

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the fifth payment request submitted by Lithuania on 8 December 2025, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 8 December 2025, Lithuania submitted a request for payment for the third instalment of the loan support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Lithuania provided due justification of the satisfactory fulfilment of the five milestones and targets of the third instalment of the loan support, as set out in Section 2(2) (2.3) of the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Lithuania as amended by Council Implementing Decision of 8 November 2023, 7 November 2024 and 13 June 2025¹.

In its payment request, Lithuania has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Lithuania, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all five milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Lithuania's Recovery and Resilience Plan. The milestones and targets confirm progress towards the completion of investment projects related to the development of green and high value-added technologies for industrial development, and support for renewable energy plants (solar, wind and hybrid onshore) and electricity storage facilities.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

¹ ST 10477 2021 INIT; ST 10477 2021 ADD 1; ST 14637 2023 INIT; ST 14637 2023 ADD 1; ST 13498 2024 INIT; ST 13498 2024 ADD; 1 ST 9588 2025 INIT; ST 9588 2025 ADD 1

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Preliminary Assessment – M/T specific section:

Loan support

Number and name of the Milestone: 137b Funding Agreement (or an amendment to an existing Fund of Funds Agreement)

Related Measure: C5. E.3.1. Loans to enterprises to develop green and high value-added technologies for industrial development

Qualitative Indicator: Entry into force of the Funding Agreement (or an amendment to an existing Fund of Funds Agreement)

Time: Q4 2024

1. Context:

This measure aims at improving the access to finance of companies for the development of green and high value-added technologies and the competitiveness of the Lithuanian defence and security industry. This measure consists of a public investment in a Facility managed by INVEGA (the National Promotional Institution) as the Implementing Partner. The Facility shall operate by providing subordinated, syndicated and direct loans directly to the private sector, to projects contributing to at least one of the following objectives: developing circularity, decarbonisation, energy efficiency, environmentally friendly, low-waste, advanced, innovative and digital technologies, production capacity for high value-added products, or projects in the defence and security industry. On the basis of the RRF investment, the Facility aims at initially providing at least EUR 850 000 000 of financing.

Milestone 137b relates to the entry into force of the Funding Agreement (or an amendment to an existing Fund of Funds Agreement).

Milestone 137b is the second milestone of the investment, and it follows the completion of milestone 137a. It will be followed by milestone 137c related to the launch of a call for enterprises to submit applications for loan, target 137d and target 137e related to the signature of legal agreements with final beneficiaries, and milestone 137f related to the transfer of funds to INVEGA for the Facility. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was fulfilled.

2	Agreement No. 7 of 24 July 2025, signed by the Ministry of Economy and Innovation, the Ministry of Finance, and UAB ITLE, amending the agreement on the establishment and financing of the Fund for the Innovation Promotion Fund of 30 December 2020 No. 8-360 (hereinafter referred to as "Funding Agreement")	Agreement No. 7 amending the agreement on the establishment and financing of the Fund for the Innovation Promotion Fund of 30 December 2020. Following its signature, the Facility provides loans to enterprises to develop green and value-added technologies for industrial development.
3	Order of Director of ILTE of 21 July 2025 No. B-143 amending Order of Director of ILTE of 29 April 2024 No. B-88 describing the financial instrument "Billion for Business" (hereinafter referred to as "Description of the Financial Instrument"). Link to publication: https://ilte.lt/doclib/mnqwsirevhukabsbm873knwy4jkm7mw2	Description of the financial instrument. The latest version is approved by Order No. B-143 of 21 July 2025.
4	Order of the Minister of Finance of 22 June 2022 No. 1K-237 on the implementation of the European Union Funds Investment Programme for 2021-2027 and the Recovery and Resilience Plan "Next Generation Lithuania" (hereinafter referred to as "Order No. 1K-237"). Link to the publication in the Register of Legal Acts: https://www.e-tar.lt/portal/lt/legalAct/14e33320f1ed11ec8fa7d02a65c371ad/asr	Order setting out the rules on implementation of the European Funds, including the Recovery and Resilience Facility in Lithuania
5	Order of the Director General of ILTE UAB No. B-244 of 14 October 2024 on anti-tax avoidance procedure (hereinafter referred to as "Order No B-244").	Order determining the assessment criteria for the compliance of a client in receiving a loan from a financial instrument
6	Decision of the board of Directors of 26 August 2024 (minutes No. 013) on the interest management policy (hereinafter referred to as "ILTE's Board Decision of 26 August 2024"). Link to its publication: https://ilte.lt/doclib/e8iuh4lwrosf5y57hngcf5qyruk7qmx	Decision setting out ILTE's internal management policy
7	Decision of the board of Directors of 19 January 2024 (minutes No. 004) on the anti-corruption policy (hereinafter referred to as "ILTE's Board Decision of 19 January 2024"). Link to its publication: https://ilte.lt/doclib/uj30irftomk966jbpu7fxs1ksxke5nzp	Decision setting out ILTE's internal control policy, including corruption detection.
8	Decision of the board of Directors of 25 August 2022 (minutes No. 033) on the internal control policy (hereinafter referred to as "ILTE's Board Decision of 25 August 2022"). Link to its publication: https://ilte.lt/data/public/uploads/2023/03/2022-08-25-vks-politika.pdf	Decision setting out ILTE's internal control policy.
9	Order of Minister of Finance No. 1K-238 of 12 July 2024 amending Order No. 1K-248 of 2 July 2022 on the change of title of the	Order evidencing that INVEGA has formally

