

CLOSED-END COMPOSITE INVESTMENT FUND FOR INFORMED INVESTORS
INVL ALTERNATIVE ASSETS UMBRELLA FUND SUBFUND

INVL RENEWABLE ENERGY FUND I

ACTIVITY OVERVIEW FOR 2024 AND FINANCIAL STATEMENTS FOR THE YEAR 2024,
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS,
AS ADOPTED BY THE EUROPEAN UNION, PRESENTED TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT



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Independent Auditor's Report

To the Participants of INVL Renewable Energy Fund I Subfund of Closed-End Composite Investment Fund for Informed Investors INVL Alternative Assets Umbrella Fund

■ Opinion

We have audited the financial statements of INVL Renewable Energy Fund Subfund of INVL Alternative Assets Umbrella Fund ("the Subfund") managed by INVL Asset Management UAB ("the Company"). The Subfund's financial statements comprise:

- the statement of financial position as at 31 December 2024,
- the statement of comprehensive income for the year then ended,
- the statement of changes in net assets for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Subfund as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

■ Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Subfund 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 requirements of the Law on Audit of Financial Statements and Other Assurance Services 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 and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



■ Other Information

The other information comprises the information, provided on pages 29–38, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects, the other information for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Subfund'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 Subfund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Subfund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

On behalf of KPMG Baltics, UAB

Toma Jensen
Partner pp
Certified Auditor

Vilnius, the Republic of Lithuania
26 June 2025

The electronic auditor's signature applies only to the Independent Auditor's Report on pages 3 to 5 of this document.

MAIN INFORMATION

Investment Committee

Liudas Liutkevičius (Chairman)

Linas Tomkevičius

Management Company

UAB INVL Asset Management

Registered address:

Gynėjų g. 14, Vilnius, Lithuania

Company code 126263073

Audit firm

KPMG Baltics, UAB

Registered address:

Lvivo g. 101, Vilnius, Lithuania

Company code 111494971

These financial statements were approved by the Management Company for issue and signed on 26 June 2025:

Document signed with a qualified e-signature

Liudas Liutkevičius
Chairman of Investment Committee

Document signed with a qualified e-signature

Agnė Vainauskienė
Accounting Manager of INVL Asset Management's
alternative funds

STATEMENT OF FINANCIAL POSITION¹

	Notes	31 December 2024	31 December 2023
Non-current assets			
Financial assets at fair value through profit or loss	4, 1312	56,696,363	39,904,983
Total non-current assets		56,696,363	39,904,983
Current assets			
Financial assets at fair value through profit or loss	4	1,674,261	-
Cash	5	5,188,446	411,134
Loans granted	7	-	90,299
Other amounts receivable	6	39,182	28,927
Total current assets		6,901,889	530,360
TOTAL ASSETS		63,598,252	40,435,343
Current liabilities			
Amounts payable to the Management Company and the Depository	8, 11	223,071	214,334
Other current liabilities	9	18,089	559,305
Total current liabilities		241,160	773,639
TOTAL LIABILITIES		241,160	773,639
NET ASSETS ATTRIBUTABLE TO THE PARTICIPANTS OF THE SUBFUND		63,357,092	39,661,704

¹ The statement of financial position prepared in accordance with IFRS is equivalent to the statement of net assets defined in the LCUIFII

STATEMENT OF COMPREHENSIVE INCOME¹

	Notes	2024	2023
Net change in fair value of financial assets	4	1,544,541	5,014,766
Finance income		56,444	16
Total income		1,600,985	5,014,782
Management fee	8	(849,694)	(815,115)
Other operating expenses	10	(480,175)	(121,613)
Total operating expenses		(1,329,869)	(936,728)
Operating profit (loss)		271,116	4,078,054
Net foreign exchange gain (loss)		34,861	141,918
Profit/(loss) before tax for the reporting period		305,977	4,219,972
Income tax expenses		-	-
Profit/(loss) for the reporting period		305,977	4,219,972
Increase / (decrease) in net assets attributable to the participants of the Subfund during the reporting period		305,977	4,219,972

STATEMENT OF CHANGES IN NET ASSETS

	Notes	2024	2023
Value of net assets attributable to the participants of the Subfund as at 1 January		39,661,704	14,976,780
Contributions from participants	13	23,389,411	20,464,952
Net increase in value on transactions with participants		23,389,411	20,464,952
Increase / (decrease) in net assets attributable to the participants of the Subfund during the reporting period		305,977	4,219,972
Value of net assets attributable to the participants of the Subfund as at 31 December		63,357,092	39,661,704

STATEMENT OF CASH FLOWS

	Notes	2024	2023
Cash flows from operating activities			
(Purchase) of financial assets	4	(17,321,226)	(24,994,186)
Repaid advances	7	-	194,507
Repaid loans of related persons	7	-	600,000
Operating expenses paid	8, 10	(1,333,635)	(1,099,467)
Net cash flows from operating activities		(18,654,861)	(25,299,146)
Cash flows from financing activities			
Capital contributions from participants	13	23,389,411	20,464,952
Cash flows from other financing and investing activities		42,752	-
Net cash flows from financing activities		23,432,163	20,464,952
Net increase (decrease) in cash and cash equivalents		4,777,302	(4,834,194)
Cash and cash equivalents at the beginning of the period		411,134	5,217,343
Effect of movements in exchange rates on cash held		10	27,985
Cash and cash equivalents at the end of the period		5,188,446	411,134

NOTES TO THE FINANCIAL STATEMENTS

1. General information

A closed-end composite investment fund for informed investors INVL Alternative Assets Umbrella Fund (hereinafter – the Fund) was established in accordance with the provisions of the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania (LCIUIFII) in order for Investors to collectively invest into alternative assets and to diversify the resulting risk and to earn profit from this activity for Investors. The Fund performs its investing activities through the established Subfunds (hereinafter separately – the Subfund and collectively – the Subfunds). The asset portion of the Fund in each Subfund is maintained separately from the asset portions of the Fund in other Subfunds in accordance with the rules which are separate for each Subfund. Investors invest into assets managed by a specific Subfund in accordance with that Subfund's rules and have the right only to net assets of that particular Subfund. These financial statements cover only INVL Renewable Energy Fund I (REFI).

INVL Alternative Assets Umbrella Fund is intended for informed investors, i.e., for persons meeting the requirements stipulated in the Law on Collective Investment Undertakings Intended for Informed Investors. Subfund units can only be acquired by investors who meet the criteria of an informed investor, and the investor's right to demand the redemption of investment units owned by the investor from a closed-end fund is limited.

The INVL Renewable Energy Fund I Subfund started its activities on 19 July 2021. The Subfund's objective is to invest the assets entrusted to the participants' management company in renewable energy and/or other infrastructure objects located (or to be located) in the investment area and to earn above average risk-adjusted returns. Recent international initiatives, such as the Paris Agreement on Climate Change of December 2015, the EU Green Deal and the Green Deal launched in May 2020, and the EU's target to generate at least 32% of its electricity from renewable sources by 2030, have accelerated the liberalisation of the electricity generation sector in the EU. The liberalisation of the electricity generation market de facto means that any natural or legal entity that is willing and able to invest in generating units is free to do so, and the electricity distribution and transmission systems have to make every effort to connect such generating units to the grid. To encourage investment in renewable energy, a growing number of EU countries are organising auctions of planned electricity quotas, which, if successful, offer guarantees of the purchase price of electricity for a period of 15 to 20 years. The guaranteed price of the electricity produced, which is still indexed to the CPI (Consumer Price Index) for the duration of the contract, increases the attractiveness of investing in renewable energy and helps individual countries and the EU as a whole to reach the 2030 target of generating at least 32% of electricity from renewable sources, and for the EU as a whole to become the world's first environmentally neutral continent by 2050. With the increasing competitiveness of electricity generation from renewable sources, the development of renewable electricity projects through a long-term Power Purchase Agreement (PPA) between renewable electricity generators and consumers is gaining popularity in the EU. Such agreements may be concluded for a period of 5 to 15 years and are becoming an alternative to state-organised auctions of planned electricity quotas and guaranteed prices, allowing investors to secure guaranteed periodic cash flows and investment returns. To achieve the Subfund's objective, the Management Company invests the Subfund's assets in green field and brown field renewable energy (solar, wind, biogas, etc.) projects. These will include, but will not be limited to, (i) the construction of new power plants, (ii) the acquisition of existing power plants, (iii) the development and/or acquisition of the infrastructure necessary for the operation of the power plants, and (iv) the efficient management of existing power plants. Investment returns will be generated by (i) compensation for the energy produced by the renewable energy facilities (power plants) controlled by the Subfund, and (ii) increasing the value of these facilities and related infrastructure objects. The Management Company may also invest part of the Subfund's assets in other infrastructure objects. Returns on these investments will be generated by the Subfund benefiting directly and/or indirectly from arrangements generating long-term cash flows.

On 15 March 2024, the INVL Renewable Energy Fund I Subfund acquired REFI Solar UAB.

On 5 April 2023 and 20 September 2023, the INVL Renewable Energy Fund I Subfund acquired REFI Energy UAB and REFI Green UAB respectively.

On 11 and 12 April 2022, the INVL Renewable Energy Fund I Subfund acquired the companies (registered in Poland) SF Projekt 23 Sp. Z o o and SF Projekt 15 Sp. Z o o (hereinafter referred to as "SPV"). On 14 September 2022, the INVL Renewable Energy Fund I Subfund established INVL Renewables UAB (hereinafter referred to as "SPV"), which carries out projects in Romania through its subsidiaries.

On 7 and 8 December 2021, the INVL Renewable Energy Fund I Subfund acquired the companies (registered in Poland) MB Sun 6 Sp. Z o o and REFI 11 Sp. Z o o (previously INVL Asset Management Sp. Z o o) (hereinafter referred to as "SPV"). On 17 December 2021, the INVL Renewable Energy Fund I Subfund established the following companies in the Republic of Poland: REFI 1 Sp. Z o o, REFI 2 Sp. Z o o, REFI 3 Sp. Z o o, REFI 4 Sp. Z o o, REFI 5 Sp. Z o o, REFI 6 Sp. Z o o, REFI 7 Sp. Z o o, REFI 8 Sp. Z o o, REFI 9 Sp. Z o o, REFI 10 Sp. Z o o (hereinafter referred to as "SPV").

The purpose of the entities is to control, on behalf of the Subfund, investments in renewable energy and/or other infrastructure objects. The SPVs did not carry out any activities other than investing in renewable energy and/or other infrastructure objects or financing of such projects by using placed emissions of bonds.

