restated. 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
14 February 2024

The electronic auditor's signature applies only to the Independent Auditor's Report on pages 28 to 30 of this document.