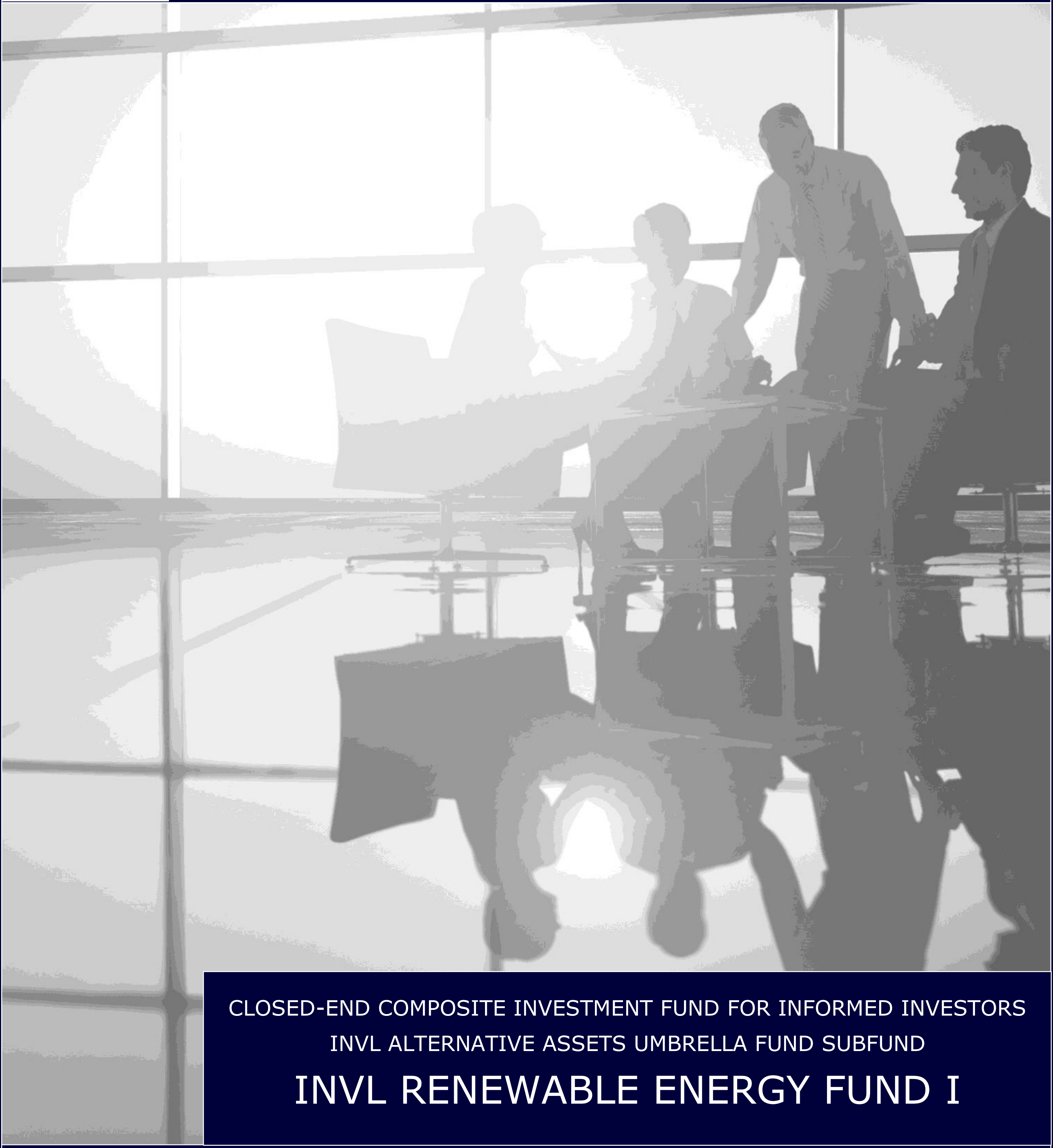

CLOSED-END COMPOSITE INVESTMENT FUND FOR INFORMED INVESTORS

INVL ALTERNATIVE ASSETS UMBRELLA FUND SUBFUND

INVL RENEWABLE ENERGY FUND I

ACTIVITY OVERVIEW AND FINANCIAL STATEMENTS FOR THE YEAR 2022, PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE EUROPEAN UNION, PRESENTED TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CONTENTS

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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 2022,
- 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 significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Subfund as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The comparative information, comprising of the statement of financial position as at 31 December 2021, 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 related notes, presented in the accompanying financial statements, has not been audited.