	limited liability company “investment and business guarantee” (hereinafter referred to as “Order No 1K-238”).	changed its title/name to ILTE.
10	Protocol of Working Group on the Examination of Prior Assessments of Financial Instruments for Business No. 34 of 17 October 2023 on the approval of the Preliminary assessment of business financing from the European Union Structural Funds 2014-2020 (hereinafter referred to as “Preliminary assessment”)	Preliminary assessment containing market survey and conclusions on the need to provide debt financing to finance business projects.

3. Analysis:

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

It should be noted that the closed joint-stock company INVEGA was officially renamed ILTE in 2024; as evidenced in Point 1 of Order of Minister of Finance No. 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company “investment and business guarantee” (evidence 9). For the purposes of this assessment, ILTE and INVEGA should be read as interchangeable.

Entry into force of the Funding Agreement (or an amendment to an existing Fund of Funds Agreement)

- Paragraph 3 of Agreement No. 7 of 24 July 2025 amending the agreement on the establishment and financing of the Fund for the Innovation Promotion Fund of 30 December 2020 (evidence 2) states that “the agreement is signed with qualified electronic signatures and enters into force upon signature of the Agreement”.
- Page 1 of the Funding Agreement (evidence 2) demonstrates that the Ministry of Economy and Innovation is represented by the Minister of Economy and Innovation, the Ministry of Finance is represented by the Deputy Minister of Finance, and ILTE UAB is represented by the Director General of ILTE UAB.
- Paragraph 13.1 of Chapter XIII of the Funding Agreement states that “This Agreement shall enter into force upon signature by the Parties and shall remain in force until the Parties have fulfilled their obligations under this Agreement in full or until termination of this Agreement”.
- The “Detailed metadata” table on the last two pages of the document demonstrates that the Director General of ILTE UAB electronically signed the Agreement No. 7 on 24 July 2025, the Minister of Economy and Innovation signed the Agreement No. 7 on 24 July 2025, and the Deputy Minister of Finance signed the Agreement No. 7 on 23 July 2025. Following the signature of all three parties, the Funding Agreement entered into force on 24 July 2025.

Furthermore, in line with the description of the measure, **this measure shall consist of a public investment in a Facility in order to incentivise private investment and improve access to finance in green and high value-added technologies as well as the competitiveness of the Lithuanian defence and security industry.**

- Under section 1 ("1. introduction") of Annex A to the Funding Agreement, the first paragraph states "The measures implemented by the Fund also contribute to increasing the country's level of entrepreneurship, access to finance for companies to develop green and high value-added technologies and to finance the competitiveness of Lithuania's defence and security industry".

The Facility shall operate by providing subordinated, syndicated and direct loans directly to the private sector.

- Under section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement, the first paragraph states that "The amount allocated to the financial instrument [...] is intended to cover debt financing, [that is] loans, subordinated and syndicated loans to private entities and to cover the ILTE management fee".

On the basis of the RRF investment, the Facility aims at initially providing at least EUR 850 000 000 of financing.

- Table 1 of Annex A to the Funding Agreement contains a row No. 4, for the financial instrument "Billion for business". This financial instrument is allocated EUR 850 000 000 of funds, for which the source of financing is "RRF loan funds".

The Facility shall be managed by INVEGA as the Implementing Partner.

- Paragraph 7.1 of Chapter VII of the Funding Agreement states that "ILTE manages the Fund by implementing the Investment Strategy (Annex A) and ensures that the objectives and indicators set out in the Investment Strategy are met".

