

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

INVL RENEWABLE ENERGY FUND I

PERFORMANCE OVERVIEW 2024 AND UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR 2024 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS ADOPTED IN THE EUROPEAN UNION



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MAIN INFORMATION

Investment Committee

Mr. Liudas Liutkevičius (Chairman)

Mr. Linas Tomkevičius

Management Company

UAB "INVL Asset Management"

Registration address:

Gyneju str. 14, Vilnius, Lithuania

Company code 126263073

Audit firm

KPMG Baltics, UAB

Registration address:

Lvivo g. 101, Vilnius, Lithuania

Company code 111494971

These financial statements were approved by the Management Company for release on 28 June 2025 and signed by:

The document is signed with a qualified e-signature

Liudas Liutkevičius
Chairman of the Investment Committee

The document is signed with a qualified e-signature

Agnė Vainauskienė
Head of Accounting for Alternative Funds at INVL Asset
Management

STATEMENT OF FINANCIAL POSITION¹

	Notes	2024 31 December	2023 31 December
Non-current assets			
Financial assets measured at fair value, the changes of which are recognised in profit (loss)	4, 13	56.696.363	39.904.983
Total non-current assets		56.696.363	39.904.983
Current assets			
Financial assets measured at fair value, the changes of which are recognised in profit (loss)		1.674.261	-
Cash	5	5.188.446	411.134
Loans granted	7	-	90.299
Other receivables	6	39.182	28.927
Total Current Assets		6.901.889	530.360
TOTAL ASSETS		63.598.252	40.435.343
Current liabilities			
Amounts payable to the Management Company and the Depository	8, 11	223.071	214.334
Other current liabilities	9	18.089	559.305
Total current liabilities		241.160	773.639
TOTAL LIABILITIES		241.160	773.639
NET ASSETS ATTRIBUTABLE TO SUBFUND PARTICIPANTS		63.357.092	39.661.704

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

STATEMENT OF COMPREHENSIVE INCOME¹

	Notes	2024	2023
Net change in fair value of financial assets	4	1.544.541	5.014.766
Income from financial activities		56.444	16
Total revenue		1.600.985	5.014.782
Management fee	8	(849.694)	(815.115)
Other operating costs	10	(480.175)	(121.613)
Total operating costs		(1.329.869)	(936.728)
Operating profit (loss)		271.116	4.078.054
Net foreign exchange profit (loss)		34.861	141.918
Profit (loss) before tax for the reporting period		305.977	4.219.972
Corporate tax costs		-	-
Profit (loss) for the current period		305.977	4.219.972
Increase (decrease) of net assets attributable to the participants of the Subfund during the reporting period		305.977	4.219.972

STATEMENT OF CHANGES IN NET ASSETS

	Notes	2024	2023
Value of net assets attributable to the participants of the Subfund as at 1 January		39.661.704	14.976.780
Participants' contributions to the Subfund	13	23.389.411	20.464.952
Net increase in value due to transactions with participants		23.389.411	20.464.952
Increase (decrease) of net assets attributable to the participants of the Subfund during the reporting period		305.977	4.219.972
Value of net assets attributable to the participants of the Subfund as at 31 December		63.357.092	39.661.704

STATEMENT OF CASH FLOWS

	Notes	2024	2023
Cash flows for operating activities			
(Purchase) of financial assets	4	(17.321.226)	(24.994.186)
Repaid advances	7	-	194.507
Repaid loans of related persons	7	-	600.000
Operating costs paid	8, 10	(1.333.635)	(1.099.467)
Net cash flows from core activities		(18.654.861)	(25.299.146)
Cash flows from financial activities			
Distribution revenue	13	23.389.411	20.464.952
Cash flows from financial investment activities		42.752	-
Net cash flow from financial activities		23.432.163	20.464.952
Net increase (decrease) in cash and cash equivalents		4.777.302	(4.834.194)
Cash and cash equivalents at the beginning of the period		411.134	5.217.343
Effect of exchange rate changes on cash held		10	27.985
Cash and cash equivalents at the end of the period		5.188.446	411.134

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The closed-end composite investment fund INVL Alternative Assets Umbrella Fund (hereinafter referred to as the "Fund") was established in accordance with the provisions of Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania (LCIUIFII) for the purpose of collective investment of the Investors' assets in alternative investment objects and in order to spread the risks arising therefrom and to generate profits for the Investors from these activities. The Fund carries out its investment activities through the established Subfunds (hereinafter referred to separately as the Subfund and collectively referred to as the Subfunds). The portion of the Fund's assets in each Subfund is managed separately from the Fund's assets in other Subfunds in accordance with rules that are separate for each Subfund. Investors shall invest in assets managed by a particular Subfund in accordance with the rules of that Subfund and shall have rights only to the net assets of that Subfund. These reports cover only the INVL Renewable Energy Fund I Subfund (hereinafter referred to as REFI).

The INVL Alternative Assets Umbrella Fund is intended for informed investors, i.e. persons who meet the requirements of the Law on Collective Investment Undertakings for Informed Investors. Subfund units of this fund may be purchased only by investors who meet the criteria of an informed investor, and the investor's right to demand redemption of the units belonging to him from a closed-end fund is restricted.

The INVL Renewable Energy Fund I Subfund started operations on 19 July 2021. The purpose of the Subfund is to invest the assets entrusted to the Participant Management Company in renewable energy and/or other infrastructure objects located in the Investment Territory and to earn a higher than average risk-adjusted return from it. International initiatives in recent years, such as the one adopted in December 2015. The Paris Agreement on Climate Change, the EU's Green Deal and the May 2020 The Green Deal and the EU's goal of producing at least 32% of the electricity consumed from renewable sources by 2030 have accelerated the liberalization of the electricity generation sector in the EU. The de facto liberalisation of the electricity generation market means that all natural or legal entities are willing and able to invest in generating units, and electricity distribution and transmission systems must make every effort to connect such electricity generation units to the grids. In order to encourage investments in renewable energy, more and more EU countries are organising auctions of the planned electricity purchase quotas, in which, if successful, the participating projects are provided with electricity purchase price guarantees for a period of 15-20 years. The guaranteed price of the electricity produced, which is still indexed by the CPI (Consumer Price Index) during the entire period of the contract, increases the attractiveness of investments in renewable energy, and helps individual countries and the EU as a whole to achieve the 2030 goal of producing at least 32% of all electricity consumed from renewable sources, and by 2050 the entire EU becoming the world's first environmentally neutral continent. As the competitiveness of electricity production from renewable sources grows, the development of renewable electricity projects through the conclusion of a long-term electricity purchase and sale agreement (Electricity Purchase and Sale Agreement) is becoming more popular in the EU. Power purchase agreement (PPA) between producers of electricity from renewable sources and its consumers. This type of contracts can be concluded for a period of 5-15 years and become an alternative to state-organized auctions of electricity quotas and guaranteed price, allowing investors to secure guaranteed periodic cash flows and return on investment. In order to achieve the objective of the Subfund, the Management Company invests the assets constituting the Subfund in early (green field) and mid-brown field development projects (solar, wind, biogas, etc.), which will include, but are not limited to, (i) the construction of new power plants, (ii) the acquisition of existing power plants, (iii) the creation and/or acquisition of the infrastructure necessary for the operation of the power plants, and (iv) the efficient management of the existing power plants. The return on investment will be generated by (i) receiving remuneration for the energy produced in the renewable energy facilities (power plants) controlled by the Subfund and (ii) by increasing the value of these and related infrastructure objects. The management company may also invest part of the assets of the Subfund in other infrastructure objects. The return on these investments will be generated by the Subfund benefiting directly and/or indirectly from long-term cash flow generating arrangements.

15 March 2024 The fund acquired REFI Solar UAB through the Subfund INVL Renewable Energy Fund I.

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

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

7 December 2021 and 8 December 2021 Through the Subfund INVL Renewable Energy Fund I, the Fund acquired the companies registered in the Republic of Poland, MB Sun 6 Sp. Z o o o and REFI 11 Sp. Z o o (formerly INVL Asset Management Sp. Z o o) (hereinafter referred to as SPV), respectively, on 17 December 2021. Through the Subfund INVL Renewable Energy Fund I, the Fund has established the companies 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 activities of the companies are to control investments in renewable energy and/or other infrastructure facilities on behalf of the Subfund. The SPV companies did not carry out any activities other than investing in renewable energy and/or other infrastructure objects or financing such projects by taking advantage of distributed bond issues.

The term of operation of the Subfund is 7 years, counting from the end of the first stage of distribution of the Subfund. The Management Company has the right to extend the term of operation of the Subfund for an additional 2 years.

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

In order to ensure the efficiency of the Subfunds' activities and investment control, investment and Subfund management decisions shall be taken by the Subfund Managers appointed by the decision of the Management Company's Board or by investment committees established. The Investment Committee consists of 2 members, who appoint representatives of the Management Company (employees of the Management Company, members of management bodies, other persons appointed by decision of the Management Company's Board). Subfund managers and members of the Investment Committee shall be appointed and removed from office by the Board of the Management Company.

The Subfund has entered into a depository services agreement with AB Šiaulių bankas, which has been operating as a depository of the Fund's assets since 2019.

2. Basis of preparation and accounting principles

2.1. BASIS FOR REPORTING

Statement of compliance

When managing the accounting of Subfunds and compiling the Fund's financial statements, the Management Company follows the principles of the International Financial Reporting Standards (IFRS) adopted to be applied in the European Union, which were in force on 31 December 2024, as well as the Law on Collective Investment Undertakings for Informed Investors of the Republic of Lithuania and other legal acts.

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

The financial statements prepared in accordance with IFRS also comply with the requirements of the Law on Collective Investment Undertakings for Informed Investors of the Republic of Lithuania (IISKISĮ) for the preparation of financial statements, which provides that the following forms of financial statements must be presented in the annual report of the investment subfund:

- (1) a statement of net assets;
- (2) a report on the change in net assets;
- 3) an explanatory note.

The statement of financial position prepared in accordance with IFRS corresponds to the statement of net assets in accordance with IFRS, while the statements of changes in gross income and changes in net assets, read together, correspond to the statement of change in net assets.

Financial assets are accounted for at fair value, the changes of which are recognised as profit or loss. The remaining assets are accounted for on the basis of the acquisition cost. The Subfund manages the accounting and in these financial statements all amounts are accounted for and presented in the national currency of the Republic of Lithuania, in euros.

The financial year of the Subfund is a calendar year.

