ORION
CAPITAL MARKETS | INVESTMENT BANKING

Sun Investment Group, UAB

One of the leading solar PV developers

Public bond offering – webinar

November 8th, 2024

Si Sun Investment Group

Presenters

Sun Investment Group

Deividas Varabauskas
Founder and CEO

ORION

Mykantas Urba
Head of corporate finance

Important Notice

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Investment Summary

Investment offer

Offer

International vertically integrated solar PV developent group is seeking to issue up to EUR 8M of bonds to finance Group‘s investment and working capital needs, and refinance existing bond issue.

Key terms

- **Issuer** – Sun Investment Group UAB
- **Issuer‘s country of registration** – Lithuania
- **Public bond issue**
- **Total Issue size** – up to EUR 8m
- **Coupon rate** – 11.5%
- **Coupon payment** – semi annual
- **Term** – 24 months
- **Collateral** – First rank pledge of subsidiary companies in Italy, controlling portfolio of 378MW solar development projects. Estimated current value is ~ EUR 22M.
- **Use of proceeds** – Financing of Group’s investment and operational activities, refinancing of current bond issue.

Terms Sheet of the Bonds (I)

Bonds	Secured Fixed Rate Bonds with the maturity of 24 months
Status of the Bonds	The Bonds constitute direct, secured, unconditional, and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
ISIN	LT0000409963
Specified Currency	Euro (EUR)
Issue Price	100% of the Nominal Amount
Nominal Amount (Denomination)	EUR 1,000
Issue Amount	Up to EUR 8,000,000
Issue Date	29 November 2024
Maturity Date	29 November 2026
Interest Rate	11.5% per annum
Interest Payment Date(s)	29 May and 29 November on each year
Admission to Trading	To be admitted to the First North (Nasdaq Vilnius) Bond list within 3 months after the Issue Date.
Day Count Fraction	ACT/ACT ICMA
Collateral	The Bonds will be secured by the *first rank pledge* of 100% shares of the paid-up share capital and voting rights of Issuer's Subsidiaries in Italy: SIG Project Italy 3 S r l registration No 05555130284 registered at address Largo degli Obizzi n 19 5 sotto, Albignasego Italy SIG Project Italy 4 S.r.l., registration No. 05555140283, registered at the address Largo degli Obizzi n.19/5, sotto, Albignasego, Italy SIG project Italy 5 S.r.l, (registration No. 05555230282, registered at the address Largo degli Obizzi n.19/5, sotto, Albignasego, Italy SIG project Italy 6 S.r.l. (registration No. 05656510285, registered at the address Largo degli Obizzi n.19/5, sotto, Albignasego, Italy); The Collateral will be provided on the Issuer Date latest.
Use of proceeds	The net proceeds from the issue of the Bonds will be used to: (i) refinance previous bond issue (ISIN LT0000313256); and (ii) finance the Group's working capital and further project portfolio development costs.
Early redemption	At 101% of the Nominal Amount plus accrued Interest if early redemption date occurs 12 months but not later than 18 months after the Issue Date; at 100% of the Nominal Amount plus accrued Interest if early redemption date occurs 6 months before Maturity Date.
Early redemption (Investor Put option)	At 102% of the Nominal Amount only in case of De-listing Event or Listing Failure.
Special Undertakings	Limits on Dividends; Restrictions on Disposal of Assets of Pledged Subsidiary; Financial Indebtedness Restrictions on Pledged Subsidiary; Change of Control Event over Key Subsidiaries; Financial Reporting.
Events of default	Non-payment; Breach of Collateral; Breach of Special Undertakings; Breach of other obligations; Liquidation; Insolvency; Insolvency proceedings; Impossibility or illegality.

Investment highlights

Experienced player

- “Sun Investment Group” (SIG) ranks among Europe's top solar PV development companies
- Proven track record in executing and developing solar power projects of different sizes and types
- Robust in-house expertise, covering all stages from greenfield development to construction, operation, and maintenance

Strong financial position of the Group

- The Issuer holds a solid equity position of over EUR 11M (valued at cost basis), backed by an asset portfolio of over 3 GW
- Strong project pipeline with ~300 MW at Ready-to-Build stage that will become operational within the next few years
- Positive EBITDA and net profit metrics in 2023 and 2024 HY

Secure and liquid green sector

- Solar PV sector is seen as a strategic way to gain energy independence and security
- The sector plays a significant role in the European Green Deal
- Highly liquid asset class, attracting strong interest from financial investors, strategic players, and other institutions
- The Issuer operates in two of Europe's most promising solar development markets: Poland and Italy

Secured high-yield investment

- Medium-term debt – up to 24 months
- Fixed 11.5% interest rate
- Secured bond structure with first lien pledge on project SPVs that develop solar portfolio Italy with a current estimated market value of over EUR 22.7M

Description of the Issuer and its Business

"Sun Investment Group" overview

- Established in 2017, "Sun Investment Group" is a vertically integrated PV developer focused on delivering high-quality solutions in the solar energy industry.
- The Group covers the entire solar PV value chain from development, construction to operation and maintenance, with the ability to optimize costs and generate value in each stage of the asset lifecycle
- PV development activities in Lithuania, Poland, and Italy.
- Proven track record of PV power plants development, construction & realization.

Key facts

>80
In-house experts

>200MW
Executed utility scale, C&I & B2C projects in Poland, UK & Lithuania

>3GW
Portfolio in development in Poland, Italy & Lithuania

4 offices
in Poland, Lithuania, Italy, Spain

Geographical presence

Lithuania	Poland	Italy
Sun Investment Group	Sun Investment Development	Sun Investment Development
eternia solar	eternia solar	eternia solar
Services	Services	

Sun Investment Group

Proven track record of solar PV development and divestment

2017

Establishment of the Group. Development and sale of 2 MW with the UK's multi family office

Establishment of Lithuanian B2B EPC company in JV with I+D Energias

Acquisition and development of 43 MW projects in Poland

2018

Acquisition of RTB 66 MW in Poland

2019

In house development of 400 MW+ Greenfield portfolio

Commissioning of 43 MW

2020

Listed among Solar Plaza TOP 50 European Companies

Sale of 43 MW operational solar portfolio in Poland to Aberdeen Standard Investments

Entered new market in Italy

In-house development of greenfield portfolio reached 1GW

Commissioning of 66 MW

2021

Acquisition of RTB 24 MW in Poland, and start of construction

"Sun Investment Group's" Portfolio ranks 40 among TOP 50 Largest in Europe

Sale of 13 MW operational portfolio as part of 24 MW contract to Alternus Energy

2022

Sale of 11 MW operational portfolio as part of 24 MW contract to Alternus Energy

2023

Issued bonds to further fund development and construction of solar PV projects.

2024

Secured a 5-year revolving financing facility which is planned to be used for building around 120 MW of Solar PV power plants in Poland

Started the construction of 29 MW solar PV power plants in Poland.

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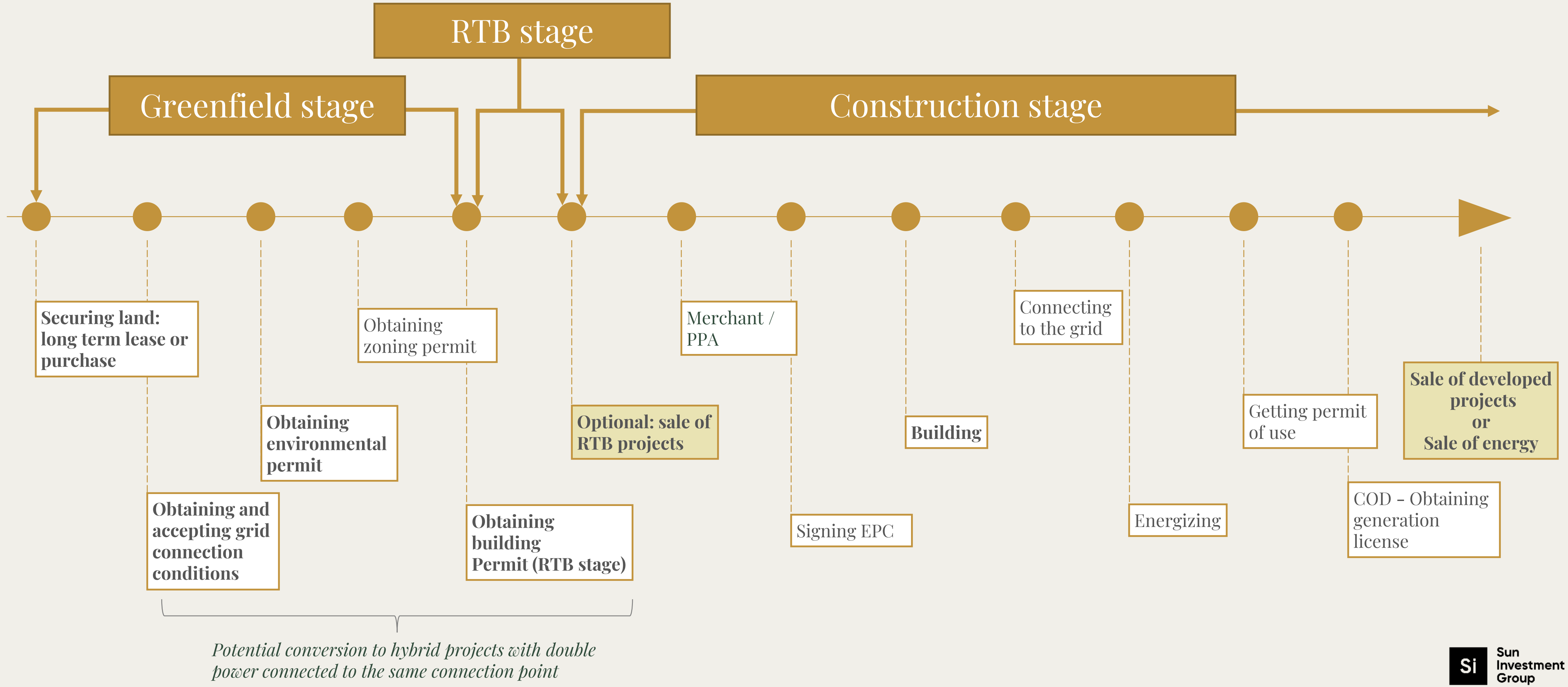
Business lines

"Sun Investment Group" operates two main business lines related to solar PV project development and construction