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 International Financial Reporting 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
6 September 2023

The electronic auditor's signature applies only to the Independent Auditor's Report on pages 3 to 4 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 6 September 2023:

Document signed with a qualified e-signature	Document signed with a qualified e-signature
Liudas Liutkevičius Chairman of Investment Committee	Agnė Vainauskienė INVL Asset Management Chief financier

STATEMENT OF FINANCIAL POSITION*

	Notes	31 December 2022	31 December 2021 (unaudited)
Non-current assets			
Financial assets at fair value through profit or loss	4	9,039,816	1,642,369
Total non-current assets		**9,039,816**	**1,642,369**
Current assets			
Cash	5	5,217,343	2,648,437
Advance payments	7	-	936,814
Loans granted	8	275,594	280,679
Other receivables	6	703,182	-
Total current assets		**6,196,119**	**3,865,930**
TOTAL ASSETS		**15,235,935**	**5,508,299**
Current liabilities			
Amounts payable to the Management company and the Depository	10	158,319	106,279
Other current liabilities	12	100,836	15,879
Total current liabilities		**259,155**	**122,158**
TOTAL LIABILITIES		**259,155**	**122,158**
NET ASSETS ATTRIBUTABLE TO THE PARTICIPANTS OF THE SUBFUND		**14,976,780**	**5,386,141**

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

STATEMENT OF COMPREHENSIVE INCOME*

	Notes	2022	2021 (unaudited)
Net change in fair value of financial assets	4	795,037	-
Income from financing activities		-	1,953
Total income		**795,037**	**1,953**
Management fee	10	(532,311)	(148,181)
Other operating expenses	9	(108,744)	(68,013)
Total operating expenses		**(641,055)**	**(216,194)**
Operating profit (loss)		**153,982**	**(214,241)**
Net foreign exchange loss		(31,042)	(6,200)
Profit/(loss) before tax for the reporting period		**122,940**	**(220,441)**
Income tax expenses		-	-
Profit/(loss) for the reporting period		**122,940**	**(220,441)**
Other comprehensive income for the reporting period		-	-
Increase / (decrease) in net assets attributable to the participants of the Fubfund during the reporting period		**122,940**	**(220,441)**

* 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

STATEMENT OF CHANGES IN NET ASSETS

	Notes	31 December 2022	31 December 2021 (unaudited)
Value of net assets attributable to the participants of the Subfund as at 1 January		**5,386,141**	**-**
Contributions from participants		9,467,699	5,606,582
Net increase in value on transactions with participants		**9,467,699**	**5,606,582**
Increase / (decrease) in net assets attributable to the participants of the Subfund during the reporting period		122,940	(220,441)
Value of net assets attributable to the participants of the Subfund as at 31 December		**14,976,780**	**5,386,141**

STATEMENT OF CASH FLOWS

	Notes	2022	2021 (unaudited)
Cash flows from operating activities			
(Purchase) of financial assets	4	(5,223,371)	(1,639,317)
Advance payments	7	(1,389,000)	(940,539)
Repaid advances	7	918,343	-
Loans granted		-	(280,536)
Operating expenses paid	9, 10	(1,207,240)	(94,787)
Cash flows from operating activities		**(6,901,268)**	**(2,955,179)**
Net cash flows from operating activities		**(6,901,268)**	**(2,955,179)**
Cash flows from investing activities			
Purchase/disposal of non-current assets		-	-
Net cash flows from investing activities		**-**	-
Cash flows from financing activities			
Capital contributions from participants		9,467,699	5,606,582
Net cash flows from financing activities		**9,467,699**	**5,606,582**
Net increase in cash and cash equivalents		**2,566,431**	**2,651,403**
Cash and cash equivalents at the beginning of the period		2,648,437	-
Effect of movements in exchange rates on cash held		2,475	(2,966)
Cash and cash equivalents at the end of the period	**5**	**5,217,343**	**2,648,437**

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 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. 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 11 and 12 April 2022, the Fund, through 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 Fund, through 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 Fund, through 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 Fund, through 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. 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.