The Subfund's duration is 7 years, starting from the end of the first offering phase of the Subfund. The Management Company has the right to extend the Subfund's duration for 2 years.

INVL Alternative Assets Umbrella Fund is managed by INVL Asset Management, one of the leading asset management companies in Lithuania. The company was authorised by the Bank of Lithuania in October 2016 to manage investment funds for informed investors. INVL Asset Management is part of the Invalda INVL Group, which has been operating since 1991.

For the purpose of efficiency and investment control of the Subfunds, investment and Subfund management decisions are made by the Subfund Managers appointed by decision of the Board of the Management Company or established investment committees. The Investment Committee is composed of 2 members, who are appointed as representatives of the Management Company (employees of the Management Company, members of the Management Company's governing bodies, other persons appointed by decision of the Management Company's Board). The Subfund Managers or members of the Investment Committee shall be appointed and removed by the Board of the Management Company.

The Subfund has entered into a depository services agreement with AB Artea bank (former AB Šiaulių bankas), which has been acting as the depository of the Fund's assets since 2019.

2. Basis of preparation and accounting policies

2.1. BASIS OF PREPARATION

Statement of compliance

When keeping the Subfunds' accounting and preparing the financial statements of the Subfund, the Management Company operates in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union and effective as at 31 December 2024, also the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania and other legal acts.

The financial statements of the Subfund have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and cover the period from 1 January 2024 to 31 December 2024.

The financial statements prepared in accordance with the IFRS also comply with the requirements laid down for preparation of financial statements in the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania (LCIUIFII) where it is provided that the annual performance report of an investment Subfund shall contain:

- 1) statement of net assets;
- 2) statement of changes in net assets;
- 3) explanatory notes.

The statement of financial position prepared in accordance with IFRS is equivalent to the statement of net assets defined in the LCIUIFII, and, read together, the statements of comprehensive income and changes in net assets prepared in accordance with IFRS are equivalent to the statement of changes in net assets defined in the LCIUIFII.

Financial assets are accounted for at fair value through profit or loss. The remaining assets are accounted for at acquisition cost. The Subfund keeps its accounting and all the amounts in these financial statements are accounted for and presented in the national currency of the Republic of Lithuania, the euro.

The financial year of the Subfund corresponds to the calendar year.

The preparation of the financial statements according to IFRS requires use of certain significant accounting estimates. It also requires the management to make judgements related to the accounting principles applied by the Subfund. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. Although these estimates are based on the management's best knowledge of current circumstances, events or actions, actual results may ultimately differ from these estimates.

Adoption of new and/or amended IFRSs and IFRIC interpretations

In the current reporting year, the Fund adopted the new and amended IFRSs and IFRIC interpretations, which are effective for annual periods beginning on or after 1 January 2024:

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2024);

Amendments to IFRS 16: Lease Liability Arising in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024);

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024).

All mentioned amendments effective from 1 January 2024 had no material effect on the Fund's financial statements for the year ended 31 December 2024.

Other amendments to standards and new standards that have been endorsed for use in the EU but are not yet effective are not relevant to the Fund.

Standards not yet endorsed for use in the EU:

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026, once adopted by the EU).

The amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Management Company is currently assessing the potential impact of these amendments on the Fund's financial statements. It is expected that derecognition exception for financial liabilities settled through an electronic cash transfer system would be relevant for most entities, but are not expecting that impact would be material, as in practice the same approach is mostly applied already in Lithuania.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027 once adopted by the EU)

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. The Management Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

The amendments to standards and new standards that have not yet been endorsed for use in the EU are not expected to have a material effect on the Subfund.

Change of Accounting Policies

REFI changed its accounting policy for the success fee in 2023. The success fee shall mean the share of the Subfund's overall profit in the amount and in accordance with the terms and conditions set out in the rules of the Subfund to be paid by the Investors subscribing to Class A and C Units to the Class B Units holders upon distribution of the assets. Distribution procedure is described in detail in the Subfund Rules. In the statement of financial position, accrued success fee is presented as a part of net assets but not as liabilities. Before the change in accounting policy, the accrued success fee was presented as a liability in the statement of financial position.

Investment Entity

The Fund meets the definition of an Investment Entity in accordance with IFRS 10 and is therefore required to account for investments in subsidiaries at fair value through profit or loss. The fair value of investments in subsidiaries is determined consistently with the principles and methods set out in the Valuation and Net Asset Value Calculation Policy approved by the Management Company which is compliant with IFRS 13.

When the Fund directly controls the Portfolio Company through its available voting rights or indirectly through its ability to manage certain business areas for the possibility of obtaining a significant part of the gain or loss in those areas of activity, such a company and its results are also not consolidated but are recorded at the fair value by recognition of change in profit or loss.

Controlled investments include SPVs, which are intended to control investments in Portfolio Companies on behalf of the Fund. SPVs do not engage in activities other than investment in the respective Portfolio Companies, and the provision of facilities for the future sale of Portfolio Companies. SPVs are also valued at the fair value, the main source of which is their investment in Portfolio Companies on behalf of the Fund. None of the SPVs are consolidated, since their purpose is the acquisition of individual investments and they do not provide services related to the Fund's investment activities.

The business model of the Fund is to manage investment into subsidiaries together with loans granted to subsidiaries as one portfolio and evaluate their performance on a combined fair value basis. On this basis information on portfolio is provided to the Management Company. Therefore, the portfolio is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Consequently, such portfolio of financial assets is measured at fair value through profit or loss. At initial recognition, the Fund measures portfolio of investment into subsidiaries at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. If the fair value of the financial asset at initial recognition differs from the transaction price, it is recognised at fair value and '1-day gain' is recognised only if that fair value is evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets. In all other cases the difference between the fair value at initial recognition and the transaction price is deferred. For loans granted measured at fair value through profit or loss this difference is recognised using the straight-line method over the estimated maturity of financial asset.

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

All the amounts in these financial statements are presented in the national currency of the Republic of Lithuania, the euro, which is the functional and presentation currency of the Subfund.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the year end. All translation differences are accounted for in profit or loss. All non-monetary items carried at historical cost and denominated in foreign currency are translated using the exchange rates prevailing at the dates of original transactions. All non-monetary items carried at fair value and denominated in foreign currency are translated using the exchange rates prevailing at the dates of fair value measurement.

2.3. FAIR VALUE ESTIMATION

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For investments with no active market, the fair value is determined using valuation techniques. Such techniques are based on recent market transactions, market prices of similar instruments, discounted cash flow analyses, the multiples approach or other valuation models. Investment valuation techniques and models are described in detail in the NAV calculation procedures approved by the Management Company and in note 3.1 below.

The Subfund is required to classify, for disclosure purposes, the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Subfund can access at the measurement date;
- (ii) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

In these financial statements, financial instruments carried at fair value are presented at Level 3 fair value as described below.

Valuation techniques also consider the original transaction price and take into account the relevant developments since the acquisition of the investments and other factors pertinent to the valuation of the investments, with reference to such rights in connection with realisation, recent third-party transactions of comparable types of instruments, and reliable indicative offers from potential buyers. There are inherent limitations in any valuation techniques. Whilst the fair value estimates presented herein attempt to present the amount the Subfund could realise in a current transaction, the final realisation may be different as future events will also affect the current estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

2.4. FINANCIAL ASSETS

Financial assets within the scope of IFRS 9 are classified as either financial assets at fair value through profit or loss (either through other comprehensive income or through profit or loss) or financial assets measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are recognised when the Subfund becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Subfund has transferred substantially all the risks and rewards of ownership. At initial recognition, the Subfund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the statement of comprehensive income.

The category of the Subfund's financial assets is determined at the moment of asset acquisition.

Financial assets at fair value through profit or loss

The Subfund attributes its investments into securities to financial assets measured at fair value through profit or loss. The business model of the Subfund is to manage investment into subsidiaries together with loans granted to subsidiaries as one portfolio and evaluate their performance on a combined fair value basis. Since such assets are not held for trading at initial recognition, the Subfund has an irrevocable choice to present equity instruments at fair value through profit or loss or other comprehensive income subsequent to initial recognition. At the Subfund, all investments in equity securities are measured at fair value through profit and loss.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented within 'Net change in the fair value of financial assets'. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Assets carried at amortised cost

As the business model applied to the Subfund's financial assets measured at amortised cost is to hold assets in order to receive the cash flows intended under contracts and they are the principal loan amounts and interest payments; therefore, the Subfund has financial assets measured at amortised cost which includes trade and other receivables and cash and cash equivalents. The Subfund reclassifies debt instruments only when the business management model applied for such assets changes.

2.5. CASH AND CASH EQUIVALENTS

In the statement of financial position, cash and cash equivalents include cash at bank and cash in hand as well as short-term deposits with an original maturity of up to 3 months. Cash and cash equivalents in credit institutions are valued at face value, and fixed-term deposits are measured at amortised cost.

2.6. MANAGEMENT FEE

Fee to the Management Company for the management of the Subfund is paid from the Subfunds of the individual Subfunds. The fee is set out in the annexes to the rules for each Subfund. The management fee paid quarterly is accounted for as a financial liability and measured at amortised cost.

Fee for REFI to the Management Company is: until the end of the Investment period – 1.5% of the average amount of the commitments of the investors who have committed to purchase Class A Units, and from the end of the investing period until the end of the Subfund's duration – 1.5% of the difference between (i) the amount of commitments of the participants holding Class A Units and the amount of the (ii) the management fee paid.

2.7. FINANCIAL LIABILITIES

The Subfund recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at fair value through profit or loss) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is settled, cancelled or expires.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Financial liabilities included in trade payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Management fee

The defined Management Fee paid quarterly is accounted for as a financial liability and measured at amortised cost and described in detail in Note 2.6.

2.8. REVENUE RECOGNITION

In 2024 and 2023, revenue comprises net change in fair value of financial assets.

Finance income

The Subfund's finance income comprises income related to currency exchange rate changes and interest income.

2.9. NET ASSET VALUE

The Subfund does not have an authorised capital. Participants of each Subfund acquire Subfund's units which are transferable securities proving the right of investors to share of assets comprising the Subfund (net assets). During the initial offering, the value of financial assets is recognised for the initial sales price of one unit, and during subsequent offering phases, units are sold for proportionally attributable net asset value, unless the Subfund's rules provide otherwise. The investor must transfer the funds for the units issued under the conditions provided in the Subfund's rules.

