

# Financial statements

---

1	Company's financial statements	2
2	Information on the auditor	26

---

# 1 Company's financial statements

Prepared for the year ended 31 December 2023 in accordance with International Financial Reporting Standards as adopted by the European Union

---

Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Explanatory notes	7

---

The company's financial statements were prepared and signed by Silesia 1 Wind Farm Spółka z ograniczoną odpowiedzialnością management on 6 December 2024:

---

<b>Jacek Wojerz</b>	<b>Jocys Laurynas</b>	<b>Tadeusz Robiński</b>
Member of the Board	Member of the Board	KR Group Sp. z o.o. Head of Accounting The person entrusted with maintaining accounting records.

---

# Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

PLN thousand	Notes	2023	2022-restated <sup>1</sup>
Depreciation and amortisation		(27)	(9)
Other expenses	7	(1 446)	(820)
<b>Total expenses</b>		<b>(1 473)</b>	<b>(829)</b>
<b>Operating profit (loss)</b>		<b>1 473</b>	<b>(829)</b>
Finance income	8	2 024	-
Finance expenses	8	-	(1 484)
<b>Finance activity, net</b>		<b>2 024</b>	<b>(1 484)</b>
<b>Profit (loss) before tax</b>		<b>551</b>	<b>(2 313)</b>
Deferred tax benefit/(expenses)	9	(1 388)	(78)
<b>Net profit (loss) for the year</b>		<b>(837)</b>	<b>(2 391)</b>
<b>Total other comprehensive income (loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(837)</b>	<b>(2 391)</b>

<sup>1</sup>Restatement of comparative data due to first-time adoption of IFRS. See more information disclosed in Note 6.

# Statement of financial position

As at 31 December 2023

PLN thousand	Notes	31 December 2023	31 December 2022- restated <sup>1</sup>	1 January 2022-re- stated <sup>1</sup>
<b>ASSETS</b>				
Property, plant and equipment	10	82 320	17 205	12 817
Right-of-use assets	11	277	181	-
Prepayments for non-current assets		193 524	70 752	25 868
Non-current receivables	12	1	3 003	3 002
<b>Non-current assets</b>		<b>276 122</b>	<b>91 141</b>	<b>41 687</b>
Other receivables	13	15 791	11 675	6 704
Cash and cash equivalents		31 835	3 022	1 937
<b>Current assets</b>		<b>47 626</b>	<b>14 697</b>	<b>8 641</b>
<b>TOTAL ASSETS</b>		<b>323 748</b>	<b>105 838</b>	<b>50 328</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	14	78 414	47 978	47 977
Share premium		173 717	3 273	3 272
Retained earnings (deficit)		(47 940)	(47 103)	(44 712)
<b>Equity</b>		<b>204 191</b>	<b>4 148</b>	<b>6 537</b>
Non-current loans	15	115 307	99 721	43 791
Non-current lease liabilities		30	92	-
Deferred tax liabilities	9.3	1 466	78	-
<b>Non-current liabilities</b>		<b>116 803</b>	<b>99 891</b>	<b>43 791</b>
Loans	15	1 231	216	-
Lease liabilities		3	-	-
Trade payables		784	5	-
Other current liabilities		736	1 578	-
<b>Current liabilities</b>		<b>2 754</b>	<b>1 799</b>	<b>-</b>
<b>Total liabilities</b>		<b>119 557</b>	<b>101 690</b>	<b>43 791</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>323 748</b>	<b>105 838</b>	<b>50 328</b>

<sup>1</sup> Restatement of comparative data due to first-time adoption of IFRS. See more information disclosed in Note 6.

# Statement of changes in equity

For the year ended 31 December 2023

PLN thousand	Notes	Share capital	Share premium	Retained earnings (deficit)	Total
<b>Balance as at 1 January 2022</b>		<b>47 978</b>	<b>3 273</b>	<b>(44 420)</b>	<b>6 829</b>
Effect of first time adoption of IFRS <sup>1</sup>		-	-	(292)	(292)
<b>Balance as at 1 January 2022 (restated)</b>		<b>47 977</b>	<b>3 272</b>	<b>(44 712)</b>	<b>6 537</b>
Net profit (loss) for the year		-	-	(2 390)	(2 390)
<b>Total comprehensive income (loss) for the year</b>		-	-	<b>(2 390)</b>	<b>(2 390)</b>
<b>Balance as at 31 December 2022 (restated)</b>		<b>47 977</b>	<b>3 272</b>	<b>(47 102)</b>	<b>4 147</b>
<b>Balance as at 1 January 2023</b>		<b>47 978</b>	<b>3 272</b>	<b>(47 102)</b>	<b>4 147</b>
Net profit (loss) for the year		-	-	(837)	(837)
<b>Total comprehensive income (loss) for the year</b>		-	-	<b>(837)</b>	<b>(837)</b>
Issue of share capital and share premium	14	30 436	170 444	-	200 880
<b>Balance as at 31 December 2023</b>		<b>78 414</b>	<b>173 717</b>	<b>(47 940)</b>	<b>204 191</b>

<sup>1</sup> Restatement of comparative data due to first-time adoption of IFRS. See more information disclosed in Note 6.

# Statement of cash flows

For the year ended 31 December 2023

PLN thousand	Notes	2023	2022
Net profit (loss) for the period		(837)	(2,391)
<b>Adjustments to reconcile net profit to net cash flows:</b>			
Depreciation expenses	11	27	9
Income tax expenses/(benefit)	9	1 388	78
Interest expenses	8	-	1 027
Other expenses/(income) of financing activities	8	-	457
<b>Changes in working capital:</b>			
(Increase)/decrease in other amounts receivable	20	(1 114)	(4 971)
(Increase)/decrease in prepayments and deferred expenses		-	359
Increase/(decrease) in trade payables and other current liabilities	20	645	(466)
<b>Net cash flows from operating activities</b>		<b>109</b>	<b>(5 898)</b>
Acquisition of property, plant and equipment	10	(185 612)	(47 173)
<b>Net cash flows from investing activities</b>		<b>(185 612)</b>	<b>(47 173)</b>
Loans received	16	15 586	99 721
Repayments of loans	16	-	(43 789)
Lease payments	16	(182)	(99)
Interest paid	16	(1 968)	(1 677)
Share capital and share premium increase	14	200 880	-
<b>Net cash flows from financing activities</b>		<b>214 316</b>	<b>54 156</b>
<b>Increase/(decrease) in cash and cash equivalent</b>		<b>28 813</b>	<b>1 085</b>
Cash and cash equivalents at the beginning of the year		3 022	1 937
<b>Cash and cash equivalents at the end of the year</b>		<b>31 835</b>	<b>3 022</b>

# Explanatory Notes

## 1 General information

Silesia 1 Wind Farm Spółka z ograniczoną odpowiedzialnością (hereinafter referred to as 'the Company') is a public limited liability company registered in Poland. The Company's seat is located in Warsaw. It's correspondence address is Puławska 2B, 02-566 Warsaw. The Company is entered in the Register of Companies under number 0000531275. Registration has been made by the District Court for the Gdańsk – North in Gdańsk, VII Commercial Division of the National Court Register on 13.11.2014. VAT identification code PL 5842738447. The Company has been founded for an indefinite period. Reporting period is one year ended 31 December 2023.