The preparation of financial statements in accordance with IFRS requirements requires important accounting assessments. The management also has to make decisions related to the accounting principles applied by the Subfund. Areas where significant and complex decisions have to be made, or areas where assumptions and accounting estimates are applied have a material impact on the financial statements described in 3 Note. Although these assessments are based on management's knowledge of the current situation or actions, the actual results may ultimately differ from those assessments.

Adoption of new and/or amended IFRSs and IFRIC interpretations

During this reporting year, the Fund has introduced new and amended interpretations of IFRS and IFRICs that apply to annual periods beginning on or after 1 January 2024:

Amendments to IAS 1: "Allocation of liabilities to current or long-term" (applicable to annual periods beginning on or after 1 January 2024);

Amendments to IFRS 16: Lease liability arising from a sale and lease reverse transaction (applicable to annual periods beginning on or after 1 January 2024);

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

All of the above-mentioned amendments, which apply from 1 January 2024, did not have a material impact on the Foundation's financial statements for the year ended 31 December 2024.

Standards approved for application in the EU, but not yet in force and not prematurely applied

Other amendments to standards and new standards that have been approved for application in the EU but have not yet entered into force are not relevant to the Foundation.

Standards not approved for EU application

Amendments to IFRS 9 and IFRS 7: Changes to the classification and measurement of financial instruments (applicable to annual periods beginning on or after 1 January 2026 when the EU adopts).

The following amendments: (a) clarify the date of derecognition and derecognition of certain financial assets and liabilities by providing for a new exception for certain financial liabilities settled through the electronic money transfer system; (b) clarification and additional guidance on how to assess whether financial assets meet the criterion of principal and interest payment only; (c) additional new information on certain instruments for which the terms of the contract may alter cash flows (for example, some financial instruments with characteristics related to the achievement of environmental, social and governance objectives); and (d) an update of the disclosures of equity instruments measured at fair value in other comprehensive income. The management company is currently assessing the impact of the changes on the Foundation's financial statements. It is expected that the exception to the termination of recognition of financial liabilities settled through the electronic money transfer system will be relevant for the majority of economic entities, however, it is not expected that the impact will be significant, as in practice such an approach is already mostly applied in Lithuania.

IFRS 18 Presentation and Disclosure in Financial Statements (applicable to annual periods beginning on or after 1 January 2027 when the EU adopts)

IFRS 18 contains new reporting requirements for profit and loss, including reported amounts and subtotals. In addition, entities are required to assign all income and expenses to one of five categories in the income statement: principal, investment, financial, corporate taxes and discontinued operations, the first three of which are new. It also requires the disclosure of newly defined management performance indicators, revenue and cost subtotals, and the inclusion of new requirements for the grouping and disaggregation of financial information based on the established "functions" of the original financial statements and the explanatory note. In addition, narrow amendments have been made to IAS 7 Cash Flow Statement, including the change from "profit or loss" to "operating profit or loss" from the initial reference point from which cash flows from operations are determined using the indirect method, and the removal of the option to classify cash flows from dividends and interest. The Management Company is currently working to determine the full impact of the changes on the original financial statements and the explanatory notes to the financial statements.

Amendments to standards and new standards that have not yet been adopted for application in the EU are not expected to have a significant impact on the Subfund.

Changes to accounting policies

The REFI changed its accounting policy in 2023 with regard to the success fee. The success fee consists of a share of the total profit of the Subfund, the amount and conditions of which are provided for in the Subfund's rules and which are paid by the Investors who have subscribed to Class A and C units to the owners of Class B units at the time of the distribution of assets. The entire distribution procedure is described in detail in the Subfund Rules. The accrued success tax is presented in the statement of financial position not as a liability, but as part of net assets. The success fee accrued prior to the change in the accounting policy was presented as a liability in the statement of financial position.

Investment Entity

A Subfund meets the definition of an Investment Entity under IFRS 10 and must therefore account for its investments in subsidiaries at fair value, the changes of which are recognised as profit or loss. The fair value of investments in subsidiaries shall be determined in accordance with the principles and methods set out in the Management Company's Valuation and Net Asset Measurement Policy, which is consistent with IFRS 13.

If the Subfund controls the Portfolio Company directly through its voting rights or indirectly through the ability to manage certain areas of activity in exchange for the possibility of obtaining a significant share of the profits or losses in those activities, such company and its performance shall also not be consolidated but are accounted for at fair value, its change being recognised as profit or loss.

Controlled investments include special purpose vehicles (SPVs) designed to control investments in Portfolio companies on behalf of the Fund. Apart from investing in the respective Portfolio Companies and preparing the Portfolio Companies for future sale, the SPE is not engaged in any other activity. SPIs are also measured at fair value, the primary source of determination of which is their investments in the Portfolio companies on behalf of the Subfund. None of the SPAs is consolidated as their purpose is the acquisition of individual investments and they do not provide services related to the FAIR VALUE ESTIMATION Fund's investment activities.

The Fund's business model is to manage investments in subsidiaries together with loans granted to subsidiaries as a single portfolio and to measure these investments at total fair value. On this basis, information about the portfolio is provided to the Management Company. Thus, the portfolio is neither held for the purpose of obtaining contractual cash flows, nor is it held for the purpose of obtaining contractual cash flows and for the sale of financial assets. In this context, such a portfolio of financial assets is measured at fair value, the change in which is recognised as profit or loss. At the time of initial recognition, the Fund measures the portfolio of investments in subsidiaries at fair value. The transaction cost of a financial asset measured at fair value that is recognised as a profit or loss is recognised as a cost in profit or loss. If, at the time of initial recognition, the fair value of a financial asset differs from the transaction price, it shall be recognised at fair value and '1-day profit' shall be recognised only if that fair value can be based on a price published on an active market for an identical asset or is based on a valuation method that uses only market-observed data. In all other cases, the difference between fair value at the time of initial recognition and the transaction price shall be deferred. For loans granted measured at fair value, the change in which is recognised as profit or loss, this difference is recognised by a directly proportional (linear) method over the measured maturity of the financial asset.

2.2. FUNCTIONAL AND PRESENTATION CURRENCIES

The amounts in the financial statements are presented in the national currency of the Republic of Lithuania, in euros, which is the functional and reporting currency of the Subfund

Transactions in foreign currency are initially accounted for in functional currency at the daily rate of the transaction. Monetary assets and liabilities denominated in foreign currencies are accounted for in functional currency at the year-end rate. All differences are accounted for as profit or loss. Non-monetary items that are measured at historical value in foreign currency are accounted for

using exchange rates on the date of the original transactions. Non-monetary items that are accounted for at fair value in foreign currency are recalculated using the exchange rate of the day on which the fair value was determined.

2.3. FAIR VALUE ESTIMATION

The fair value of an investment is the price that would be obtained from the sale of the asset or paid by the transfer of the liability between market participants during the unforced transaction at the valuation date. The fair value of investments for which there is no active market is determined using valuation methods. Such methods are based on recent market transactions, the market price of similar instruments, the analysis of discounted cash flows, the multiplier method or other valuation models. The methods and models for the valuation of investments are described in detail in the procedures for calculating the NAV approved by the Management Company and in the 3.1 Note.

For disclosure purposes, a Subfund classifies fair value determinations using a fair value hierarchy that reflects the materiality of the data used in fair value determinations. In the fair value hierarchy, the following levels are distinguished:

- (i) Level 1 data is the quoted (unadjusted) prices of the same Subfund units or liabilities on active markets to which the Subfund has access at the valuation date;
- (ii) Level 2 data is other directly or indirectly observable data on an asset or liability, with the exception of quoted prices that are assigned to Level 1; and
- (iii) Level 3 data is untracked data about the asset or liability being valued.

Financial instruments measured at fair value are measured in these financial statements on the basis of the third measurement level, as described below.

The valuation methods shall take into account the initial transaction price and changes that have occurred since the acquisition of the investment, as well as other factors related to the valuation of the investment on the basis of realisation rights, recent third-party transactions with comparator-type instruments and reliable reference bid prices by potential buyers. There are some inherent limitations to any assessment method. While the fair value estimates presented in these financial statements are intended to reflect the amount that the Subfund could realise in the current transaction, the financial realisation result may differ as future events will also affect current fair value estimates. The impact of such events on fair value measurements, including the liquidation of investments, could be material to the financial statements.

2.4. FINANCIAL ASSETS

Financial assets that fall within the scope of IFRS 9 are classified into financial assets measured at fair value, fair value changes measured at profit or loss (changes in fair value recognised as either other comprehensive income or profit or loss) or financial assets measured at amortised cost. The classification depends on the entity's financial asset management model and contractual cash flow conditions.

A financial asset is recognised when the Subfund becomes a party to the terms of the instrument contract. The recognition of financial assets in the financial statements is terminated when the rights to receive cash flows from the financial assets expire or are transferred and the Subfund has transferred substantially all of the risks associated with the ownership and the benefits it provides. At the time of initial recognition, the Subfund shall measure the financial assets at their fair value plus the transaction costs directly attributable to the acquisition of the financial assets in the event that the financial assets are not measured at fair value, the changes of which are recognised as profit or loss. Transaction costs related to financial assets measured at fair value that are recognised as a profit or loss are recognised as an expense in profit or loss.

Assets that are held to receive contractual cash flows, when they are only principal amounts of the loan and interest payments, are valued at amortised cost. Gains or losses arising from the termination of recognition of assets are directly recognised as gains or losses. Impairment losses are reported in a separate item in the statement of comprehensive income.

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

Financial assets measured at fair value, the changes of which are recognised in profit (loss)

A Subfund allocates its investments in securities to financial assets measured at fair value, the changes of which are recognised as profit or loss. The business model of the Subfund is to manage investments in subsidiaries together with loans granted to subsidiaries as a single portfolio and to measure these investments at total fair value. As these financial assets are not intended for trading, the Subfund has an irrevocable choice at the time of initial recognition to measure equity instruments at fair value after initial recognition, recognising changes in profit (loss) or other gross income. In the Subfund, all investments in equity securities are accounted for at fair value through profit (loss).

Gains or losses due to changes in the fair value of financial assets measured at fair value are recognised in the item "Net change in the fair value of financial assets" in the income statement. Assets in this category are accounted for as current assets if they are realised within 12 months; otherwise, it is accounted for as a non-current asset.

Assets carried at amortised cost

As the business model for the financial assets measured at amortised cost of the Subfund is to hold the assets in order to receive the cash flows provided for in the contract, and they are principal loan amounts and interest payments, therefore, the Subfund has financial assets measured at amortised cost, which includes other receivables from buyers and cash and cash equivalents. A Subfund shall reclassify debt instruments only when their business model for the management of such assets changes.

