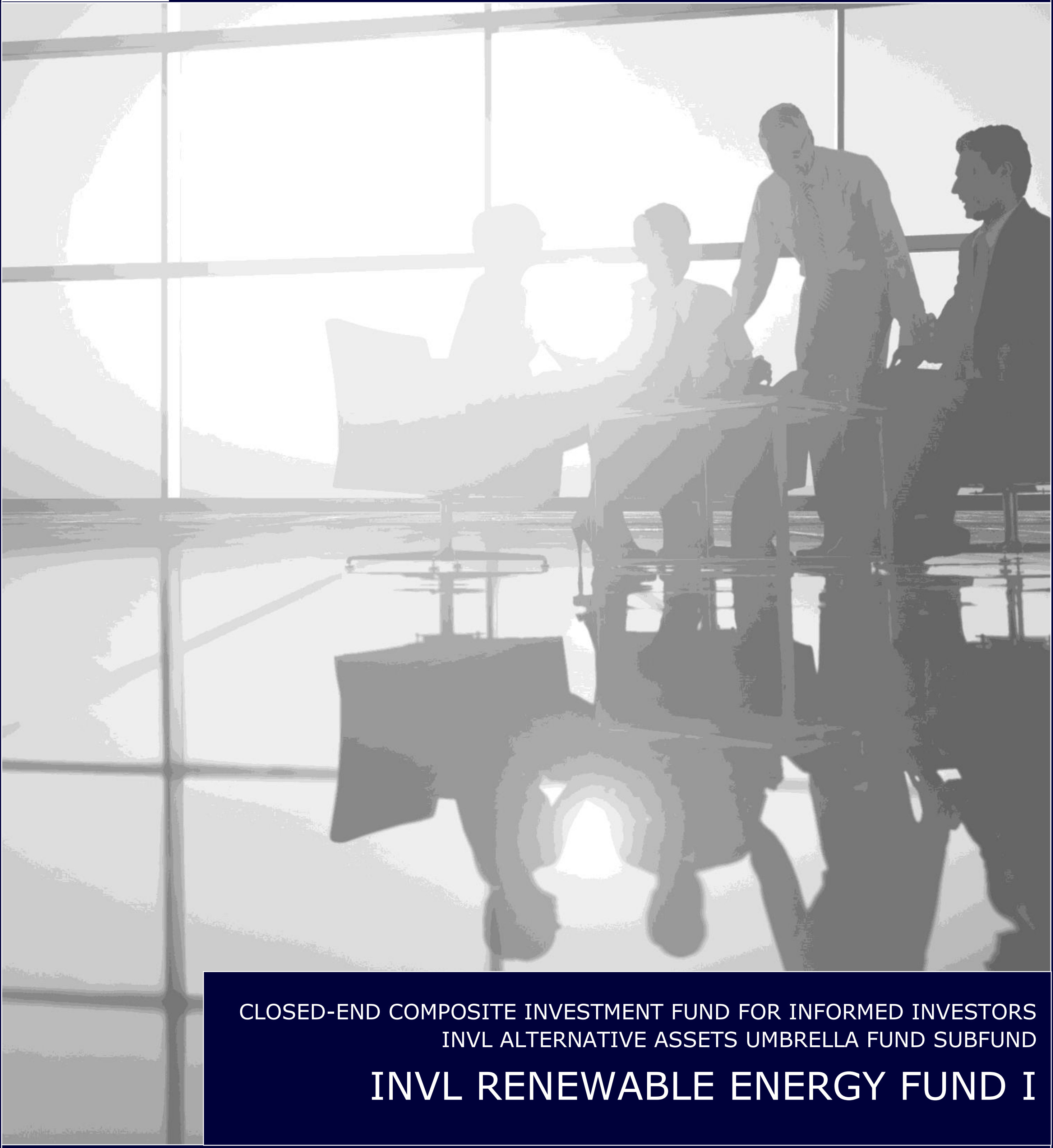
INVL



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

INVL RENEWABLE ENERGY FUND I

ACTIVITY OVERVIEW AND FINANCIAL STATEMENTS FOR THE YEAR 2023, PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE EUROPEAN UNION, PRESENTED TOGETHER WITH INDEPENDENT AUDITOR‘S REPORT

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Independent Auditor's Report

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

Opinion

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

- the statement of financial position as at 31 December 2023,
- the statement of comprehensive income for the year then ended,
- the statement of changes in net assets for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Subfund as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Subfund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Subfund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Subfund or to cease operations, or has no realistic alternative but to do so.

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

Company code: 111494971
VAT code: LT114949716

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Subfund’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Subfund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Subfund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

On behalf of KPMG Baltics, UAB

Toma Jensen
Partner pp
Certified Auditor

Vilnius, the Republic of Lithuania
28 June 2024

The electronic auditor’s signature applies only to the Independent Auditor‘s Report on pages 3 to 4 of this document.

MAIN INFORMATION

Investment Committee

Liudas Liutkevičius (Chairman)

Linas Tomkevičius

Management Company

UAB INVL Asset Management

Registered address:

Gynėjų g. 14, Vilnius, Lithuania

Company code 126263073

Audit firm

KPMG Baltics, UAB

Registered address:

Lvivo g. 101, Vilnius, Lithuania

Company code 111494971

These financial statements were approved by the Management Company for issue and signed on 28 June 2024:

Document signed with a qualified e-signature	Document signed with a qualified e-signature
Liudas Liutkevičius Chairman of Investment Committee	Agnė Vainauskienė Accounting Manager of INVL Asset Management's alternative funds

STATEMENT OF FINANCIAL POSITION[1]

	Notes	31 December 2023	31 December 2022
Non-current assets			
Financial assets at fair value through profit or loss	4, 13	39,904,983	9,039,816
Total non-current assets		**39,904,983**	**9,039,816**
Current assets			
Cash	5	411,134	5,217,343
Loans granted	7	90,299	275,594
Other amounts receivable	6	28,927	703,182
Total current assets		**530,360**	**6,196,119**
TOTAL ASSETS		**40,435,343**	**15,235,935**
Current liabilities			
Amounts payable to the Management Company and the Depository	8, 11	214,334	158,319
Other current liabilities	9	559,305	100,836
Total current liabilities		**773,639**	**259,155**
TOTAL LIABILITIES		**773,639**	**259,155**
NET ASSETS ATTRIBUTABLE TO THE PARTICIPANTS OF THE SUBFUND		**39,661,704**	**14,976,780**

STATEMENT OF COMPREHENSIVE INCOME[1]

	Notes	2023	2022
Net change in fair value of financial assets	4	5,014,766	795,037
Income from financing activities		16	-
Total income		**5,014,782**	**795,037**
Management fee	8	(815,115)	(532,311)
Other operating expenses	10	(121,613)	(108,744)
Total operating expenses		**(936,728)**	**(641,055)**
Operating profit (loss)		**4,078,054**	**153,982**
Net foreign exchange loss		141,918	(31,042)
Profit/(loss) before tax for the reporting period		**4,219,972**	**122,940**
Income tax expenses		-	-
Profit/(loss) for the reporting period		**4,219,972**	**122,940**
Increase / (decrease) in net assets attributable to the participants of the Subfund during the reporting period		**4,219,972**	**122,940**