Investment and Subfund management decisions are made by the Subfund Managers appointed by decision of the Board of the Management Company. Investment Committees may also be established by a decision of the Management Company's Board for the purpose of efficiency and investment control of the Subfunds. The Investment Committee will be composed of 2 to 3 members, who may be 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 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 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 2022, 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 (hereinafter – the EU).

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

During the reporting year (as of 1 January 2022) the following amendments to IFRS and interpretations of IFRIC came into effect which do not have an effect on the Subfund's financial statements:

- Annual Improvements to IFRS Standards 2018–2020 Cycle (amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases*, IAS 41 *Agriculture*) and narrow scope amendments to IAS 16 *Property, Plant and Equipment*, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IFRS 3 *Business Combinations* (effective as of 1 January 2022).

All amendments adopted as of 1 January 2022 had no impact on the Subfund's financial statements for the year ended 31 December 2022.

Standards adopted but not yet effective, amendments and interpretations which the Subfund does not intend to apply early:

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023).

IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8: Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates.

There are no other new standards, amendments to existing standards or interpretations which are not yet effective and could have a significant effect on the Subfund.

The Fund meets requirements for an investment entity (the "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 Lever 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 comprehensive income statement.

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'. Interest on debt securities at fair value through profit or loss is presented within 'Interest income' using the effective interest rate. Dividend income from investments is recognised in profit or loss as part of 'Dividend income' when the right to receive payments is established. 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 Subffund 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. IMPAIRMENT OF FINANCIAL ASSETS

The Subfund assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Subfund follows a three-stage model for impairment for financial assets other than trade and other receivables:

(i) Stage 1 – balances, for which the credit risk has not increased significantly since initial recognition, or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months;

(ii) Stage 2 – comprises balances for which there has been a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

(iii) Stage 3 – comprises balances with objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

The financial assets are considered as credit-impaired, if objective evidence of impairment exists at the reporting date. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation.

Financial assets are written off, in whole or in part, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

For trade and other receivables, the Subfund applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Trade receivables are classified either to Stage 2 or Stage 3:

- Stage 2 – comprises receivables for which the simplified approach was applied to measure the lifetime expected credit losses, except for certain trade receivables classified in Stage 3;
- Stage 3 – comprises trade receivables which are overdue more than 90 days or individually identified as impaired.

The expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivable.

2.6. TRADE AND OTHER RECEIVABLES

Trade and other receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

2.7. 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.

2.8. SUCCESS AND 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 INVL Renewable Energy Fund I 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.

Free funds of INVL Renewable Energy Fund I, including in the event of liquidation of Subfund, are paid out to Investors (by buying out Units) under the procedure laid down in the Rules approved by the Subfund.

2.9. 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, less (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 2.8.

2.10. PROVISIONS

Provisions are accounted for when the Subfund has a present legal or constructive obligation as a result of an event and there is a probability that an outflow of economic benefits will be required to settle it, and the amount of the liability can be measured reliably. If the Subfund expects a provision or a part thereof to be recovered, for example, under an insurance contract, such a recoverable amount is recognised as a separate asset, but only to the extent that no doubts arise. The costs of provisions are recognised in profit or loss. If the effect of the time value of money is significant, provisions are discounted using the pre-tax current interest rate, if necessary, considering the inherent risk of the liability. When discounting is used, an increase in provision, reflecting past time, is accounted for as a financial expense.

2.11. REVENUE RECOGNITION

The Subfund recognises sales revenue when goods or services are transferred to the client and certain criteria determined for each activity of the Subfund are fulfilled as described further.

In 2022, revenue comprises net change in fair value of financial assets and other revenue. In 2021, revenue comprises revenue from sale of financial assets, financial, dividend and other revenue.