2.5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the financial statement consist of cash in the bank and short-term deposits with an initial maturity of no more than 3 months. Cash and funds in credit institutions are valued at nominal value, and time short-term deposits are valued at amortised cost.

2.6. MANAGEMENT FEE

The remuneration of the Management Company for the management of the Subfund shall be paid from the funds of the Subfund. The amount of remuneration is determined in the Annexes to the Rules for each Subfund for each Subfund. The management fee, which is paid quarterly, is accounted for as a financial liability and is measured at amortised cost.

REFI remuneration to the Management Company until the end of the investment period – 1.5% of the average amount of liabilities of the investors committed to acquire Class A units, from the end of the investment period to the end of the Subfund term – 1.5% of the difference between (i) the amount of liabilities fulfilled by the participants holding Class A units and (ii) the amount of management fee paid.

2.7. FINANCIAL LIABILITIES

A Subfund recognises a financial liability when it becomes a party to the rights and obligations provided for in the contract.

All financial liabilities are initially recognised at fair value in the accounts minus the transaction costs directly attributable to the issuance of the financial liability in the event that the financial liability is not measured at fair value, the changes of which are recognised as profit or loss. Financial liabilities are measured at amortised cost using the actual interest method. The recognition of a financial liability is terminated when it is settled, cancelled or expires.

Trade payables

Trade payables are obligations to pay for goods or services provided by suppliers during the normal business cycle. Amounts payable are classified as short-term liabilities if they are to be settled within a period of one year or less (or during the normal business cycle if it is longer). Otherwise, they are classified as long-term liabilities. Financial liabilities included in debts to suppliers are initially recognised at fair value and then at amortised cost. The fair value of an interest-free liability is its discounted repayment amount. If the deadline for fulfilling the obligation is less than one year, the discount is not applied.

Management fee

The defined Management Fee, which is paid on a quarterly basis, is accounted for as a financial liability and is valued at amortised cost, described in detail 2.6 Note.

2.8. RECOGNITION OF INCOME

Revenue for 2024 and 2023 consists of the net change in the fair value of financial assets.

Income from financial activities

The income from the financial activities of the Subfund consists of income related to exchange rate changes and interest income.

2.9. NET ASSET VALUE

The Subfund does not have authorized capital. The participants of the Subfund acquire the units of the Subfund, which are transferable securities that prove the right of investors to a part of the assets constituting the Subfund (net assets). During the first stage of the distribution, the value of the financial asset is recognised at the initial sale price of the unit, and in the subsequent stages of the distribution, the units are sold at the proportionate value of the net assets, unless otherwise specified in the Subfund rules. The investor must transfer funds for the units issued in accordance with the conditions provided for in the Subfund rules.

The value of net assets is calculated as the difference between the value of the total assets that make up the Subfund and the current and current liabilities. The redemption of Subfund units is limited. During the period of operation of the Subfund, the units will not be redeemed at the request of investors. The units will be compulsorily, automatically and proportionally redeemed from all investors at the end of the term of the Subfund or by a decision of the management company when the investment objects of the Subfund are realized.

2.10. CORPORATE INCOME TAX AND DEFERRED CORPORATE TAX

Taking into account the provisions of the Law on Corporate Income Tax of the Republic of Lithuania, the income of closed-end funds for informed investors, which operate in accordance with the provisions of the Law on Collective Investment Undertakings for Informed Investors of the Republic of Lithuania, is not subject to corporate income tax.

Management periodically assesses its position in tax returns on situations where the applicable taxation rules may be interpreted differently. Management recognises provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

In 2024 and 2023, the standard corporate income tax rate applicable to companies in the Republic of Lithuania was 15 percent.

2.11. CLASSIFICATION OF UNITS ISSUED TO INVESTORS

A Subfund classifies issued financial instruments as financial liabilities or equity instruments according to the substance of the contractual terms of the instruments.

Some financial instruments involve a contractual obligation for the issuer to transfer to another entity a proportionate proportion of its net assets only in liquidation in accordance with IAS 32. An obligation arises because the liquidation will actually take place and is not controlled by an entity (for example, a limited entity) or it is unclear whether it will take place, but it is chosen by the holder of the instrument. As an exception to the definition of a financial liability, an instrument covering such a liability is classified as an equity instrument if it has all of the following characteristics:

- a) It entitles the owner to a proportionate share of the company's net assets in the event that the company is liquidated. The net assets of an entity are those assets that remain after minus all other claims on the asset. The proportional share shall be determined in accordance with:
 - division of the net assets of the company in liquidation into units of equal size; and

- multiplied by the number of units held by the holder of the financial instrument.
- b) A measure belongs to a class of measures that is lower than all other classes of measures. The following classes of instrument:
 - does not take precedence over other claims on the assets of the company in liquidation, and
 - It does not need to be converted to another instrument until it enters the instrument class, which is subordinate to all other instrument classes.
- c) All financial instruments belonging to a class of instruments that are secondary to all other classes of instruments must have an identical contractual obligation to the issuer to sell a proportionate proportion of its net assets.

In addition to being classified as an equity instrument that has all of the above characteristics, the issuer must not have any other financial instrument or contract that:

- a) total cash flows based primarily on profits or losses, changes in recognised net assets, or changes in the fair value of recognised and unrecognised net assets (excluding any effect of such instrument or contract); and
- b) the effect of limiting or determining the residual return of instrument holders.

For the purposes of this clause, an entity shall not take into account non-financial contracts with the holder of the instrument described above that have contractual terms similar to those of an equivalent contract that may be entered into between a non-instrument holder and the issuer. If an entity cannot determine that this condition is met, it shall not classify the instrument as an equity instrument.

A Subfund issues units in exchange for capital provided by investors. By 2.9 The units of the Subfund may be redeemed after the distribution period either in the event of realisation of certain investments in the Subfund and there are no plans to invest free funds in new assets, or in the event of liquidation of the Subfund. In each case, the payment for the redeemed units shall be distributed proportionally to all holders of units of the relevant unit class in accordance with the rules of the Subfund which are in line with the principles described in the above paragraphs. The repayment of the Subfund's capital to investors after liquidation is carried out only after payments have been made to other creditors of the Subfund.

According to the rules of the Subfund, its period of operation is 7 years from the end of the first stage of distribution, with the possibility of extending the period for another 2 years. The redemption of Subfund units is limited during the period of operation of the Subfund. During the period of operation of the Subfund, the units of the Subfund held by investors will not be redeemed on demand.

The units of the Subfund meet the conditions described above, therefore, all the units issued are classified as equity instruments, since the total amount of the issued units must be redeemed, which will be redeemed by the Subfund in the future. Accordingly, the current amount of net assets attributable to the participants of the Subfund is the amount that would have been paid to investors if a repurchase or redemption had taken place at the reporting date and this amount is treated as the property of the Subfund.

3. Accounting estimates and solutions

In preparing the financial statements of the Subfund, management makes certain decisions and makes estimates that affect the reported amounts of income and expenses, assets and liabilities, disclosure of contingent liabilities at the time of preparation of the financial statements. However, the uncertainty of these assumptions and estimates raises the risk of significant adjustments to the carrying amount of assets or liabilities in the coming financial year.

Assessments and decisions are constantly reviewed and evaluated on the basis of past (historical) events and other factors, including the probability of future events, which is considered reasonable in certain circumstances.

3.1. ESTIMATES AND ASSUMPTIONS

The following are the significant areas in which accounting valuations are applied in the preparation of these financial statements.

Assessment whether the Subfund meets the definition of an investment entity

A Subfund is assessed for compliance with the criteria of the investment entity (as defined in 2.1 points). Management assessed the eligibility of the criteria and determined that the Subfund complies with the definition of an investment entity.

A Subfund is an investment entity because it meets the definition of an investment entity, that is:

- receives funds from investors to provide them with investment management services;
- The business purpose of the Subfund is to invest funds exclusively for the purpose of obtaining a return on capital gains, investment income, or both;
- The Subfund measures and measures the performance of virtually all of its investments on the basis of fair value.

The financial information of the Subfund and its subsidiaries shall be consolidated in the event that the Subfund is not subject to the exception provided for in IFRS 10.31, which prohibits the Investment Entity from consolidating its subsidiaries.

Fair value of financial assets

The fair value of the financial assets of the Subfund shall be determined on the basis of valuation reports submitted by an independent business valuer entitled to carry out the valuation and meeting the criteria set out in the documents establishing the Subfund. Independence, competence and experience in the evaluation of solar energy projects are the main selection criteria for an evaluation company. The Management Company's internal valuation team reviews the valuation methodology and valuation results and periodically analyses changes in fair value.

As mentioned 2.1 In the note, the Fund's business model is to manage investments in subsidiaries together with loans to subsidiaries as a single portfolio and measure their results on the basis of the combined fair value, therefore the fair value of the investments in shares and debt of the Subfund are measured on a cumulative basis.

In the specific circumstances described above (additional interest and debt), the share of shares and debt would be appropriate to be treated as a single unit of measurement. Such a transaction may involve the sub-financing of assets in a manner in which market participants would enter into a transaction, provided that the accounting unit does not prohibit such subfinancing under other IFRSs. As IFRS 9 does not specifically prohibit the measurement of instruments on an aggregate basis, it is appropriate to consider how fair value would be maximised. In the circumstances described, this may occur in the event of the disposal of all shares in the Subfund in subsidiaries if market participants enter into such transactions.

As the Subfund measures the fair value of its investments in a subsidiary on a cumulative basis, the cumulative fair value is attributed to individual financial instruments. The aggregate fair value attributable by a subsidiary is allocated to the Subfund's investments in equity and debt instruments issued by the subsidiaries as follows:

- Independent valuers assess the value of subsidiaries using the Discounted Free Cash Flow model of the Revenue Method (see below).
- Any assets held by subsidiaries are identified and added to the value of the company
- Net debt is calculated and deducted from the value of the company
- The value of the subsidiary's equity is equal to the value of the enterprise plus the established excess of assets minus the net debt
- part of the net debt related to the financing of the Subfund is attributed to the debt to the subsidiary of the Subfund.