The Company's core lines of business – Production and supply of electricity, gas, steam, hot water, and air for air conditioning systems, construction of a wind farm, trade, and distribution of electricity. .

The Company's shareholders were:

	31 December 2023		31 December 2022	
	Share capital, in PLNm	%	Share capital, in PLNm	%
UAB "Ignitis Renewables"	78 414	100,00	47 977	100,00
<b>Total</b>	<b>78 414</b>		<b>47 977</b>	

The Company's parent company is UAB "Ignitis renewables" (company code 301844044, registered address Laisvės Ave. 10, LT-04215 Vilnius, Lithuania), which owns 100% of shares of the Company as at 31 December 2023 and 2022. UAB "Ignitis renewables" parent company is AB Ignitis grupė (company code 301844044, registered address Laisvės Ave. 10, LT-04215 Vilnius, Lithuania), which owns 100% shares as at 31 December 2023 and 2022. As at 31 December 2023 and 2022, the shareholders were the Ministry of Finance of the Republic of Lithuania (74,99%), and retail and institutional investors (25,01%).

AB "Ignitis grupė" is an ultimate controlling company. The Group comprises AB Ignitis grupė and all of its subsidiaries (hereinafter collectively referred to as 'the Group').

These financial statements were signed by the management of Silesia1 Wind Farm Sp. z o.o. on 6 December 2024. The Company's shareholders have a statutory right to approve or not to approve these financial statements and to require the preparation of a new set of the financial statements.

## 2 Basis of preparation of the financial statements

### 2.1 Basis of accounting principles

The Company's financial statements as at and for the year ended 31 December 2023 have been prepared on a going concern basis applying measurement based on historical acquisition cost.

These financial statements are presented in Polish zloty, which is the Company's functional currency, and all values are rounded to the nearest thousand (PLN '000), except when otherwise indicated. The Company's financial statements provide comparative information in respect of the previous period.

The Company's financial year coincides with a calendar year.

### 2.2 First time adoption of International Financial Reporting Standards

These financial statements are the first annual financial statements in which the Company adopts International Financial Reporting Standards (hereinafter referred to as 'IFRS'). Following the requirements of IFRS 1 'First-time Adoption of International Financial Reporting Standards' the Company presents three Statements of financial position, two Statements of profit or loss and other comprehensive income, two Statements of cash flows and two Statements of changes in equity and related notes, including comparative information for all statements presented. The date of transition to IFRSs is 1 January 2022 and the latest reporting period covered by these IFRS financial statements is 2022 financial year.

Explanation of how the transition from previous Generally Accepted Accounting Principles (hereinafter referred to as GAAP) to IFRSs affected the Company's reported financial position and financial performance is presented in the Note 6.

### 2.3 Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.



## 3 Summary of material accounting policies

### 3.1 Changes in accounting policy and disclosures

2023 financial year are the first year when the Company's financial statements are prepared in accordance with IFRS, approved by the International Accounting Standards Board (hereinafter referred to as 'IASB') and adopted by the European Union. Financial statements for the financial year 2022 and earlier reporting periods were prepared according to GAAP accepted for national application in Poland .

#### 3.1.1 New standards, amendments and interpretations

The following are new standards and/or amendments to the standards that have been approved by IASB and endorsed in European Union during the year ended as at 31 December 2023.

##### Standards or amendments that came into force during the year of 2023

International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)  
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)  
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)  
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts  
Definition of Accounting Estimates (Amendments to IAS 8)  
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)

The adoption of these standards, revisions and interpretations had no material impact on the financial statements except the following:

#### Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The Company has adopted deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities the associated deferred tax asset and liabilities is required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

#### Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

#### 3.1.2 Standards issued but not yet effective and not early adopted

The Company did not adopt new IFRS and International Accounting Standards (hereinafter referred to as 'IAS'), their amendments and interpretations issued by IASB, the effective date of which is later than 31 December 2023 and early adoption is permitted. The following are new standards and/or amendments to the standards that have been issued but not yet effective:

Other new standards or amendments	IASB Effective date	EU Endorsement status
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024	Endorsed
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024	Endorsed
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024	Not yet endorsed
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025	Not yet endorsed

The above-mentioned standards are not expected to have a significant impact on the Company's financial statements.

### 3.2 Property, plant and equipment

Property, plant and equipment is stated at acquisition (production) cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on a straight-line basis over the useful lives established for property, plant and equipment. The asset depreciation starts when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost includes expenditure incurred in relation to parts of property, plant and equipment or replacement of parts of property, plant and equipment if such expenditure meets the recognition criteria of the asset. The carrying amount of the replaced part is derecognised. Subsequent repair costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with these costs will flow to the Company and the costs can be measured reliably. All other repairs and maintenance costs charged to the Statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Property, plant and equipment include spare parts, spare equipment, maintenance equipment and borrowing costs when they meet the definition of property, plant and equipment.

For accounting of borrowing costs - see Note 3.4.2.4.

The assets' residual values and useful lives are reviewed at least once per year and adjusted if appropriate.

When asset is retired or otherwise disposed of, the cost and related accumulated depreciation are derecognised and any related gains or losses are included in profit or loss of Statement of profit or loss and other comprehensive income. Gains or losses on disposal of property, plant and equipment are determined as proceeds received on disposal less the carrying amount of assets disposed.

Construction in progress is transferred to appropriate categories of property, plant and equipment when asset is completed and ready for its intended use.

As at 31 December 2023 and 2022 the Company's property, plant and equipment consists only of constructions in-progress.

### 3.3 Right-of-use assets

Right-of-use asset is the asset that reflects the right of the Company to use the leased asset over the life of a lease. The Company recognises a right-of-use asset for all types of leases, including leases of right-of-use assets in sublease, with the exception of leases of intangible assets, short-term leases and leases for which the underlying asset is of low value.

#### 3.3.1 Initial measurement of right-of-use assets

On the lease commencement date, the Company measures right-of-use assets at cost. The cost of an asset managed under a right-of-use comprises of: the amount of the initial measurement of the lease liability, any lease payments at or before the inception date, less any lease incentives received; any initial direct costs incurred by the Company; and an estimate of the costs that the Company will incur in dismantling and disposing of the leased asset, maintaining its location or restoring the leased asset to the condition required by the lease conditions, unless those costs are incurred in producing the inventories. The Company incurs obligation for these costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. The Company recognises these costs as part of the cost of the right-of-use assets when a liability is incurred for these costs.

#### 3.3.2 Subsequent measurement of right-of-use assets

Subsequent to initial recognition, the Company measures the right-of-use asset at cost. Under the cost model, the Company measures a right-of-use asset at cost less any depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability.