	Business line	Target market	Description
1	**Solar PV greenfield developments**	• Poland • Italy • Lithuania	Full PV project development and management from greenfield to COD: • Plant development from scratch to RTB stage: land acquisition, obtaining environmental and zoning permits, grid connection agreement and building permit. • Development management during construction phase until generation license is obtained. • Completed projects are sold to institutional and strategic investors. In the near future the group might also start holding some of the projects on its balance sheet, which would bring revenues from sale of electricity. • Remote power plants development to commercial and retail customers in Lithuania, sold through proprietary online platform. • The Group is considering future expansion into the wind power sector by developing hybrid (solar + wind) projects within its existing portfolio, enabled by recent changes in Polish regulations
2	**EPC and O&M**	• Lithuania • Poland	• Construction of Utility scale projects for: – Projects developed by "Sun Investment Group" – Third parties • Professional and long-term O&M services for PV projects

Typical PV development process

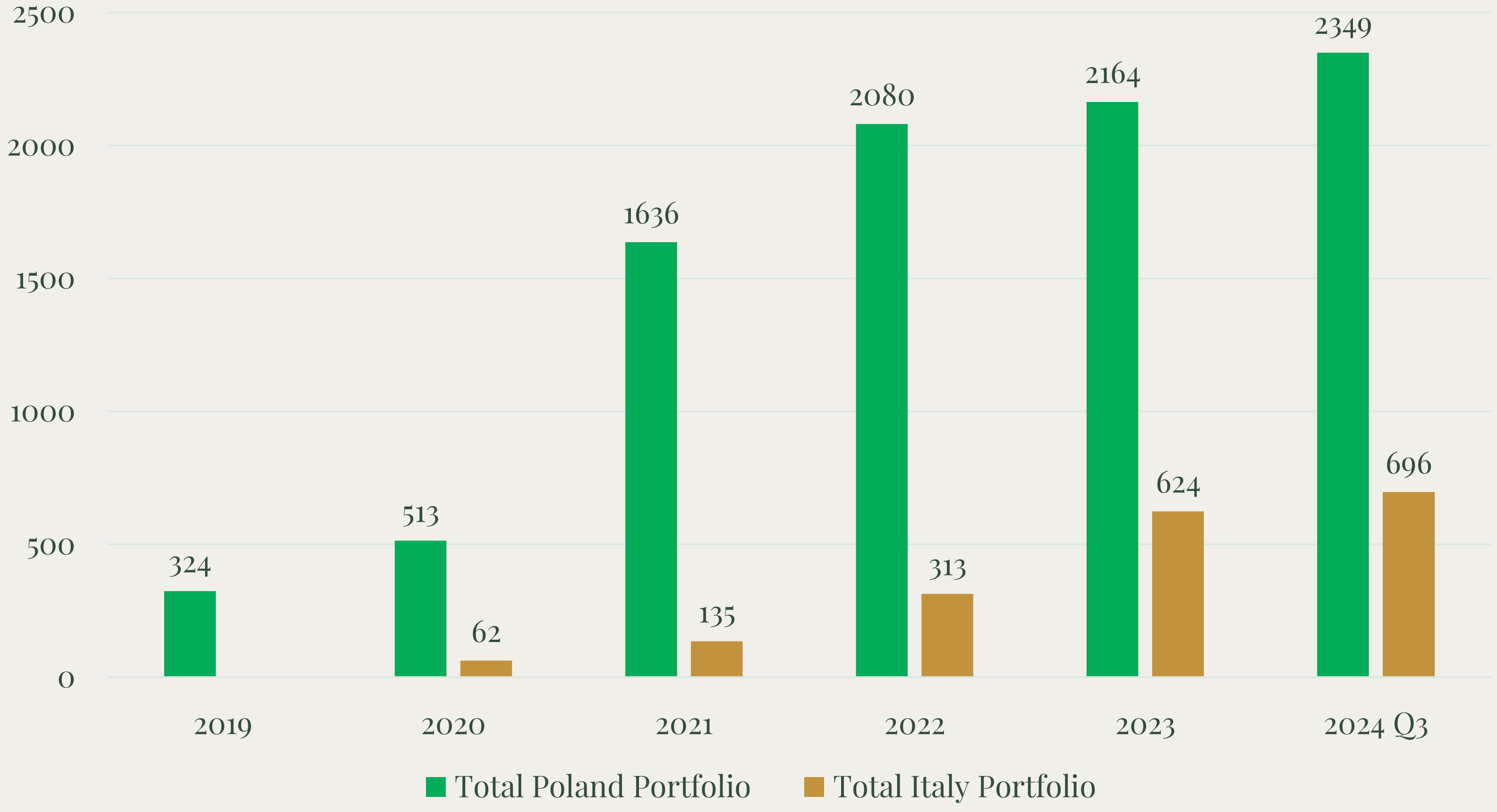
The Group can cover all stages of PV development, today focusing on taking projects to COD (operational) stage



Project portfolio

Rapidly growing and maturing portfolio – total size now amounts to over 3GW

Development project portfolio in key markets, MWp

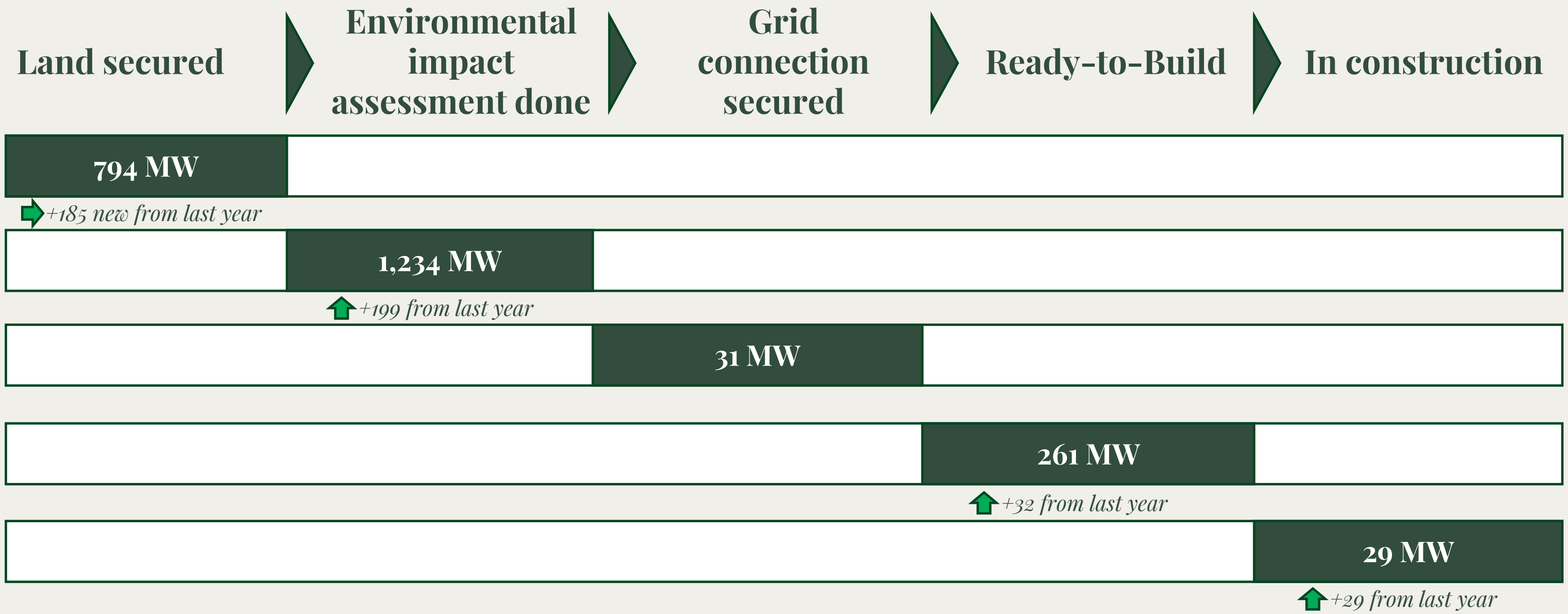


Comments

- Since 2019, "Sun Investment Group" has achieved notable portfolio expansion.
- The portfolio's total capacity (across various development stages) has now surpassed 3GW.
- Following the sale of a 24 MWp portfolio in Poland in 2022, the Group focused on expanding project development and advancing existing projects. Consequently, no major project sales revenues were recorded in 2023-2024, since the Group did not sell operating solar power plants.
- Despite this, the number of both ready-to-build and earlier-stage solar projects has continued to grow steadily.
- The Group is already actively engaging with potential buyers and preparing for project exits (sales) planned to begin in 2025.

Polish developments overview

More than 2 GW of developments, around 300 MW at Ready-to-Build stage, and 29 MW already in construction



Why Polish market?

- **Energy Transition:** Poland is making efforts to transition to cleaner and more sustainable energy sources. This transition (which still has a long way to go) is driven by environmental concerns and international commitments that require the country to reduce GHG emissions.

Today Poland is still very reliant on coal and has not yet started to close its coal-fired power plants. However, from 2026, when such power plants start to close due to the EU's emission reduction requirements, the demand for clean electricity will increase even further.

- **High electricity price:** Even with coal as a source today Poland has higher electricity prices (e.g. compared to the Baltics), therefore more and more market players are opting for solar power plants as a cheaper generation alternative.