INVL Renewable Energy Fund I's investments in solar power plant projects in 2024 and 31 December 2023 were evaluated using the discounted cash flow method of an independent asset valuer, using the planned cash flow from solar power plant management for 31-32 years (according to the estimated lifetime of the built solar power plant). The final value is not calculated. Free cash flow forecasts include electricity sales revenues, measured according to projected electricity prices and projected production volumes; leaks related to operating costs, based on cost forecasts for similar facilities; costs related to construction costs and corporate income tax costs. The change in working capital is also included. Free cash flows are discounted using the discount rate, which is determined on the basis of the WACC (Weighted Average Cost of Capital) methodology. Discounted free cash flows consist of the value of the subsidiary.

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

Name of the investment	Shareholding under management (2024/2023)	Share value 2024.12.31	Share value 2023.12.31
Viable Energy S.R.L.	100%/100%	870.000	1.960.000
Power Regenerabil Energy S.R.L.	100%/100%	890.000	1.900.000
Green Solar Power S.R.L.	100%/100%	700.000	1.230.000
Fotovoltaic Prod & Distribution S.R.L.	100%/100%	830.000	1.500.000
Alfa Green Energy S.R.L.	100%/100%	840.000	1.570.000
Danube Solar One S.R.L.	100%/50%	5.460.000	3.170.000*
Danube Solar Five S.R.L.	100%/100%	10.570.000	6.460.000
Danube Solar Eleven S.R.L.	100%/50%	4.840.000	2.660.000*
Danube Solar Four S.R.L.	50%/-	316.388***	-
Danube Solar Twelve S.R.L.	50%/-	305.000***	-
AJ Renewables Dobrun SRL	100%/51%	17.650.000	3.170.000**

* On 31.12.2023, 100% of the shares were paid, and the legal rewriting of the shares took place in January 2024, as explained below, the value of the investment was determined by the value of 100% of the shares

** The value consists of the value of 51% of the shares and the value of the right to acquire the remaining share
The amounts are provided for in the annex to the termination of the share purchase and sale agreement

Due to changes in the law, as well as negative changes in the energy markets in the European Union, on 19 December 2024, the Subfund's Investment Committee decided to terminate the share purchase and sale agreement between INVL Renewables and investment companies Danube Solar Four and Danube Solar Twelve. In accordance with this decision, the developer sold back the shares of 50% of the above-mentioned project companies for EUR 630,000. On the date of issue of these reports, the shares were fully repurchased.

As of 31 December 2023, INVL Renewables owned 51% of the shares of AJ Renewables Dobrun project company, but had signed a 100% share purchase agreement after the seller fulfilled the specific conditions specified in the contract before the stage of obtaining the building permit. The most important design works (permits) allowing to assess that the AJ Renewables Dobrun project will reach the stage of the construction permit and construction will start have been completed (received) by 31 December 2023. The

preliminary due diligence report of the project was received on 4 October 2023 and did not identify any significant deficiencies in the project. The valuation was fully completed and the money for the remaining part of the shares was paid in January 2024. As information on the status of the project was already available at the end of the year and all essential stages of the project had already been completed, the value of the investment in the project company was determined by summing up the value of the 51% of the shares held and the value of the right to acquire the remaining shares, taking into account the payments made and not yet executed.

As of 31 December 2023, INVL Renewables owned 50% of the shares in the project companies Danube Solar Eleven S.R.L. and Danube Solar One S.R.L, but had signed a 100% share purchase agreement after the seller fulfilled the specific conditions specified in the contract before the stage of obtaining the building permit. As of 31 December 2023, the projects managed by Danube Solar Eleven S.R.L. and Danube Solar One S.R.L underwent a due diligence assessment, during which it was determined that all material conditions under the share purchase agreement were fulfilled and that there was no significant risk due to the completion of the project. In addition, the payment for the guaranteed acquisition of the remaining share was also made by the end of the year. For this reason, the value of investments in project companies as of 31 December 2023 was determined by summing up the value of the 50% of the shares held and the value of the rights to acquire the remaining shares, which corresponds to the value of 100% of the shares determined by the independent appraiser, as the payment for the remaining part of the shares had already been made by the end of the year.

As of 31 December 2023, project assessments managed by Danube Solar Four S.R.L. and Danube Solar Twelve S.R.L have not yet been carried out. At the end of the year, the Subfund had signed agreements for the acquisition of shares of the above-mentioned project companies and an advance was paid for these projects on the balance sheet date. As the design works have not yet been started at the end of the year in accordance with the terms of the project share acquisition agreement and the necessary actions of the seller giving rise to the obligation to acquire shares at the end of the year have not yet been carried out, no obligations to acquire shares have yet been reflected in the assessment of these investments.

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

The discount rate is a rate determined on the basis of the WACC, which includes the cost of debt and equity, leveraged by the average D/E ratio of the sector. Cost of debt is determined by the average price of the debt to legal entities for the last 24 months in the country where the evaluated projects are being developed. The cost of ownership is determined based on the CAPM (Capital Asset Pricing Model) methodology, and the main input data are: risk-free rate (based on the 10-year bond yield rate), beta – based on the analysis of Green and Renewable Energy and Engineering/Construction Industry beta from A. Damodaran; Equity risk premium – based on the analysis provided by A. Damodaran.

The annual long-term inflation rate is a rate of 2%, based on the opinion of experts on the long-term inflation forecasts of the valuation company.

As at 31 December 2024, the underlying assumptions and their sensitivity of the investment valuation models are disclosed in the tables below.

REFI 3 Sp. Z o o o

Indicator	Value used in the model	Expected change	Change in the value of the company's investments, mEUR
Discount rate, %	8,85%	+/- 1pp	-0,06/+0,07
Annual inflation rate	2%	+/- 1pp	+0,07/-0,06

MB Sun 6 Sp. Z o o o

Indicator	Value used in the model	Expected change	Change in the value of the company's investments, mEUR
Discount rate, %	8,85%	+/- 1pp	-0,25/+0,30
Annual inflation rate	2%	+/- 1pp	+0,28/-0,24

REFI 11 Sp. Z o o o

Indicator	Value used in the model	Expected change	Change in the value of the company's investments, mEUR
Discount rate, %	8,85%	+/- 1pp	-1,06/+1,23
Annual inflation rate	2%	+/- 1pp	+1,24/-1,09

SF Project 15 Sp. Z o o

Indicator	Value used in the model	Expected change	Change in the value of the company's investments, mEUR
Discount rate, %	8,85%	+/- 1pp	-0,44/+0,51
Annual inflation rate	2%	+/- 1pp	+0,49/-0,43

SF Project 23 Sp. Z o o

Indicator	Value used in the model	Expected change	Change in the value of the company's investments, mEUR
Discount rate, %	8,85%	+/- 1pp	-0,18/+0,20
Annual inflation rate	2%	+/- 1pp	+0,19/-0,17

INVL Renewables UAB

Indicator	Value used in the model	Expected change	Change in the value of the company's investments, mEUR
Discount rate, %	9,38%	+/- 1pp	-16,48/+19,39
Annual inflation rate	2%	+/- 1pp	+20,46/-17,84

The underlying assumptions and sensitivity of investment valuation models as at 31 December 2023 are disclosed in the tables below.

MB Sun 6 Sp. Z o o o

Indicator	Value used in the model	Expected change	The change in the fair value of the company's value, mEUR
Discount rate, %	8,89%	+/- 1pp	-0,27/+0,30
Annual inflation rate	2,0%	+/- 1pp	+0,29/-0,26

REFI 11 Sp. Z o o o

Indicator	Value used in the model	Expected change	The change in the fair value of the company's value, mEUR
Discount rate, %	8,89%	+/- 1pp	-1,00/+1,18
Annual inflation rate	2,0%	+/- 1pp	+1,27/-1,11

SF Project 15 Sp. Z o o

Indicator	Value used in the model	Expected change	The change in the fair value of the company's value, mEUR
Discount rate, %	8,89%	+/- 1pp	-0,44/+0,51
Annual inflation rate	2,0%	+/- 1pp	+0,51/-0,44

SF Project 23 Sp. Z o o

Indicator	Value used in the model	Expected change	The change in the fair value of the company's value, mEUR
Discount rate, %	8,89%	+/- 1pp	-0,19/+0,21
Annual inflation rate	2,0%	+/- 1pp	+0,19/+0,18

INVL Renewables UAB

Indicator	Value used in the model	Expected change	The change in the fair value of the company's value, mEUR
Discount rate, %	9,56%	+/- 1pp	-14,55/+19,13
Annual inflation rate	2,0%	+/- 1pp	+20,55/-15,01

3.2. SUCCESS FEE

The success fee consists of a share of the total profit of the Subfund, the amount and conditions of which are provided for in the Subfund's rules and which are paid by the Investors who have subscribed to Class A and C units to the owners of Class B units at the time of the distribution of assets. The entire distribution procedure is described in detail in the Subfund Rules. The accrued success tax is presented in the statement of financial position not as a liability, but as part of net assets. In addition, the statement of comprehensive income does not include changes in the success tax during the reporting period, as these changes do not affect the net assets attributable to the unit owners of the Subfund. The success fee is then transferred from Classes A and C to Class B in the statement of changes in net assets. The success fee shall be paid on the basis of the entire Subfund and in all cases subject to a 100% return on capital obligations and the payment of preferential returns to investors who have subscribed to Class A and Class C units.

The success fee is considered as part of the net assets of the Subfund and is deducted from the owners of Class A and C units and distributed to the owners of Class B units in accordance with the Subfund's income allocation procedure described in the Subfund's rules.

As of 31 December 2024, the success fee in the Subfund has not been generated (change/restoration in 2024 – EUR 1,101,729).

31 December 2023 The Subfund accounted for EUR 1,101,729 of the Success Tax (change over 2023 – EUR 1,101,729).

3.3. ASSESSMENT ON THE SUBFUND'S FUNCTIONAL CURRENCY

The following key economic factors have been taken into account in determining the functional currency of the Subfund:

- The Subfund collects capital liabilities in euro and all capital contributions are made in euro.
- All liabilities and most of the assets of the Subfund are denominated in euro.

Therefore, the functional currency of the Subfund is the euro.

4. Financial assets measured at fair value, the changes of which are recognised in profit (loss)

Investments in subsidiaries together with loans granted to subsidiaries in 2024 and 2023 The financial statements of the Subfund are measured at fair value through profit (loss). This is the 3rd level of 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 asset of dormant companies is cash. The main assets of the operating subsidiaries are access rights, which are measured at fair value using the discounted cash flow method, described in more detail 3.1 Note.