Net asset value is calculated as the difference between the value of total assets comprising the Subfund and non-current and current liabilities. Redemption of Subfund's units is restricted. Over the Subfund's activity period units shall not be redeemed on demand of investors. The units will be mandatorily, automatically and proportionally redeemed from all investors following the end of the Subfund's activity period and upon decision of the management company, when investment objects of the Subfund are realised.

2.10. INCOME TAX AND DEFERRED TAX

In accordance with the provisions of the Law on Corporate Income Tax of the Republic of Lithuania, income of closed-end funds for informed investors operating in accordance with the provisions of the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania is exempt from corporate income tax.

Management regularly assesses its position on tax returns for situations in which the applicable tax rules may be subject to differing interpretations. Management recognises provisions, where appropriate, based on amounts expected to be paid to tax authorities.

The standard corporate income tax rate in Lithuania was 15% in 2024 and 2023.

2.11. THE CLASSIFICATION OF THE UNITS ISSUED TO INVESTORS

The Subfund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Some financial instruments include a contractual obligation for the issuing entity to deliver to another entity a pro rata share of its net assets only on liquidation based on the IAS 32. The obligation arises because liquidation either is certain to occur and outside the control of the entity (for example, a limited life entity) or is uncertain to occur but is at the option of the instrument holder. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has all the following features:

- a) It entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets. A pro rata share is determined by:
 - dividing the net assets of the entity on liquidation into units of equal amount; and
 - multiplying that amount by the number of the units held by the financial instrument holder.
- b) The instrument is in the class of instruments that is subordinate to all other classes of instruments. To be in such a class the instrument:
 - has no priority over other claims to the assets of the entity on liquidation, and
 - does not need to be converted into another instrument before it is in the class of instruments that is subordinate to all other classes of instruments.

- c) All financial instruments in the class of instruments that is subordinate to all other classes of instruments must have an identical contractual obligation for the issuing entity to deliver a pro rata share of its net assets on liquidation.

Further, for an instrument to be classified as an equity instrument, in addition to the instrument having all the above features, the issuer must have no other financial instrument or contract that has:

- a) total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instrument or contract); and
- b) the effect of substantially restricting or fixing the residual return to the instrument holders.

For the purposes of applying this condition, the entity shall not consider non-financial contracts with a holder of an instrument described in paragraphs above that have contractual terms and conditions that are like the contractual terms and conditions of an equivalent contract that might occur between a non-instrument holder and the issuing entity. If the entity cannot determine that this condition is met, it shall not classify the instrument as an equity instrument.

The Subfund issues units in exchange for the capital granted by the investors. In accordance with the description in the note 2.9 above, the units of the Subfund after the distribution period can be redeemed either in case when certain investments of the Subfund are realised and the free funds are not planned to be invested into new assets, or upon the liquidation of the Subfund. In each case, the payment for redeemed units are distributed pro-rata to all unitholders of the respective unit class, in accordance with the Subfund rules that comply to the principles described in the paragraphs above. The return of Subfund capital to the investors upon liquidation is performed only after payments to any other creditors of the Subfund are made.

According to the rules of the Subfund, its period of operation is 7 years after the closing of the 1st distribution round, with the ability to extend the period for further 2 years. The redemption of the Subfund's units during the period of operation of the Subfund is restricted. During the period of operation of the Subfund, the units of the Subfund that are held by the investors will not be redeemed on demand.

The Subfund's units meet the conditions described above. All amount of the units issued is subject to repurchase that the Subfund will make in the future. Respectively, the current amount of Net assets attributable to the participants of the Subfund represents the amount that would be paid to the investors if redemption or repurchase is executed as of reporting date and this amount is treated as equity of the Subfund.

3. Accounting estimates and judgements

In preparing the Subfund's financial statements, management makes certain judgements and estimates that affect the reported amounts of income and expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. However, the uncertainty in these assumptions and estimates creates a risk of material adjustments in the carrying amounts of assets or liabilities in subsequent financial years.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1. ESTIMATES AND ASSUMPTIONS

The significant areas where accounting judgements are applied in the preparation of these financial statements are described below.

Assessment whether the Subfund meets the definition of an investment entity

An assessment is made for the Subfund, whether it meets the investment entity criteria (as defined in Note 2.1). Management has performed its assessment and determined that the Subfund meets the definition of an investment entity.

Subfund is an investment entity as it corresponds to the definition of an investment entity, i.e.:

- receives funds from investors to provide them investment management services;
- the Fund's business purpose is to invest funds exclusively to receive return on capital value increase, investment revenue or both;
- the Subfund measures and assesses results of substantially all of its investments based on fair value.

Financial information of the Subfunds and their subsidiaries are consolidated if the Subfund is not subject to the exception provided under IFRS 10.31 prohibiting an investment entity to consolidate subsidiaries.

Fair value of financial assets

Fair value of the Subfund's financial assets is determined based on the valuation reports submitted by the independent business assessor who has the right to carry out a valuation and meets the criteria laid down in the Subfund's incorporation documents. The independence, competence, and experience in the valuation of solar energy projects are the key criteria for selection of the valuation company. The internal valuation team of the Management company reviews the valuation methodology and results of the valuation and analyses changes in the fair values from period to period.

As mentioned in note 2.1, the business model of the Fund is to manage investment into subsidiaries together with loans granted to subsidiaries as one portfolio and evaluate their performance on a combined fair value basis, therefore the fair value of the Subfund's investments in equity and debts instruments is measured on an aggregated basis.

In the specific circumstances described above (subsidiary interest and debt), measuring the interest in shares and debt as a single unit of measurement would be appropriate. Such a transaction might involve subfunding assets in a way in which market participants would enter a transaction, if the unit of account in other IFRS does not prohibit that Subfunding. Because IFRS 9 does not specifically prohibit measurement of the instruments on an aggregate basis, it is appropriate to consider how fair value would be maximised.

In the circumstances described, this may be through disposal of all the Subfund's interests in subsidiaries if this is how market participants would transact.

Since the Subfund measures the fair value of its investments in a subsidiary on an aggregated basis, aggregated fair value is allocated to the individual financial instruments. The aggregated fair value of the subsidiary is allocated to the Subfunds investments in equity and debt instruments issued by the subsidiaries in the following manner:

- independent valuers perform valuation of the subsidiaries' enterprise value using income approach discounted free cash flow model (see details below);
- any excess assets held by the subsidiaries are identified and added to enterprise value;
- net debt is calculated and subtracted from the enterprise value;
- fair value of equity of the subsidiary equals to the enterprise value plus excess assets identified minus net debt;
- part of the net debt that relates to Subfund financing is allocated to the debt issued by the Subfund to the subsidiary.

As at 31 December 2024 and 2023, the investments of INVL Renewable Energy Fund I into solar power plant projects were evaluated by an independent asset valuator using the discounted cash flow method by applying 31–32 years of planned free cash flow from solar power plant management (based on the expected lifetime of the solar power plant once built). Terminal value is not calculated. The free cash flow forecasts include inflows from sales of electricity, estimated according to the forecasted electricity prices and expected generation volumes; outflows related to operating expenses, based on forecasts of expenses for similar objects; outflows related to construction costs and income tax cost. The valuation models assume that, at the end of the power plant's useful life, the amount recoverable from the sale of panels, metal structures, and other materials will offset the dismantling costs of the plant, and that these effects will effectively cancel each other out. For this reason, dismantling costs are not assessed separately. Also, working capital change is included. The free cash flows are discounted using discount rate determined based on WACC (Weighted Average Cost of Capital) methodology. The discounted free cashflows comprise enterprise value of the subsidiary.

Discount rate is a rate determined based on WACC, which includes cost of debt and cost of equity weighted according to average D/E ratio in the sector. Cost of debt is determined based on the last 24 months average cost of debt for legal entities in the country where the projects under valuation are developed. Cost of equity is determined based on CAPM (Capital Asset Pricing Model) methodology, with key inputs being: risk-free rate (based on the 10-year bond yield); beta – based on Green & Renewable Energy and Engineering/Construction industry beta from analysis provided by A. Damodaran; equity risk premium – based on the analysis provided by A. Damodaran.

Annual long-term inflation rate – a rate of 2% based on expert judgement about the long-term inflation forecasts by the valuation company.

Valuation of investments managed indirectly through the Subfund's subsidiary INVL Renewables

Name of the investment	Controlled share portion (2024/2023)	Share value as at 31 December 2024	Share value as at 31 December 2023
Viable Energy S.R.L.	100%/100%	870,000	1,960,000
Power Regenerabil Energy S.R.L.	100%/100%	890,000	1,900,000
Green Solar Power S.R.L.	100%/100%	700,000	1,230,000
Fotovoltaic Prod & Distribution S.R.L.	100%/100%	830,000	1,500,000
Alfa Green Energy S.R.L.	100%/100%	840,000	1,570,000
Danube Solar One S.R.L.	100%/50%	5,460,000	3,170,000*
Danube Solar Eleven S.R.L.	100%/50%	4,840,000	2,660,000*
Danube Solar Five S.R.L.	100%/100%	10,570,000	6,460,000
Danube Solar Four S.R.L.	50%/-	316,388***	-
Danube Solar Twelve S.R.L.	50%/-	305,000***	-
AJ Renewables Dobrun SRL	100%/51%	17,650,000	3,170,000**

*As at 31 December 2023, payment was completed for 100% of the shares, and the legal transfer of the shares took place in January 2024. As explained below, the investment value was determined based on the value of 100% of the shares.

**Value consists of the value of 51% of the shares and the value of the right to acquire the remaining portion of the shares.

***The amounts are specified in the appendix to the termination of the share purchase agreement.

Due to changes in legislation and negative developments in energy markets within the European Union, on 19 December 2024, the Subfund's Investment Committee made the decision to terminate the share purchase and sale agreement between INVL Renewables and the investment companies Danube Solar Four and Danube Solar Twelve. In accordance with this decision, the developer repurchased the previously acquired 50% of shares in the aforementioned project companies for EUR 630,000. As at the date of issuance of these financial statements, the shares had been fully repurchased.

As at 31 December 2023, the INVL Renewables held 51% of the shares in the project company AJ Renewables Dobrun, but had signed an agreement to acquire 100% of the shares, subject to the seller fulfilling specific conditions set out in the agreement by the stage of obtaining a construction permit. The key project works (permits) that allow assessing that the project AJ Renewables Dobrun would reach the stage of permission for construction and the construction would begin were performed (obtained) before 31 December 2023. Preliminary due diligence report was received on 4 October 2023 and it did not identify any material deficiencies in the project. The valuation was completed in full and the money for the remaining part of shares were paid in January 2024. Since at the end of the year sufficient information was already available regarding the status of the project and all key project milestones had been achieved, the value of investments in the project company was determined by summing the value of the 51% shareholding held and the value of the right to acquire the remaining shares, taking into account both payments that have been made and those that are still pending.