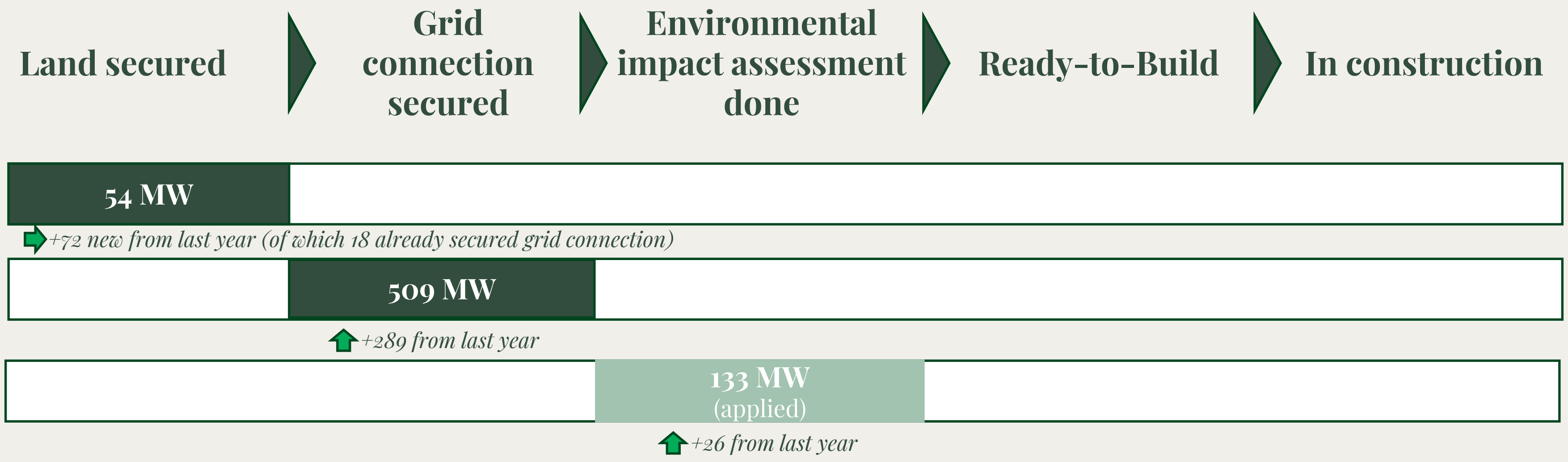
Development & exit plans

- "Sun Investment Group's" biggest portfolio is in Poland
- Total size of developments here exceed 2.3 GW, of which close to 300 MW are in Ready-to-Build (RtB) stage
- 29 MW of RtB projects are currently under construction and later on will be sold at an operational phase
  - Construction is be financed with a revolving bridge financing facility
  - The revolving financing facility is able secure the construction of around 100 MWp over a 2 year period
- In the next 2 years up to 100 MW of operational small-scale project sales in Poland are planned by the Issuer that would bring >EUR 80 M of proceeds and would finance redemption of the bonds.

**Data at the date of Information Document*

Italian developments overview

Close to 700MW portfolio of solar developments, with additional ~300MW securing the grid connection since last year



Development & exit plans

- The Group's portfolio in Italy includes nearly 700 MW of projects in the pre-Ready-to-Build phase, increase of over 70 MW over the past year.
- Most of the current pipeline has already secured grid connection agreements (advancement by almost 300 MW since last year) and made the required grid deposit payments.
- SIG has a dedicated team of 9 members, focused on the Italian market.

Why Italian market?

- **Abundant Sunshine:** Italy enjoys abundant sunlight throughout the year, particularly in southern regions. This high solar irradiance makes it an ideal location for solar power generation. On average, Italy receives about 1,300 to 1,800 kWh/m² of solar radiation annually.
- **High electricity price**: Dependence on natural gas fired generation and weak grid interconnection infrastructure are the structural reasons why Italy has one of the highest electricity prices in EU. High electricity prices make alternative energy sources, like solar PV, more economically attractive.
- **EU Renewable Energy Targets:** Italy is obligated to meet renewable energy targets set by the EU. Investing in solar power is a way for Italy to contribute to these goals. Italy is one the largest countries in Europe, hence the transition to hit the EU target is still a long way to go

**Data at the date of Information Document*

Lithuanian developments overview

Remote power plant projects

Internally developed projects

9.3 MW
Completed projects

8.5 MW
Projects under construction

7.1 MW
Projects under development

**Data at the date of Information Document*

Approach to Lithuanian market

- While "Sun Investment Group" has development projects in home market Lithuania, this region is not a strategic focus due to its smaller market size and growth potential.
- The current projects emphasize remote power plant models catering to individuals, businesses, and public institutions. The Group also operates its own online platform for direct sales to end customers.
- Lithuanian projects are managed through a sister entity of the Issuer.

EPC business

"Sun Investment Group" company Eternia Solar is one of the leading EPC and O&M providers in the Baltics and Poland

eternia solar

- Eternia Solar is a solar energy company that provides full-scope solar power contracting services for businesses from design and installation (EPC) to operation & maintenance (O&M)
- According to the Group, Eternia Solar is one of the leading C&I EPC companies in the Baltic region and a fast-growing player in Poland and other markets.
- The company supplies its customers with equipment from top-class manufacturers and offers a wide range of operation and maintenance solutions, ensuring the long-term performance of solar power plants.
- The company can build 50-70 MW yearly with the current facilities.
- In 2023 revenue was EUR 13M and net profit was EUR 1.3M, based on annual financial accounts. This part of the Group's business is profitable and relatively stable, which helps to better balance the Group's cash flow in the short term.

>20
solar experts

>215MW
of finished solar power plants

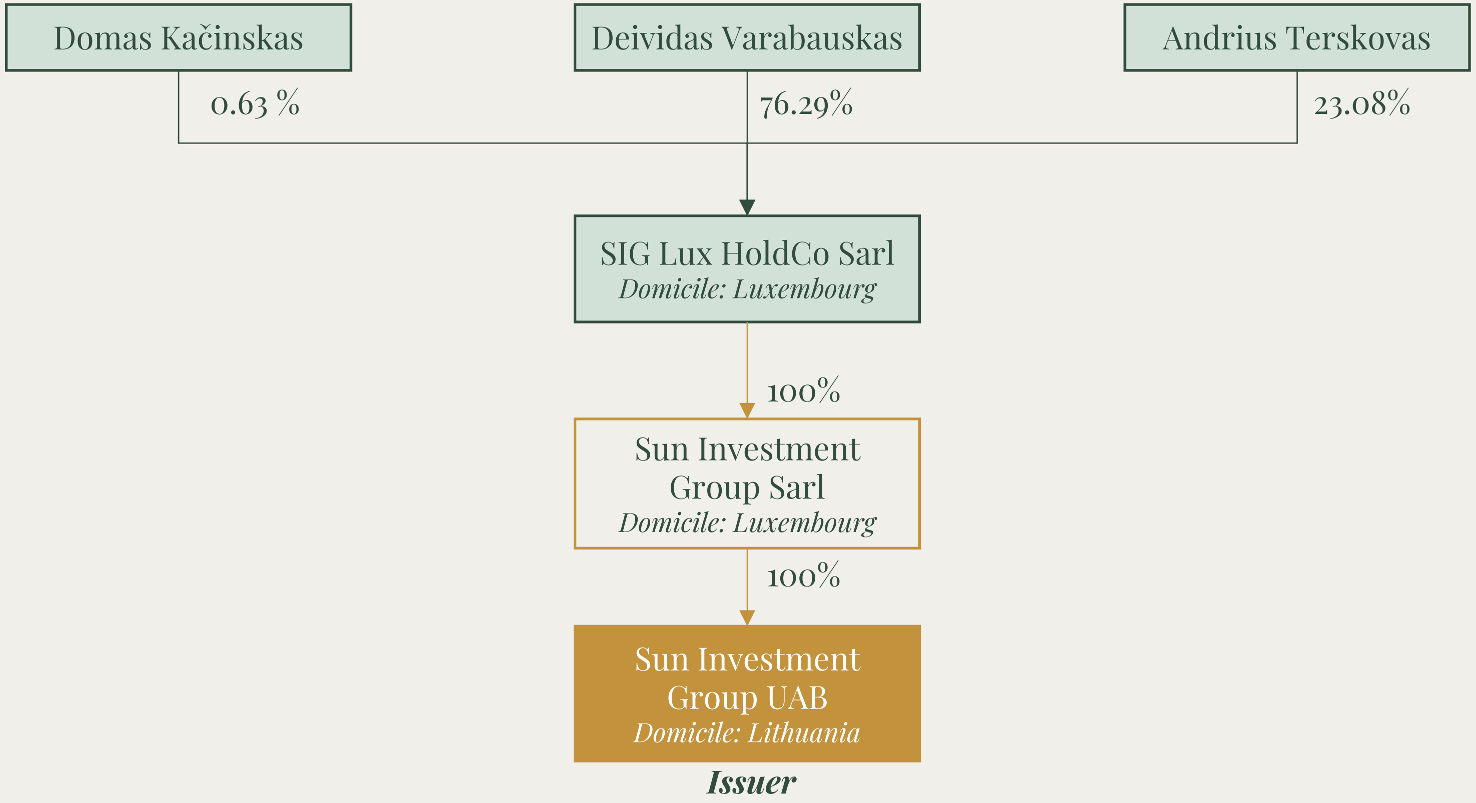
>300
completed international projects

>17 MW
of projects in progress

Gardno, 10 MW

Ignitis, 6 MW

Shareholders structure



Management & team (I)

According to the Articles of Association, the Issuer is managed by the Chief Executive Officer (CEO) only.

Deividas Varabauskas

Founder
Chief Executive Officer

- Founder and CEO of Sun Investment Group, has been working in the solar industry since 2007. Deividas has a successful track record in leading various areas related to solar energy projects, such as greenfield development, M&A, EPC management and financing.
- Deividas is in charge of strategic planning at SIG.

Gediminas Januškevičius

Chief Financial Officer

- Gediminas has over 10 years of professional experience, in Renewable Energy and Real estate sectors.
- Gediminas has diverse experience in M&A, Project Financing, Financial Analysis and Corporate Finance in various countries, including the Baltic States, Poland, Italy.
- Key responsibilities include management of fundraising processes and effective oversight of the group's financial position.

Enrique Gomez de Priego Fernandez

Chief Operating Officer

- Experienced Senior Executive with more than 20 years of experience in Renewable Energy, being involved in more than 13 GW of renewable projects in different phases.
- Expertise covering the whole cycle from development to construction, commissioning, and asset management and different technologies such as PV, Onshore wind, Floating Offshore Wind, Biomass, Mini Hydroelectric, Storage and Hydrogen.

Employee count by occupation

7	Top management
22	Administration
26	EPC
28	Development

Sun Investment Group

Management & team (II)

Jonė Kalasiūnaitė

Chief Legal Officer

- 10 years of experience in the legal sector.
- 6 years as an associate at "Martovičius and Damušis" law firm.
- 4 years of experience in areas of law related to the development of photovoltaic power plants in Lithuania, Poland and Italy, construction of photovoltaic power plants and OM (Operations & Maintenance) services and financing.

Francisco Giron

Head of EPC

- Juan brings 22 years of engineering experience in the Energy Sector, mostly in Power plants, ranging from Diesel and gas engines to onshore wind, BESS systems, HV substation and lines, and lately in green Hydrogen plants for companies like Endesa and Enel Green Power.
- After working and living 5 years in the US, he is back to Europe to contribute to a greener and more resilience and sustainable energy production back home.