The breakdown of the book value of investments in subsidiaries by legal components is as follows:

	31 December 2024	31 December 2023
"MB Sun 6" Sp. Z.o.o		
Fair value of an investment in equity securities	600.000	1.330.000
Loans granted	743.473	167.013
Total:	1.343.473	1.497.013
"REFI 11" Sp. Z.o.o		
Fair value of an investment in equity securities	2.390.000	2.010.000
Loans granted	1.556.818	1.511.820
Total:	3.946.818	3.521.820
"REFI 1" Sp. Z.o.o		
Fair value of an investment in equity securities	1.080	1.080
Total:	1.080	1.080
"REFI 2" Sp. Z.o.o		
Fair value of an investment in equity securities	1.080	1.080
Total:	1.080	1.080
"REFI 3" Sp. Z.o.o		
Fair value of an investment in equity securities	50.000	1.019
Loans granted	98.344	4.669
Total:	148.344	5.688
"REFI 4" Sp. Z.o.o		
Fair value of an investment in equity securities	1.080	1.080
Total:	1.080	1.080
"REFI 5" Sp. Z.o.o		
Fair value of an investment in equity securities	1.080	1.080
Total:	1.080	1.080
"REFI 6" Sp. Z.o.o		
Fair value of an investment in equity securities	1.081	1.081
Total:	1.081	1.081
"REFI 7" Sp. Z.o.o		
Fair value of an investment in equity securities	1.081	1.081
Total:	1.081	1.081
"REFI 8" Sp. Z.o.o		
Fair value of an investment in equity securities	1.081	1.081
Total:	1.081	1.081
"REFI 9" Sp. Z.o.o		
Fair value of an investment in equity securities	1.081	1.081
Total:	1.081	1.081
"REFI 10" Sp.Z.o.o		
Fair value of an investment in equity securities	1.081	1.081
Total:	1.081	1.081

SF Project 15 Sp.Z.o.o		
Fair value of an investment in equity securities	1.750.000	2.160.000
Loans granted	561.068	531.323
Total:	2.311.068	2.691.323
SF Project 23 Sp.Z.o.o		
Fair value of an investment in equity securities	310.000	1.000.000
Loans granted	1.674.584	1.583.599
Total:	1.984.584	2.583.599
INVL Renewables UAB		
Fair value of an investment in equity securities	18.929.689	10.689.354
Loans granted	27.534.707	18.906.491
Total:	46.464.396	29.595.815
REFI Energy UAB		
Fair value of an investment in equity securities	548.984	-
Total:	548.984	-
REFI Green UAB		
Fair value of an investment in equity securities	430.694	-
Total:	430.694	-
REFI Solar UAB		
Fair value of an investment in equity securities	1.182.538	-
Total:	1.182.538	-
Total Financial Assets Accounted for at Fair Value That Changes Are Recognised in Profit or Loss	58.370.624	39.904.983

REFI had three SPVs (REFI Energy, established on 28 March 2023)., REFI Green, established on 6 September 2023 and REFI Solar, established on 15 March 2024.), the objective of the SPV is to raise funds for renewable energy development projects through the distribution of fixed-rate bonds to institutional and private investors or the raising of loans from sources of financing other than banks. The bonds are guaranteed by REFI. The funds received from the issuance of bonds and the receipt of loans will be used to finance the REFI or its controlled entities to finance construction projects prepared by the REFI in the Republics of Poland and Romania.

In the 2023 financial year, both SPVs had negative capital, and their fair value is considered to have been zero. As the total assets of these SPVs were less than liabilities as of 31 December 2023, the Subfund becomes liable to holders of bonds issued to holders in the same amount, therefore the Subfund has accounted for the costs and liabilities related to the issuance of the financial guarantee (more 9 in the comment), recognised the investment in the increase in the SPA and, consequently, the value of these SPVs to zero. 2024 the capital of all SPVs was positive during the financial year.

The table shows the changes in the financial instruments assigned to Tier 3 during the years ended 31 December 2024 and 31 December 2023.

Fair value as at 31 December 2022	9.039.816
Profit (loss) recognised as profit or loss (in the line "Net change in the fair value of investments in subsidiaries measured at fair value for which changes are recognised as profit or loss")	5.014.766
Costs and liabilities related to the issue of the financial guarantee	525.280
Capitalised interest	(823.566)
Impact of the foreign exchange rate	104.746
Investment in share capital	9.465.749
Loans granted during the year	25.214.442
Loans repaid during the year	(8.636.250)
Fair value as at 31 December 2023	39.904.983
Profit (loss) recognised as profit or loss (in the line "Net change in the fair value of investments in subsidiaries measured at fair value for which changes are recognised as profit or loss")	1.544.541
Costs and liabilities related to the issue of the financial guarantee	(525.280)
Capitalised interest	-
Impact of the foreign exchange rate	33.831
Investment in share capital	9.869.935
Loans granted during the year	13.226.324
Loans repaid during the year	(5.683.709)
Fair value as at 31 December 2024	58.370.625
Change in unrealised profit or loss for the reporting period recognised as profit or loss on assets under management at the end of the 2024 reporting period	1.578.373
Change in unrealised profit or loss for the reporting period recognised in profit or loss on assets under management at the end of the 2023 reporting period	5.119.512

5. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash in Euros	5.188.446	411.134
Total cash and cash equivalents in euro	5.188.446	411.134

All cash and cash equivalents of the Subfund consisted of funds in current accounts, and the financial institutions controlling them had a rating of Moody's Prime-3.

6. Other receivables

As of 31 December 2024, the INVL Renewable Energy Fund I Subfund had EUR 37.909 in receivables, which consisted of receivables from affiliated companies for the reimbursed transaction costs of the acquisition of investments in Romania, bank interest on the account balance and default interest in accordance with Clause 52 of the Subfund Rules.

As of 31 December 2023, the INVL Renewable Energy Fund I Subfund had EUR 28.927 in receivables, which consisted of receivables from affiliated companies for compensated transaction costs for the acquisition of investments in Romania and bond placement in Lithuania and prepayments.

7. Loans granted

INVL Renewable Energy Fund I had granted an interest-free loan to a third party to be used to pay for advance payments in order to acquire the power of connection for the projects provided for in the contract. The loan was granted in zlotys. In 2023 and 31 December 2022, the balance of this loan was EUR 90.299 (PLN 391.851).

Taking into account the provisions of the loan agreement, during the entire period of the obligations, it is committed to provide loans to the borrower the total amount of which does not exceed PLN 4.320.000 or EUR 995.506 (calculated at the exchange rate of 31.12.2023, calculated at the exchange rate of 31.12.2022 – 922.919). The loan agreement is inseparable from the agreement signed on 17 September 2021 for the purchase of potential projects that have received the connection power from the Polish distribution networks. Payments shall be repaid to the Subfund within the terms specified in the contract, if the electricity distribution networks do not provide the purchased projects with the conditions for connection to the electricity networks, or if the conditions of connection and the technical characteristics of the potential projects are not suitable for the Subfund and the loan granted is not used for the acquisition of other projects specified in the contract. The contract provides for a total of 152 projects, most of which did not receive a permit for connection to the electricity networks. Some of the projects for which the below-mentioned advance has been paid have received connection permits in 2023, but before the final settlement is made, the seller must reach the ready-to-build stage provided for in the contract.

On 1 August 2024, a tripartite agreement was concluded between REFI3, the Subfund and a third party for the transfer of project acquisition rights to REFI3. After the Subfund granted the REFI 3 loan, the interest-free loan to a third party (the balance of which amounted to EUR 91.324 (PLN 391.851)) on 1 August 2024 was refinanced.

8. Management fee

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

	2024	2023
Management fee liability at the beginning of the period	206.568	155.346
Calculated management fee for the management company during the period	849.694	815.115
Management fee paid during the period	(846.589)	(763.893)
Management fee liability at the end of the period	209.673	206.568

9. Other current liabilities (including audit fees)

	31 December 2024	31 December 2023
Liability related to the issued financial guarantee	-	525.280
Accrual for audit	18.089	15.730
Trade payables	-	18.295

Total other amounts payable
18.089
559.305

REFI Energy, a subsidiary of REFI, raised funds for renewable energy development projects in neighbouring countries by publicly offering 2-year 9.5% fixed-rate bonds to institutional and private investors. The bonds are guaranteed by the Subfund. In addition, Subfonfo's other subsidiary, REFI Green, has privately issued 2-year fixed-rate bonds of 10% to institutional and private investors. REFI Solar received a variable interest loan to finance the aforementioned projects.

The bond issue funds will be used to provide funds from the Subfund or its controlled entities to finance construction projects developed by INVL Renewable Energy Fund I in the Republic of Poland and Romania. As the total assets in the subsidiaries as of 31 December 2023 were EUR 525.280 less than liabilities, the Subfund becomes liable to holders of bonds issued to holders in the same amount, so the Subfund accounted for EUR 525.280 of liabilities and investment in the SPV related to the issuance of the financial guarantee. For the investment described above, a depreciation of EUR 525.280 was recognised. As of 31 December 2024, the capital of all SPVs was positive, the value of these SPVs being equal to their capital value.

Since 2019 The audit of the fund was carried out by UAB KPMG Baltic. In 2024 and 2023, KPMG Baltic UAB did not provide non-audit services, except for the translation of reports (including other assurance services and tax advisory services).

10. Other operating costs

	2024	2023
Intermediary services	(214.500)	-
Valuation costs	(30.250)	(24.200)
Audit costs	(23.136)	(31.974)
Depository services	(44.329)	(21.258)
Transactional/legal costs	(107.727)	(13.243)
Operating Fee Costs	(2.958)	(1.627)
Other costs	(57.275)	(29.311)
Total other operating costs	(480.175)	(121.613)

11. Related party transactions

The management company and the subsidiaries of the Subfund shall be considered to be the related party of the REFI Subfund. Subfund transactions with the Management Company and subsidiaries in 2024 and related balances as at 31 December 2024:

INVL Renewable Energy Fund I	Revenue from related countries	Costs incurred in relation to the parties concerned	Receivables from related countries	Amounts payable to the parties concerned (excluding provisions)
Subfund subsidiaries				
Loans granted	-	-	31.693.025	-
Interest on loans granted	1.887.665	-	475.970	-
Other reimbursable operating costs	-	-	24.200	-
Management Company				
Management fee	-	849.694	-	209.673
Operating costs incurred on behalf of the Subfund	-	65.765	-	-
Total	1.887.665	915.459	32.193.195	209.673

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

INVL Renewable Energy Fund I	Number of units
Management Company	10.000,0000
Other persons	2.700,0000
Total	12.700,0000

The related party of the INVL Renewable Energy Fund I Subfund is considered to be the management company and the subsidiaries of the Subfund. Subfund transactions with the Management Company and subsidiaries in 2023 and related balances as at 31 December 2023:

INVL Renewable Energy Fund I	Revenue from related countries	Costs incurred in relation to the parties concerned	Receivables from related countries	Amounts payable to the parties concerned (excluding provisions)
Subfund subsidiaries				
Loans granted	-	-	22.434.902	-
Interest on loans granted	977.361	-	269.984	-
Other reimbursable operating costs	159.924	-	27.830	-
Management Company				
Management fee	-	815.115	-	206.568
Operating costs incurred on behalf of the Subfund	-	26.456	-	-
Total	1.137.285	841.571	22.732.716	206.568

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

INVL Renewable Energy Fund I	Number of units
Management Company	8.034,1052
Other persons	2.169,2084
Total	10.203,3136

12. Financial instruments by category

The financial assets of the Subfund, measured at fair value in the income statement, consisted of Tier 3 assets. The Subfund does not have level 1 and level 2 instruments.