As at 31 December 2023, INVL Renewables held 50% of the shares in the project companies Danube Solar Eleven S.R.L. and Danube Solar One S.R.L, but had signed an agreement to acquire 100% of the shares, subject to the seller fulfilling specific conditions set out in the agreement by the stage of obtaining a construction permit. As at 31 December 2023, due diligence was performed for the projects managed by Danube Solar Eleven S.R.L. and Danube Solar One S.R.L and it was identified that all material terms under the share purchase agreement were met and there was no significant risk to completion of the project. Moreover, payment for the guaranteed acquisition of the remaining part of shares was also made before the end of the year. For this reason, as at 31 December 2023, the value of investments in the project companies was determined by summing the value of the 50% shareholding held and the value of the right to acquire the remaining shares. This corresponds to 100% of the share value as determined by an independent valuer, as the payment for the remaining shares had already been made by year-end.

As at 31 December 2023, valuations of the projects managed by Danube Solar Four S.R.L. and Danube Solar Twelve S.R.L had not been performed. At year-end, the Subfund had signed share purchase agreements for the aforementioned project companies, and an advance payment had been made as at the date of the statement of financial position. Since, under the share purchase agreement, project development activities had not yet commenced by year-end and the seller had not yet fulfilled the necessary actions that would trigger the obligation to acquire the shares, no obligations to acquire the shares were recognised in the valuation of these investments.

The main assumptions for the measurement models of investments are discount rate and annual inflation rate. The reasons why these assumptions are treated as the main are the following: discount rate is the variable that indicates the cost of risk and time value of money and has significant influence on the determination of enterprise value of the entity, whereas annual inflation rate is the main variable that effects both inflows and outflows that constitute free cash flow of each entity.

The main assumptions for the measurement models of investments and their sensitivity as at 31 December 2024 are presented in the tables below.

REFI 3 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.85%	+/- 1pp	-0.06/+0.07
Annual inflation rate	2%	+/- 1pp	+0.07/-0.06

MB Sun 6 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.85%	+/- 1pp	-0.25/+0.30
Annual inflation rate	2%	+/- 1pp	+0.28/-0.24

REFI 11 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.85%	+/- 1pp	-1.06/+1.23
Annual inflation rate	2%	+/- 1pp	+1.24/-1.09

SF Projekt 15 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.85%	+/- 1pp	-0.44/+0.51
Annual inflation rate	2%	+/- 1pp	+0.49/-0.43

SF Projekt 23 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.85%	+/- 1pp	-0.18/+0.20
Annual inflation rate	2%	+/- 1pp	+0.19/-0.17

INVL Renewables UAB

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	9.38%	+/- 1pp	-16.48/+19.39
Annual inflation rate	2%	+/- 1pp	+20.46/-17.84

The main assumptions for the measurement models of investments and their sensitivity as at 31 December 2023 are presented in the tables below.

MB Sun 6 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.89%	+/- 1pp	-0.27/+0.30
Annual inflation rate	2.0%	+/- 1pp	+0.29/-0.26

REFI 11 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.89%	+/- 1pp	-1.00/+1.18
Annual inflation rate	2.0%	+/- 1pp	+1.27/-1.11

SF Projekt 15 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.89%	+/- 1pp	-0.44/+0.51
Annual inflation rate	2.0%	+/- 1pp	+0.51/-0.44

SF Projekt 23 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.89%	+/- 1pp	-0.19/+0.21
Annual inflation rate	2.0%	+/- 1pp	+0.19/+0.18

INVL Renewables UAB

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	9.56%	+/- 1pp	-14.55/+19.13
Annual inflation rate	2.0%	+/- 1pp	+20.55/-15.01

3.2. SUCCESS FEE

Success Fee shall mean the share of the Subfund's overall profit in the amount and in accordance with the terms and conditions set out in the rules of the Subfund to be paid by the Investors subscribing to Class A and C Units to the Class B Units holders upon distribution of the assets. Distribution procedure is described in detail in the Subfund Rules. In the statement of financial position, accrued success fee is presented as a part of net assets but not as liabilities. In addition, changes in success fee over the reporting period are not presented in the statement of comprehensive income as such changes do not have any impact on net assets attributable to the holders of the Subfund's units. Then, in the statement of changes in net assets, success fee is reclassified from Class A and Class C to Class B. The Success Fee is payable on a Subfund-wide basis and in all cases takes into account the return of 100% of the capital commitments and the payment of preferential returns to investors subscribing to Class A and Class C Units.

The success fee is considered part of the net assets of the Subfund and is deducted from the holders of Class A and Class C Units, then distributed to the holders of Class B Units in accordance with the Subfund's income distribution procedures described in the Subfund's Rules.

As at 31 December 2024, the Subfund had not accrued any Success Fee. As at 31 December 2023, the Success Fee at the Subfund was EUR 1,101,729. The movement of the Success Fee is presented in the table below.

	Class A	Class B	Class C
Balance at the beginning of the period	(1,101,729)	1,101,729	-
Calculated Success Fee	-	-	-
Restated Success Fee	1,101,729	(1,101,729)	-
Balance at the end of the period	-	-	-

3.3. ASSESSMENT ON THE SUBFUND'S FUNCTIONAL CURRENCY

The following salient economic factors were considered when determining the functional currency of the Subfund:

- The Subfund raises capital in euros and all capital contributions are made in euros.
- All Subfund's liabilities and majority of assets are denominated in euros.

Therefore, the functional currency of the Subfund is euro.

4. Financial assets at fair value through profit or loss

Investments into subsidiaries together with loans granted to subsidiaries are measured at fair value through profit or loss in the Subfund's financial statements in 2024 and 2023. It is Level 3 fair value measurement. The fair value of investments is measured at the fair value of their net assets including loans granted by the Subfund. The main assets of dormant entities are cash. The main assets of active subsidiaries are connection rights, which are measured at fair value using the discounted cash flow method, described in more detail in note 3.1.

The split of carrying amounts of the investment into subsidiaries by legal components is as follows:

	31 December 2024	31 December 2023
MB Sun 6 Sp. Z.o.o		
Fair value of equity investment	600,000	1,330,000
Loans granted	743,473	167,013
Total:	1,343,473	1,497,013
REFI 11 Sp. Z.o.o		
Fair value of equity investment	2,390,000	2,010,000
Loans granted	1,556,818	1,511,820
Total:	3,946,818	3,521,820
REFI 1 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	1,080	1,080
REFI 2 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	1,080	1,080
REFI 3 Sp. Z.o.o		
Fair value of equity investment	50,000	1,019
Loans granted	98,344	4,669
Total:	148,344	5,688
REFI 4 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	1,080	1,080
REFI 5 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	1,080	1,080
REFI 6 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	1,081	1,081
REFI 7 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	1,081	1,081
REFI 8 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	1,081	1,081
REFI 9 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	1,081	1,081
REFI 10 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	1,081	1,081

SF Project 15 Sp.Z.o.o		
Fair value of equity investment	1,750,000	2,160,000
Loans granted	561,068	531,323
Total:	2,311,068	2,691,323
SF Project 23 Sp.Z.o.o		
Fair value of equity investment	310,000	1,000,000
Loans granted	1,674,584	1,583,599
Total:	1,984,584	2,583,599
INVL Renewables UAB		
Fair value of equity investment	18,929,689	10,689,354
Loans granted	27,534,707	18,906,491
Total:	46,464,396	29,595,815
REFI Energy UAB		
Fair value of equity investment	548,984	-
Total:	548,984	-
REFI Green UAB		
Fair value of equity investment	430,694	-
Total:	430,694	-
REFI Solar UAB		
Fair value of equity investment	1,182,538	-
Total:	1,182,538	-
Total financial assets at fair value through profit or loss	58,370,624	39,904,983

REFI had four SPVs (INVL Renewables, acquired on 13 September 2022; REFI Energy, acquired on 28 March 2023; REFI Green, acquired on 6 September 2023; and REFI Solar, acquired on 15 March 2024). The purpose of UAB INVL Renewables is to invest in existing (or future) renewable energy and/or other infrastructure projects located in the Investment Area, while the other SPVs aim to raise funds for renewable energy development projects through the issuance of fixed-rate bonds to institutional and private investors or by obtaining loans from non-bank financing sources. Bonds are guaranteed by REFI. Funds raised from bond issuance and loan financing will be used to finance REFI or the entities it controls, with the goal of financing construction projects prepared by REFI in the Republics of Poland and Romania.

As at 31 December 2023, both UAB REFI Energy and UAB REFI Green had negative equity and are therefore considered to have a fair value of zero. As the total assets of these SPVs were less than the liabilities as at 31 December 2023, the Subfund becomes liable to the holders of the bonds issued by the same amount. Therefore, the Subfund has recorded expenses and liabilities related to the issuance of the financial guarantee (more details in Note 9), recognised an increase in the investment in the SPVs, and consequently, the value of those SPVs was written down to zero. In 2024 all SPVs had positive equity.

The value of UAB REFI Solar, UAB REFI Green and UAB REFI Energy, which as at 31 December 2024 amounted to EUR 2,162,217, was based on the carrying amount of net assets as at the valuation date. The decision to value the capital of these companies at carrying amount is based on the fact that they merely act as intermediaries for obtaining external financing and do not engage in any other activity.

UAB INVL Renewable investments into subsidiaries together with loans granted to subsidiaries are measured at fair value through profit or loss in the company's financial statements in 2024 and 2023.

As at 31 December 2024, investments amounting to EUR 1,674,261 are classified as short-term, as they are loans provided to group companies with a repayment term of less than 12 months. However, the repayment term of these loans was extended as at the date of issue of financial statements.

The following table presents the movement in Level 3 instruments for the year ended 31 December 2024 and 2023:

Fair value as at 31 December 2022	9,039,816
Unrealized gains and losses for the reporting period recognized in the statement of comprehensive income for assets managed at the end of the reporting period	5,014,766
Expenses and liabilities related to the issuance of the financial guarantee	525,280
Capitalized interest	(823,566)
Foreign exchange rate impact	104,746
Investment into share capital	9,465,749
Loan granted during a year	25,214,442
Loan repaid during a year	(8,636,250)
Fair value as at 31 December 2023	39,904,983
Unrealized gains and losses for the reporting period recognized in the statement of comprehensive income for assets managed at the end of the reporting period	1,544,541
Expenses and liabilities related to the issuance of the financial guarantee (reversal)	(525,280)
Capitalized interest	-
Foreign exchange rate impact	33,831
Investment into share capital	9,869,935
Loan granted during a year	13,226,324
Loan repaid during a year	(5,683,709)
Fair value as at 31 December 2024	58,370,625
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of 2024	1,578,373
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of 2023	5,119,512

5. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash in EUR	5,188,446	411,134
Total cash and cash equivalents in euro	5,188,446	411,134

Total Subfund's cash and cash equivalents comprised funds in current accounts, the financial institutions having control over them had Moody's Prime-3 rating.