Revenue recognition is subject to the following criteria:

Income from financing activities

The Subfund's income from financing activities comprises income related to currency exchange rate changes and interest income.

Other operating income

Revenue from the sale of services is recognised in the reporting period when the service is rendered, depending on the level of execution of each transaction, which is determined on the basis of the ratio between the volume of services actually rendered and the service to be rendered.

Dividend income

Dividend income is recognised in the period when the Company's right to receive dividend payment is established.

2.12. 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. 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.

2.13. 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 2022 and 2021.

2.14. 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 2.12 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 and therefore all the units issued are classified as equity instruments, since 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.

Subfunds 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 Subfund'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 valuators 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 2022, 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). No terminal value is 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. Also, working capital change is included. The free cash flows are discounted using discount rate determine based on WACC (Weighted Average Cost of Capital) methodology. The discounted free cashflows comprise enterprise value of the subsidiary.

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.

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 industry. Cost of debt is determined based on the last 12 months average cost of debt for legal entities. Cost of equity is determined based on CAPM (Capital Asset Pricing Model) methodology, with key inputs being: risk-free rate (based on 10 year bond yield historic data); 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 inflation rate – a rate of 2.5% based on expert judgment about the long-term inflation forecasts by the valuation company.

The sensitivity of the main assumptions for the measurement models of investments as at 31 December 2022 are presented in the tables below.

MB Sun 6 Sp. Z o o

Indicator	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	-0.21/+0.24
Annual inflation rate	2.5%	+/- 1pp	+0.25/-0.23

REFI 11 Sp. Z o o

Indicator	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	-0.66/+1.1
Annual inflation rate	2.5%	+/- 1pp	+1.28/-0.85

SF Projekt 15 Sp. Z o o

Indicator	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	-0.29/+0.52
Annual inflation rate	2.5%	+/- 1pp	+0.54/-0.32

SF Projekt 23 Sp. Z o o

Indicator	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	-0.12/+0.21
Annual inflation rate	2.5%	+/- 1pp	+0.22/-0.13

INVL Renewables UAB

Indicator	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	9.12%	+/- 1pp	-0.92/+1.11
Annual inflation rate	2.5%	+/- 1pp	+1.15/-1.00

As at 31 December 2021, the INVL Renewable Energy Fund I investments were measured at acquisition cost, which is equal to fair value, as the assets were acquired from third parties in December 2021 and there have been no material changes in the market that would affect the value by the reporting date.

Assessment on the Subfund's functional currency

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

- The Subfund rises 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 Subfunds's financial statements in 2022 and 2021. 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 2022	31 December 2021 (unaudited)
MB Sun 6 Sp. Z.o.o		
Fair value of equity investment	790,000	347,355
Loans granted	97,732	95,717
Total:	**887,732**	**443,072**
REFI 11 Sp. Z.o.o		
Fair value of equity investment	720,000	2,380
Loans granted	1,371,252	1,186,112
Total:	**2,091,252**	**1,188,492**
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	1,080	1,080
Total:	**1,080**	**1,080**
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	640,000	-
Loans granted	348,309	-
Total:	**988,309**	**-**
SF Project 23 Sp.Z.o.o		
Fair value of equity investment	530,000	-
Loans granted	134,008	-
Total:	**664,008**	**-**
INVL Renewables UAB		
Fair value of equity investment	480,860	-
Loans granted	3,916,850	-
Total:	**4,397,710**	**-**
Total financial assets at fair value through profit or loss	**9,039,816**	**1,642,369**

The following table presents the movement in Level 3 instruments for the year ended 31 December 2022 and 2021:

Fair value as at 31 December 2020 (unaudited)	-
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	-
Investment into share capital	360,540
Loan granted during a year	1,281,829
Loan repaid during a year	-
Fair value as at 31 December 2021 (unaudited)	**1,642,369**
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	795,037
Foreign exchange rate impact	(9,960)
Investment into share capital	2,126,257
Loan granted during a year	5,783,613
Loan repaid during a year	(1,297,500)
Fair value as at 31 December 2022	**9,039,816**
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of 2022	785,077
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of 2021	-

5. Cash and cash equivalents

	31 December 2022	31 December 2021 (unaudited)
Cash in euro	5,217,343	2,648,437
Total cash and cash equivalents in euro	**5,217,343**	**2,648,437**

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

6. Other receivables

As at 31 December 2022, INVL Renewable Energy Fund I Subfund had receivables of EUR 703,182, which consisted of receivables from UAB INVL Renewables for reimbursable transaction costs for the acquisition of investments in Romania. As at 31 December 2021, the Subfund had no trade and other receivables.