The underlying financial instruments of the Subfund that are not accounted for 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 amounts payable.

The carrying amount of cash and cash equivalents granted to third parties and trading and other payables of the Subfund at 31 December 2024 and 31 December 2023 was approximate to their fair value as they are short-term and have no discounting effect.

31 December 2024	Assets measured at amortised cost	Assets measured at fair value that are recognised in profit or loss	Total
Assets in the statement of financial position			
Financial assets measured at fair value for which changes are recognised as profit (loss)	-	58.370.624	58.370.624
Cash and cash equivalents	5.188.446	-	5.188.446
From buyers and other receivables	39.182	-	39.182
Total	5.227.628	58.370.624	63.598.252

31 December 2023	Assets measured at amortised cost	Assets measured at fair value that are recognised in profit or loss	Total
Assets in the statement of financial position			
Financial assets measured at fair value for which changes are recognised as profit (loss)	-	39.904.983	39.904.983
Cash and cash equivalents	411.134	-	411.134
Loans granted	90.299	-	90.299
From buyers and other receivables	28.927	-	28.927
Total	530.360	39.904.983	40.435.343

Financial liabilities measured at amortised cost

31 December 2024			
Liabilities in the statement of financial position			
Amounts payable to the management company and depositary		223.071	
Other current liabilities		18.089	
Total		241.160	

Financial liabilities measured at amortised cost

31 December 2023			
Liabilities in the statement of financial position			
Amounts payable to the management company and depositary		214.334	
Other current liabilities		559.305	
Total		773.639	

12.1. FINANCIAL RISK FACTORS

In its risk management, the Subfund focuses on financial (credit, liquidity, market, foreign exchange and interest rates), operational and legal risks. The main objective of financial risk management is to set risk limits and subsequently ensure that the level of risk does not exceed these limits. Operational and legal risk management aims to ensure the proper functioning of internal rules in order to mitigate operational and legal risks.

The financial liabilities of the Subfund consisted of trade debts. The Subfund has financial and investment assets. All financial and investment assets held by the Subfund that are accounted for at fair value, the changes of which are recognised as profit or loss, excluding trading and other receivables and cash and their equivalents, which are measured at amortised cost.

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

Credit risk

Credit risk arises from money and its equivalents, as well as from unpaid trade and other receivables and unrepaid loans granted.

From trade and other receivables that have not matured and have not been depreciated, there is no indication at the date of financial statements that the debtors will default on their obligations, as the balances of receivables are constantly reviewed.

Credit risk in respect of other financial assets consisting of cash and cash equivalents and receivables is incurred as a result of the counterparty's potential default. The maximum amount of credit risk was equal to the carrying amount of the following instruments and was equal to:

Not rated assets	31 December 2024	31 December 2023
Loans granted	-	90.299
Cash and cash equivalents	5.188.446	411.134
Other receivables	39.182	28.927
Total Current Assets	5.227.628	530.360

The Subfund shall only use the services of banks and financial institutions which, themselves or their controlling financial institutions, have a high credit rating as determined by an independent rating agency. 31 December 2024 and 31 December 2023 The Subfund held all funds in financial institutions with a Moody's Baa2 rating.

Liquidity risk

This is the risk of incurring losses due to low market liquidity, when it becomes difficult to sell the assets at the desired time and at the desired price. Investments in private and venture capital assets are relatively illiquid, and finding buyers can take time. In managing these risks, the Management Company constantly monitors the relevant market, prepares for the asset sale process in advance, thus reducing liquidity risk. The policy of the Subfund is to maintain a sufficient amount of cash and cash equivalents or to secure financing through appropriate credit instruments in order to meet the obligations set out in its strategic plans for a given date. Liquidity risk management is divided into long-term and short-term liquidity risk management.

The purpose of short-term liquidity risk management is to meet the daily need for funds. Long-term liquidity risk is controlled by analysing forecasts of future cash flows, taking into account possible sources of financing.

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

	Up to 3 months	From 4 to 12 months	2 to 5 years old	After 5 years	Total
Amounts payable to the management company and depositary	223.071	-	-	-	214.334
Other current liabilities	18.089	-	-	-	559.304
Balance as at 31 December 2024	241.160	-	-	-	241.160

	Up to 3 months	From 4 to 12 months	2 to 5 years old	After 5 years	Total
Amounts payable to the management company and depositary	214.334	-	-	-	214.334
Other current liabilities	559.304	-	-	-	559.304
Balance as at 31 December 2023	773.638	-	-	-	773.638

The current assets of the Subfund were higher than the current liabilities of EUR 6,660,729. The Subfund had no uncalled capital liabilities. Therefore, in the management's assessment, the Subfund has no liquidity problems.

Foreign exchange risk

INVL Renewable Energy Fund I invests in the Republic of Poland and the Republic of Romania, whose national currencies are the Polish zloty and the Romanian leu, respectively, so the Subfund's investments are indirectly dependent on the exchange rates of the Polish zloty and the Romanian leu against the euro.

A justifiable strengthening/weakening of the euro against the Polish zloty and the Romanian leu on 31 December 2024 and 31 December 2023 would have affected the valuation of financial instruments denominated in foreign currency and would have affected equity and profit or loss by the amounts set out in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and do not take into account any impact of projected sales and purchases.

	Strengthening	Weakening
31 December 2024		
PLN (2% change)	39.283	(37.743)
RON (0.5% change)	53.988	(53.452)
31 December 2023		
PLN (2% change)	40.249	(38.672)
RON (0.5% change)	20.802	(20.595)

12.2. FAIR VALUE ESTIMATES

The fair value of an investment is the price that would be obtained from the sale of the asset or paid by the transfer of the liability between market participants during the unforced transaction at the valuation date. The Subfund accounts for investments in financial assets at fair value as described in more detail 3 and **Error! Reference source not found.** Notes.

Financial instruments not accounted for at fair value

The underlying financial assets of the Subfund that are not accounted for at fair value in the statement of financial position of the Subfund are cash and cash equivalents and other receivables.

13. Uncalled capital commitments

Capital liabilities not called from investors are not recognised on the balance sheet and are not part of the net asset value because the uncalled capital liability consists of a loan liability that is not covered by IFRS 9. In accordance with the IFRS principles and guidelines, capital liabilities must be accounted for in the reporting period in which they arise, so the capital liabilities of the Subfund are off-balance-sheet item and are disclosed only in the notes to the financial statements.

The capital liabilities towards each investor shall be the cumulative amount specified in the agreement(s) signed by the investors and accepted by the Management Company and irrevocably agreed to be deposited into the Subfund in accordance with the terms of the Subfund rules. If, in accordance with the conditions of the Subfund rules, an outstanding capital commitment of the investor concerned is cancelled, the capital commitment of such investor shall be equal to the capital contribution of such investor. Investors are required to deposit the full amount of their capital obligation under the conditions set out in the Subfund Rules.

The amount and timing of the capital call depends on the cash requirements of each Subfund and is determined solely at the 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 notification of the Management Company.

The investor liability structure for each Subfund is as follows:

	31 December 2024	31 December 2023
Total investment commitments	57.935.000	57.935.000
Paid-in capital	57.935.000	34.545.589
Distributions to participants	-	-
Outstanding capital commitments	-	23.389.411

14. Events after the end of the reporting period

REFI Energy, managed by the Subfund, distributed EUR 8 million. The bond issue is 2.5 years with an annual interest rate of 8 per cent. Interest will be paid to investors on a quarterly basis. The Subfund provided a guarantee to all holders of these bonds. The issue was issued for the refinancing of the previous bond issue of the same size by REFI Energy.

INVL RENEWABLE ENERGY FUND I SUBFUND 2024 ACTIVITY OVERVIEW

1. Reference period for which the notification was drawn up

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

2. Data on the collective investment undertaking

Name	INVL Renewable Energy Fund I
Type, legal form	Closed-end investment fund for informed investors
Date of approval by the Bank of Lithuania for the documents for the formation of a collective investment undertaking	19 July 2021
Subfund's duration	The term of operation of the Subfund will be 7 years from the end of the first stage of distribution of the Subfund. The Management Company has the right to extend the term of operation of the Subfund for an additional 2 years.
Reporting period	1 January 2024 to 31 December 2024
Number of participants	179
The manager of the collective investment undertaking, other persons making investment decisions	Members of the Subfund's investment committee: Linas Tomkevičius Liudas Liutkevičius
Location	Vilnius

3. Data about the management company

Name	UAB "INVL Asset Management"
Company code	126263073
Registered office (address)	Gyneju str. 14, LT-01110 Vilnius
Register at which all data about the undertaking is stored and compiled	State enterprise Centre of Registers, Vilnius branch
Phone number	+370 527 90601
E-mail address	info@invl.com
Website address	www.invl.com
Operating license number	Licence No. 3 of the Management Company operating under the Law on Alternative Managers of Collective Investment Undertakings, issued on 02.10.2017 (with subsequent amendments and supplements)

4. Data about the depository

Name	AB Šiaulių bankas
Company code	112025254
Registered office (address)	Tilžės g. 149, LT-76348 Šiauliai
Phone number	+370 41 595 607
Fax number	AB Šiaulių bankas

5. Objectives, philosophy and operating principles of the Subfund

The purpose of the Subfund is to invest the assets entrusted to the Participant Management Company in renewable energy and/or other infrastructure objects located in the Investment Territory and to earn a higher than average risk-adjusted return therefrom.