6. Other amounts receivable

As at 31 December 2024, INVL Renewable Energy Fund I Subfund had receivables of EUR 39,182, which consisted of receivables from related companies for reimbursable transaction costs for the acquisition of investments in Romania, bank interest on the account balance and late payment interest in accordance with point 52 of the subfund's rules.

As at 31 December 2023, INVL Renewable Energy Fund I Subfund had receivables of EUR 28,927, which consisted of receivables from related company for reimbursable transaction costs for the acquisition of investments in Romania and distribution of bonds in Lithuania and prepayments.

7. Loans granted

INVL Renewable Energy Fund I Subfund provided an interest-free loan to a third party to finance advance payments, aiming to acquire connection capacity for the projects specified in the agreement. The loan was issued in zloty. As at 31 December 2023, the balance of this loan was EUR 90,299 (PLN 391,851). The maximum committed loan amount – PLN 4,320,000 (EUR 995,506 based on the exchange rate as at 31 December 2023).

The loan is related to an agreement signed on 17 September 2021 for the acquisition of 152 potential projects. Most of the projects did not receive permits to connect to the power grid. Any unused or improperly used loan must be repaid to the Subfund, as stipulated in the agreement.

On 1 August 2024, a tripartite agreement was concluded between REFI3, the Subfund, and a third party for the transfer of project acquisition rights to REFI3. After the Subfund provided a loan to REFI 3, the interest-free loan to the third party (with the balance of EUR 91,324 (PLN 391,851) as at 1 August 2024) was refinanced.

In 2024 and 2023, no expected credit losses were recognised as the impairment of the loan granted is not considered material.

8. Management fee

The management fee calculated and paid to the Subfund's Management Company is described in detail in Note 2.6.

	2024	2023
Management fee liability at the beginning of the period	206,568	155,346
Calculated management fee to the management company during the period	849,694	815,115
Management fee paid during the period	(846,589)	(763,893)
Management fee liability at the end of the period	209,673	206,568

9. Other current liabilities (including fee for audit services)

	31 December 2024	31 December 2023
Liability related to the issued financial guarantee	-	525,280
Accrual for audit	18,089	15,730
Trade payables	-	18,295
Total other amounts payable	18,089	559,305

REFI Energy, the subsidiary of REFI, raised funds for renewable energy development projects in neighbouring countries through a public placement of 2-year 9.5% fixed-rate bonds to institutional and private investors. Additionally, REFI Green, another subsidiary of the Subfund, initiated a private placement of 2-year 10% fixed-rate bonds to institutional and private investors. REFI Solar received a variable-interest loan to finance the aforementioned projects. Both bond issues are guaranteed by the REFI Subfund (REFI Energy until 20 June 2025 and REFI Green until 28 November 2025).

Bond emission funds shall be used for the funds of the Subfund and entities controlled by it in order to provide financing to construction projects developed by INVL Renewable Energy Fund I in the Republic of Poland and Republic of Romania. Since the total assets of the subsidiaries as at 31 December 2023 were EUR 525,280 lower than the liabilities, the Subfund becomes liable to the holders of the bonds issued by the Subfund for the same amount. Consequently, the Subfund has recorded liabilities of EUR 525,280. As at 31 December 2024, all SPVs had positive equity; therefore, there was no remaining obligation.

As of 2019, the Fund has been audited by KPMG Baltics, UAB. KPMG Baltics, UAB did not provide non-audit services (except for translation of financial statements) in 2024 and 2023.

10. Other operating expenses

	2024	2023
Intermediary services	(214,500)	-
Valuation expenses	(30,250)	(24,200)
Audit expenses	(23,136)	(31,974)
Depository services	(44,329)	(21,258)
Transaction/legal expenses	(107,727)	(13,243)
Operating taxes	(2,958)	(1,627)
Other expenses	(57,275)	(29,311)
Total other operating expenses	(480,175)	(121,613)

11. Related-party transactions

The related party of the REFI Subfund is the Management Company and subsidiaries of the Subfund. Transactions with the Subfund's Management Company and subsidiaries in 2024 as well as outstanding balances as at 31 December 2024 were:

INVL Renewable Energy Fund I	Revenue and income from related parties	Expenses incurred with respect to related parties	Receivables from related parties	Payables to related parties (excluding provisions)
The Subfund's subsidiaries				
Loans granted	-	-	31,693,025	-
Interest on loans granted	1,887,665	-	475,970	-
Other operating expenses reimbursed	-	-	24,200	-
Management Company				
Management fee	-	849,694	-	209,673
Operating expenses incurred on behalf of Subfund	-	65,765	-	-
Total	1,887,665	915,459	32,193,195	209,673

Number of units held by related parties of INVL Renewable Energy Fund I Subfund as at 31 December 2024:

INVL Renewable Energy Fund I	Number of units
Management Company	10,000.0000
Other entities	2,700.0000
Total	12,700.0000

The related party of the INVL Renewable Energy Fund I Subfund is the Management Company and subsidiaries of the Subfund. Transactions with the Subfund's Management Company and subsidiaries in 2023 as well as outstanding balances as at 31 December 2023 were:

INVL Renewable Energy Fund I	Revenue and income from related parties	Expenses incurred with respect to related parties	Receivables from related parties	Payables to related parties (excluding provisions)
The Subfund's subsidiaries				
Loans granted	-	-	22,434,902	-
Interest on loans granted	977,361	-	269,984	-
Other operating expenses reimbursed	159,924	-	27,830	-
Management Company				
Management fee	-	815,115	-	206,568
Operating costs incurred on behalf of the Subfund reimbursed	-	26,456	-	-
Total	1,137,285	841,571	22,732,716	206,568

Number of units held by related parties of INVL Renewable Energy Fund I Subfund as at 31 December 2023:

INVL Renewable Energy Fund I	Number of units
Management Company	8,034.1052
Other entities	2,169.2084
Total	10,203.3136

12. Financial instruments by categories

The Subfund's financial assets at fair value through profit or loss consisted of assets in Level 3. The Subfund has no instruments in Level 1 and 2.

The Subfund's principal financial instruments that are not carried at fair value in the statement of financial position are cash and cash equivalents, loans granted to third parties, as well as trade and other payables.

The carrying amount of cash and cash equivalents, loans granted to third parties and trade and other payables of the Subfund as at 31 December 2024 and 2023 approximated their fair value because they are short-term and the impact of discounting is immaterial.

31 December 2024	Assets at amortised cost	Assets at fair value through profit or loss	Total
Assets in the statement of financial position			
Financial assets at fair value through profit or loss	-	58,370,624	58,370,624
Cash and cash equivalents	5,188,446	-	5,188,446
Trade and other receivables	39,182	-	39,182
Total	5,227,628	58,370,624	63,598,252

31 December 2023	Assets at amortised cost	Assets at fair value through profit or loss	Total
Assets in the statement of financial position			
Financial assets at fair value through profit or loss	-	39,904,983	39,904,983
Cash and cash equivalents	411,134	-	411,134
Loans granted	90,299	-	90,299
Trade and other receivables	28,927	-	28,927
Total	530,360	39,904,983	40,435,343

Financial liabilities at amortised cost

31 December 2024			
Liabilities in the statement of financial position			
Amounts payable to the Management Company and the Depository		223,071	
Other current liabilities		18,089	
Total		241,160	

Financial liabilities at amortised cost

31 December 2023			
Liabilities in the statement of financial position			
Amounts payable to the Management Company and the Depository		214,334	
Other current liabilities		559,305	
Total		773,639	

12.1. FINANCIAL RISK FACTORS

The Subfund's risk management focuses on financial (credit, liquidity, market, foreign exchange and interest rate), operational and legal risks. The primary objective of the financial risk management is to establish the risk limits and ensure that exposure to risks stays within these limits. Operational and legal risk management aims to ensure the proper functioning of internal rules to mitigate operational and legal risks.

The Subfund's financial liabilities consisted of trade creditors. The Subfund holds financial and investment assets. All financial and investment assets held by the Subfund are carried at fair value through profit or loss, except for trade and other receivables and cash and cash equivalents which are measured at amortised cost.

The main risks arising from financial instruments are market risk (including foreign exchange, cash flow and fair value interest rate risk), liquidity risk, interest rate risk and credit risk. The risks are described below.

Credit risk

Credit risk arises from cash and cash equivalents, outstanding trade and other receivables and outstanding loans.

For trade and other receivables that are neither past due nor impaired, no indication exists that the debtors will not meet their obligations as at the reporting date as the balances of the receivables are regularly reviewed.

Credit risk on the Subfund's other financial assets, consisting of cash and cash equivalents and receivables, arises from the potential default of the counterparty. The maximum amount of credit risk is equal to the carrying amount of these instruments and was equal to:

Not rated assets	31 December 2024	31 December 2023
Loans granted	-	90,299
Cash and cash equivalents	5,188,446	411,134
Other amounts receivable	39,182	28,927
Total current assets	5,227,628	530,360

The Subfund only uses services of highly rated banks and financial institutions, as determined by an independent rating agency. As at 31 December 2024 and 2023, the Subfund held all its assets in financial institutions rated Baa2 by Moody's.

Liquidity risk

Liquidity risk is the risk of losses due to low market liquidity, when it becomes difficult to sell the assets at the preferred time and price. Private equity and venture capital investments are relatively illiquid and finding buyers can take time. To manage this risk, the Management Company continuously monitors the relevant market and prepares for the process of the sale of assets, thus reducing liquidity risk. The Subfund's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans. The liquidity risk management is divided into long-term and short-term risk management.

The aim of the short-term liquidity risk management is to meet the day-to-day needs for funds. Long-term liquidity risk is managed by analysing the future cash flow projections by considering the potential sources of financing.