7. Prepayments

	31 December 2022	31 December 2021 (unaudited)
Contractual advance payments	-	936,814
Total advance payments	**-**	**936,814**

On 13 September 2021, share and asset pledge agreements were signed under which the INVL Renewable Energy Fund I Subfund will pay for potential projects that are expected to receive connection capacity from the Polish distribution grid and will be able to develop the construction and development of solar power plants. In case the electricity distribution grids do not grant the electricity grid connections for the projects procured, or in case the connection conditions and the technical characteristics of the projects procured are not suitable for the Subfund, advance payments shall be refunded to the Subfund within the time limits set out in the agreement.

As at 31 December 2021, a total of EUR 936,814 (PLN 4,305,600) was paid as advances to acquire 9 projects. The electricity grid connections were not granted or not approved as suitable to the Subfund for all nine projects. During 2022, all advances paid were refunded. As at 31 December 2022, none of the Subfunds had any contractual advance payments. The INVL Renewable Energy Fund I Subfund suffered a currency exchange loss of EUR 18,472 in 2022 due to the exchange rate between the euro and the Polish zloty (2021: EUR 3,724).

8. Loans granted

As at 31 December 2022 and 2021, INVL Renewable Energy Fund I Subfund had granted an interest-free loan to a third party to be used for the payment of advances to gain connection capacities to the contracted projects. The loan was issued in zloty. As at 31 December 2022 and 2021, a loan of EUR 275,594 and EUR 280,679 (PLN 1,290,000) was granted.

In accordance with the provisions of the loan agreement, the commitment was made to grant loans to the borrower during the entire term, the total amount of which shall not exceed PLN 4,320,000 or EUR 922,919 (calculated at the exchange rate as at 31 December 2022, PLN 939,948 calculated at the exchange rate as at 31 December 2021). The loan agreement is integral to the contract for the acquisition of potential projects with connection capacity from the Polish distribution grid signed on 17 September 2021. In case the electricity distribution grids do not grant the electricity grid connections for the projects procured, or in case the connection conditions and the technical characteristics of the projects procured are not suitable for the Subfund, payments shall be refunded to the Subfund within the time limits set out in the agreement, and the loan granted shall not be used for the acquisition of other projects specified in the agreement. The agreement covers a total of 152 projects.

As at the date of issue of financial statements, part of the loan has been repaid (EUR 153,915 or PLN 720,475). At the date of signing the financial statements, part of the projects were awaiting a response from the Polish electricity distribution grid regarding connection. At the date of signing the financial statements, the balance of advance payments made was EUR 121,680 (PLN 569,525).

In 2022 and 2021, no expected credit losses were recognised as the impairment of the loan granted is not considered material.

9. Other operating expenses

	2022	2021 (unaudited)
Intermediary services	(37,698)	-
Valuation expenses	(16,940)	-
Audit expenses	(9,680)	(3,025)
Depository services	(5,452)	(1,959)
Transaction/legal costs	(4,361)	(61,858)
Operating taxes	(373)	-
Other expenses	(34,240)	(1,171)
Total other operating expenses	**(108,744)**	**(68,013)**

10. Management fee

The management fee calculated and paid to the Subfund's Management Company is described in detail in Note 2.8.