6. Investment Policy, Overview of the Investment Process

In order to achieve the objective of the Subfund, the Management Company will invest the assets constituting the Subfund in renewable energy (solar, wind, biogas, etc.) projects of the early (green field) and mid-brown field stage of development, which will include, but are not limited to, (i) the construction of new power plants, (ii) the acquisition of existing power plants, (iii) the creation and/or acquisition of the infrastructure necessary for the operation of the power plants, and (iv) the efficient management of the existing power plants. The return on investment will be generated by (i) receiving remuneration for the energy produced in the renewable energy facilities (power plants) controlled by the Subfund and (ii) by increasing the value of these and related infrastructure objects.

When investing the assets constituting the Subfund in renewable energy objects, the Management Company will seek that they meet at least one of the following characteristics:

- i. Renewable energy facilities designed or designed but not under construction should comply with the requirements of (i) the Investment Area or (ii) the auctions for the purchase of energy produced by the objects operating therein, the winners of which are awarded a long-term contract for difference or other financial instrument ensuring the stability of the return on investment;
- ii. Existing agreements should be concluded for renewable energy facilities already built or under construction:
- iii. on the long-term obligations of the State concerned to ensure a contract for difference or other financial instrument ensuring the stability of the return on investment;
- iv. with or with the final commercial energy consumers or energy sales intermediaries acceptable to the Management Company in relation to the power purchase agreement;
- v. with third parties regarding the sale of such objects after the end of their construction.

The management company may also invest part of the assets of the Subfund in other infrastructure objects. The return on these investments will be generated by the Subfund benefiting directly and/or indirectly from long-term cash flow generating arrangements. These objects for the Subfund investment will be selected taking into account (i) long-term cash-flow generating agreements concluded for them, (ii) public-private partnership agreements (if any).

When investing the assets of the Subfund, the management company will focus on medium-sized (total investment 20.000.000 – EUR 30.000.000 investment with leverage) and large objects (total investment 50.000.000 – EUR 70.000.000 investment with leverage). In larger projects, the Subfund will consider participation if it is in line with the Subfund's investment strategy.

The Management Company may, subject to specific circumstances, enter into transactions denominated in any freely convertible currency in the Investment Territory.

All investments in the Subfund will be made directly and/or through special purpose vehicles. The capital of special purpose vehicles will be able to be formed both by the acquisition of shares of these companies by the Subfund and by lending the funds constituting the assets of the Subfund to these companies.

The Management Company, in order for the assets of the Subfund to be formed from the most suitable objects, will use its own or borrowed funds up to and including the date on which the funds of any Participant's Fulfilled Obligation will be credited to the Subfund's funds account for the first time, for the benefit of the Subfund, but will acquire in its own name and/or at the expense of its legal entity and at the expense of the Subfund's strategy. These objects (and/or the legal entity that owns them) will be sold to the Subfund upon receipt of the corresponding share of the funds constituting the Liabilities in the Subfund's funds account. The sale price of these objects (and/or the legal entity that owns them) to the Subfund will not exceed the amount of all costs incurred by the Management Company related to the acquisition of such objects (at cost).

At the end of the Investment Period, the assets of the Subfund may be transferred to other collective investment undertakings with an analogous or similar investment strategy, managed by the Management Company or persons directly and/or indirectly related to it. Such transfer may be carried out only if the Management Company acts honestly and professionally, in compliance with the Commitments made to the Participants and in accordance with the good practice of concluding and executing such transactions, and fulfilling the obligations provided for in the legal acts and ensuring that the interests of the Subfund are not harmed as a result.

7. Subfund Operational Plans and Forecasts, Outlook

In 2025, the Subfund will focus on raising finance for projects under construction, as well as construction supervision and sales. In Poland, 5 projects with a total capacity of 14 MW are scheduled to be connected to the grid and start generating electricity in Q1-Q2. Construction of another 10 MW is planned for Q3-Q4. Meanwhile, in Romania, the licensing of a 51 MW project and the completion of the construction of a 60 MW project and the start of power generation are planned for Q3. Similarly, construction of a 71 MW project is scheduled to start in Q2 and 174.5 MW by the end of the year. Bank financing is planned to be raised for the construction of both projects.

In 2025, the sale of the Polish and Romanian portfolios will be actively pursued. A non-binding offer has been received for the entire Romanian portfolio. Financial, technical and legal due diligence for this portfolio will be carried out in Q2- Q4.

8. Events after the end of the reporting period

REFI Energy, managed by the Subfund, distributed EUR 8 million. The bond issue is 2.5 years with an annual interest rate of 8 per cent. Interest will be paid to investors on a quarterly basis. The Subfund provided a guarantee to all holders of these bonds.

REMUNERATION POLICY

As of 31 December 2024, the number of employees actually employed at UAB INVL Asset Management (hereinafter – the Company) (excluding employees on parental leave) was 87, compared to 74 at the end of 2023. The qualification improvement of employees was carried out taking into account the goals of the Company, the needs of employees and the development of the necessary competencies. The data below are provided for all employees working in the Company, not only those who work 100 percent.

The Company has approved the policy of employees whose professional activities and/or decisions may have a significant impact on the nature and amount of risk assumed by the Company, including the Company's managers, members of management bodies, employees performing control functions and other employees who receive remuneration assigned to the same salary group as the Company's management (hereinafter collectively referred to as the Company's Risk Taking Employees) (hereinafter referred to as the Remuneration Policy), in accordance with the requirements of the Law on Managers of Collective Investment Undertakings and other legal acts. On 31 December 2024, the number of employees attributed to the category of risk-taking employees was 34 (in 2023 – 34).

The remuneration policy is approved and amended by the Board of the Company. During the update of the Remuneration Policy, the services of external consultants were not used, and there is no input from stakeholders. Taking into account the size, organisational structure and nature of the Company's activities, its scale and complexity, a remuneration committee is not formed in the Company. The official monthly salary is determined by the decision of the Board of the Company for the CEO of the Company and other employees whose subordination (accountability) is assigned to the Board of the Company or to the employees responsible for risk management and compliance control of legal acts under the management structure approved by the Board of the Company. For all other employees, the official salary is determined by the decision of the CEO of the Company, in accordance with the requirements set for the position, the nature of the work, the qualification and abilities of the employee, and the employee's experience. When reviewing wages, the demand and supply of similar positions in the labour market have an impact. The official monthly salaries established for all employees of the Company are consolidated in the employment contracts between the Company and the employee.

The employee's fixed remuneration includes the employee's monthly salary, employer's fees and additional benefits, which are granted to the employee regardless of the results of work and are paid to all employees who meet the established criteria in accordance with the procedure in force in the Company (e.g., pension contributions to voluntary pension funds). In addition to the monthly salary or the remuneration received, an incentive may also be applied in another form – a bonus paid to which an analogous regime is applied to the part of the variable remuneration as is established in the legal acts regulating the asset management activities carried out by the Company. The bonus is awarded depending on the annual implementation of the Company's business plan and/or budget, the fulfilment of the annual goals set by the employee's department and/or team, and the fulfilment of the employee's individual plans and tasks specified in the employee's individual assessment plan. The official monthly salary shall be established in such a way as to ensure the appropriate proportions of the monthly official salary and the bonus parts. The official monthly salary constitutes a sufficiently large part of the total salary paid to the employee for the Company to implement a flexible incentive policy.

The bonus is paid to risk-takers in accordance with the following payout terms:

- the part equal to 60 per cent of the bonus amount shall be paid in one payment in accordance with the procedure and terms established in the order of the Chief Executive Officer of the Company;
- The remaining part of the bonus (i.e. the remaining 40% of the bonus) is paid to the employee in accordance with the *principle of pro rata within* three years, i.e. the deferred part of the bonus is distributed proportionally over the entire deferral period, starts to be paid no earlier than 1 year after the end of the employee's performance assessment and is paid annually by paying a proportionately calculated part of the bonus. In individual cases, the competent body of the Company, which takes a decision on the granting of the bonus, has the right to decide on a longer deferral period (usually not longer than 5 years), taking into account the life cycle of the Company and/or the relevant collective investment undertaking, the nature of its activities, the risks and performance assumed by the employee and other criteria provided for in legal acts.

The above-mentioned deferral period does not apply if the annual bonus awarded to the employee amounts to up to 25 percent of the annual official monthly salary and is less than 50.000 euros. In this case, the entire bonus amount shall be paid in one payment in accordance with the procedure and terms established in the order of the CEO of the Company or the decision of the Board of the Company. In an analogous manner, the bonus is paid to employees who do not belong to the category of employees taking risks.

The bonus, including its deferred part, may be granted and/or paid to an employee only in the event of a sustainable financial situation of the Company, taking into account the performance of the Company and/or the Company's division, and only if the results of the employee's annual individual assessment are positive. When assessing the individual performance of an employee, non-financial and behavioural ("soft") criteria are also taken into account, such as compliance with the Company's internal rules and procedures, communication with customers and investors, compliance with the rules, qualification improvement, etc. When paying bonuses or applying other incentives to employees, the Company shall ensure that their payment (allocation) is not linked to the sales of a particular collective investment undertaking or financial instrument. If the Company's financial performance results for the respective year are negative or the Company fails to achieve the set performance goals, then the Company has the right to

make a decision not to pay the bonus or part thereof, or to postpone the payment, or reduce the amount of the previously established bonus, as well as the payment of such previously earned amounts, by pre-defining the period of such non-payment, deferral or reduction. No such adjustment or deferral was applied during the reporting period.

Usually, the bonus is paid out in cash. The Company, in accordance with the principle of proportionality, does not apply the requirement to pay a certain part of the bonus by means of financial instruments. However, if the Company provides such an opportunity, the bonus may be replaced by other incentives at the employee's own choice, i.e. by providing financial instruments or equivalent instruments (stock options, contributions to a private pension fund). The above-mentioned deferral is also applied in cases where the employee is granted incentive measures other than the payment of the bonus in cash. In 2024, no severance payments were paid to risk-takers (in 2023, no severance payments were paid to risk-takers).

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

Distribution of salary and incentive amounts allocated and paid in 2024:

	Number of employees*	Fixed annual accrued salary (including taxes), EUR	Variable salary (bonuses)**		Assigned Remaining Deferred variable salary (bonuses), Eur
			Allocated in cash and contributions to pension funds, Eur	Allocated to equity-related financial instruments, EUR	
Management personnel	3	302 714	222 478	-	-
Risk-assuming employees, except for the Board members and management personnel	32	2 739 315	221 996	95 032	164 115
Employees	48	1 878 268	164 781	21 303	4 667
Total:	83	4 920 297	609 255	116 335	168 782

* weighted average

** For disclosure purposes, corresponds to the concept of a bonus as described above and includes the portion of variable pay awarded for the previous year that was paid/credited in the financial year. For 2017 - 2024, the deferred variable salary (bonus) reduction was not applied during the reporting period, adjusted according to performance.