The financial liabilities for undiscounted contractual payments of the REFI Subfund consisted of:

	Up to 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Amounts payable to the Management Company and the Depository	223,071	-	-	-	214,334
Other current liabilities	18,089	-	-	-	18,089
Balance as at 31 December 2024	241,160	-	-	-	241,160

	Up to 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Amounts payable to the Management Company and the Depository	214,334	-	-	-	214,334
Other current liabilities	559,304	-	-	-	559,304
Balance at 31 December 2023	773,638	-	-	-	773,638

The current assets of the Subfund exceeded current liabilities by EUR 6,660,729. The Subfund had no uncalled capital commitments. Therefore, in the Management's assessment, the Subfund does not have any liquidity issues.

Foreign exchange risk

INVL Renewable Energy Fund I Subfund invests in the Republic of Poland and Romania, the national currency of which are the Polish zloty and Romanian leu; therefore, the Subfund's investments are indirectly linked to the exchange rates of the Polish zloty and the Romanian leu against the euro.

A reasonably possible strengthening (weakening) of the euro against Polish zloty and Romanian leu as at 31 December 2024 and 2023 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Strengthening	Weakening
31 December 2024		
PLN (2% movement)	39,283	(37,743)
RON (0.5% movement)	53,988	(53,452)
31 December 2023		
PLN (2% movement)	40,249	(38,672)
RON (0.5% movement)	20,802	(20,595)

12.2. FAIR VALUE ESTIMATIONS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Subfund accounts for investments in financial assets at fair value, as described in more detail in Notes 3 and 4.

Financial instruments not carried at fair value

The main financial assets of the Subfund which are not carried at fair value in the Subfund's statement of financial position are cash and cash equivalents and other amounts receivable.

13. Undrawn capital commitments

Undrawn capital commitments from investors are not recognised in the statement of financial position and do not constitute part of net assets value as undrawn capital commitment represents a loan commitment that is scoped out of IFRS 9. In accordance with IFRS principles and guidance, capital commitments shall be accounted for in the accounting period in which they arise and, therefore, the Subfund's capital commitments are an off-balance-sheet item and are disclosed only in the notes to the financial statements.

The capital commitment in respect of each investor shall be the cumulative amount specified in the agreement(s) signed by the investors and accepted by the Management Company and which such investors have irrevocably agreed to contribute to the Subfund in accordance with the terms of the rules. If, under the terms of the Subfund rules, the outstanding capital commitment of the relevant investor is cancelled, the capital commitment of such investor shall be equal to the capital contribution of such investor. Investors shall contribute the full amount of their capital commitment in accordance with the terms set out in the Subfund's rules.

The amount and timing of capital calls shall depend on the cash requirements of each Subfund and shall be determined at the sole discretion of the Management Company. The investor shall make capital contributions to the capital of the Subfund in the functional currency of the Subfund in the amount and on the date specified by the Management Company in the Management Company's notice.

The breakdown of the structure of investor commitments for each Subfund:

	31 December 2024	31 December 2023
Total investment commitments	57,935,000	57,935,000
Paid-in capital	57,935,000	34,545,589
Distributions to participants	-	-
Outstanding capital commitments	-	23,389,411

14. Events after the reporting period

REFI Energy, managed by the Subfund, issued EUR 8 million in bonds with a 2.5-year term and an annual interest rate of 8%. Interest will be paid to investors on a quarterly basis. The Subfund provided a guarantee to all holders of these bonds. The bond issue was placed to refinance the previous REFI Energy bond issue of the same amount.

The Subfund acquired another subsidiary, UAB REFI Sun.

The Subfund approved the issuance of up to 25 000 units of ordinary non-convertible fixed rate bonds guaranteed by the Subfund, each with a nominal value of EUR 1 000, by a subsidiary UAB REFI Sun, in the context of a number of issues of the Company's bonds with an aggregate nominal value of up to EUR 25 000 000. A letter of guarantee has been signed prior to the issuance of these financial statements but the bonds themselves have not yet been issued.

2024 ACTIVITY OVERVIEW OF THE SUBFUND INVL RENEWABLE ENERGY FUND I

1. Reporting period for which the report has been prepared

The overview covers the financial period from 1 January 2024 to 31 December 2024 of INVL Renewable Energy Fund I. The report also includes material events of the Subfund after the end of the reporting period.

2. Details of the collective investment undertaking

Name	INVL Renewable Energy Fund I
Type, legal form	Closed-end investment fund for informed investors
Date of the authorization of the Bank of Lithuania for incorporation instruments of the collective investment undertaking	19 July 2021
Subfund's duration	The Subfund's duration is 7 years, starting from the end of the first offering phase of the Subfund. The Management Company has the right to extend the Subfund's duration for 2 years.
Reporting period	From 1 January 2024 until 31 December 2024
Number of participants	179
Manager of the collective investment undertaking, other persons taking investment decisions	Subfund's Investment Committee Members: Linas Tomkevičius Liudas Liutkevičius
Location	Vilnius

3. Details of the management company

Name	UAB INVL Asset Management
Company code	126263073
Registered address	Gynėjų g. 14, LT-01110 Vilnius
Register at which all data about the undertaking is stored and compiled	State enterprise Centre of Registers, Vilnius branch
Telephone number	+370 527 90601
Email address	info@invl.com
Website address	www.invl.com
Licence No	Management companies operating under the Law on Managers of Alternative Collective Investment Undertakings, Licence No 3 issued on 02/10/2017 (with subsequent amendments and additions)

4. Details of the depository

Name	AB Artea bankas
Company code	112025254
Registered address	Tilžės g. 149, LT-76348 Šiauliai
Telephone number	+370 41 595 607
Fax number	AB Artea bankas

5. Subfund's objectives, philosophy and operational principles

The Subfund's objective is to invest the assets entrusted to the participants' management company in renewable energy and/or other infrastructure objects located (or to be located) in the investment area and to earn above average risk-adjusted returns.

6. Investment policy, overview of the investment process

To achieve the Subfund's objective, the Management Company will invest the Subfund's assets in green field and brown field renewable energy (solar, wind, biogas, etc.) projects. These will include, but will not be limited to, (i) the construction of new power plants, (ii) the acquisition of existing power plants, (iii) the development and/or acquisition of the infrastructure necessary for the operation of the power plants, and (iv) the efficient management of existing power plants. Investment returns will be generated by (i) compensation for the energy produced by the renewable energy facilities (power plants) controlled by the Subfund, and (ii) increasing the value of these facilities and related infrastructure objects.

When investing the assets comprising the Subfund in renewable energy, the Management Company will seek to ensure that they meet at least one of the following criteria:

- i. Renewable energy objects that are or have been designed but the construction of which has not started should comply with the requirements of (i) auctions for the purchase of energy generated within the Investment Area, or (ii) auctions for the purchase of energy generated by the objects within the Investment Area, the winners of which are awarded a long-term contract for difference from the relevant State, or another financial instrument that ensures stability of return on investments;
- ii. Agreements should be in place for renewable energy objects built or under construction:
- iii. on long-term commitments by the relevant State to provide a guaranteed contract for difference or other financial instrument to ensure stability of return on investments;
- iv. a power purchase agreement with commercial energy end-users or energy sales agents acceptable to the Management Company; or the possibility of such agreement;
- v. on the sale of such objects after completion of their construction with third parties.

The Management Company may also invest part of the Subfund's assets in other infrastructure objects. Returns on these investments will be generated by the Subfund benefiting directly and/or indirectly from arrangements generating long-term cash flows. These objects will be selected for investment by the Subfund on the basis of (i) their long-term cash flow generating contracts, (ii) public-private partnership agreements (if any).

The Management Company will invest the Subfund's assets in medium-sized (total investment of EUR 20,000,000–30,000,000 leveraged) and large objects (total investment of EUR 50,000,000–70,000,000 leveraged). The Subfund will consider participating in larger projects if this is consistent with the Subfund's investment strategy.

The Management Company may enter into transactions denominated in any currency freely convertible in the Investment Area, depending on the specific circumstances.

All investments of the Subfund will be direct and/or through special purpose vehicles. The capital of special purpose vehicles may be raised both through the Subfund's acquisition of shares in these vehicles and through the lending of the Subfund's assets to these vehicles.

The Management Company, in order for the assets of the Subfund to be formed from the most appropriate objects, will use its own or borrowed funds to acquire objects that are deemed suitable for the Subfund's strategy until the day (inclusive) when funds from any Participant's Paid-in Capital are credited to the Subfund's account for the first time, for the benefit of the Subfund, however, in its own name and/or in the name of controlled legal entity's name and account (deal warehousing). These objects (and/or their legal owner) will be sold to the Subfund once the Subfund has received the relevant portion of the Paid-in Capital in the Subfund's asset account. The selling price of these objects (and/or their legal owner) to the Subfund will not exceed the sum of all the costs incurred by the Management Company in acquiring such objects (at cost).

After the end of the Investment Period, the Subfund's assets may be transferred to other collective investment undertakings with a similar or comparable investment strategy managed by the Management Company or by persons directly and/or indirectly related to it. Such transfer may only be effected by the Management Company acting in good faith and in a professional manner, in accordance with its Commitments to the Participants and following the good practices of such transactions' conclusion and execution, as well as in compliance with its statutory obligations and ensuring that the interests of the Subfund are not harmed.

7. Subfund's activity plans and forecast, prospects

In 2025, the Subfund will prioritize raising funds for ongoing construction projects, as well as overseeing construction and sales activities. In Poland, during Q1 and Q2, it is planned to connect five projects to the grid and begin electricity production, with a total capacity of 14 MW. The construction of an additional 10 MW worth of projects is planned for Q3 and Q4. Meanwhile, in Romania, it is planned to license a 51 MW project and complete construction of a 60 MW project, commencing electricity generation in Q3. Additionally, in Q2, construction of a 71 MW project is planned to begin, and by the end of the year, construction of a 174.5 MW project is expected to start. Bank financing is planned to be raised for the construction of both projects.

Moreover, active efforts will be made to sell Polish and Romanian portfolios throughout 2025. A non-binding offer has been received for the entire Romanian portfolio. Financial, technical, and legal due diligence for this portfolio will be conducted in Q2 through Q4.

8. Events after the reporting period

REFI Energy, managed by the Subfund, issued EUR 8 million in bonds with a 2.5-year term and an annual interest rate of 8%. Interest will be paid to investors on a quarterly basis. The Subfund provided a guarantee to all holders of these bonds.

The Subfund acquired another subsidiary, UAB REFI Sun.

The Subfund approved the issuance of up to 25 000 units of ordinary non-convertible fixed rate bonds guaranteed by the Subfund, each with a nominal value of EUR 1 000, by a subsidiary UAB REFI Sun, in the context of a number of issues of the Company's bonds with an aggregate nominal value of up to EUR 25 000 000. A letter of guarantee has been signed prior to the issuance of these financial statements but the bonds themselves have not yet been issued.