[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 CHANGES IN NET ASSETS

	Notes	2023	2022
Value of net assets attributable to the participants of the Subfund as at 1 January		**14,976,780**	**5,386,141**
Contributions from participants	13	20,464,952	9,467,699
Net increase in value on transactions with participants		**20,464,952**	**9,467,699**
Increase / (decrease) in net assets attributable to the participants of the Subfund during the reporting period		4,219,972	122,940
Value of net assets attributable to the participants of the Subfund as at 31 December		**39,661,704**	**14,976,780**

STATEMENT OF CASH FLOWS

	Notes	2023	2022
Cash flows from operating activities			
(Purchase) of financial assets	4	(24,994,186)	(5,223,371)
Advance payments		-	(1,389,000)
Repaid advances	7	194,507	918,343
Repaid loans of related persons	7	600,000	-
Operating expenses paid	8, 10	(1,099,467)	(1,207,240)
Net cash flows from operating activities		**(25,299,146)**	**(6,901,268)**
Cash flows from financing activities			
Capital contributions from participants	13	20,464,952	9,467,699
Net cash flows from financing activities		**20,464,952**	**9,467,699**
Net increase (decrease) in cash and cash equivalents		**(4,834,194)**	**2,566,431**
Cash and cash equivalents at the beginning of the period		**5,217,343**	2,648,437
Effect of movements in exchange rates on cash held		27,985	2,475
Cash and cash equivalents at the end of the period		**411,134**	**5,217,343**

NOTES TO THE FINANCIAL STATEMENTS

1. General information

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

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

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

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

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

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

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

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

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

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

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

2. Basis of preparation and accounting policies

2.1. BASIS OF PREPARATION

Statement of compliance

When keeping the Subfunds' accounting and preparing the financial statements of the Fund, the Management Company operates in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union and valid as at 31 December 2023, also the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania and other legal acts.

The financial statements of the Subfund have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and cover the period from 1 January 2023 to 31 December 2023.

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

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

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

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

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

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

Adoption of new and/or amended IFRSs and IFRIC interpretations

The following new and amended IFRSs and IFRIC interpretations have been adopted by the Fund since 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12: International Tax Reform — Pillar Two Model Rules
- IFRS 17 Insurance Contracts.

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

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

Change of Accounting Policies

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

Investment Entity

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

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

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

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

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

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

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

2.3. FAIR VALUE ESTIMATION

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

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

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

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

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

2.4. FINANCIAL ASSETS

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

Financial assets are recognised when the Subfund becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the

Subfund has transferred substantially all the risks and rewards of ownership. At initial recognition, the Subfund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

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

Financial assets at fair value through profit or loss

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

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

Assets carried at amortised cost

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

2.5. CASH AND CASH EQUIVALENTS

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

2.6. MANAGEMENT FEE

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

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

2.7. FINANCIAL LIABILITIES

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

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

Trade payables

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

Management fee

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

2.8. REVENUE RECOGNITION

In 2023 and 2022, revenue comprises net change in fair value of financial assets and other revenue.

Income from financing activities

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

2.9. NET ASSET VALUE

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

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

2.10. INCOME TAX AND DEFERRED TAX

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

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

The standard corporate income tax rate in Lithuania was 15% in 2023 and 2022.

2.11. THE CLASSIFICATION OF THE UNITS ISSUED TO INVESTORS

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

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

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

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

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

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

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

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

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

3. Accounting estimates and judgements

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

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

3.1. ESTIMATES AND ASSUMPTIONS

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

Assessment whether the Subfund meets the definition of an investment entity

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

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

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

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

Fair value of financial assets

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

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

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

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

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

As at 31 December 2023 and 2022, the investments of INVL Renewable Energy Fund I into solar power plant projects were evaluated by an independent asset valuator using the discounted cash flow method by applying 31–32 years of planned free cash flow from solar power plant management (based on the expected lifetime of the solar power plant once built). No terminal value is calculated. The free cash flow forecasts include inflows from sales of electricity, estimated according to the forecasted electricity prices and expected generation volumes; outflows related to operating expenses, based on forecasts of expenses for similar objects; outflows related to construction costs and income tax cost. Also, working capital change is included. The free cash flows are discounted using discount rate determine based on WACC (Weighted Average Cost of Capital) methodology. The discounted free cashflows comprise enterprise value of the subsidiary.

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

Name of investment	Controlled part of shares (2023/2022)	Value of shares as at 31/12/2023	Value of shares as at 31/12/2022
Viable Energy S.R.L.	100%/49%	1,960,000	530,000
Power Regenerabil Energy S.R.L.	100%/49%	1,900,000	500,000
Green Solar Power S.R.L.	100%/49%	1,230,000	220,000
Fotovoltaic Prod & Distribution S.R.L.	100%/49%	1,500,000	460,000
Alfa Green Energy S.R.L.	100%/49%	1,570,000	890,000
Danube Solar One S.R.L.	50%/0%	3,170,000*	-
Danube Solar Five S.R.L.	100%/0%	6,460,000	-
Danube Solar Eleven S.R.L.	50%/0%	2,660,000*	-
AJ Renewables Dobrun SRL	51%/0%	3,170,000**	-

* As at 31December 2023, 100% of the shares have been paid for and the legal transfer of the shares took place in January 2024, as explained below, the value of the investment has been determined based on 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 part of the shares

As at 31December 2023, INVL Renewables managed 51% of shares of the project company AJ Renewables Dobrun but it has signed the share purchase agreement for 100% of shares, subject to the seller fulfilling specific conditions in the agreement before the construction permit stage. The key project works (permits) that allow assessing that the project AJ Renewables Dobrun would reach the stage of permission for construction and the construction would begin were performed (obtained) before 31 December 2023. Preliminary due diligence report was received on 4 October 2023 and it did not identify any material deficiencies in the project. The valuation was completed in full and the money for the remaining part of shares were paid in January 2024. As the information on the project status was available and all essential stages of the project were completed at the end of the year, the value of the investment in the project company was determined by aggregating the value of the 51% of shares held and the value of the right to acquire the remaining part of shares, taking into account payments made and pending payments.

INVL Renewables owned 50% of the project companies Danube Solar Eleven S.R.L. and Danube Solar One S.R.L. as at 31 December 2023, but it has signed the share purchase agreement for 100% of shares, subject to the seller fulfilling specific conditions in the agreement before the construction permit stage. As at 31 December 2023, due diligence was performed for the projects managed by Danube Solar Eleven S.R.L. and Danube Solar One S.R.L and it was identified that all material terms under the share purchase agreement were met and there was no significant risk to completion of the project. Moreover, payment for the guaranteed acquisition of the remaining part of shares was also made before the end of the year. Therefore, as at 31 December 2023, the value of the investment in the project companies was determined by adding the value of the 50% of shares and the value of the rights to acquire the remaining part of shares, which corresponds to the value of the 100% of shares determined by the independent appraiser as the payment for the remaining part of shares had already been made by the year-end.