The right-of-use assets depreciated by the Company under the depreciation requirements of IAS 16, *Property, Plant and Equipment*.

Depreciation of right-of-use assets is calculated on a straight line basis:

Group of right-of-use assets	Depreciation period (in years)
Land	10-30

If the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company calculates the depreciation of the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company presents rights-of-use assets separately from property, plant and equipment in the statement of financial position.

### 3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.4.1 Financial assets

The Company classifies its financial assets into the following three categories:

- (i) financial assets subsequently measured at amortised cost;
- (ii) financial assets subsequently measured at fair value recognising the change in fair value through other comprehensive income (hereinafter referred to as 'FVOCI'); and
- (iii) financial assets subsequently measured at fair value recognising the change in fair value through profit or loss (hereinafter referred to as 'FVPL').

The Company does not have financial assets measured at FVOCI or FVPL.

Transaction costs comprise all charges and commission that the Company would not have paid if it had not entered into an agreement on the financial instrument.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (hereinafter referred to as 'SPPI')' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Interest income calculated on these financial assets is recognised as finance income and amortised using the effective interest rate method. Any gain or loss arising from the write-off of assets is recognised in the statement of profit or loss. Impairment loss is accounted for as the cost of receivables and impairment of loans in the statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, financial assets are classified into the afore-mentioned categories based on the business model the Company applies when managing its financial assets and characteristics of cash flows from these assets. The business model applied to the group of financial assets is determined at a level that reflects how all groups of financial assets are managed together to achieve a particular business objective of the Company. The intentions of the Company's management regarding separate instruments have no effect on the applied business model. The Company may apply more than one business model to manage its financial assets.

#### 3.4.1.1 Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (herein after 'EIR') method and are subject to impairment. Amortised cost is the amount at which the financial instrument was recognised at initial recognition minus principal repayments, plus accrued interest, and, for financial assets, minus any write-down for expected credit losses.

Financial assets are recognised as current assets, except for maturities greater than 12 months after the date of the Statement of financial position, in which case they are classified as non-current assets.

#### 3.4.1.2 Effective interest rate method

The effective interest method is used in the calculation of the amortised cost of a financial asset and in the allocation of the interest revenue in profit or loss of statement of profit or loss and other comprehensive income over the relevant period.

EIR is the rate that exactly discounts estimated future cash inflows through the expected life of the financial asset to the gross carrying amount of the financial asset that shows the amortised cost of the financial asset, before adjusting for any loss allowance. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of EIR, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the Company uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

#### 3.4.1.3 Impairment of financial assets – expected credit losses (hereinafter referred to as 'ECL')

Lifetime expected credit losses are ECL that result from all possible default events over the period from the date of initial recognition of a financial asset to the subsequent date of settlement of the financial asset or ultimate write-off of the financial asset.

The Company recognises ECL for all debt instruments that are measured not at fair value through profit or loss. ECL incurred by the Company are calculated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL for other receivables are calculated using individual assessment.

The Company's management performs the assessment on an individual basis reflecting the possibility of obtaining information on the credit history of a particular debtor its financial position as at the date of assessment, including forward-looking information that would allow to timely determine whether there has been a significant increase in the credit risk of that particular borrower, thus enabling making judgement on the recognition of lifetime ECL in respect of that particular borrower. In the absence of reliable sources of information on the credit history of a particular debtor its financial position as at the date of assessment, including forward-looking information, the Company assesses the debt on a collective basis.

ECL for cash and cash equivalents is estimated evaluating credit ratings and other significant criteria (such as liquidity, capital adequacy supervision) of the financial institutions in which cash deposits are held. The management's estimation is that ECL for cash and cash equivalents usually is not significant.

#### 3.4.1.4 Derecognition of financial assets

Financial assets (or, where appropriate, part of financial assets or part of the group of similar financial assets) are derecognized when:

- the rights to receive cash flows from the asset have expired;
- the right to receive cash flows from the asset is retained, but an obligation is assumed to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the rights to receive cash flows from the asset are transferred and either (a) substantially all the risks and rewards of the asset have been transferred, or (b) substantially all the risks and rewards of the asset have neither been transferred nor retained, but control of the asset has been transferred:
  - if control is not retained, the financial asset is derecognized and any rights and obligations created or retained in the transfer are recognized separately as assets or liabilities;
  - if control is retained, it shall continue to recognize the financial asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Whether the control of the transferred asset is retained depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, control is not retained. In all other cases, control is retained.

#### 3.4.2 Financial liabilities and equity instruments issued

Debt or equity instruments are classified as financial liabilities or equity based on the substance of the arrangement. The Company has not issued any equity instruments except share capital.

##### 3.4.2.1 Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL (change in fair value of which is accounted through profit or loss), loans and bonds, payables, or as derivatives designated as hedging instruments in an effective hedge. All financial liabilities are recognised initially at fair value and, in the case of loans, liabilities and payables, net of directly attributable transaction costs.

### 3.4.2.2 Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVPL;
- Financial liabilities at amortised cost.

The Company does not have financial liabilities measured at FVPL

### 3.4.2.3 Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and bonds are subsequently measured at amortised cost using the EIR method. Gain and loss is recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

### 3.4.2.4 Presentation and borrowing costs

Financial liabilities are classified as current unless the Company has an unconditional right to postpone repayment for at least 12 months after the end of the reporting period.

If a financing agreement concluded before the date of the statement of financial position proves that the liability was non-current by its nature as of the date of the statement of financial position, that financial liability is classified as non-current.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time (more than one year) to get ready for intended use or sale are capitalised as part of the costs of those assets until those assets are completely ready for use or sale. Interest income that relate to temporal investment of borrowed funds until their use for the acquisition of the assets are deducted from the acquisition cost of the assets.

### 3.4.2.5 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective balances is recognised in the statement of profit or loss and other comprehensive income.

## 3.5 Lease liabilities

At the commencement date of the lease the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## 3.6 Cash and Cash Equivalents

Cash and short-term deposits presented in the statement of financial position include cash on hand, cash in bank accounts, and short-term deposits with original maturities not exceeding three months.

The balance of cash and cash equivalents shown in the statement of cash flows consists of the above-mentioned cash and cash equivalents, reduced by outstanding overdrafts (in cases where overdrafts are part of the Company's cash management rather than a source of financing).

## 3.7 Fair value

The Company discloses the fair value of financial instruments valued at amortized cost in Note 21.

The determination of fair value is based on the assumption that the sale of assets or the transfer of liabilities takes place or:

- either in the main market for the asset or liability
- or
- if there is no main market, in the most favorable market for the asset or liability.

The fair value of the asset or liability is determined using the assumptions that market participants would use to determine the price of the asset or liability, assuming that market participants have their best economic interests.

The Company uses valuation methodologies that are appropriate in the circumstances and for which sufficient data are available to determine fair value, using as much relevant observable data as possible and as little unobservable data as possible.