Wojciech Chylek

Country Manager in Poland

- Experienced manager with 18 years of proven track on multi billion projects both energy and construction market. Previously worked within the capital groups of Areva, Strabag, PGE, EDF, Columbus. EMBA holder.
- Strong technical background coupled with management skills and leadership development.

Employee count by occupation

7	Top management
22	Administration
26	EPC
28	Development

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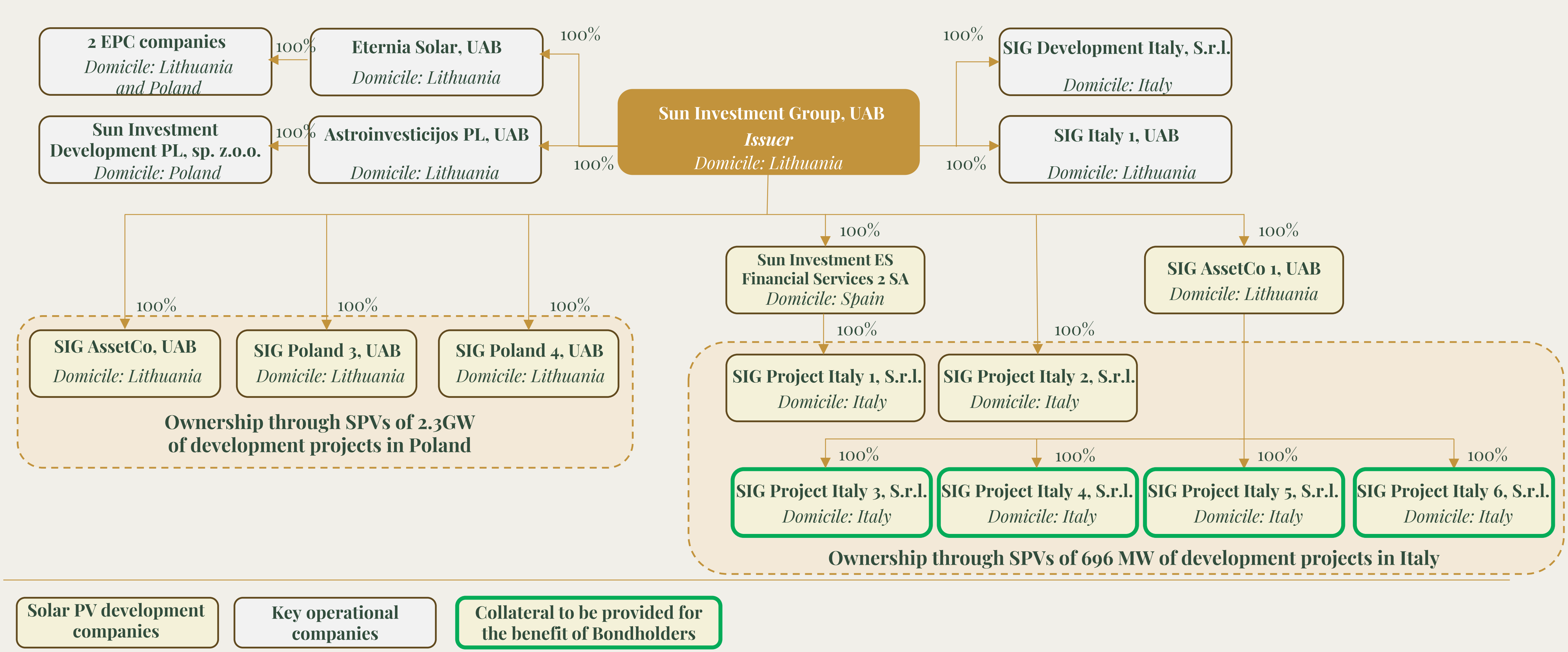
Issuer's group structure



Complete structure with all operational companies and all SPV companies can be found in the Annex 1

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Financials

Historical financial information (I)

Issuer‘s consolidated audited profit (loss) statement

Consolidated profit (loss) statement, kEUR	2022	2023 H1*	2023	2024 H1*
Revenue	23,554	6,613	12,946	3,643
Cost of sales	-22,970	-5,105	-10,340	-2,301
Gross profit	**584**	**1,508**	**2,606**	**1,345**
Other activity income	170	83	326	194
Other activity expenses	-186	-13	-86	-15
Selling expenses	-71	-	-	-
Administrative expenses	-2,816	-953	-1,714	-548
Operating profit (loss)	**-2,320**	**652**	**1,132**	**974**
Profit (loss) on disposal of investments into subsidiaries	**642**	**-**	**-**	**-**
Finance income	209	183	1,443	518
Finance costs	-613	-179	-708	-747
Result from financing activities	**-403**	**4**	**734**	**229**
Operating profit (loss) before tax	**-2,082**	**629**	**1,866**	**745**
Corporate income tax	-210	285	724	112
Net profit (loss)	**-2,292**	**914**	**2,590**	**633**
EBITDA	-2,096	854	2,712	758

**Results are not audited*

Sources: 2022 and 2023 results: Issuer‘s consolidated annual audited financial accounts;
2023 H1 and 2024 H1 results: Issuer‘s consolidated interim (unaudited) financial accounts

Comments

- Due to Group‘s focus on portfolio development / advancement, no major project sales were performed in the last few years.
- Despite that, in 2023 and 2024 H1 the Issuer recorded positive EBITDA and net profit figures.
- This was achieved as a result of:
  - Streamlined operations in 2023 – 2024, which allowed to considerably reduce admin. and related expenses
  - Group‘s EPC business arm that generates over EUR 1M of net profit per year and helps to offset part of Group‘s upfront costs related to portfolio development
- The Issuer is already engaging with potential buyers for the first batch of its portfolio that is under construction, which could bring significant sales revenues starting with 2025.

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Historical financial information (II)

Issuer‘s consolidated audited balance sheet statement - assets

Consolidated balance statement, kEUR	2022	2023 H1*	2023	2024 H1*
Property, plant and equipment	2,724	3,841	6,870	6,563
Investment property	–	–	–	–
Intangible assets	30,458	33,656	36,562	41,713
Assets held under right of use	–		181	302
Granted long-term loans and long-term deposits	514	257	2,279	2,965
Other investments	–	–	–	1,723
Trade and other receivables	–	–	–	–
Deferred income tax asset	5	5	–	–
Total non-current assets	**33,702**	**37,759**	**45,892**	**53,265**
Loans granted and term deposits	60	30	1,017	1,060
Other investments	–	–	–	–
Inventories	1,499	2,363	1,363	691
Trade and other receivables	1,859	775	2,831	2,711
Contract assets	2,261	1,597	–	–
Prepayments, deferred costs and accrued income	2,508	2,141	5,926	3,658
Advance corporate income tax	8	–	9	11
Cash and cash equivalents	3,173	4,787	1,215	4,148
Total current assets	**11,368**	**11,693**	**12,361**	**12,279**
TOTAL ASSETS	**45,070**	**49,452**	**58,253**	**65,544**

**Results are not audited*

Sources: 2022 and 2023 results: Issuer‘s consolidated annual audited financial accounts;
2023 H1 and 2024 H1 results: Issuer‘s consolidated interim (unaudited) financial accounts

Comments

- ~3GW of developments portfolio, according to IFRS guidelines, is valued at cost and is recorded as „intangible assets“. The balance sheet value of these assets is then over EUR 40 M as of end of June 2024.
- According to the Group’s internal estimates, the market value of this portfolio could be more than EUR 80M (300 MW of RtB projects alone would be priced at over EUR 40M)

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Historical financial information (III)

Issuer‘s consolidated audited balance sheet statement – equity and liabilities

Consolidated balance statement, kEUR	2022	2023 H1*	2023	2024 H1*
Share capital	101	101	101	101
Legal reserve	10	10	20	20
Currency exchange translation reserve	-51	-50	-41	-41
Retained earnings (loss)	8,525	9,439	11,113	11,747
Equity attributable to shareholders of the parent company	**8,584**	**9,500**	**11,193**	**11,827**
Non-controlling interest	–	-	-	-
Total equity	**8,584**	**9,500**	**11,193**	**11,827**
Bank loans and lease liabilities	96	20,243	3,485	23
Other borrowings	24,466	-	29,515	42,193
Corporate income tax liabilities	–	3	-	-
Deferred tax liabilities	576	291	205	392
Trade and other payables		249		-
Total non-current liabilities	**25,138**	**20,786**	**33,205**	**42,609**
Bank loans and lease liabilities	3,955	14,945	822	1,750
Bond issue			5 000	5 061
Other borrowings	3,621	-	1,679	1 740
Corporate income tax liabilities	–	13	6	5
Prepayments received, accrued liabilities and deferred income	1,538	2,986	3,214	1 190
Contract liabilities	161	159	-	-
Employment related liabilities	677	629	620	369
Trade and other payables	1,396	434	2,514	994
Total current liabilities	**11,348**	**19,166**	**13,855**	**11,109**
Total liabilities	**36,486**	**39,952**	**47,060**	**53,717**
TOTAL EQUITY AND LIABILITIES	**45,070**	**49,452**	**58,253**	**65,544**

**Results are not audited*
Sources: 2022 and 2023 results: Issuer‘s consolidated annual audited financial accounts;
2023 H1 and 2024 H1 results: Issuer‘s consolidated interim (unaudited) financial accounts

Information about debts

As of 30 June 2024, on a consolidated level the total financial debts of the Issuer were equal to 50 mEUR, comprising of

- 8.5 mEUR debts payable within 1 year and
- 41.5 mEUR debts with longer maturity.

Out of total financial debt

- 46.6 mEUR is secured with a pledge of shares of subsidiary companies;
- 1.8 mEUR is secured by pledge of Eternia Solar LT (EPC company) inventories, receivables and promissory note;
- 1.6 mEUR of debt is unsecured.

- Majority of financial debt are private loans for development purposes, issued on project company level (in Poland and Italy)

- In Q3 2024 SIG group company signed a 15.8 mEUR revolving financing facility which is being used to build Solar PV plants in Poland.