As at 31 December 2023, valuations of the projects managed by Danube Solar Four S.R.L. and Danube Solar Twelve S.R.L had not been performed. At the end of the year, the Subfund had signed the share purchase agreements for the above project companies and an advance payment was made for these projects at the balance sheet date. As the project work had not yet commenced at the end of the year in accordance with the terms of the share purchase agreement for the project and the necessary actions by the seller to trigger the share purchase obligation had not yet been completed at the end of the year, the valuation of this investment does not yet reflect any obligation to purchase shares.

As of 31 December 2022, projects in which INVL Renewables held a 49% of shares were subject to 100% share purchase agreements, subject to the seller fulfilling specific conditions in the agreement before the construction permit stage. The share purchase agreements contain terms under which, once the seller has fulfilled all the material conditions of the agreement before the construction permit is obtained, the buyer must purchase and the seller must sell the remaining shares and, if the seller is unable to fulfil the terms of the agreement in order to obtain the construction permit, the seller must buy back the buyer's shares. As of 31 December 2022, the terms set out in the share purchase agreements had not yet been fulfilled by the seller. The Subfund has estimated the value of the rights to acquire the remaining shares under the share purchase agreements and the value of the right to transfer the shares held in the event that the terms of the agreement are not fulfilled and these values were not significant for the Subfund's financial statements and therefore have not been included in the value of the projects in the Subfund's balance sheet.

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

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

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

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

MB Sun 6 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.89%	+/- 1pp	-0.27/+30
Annual inflation rate	2%	+/- 1pp	+0.29/-0.26

REFI 11 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.89%	+/- 1pp	-1.00/+1.18
Annual inflation rate	2%	+/- 1pp	+1.27/-1.11

SF Projekt 15 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.89%	+/- 1pp	-0.44/+0.51
Annual inflation rate	2%	+/- 1pp	+0.51/-0.44

SF Projekt 23 Sp. Z o o

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	8.89%	+/- 1pp	-0.19/+0.21
Annual inflation rate	2%	+/- 1pp	+0.19/-0.18

INVL Renewables UAB

Item	Value used in the model	Expected change	Change in the value of the Company's investments, mEUR
Discount rate, %	9.56%	+/- 1pp	-14.55/+19.13
Annual inflation rate	2%	+/- 1pp	+20.55/-15.01

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

MB Sun 6 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	+0.62/-1.08
Annual inflation rate	2.5%	+/- 1pp	+1.09/+0.6

REFI 11 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	+0.35/+0.78

Annual inflation rate	2.5%	+/- 1pp	+2/-0.13

SF Projekt 15 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	+0.35/+1.16
Annual inflation rate	2.5%	+/- 1pp	+1.18/+0.32

SF Projekt 23 Sp. Z o o

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	8.34%	+/- 1pp	+0.41/+0.74
Annual inflation rate	2.5%	+/- 1pp	+0.75/+0.4

INVL Renewables UAB

Item	Value used in the model	Expected change	Change in fair value of enterprise value, mEUR
Discount rate, %	9.56%	+/- 1pp	-0.229/+1.791
Annual inflation rate	2%	+/- 1pp	+1.861/-0.309

3.2. SUCCESS FEE

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

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

As at 31 December 2023, the Subfund recorded a Success Fee of EUR 1,101,729 (change during 2023: EUR 1,101,729). As at 31 December 2022, the Subfund had not accrued any success fee.

3.3. ASSESSMENT ON THE SUBFUND'S FUNCTIONAL CURRENCY

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

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

Therefore, the functional currency of the Subfund is euro.

4. Financial assets at fair value through profit or loss

Investments into subsidiaries together with loans granted to subsidiaries are measured at fair value through profit or loss in the Subfund's financial statements in 2023 and 2022. It is Level 3 fair value measurement. The fair value of investments is measured at the fair value of their net assets including loans granted by the Subfund. The main assets of dormant entities are cash. The main assets of active subsidiaries are connection rights, which are measured at fair value using the discounted cash flow method, described in more detail in note 3.1.

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

	31 December 2023	31 December 2022
MB Sun 6 Sp. Z.o.o		
Fair value of equity investment	1,330,000	790,000
Loans granted	167,013	97,732
Total:	**1,497,013**	**887,732**
REFI 11 Sp. Z.o.o		
Fair value of equity investment	2,010,000	720,000
Loans granted	1,511,820	1,371,252
Total:	**3,521,820**	**2,091,252**
REFI 1 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	**1,080**	**1,080**
REFI 2 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	**1,080**	**1,080**
REFI 3 Sp. Z.o.o		
Fair value of equity investment	1,019	1,080
Loans granted	4,669	
Total:	**5,688**	**1,080**
REFI 4 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	**1,080**	**1,080**
REFI 5 Sp. Z.o.o		
Fair value of equity investment	1,080	1,080
Total:	**1,080**	**1,080**
REFI 6 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	**1,081**	**1,081**
REFI 7 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	**1,081**	**1,081**
REFI 8 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	**1,081**	**1,081**
REFI 9 Sp. Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	**1,081**	**1,081**
REFI 10 Sp.Z.o.o		
Fair value of equity investment	1,081	1,081
Total:	**1,081**	**1,081**

SF Project 15 Sp.Z.o.o		
Fair value of equity investment	2,160,000	640,000
Loans granted	531,323	348,309
Total:	**2,691,323**	**988,309**
SF Project 23 Sp.Z.o.o		
Fair value of equity investment	1,000,000	530,000
Loans granted	1,583,599	134,008
Total:	**2,583,599**	**664,008**
INVL Renewables UAB		
Fair value of equity investment	10,689,354	480,860
Loans granted	18,906,491	3,916,850
Total:	**29,595,815**	**4,397,710**
Total financial assets at fair value through profit or loss	**39,904,983**	**9,039,816**

INVL Renewable Energy Fund I Subfund had two SPVs (REFI Energy, established on 28 March 2023, and REFI Green, established on 6 September 2023). These SPVs aim to raise funds for renewable energy development projects through the placement of fixed-rate bonds to institutional and private investors. The bonds are guaranteed by INVL Renewable Energy Fund I. The proceeds from the bond issuance will be used by INVL Renewable Energy Fund I or entities controlled by it to finance construction projects developed by INVL Renewable Energy Fund I in the Republic of Poland and Romania.