The remaining assigned deferred variable salary (bonus) indicated in the table above includes the entire part of the allocated but not paid by 31 December 2024. In accordance with the Company's applicable variable remuneration accounting policy, part of this remuneration has been recognised as the Company's costs and liabilities or as a reserve for payments in shares until 31 December 2024. The variable part of the remuneration (bonus), which was calculated for the year 2024 but will be allocated only after the release of the financial statements, is not included in the amounts disclosed in the table above.

RISK MANAGEMENT

The risk profile of the Fund and the risk management systems applied by the Management Company to manage that risk

The risk profile of the Fund and Subfunds is described in the documents for the establishment and distribution of the Fund and Subfunds.

Internal control, including internal control over risk management, is an integral and uninterrupted part of the Management Company's day-to-day activities. Adequate internal control is ensured by establishing a control structure with control procedures established at each level of management.

The overall risk management control procedure of the Management Company includes:

1. identification and definition of risks;
2. risk assessment;
3. risk mitigation;
4. risk monitoring;
5. risk reporting;
6. risk management;
7. risk culture;
8. Review and Improvement

The current nature of the risks and the measures taken to manage these risks (including information on whether the risk thresholds have been exceeded or are likely to be exceeded and, where those risk thresholds have been exceeded, a description of the circumstances and measures taken)

In 2024, the risk profile of all Subfunds of the closed-end composite investment fund for informed investors INVL Alternative Assets Umbrella Fund corresponded to the investment strategy specified in their founding and/or distribution documents and identified the risks of Subfunds and/or investments in equity securities issued by them.

- In 2024, the risk limits in the activities of the INVL Renewable Energy Fund I Subfund were not exceeded.

Measures to assess the sensitivity of Subfunds to key risks include stress testing of Subfunds. Risk management The management company is based on a system of "three lines of defence":

- o The first line of defence is the business and auxiliary structural units of the Management Company implementing the Management Company's strategy.
- o The second line of defence is the Company's Risk Management and Compliance functions.
- o The third line of defence is the Internal Audit Function.

The "Three Lines of Defence" system is implemented through the responsibilities of the risk management system, which are:

The company's board is responsible for the formulation and regular review of the risk management strategy and policy, and ensures its effective continuous functioning. It determines the Management Company's acceptable level of risk ("risk appetite"); is responsible for the implementation of the internal control system in the Management Company and is responsible for the approval of the internal documents of the Management Company regulating risk management. Together with the CEO of the Management Company, the Board performs the functions of managing the pricing of products and services and the reallocation of internal resources.

The Risk Management Committee is responsible for implementing the risk management policy. It also sets key risk indicators and their limits and monitors compliance with them. The Risk Management Committee shall assign specific tasks related to the performance of risk management functions to the units of the Management Company, if they are not assigned to other internal legal acts of the Management Company, evaluate the results of the annual stress test of funds and carry out other tasks provided for in the provisions of the Committee.

The Head of the Company prepares and submits to the Board for approval the organisational structure of the Management Company, including the approval of functions and positions related to risk management; participates in the process of risk assessment and determination of the acceptable level of risk; organises the activities of the Management Company and ensures proper communication and separation of responsibilities between the functional units of the Management Company; implements the strategy of the Management Company's activities and ensures that the services and products of the Management Company do not cause The management company is exposed to higher risks than the acceptable level of risk.

The Head of Risk Management is responsible for the continuous performance of the risk management function; performs the functions of the Chairperson of the Risk Management Committee; prepares, updates and submits documents related to the organisation of risk management for approval; formulates and submits the main risk indicators of the funds and their assessment for approval by the Risk Management Committee; assists the structural units of the Management Company in the implementation of risk management measures; monitors and verifies the performance of the Management Company implement the risk management system and present the results and proposed improvements to the Risk Management Committee; performs operational risk incident management and other functions.

The Compliance Unit performs the functions of advising and monitoring the activities of the Management Company's units; performs annual risk assessments of compliance activities (including money laundering prevention/implementation of international sanctions, personal data and other areas).

Investment committees and/or fund managers are responsible for making investment decisions in the management of fund investment portfolios and representing and protecting the interests of fund investors; responsible for complying with the limits of risk indicators; responsible for complying with the investment restrictions provided for in the funds' operational documents.

The Finance Division monitors the liquidity risk of the Management Company and presents the liquidity status of the Management Company to the Board; assists the Head of Risk Management in carrying out the annual assessment of the stress test of funds; monitors the capital adequacy indicators of the Management Company and periodically submits capital adequacy reports to the Bank of Lithuania.

The internal auditor carries out audits of the adequacy and effectiveness of the risk management process; after identifying operational deficiencies, it makes recommendations to ensure that these deficiencies are addressed.

The heads of all divisions/Fund management teams of the Management Company ensure that the activities carried out by the Management Company comply with the requirements of the legislation and internal documents of the Management Company; ensure that the risks faced by the unit under their management are assessed and properly managed.

This system ensures the effective implementation of measures related to the Fund's operational and management risks, which include:

- Identification and assessment of the Fund's risks and determination of the Fund's risk profile and risk appetite;
- Identification and implementation of risk mitigation measures;
- Monitoring the level of risks of the fund;
- Reporting on the Fund's risks.

The table below summarises the main risks and management tools of the Fund and Subfunds:

Risk category	Main risks	Management and reduction
Market risk	Risk of change in the value of investments	Risk management is carried out through careful selection of investments before investing and a thorough analysis of the economic results and strategy of the investments managed. These risks are subject to annual stress tests in the annual stress tests of Subfunds.
Leverage risk	Risk that the Subfund will exceed the leverage level provided for in the operational documents and/or will not be able to service the loans	The risk is only relevant for Subfunds that use leverage. Risk is managed by making long-term cash flow forecasts, monitoring the dynamics of loan ratios and assuming only a safe level of leverage.
Counterparty Risk	Risk of investors not transferring funds to the Subfund in accordance with the letters of demand for investment	Risk is managed by legal means (the rules of Subfunds provide for strict sanctions for non-transfer of funds) and by carrying out planning of the need for funds and constant communication with investors.
Liquidity risk	Risk that Subfunds will not be able to sell their investments on time and redeem units from investors Risk that Subfunds will not be able to pay the amounts due.	In the case of funding Subfunds, the risk is managed by aligning investors' expectations with the liquidity maintenance and unit redemption strategy of the funded funds. In Subfunds whose investments are directly managed by the Management Company, the risk is managed by planning the exit strategy in advance and with the help of reliable advisors to guide the sales process.
Operational risk	Risk of Subfunds incurring losses due to human, process, or system errors	Short-term liquidity management is done by planning the movement of cash flows and maintaining a sufficient cash balance. Risk is managed through the implementation of review controls in each of the main Subfund processes (accounting, administration).

Percentage of assets subject to special treatment due to the illiquidity of those assets

2024 The Subfunds did not have assets that were subject to a special regime due to their illiquidity.

New measures for liquidity management

As described above, the INVL Partner Global Infrastructure Fund I Subfund exceeded its liquidity risk limit in the third quarter of 2024 and the Management Company made a decision at the beginning of 2025 not to require payment of the overdue management fee arrears until the Subfund has sufficient liquid assets. The management company did not introduce any other new measures for the liquidity management of Subfunds in 2024.

Changes to the maximum level of Leverage and new agreements on the reusability of collateral related to the acquisition of Leverage (if they have changed compared to those provided for in the memorandum of incorporation or other documents provided to investors)

In 2024, the maximum possible level of leverage in the activities of Subfunds, with the exception of INVL Renewable Energy Fund I, was not changed and corresponded to the levels provided for in their founding documents. No agreements on the re-use of collateral have been concluded.

2024 The documents for the establishment and distribution of INVL Renewable Energy Fund I were amended due to the maximum level of leverage. It was increased from 300 percent to 500 percent. in accordance with the general approach (as defined in Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 ('the Regulation')) and between 300% and 500% for the maximum possible leverage ratio for the commitment method (as defined in the Regulation). These amendments were approved by the participants of INVL Renewable Energy Fund I.

The total level of leverage used (if leverage is actually used).

Subfunds may use leverage in accordance with the procedure laid down in the instruments of incorporation. The leverage level shall be calculated in accordance with the general approach set out in Article 7 of the Regulation and the commitment method set out in Article 8 of the Regulation.

Name of the Subfund	Level of leverage according to the general approach 31.12.2024	Level of leverage under the commitment method 31.12.2024
INVL Renewable Energy Fund I	187,96%	228,64%

Information on material changes in the information intended for investors provided in accordance with Article 18 of the Criminal Procedure Act of the Republic of Lithuania.

In 2024, the information required to be provided by Article 18 of the Managers of Alternative Collective Investment Undertakings of the Republic of Lithuania has not been substantially changed.

SUSTAINABILITY-RELATED INFORMATION

In accordance with 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 (hereinafter referred to as the '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 (hereinafter referred to as the 'Taxonomy'), a financial product shall provide information in the periodic report on how and to what extent the environmental and social characteristics of the financial product are ensured (if the financial product discloses information in accordance with Article 8 of the SFDR) or information on the environments to which it contributes and a description of investments in sustainable economic activities (if the financial product discloses information in accordance with Article 9 of the SFDR).

INVL Renewable Energy Fund I – sustainable investment goals are to contribute to the environmental goal of climate change mitigation. The 'do no significant harm' principle has only applied to investments under this Subfund that take into account the EU's criteria for environmentally sustainable economic activities. The investments related to the remainder of this Subfund did not take into account the criteria for environmentally sustainable economic activity in the EU.

In 2024, INVL Renewable Energy Fund I aimed to invest in sustainable (or future) renewable energy and/or other infrastructure facilities in Europe. In addition, the Subfund sought to contribute to the global environment by investing in solar PV installations and promoting the use of renewable energy (while enabling investors to actively and sustainably contribute to the reduction of CO2 emissions). In accordance with the provisions of the SFDR, the Subfund shall disclose the information related to the integration of sustainability requirements prior to the contractual information in the document, and shall publish the information on how the sustainable investment objective was achieved and how the negative impact of the investment decisions has been taken into account in accordance with the established templates, which are Annex 1 and Annex 2 to this Annual Report.