All assets and liabilities whose fair value is determined or disclosed in the financial statements are classified according to the fair value hierarchy described below, which is based on the lowest-level significant inputs used to determine fair value:

- Level 1 includes the fair value of the asset units, which is determined based on the quoted (unadjusted) prices of identical assets in active markets.
- Level 2 includes the fair value of the asset units, which is determined on the basis of other directly or indirectly observable indicators.
- Level 3 includes the fair value of the asset units determined on the basis of unobservable indicators.

Assets and liabilities that are recognized repeatedly in the financial statements, the Company, by reassessing the distribution, decides whether the transferred amounts occurred between the levels of the hierarchy (according to the lowest level data that are significant in determining the fair value in general) at the end of each reporting period.

## 4 Risk management

### 4.1 Overview

Risks are a natural and integral part of business activities, and risk profile changes continuously. The Company aims to mitigate its risks and reduce them to an acceptable level through risk management. This part describes only the management of the main financial risks. Other risks management are presented in the Governance report.

### 4.2 Financial risk factors

The Company is exposed to a variety of financial risks in their operations: market risk (including foreign exchange risk, interest rate risk in relation to cash flows), credit risk and liquidity risk. To manage these risks, the Company seeks to minimise potential adverse effects which could negatively impact the financial performance of the Company.

#### 4.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency exchange risk, interest rate risk and commodity risk.

##### 4.2.1.1 Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The purchase contracts for day-to-day operations of the Company is mainly denominated in polish zlotys therefore the management has not identified significant exposure to foreign currency exchange risk in these operations.

However, the Company has few key construction of wind farm contracts denominated in euro and therefore is exposed to foreign exchange risk related to these contracts. As well the Company is exposed to a foreign currency exchange risk related to received loans in euro (Note 15) from group companies. As at 31 December 2023 the maturity of loans received in euro is until 26 June 2028 for amount PLN 21 740 thousand and until 31 December 2027 for amount PLN 79 362 thousand. The Company is not planning to enter into the EUR/PLN exchange rate swaps.

Therefore, the Company's management has identified significant exposure to foreign currency exchange risk related to loans received (net of cash balances denominated in EUR at banks) and payments to wind power plant contractors and discloses sensitivity analysis for this risk:

31 December 2023	Profit or loss	
	Strengthening of polish zloty against foreign currency	Weakening of polish zloty against foreign currency
EUR (11,3% movement)	11 425	(11 425)
EUR (10,6% movement)	8 948	(8 948)

##### 4.2.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has concluded long-term loan agreements with a fixed interest rate . Since the interest rate is fixed, no sensitivity analysis to interest rate changes is provided.

The Company's cash flows from core activities are not significantly dependent on changes in market interest rates.

### 4.2.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's exposure to credit risk arises from operating activities (other amounts receivable). The Company's risk related to cash is limited, as the Company keeps cash balances only in reliable financial institutions.

The Company is exposed to credit risk concentration related to other amounts receivable, however not significant as the debtors are state regulated institutions (tax institution, energy regulatory office).

The maximum exposure to credit risk is equal to the carrying amount of financial assets.

PLN thousand	Note	31 December 2023	31 December 2022
<b>Financial assets measured at amortised cost:</b>			
Non-current receivables		1	3 003
Other receivables		15 791	11 675
Cash and cash equivalents		31 835	3 022
		<b>47 627</b>	<b>17 700</b>

#### 4.2.3 Liquidity risk

The liquidity risk is managed by planning future cash flows of the entities of the Company and ensuring sufficient cash and availability of funding through committed credit facilities and overdrafts to support the Company's ordinary activities. The refinancing risk is managed by ensuring that loans over a certain period were repaid from available cash, from cash flows expected from operating activities of the Company over that period, and from unwithdrawn committed credit facilities which have to be repaid in later periods.

As at 31 December 2023, the Company's current liquidity ratio (total current assets/total current liabilities) and quick ratio ((total current assets – inventories) / total current liabilities) were 17,3 and 17,3 respectively (31 December 2022: 8,17 and 8,17 respectively). As at 31 December 2023, the Company's balance of loans not withdrawn amounted to PLN 56 730 thousand (31 December 2022: PLN 37 638 thousand)

The table below summarises the Company's financial liabilities by category:

PLN thousand	Note	31 December 2023	31 December 2022
<b>Amounts payable measured at amortised cost</b>			
Loans	15	116 538	99 937
Lease liabilities	16	33	92
Trade payables		784	5
Other current liabilities		736	1 578
<b>Total</b>		<b>118 091</b>	<b>101 612</b>

The table below summarises the maturity profile of the Company's financial liabilities under the contracts (based on contractual undiscounted payments of interest-bearing financial liabilities and the carrying amounts of other financial liabilities):

PLN thousand	2023				Total
	Less than 3 months	3 months to 1 year	From 1 to 5 years	After 5 years	
Loans	894	2 682	127 755	-	131 331
Lease liabilities	-	6	23	17	46
Trade payables	784	-	-	-	784
Other current liabilities	736	-	-	-	736
<b>As at 31 December 2023</b>	<b>2 414</b>	<b>2 688</b>	<b>127 778</b>	<b>17</b>	<b>132 897</b>

  

PLN thousand	2022				Total
	Less than 3 months	3 months to 1 year	From 1 to 5 years	After 5 years	
Loans	650	1 949	110 330	-	112 929
Lease liabilities	-	65	20	20	105
Trade payables	1	4	-	-	5
Other current liabilities	395	1 184	-	-	1 578
<b>As at 31 December 2022</b>	<b>1 045</b>	<b>3 201</b>	<b>110 350</b>	<b>20</b>	<b>114 617</b>



## 5 Critical accounting estimates and judgements used in the preparation of the financial statements

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.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. Change in the underlying assumptions, estimates and judgements may have a material effect on financial statements in the future.

Only significant accounting estimates and judgements used in the preparation of the financial statements are described in this note.

### 5.1 Determining whether servitudes established by law or transaction is a lease

Having conducted an analysis on whether servitudes established by law or transaction are subject to IFRS 16 "Leases", the Company has concluded that they are not, as time limits do not apply to servitudes established by law or transaction and the Company can use them for an unlimited period of time.

### 5.2 Lease – Determining the lease term of contracts and estimating the incremental borrowing rate

#### 5.2.1 Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company included the renewal period as part of the lease term for leases of shorter non-cancellable period (i.e., one to three, three to five, five to seven years, etc.). The Company usually exercises its option to renew for these leases. Lease of the state-owned land is not subject to an extension clause, after which the lessee has a pre-emptive right to extend the lease. The periods covered by termination options are included as part of the lease term only when they are reasonably certain to be exercised.