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

The following table presents the movement in Level 3 instruments for the year ended 31 December 2023 and 2022:

Fair value as at 31 December 2021 (unaudited)	**1,642,369**
Unrealized gains and losses for the reporting period recognized in the statement of comprehensive income for assets managed at the end of the reporting period	795,037
Foreign exchange rate impact	(9,960)
Investment into share capital	2,126,257
Loan granted during a year	5,783,613
Loan repaid during a year	(1,297,500)
Fair value as at 31 December 2022	**9,039,816**
Unrealized gains and losses for the reporting period recognized in the statement of comprehensive income for assets managed at the end of the reporting period	5,014,766
Expenses and liabilities related to the issuance of the financial guarantee	525,280
Capitalized interest	(823,566)
Foreign exchange rate impact	104,746
Investment into share capital	9,465,749
Loan granted during a year	25,214,442
Loan repaid during a year	(8,636,250)
Fair value as at 31 December 2023	**39,904,983**
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of 2023	5,119,512
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of 2022	785,077

5. Cash and cash equivalents

	31 December 2023	31 December 2022
Cash in EUR	411,134	5,217,343
Total cash and cash equivalents in euro	**411,134**	**5,217,343**

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

6. Other amounts receivable

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

As at 31 December 2022, INVL Renewable Energy Fund I Subfund had receivables of EUR 703,182, which consisted of receivables from UAB INVL Renewables for reimbursable transaction costs for the acquisition of investments in Romania.

7. Loans granted

As at 31 December 2023 and 2022, INVL Renewable Energy Fund I Subfund had granted an interest-free loan to a third party to be used for the payment of advances to gain connection capacities to the contracted projects. The loan was issued in zloty. As at 31 December 2023 and 2022, a loan of EUR 90,299 (PLN 391,851) and EUR 275,594 (PLN 1,290,000) was granted.

In accordance with the provisions of the loan agreement, the commitment was made to grant loans to the borrower during the entire term, the total amount of which shall not exceed PLN 4,320,000 or EUR 995,506 (calculated at the exchange rate as at 31 December 2023, PLN 922,919 calculated at the exchange rate as at 31 December 2022). The loan agreement is integral to the contract for the acquisition of potential projects with connection capacity from the Polish distribution grid signed on 17 September 2021. In case the electricity distribution grids do not grant the electricity grid connections for the projects procured, or in case the connection conditions and the technical characteristics of the projects procured are not suitable for the Subfund, payments shall be refunded to the Subfund within the time limits set out in the agreement, and the loan granted shall not be used for the acquisition of other projects specified in the agreement. The agreement covers a total of 152 projects. Most of these projects have not received a grid connection permit. Some of the projects, for which the advance payment below has been made, have received connection permits for 2023. However, the seller must reach the contractually agreed ready-to-build stage before the final payment can be made.

As at the date of issue of financial statements, part of the loan has been repaid (EUR 194,507 or PLN 898,149). At the date of signing the financial statements, the balance of advance payments made was EUR 90,299 (PLN 391,851).

In 2023 and 2022, no expected credit losses were recognised as the impairment of the loan granted is not considered material.

8. Management fee

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

	2023	2022
Management fee liability at the beginning of the period	155,346	105,019
Calculated management fee to the management company during the period	815,115	532,311
Management fee paid during the period	(763,893)	(481,984)
Management fee liability at the end of the period	**206,568**	**155,346**

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

	31 December 2023	31 December 2022
Liability related to the issued financial guarantee	525,280	-
Accrual for audit	15,730	6,776
Trade payables	18,295	69,046
Accrued charges	-	20,819
Taxes payable	-	4,195
Total other amounts payable	**559,305**	**100,836**

REFI Energy, the subsidiary of INVL Renewable Energy Fund I Subfund, raised funds for renewable energy development projects in neighbouring countries through a public placement of 2-year 9.5% fixed-rate bonds to institutional and private investors. The bonds are guaranteed by the Subfund. Additionally, REFI Green, another subsidiary of the Subfund, initiated a private placement of 2-year 10% fixed-rate bonds to institutional and private investors.

Bond emission funds shall be used for the funds of the Subfund and entities controlled by it in order to provide financing to construction projects developed by INVL Renewable Energy Fund I in the Republic of Poland and Republic of Romania. Since the total assets of the subsidiaries as at 31 December 2023 were EUR 525,280 lower than the liabilities, the Subfund becomes liable to the holders of the bonds issued by the Subfund for the same amount. Consequently, the Subfund has recorded liabilities and investment to SPV of EUR 525,280 related to the issuance of the financial guarantee. Depreciation of EUR 525,280 was recognised for the above investment,

As of 2019, the Fund has been audited by KPMG Baltics, UAB. KPMG Baltics, UAB did not provide non-audit services (except for translation of financial statements) in 2023 and 2022.

10. Other operating expenses

	2023	2022
Intermediary services	-	(37,698)
Valuation expenses	(24,200)	(16,940)
Audit expenses	(31,974)	(9,680)
Depository services	(21,258)	(5,452)
Transaction/legal expenses	(13,243)	(4,361)
Operating taxes	(1,627)	(373)
Other expenses	(29,311)	(34,240)
Total other operating expenses	**(121,613)**	**(108,744)**

11. Related-party transactions

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

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

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

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

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

INVL Renewable Energy Fund I	Revenue and income from related parties	Expenses incurred with respect to related parties	Receivables from related parties	Payables to related parties (excluding provisions)
The Subfund's subsidiaries				
Loans granted	-	-	5,755,949	-
Interest on loans granted	110,170	-	112,203	-
Other operating expenses reimbursed	703,182	-	703,182	-
Management Company				
Management fee	-	532,311	-	155,346
Operating expenses incurred on behalf of Subfund	-	329,377	-	27,595
Total	**813,352**	**861,688**	**6,571,334**	**182,941**

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

INVL Renewable Energy Fund I	Number of units
Management Company	2,754.5678
Other entities	6,142.6863
Total	**8,897.2541**

12. Financial instruments by categories

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

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

The carrying amount of cash and cash equivalents, loans granted to third parties and trade and other payables of the Subfund as at 31 December 2023 and 2022 approximated their fair value because they are short-term and the impact of discounting is immaterial.

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

	Assets at amortised cost	Assets at fair value through profit or loss	Total
31 December 2022			
Assets in the statement of financial position			
Financial assets at fair value through profit or loss	-	9,039,816	9,039,816
Cash and cash equivalents	5,217,343	-	5,217,343
Advance payments	-	-	-
Loans granted	275,594	-	275,594
Trade and other receivables	703,182	-	703,182
Total	**6,196,119**	**9,039,816**	**15,235,935**

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

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

12.1. FINANCIAL RISK FACTORS

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

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

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

Credit risk

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

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

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

Not rated assets	31 December 2023	31 December 2022
Loans granted	90,299	275,594
Cash and cash equivalents	411,134	5,217,343
Other amounts receivable	28,927	703,182
Total current assets	**530,360**	**6,196,119**

The Subfund only uses services of highly rated banks and financial institutions, as determined by an independent rating agency. As at 31 December 2023 and 2022, the Subfund held all its assets in financial institutions rated Baa2 by Moody's.

Liquidity risk

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

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

The financial liabilities for undiscounted contractual payments of the INVL Renewable Energy Fund I Subfund consisted of:

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

	Up to 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Amounts payable to the Management Company and the Depository	158,319	-	-	-	158,319
Other current liabilities	100,836	-	-	-	100,836
Balance as at 31 December 2022	**259,155**	**-**	**-**	**-**	**259,155**

The current assets of the Subfund were lower than current liabilities by EUR 243,279. The Subfund also had uncalled capital commitments of EUR 23,389,411 which, when called up, will enable the Subfund to meet its current liabilities during 2024. Therefore, in the Management's assessment, the Subfund does not have any liquidity issues.