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Key Terms of the Bonds

Financing need and repayment

Reason for the Bond issue

- To grow the number of projects with reached Ready-to-Build stage
- To increase the share of projects sold on operational stage
- To diversify sources of working capital financing
- Potential new opportunities in the market

Use of proceeds

- Financing project portfolio development costs
- Working capital
- Refinancing of existing bond issue

Repayment of bonds

Within 24 months of the bond issue, "Sun Investment Group" will pursue one of the following strategies that will generate sufficient cash flows to repay the bond:

1. Up to 100 MW of operational small-scale project sales in Poland, which would bring >EUR 80 M of proceeds.

2. Construction of large-scale projects (total >200 MW) in Poland, which would bring significant proceeds from EPC activity and long-term refinancing

Collateral overview

Collateral will include shares of SIG's SPVs companies in Italy, consolidating close to 380MW of Italian PV projects

Pledged Italian SPVs shares

- The Issuer is the main group company registered in Lithuania, which directly owns shares of SIG Project Italy 3 S.r.l., SIG Project Italy 4 S.r.l., SIG Project Italy 5 S.r.l. and SIG Project Italy 6 S.r.l.
- Shares will be pledged for the benefit of Bondholders (first ranking). The SPVs have no 3rd party debts and a commitment not to take any debt until the Bonds Maturity Date.
- The SPVs own a total of 378 MWp of solar projects in Italy at different stages of project development (pre-"ready to build" - from land lease to accepted grid connection conditions).
- Portfolio is worth EUR 22.7M, based on Group's knowledge (and received offers) of market prices and development stage of each particular project – *EUR 25k/MW* for securing land and *EUR 60k/MW* for securing land + grid connection.
- Until maturity of the bond issue the pledged portfolio is expected to further increase in value as the projects reach new development phases.

PV projects in the pledged SPV companies

(SIG Project Italy 3 S.r.l., SIG Project Italy 4 S.r.l., SIG Project Italy 5 S.r.l., SIG Project Italy 6 S.r.l.)

Project no.	Capacity (MWp)	Ha in contract	Region	Development status*				Internally estimated value, kEUR
				Land secured (and grid applied)	Grid conditions obtained	Environmental Impact Assessment obtained	RTB Date	
1	118.4	340.0	Apulia	2024 Feb	2024 Apr	2026 Jun	2028 Dec	7,104
2	8.5	21.3	Emilia-Romagna	2024 Apr	2024 Nov	2024 Nov	2026 May	510
3	25.3	61.7	Sardinia	2022 May	2022 Sep	2026 Jul	2028 Jan	1,515
4	75.1	188.0	Apulia	2023 Jan	2023 Feb	2026 Jun	2028 Dec	4,507
5	3.8	7.7	Lazio	2023 Jan	2023 Oct	2027 Jun	2029 Dec	226
6	75.0	98.7	Sardinia	2022 Jan	2022 May	2027 Jul	2030 Jan	4,500
7	44.9	85.0	Piedmont	2024 Jul	2024 Jul	2026 Jun	2028 Dec	2,692
8	4.4	25.0	Sardinia	2023 Jun	2025 Jun	2027 Jun	2029 Dec	265
9	13.0	31.0	Sardinia	2023 Jan	2023 Mar	2026 Jul	2028 Jan	778
10	9.8	16.0	Sicily	2024 Apr	2024 Jul	2027 Jun	2029 Dec	585
TOTAL	**378**	**874**						**22,684**

*The green color shows that the development stage is already completed. The grey color indicates the expected dates when the stage should be completed

Sun Investment Group

Risk factors

Risk Factors associated with the Issuer
Holding company risk
Risks Relating to the Group’s Business in Solar Electricity Generation Projects
The Group’s business, financial condition and operating results are affected by macroeconomic trends in the markets in which it operates
Interest rate risk
The Group’s development plan is capital-intensive and subject to uncertainty
Unfavourable changes in existing regulations or government policies in support of renewable energies could significantly affect the performance of the Group’s existing operations
The Group may not be able to complete projects under construction
Dependence on licences, permits and authorisations from various regulators
The Group depends on financing from various sources, in particular external debt financing, for the development and construction of its projects and any additional indebtedness could have an adverse effect on the Group’s operations and financial condition
Dependence on the team of top managers and key personnel
Dependence on IT
The Group is subject to risks related to ethical misconduct or breaches of applicable laws by its employees and suppliers

Risk Factors associated with the Bonds
Credit risk
Liquidity risk
Inflation risk
Collateral risk
Regulatory and withholding tax risk
Decisions on Bondholder meeting
Interest rate Risk

**For a full description of the risk factors, please see the Annexes*

Si Sun Investment Group

Terms Sheet of the Bonds (I)

Bonds	Secured Fixed Rate Bonds with the maturity of 24 months
Status of the Bonds	The Bonds constitute direct, secured, unconditional, and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
ISIN	LT0000409963
Specified Currency	Euro (EUR)
Issue Price	100% of the Nominal Amount
Nominal Amount (Denomination)	EUR 1,000
Issue Amount	Up to EUR 8,000,000
Issue Date	29 November 2024
Maturity Date	29 November 2026
Interest Rate	11.5% per annum
Interest Payment Date(s)	29 May and 29 November on each year
Admission to Trading	To be admitted to the First North (Nasdaq Vilnius) Bond list within 3 months after the Issue Date.

Day Count Fraction	ACT/ACT ICMA
Collateral	The Bonds will be secured by the *first rank pledge* of 100% shares of the paid-up share capital and voting rights of Issuer's Subsidiaries in Italy: SIG Project Italy 3 S r l registration No 05555130284 registered at address Largo degli Obizzi n 19 5 sotto, Albignasego Italy SIG Project Italy 4 S.r.l., registration No. 05555140283, registered at the address Largo degli Obizzi n.19/5, sotto, Albignasego, Italy SIG project Italy 5 S.r.l, (registration No. 05555230282, registered at the address Largo degli Obizzi n.19/5, sotto, Albignasego, Italy SIG project Italy 6 S.r.l. (registration No. 05656510285, registered at the address Largo degli Obizzi n.19/5, sotto, Albignasego, Italy); The Collateral will be provided on the Issuer Date latest.
Use of proceeds	The net proceeds from the issue of the Bonds will be used to: (i) refinance previous bond issue (ISIN LT0000313256); and (ii) finance the Group's working capital and further project portfolio development costs.
Early redemption	At 101% of the Nominal Amount plus accrued Interest if early redemption date occurs 12 months but not later than 18 months after the Issue Date; at 100% of the Nominal Amount plus accrued Interest if early redemption date occurs 6 months before Maturity Date.
Early redemption (Investor Put option)	At 102% of the Nominal Amount only in case of De-listing Event or Listing Failure.
Special Undertakings	Limits on Dividends; Restrictions on Disposal of Assets of Pledged Subsidiary; Financial Indebtedness Restrictions on Pledged Subsidiary; Change of Control Event over Key Subsidiaries; Financial Reporting.
Events of default	Non-payment; Breach of Collateral; Breach of Special Undertakings; Breach of other obligations; Liquidation; Insolvency; Insolvency proceedings; Impossibility or illegality.

Get in touch

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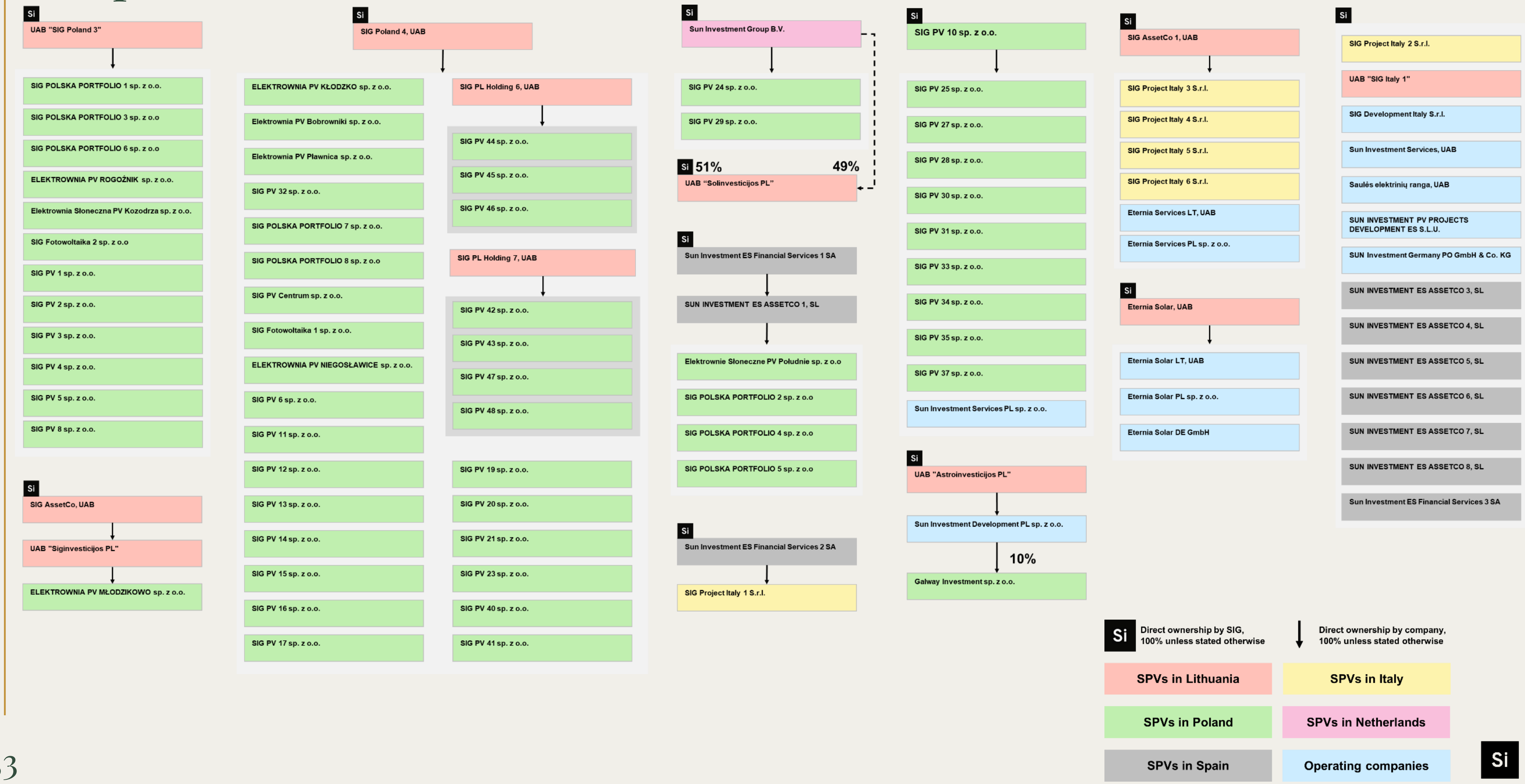
Annexes