	2022	2021 (unaudited)
Management fee liability at the beginning of the period	105,019	-
Calculated management fee to the management company during the period	532,311	148,181
Management fee paid during the period	(481,984)	(43,162)
Management fee liability at the end of the period	**155,346**	**105,019**

11. Related-party transactions

The related party of the INVL Renewable Energy Fund I Subfund is the Management Company. Transactions with the Subfund's Management Company in 2022 and outstanding balances as at 31 December 2022 were:

	Revenue and income from related parties	Expenses incurred with respect to related parties	Receivables from related parties	Payables to related parties (excluding provisions)
Management fee	-	532,311	-	155,346
Total	**-**	**532,311**	**-**	**155,346**

Number of units held by related parties of INVL Renewable Energy Fund I Subfund as at 31 December 2022:

	Number of units
Management Company	2,754.5678
Other entities	6,142.6863
Total	**8,897.2541**

The related party of the INVL Renewable Energy Fund I Subfund is the Management Company. Transactions with the Subfund's Management Company in 2021 and outstanding balances as at 31 December 2021 were:

	Revenue and income from related parties	Expenses incurred with respect to related parties	Receivables from related parties	Payables to related parties (excluding provisions)
Management fee	-	148,181	-	105,019
Total	**-**	**148,181**	**-**	**105,019**

Number of units held by related parties of INVL Renewable Energy Fund I Subfund as at 31 December 2021:

	Number of units
Management Company	1,600.0000
Other entities	432.0000
Total	**2,032.0000**

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 2022 and 2021 approximated their fair value because they are short-term and the impact of discounting is immaterial.

31 December 2022	**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	-	9,039,816	9,039,816
Cash and cash equivalents	5,217,343	-	5,217,343
Loans granted	275,594	-	275,594
Trade and other receivables	703,182	-	703,182
Total	**6,196,119**	**9,039,816**	**15,235,935**

31 December 2022	**Financial liabilities at amortised cost**
Liabilities in the statement of financial position	
Amounts payable to the Management Company and the Depository	158,319
Other current liabilities	100,836
Total	**259,155**

31 December 2021 (unaudited)	**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	-	1,642,369	1,642,369
Cash and cash equivalents	2,648,437	-	2,648,437
Advance payments	936,814	-	936,814
Loans granted	280,679	-	280,679
Trade and other receivables	-	-	-
Total	**3,865,930**	**1,642,369**	**5,508,299**

31 December 2021 (unaudited)	**Financial liabilities at amortised cost**
Liabilities in the statement of financial position	
Amounts payable to the Management Company and the Depository	106,279
Other current liabilities	15,879
Total	**122,158**

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:

	31 December 2022	**31 December 2021 (unaudited)**
Not rated assets		
Loans granted	275,594	280,679
Cash and cash equivalents	5,217,343	2,648,437
Other receivables	703,182	-
Advance payments		936,814
Total current assets	**6,196,119**	**3,865,930**

The Subfund only uses services of highly rated banks and financial institutions, as determined by an independent rating agency. As at 31 December 2022 and 2021, 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 INVL Renewable Energy Fund I 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	158,319	-	-	-	158,319
Other current liabilities	100,836	-	-	-	100,836
Balance as at 31 December 2022	**259,155**	**-**	**-**	**-**	**259,155**

	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	106,279	-	-	-	106,279
Other current liabilities	15,879	-	-	-	15,879
Balance as at 31 December 2021 (unaudited)	**122,158**	**-**	**-**	**-**	**122,158**

The Subfund did not face any liquidity issues and have no reason to expect any in the foreseeable future.

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 as at 31 December 2022 and 2021 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 2022		
EUR (2% movement)	36,371	(34,947)
31 December 2021 (unaudited)		
EUR (2% movement)	23,464	(908)

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 2022	**31 December 2021 (unaudited)**
Total investment commitments	52,928,000	34,645,000
Paid-in capital	14,463,920	5,543,200
Distributions to participants	-	-
Outstanding capital commitments	38,464,080	29,101,800

14. Implications of the military invasion of Ukraine by the Russian Federation

The Subfund has no assets and does not perform any business operations in Ukraine, Russia, and Belarus. Therefore, the military invasion of Ukraine by the Russian Federation on 24 February 2022 does not have a material impact on the activities of the Subfund. The Subfund results may be affected by the overall impact of war on the economy.

15. Subsequent events

INVL Renewable Energy Fund Subfund I called EUR 13,464,952 from investors and invested EUR 14,522,854 in renewable energy projects through subsidiaries.