#### 5.2.2 Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (hereinafter referred to as 'IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### 5.2.3 Determining variability of payments

In year 2013-2021 the Company has signed land lease and easement contracts for which the first lease payment and all other subsequent payments will be started to be paid at the date when the Company receives the permit of wind farm use. Until the permit of use no lease payments are done according to those contracts. The management took a significant judgement over the measurement of lease liability for recognition. The management decided to measure the lease liability at zero value in accordance of the following matters:

- there is a variability in the date of when the permit of use will be received;
- lease payments are avoidable by the Company and therefore does not have a present obligation to make those payments at the commencement date.

The Company discloses the future cash outflows to which the Company is potentially exposed that are not reflected in the measurement of lease liability in Note 11.



## 6 First time adoption of IFRS

### 6.1 Explanation of transition to IFRSs

This note explains the main adjustments made by the Company in transforming the financial statements prepared under the Polish GAAP into financial statements compliant with IFRS. The Company did not apply the simplifications provided by IFRS 1.

#### 6.1.1 Reconciliations

The Company presents below the transition for the following financial statements:

- financial position as at 31 December 2022 and 1 January 2022
- profit or loss and other comprehensive income for the year 2022.

Notes to the reconciliation of the Statement of financial position as at 31 December 2022 and 1 January 2022 and the Statement of profit or loss and other comprehensive income for the year ended 31 December 2022:

#### 1. Recognition of lease contracts according to IFRS 16 "Lease" (hereinafter – IFRS 16) adoption

Under local GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the Statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 3.5), a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Having identified lease contracts for which the commencement date started during the year 2022 the Company made analysis according to IFRS 16 requirements and identified the contracts for which the right-of-use asset and lease liability should be recognised as at 31 December 2022.

At the date of transition to IFRS, the Company measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments.

The Company adjusted the Statement of financial position as at 31 December 2022 and profit or loss and other comprehensive income for the year 2022. Retrospective adjustments are showed in the column "1. Recognition of lease contracts according to IFRS 16".

#### 2. Deferred tax asset correction

In compliance with local GAAP, the Company has recognized a deferred tax asset for tax loss based on the expected future taxable income that may offset the loss. However, as the Company has not generated income during the year 2022, the Company revised the deferred tax calculations and made adjustments as showed in the column "2. Deferred tax asset adjustment". Once the Company starts generating income sufficient to cover the tax loss, a deferred tax asset for the tax loss will be recognized.

#### 3. Other reclassifications

The Company modified the presentation of items in the statement of financial position and reclassified deferred tax assets, deferred tax liabilities, liabilities, and advances for fixed assets. Both deferred tax assets and liabilities were presented in the statement of financial position in accordance with the AA; however, under IFRS, they should be presented net, either as "Deferred Tax Assets" or "Deferred Tax Liabilities."

Additionally, liabilities related to property, plant, and equipment were reclassified from "Trade and Other Payables" to "Other Short-Term Liabilities," and "Borrowing Interest Payables" were reclassified from "Trade and Other Payables" to "Borrowings." Prepayments related to advances for fixed assets were reclassified from "Other Prepayments" to "Advances for Fixed Assets."

In the statement of profit or loss and other comprehensive income, the Company revised the presentation of items previously classified as "Operating Expenses" and "Other Operating Costs," combining them into a single line item titled "Other Costs."

The adjustments have been presented retrospectively in the column titled "3. Other Adjustments."

Transition of the Statement of financial position for 31 December 2022:

PLN thousand	31 December 2022 as to local GAAP	1. Recognition of lease contracts ac- cording to IFRS 16	2. Deferred tax asset correc- tion	3. Other reclas- sifications	31 December 2022 as to IFRS
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	17 205	-	-	-	17 205
Right-of-use assets	-	181	-	-	181
Prepayments for non-current assets	70 102	291	-	359	70 752
Prepayments and deferred expenses	359	-	-	(359)	-
Non-current receivables	3 003	-	-	-	3 003
Deferred tax assets	406	18	(348)	(76)	-
<b>Total non-current assets</b>	<b>91 075</b>	<b>490</b>	<b>(348)</b>	<b>(76)</b>	<b>91 141</b>
Prepayments and deferred expenses	652	(652)	-	-	-
Other receivables	11 675	-	-	-	11 675
Cash and cash equivalents	3 022	-	-	-	3 022
<b>Total current assets</b>	<b>15 349</b>	<b>(652)</b>	<b>-</b>	<b>-</b>	<b>14 697</b>
<b>Total assets</b>	<b>106 424</b>	<b>(162)</b>	<b>(348)</b>	<b>(76)</b>	<b>105 838</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	47 977	-	-	-	47 977
Share premium	3 272	-	-	-	3 272
Retained earnings of the current year	(2 133)	91	(348)	-	(2 390)
Retained earnings of the prior year	(44 420)	(360)	68	-	(44 712)
<b>Total equity</b>	<b>4 696</b>	<b>(269)</b>	<b>(280)</b>	<b>-</b>	<b>4 147</b>
Non-current loans	99 721	-	-	-	99 721
Non-current lease liabilities	-	92	-	-	92
Deferred tax liabilities	206	16	(68)	(76)	78
<b>Total non-current liabilities</b>	<b>99 927</b>	<b>45</b>	<b>(68)</b>	<b>(76)</b>	<b>99 891</b>
Loans	213	-	-	3	216
Lease liabilities	-	-	-	-	-
Trade payables	1 500	-	-	(1 495)	5
Other current liabilities	88	(1)	-	1 492	1 579
<b>Total current liabilities</b>	<b>1 801</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>1 800</b>
<b>Total liabilities</b>	<b>101 728</b>	<b>107</b>	<b>(68)</b>	<b>(76)</b>	<b>101 691</b>
<b>Total equity and liabilities</b>	<b>106 424</b>	<b>(162)</b>	<b>(348)</b>	<b>(76)</b>	<b>105 838</b>

Transition of the Statement of profit or loss and other comprehensive income for the year ended 31 December 2022:

PLN thousand	2022 as to local GAAP	1. Recognition of lease contracts ac- cording to IFRS 16	2. Deferred tax asset correction	3. Other reclas- sifications	2022 as to IFRS
Depreciation and amortisation	-	(9)	-	-	(9)
Other expenses	-	97	-	(917)	(820)
Operating expenses	(917)	-	-	917	-
Other operating expenses	(12)	-	-	12	-
<b>Total expenses</b>	<b>(929)</b>	<b>88</b>	<b>-</b>	<b>12</b>	<b>(829)</b>
<b>Operating profit (loss)</b>	<b>(929)</b>	<b>88</b>	<b>-</b>	<b>12</b>	<b>(829)</b>
Finance expenses	(1 473)	1	-	(12)	(1484)
<b>Finance activity, net</b>	<b>(1 473)</b>	<b>1</b>	<b>-</b>	<b>(12)</b>	<b>(1 484)</b>
<b>Profit (loss) before tax</b>	<b>(2 402)</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>(2 313)</b>
Deferred tax (expenses)/benefit	269	2	(348)	-	(78)
<b>Net profit for the year</b>	<b>(2 133)</b>	<b>91</b>	<b>(348)</b>	<b>-</b>	<b>(2 390)</b>
<b>Total other comprehensive income (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the year</b>	<b>(2 133)</b>	<b>91</b>	<b>(348)</b>	<b>-</b>	<b>(2 390)</b>