Annex 1
Group structure



Si Sun Investment Group

Historical financial information (IV)

Issuer‘s standalone audited profit (loss) statement

Standalone profit (loss) statement, kEUR	**2022**	**2023**	**2024 H1***
Revenue	1,215	1,281	1,348
Cost of sales	-40	-110	-30
Gross profit	**1,175**	**1,171**	**1,317**
Other activity income	15	109	56
Other activity expenses	-2	–	–
Selling expenses	-38	24	-16
Administrative expenses	-1,443	-1,427	-875
Impairment loss on trade receivables and contract assets	–	–	–
Operating profit (loss)	**-293**	**-172**	**482**
Finance income	813	1,980	1,213
Finance costs	-666	-1,792	-1,669
Share of profit of associated or jointly controlled entities	–	–	–
Operating profit (loss) before tax	**-146**	**16**	**26**
Corporate income tax	–	–	–
Net profit (loss)	**-146**	**16**	**26**
EBITDA	-214	-59	550

**Results are not audited*

Sources: 2022 and 2023 results: Issuer‘s standalone annual audited financial accounts;
2024 H1 results: Issuer‘s standalone interim (unaudited) financial accounts

Historical financial information (V)

Issuer‘s standalone audited balance sheet statement

Standalone balance statement, kEUR	2022	2023	2024 H1*
Property, plant and equipment	97	218	211
Intangible assets	1	–	–
Granted long-term loans and long-term deposits	19,472	31,605	34,750
Other investments	85,632	87,469	87,469
Trade and other receivables	13	–	–
Deferred income tax asset	–	–	–
Total non-current assets	**105,215**	**119,292**	**122,429**
Loans granted and term deposits	108	70	62
Other investments	–	–	–
Inventories	30	31	31
Trade and other receivables	901	3,260	3,975
Contract assets	1,207	12	–
Prepayments, deferred costs and accrued income	164	58	848
Advance corporate income tax	–	–	–
Cash and cash equivalents	13	159	365
Assets held for sale	–	–	–
Total current assets	**2,423**	**3,590**	**5,280**
TOTAL ASSETS	**107,638**	**122,882**	**127,709**

Authorised capital	101	101	101
Legal reserve	10	20	20
Revaluation reserve	–	–	–
Currency exchange translation reserve	–	–	–
Retained earnings (loss)	88,891	90,012	90,039
Non-controlling interest	–	–	–
Total equity	**89,002**	**90,133**	**90,106**
Bank loans and lease liabilities	–	116	117
Other borrowings	17,077	22,271	25,783
Total non-current liabilities	**17,077**	**22,387**	**25,960**
Bank loans and lease liabilities	44	65	65
Other borrowings	–	5000	5,061
Prepayments received, accrued liabilities and deferred income	621	5002	6,017
Employment related liabilities	–	–	-7
Trade and other payables	894	295	514
Total current liabilities	**1,559**	**10,362**	**11,589**
Total liabilities	**18,636**	**32,749**	**37,549**
TOTAL EQUITY AND LIABILITIES	**107,638**	**122,882**	**127,709**

**Results are not audited*

Sources: 2022 and 2023 results: Issuer‘s standalone annual audited financial accounts; 2024 H1 results: Issuer‘s standalone interim (unaudited) financial accounts

Si Sun Investment Group

Annex 2
Risk Factors associated with the Issuer

Holding company risk

The Issuer is the holding company of the Group. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries and loan balances receivable from Group entities. As a result, the Issuer is largely dependent on loans, interest, dividends, and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of interest and principal to its creditors, including the holders of the Bonds. The ability of the Issuer's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual restrictions. Consequently, if amounts that the Issuer receives from its subsidiaries are not sufficient, the Issuer may not be able to service its obligations under the Bonds.

Risks Relating to the Group's Business in Solar Electricity Generation Projects

The Group invests in and plans to continue to invest in electricity generation projects that depend on solar resources. Market valuation of solar power plant projects developed by the Group depends on expected electricity generation of solar power plants which depends largely on the amount of solar irradiance available to such solar facilities. These resources are outside of the Group's control and may vary significantly over time. General meteorological conditions such as seasonal changes in resources are complex and difficult for the Group to predict, especially since exceptionally poor meteorological conditions may lead to one-time drops in production levels and in the associated levels of revenue generated by solar power plant projects. If unfavourable meteorological conditions were to continue over the long term, they could negatively affect the profitability of impacted projects. To the extent that climate change causes variations in cloud cover, it may have an adverse effect on the Group's assets and business. Insufficient solar irradiance could lead to a decrease in the generation of electricity. The Group bases projected electricity production of developed solar PV projects in part upon statistical studies of historical weather conditions at its sites. Unfavourable weather conditions, changes in climate, technological failures and significant discrepancies between estimates and actual electricity production may have a material adverse effect on the Group's business, financial condition, results of operations or prospects

The Group's business, financial condition and operating results are affected by macroeconomic trends in the markets in which it operates

The Group's business is influenced by macroeconomic factors affecting the economies of the markets in which it operates (namely, Poland, Italy, as well as the Baltic States). Further, the Group's business is also impacted by macroeconomic factors affecting the Nordic, and the Eastern and Central Europe countries. Generally, there is a positive correlation between energy prices in a given region and the level of demand. One driver of energy demand is economic output: greater economic output can lead to increased demand for energy, since prices often reflect the state of the economy as a whole. For example, the price of electricity rose in the six months ended 31 December 2021 as compared with the equivalent period in 2020 due to higher demand arising from the combined impact of COVID-19, the decreased supply from hydropower plants in the Nordics, and the cold weather during winter.

Also, COVID-19 and similar level global pandemics pose various supply-chain risks for the operations of the Group, primarily the development and construction schedules of renewable energy projects. In the solar energy sector, the module ordering price is greatly affected by the desired delivery term, i.e., short-term delivery price will be significantly higher than the price for long-term delivery schedules. Thus, supply-chain bottlenecks caused by global pandemics can not only delay the development of renewable energy projects, but also increase overall costs for it.

In addition, in February 2022, the Russian Federation invaded Ukraine. The military actions affect not only the economy in Ukraine, Russia and Belarus, but also the European Union and global economy. The situation in Ukraine is extremely volatile and inherently uncertain. Currently, considering the ongoing and dynamic nature of the situation, a reliable estimate of the financial and non-financial impact cannot be presently made, although such macroeconomic events pose similar supply-chain risks similar to those of a global pandemic.

Such macroeconomic trends in the countries in which the Group operates, and in Europe more broadly, have a significant impact on the Group's business and financial position and any negative macroeconomic trends could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risk Factors associated with the Issuer

Interest rate risk

Most of the Issuer's Group borrowings have fixed interest rate. However, for EUR 21.7 M the Issuer's Group is exposed to interest rate risk, which in the major part arises from one borrowing at variable interest rates comprising 6-month EURIBOR rate and a margin. Variable interest rates expose the Issuer's Group to a limited risk that financing costs might increase significantly as EUR benchmark rates rise

Unfavourable changes in existing regulations or government policies in support of renewable energies could significantly affect the performance of the Group's existing operations

The Group's activities are to a significant extent dependent on incentive-based public policies in the countries in which the Group operates, which aim to promote the production and sale of energy from renewable resources. These policies and mechanisms typically enhance the commercial and financial viability of renewable energy installations. Changes in the regulatory environment and the government subsidies for renewable energy production could distort supply and demand-based prices, reduce the profitability of projects, or otherwise have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The continuing availability of subsidy programmes for the renewable energy sector in which Group operates depends on political and policy developments relating to environmental concerns in a given country or region, which can be affected by a wide range of factors, including macroeconomic conditions in the relevant country or region, changes in governments and lobbying efforts by various affected stakeholders (including the renewable energy industry), other producers and consumers of electricity, environmental groups, agricultural businesses and others.

Any reversal of, or unfavourable changes to, such governmental incentive policies or interpretive ambiguities and uncertainties around their implementation (including, but not limited to, those described above) could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's development plan is capital-intensive and subject to uncertainty

The Group operates in a capital-intensive industry and any new development projects will require substantial investments. The Group expects to make significant capital expenditures in the short- and medium-term to further develop its current projects' portfolio indicated in the Group's corporate structure below. If the Group decides to proceed with any of these or other new investments, new funding would have to be secured. There is no certainty that the Group will be able to procure funding on acceptable terms, if at all.

The Group's success in implementing its strategy will depend on, among other things, its ability to identify and assess potential investments, successfully finance and integrate such investments, control costs and maintain sufficient operational and financial controls. The Group's expenditure is and will continue to be made on the basis of forecasts of production and projected prices of electricity. The Group also makes certain assumptions regarding long-term interest rates and electricity prices in its decisions on making capital expenditures. These forecasts, judgments and assessments may be inaccurate, which could undermine the economic viability of such investments and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. In addition, some of the Group's development projects and prospects may require greater investment than currently planned. Moreover, certain newly constructed facilities and projects may not perform as expected. The Group forms its expectations around the performance of new facilities and projects based on assumptions, estimates, data provided by third parties and experience with similar assets that the Group has previously managed. The ability of these assets to meet the Group's performance expectations is subject to the risks inherent in newly constructed solar plants, including, but not limited to, degradation of equipment in excess of the Group's expectations, system failures and outages.

Such matters arising during development stages may result in delays or additional costs that could render the projects less competitive than the Group initially anticipated and the Group's actual capital expenditure may differ from anticipated figures. This may adversely affect the Group's ability to execute its investment plan and growth strategies. The foregoing could have a material adverse effect on the Group's business, financial condition, results of operations or prospects

Risk Factors associated with the Issuer

The Group is materially dependent on licences, permits and authorisations from various regulators and expiry, revocation or inability to renew licences, permits or authorisations could have a material adverse effect on the Group

In connection with its activities, the Group is subject to significant demands with respect to obtaining permits, licences and authorisations required by applicable regulations and issued by national or local authorities. Depending on the country, these permits, licences and authorisations may take the form of urban planning authorisations (such as construction permits), mandatory environmental impact assessments or studies, production and operation authorisations, authorisations to connect to the grid, and other specific authorisations.