The fourth phase of the Subfund's unit offering was launched and finished. Additional 5,007,000 euros of capital commitments were collected.

2022 ACTIVITY OVERVIEW OF INVL RENEWABLE ENERGY FUND I SUBFUND (UNAUDITED)

1. Reporting period for which the report has been prepared

The overview includes the INVL Renewable Energy Fund I Subfund's financial period from 1 January 2022 until 31 December 2022. 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 Subfund
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 2022 until 31 December 2022
Number of participants	156
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 office (address)	Gynėjų g. 14, LT-01109 Vilnius
Register at which all data about the undertaking is stored and compiled	State enterprise Centre of Registers, Vilnius branch
Phone	8 700 55 959
E-mail address	info@invl.com
Website address	www.invl.com
Licence No	VĮK-005

4. Information about the depository

Name	AB Šiaulių bankas
Company code	112025254
Registered office (address)	Tilžės g. 149, LT-76348 Šiauliai
Phone	+ 370 5 2 032 200, + 370 41 595 669
Fax	AB Šiaulių 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 2023, the Subfund aims to prepare for construction all 477 MW projects under development. The 116 MW projects are in the final stages of documentation development and the Subfund expects the projects to reach a level of development that is suitable for construction in the first quarter of 2023. For the remaining projects, the Subfund plans to complete the document development stage by November 2023.

In 2023, the construction of more than 280 MW of projects is planned to start gradually, which will lead to an increasing need for equity capital and increase the intensity of capital calls from investors.

8. Subsequent events

The Subfund carried on its normal activities after the reporting period.

REMUNERATION POLICY (UNAUDITED)

The management of the Subfund has been delegated to the Management Company INVL Asset Management UAB ("the Company"), which has approved Decisions regarding the remuneration policy of risk-assuming employees, which is in compliance with the requirements of the those of the Law on Collective Investment Undertakings and Remuneration Policy for Employees of Management Companies and Investment Companies, approved by Resolution No 03-166 of the Bank of Lithuania of 12/07/2012. The remuneration information below is that of the Company.

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 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 business cycle of the Company and/or respective collective investment undertaking or the pension fund, its activity profile, risks assumed by the employee and results of activities as well as other criteria set forth in legal acts.

The previously set deferral period is not applied if the annual bonus allocated to an employee comprises up to 20% of the annual monthly service pay and is lower than EUR 15,000 (2021: EUR 8,000). 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 Director 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 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 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). This deferral also applies when the employee is awarded incentives other than a cash bonus.

The Management Company has approved Decisions regarding the remuneration policy of risk-assuming employees, which is in compliance with the requirements of the those of the Law on Collective Investment Undertakings and Remuneration Policy for Employees of Management Companies and Investment Companies, approved by Resolution No 03-166 of the Bank of Lithuania of 12/07/2012.

Bonus of 2022 will be allocated in 2023, following the approval of the financial statements for 2022.

The distribution of remuneration and incentives allocated and paid in 2022 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	4	377,172	47,525	53,062	49,304
Risk-assuming employees, except for the Board members and management personnel	30	2,141,078	289,592	48,012	245,732
Employees	154	3,481,748	312,979	28,802	100,957
Total:	**188**	**5,999,998**	**650,096**	**129,876**	**395,993**

* 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 2017–2021, by adjusting according to activity results, was not applied during the reporting period

In 2022 and 2021, no redundancy payments were made to risk-assuming employees.

RISK MANAGEMENT (UNAUDITED)

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

The type of the Fund's risk is described in the Fund's instruments of incorporation.

Internal control, including also that of the risk management, is an integral and uninterrupted part of the 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. Continuous monitoring of the Company's activity seeking to identify a potential risk as early as possible;
2. Identification and definition of a risk;
3. Risk measurement;
4. Application of risk management measures in managing the risk;
5. Control of proper application of risk limiting measures;
6. Preparation and submission of reports.

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 2022, the risk profile of Subfund of the closed-end INVL Alternative Assets Umbrella Fund for informed investors was in compliance with its investment strategy set out in incorporation and/or distribution instruments and the risks of the Subfund and/or investment in their issued equity securities specified therein.