Foreign exchange risk

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

A reasonably possible strengthening (weakening) of the euro against Polish zloty and Romanian leu as at 31 December 2023 and 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Strengthening	Weakening
31 December 2023		
PLN (2% movement)	40,249	(38,672)
RON (0.5% movement)	20,802	(20,595)
31 December 2022		
PLN (2% movement)	36,371	(34,947)
RON (0.5% movement)	1,612	(1,595)

12.2. FAIR VALUE ESTIMATIONS

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

Financial instruments not carried at fair value

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

13. Undrawn capital commitments

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

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

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

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

	31 December 2023	**31 December 2022**
Total investment commitments	57,935,000	52,928,000
Paid-in capital	34,545,589	14,463,920
Distributions to participants	-	-
Outstanding capital commitments	23,389,411	38,464,080

14. Events after the reporting period

The Subfund called EUR 12,000,000 from investors and invested EUR 10,985,000 in renewable energy projects through subsidiaries.

Acquired another subsidiary, which secured a loan of EUR 17,500,000 guaranteed by the Subfund for the development of renewable energy projects.

2023 ACTIVITY OVERVIEW OF THE SUBFUNDINVL RENEWABLE ENERGY FUND I (UNAUDITED)

1. Reporting period for which the report has been prepared

The overview covers the financial period from 1 January 2023 to 31 December 2023 of INVL Renewable Energy Fund I. The report also includes material events of the Subfund after the end of the reporting period.

2. Details of the collective investment undertaking

Name	INVL Renewable Energy Fund I
Type, legal form	Closed-end investment fund for informed investors
Date of the authorization of the Bank of Lithuania for incorporation instruments of the collective investment undertaking	19 July 2021
Subfund's duration	The Subfund's duration is 7 years, starting from the end of the first offering phase of the Subfund. The Management Company has the right to extend the Subfund's duration for 2 years.
Reporting period	From 1 January 2023 until 31 December 2023
Number of participants	178
Manager of the collective investment undertaking, other persons taking investment decisions	Subfund's Investment Committee Members: Linas Tomkevičius Liudas Liutkevičius
Location	Vilnius

3. Details of the management company

Name	UAB INVL Asset Management
Company code	126263073
Registered address	Gynėjų g. 14, LT-01109 Vilnius
Register at which all data about the undertaking is stored and compiled	State enterprise Centre of Registers, Vilnius branch
Telephone number	+370 527 90601
Email address	info@invl.com
Website address	www.invl.com
Licence No	Management Company operating under Law on Collective Investment Undertakings, Licence No VĮK-005, and Management Company operating under Law on Managers of Alternative Collective Investment Undertakings, Licence No 3

4. Details of the depository

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

5. Subfund's objectives, philosophy and operational principles

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

6. Investment policy, overview of the investment process

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

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

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

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

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

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

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

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

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

7. Subfund's activity plans and forecast, prospects

In 2024, the Subfund will prioritize raising funds for ongoing construction projects, as well as overseeing construction and sales activities. The documentary development phase of the 174 MW and 95 MW projects is projected to be completed during Q1-Q2 2024. In Romania, construction of a 51 MW project is scheduled for completion, while in Poland, 5 projects totalling 14 MW are also slated for completion. Additionally, efforts will be made to secure bank financing for 206 MW projects, with construction of 111 MW expected to commence this year. Given the active construction activities, additional capital calls from investors are expected.

Moreover, active efforts will be made to sell Polish and Romanian portfolios throughout 2024.

8. Events after the reporting period

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

REMUNERATION POLICY (UNAUDITED)

The management of the Fund has been delegated to the Management Company UAB INVL Asset Management (“the Company”), which has approved Decisions regarding the remuneration policy of risk-assuming employees (“the Policy”), which is in compliance with the requirements of the those of the Law on Managers of Alternative Collective Investment Undertakings (LMACIU), Law on Collective Investment Undertakings (LCIU), the Law on Companies and other laws and regulations governing remuneration matters of management companies licensed under the LCIU and LMACIU (“the Requirements”). The remuneration information below is that of the Company.

The employee’s fixed remuneration consists of a monthly service pay, employer’s taxes and additional benefits that are allocated to the employee irrespective of his/her performance and paid to all employees who meet the criteria established in accordance with the procedure set at the Company (e.g. pension contributions to pillar II and pillar III pension funds). In addition to a monthly service pay or remuneration received in other form, an incentive may be paid (“the Bonus”). To ensure compliance with regulatory requirements applicable to the Company, the same standards and limitations regarding the Bonus, including maintaining the appropriate proportions of the Monthly Service Pay and the Bonus shares, shall be applied as outlined in the Requirements for the variable remuneration component. The Bonus is granted contingent upon the accomplishment of the Company’s annual performance objectives, the performance of the Company’s business unit and/or team in which the employee is involved, and the attainment of the employee’s individual goals and targets specified in the employee’s individual performance plan, employment contract, and/or other agreements. Moreover, non-financial and behavioural (“soft”) criteria, such as adherence to the Company’s internal regulations and procedures, professional growth, etc., shall also be considered in formulating the employee’s individual performance plan and assessing individual performance. A monthly service pay is established in a manner to ensure proper proportions of a monthly service pay and bonus. A monthly service pay has to represent a relatively large portion of the employee’s overall remuneration thus enabling the Company to implement flexible promotional policies.

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

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

The previously set deferral period may not be applied if the annual Bonus allocated to an employee comprises up to 20% of the annual monthly service pay and is lower than EUR 15,000 before taxes (gross). In such case, the entire amount of the Bonus is paid as a lump sum following the procedure and deadlines set by the order of the Company’s Director or the decisions of the Company’s Board. The same procedure is applicable and the Bonus is paid to employees who are not considered risk-assuming employees.

The bonus, including a deferred part thereof (where applicable), can be allocated and/or paid to the employee only if the Company’s financial position is sustainable, considering the results of operations of the Company and/or the Company’s unit and only in case the results of the employee’s annual individual performance assessment are positive. The individual performance assessment of the employee also takes into consideration non-financial and behavioural (soft) criteria, such as compliance with the Company’s internal rules and procedures, communication with customers and investors, observance of rules and professional development, etc. If the results of the Company’s financing activities of a respective year are negative or the Company fails to achieve the business objectives set, the Company’s general manager has the right to make a decision not to pay the Bonus or a part thereof or to reduce the amount of the Bonus allocated earlier as well as reduce the payment of such amounts previously allocated by defining in advance the period of such non-payment or reduction. Such adjustment or deferral was not applied in the reporting period.

The bonus is usually paid in cash. Following the proportionality principle, the Company does not apply the requirement to pay a certain part of the Bonus in financial instruments. However, if such a possibility is offered by the Company and the employee makes such a request, other incentive measures – granting financial instruments or their equivalents (share options, payments into a pillar II and pillar III pension funds, insurance contributions) may be allocated instead of the Bonus. This deferral also applies when the employee is awarded incentives other than a cash Bonus.