National governments and local authorities may, depending on the country, have a high degree of discretion in issuing such permits, licences and authorisations, and they may exercise their discretion arbitrarily or unpredictably. In addition, the multitude of government agencies involved may make the process of obtaining these authorisations long, complex and expensive. As a result, there can be no assurance that the Group will obtain the permits, licences and authorisations necessary for the construction of a given project or for the exercise of the business that it intends to conduct in a given country at a reasonable cost or within the expected time periods operations or prospects

The Group may not be able to complete projects under construction

All of the development and construction phase projects are subject to risks in the development and construction phase relating in particular to engineering and design, equipment supply and construction performance. The inability to complete construction, or to complete it on a timely basis, may result in contractual defaults, contractual liability payments, impairment of assets, loss of income or a reduction in the period of eligibility for specified tariffs as a result of a failure to meet certain milestones, among other adverse consequences. Eligibility for certain subsidies may be compromised or lost if assets are not commissioned on schedule, and time-consuming and costly litigation may result among the Issuer or other members of the Group and the parties participating in or financing the project's development. Projects may encounter a range of difficulties in the construction phase that result in delays or higher than expected costs that may not be fully covered or adequately addressed by performance guarantees from contractors, damages clauses or insurance.

The Group depends on financing from various sources, in particular external debt financing, for the development and construction of its projects and any additional indebtedness could have an adverse effect on the Group's operations and financial condition

The Group currently intends to finance a portion of its capital expenditures for the development and construction of its projects through debt financing. The Group's access to debt financing is subject to many factors, many of which are outside of the Group's control. For example, political instability, economic downturns, social unrest or changes in the regulatory environment in which the Group has or plans to have operations could increase the Group's cost of borrowing with respect to new financing arrangements or restrict the Group's ability to obtain debt financing. Access to debt financing may be further restricted by financial covenant obligations under the Group's existing financings. There can be no assurance that it will be able to arrange financing on acceptable terms, if at all.

The inability of the Group to obtain debt financing from banks and other financial institutions, or otherwise through the capital markets, could adversely affect its ability to execute its investment plan and growth strategies, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. In addition, there is a risk that the companies of the Group will fail to fulfil their obligations in time – this would have a negative effect on the operating profit of the Group. In case of late performance of a large part of obligations, the ordinary business of the Issuer and/or companies (directly or indirectly) owned by it may be disrupted, it may be necessary to search for additional sources of financing, which may be not always available.

Risk Factors associated with the Issuer

Dependence on the team of top managers and key personnel

The Group's success and its ability to carry out its growth initiatives depend on qualified executives and employees, in particular certain executive officers of the Issuer and employees with special expertise in the development, financing, engineering, construction, operation and maintenance of projects. Given their expertise in the industry, their knowledge of the Group's business processes and their relationships with the Group's local partners, the loss of the services of one or more of these individuals could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Furthermore, as the Group expands its operations, portfolio and geographic footprint, the Group's operating success and ability to carry out its business plan depend in a large part upon its ability to attract and retain additional qualified personnel who have specific technical or industry expertise, including people in the locations where the Group has operations. The Group is also routinely required to assess the business, financial, legal and tax impacts of the complicated business transactions that the Group enters into, whether in connection with evaluating and developing new projects or overseeing asset construction and operation. The success of these projects is dependent on hiring and retaining personnel with sufficient expertise to allow the Group to accurately and timely complete its analysis and reporting requirements. There is significant competition in the renewable energy industry in attracting qualified personnel with the necessary expertise, and there can be no assurance that the Group will be able to hire a sufficient number to support its business plan and growth. The inability to attract and retain qualified personnel could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Additionally, from time to time, executives and other employees with technical or industry expertise may leave the Group. The Group's failure to promptly appoint qualified and effective successors for such individuals or inability to effectively manage temporary gaps in expertise or other disruption created by such departures, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Dependence on IT

The Issuer's Group is dependent on an efficient and uninterrupted operation of its information and communication systems. Information and communication systems are generally prone to failures, damage, power outages, computer viruses, cyberattacks (risk increased due to war in Ukraine), fire and similar events. Failures or interruptions in the operation of the computer and data processing systems used by the Issuer's Group could result in interruption or loss of business and/or cause reputational damage to the Issuer's Group. This could have a material adverse effect on the net assets, financial position, and financial performance.

The Group is subject to risks related to ethical misconduct or breaches of applicable laws by its employees and suppliers

The Group has implemented compliance policies and procedures with respect to applicable anti-corruption laws. However, there can be no assurance that all of the Group's employees and suppliers will not violate the Group's policies or applicable laws. Any incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-corruption, sanctions, anti-money laundering or other applicable laws, by the Group's employees may subject the Group to significant fines or may lead to other consequences, such as damage to the Group's reputation. Any such non-compliance could have a material adverse effect on the Group's business, financial condition, operating results and prospects

Risk Factors associated with the Bonds

Credit Risk

Credit risk should be assessed as the possibility that the Issuer may become insolvent, go bankrupt, or have its operations suspended or terminated, making it impossible to redeem the Bonds and (or) to pay accrued interest to the Bondholders. Thus, an investment into the Bonds is subject to credit risk of the Issuer that the Issuer may fail to meet its obligations arising from the Bonds in a duly and timely manner. The issuer's ability to meet its obligations arising from the Bonds and the ability of the Bondholders to receive payments arising from the Bonds depends on the financial position and the results of operations of the Issuer.

Liquidity Risk

The Bonds will be distributed through public placement and although the Issuer intends to apply for the listing of the Bonds in the First North of Nasdaq Vilnius alternative market, there is no guarantee that such listing shall be approved, and the Bonds will be listed. Even if the Bonds are listed, and even more so in case they are not listed, a liquid secondary market for the Bonds is not guaranteed. Bondholders might bear a loss due to not being able to sell the Bonds on the secondary market or having to have to sell them at an unfavourable price.

Inflation Risk

Inflation reduces the purchasing power of a Bonds future coupons and principal. Inflation may lead to higher interest rates which could negatively affect the Bonds price.

Collateral Risk

The Bonds will be secured by a pledge of the shares of the Issuer's certain subsidiaries. Apart from the Collateral referred to above, there are no other collateral or guarantees of the Issue issued by third parties. The Collateral securing the Issue does not guarantee that, in the event of a default by the Issuer, the Collateral will be capable of being realised in such manner or that the liquidation value of the Collateral will be sufficiently high to satisfy in full all the claims of the Bondholders.

Regulatory and withholding tax Risk

The principal and interest on the Bonds will be payable in full without withholding tax, except to the extent that such withholding tax is required by law. In such case, the Issuer will, subject to customary exceptions, pay additional amounts so that the Bondholder receives as much as the Bondholder would have received if no withholding tax had been required to be withheld under the law. Moreover, any changes to the laws and other legal acts applicable in the Republic of Lithuania and/or the Bondholder's domicile, or the implementation of any new laws or other legal acts may cause additional expenses or taxes and/or reduce return on investment for the Bondholders. From the Investors perspective, risk of alterations in tax regime could affect the value of the interest income. The Issuer shall not compensate Investors for any losses related to changes in tax regime.

Decisions on Bondholder meeting

The Republic of Lithuania Law on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies shall apply to the Bonds issue. The Law provides the opportunity to address specific questions at meetings of Bondholders. To adopt a decision at a Bondholders' Meeting, all Bondholders don't need to be present and for all Bondholders to vote on the decision. Accordingly, decisions taken at a Bondholders' Meeting will apply and be valid for all Bondholders, even those who were not present when the decision was taken or who voted against such decision.

Interest rate Risk

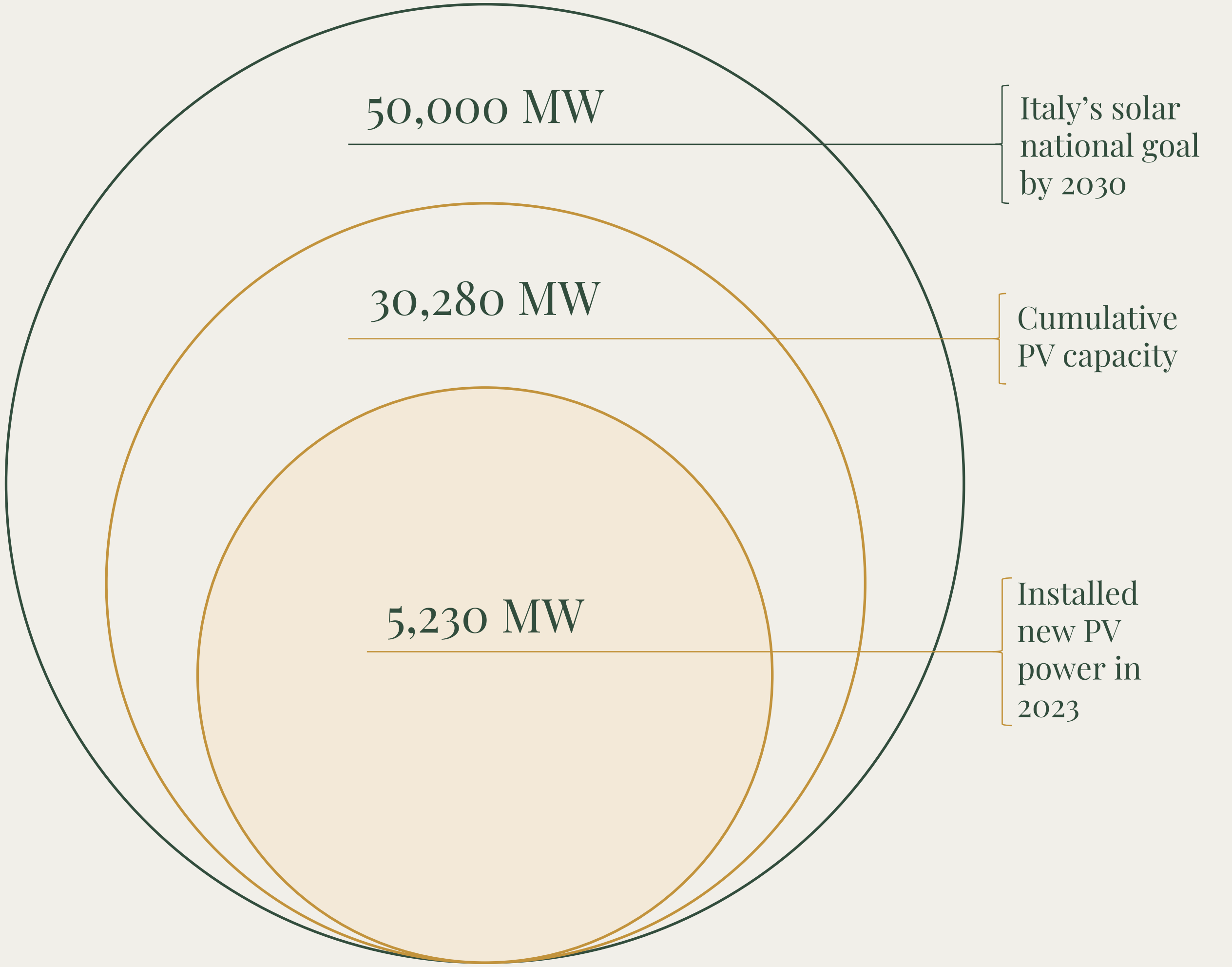
The Bonds pay fixed interest on their outstanding nominal value. The investor is exposed to the risk that the value of the Bonds will decrease due to changes in market interest rates. Although the nominal interest rate on the Bonds is fixed until maturity, prevailing capital market interest rates change daily. If the market interest rate increases, the market value of the Bonds may decrease.