Transition of the Statement of financial position for 1 January 2022:

PLN thousand	1 January 2022 as to local GAAP	1. Recognition of lease contracts according to IFRS 16	2. Deferred tax asset correction	3. Other reclassifications	1 January 2022 as to IFRS
<b>Assets</b>					
<b>Non-current assets</b>	12 817	-	-	-	12 817
Property, plant and equipment	-	-	-	-	-
Right-of-use assets	26 228	(360)	-	-	25 868
Prepayments for non-current assets	3 002	-	-	-	3 002
<b>Total non-current assets</b>	<b>42 047</b>	<b>(360)</b>	-	-	<b>41 687</b>
Other receivables	6 704	-	-	-	6 704
Cash and cash equivalents	1 937	-	-	-	1 937
<b>Total current assets</b>	<b>8 641</b>	-	-	-	<b>8 641</b>
<b>Total assets</b>	<b>50 688</b>	<b>(360)</b>	-	-	<b>50 328</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	47 977	-	-	-	47 977
Share capital	3 272	-	-	-	3 272
Share premium	10 787	-	-	-	10 787
Retained earnings of the current year	(55 207)	(360)	68	-	(55 499)
Retained earnings of the prior year	<b>6 829</b>	<b>(360)</b>	<b>68</b>	-	<b>6 537</b>
<b>Total equity</b>	<b>43 791</b>	-	-	-	<b>43 791</b>
Non-current loans	-	-	-	-	-
Non-current lease liabilities	68	-	(68)	-	-
Deferred tax liabilities	<b>43 859</b>	-	<b>(68)</b>	-	<b>43 791</b>
<b>Total non-current liabilities</b>	-	-	-	-	-
Loans	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	-	-	-	-	-
Other current liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>43 859</b>	-	<b>(68)</b>	-	<b>43 791</b>
<b>Total liabilities</b>	<b>50 688</b>	<b>(360)</b>	-	-	<b>50 328</b>

In the financial year ended on 31 December 2022 and 31 December 2021, the Company, pursuant to Article 48b section 5 of the Accounting Act, refrained from preparing the Cash Flow Statement.

## 7 Other expenses

PLN thousand	2023	2022
Finance and accounting	430	142
Taxes (other than income tax)	412	622
Asset management and administration	58	10
Legal	23	-
Bank services	36	25
Damages compensation	459	21
<b>Total</b>	<b>1 446</b>	<b>820</b>

## 8 Finance activity

PLN thousand	2023	2022
Positive effect of changes in exchange rates	2 024	-
<b>Total finance income</b>	<b>2 024</b>	<b>-</b>
Interest expenses	-	1 026
Negative effect of changes in exchange rates	-	446
Other finance costs	-	12
<b>Total financial expenses</b>	<b>-</b>	<b>1 484</b>
<b>Finance activity, net</b>	<b>2 024</b>	<b>(1 484)</b>

## 9 Income taxes

### 9.1 Amounts recognised in profit or loss

N thousand	2023	2022
Income tax expenses (benefit)	-	-
Deferred tax expenses (benefit)	1 388	78
<b>Total</b>	<b>1 388</b>	<b>78</b>

### 9.2 Reconciliation of effective tax rate

Income tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profit of the Company:

PLN thousand	2023	2023	2022	2022
Profit (loss) before tax		551		(2 313)
Income tax expenses (benefit) at tax rate of 19%	19,00%	105	19,00%	(439)
Non-deductible expenses	(27,95)%	154	(22,35)%	517
Tax losses utilised	(204,36)%	1 126	-	-
Other	(0,54)%	3	-	-
<b>Income tax expenses (benefit)</b>	<b>(213,85)%</b>	<b>1 388</b>	<b>(3,37)%</b>	<b>78</b>

### 9.3 Deferred tax

PLN thousand	31 December 2021	Recognised in profit or loss	Recognition of lease contracts according to IFRS 16	31 December 2022	Recognised in profit or loss	31 December 2023
<b>Deferred tax assets</b>						
Lease liability (IFRS16)	-	18	-	18	227	245
Accrued expenses	-	17	-	17	20	37
Other	-	41	-	40	(40)	-
<b>Deferred tax asset, total</b>	<b>-</b>	<b>75</b>		<b>75</b>	<b>207</b>	<b>282</b>
<b>Deferred income tax liability</b>						
Right-of-use assets (IFRS16)	-	16	-	16	16	32
Currency losses not realised	-	-	-	-	10	10
Prepaid easements	68	-	(68)	-	-	-
Other	-	137	-	137	1 569	1 706
<b>Deferred income tax liability, total</b>	<b>68</b>	<b>153</b>	<b>(68)</b>	<b>153</b>	<b>1 595</b>	<b>1 748</b>
<b>Deferred income tax, net</b>	<b>(68)</b>	<b>(78)</b>	<b>68</b>	<b>(78)</b>	<b>(1 388)</b>	<b>(1 466)</b>

As at 31 December 2023, the Company have taxable losses in an amount of PLN 6 190 thousand (2022: PLN 2 778 thousand) from which deferred tax assets is not recognized due to the probability that in the following years the Company will not generate sufficient income to allow the utilisation of loss.

## 10 Property, plant and equipment

### 10.1 Company's property, plant and equipment

PLN thousand	Construction in-progress	In total
<b>Acquisition cost at 1 January 2022</b>	<b>12 817</b>	<b>12 871</b>
Additions	4 388	4 388
<b>Acquisition cost at 31 December 2022</b>	<b>17 205</b>	<b>17 205</b>
<b>Carrying amount at 31 December 2022</b>	<b>17 205</b>	<b>17 205</b>
<b>Acquisition cost at 1 January 2023</b>	<b>17 205</b>	<b>17 205</b>
Additions	65 115	65 115
<b>Acquisition cost at 31 December 2023</b>	<b>82 320</b>	<b>82 320</b>
<b>Carrying amount at 31 December 2023</b>	<b>82 320</b>	<b>82 320</b>

### 10.2 Acquisitions and disposals of property, plant and equipment

Acquisitions of property, plant and equipment during 2023 include the acquisitions for the construction of wind farms.

The Company has significant acquisition commitments of property, plant and equipment which will have to be fulfilled during the later years (Note 22).

During 2023, the Company capitalised PLN 2 983 thousand of interest expenses on loans intended to finance development of non-current assets (2022: PLN 867 thousand). The average capitalised interest rate was 2,6% in year 2023 and 2,6% in year 2022.

### 10.3 Fully depreciated property, plant and equipment

As at 31 December 2023 and 2022, the Company had no fully amortised property, plant and equipment used in operations.

### 10.4 Pledged property, plant and equipment

As at 31 December 2023 and 2022, the Company did not have pledged assets.