REMUNERATION POLICY

As at 31 December 2024, the number of actually working employees (excluding employees on parental leave) of INVL Asset Management UAB (hereinafter referred to as the Company) was 87 (31 December 2023: 74). Professional development of employees was conducted based upon the Company's goals, needs of employees and development of their mandatory competences. The data below are presented for all employees of the Company, not limited to those working 100%.

The Company has approved the policies with respect to employees whose professional activity and/or decisions made may have a significant impact on the Company's exposure to risks, including the Company's executive employees, members of managerial bodies, employees carrying out control functions and other employees who receive remuneration attributed to the remuneration category of the Company's management personnel (hereinafter jointly 'risk-assuming employees') ('the Remuneration Policy') which meet the requirements of the Law on Managers of Alternative Collective Investment Undertakings and other legal acts. As at 31 December 2024, the number of risk-assuming employees was 34 (34 in 2023).

The remuneration policy is approved and amended by the Company's Board. Services of external advisers were not used in updating the Remuneration Policy, there is no contribution from stakeholders. Considering the size of the Company, organisational structure and profile, scope and complexity of activities, the remuneration committee is not formed at the Company. The amount of a monthly service pay of the General Manager, and other employees who are subordinate (accountable) to the Company's Board or to the staff responsible for risk management and regulatory compliance under the direct supervision of the Board in accordance with the management structure approved by the Company's Board is established based on the Board's decision. For all other employees the amount of a monthly service pay is set by the decision of the Company's General Manager in accordance with the requirements applicable to the job position, nature of work, qualification and skills of the employee, his/her experience. Remuneration reviews are influenced by the demand for and supply of similar positions in the labour market. The monthly salaries set for all the Company's employees are set out in employment contracts between the Company and the employee.

The employee's fixed remuneration consists of a monthly service pay, employer's taxes and additional benefits that are allocated to the employee irrespective of his/her performance and paid to all employees who meet the criteria established in accordance with the procedure set at the Company (e.g. pension contributions to voluntary pension funds). In addition to a monthly service pay or remuneration received in other form, an incentive may be paid, i.e. a bonus which is subject to the same procedure which is applied to the variable remuneration part. This procedure is set in the legislation regulating the activities of asset management. The bonus is allocated depending on the fulfilment of the Company's annual business plan and/or budget, fulfilment of annual targets set for the employee's division and/or team and fulfilment of the employee's individual plans and tasks indicated in the employee's individual performance assessment plan. A monthly service pay is established in a manner to ensure proper proportions of a monthly service pay and bonus. A monthly service pay represents a relatively large portion of the employee's overall remuneration thus enabling the Company to implement flexible promotional policies.

The bonus is paid to risk-assuming employees according to the following schedule:

- The portion equal to 60% of the bonus is paid as a lump sum in accordance with the procedure and within the time limits set in the order of the Company's General Manager;
- The remaining portion of the bonus (i.e. the remaining 40%) is paid to the employee within three years in accordance with the pro rata principle, i.e. the deferred part of the bonus is distributed proportionately throughout the deferral period; the payment is not made earlier than one year after the end of the employee's performance assessment and paid at the annual intervals to complete the payment of a proportionally calculated part of the bonus. In individual cases the competent body of the Company, which makes a decision on the allocation of the bonus, has the right to decide on a longer deferral period (usually not longer than five years), considering the life cycle of the Company and/or respective collective investment undertaking, its activity profile, risks assumed by the employee and results of activities as well as other criteria set forth in the legislation.

The previously set deferral period is not applied if the annual bonus allocated to an employee comprises up to 25% of the annual monthly service pay and is lower than EUR 50,000. In such case, the entire amount of the bonus is paid as a lump sum following the procedure and deadlines set by the order of the Company's General Manager or the decisions of the Company's Board. The same procedure is applicable and the bonus is paid to employees who are not considered risk-assuming employees.

The bonus, including a deferred part thereof, can be allocated and/or paid to the employee only if the Company's financial position is sustainable, considering the results of operations of the Company and/or the Company's unit and only in case the results of the employee's annual individual performance assessment are positive. The individual performance assessment of the employee also takes into consideration non-financial and behavioural (soft) criteria, such as compliance with the Company's internal rules and procedures, communication with customers and investors, observance of rules and professional development, etc. In paying bonuses or applying other incentive measures to employees the Company ensures that their payment (allocation) is not linked with sales of a specific collective investment undertaking or financial instrument. If the results of the Company's financing activities of a respective year are negative or the Company fails to achieve the business objectives set, the Company has the right to make a decision not to pay the bonus or a part thereof or to defer the payment, or to reduce the amount of the bonus allocated earlier as well as reduce the payment of such amounts previously earned by defining in advance the period of such non-payment, deferral or reduction. Such adjustment or deferral was not applied in the reporting period.

The bonus is usually paid in cash. Following the proportionality principle, the Company does not apply the requirement to pay a certain part of the bonus in financial instruments. However, if such a possibility is offered by the Company and the employee makes such a request, the bonus may be replaced with other incentive measures – granting financial instruments or their equivalents (share options, payments into a private pension fund). The abovementioned deferral is also applied when an employee is awarded other incentive measures than a bonus payment in cash. In 2024, no employment termination benefits were paid out to risk-assuming employees (in 2023, no termination benefits were paid out to risk-assuming employees).

Bonuses for 2024 will be allocated to employees in 2025, following the approval of the financial statements for 2024.

The distribution of remuneration and incentives allocated and paid in 2024 is presented below:

	Number of employees*	Annual fixed remuneration (including taxes), EUR	Variable remuneration (bonuses)**		Remaining allocated deferred variable remuneration (bonuses), EUR
			In cash and contributions to pension funds, EUR	In share-based financial instruments, EUR	
Management personnel	3	302,714	222,478	-	-
Risk-assuming employees, except for the Board members and management personnel	32	2,739,315	221,996	95,032	164,115
Employees	48	1,878,268	164,781	21,303	4,667
Total:	83	4,920,297	609,255	116,335	168,782

* Weighted average

** For the purpose of information disclosure, meets the definition of the bonus, as described above, and comprises the part of variable remuneration allocated for the previous year, which was paid/due in the financial year. Reduction of the deferred variable remuneration (bonus) for 2017–2024, by adjusting according to activity results, was not applied during the reporting period.

The remaining allocated deferred variable remuneration (bonus) in the table above comprises the entire allocated part which was not paid by 31 December 2024. Based on the Company's variable remuneration policy, part of this remuneration was recognised as the Company's costs and liabilities or share-based payment reserve before 31 December 2024. The part of variable remuneration (bonus) calculated for the year 2024 but which will be allocated only after the issue of the financial statements, is not included in the amounts in the table above.

RISK MANAGEMENT

Type of the Fund's risk and the risk management systems applied by the Management Company to manage these risks

The nature of the risks associated with the Fund and Subfunds is described in the Fund and Subfunds' incorporation and distribution documents.

Internal control, including also that of the risk management, is an integral and uninterrupted part of the Management Company's daily activity. Proper internal control is ensured by developing a control structure, determining control procedures in every management level.

The common procedure of the Management Company's risk management control includes the following:

1. identification and definition of a risk;
2. risk assessment;
3. risk mitigation;
4. risk monitoring;
5. risk reporting;
6. risk management;
7. risk culture;
8. review and improvements.

Current type of risk and measures to manage these risks (including information about whether the established limits of the risk were exceeded or whether it is likely that they will be exceeded, and in case the limits of the risk were exceeded, the description of circumstances and measures taken)

In 2024, the risk profile of all the subfunds of the closed-end INVL Alternative Assets Umbrella Fund for informed investors was in compliance with their investment strategy set out in incorporation and/or distribution instruments and the risks of the Subfunds and/or investment in their issued equity securities specified therein.

- In 2024, the liquidity risk limits were not exceeded in the activity of INVL Renewable Energy Fund I subfund.

Measures to assess the Subfunds' sensitivity to key risks include stress testing of the Subfunds under adverse conditions. Risk management at the Management Company is based on a "three lines of defense" system:

- o The first line of defense consists of the Management Company's business and support units that implement the Management Company's strategy.
- o The second line of defense consists of the Management Company's Risk Management and Compliance functions.
- o The third line of defense is the Internal Audit function.

The "three lines of defense" system is implemented through the following risk management responsibilities:

Company's Board is responsible for strategy and policy making, regular review, and ensures effective continuous functioning thereof. It determines the Management Company's acceptable level of risk ("risk appetite"), is responsible for implementing the Company's internal control system, and is responsible for approving the Management Company's internal documents governing risk management. Together with the Management Company's General Director, the Board carries out the functions of managing product and service pricing, as well as reallocating internal resources.

Risk Management Committee – responsible for implementing the risk management policy. It also defines the key risk indicators and their respective limits, and monitors compliance with them. The Risk Management Committee assigns specific tasks related to the performance of risk management functions to the Management Company's departments if those tasks are not assigned in other internal legal acts of the Management Company. It also evaluates the results of the annual stress testing of funds and performs other tasks stipulated in the Committee's regulations.

The Company's manager prepares and submits the Management Company's organisational structure to the Board for approval, including the functions and positions related to risk management. The manager participates in the risk assessment and acceptable risk level determination process; organises the Management Company's operations and ensures appropriate communication and separation of duties among the Management Company's functional departments; implements the Management Company's business strategy; and ensures that the Management Company's services and products do not expose the Management Company to higher risks than the established acceptable risk level.

The Head of Risk Management is responsible for the continuous performance of the risk management function; chairs the Risk Management Committee; prepares, updates, and submits documents related to organising risk management for approval; formulates and submits the main risk indicators and their assessment for the funds to the Risk Management Committee for approval; assists the Management Company's departments in implementing risk management measures; monitors and verifies how the risk management system is implemented within the Management Company and presents the results and proposed improvements to the Risk Management Committee; and carries out operational risk incident management and other functions.

The Compliance Department performs advisory and operational monitoring functions for the Company's departments; it conducts annual risk assessments in the areas of compliance activities (including money laundering prevention/international sanctions implementation, personal data protection, and other areas).

Investment Committees and/or fund managers are responsible for making investment decisions when managing the fund investment portfolios and for representing and protecting the interests of the fund's investors. They ensure compliance with established risk indicator limits and adherence to the investment restrictions specified in the funds' operational documents.