Bonus of 2023 will be allocated in 2024, following the approval of the financial statements for 2023.

The distribution of remuneration and incentives allocated and paid in 2023 is presented below:

	Number of employees*	Annual fixed remuneration (including taxes), EUR	Variable remuneration (Bonuses)**		Remaining allocated deferred variable remuneration (Bonuses), EUR
			In cash and contributions to pension funds, EUR	In share-based financial instruments, EUR	
Management personnel	4	381,687	293,814	-	8,781
Risk-assuming employees, except for the Board members and management personnel	34	2,553,851	486,522	33,315	129,635
Employees	113	3,336,992	527,007	13,770	55,978
Total:	**151**	**6,272,530**	**1,307,343**	**47,085**	**194,394**

* Weighted average
** For the purpose of information disclosure, meets the definition of the Bonus, as described above, and comprises the part of variable remuneration allocated for the previous year, which was paid/due in the financial year. Reduction of the deferred variable remuneration (Bonus) for 2018–2023, by adjusting according to activity results, was not applied during the reporting period.

In 2023 and 2022, no redundancy payments were made to risk-assuming employees.

RISK MANAGEMENT (UNAUDITED)

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

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

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

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

1. Continuous monitoring of the Company's activity seeking to identify a potential risk as early as possible;
2. Identification and definition of a risk;
3. Risk measurement;
4. Application of risk management measures in managing the risk;
5. Control of proper application of risk limiting measures;
6. Preparation and submission of reports.

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

In 2023 the risk profile of all the Subfunds of the closed-end INVL Alternative Assets Umbrella Fund for informed investors was in compliance with its investment strategy set out in incorporation and/or distribution instruments and the risks of the Subfunds and/or investment in their issued equity securities specified therein.

- In 2023, the liquidity risk limits were not exceeded in the activity of INVL Renewable Energy Fund I Subfund.

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

Company's Board is responsible for strategy and policy making, regular review, and ensures effective continuous functioning thereof, it is also responsible for implementation of the internal control system and for the approval of the Risk Management Policy, along with other policies and procedures governing risk management;

Risk Management Committee is responsible for implementation of the risk management policy; establishment of risk limiting limits and control of compliance with them, delegation of tasks related to specific risk management functions of the Company's divisions where they are not attributed by other internal regulations of the Company. The Committee also evaluates the results of the annual stress tests conducted by the Finance Division and performs other functions outlined in the Committee's rules;

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

Investment Committees are tasked with making decisions concerning the management of the assets of the funds. These decisions may involve employing fundamental analysis and/or seizing tactical opportunities in the markets. Additionally, the Investment Committees are responsible for safeguarding the interests of the funds' investors;

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

Finance Division oversees the Company's liquidity risk, conducts annual stress tests for the funds, monitors the Company's capital adequacy ratios, and submits periodic capital adequacy reports to the Bank of Lithuania;

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

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

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

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

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

In 2023 the Subfunds did not have assets to which special procedure applies due to their non-liquidity.

New measures applied to management of liquidity

In 2023, UAB INVL Asset Management did not initiate any new liquidity management measures for the Subfunds.

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

In 2023 the possible highest level of the leverage was not changed in the Subfunds' activity and it was in line with the levels established by their incorporation instruments. No arrangements were made in respect of a repeated use of collaterals.

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

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

Subfund name	Level of financial leverage as to the general method as at 31/12/2023*	Level of financial leverage as to method of liabilities as at 31/12/2023*
INVL Renewable Energy Fund I	154.11%	155.15%

* The leverage was not used during the reporting period

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

In 2023, no substantial changes were made to the information which must be submitted pursuant to Article 18 of the Law on Managers of Alternative Collective Investment Undertakings the Republic of Lithuania.

SUSTAINABILITY RELATED INFORMATION (UNAUDITED)

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

INVL Renewable Energy Fund I's sustainable investment objectives are to contribute to the environmental objective - climate change mitigation. The "do no significant harm" principle was applied only to those investments related to this Subfund that take into account the EU criteria for environmentally sustainable economic activities. The investments related to the remaining portion of this Subfund did not take into account the EU criteria for environmentally sustainable economic activities.

In 2023, INVL Renewable Energy Fund I aimed to invest in sustainable renewable energy and/or other infrastructure in Europe (existing or future). Moreover, the Subfund aimed at contributing to the global environment by investing in solar photovoltaic installations and promoting the use of renewable energy, enabling investors to actively and effectively contribute to reducing CO2 emissions. In compliance with the SFDR provisions, the Subfund discloses information regarding the integration of sustainability requirements under the pre-contractual disclosures. Additionally, it provides details on the achievement of sustainable investments goal and the extent to which negative impacts of investment decisions have been addressed, following the templates outlined in Annex 1 and Annex 2 of this annual report.

Product name:
INVL Renewable Energy Fund I
(hereinafter – "the Subfund")

Legal entity identifier:
N/A

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Did this financial product have a sustainable investment objective?

[x] **Yes** | [ ] **No**

[x] It made **sustainable investments with an environmental objective**: **99,59 %**

- [x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[ ] It made **sustainable investments with a social objective: ___%**

[ ] It **promoted Environmental/Social (E/S)** characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

To what extent were the sustainable investment objective of this financial product met?

The sustainable investment objective of the financial product has been successfully realized through the strategic development of a high-quality portfolio. The fund is actively engaged in the construction and development of photovoltaic parks. Currently, the portfolio encompasses over 400 megawatts (MW) of solar power capacity, including approximately 451 MW of late-stage solar power plants in Romania and an additional 33 MW in Poland.

By constructing and developing these photovoltaic plants, the Subfund is contributing to the maximization of the positive impact on sustainability factors, aligning with broader environmental and renewable energy goals within the European Union territory. Furthermore, The Subfund is contributing to reducing negative climate change, but also to ear attractive returns and diversity your investments.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Subfund's investments substantially contribute to climate change mitigation as reflected in the technical screening criteria. The construction of new renewable energy infrastructure in Poland and Romania is on a way to improve energy access and security and avoid GHG emissions.

The Subfund uses a range of sustainability indicators to measure the attainment of its sustainable investment objective, notably the following Key Performance Indicators (KPIs):

- Installed renewable energy capacity – 0 MW (planned 450+ MW)
- Renewable energy generated – 0 MWh (there are no power plants connected to the grid yet)
- CO2 emissions avoided – CO2e tons (calculations are in progress)

As of the current reporting period, our solar PV projects are in the developmental stage, and thus, specific sustainability indicators related to their performance are not yet available. We are diligently working towards the completion and operationalization of these projects. Subsequently, comprehensive sustainability metrics, including but not limited to installed capacity, energy generation and emissions reduction, will be systematically monitored and evaluated.

We recognize the importance of transparent reporting and are committed to providing a detailed analysis of sustainability indicators in subsequent reports as our renewable energy fund progresses, because this approach ensures that stakeholders receive accurate and meaningful data reflective of the fund's environmental, social, and governance (ESG) performance.