### 10.5 Explanatory note to cash flows from investing activities

PLN thousand	2023
<b>Acquisition of property, plant and equipment:</b>	<b>185 612</b>
Change in property, plant and equipment	65 115
Change in prepayments for non-current assets	122 772
Value of interest capitalized on property, plant and equipment	(2 986)
Change in liabilities related to property, plant and equipment	711

## 11 Right-of-use assets

### 11.1 The Company's right-of-use assets

PLN thousand	Land	In total
<b>31 December 2021</b>		
Acquisition cost	-	-
Accumulated depreciation	-	-
<b>Carrying amount</b>	<b>-</b>	<b>-</b>
<b>Carrying amount as at 1 January 2022</b>	<b>-</b>	<b>-</b>
Additions	190	190
Depreciation	(9)	(9)
<b>Carrying amount</b>	<b>181</b>	<b>181</b>
<b>31 December 2022</b>		
Acquisition cost	190	190
Accumulated depreciation	(9)	(9)
<b>Carrying amount</b>	<b>181</b>	<b>181</b>
<b>Carrying amount at 1 January 2023</b>	<b>181</b>	<b>181</b>
Additions	116	116
Remeasurement of right-of-use assets	7	7
Depreciation	(27)	(27)
<b>Carrying amount</b>	<b>277</b>	<b>277</b>
<b>31 December 2023</b>		
Acquisition cost	313	313
Accumulated depreciation	(36)	(36)
<b>Carrying amount</b>	<b>277</b>	<b>277</b>

The Company's lease contracts are for land easements. As at 31 December 2023 the carrying amount of land lease liability amounted to PLN 33 thousand (31 December 2021: 92 thousand).

## 11.2 Expenses related to lease agreements recognised in statement of profit or loss

PLN thousand	2023	2022
Depreciation	27	9
Interest charges	3	1
Other rent expenses	18	10
<b>Lease expenses, total</b>	<b>48</b>	<b>20</b>

## 11.3 Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liability

As at 31 December 2023 the future cash outflows to which the Company is potentially exposed that are not reflected in the measurement of lease liability and accordingly of right-of-use asset are PLN 24,4 million (as at 31 December 2022: PLN 28,9 million). For more detailed information see Note 5.2.3.

## 12 Non-current receivables

PLN thousand	31 December 2023	31 December 2022	1 January 2022
Deposits to Energy Regulatory Office in Poland (Note 13)	1	3 003	3 002
<b>Total</b>	<b>1</b>	<b>3 003</b>	<b>3 002</b>
Less: loss allowance	-	-	-
<b>Carrying amount</b>	<b>1</b>	<b>3 003</b>	<b>3 002</b>

## 13 Other receivables

PLN thousand	31 December 2023	31 December 2022	1 January 2022
Value added tax	12 788	11 675	6 704
Deposits to Energy Regulatory Office in Poland	3 003	-	-
<b>In total</b>	<b>15 791</b>	<b>11 675</b>	<b>6 704</b>
Less: loss allowance	-	-	-
<b>Carrying amount</b>	<b>15 791</b>	<b>11 675</b>	<b>6 704</b>

As at 31 December 2023 a deposit PLN 3 003 thousand was reclassified from non-current receivables to other receivables. This deposit is paid to the Energy Regulatory Office in Poland to ensure the security of future energy supply. The deposit should be returned back to the Company within 60 days of the first sale of energy within the auction scheme. The first sale is planned in year 2024. The deposit is classified as financial asset.

## 14 Equity

### 14.1 Capital management

Pursuant to the Polish The Commercial Companies Code, the share capital of a private limited liability company must be not less than PLN 5 thousand, and the nominal value of the share may not be less than PLN 50. As at 31 December 2023 and 2022, the Company complied with the capital regulatory requirements.

### 14.2 Share capital and share premium

PLN thousand	31 December 2023	31 December 2022	1 January 2022
<b>Authorised shares</b>			
Ordinary shares	78 414	47 978	47 978
<b>Ordinary shares issued and fully paid</b>	<b>78 414</b>	<b>47 978</b>	<b>47 978</b>

As at 31 December 2023, the Company's share capital comprised PLN 78 414 thousand and was divided in to 1 568 281 registered ordinary shares with par value is PLN 50 of each.

During the year 2023 the Company increased its share capital by issuing new 607 731 shares with the nominal value PLN 50. The total issue price was PLN 200 880 thousand. Share premium for amount PLN 170 444 thousand was registered and share capital increased by amount PLN 30 436 thousand.

Reconciliation of the number of shares at the beginning and at the end of the year:

	2023	2022
<b>Number of authorised shares as at 1 January</b>	<b>959 550</b>	<b>959 550</b>
Issuing of ordinary shares	608 731	-
<b>Number of authorised shares as at 31 December</b>	<b>1 568 281</b>	<b>959 550</b>

## 15 Loans

PLN thousand	31 December 2023	31 December 2022	1 January 2022
<b>Non-current</b>			
Other non-current loans	115 307	99 721	43 791
<b>Current</b>			
Current portion of non-current loans	1 231	216	-
<b>In total</b>	<b>116 538</b>	<b>99 937</b>	<b>43 791</b>

Loans by maturity:

PLN thousand	31 December 2023	31 December 2022
Up to 1 year	1 231	216
From 2 to 5 years	115 307	99 721
<b>In total</b>	<b>116 538</b>	<b>99 937</b>

As at 31 December 2023 the Company's loans amounted to PLN 101 102 thousand were denominated in euro (31 December 2022: 84 634) and PLN 15 436 thousand – in Polish zlotys (31 December 2022: PLN 15 303 thousand).

### 15.1 Covenants

The loan agreements provide no financial and non-financial covenants that the Company is obliged to comply with.

## 16 Net debt

Net debt is a non-IFRS liquidity metric used to determine the value of debt against highly liquid assets owned by the Company. While implementing risk management strategy, the management monitors net debt ratio.

This note sets out an analysis of net debt, a non-IFRS measure for the purposes of these financial statements presentation defined by management as presented below.

Debts to Group companies and related interest payables and lease liabilities are included in the net debt calculation.