The Finance Department monitors the Management Company's liquidity risk and reports on its liquidity status to the Board; assists the Head of Risk Management in conducting the annual stress-testing assessment of the funds; monitors the Management Company's capital adequacy ratios; and periodically submits capital adequacy reports to the Bank of Lithuania.

Internal Auditor conducts audits to assess the adequacy and effectiveness of the risk management process; upon identifying operational deficiencies, the Internal Auditor provides recommendations to ensure their rectification and elimination;

Heads of all the Management Company's departments/fund management teams ensure that the Management Company's activities comply with the requirements of legal acts and the Company's internal documents, and that the risks faced by their respective departments are assessed and properly managed.

This system ensures effective implementation of measures related to the risk of the Funds' activities and management, which comprise:

- Identification and assessment of the Fund's risks, as well as the determination of its risk profile and risk appetite;
- Determination and implementation of risk mitigation measures;
- Monitoring of the Fund's risk levels;
- Reporting on the Fund's risks.

Below is a summary table of the main risks faced by the Fund and its subfunds, along with the measures employed to manage them:

Risk category	Main risks	Management and mitigation
Market risk	Risk of changes in investment value	The risk is managed by conducting a thorough investment selection process prior to investing, as well as an in-depth analysis of the economic performance and strategy of managed investments. This risk is assessed annually under adverse conditions through the Subfunds' annual stress testing.
Leverage risk	The risk that the Subfund may exceed the level of leverage specified in its operational documents and/or be unable to service its loans.	The risk applies only to Subfunds that use leverage. The risk is managed by preparing long-term cash flow forecasts, monitoring loan indicators, and taking on only a safe level of leverage.
Counterparty risk	The risk that investors fail to transfer funds to the Subfund in response to capital call notices.	This risk is managed through legal measures (the subfund rules include strict penalties for non-payment) and by carrying out funding requirement planning and maintaining ongoing communication with investors.
Liquidity risk	The risk that the Subfunds may be unable to sell their investments within the planned time-frame and redeem investment units from investors.	In the case of financing subfunds, the risk is managed by aligning investor expectations with the financed funds' liquidity maintenance and unit redemption strategy. In Subfunds where investments are managed directly by the Management Company, this risk is managed by planning an exit strategy in advance and involving reliable advisors who guide the sale process.
Operational risk	The risk that the Subfunds will be unable to pay amounts due. The risk that the Subfunds may incur losses due to human, process, or system errors.	Short-term liquidity is managed by planning cash flows and maintaining an adequate cash balance. The risk is managed by implementing review controls in each of the main Subfund processes (such as accounting and administration).

Percentage portion of the assets to which the special procedure for non-liquidity of these assets applies

In 2024, the Subfunds did not have assets to which special procedure applies due to their non-liquidity.

Changes to the level of Maximum Leverage and new arrangements regarding possibilities of repeated use of collaterals related to acquisition of the Leverage (where they are changed, if compared to the those established by the incorporation instruments or other documents presented to investors)

In 2024, the possible highest level of the leverage was not changed in the Subfunds' (except for INVL Renewable Energy Fund I) activity and it was in line with the levels established by their incorporation instruments. No arrangements were made in respect of a repeated use of collaterals.

In 2024, the founding and distribution documents of the INVL Renewable Energy Fund I were amended regarding the maximum level of financial leverage. It was increased from 300% to 500% under the gross method (as defined in Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 (hereinafter – the Regulation)) and from 300% to 500% when calculating the maximum possible leverage ratio under the commitment method (as defined in the Regulation). These changes were approved by the participants of the INVL Renewable Energy Fund I.

Overall level of the leverage used (if the leverage is used in fact)

The Subfunds may use leverage in accordance with the procedure laid down by the incorporation instruments. The level of leverage is calculated using the general method established by Article 7 of Regulation and the method of liabilities established by Article 8 thereof.

Subfund name	Level of financial leverage as to the general method as at 31/12/2024	Level of financial leverage as to method of liabilities as at 31/12/2024
INVL Renewable Energy Fund I	187.96%	228.64%

Information about the essential changes to the information for investors submitted pursuant to Article 18 of the Law on Managers of Alternative Collective Investment Undertakings of the Republic of Lithuania

In 2024, no essential changes were made to the information which must be submitted pursuant to Article 18 of the Law on Managers of Alternative Collective Investment Undertakings the Republic of Lithuania.

SUSTAINABILITY RELATED INFORMATION

According to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27/11/2019 on sustainability-related disclosures in the financial services sector ("SFDR") and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18/06/2020 on the establishment of a framework to facilitate sustainable investment ("Taxonomy"), the information on how and to what extent environmental or social characteristics are ensured (where the financial product discloses information according to Article 8 of SFDR) or information about the environmental targets to which it is contributed and a description of investments into sustainable economic activity (where the financial product discloses information according to Article 9 of SFDR) shall be provided by a financial product in a periodic report.

The sustainable investment objectives of INVL Renewable Energy Fund I are to contribute to climate change mitigation by developing renewable energy (solar photovoltaic installations), as outlined in the Taxonomy Regulation. In compliance with the SFDR provisions, the Subfund discloses information regarding the integration of sustainability requirements under Article 9 of the SFDR in pre-contractual disclosures. Additionally, it provides details on how the goal of sustainable investments was ensured and the extent to which the main negative impact of investment decisions have been addressed by the Subfund, following the templates outlined in Annexes 1 of this annual report.

INVL Renewable Energy Fund I 2024 statement on principal adverse impacts of investment decisions on sustainability factors

INVL Renewable Energy Fund I, a subfund of the closed-end umbrella investment fund for informed investors "INVL Alternative Assets Umbrella Fund", established and operating under the laws of Lithuania, with its registered office at Gynėjų str. 14, 01110 Vilnius, Lithuania, and managed by UAB "INVL Asset Management", a company established and operating under the laws of Lithuania (hereinafter referred to as "the Subfund" or "REFI"), hereby provides its statement on principal adverse impacts (PAI) on sustainability factors for the reference period from 1 January to 31 December 2024.

Principle Adverse Impact	Impact 2024	Impact 2023	Metric	Comment/Note/ Actions taken, and actions planned and targets set for the next reference period
1. GHG emissions				
Scope 1 GHG emissions	0	0	tCO2e	The impact is 0 because the Subfund does not own or control emission sources, does not consume energy directly, and does not have employees or buildings. Scope 1 and 2 emissions are managed by the Subfund's management company.
Scope 2 GHG emissions	0	0		
Scope 3 GHG emissions	1 606	104		Emissions for other projects were estimated proportionally by installed capacity (MW), using Life Cycle Assessment (LCA) data from a Deloitte reference project. LCA evaluates environmental impacts from raw material extraction to end-of-life.
Total GHG emissions	1 606	104		Assuming a 30-year life cycle, total emissions were divided by 30 to estimate average annual emissions. Calculations were applied only to operational or nearly completed projects with reliable data.
				No targets set for reduction as emissions are inherently low by design.
2. Carbon footprint	0,000077	0,0000026	tCO2e/EUR million	No targets set for reduction as emissions are inherently low by design.
3. GHG intensity of investee companies	0,0041	0	tCO2e/EUR million	No targets set for reduction as emissions are inherently low by design.
4. Exposure to companies active in the fossil fuel sector	0	0	% of Portfolio Companies	
5. Share of non-renewable energy consumption and production				
Consumption	-	-	Not available	
Production	0	0	% of all production	

Principle Adverse Impact	Impact 2024	Impact 2023	Metric	Comment/Note/ Actions taken, and actions planned and targets set for the next reference period
6. Energy consumption intensity per high impact climate sector	-	-	Not available	
7. Activities negatively affecting biodiversity-sensitive areas	0	0	% of Portfolio Companies	The Subfund collects and assesses information on the impact of its projects on biodiversity prior to the start of project development and during the holding in accordance with the requirements of national legislation.
8. Emissions to water	-	-	Not available	
9. Hazardous waste and radioactive waste ratio	0	0	t/mIn EUR	
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0	0	% of Portfolio Companies	All projects are managed through dedicated SPVs, each subject to its own compliance framework
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	0	0	% of Portfolio Companies	All projects are managed through dedicated SPVs, each subject to its own compliance framework
12. Unadjusted gender pay gap	-	-	Average of Portfolio Companies	The Subfund had no own employees
13. Board gender diversity	-	-	Average of Portfolio Companies	The Subfund manages its investments through SPVs, which do not have collegial management or supervisory bodies.
14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	-	-	Not available	
15. Non-recycled waste ratio	39,09	1,9	t/mIn EUR	<p>The indicator is based on estimated non-recycled packaging waste from photovoltaic equipment deliveries. This type of waste was chosen as it represents a major share of construction-related waste, while data for other types is limited. Recyclable and non-recyclable material shares were determined using data from a Life Cycle Assessment (LCA) by Deloitte. The result is normalised per million euros invested to enable comparison.</p> <p>The Subfund follows best practices in waste management by engaging suppliers to reduce packaging, prioritizing recyclable materials, and</p>

Principle Adverse Impact	Impact 2024	Impact 2023	Metric	Comment/Note/ Actions taken, and actions planned and targets set for the next reference period
				improving waste data. These actions aim to reduce environmental impact and align with
16. Rate of accidents	0	0	No	The construction of projects is conducted in strict adherence to all safety protocols under the oversight of designated responsible parties

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The Subfund integrates ESG factors into investment appraisal, due diligence, and decision-making to identify principal adverse impacts (PAIs) on key sustainability factors. Throughout the investment period, ongoing data collection and monitoring enable the investment team to assess and manage the significance or risk of PAIs and implement appropriate mitigation measures.

PAIs are considered both to measure progress toward the sustainable investment objective and as a risk management tool. The Subfund monitors all mandatory indicators, though some are immaterial due to its focus on renewable energy real assets held through holding companies.

Mandatory and additional indicators are collected at the investment level and consolidated at the Subfund level.

With a long-term perspective, the Subfund has identified two additional PAIs relevant to its sustainable development: the non-recycled waste ratio and the accident rate.

Engagement policies

INVL Asset Management, as portfolio manager of the Subfund, has an approved Engagement Policy. However, since the Subfund invests directly in photovoltaic (PV) plants through companies that own PV assets, traditional governance mechanisms—such as shareholder voting and setting reporting standards for investment managers—are less directly applicable.

The Subfund is managed in accordance with the Principles for Responsible Investment (PRI), to which INVL Asset Management is an indirect signatory.

References to international standards

As an Article 9 (SFDR) fund with a sustainable investment objective the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises are adhered to.