Annex 3
Italian solar PV market (1)

Key takeaways

1. Italy ranks among the top countries regarding consumption of solar-generated electricity globally.
2. Italy is one of the leading markets for expanding solar energy capacity. Within the European Union, Italy's PV sector ranks second, just behind Germany.
3. Photovoltaic energy is one of the key renewable sources that the country heavily depends on.
4. Since 2010 Italy registered a ten-fold increase in the number of photovoltaic systems, reaching more than 1,6 million at the end of 2023.
5. In 2023, Italy added approximately 5.2 GW of newly installed PV capacity, following 2.5 GW added in 2022 and 944 MW in 2021, bringing its cumulative PV capacity to 30.3 GW
6. **To reach a national capacity goal of 50GW by year 2030 an average of 3GW of newly installed PV has to be added each year**

Sources: PV-Magazine, Italy's Ministry of Economic Development (MISE)



Sun Investment Group

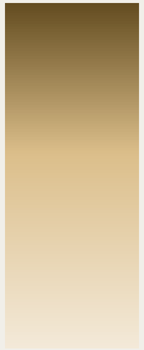
Italian solar PV market (2)

Competitive environment

- The Italian solar energy market is highly fragmented with over five key players dominating solar electricity generation in the industry.
- As changes continue to shape the global energy sector, the Italian solar market is likely to undergo further consolidation, with larger companies possibly increasing their market share.
- The appeal of the Italian solar market has captured the interest of international solar firms. This influx of global players has heightened competition while simultaneously introducing valuable expertise and resources.

- Gruppo STG S.r.l
- Sonnedix Power Holdings LTD
- EF Solare Italia SpA
- SunPower Corporation
- Enel SpA

Consolidated – Market dominated by 1-5 major players

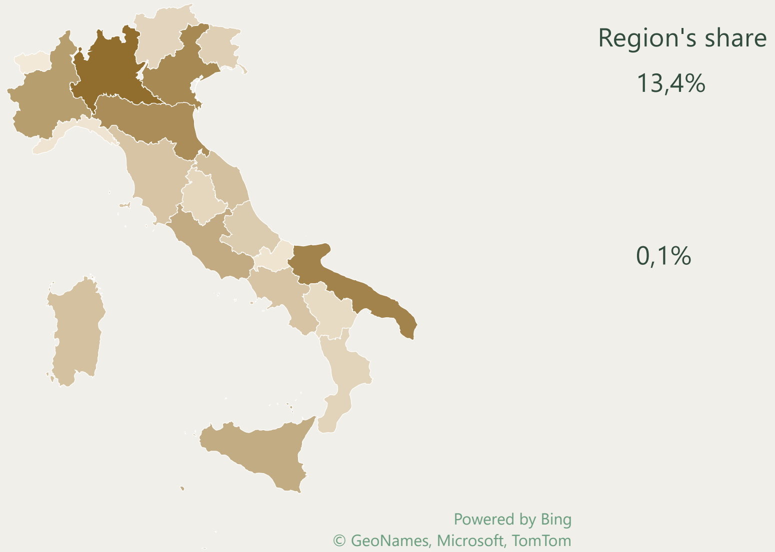


Italy Solar Energy Market

Fragmented – Highly competitive market without dominant player

Source: Mordor Inteligence

Regional PV capacity distribution in 2023



At the end of 2023, Northern regions had 48% of the total installations in operation in Italy, the Center 21.5%, and the South the remaining 30.5%.

Regions with the largest installed solar capacity		MW
Lombardy	13.4%	3,966
Apulia	11.1%	3,286
Veneto	10.4%	3,084
Emilia-Romagna	10.1%	2,973
Piedmont	8.3%	2,447

Source: Statista

Si Sun Investment Group

Italian solar PV market (3)

Trends of acquisitions of solar PV portfolios

- Robust activity in solar PV project transactions and strategies for heightened commitments from institutional investors.
- Recent acquisitions of solar PV portfolios signal a continued robust appetite from international asset managers.
- According to Group's data, the average valuation of RTB project in Italy is around EUR 210k / MW

Investor	Seller	Portfolio	Region	Date
CVA SpA	Solar Ventures Srl	59 MW	*Undisclosed*	2024-08-01
Verbund AG	KE-RENINVESTMENT SA	110 MW	*Undisclosed*	2024-07-30
A2A SpA	Envalue Italia	112 MW	Northern Italy	2024-05-07
Chint Solar Europe GmbH	Enerside Energy SA	360 MW	*Undisclosed*	2024-04-25
Iberdrola SA	ib vogt GmbH	245 MW	*Undisclosed*	2024-02-27

Source: Mergermarket

Polish solar PV market

1

Historical Context

- By the end of 2018, Poland's solar PV capacity remained modest, totaling only 471 MW. This indicates that the country had yet to fully capitalize on its solar energy potential at that time.
- After this slow beginning, solar energy adoption in Poland saw a marked increase, with a sharp rise in installations starting in 2019 and onwards.

2

Record-Level Growth in 2023

- A record level of new installations was achieved in 2023.
- By the end of 2023, the total installed solar PV capacity in Poland rose to 17.1 GW, an impressive growth considering the figures from the previous years.

3

Key Growth Drivers

- A new program was launched aimed specifically at micro-installations, significantly boosting the popularity of solar installations and making them more accessible to a broader segment of the public.
- The introduction of Contract for Difference (CfD) schemes further encouraged installations by ensuring financial stability for renewable energy producers, which in turn accelerated the growth of solar PV deployment.

4

Future Expectations

- Anticipation of continued growth in the sector.
- Key factors influencing future growth:
    - Polish regulatory bodies are creating a more favorable environment for solar energy expansion.
    - Further growth of the economy and electrification of the industries, significantly driving consumption of electricity
    - Closure and replacement of coal plants and other fossil fuels with alternative energy sources

Source: the Group, PV Magazine

Polish solar PV market (2)

Expanding Grid Access

- Past few years have seen a sharp and substantial growth in renewable energy sources.
- Development of essential power infrastructure has been relatively slow.
- Approval of new connection capacities has slowed down due to a mismatch between the increase in renewable energy sources and the infrastructure's expansion.
- Fewer new projects are being granted permission to connect to the electrical grid, largely because of the mentioned issues but there is an opportunity to negotiate with network operators for the developer to contribute to network upgrades, thereby gaining access to the grid.

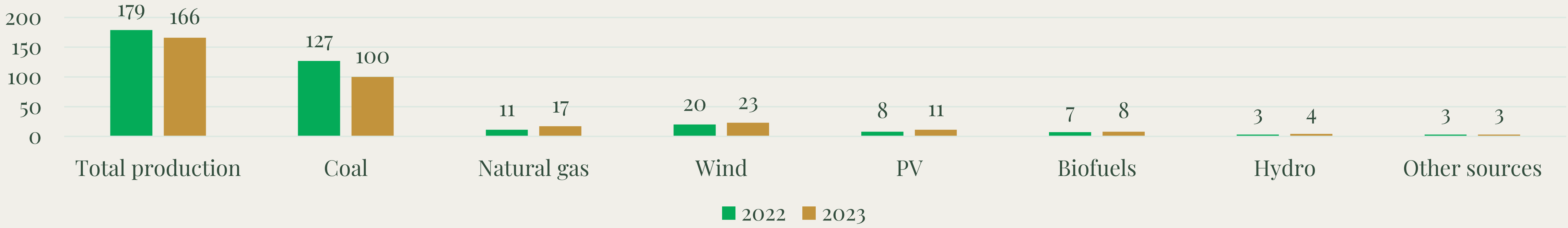
Electricity Generation in Poland

- Traditional Power Production:
  - Mainly utilizes coal, oil, lignite, and natural gas as resources.
  - These traditional sources account for more than >70% of Poland's overall power output in 2023.
- In Poland, one kWh generated leads to 662 g of CO_2 emissions.
- Average CO_2 emissions per kWh in the EU is around 300 g.
  - Lithuania registers an emission rate of 160 g of CO_2 per kWh.

Challenges for Traditional Electricity Generation

- Despite the significant shift towards renewable energy sources like solar and wind, they remain exceptions in the broader energy generation mix.
- In many regions, the energy sector is burdened by decades-old infrastructure.
- The high operational costs of maintaining outdated technologies can be high.
- The European Emission Trading Scheme (ETS) negatively impacts the efficiency of conventional power sources.

Electricity production in Poland, TWh



Source: International Energy Agency, International Renewable Energy Agency, Our World in Data

Polish solar PV market (3)

Trends of acquisitions of solar PV portfolios

- Diverse range of investors involved in M&A activities, from local companies to international entities, indicating a broad interest in the Polish solar PV market.
- The size of the solar PV portfolios being acquired varies significantly, from smaller deals to larger acquisitions in the hundreds of MW range.
- According to the Group, the average market price range for an RtB project could be around EUR 140k – 180k / MW, while range for operational assets could be around EUR 800k – 1,000k / MW.

Investor	Seller	Portfolio	Region	Date
ORLEN SA	Energias de Portugal SA-EDP	280 MW	Lódz province	2024-08-02
NextEnergy Capital Ltd	*Undisclosed*	66 MW	*Undisclosed*	2024-05-13
ORLEN SA	Lightsource BP Renewable Energy Investments Ltd	130 MW	Lower Silesia region	2024-04-17
SachsenEnergie AG	ONDE SA	23 MW	*Undisclosed*	2024-03-15
Undisclosed	R Power Sp z oo	69 MW	*Undisclosed*	2024-01-31

Source: Mergermarket