...and compared to previous periods?

As our renewable energy fund and associated solar PV projects are in the developmental stage, we currently do not have previous periods for comparative analysis of sustainability indicators. The initiatives within the fund are progressing according to our planned timelines, and as they reach operational stages, we will diligently track and report on relevant metrics.

While we do not have historical data for direct comparison, our commitment to transparency and disclosure remains unwavering. Future reports will provide comprehensive insights into the evolution of sustainability indicators over time, enabling stakeholders to assess the positive impact and performance trajectory of our renewable energy initiatives.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

It was ensured that the underlying investments of the Subfund did no significant harm to the sustainable investment objective:

- by actively monitoring the Subfund's investments that severely and structurally could breach minimum behavioral norms;
- by actively implementing essential principles of sustainability in managing the Fund's investments:
  - During the due-diligence process Subfund captures all the relevant key risks associated with the Solar PV industry. The risks are aligned with the Do No Significant Harm (DNSH) approach of the Taxonomy (with extension beyond) and include:
    - Climate change;
    - Circular economy;
    - Biodiversity and ecosystems.
  - In the event that any risks are identified, they are captured/recorded and either mitigated against or the transactions can be halted and not progressed. From a climate change mitigation perspective.

A thorough risk check was always applied before entering into agreements with counterparties. In case the counterparty had appeared on the sanctioned people list or anything similar, the transaction would have been cancelled or relevant risk management tools would have been applied.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

Our investment processes incorporate a robust evaluation framework that takes into account potential adverse effects on environmental, social, and governance (ESG) dimensions. This includes a thorough assessment of risks and impacts associated with each investment to identify and mitigate any principal adverse impacts (PAIs) on sustainability. The Fund accounted for all the relevant PAIs: GHG emissions, carbon footprint, GHG intensity, sensitivity to biodiversity, UNGC Principles, OECD Guidelines, waste generation, deforestation, incidents of discrimination, aiming to have as low negative impact as possible. The goal is to ensure that investments align with our commitment to sustainable development and responsible business practices. Where adverse impacts are identified, appropriate measures are implemented to minimize or eliminate these effects.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The importance of making and fulfilling international commitments that help ensure more sustainable operations was recognized and therefore the international agreements and international standards were followed. The monitoring of alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights were taken into account throughout the investment process:

• Pre-investment due diligence. The Fund was identifying whether there are any violations of internationally recognized guidelines or standards.

• Post-acquisition implementation. The Fund aimed to ensure that all investments and stakeholders involved would follow the above-mentioned guidelines.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

All applicable principal adverse impact indicators (PAIs) on sustainability factors are taken into account in the investment process. PAIs are analyzed and assessed as part of the overall investment process. The data for the mandatory and part of optional PAI indicators is being collected and monitored during all investment periods. To provide further transparency and detailed information about the specific PAI indicators, we are committed to delivering a comprehensive report. This report, including a breakdown of indicators and their performance, will be made available by June 30, in compliance with regulatory requirements.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
INVL Renewables	PV Plant	33,2 %	Romania
REFI 11	PV Plant	8,9 %	Poland
Viable Energy	PV Plant	7,8 %	Romania
Power Regenerabil Energy	PV Plant	7,7 %	Romania
SF Projekt 15	PV Plant	6,8 %	Poland
SF Projekt 23	PV Plant	6,5 %	Poland

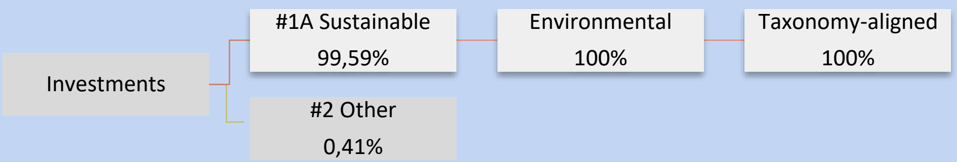
Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

The Subfund aims for 99,59 % of its investments to meet its sustainable investment objective, in accordance with the binding elements of the investment strategy, however up to 0,41% of funds may be held in cash for operational purposes, liquidity management and hedging.

- ***What was the asset allocation?***

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Other/not sustainable includes investments which do not qualify as sustainable investments.

- ***In which economic sectors were the investments made?***

The investments were primarily made in the photovoltaic (PV) plant sector. Our portfolio is strategically focused on contributing to the growth and development of solar energy infrastructure, reinforcing our commitment to sustainable and renewable energy sources.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

All sustainable investments with an environmental objective within our portfolio are aligned with the EU Taxonomy, demonstrating a 100% alignment with the established criteria and standards outlined in the taxonomy framework.

Subfund's sustainable investment objective of climate mitigation is met through a due diligence process pre-and post-investment which ensures that No Significant Harm (DNSH) is done to any other environmental objective considered material to the activity of the Subfund (Solar PV generation). These other objectives are climate change adaptation, biodiversity, and circular economy. The due diligence also considers additional safeguard such as human rights, community engagement, labor conditions amongst others, in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and other international convention on human rights.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

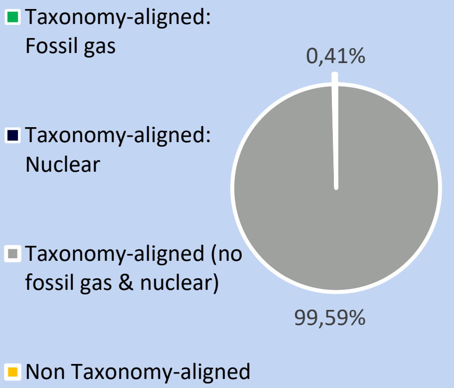
☐ ***Yes:***

☐ ***In fossil gas*** ☐ ***In nuclear energy***

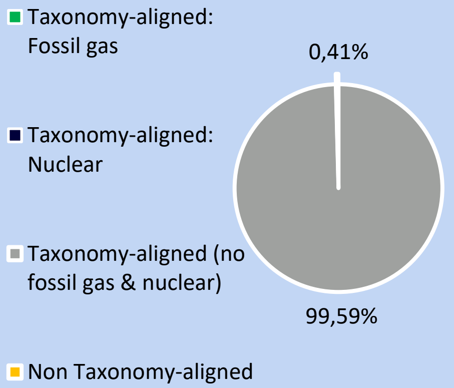
✘ ***No***

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-aligment of investments **including sovereign bonds***



2. Taxonomy-aligment of investments **excluding sovereign bonds***



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***What was the share of investments made in transitional and enabling activities?***

0%

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

In the absence of previous reference periods, there's no basis for comparison regarding the percentage of investments aligned with the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

0%

What was the share of socially sustainable investments?

0%

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

About 6 percent of assets is being held in cash for operational, liquidity management and hedging purposes.

What actions have been taken to attain the sustainable investment objective during the reference period?

Subfund objective is to substantially contribute to climate change mitigation is met by producing clean sustainable energy and therefore reducing the amount of fossil fuel used to meet energy demand, along with avoiding emissions to air that would arise as a result.