In 2022, the liquidity risk limits were not exceeded in the activity of INVL Renewable Energy Fund I Subfund.

This was determined in application of the risk management system implemented by UAB INVL Asset Management, which comprises the following:

Company's Board is responsible for strategy and policy making, regular review, and ensures effective continuous functioning thereof, it is also responsible for implementation of the internal control system;

Risk Management Committee is responsible for implementation of the risk management policy; establishment of risk limiting limits and control of compliance with them, delegation of tasks related to specific risk management functions of the Company's divisions where they are not attributed by other internal regulations of the Company;

Compliance Team functions as an activity coordinator of the Risk Management Committee, performs functions of management of operational risk incidents and other functions related to management of operational risk, periodically submits operational risk reports to the Risk Management Committee and/or the Company's Board, provides consulting to the Company's divisions and monitors their activity;

Investment Committee is responsible for adopting decisions regarding management of the Funds' assets and representation and protection of interests of the Funds' participants, clients, CEIC shareholders;

Fund managers are responsible for adoption and implementation of investment decisions; day-to-day compliance with investment limitations established by the Funds' instruments and regulations, diversification and other norms limiting the Funds' risk, reports to the Investment Committee on how its adopted decisions are followed, and submits reports on liquidity of securities comprising the assets of funds/portfolios;

Finance Division carries out monitoring of CIU liquidity, limitations of Funds' investing and diversification, periodically submits reports to the Risk Management Committee and/or the Company's Board in respect of each CIU managed by the Company and CEIC compliance with the risk level and risk limitation systems;

Internal Auditor performs audits of adequacy and effectiveness of the risk management process. Having established the deficiencies in operation, provides recommendations to ensure their elimination;

Heads of all divisions of the company ensure that the activity conducted by the Company complied with requirements of legal acts and the Company's internal regulations; ensure that the risk to which the division under their management is exposed to was adequately assessed and managed.

This system ensures effective implementation of measures related to the risk of the Subfunds' activities and management, which, including but not limited to, comprise:

- Establishment of risk limiting limits and control of compliance,
- Establishment of action plans when certain limits are exceeded,
- Special measures intended to manage the market risk, liquidity risk, counterparty risk and other, including the operational risk.

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

In 2022, the Subfund did not have assets to which special procedure applies due to their non-liquidity.

New measures applied to management of liquidity

In 2022, UAB INVL Asset Management did not initiate any new liquidity management measures for the Subfund.

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 2022, the possible highest level of the leverage was not changed in the Subfund's activity and it was in line with the levels established by their instruments of incorporation. No arrangements were made in respect of a repeated use of collaterals.

Overall level of the leverage used (if any)

The Subfund may use leverage in accordance with the procedure laid down by the instruments of incorporation. The level of leverage is calculated using the general method established by Article 7 of Regulation (EU) No 231/2013 and the method of liabilities established by Article 8 thereof.

Subfund name	Level of leverage as to the general method as at 31/12/2022*	Level of leverage as to method of liabilities as at 31/12/2022*
INVL Renewable Energy Fund I	66.89%	101.73%

* The leverage was not used during the reporting period

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 2022, 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. It was updated and supplemented with the information set out in Regulation (EU) 2019/2088 and Articles 5, 6 and 7 of Regulation (EU) 2020/852.

SUSTAINABILITY RELATED INFORMATION (UNAUDITED)

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.

INVL Alternative Assets Umbrella Fund is an umbrella fund consisting of 6 Subfunds at the end of 2022. The Subfunds disclose information under different Articles of the SFDR.

All Subfunds and the Management Company acting on their behalf shall seek to assess all risks and factors that may affect the value and performance of investments when making investment decisions.

In 2022, the Subfund INVL Renewable Energy Fund I did not promote specific environmental and/or social characteristics and did not have a sustainable investment objective, and therefore disclosed information under Article 6 of the SFDR. As a result, the investment of the Subfund did not take into account the EU criteria for environmentally sustainable economic activity and did not assess the negative impact of investment decisions.