Net debt balances:

PLN thousand	31 December 2023	31 December 2022	1 January 2022
Cash and cash equivalents	(31 835)	(3 022)	(1 937)
Non-current loans	115 307	99 721	43 791
Current portion of non-current loans	1 231	216	-
Lease liabilities	33	92	-
<b>Net debt</b>	<b>84 736</b>	<b>97 007</b>	<b>41 854</b>

Reconciliation of the Company's net debt balances cash flows from financing activities:

PLN thousand	Assets		Lease liabilities		Loans		Total
	Cash and cash equivalents	Non-current	Current	Non-current	Current		
<b>Net debt at 1 January 2022</b>	<b>(1 937)</b>	-	-	<b>43 789</b>	-	<b>41 852</b>	
<b>Cash changes</b>							
Increase (decrease) in cash and cash equivalents	(1 085)	-	-	-	-	(1 085)	
Proceeds from loans	-	-	-	99 721	-	99 721	
(Repayments) of loans	-	-	-	(43 789)	-	(43 789)	
Lease payments	-	-	(99)	-	-	(99)	
Interest paid	-	-	-	-	(1 677)	(1 677)	
<b>Non-cash changes</b>							
Lease contracts concluded	-	33	157	-	-	190	
Reclassifications between items	-	(4)	4	-	-	-	
Accrual of interest payable	-	-	1	-	1 893	1 894	
<b>Net debt at 31 December 2022</b>	<b>(3 022)</b>	<b>29</b>	<b>63</b>	<b>99 721</b>	<b>216</b>	<b>97 007</b>	
<b>Net debt at 1 January 2023</b>	<b>(3 022)</b>	<b>29</b>	<b>63</b>	<b>99 721</b>	<b>216</b>	<b>97 007</b>	
<b>Cash changes</b>							
(Increase) decrease in cash and cash equivalents	(28 813)	-	-	-	-	(28 813)	
Proceeds from loans	-	-	-	15 586	-	15 586	
Lease payments	-	(116)	(66)	-	-	(182)	
Interest paid	-	-	-	-	(1 968)	(1 968)	
<b>Non-cash changes</b>							
Lease contracts concluded	-	116	-	-	-	116	
Accrual of interest payable	-	-	3	-	2 983	2 983	
Reclassifications between items	-	(3)	3	-	-	-	
Other	-	4	-	-	-	4	
<b>Net debt at 31 December 2023</b>	<b>(31 835)</b>	<b>30</b>	<b>3</b>	<b>115 307</b>	<b>1 231</b>	<b>84 736</b>	

## 17 Contingent liabilities and commitments

### 17.1 Litigations

The Company has no significant litigations as at 31 December 2023 and 2022.

### 17.2 Other contingent liabilities and commitments

The Company has significant acquisition commitments of property, plant and equipment which will have to be fulfilled during the later years. Company's acquisition and construction commitments amounted to PLN 37,2 million (31 December 2022: PLN 288,4 million).

## 18 Related party transactions

Related parties include:

- parent company's controlling shareholder (AB „Ignitis grupė“) or those who have significant influence;
- the Group companies;

- Ministry of Finance of the Republic of Lithuania along with agencies and enterprises that are attributable to the governance of the decisions (only significant transactions are being disclosed with such companies);
- key management personnel and close members of that personnel's family and their controlled enterprises and companies.

Related parties	Accounts Receivable 31 December 2023	Loans granted 31 December 2023	Accounts payable 31 December 2023	Loans Received 2023	Sales 2023	Purchases 2023	Finance Income (expenses) 2023
Ultimate controlling company AB „Ignitis grupė“	-	-	-	3	-	-	-
Parent company UAB "Ignitis renewables"	-	-	-	22 155	-	-	-
Other group companies	-	-	462	94 380	-	369	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>462</b>	<b>116 538</b>	<b>-</b>	<b>369</b>	<b>-</b>

Related parties	Accounts Re- ceivable 31 De- cember 2022	Loans granted 31 December 2022	Accounts payable 31 December 2022	Loans Received 2022	Sales 2022	Purchases 2022	Finance Income (expenses) 2022
Parent company UAB "Ignitis renewables"	-	-	-	-	-	-	(90)
Other group companies	-	-	9 934	-	-	-	(933)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9 934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 023)</b>

### 18.1 Terms of transactions with related parties

The payment terms set range from 30 to 90 days. Closing debt balances are not secured by pledges, they do not yield interest, and settlements occur in cash. There were no guarantees given or received in respect of the related party payables and receivables.

### 18.2 Compensation to key management personnel

EUR thousand	2023	2022
Wages and salaries and/or other current benefits to key management	-	-
Number of key management personnel	2	2

In 2023 and 2022 members of Board and Supervisory board are considered to be the Group's key management personnel, the Company did not pay salaries or other benefits to key management personnel. For more information on the key management personnel, see the "Management Board" of Annual Management Report.

## 19 Fair values of financial instruments

### 19.1 Financial instruments for which fair value is disclosed

The fair value of the Company's financial liabilities related to debt liabilities to Group companies is calculated by discounting future cash flows with reference to the interest rate observable in the market. The cash flows were discounted using a weighted average discount rate of 8.02% as at 31 December 2023 (31 December 2022: 9.13%). The measurement of financial liabilities related to loans received is attributed to Level 2 of the fair value hierarchy.

The table below presents allocation between the fair value hierarchy levels of the Company's financial instruments as at 31 December 2023:

PLN thousand	Note	Carrying amount	Level 1 Quoted prices in active markets	Level 2 Other directly or indirectly observable inputs	Level 3 Unobservable inputs	Total
<b>Financial instruments for which fair value is disclosed</b>						
<b>Liabilities</b>						
Loans received		116 538	-	116 538	-	116 538

The table below presents allocation between the fair value hierarchy levels of the Company's financial instruments as at 31 December 2022:

PLN thousand	Note	Carrying amount	Level 1 Quoted prices in active markets	Level 2 Other directly or indirectly observable inputs	Level 3 Unobservable inputs	Total
<b>Financial instruments for which fair value is disclosed</b>						
<b>Liabilities</b>						
Loans received		99 937	-	99 937	-	99 937



## 20 Reasons for differences between changes resulting from the statement of financial position and changes resulting from the statement of cash flows

PLN thousand	2023	2022
<b>(Increase)/decrease in other amounts receivable:</b>	<b>(1 114)</b>	<b>(4 971)</b>
- change in other receivables	(4 116)	(4 971)
- change in non-current receivables	3 002	-
<b>Increase/(decrease) in trade payables and other current liabilities:</b>	<b>645</b>	<b>(466)</b>
- change in trade payables	779	4
- change in other current liabilities	(842)	1 578
- change in lease liabilities	(3)	-
- change in liabilities related to property, plant and equipment	711	(1 232)
- IFRS first time adoption	-	(291)
- damages and compensations	-	(11)
- foreign exchanges on liabilities valuation	-	(446)
- easments prepayments	-	(68)

## 21 Events after the reporting period

In the first quarter of 2024 the wind farm was connected to the high voltage network and started electricity production achieving full operational ability. There were no other significant events after the reporting period until the issue of these financial statements.

\*\*\*\*\*

## 2 Information on the auditor

### Overview

Pursuant to the resolution of the General Meeting of Shareholders of the Company of 5 July 2023, KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp.k. was selected to audit the company's financial statements for the years 2023-2027.

### Services and fees

Based on the Group's policy the annual fee for non-audit services provided by our statutory auditor cannot exceed the annual fee for statutory audit services measured at Group level. The cap may be exceeded subject to approval by the Audit Committee of the parent company.

#### Independent auditor's services and fees

PLN thousand	2023	2022
Audit of the annual financial statements under the agreements	91	-