Due diligence is carried out to identify any potential risk and ensure that the investment is aligned with the Do No Significant Harm criteria. This includes the review and consideration of climate adaptation, circular economy and biodiversity, amongst others, in addition, the due diligence covers additional safeguard consideration, including alignment with the requirements of the OECD guidelines on Multinational Enterprise and the UN Guiding Principles on Business and Human rights.

Key indicators, such as GHG emissions avoided and fossil fuel avoided, are used to track and ensure continued progress against the climate mitigation objective. Progress on key indicators is also discussed through board /shareholder meetings as required.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

How did this financial product perform compared to the reference benchmark?

No reference benchmark has been established.

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant INVL Partner Private Equity Fund I, a Sub-fund of INVL Alternative Assets Umbrella Fund, a closed-ended composite investment fund for informed investors (hereinafter – "the Feeder Fund").

The product acts as a feeder fund of EQT X (NO.1) EUR SCSP, which is a segregated compartment of INVL Alternative Assets Umbrella Fund, SCSp SICAV-RAIF (hereinafter – "the Fund" or "the Master Fund").

Summary

INVL Partner Private Equity Fund I consider principal adverse impacts of its investment decisions on sustainability factors.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

The information provided in this statement is collected from the Master Fund managed by EQT, report on PAIs in relation to their investments during the relevant reference period that promote environmental and/or social characteristics.

The data used to compute the PAI indicators is collected directly from the portfolio companies annually on a best effort basis. Master Fund acknowledges that some data from the portfolio companies has been gathered with the support of a third party for computation.

As this is the first reference period of the PAI statement, it does not show a comparison of PAI information to the previous reference period or include any targets for PAI performance for the next reference period.

Description of the principal adverse impacts on sustainability factors

The assessment of the principal adverse impact is part of the portfolio management process of the Feeder and Master Fund.

Sustainability impact is considered during the screening and due diligence phases of proposed investments.

Master Fund, in line with the strategy defined at EQT group level and as further described in the EQT RI&O Policy avoids investing in cases where the products, services or practices cause environmental or social harm and there is no transition pathway to mitigate such negative impacts through active ownership. Master Fund aims to promote sustainable business solutions and practices in the investments that the Master Fund own or have an interest in through its focused approach to sustainable principles of regenerative processes (environment), equitable business practices (social) and accountable leadership (governance).

To assess, measure and monitor the environmental and social features promoted by the Feeder Fund, the Master Fund takes into account, as far as possible, the main negative impact (PAI) related to the Master Fund's investments in portfolio companies.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1	The Subfund has been active since 2023, so there is no comparable information.	Ton CO_2e Eligible portfolio coverage: 100%	As this is the first reference period of the PAI statement, it does not include any targets for PAI performance for the next
		Scope 2 GHG emissions	0,5			
		Scope 3 GHG emissions	370			
		Total GHG emissions	372			
	2. Carbon footprint	Carbon footprint	0.05		Ton CO_2e/EUR million Eligible portfolio coverage: 100%	
	3. GHG intensity of	GHG intensity of investee companies	N/A		Master Fund reported 1260 Ton CO2e/EUR	

	investee companies				million. Feeder Fund made investment into Master Fund, so the indicator can't be calculated on Feeder Fund level.	reference period.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%		Master Fund reported that there are no investments in fossil fuel sector. Eligible portfolio coverage: 100%		
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Consumption: 22% Production: -		Based on weighted average of electricity consumption reported by Master Fund. Eligible portfolio coverage: 100%		
	6. Energy consumption intensity per high impact	Energy consumption in GWh per million EUR of revenue of investee	N/A		Not available		

	climate sector	companies, per high impact climate sector				
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%		Master Fund reported that there 0% of Portfolio Companies that negatively affect biodiversity sensitive areas. Eligible portfolio coverage: 100%	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A		Not available	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0		Master Fund reported that investee companies did not have hazardous waste. Ton/EUR million Eligible portfolio coverage: 100%	

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	The Subfund has been active since 2023, so there is no comparable information.	Master Fund reported that investee companies did not have any violations of the guidelines. % of Portfolio Companies Eligible portfolio coverage: 100%	As this is the first reference period of the PAI statement, it does not include any targets for PAI performance for the next reference period.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD	0%		Master Fund reported that investee companies had policies in compliance with the guidelines. % of Portfolio Companies Eligible portfolio coverage: 100%	

	Guidelines for Multinational Enterprises	Guidelines for Multinational Enterprises					
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	22%		Master Fund reported that the average of Portfolio Companies unadjusted gender pay gap 22%. Eligible portfolio coverage: 100%		
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22%		Master Fund reported that the average of Portfolio Companies board diversity ratio is 22%. Eligible portfolio coverage: 100%		
	14. Exposure to controversial weapons (anti-personnel mines, cluster	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%		Master Fund reported that there was no exposure to controversial weapons.		

	munitions, chemical weapons and biological weapons)				Eligible portfolio coverage: 100%	
Other indicators for principal adverse impacts on sustainability factors						
Adverse sustainability indicator		**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	15. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	100%	The Subfund has been active since 2023, so there is no comparable information	Master Fund reported that all investee companies have carbon emission reduction initiatives. % of Portfolio Companies Eligible portfolio coverage: 100%	As this is the first reference period of the PAI statement, it does not include any targets for PAI performance

Social	16. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	1		Master Fund reported that the average workdays lost for Portfolio Companies due to injuries was 1 Eligible portfolio coverage: 100%	for the next reference period.

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

Master Fund, in line with the strategy defined at EQT group level and as further described in the EQT RI&O Policy avoids investing in cases where the products, services or practices cause environmental or social harm and there is no transition pathway to mitigate such negative impacts through active ownership.

Master Fund considers sustainability impact during the screening and due diligence phases of proposed investments. Throughout the investment lifecycle, the collection and monitoring of corporate due diligence data enables the investment team to identify and manage the materiality or risk of any major adverse impact and take appropriate mitigation measures.

Subfund does not have separate policy on principal adverse impacts.

These mandatory indicators are collected at investment level and reported at Master Fund level, then Feeder Fund (Subfund) level.

Engagement policies

By investing and actively participating in the dialogue with the companies in which Master Fund has invested, the Master Fund aims to have a positive impact on the environment or social welfare. The Master Fund follows EQT Group's approved Responsible Investment and Engagement policy, according to which a sustainability approach is integrated into investees management.

INVL Asset Management, the Subfund portfolio manager, has approved the Engagement & Voting Policy. The Subfund cannot influence the investment companies, but it constantly maintains a dialogue with the Master Fund.

References to international standards

The Master Fund’s group (EQT), as well as the company of the Subfund group (INVALDA INVL), operates according to the principles of the Responsible Investment Principles Organization, of which it is members.

As of today, EQT seeks to align its responsible investment and ownership approach with various international conventions, standards and guidelines which may be linked to one or more PAI such as: • the Ten Principles of the UN Global Compact • TCFD • the UN Guiding Principles on Business and Human Rights • SBTi
Historical comparison The Subfund has been active since 2023, so there is no comparable information.