INVEGA shall provide debt financing (co-finance business projects with private financial institutions (mainly in the form of subordinated loans) or, where a market survey has shown the need for it, finance business projects directly) to:

- projects contributing to at least one of the following objectives: developing circularity, decarbonisation, energy efficiency, environmentally friendly, low-waste, advanced, innovative and digital technologies, production capacity for high value-added products, or projects in the defence and security industry.
- As mentioned above, under section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement, the first paragraph states that "The amount allocated to the financial instrument [...] is intended to cover debt financing, [that is] loans, subordinated and syndicated loans to private entities and to cover the ILTE management fee".
- Under the introduction ("1. Introduction") of Annex A to the Funding Agreement, it is stated that "9. Billion for Business" consists of "ILTE Direct Debt Financial (loans, subordinated and syndicated loans) instrument for investments in environmentally friendly technologies, circularity, decarbonisation, energy efficiency, deployment of low-waste, smart, innovative, digital technologies, development of manufacturing capacities for high value-added products (including biotechnologies), and defence and security industries.".
- Paragraph 7.2 of Chapter VII of the Funding Agreement states that the "The investment strategy has been developed taking into account the Description and the market failures identified in the Preliminary Assessment and is designed to address them". The Preliminary Assessment (evidence 10) is based on a market survey and describes under section 3.2. ("Debt financing instruments", paragraph 4) that "It should be noted that some areas, however, remain unattractive to financial institutions. Companies face an external funding gap when implementing higher-risk, innovation-related projects for the development of

green and high value-added technologies, which leads to the need for direct loans in this area.” Moreover, the Preliminary Assessment indicates under section 3.2. (“Debt financing instruments”, paragraph 5) that “the funding conditions offered by alternative funders are often very unattractive due to the high interest rates offered, the short funding period and the amount proposed for funding. It can be concluded that the defence and security sector face a funding gap due to its specificity and distinctiveness. [...] In this context, it is advisable to implement a direct loan facility.” Therefore, the facility makes (direct) loans available in areas where a market study included in the Preliminary Assessment has been performed, with the objective to address the shortcomings of market failure in the area of defence and security and of higher-risk, innovation-related projects for the development of green and high value-added technologies.

- Moreover, in the Description of the Financial Instrument, Paragraph 2.14. of section 1 (“eligibility conditions of the borrower”) states that “In the case of direct loans and where the Business Entity is active in sectors other than defence and security, the Business Entity must have provided evidence to ILTE that it does not have access to market financing from financial institutions operating in Lithuania. In order to receive a Loan under the Facility and where the amount of the Loan is less than EUR 4 million, the Business Entity must provide three Business Entity Refusal Certificates (the ‘Certificate’) to the ILTE, signed by the Financial Institutions, stating that financing is not provided to the Business Entity under the conditions specified in the Certificate. [...] In the case of loans of EUR 4 million or more, the business entity must submit two Certificates signed by a bank licensed in the Republic of Lithuania”. Thus, the need for a direct loan must be substantiated with market gap to be addressed by the facility. However, in the case of enterprises in the defence and security sector, as justified by the Preliminary Assessment (evidence 10), direct loans may be automatically granted due to the sector’s specificity and distinctiveness.

In order to implement the investment into the Facility, Lithuania and INVEGA shall sign a Funding Agreement (or an amendment to an existing Fund of Funds Agreement) that shall include the following content:

1. Description of the decision-making process of the Facility: The final investment decision of the Facility shall be taken by a Credit Committee, INVEGA Management Board or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.

- Paragraph 4.10 of Chapter IV of the Funding Agreement states that “Decisions on the allocation of funding from the Fund (including from the RRF loan) shall be taken by the Fund Manager in accordance with the procedure laid down in the Fund Manager’s articles of association and internal procedures, ensuring independence of decision-making from the State Government and institutions representing the State in accordance with the procedure laid down by law.”
- Furthermore, Paragraph 4.11 of Chapter IV of the Funding Agreement states that “Final decisions on the award of funding shall be taken by collegiate, permanent credit committee(s) approved by the governing body of the Fund Manager. The credit committee(s) (the ILTE staff appointed by the governing body of the Fund Manager) shall take decisions or make proposals for funding in accordance with the competences assigned to them by the governing bodies of the Fund Manager. The following may not be appointed as members of the credit committee and its chair: Chairman of ILTE’s Supervisory Board,

members of ILTE's Supervisory Board, employee of ILTE's Internal Audit Service. The head of the ILTE may not be appointed chairman of the credit committee". Therefore, considering that the credit committee is comprised of ILTE staff appointed by the governing body of the Fund Manager and the procedure laid down in the Fund Manager's articles of association and internal procedures, the votes on the investment decision are independent from the government.

2. Key requirements of the associated investment strategy, which shall include:

- Annex A to the Funding Agreement is the investment strategy of the fund of funds, which includes the financial instrument "Billion for business".
- Furthermore, under section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement, the sixteenth paragraph states that the "detailed requirements for final beneficiaries, eligible expenditure, etc. are laid down in the Financial Instrument Scheme and the description of the Financial Instrument".

a. The description of the financial products and eligible final beneficiaries.

- Under section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement, the second paragraph states that "The financial instrument will provide financing for investments in environmentally friendly technologies, enhancing circularity, decarbonisation, energy efficiency, deployment of low-waste, advanced, innovative, digital technologies, development of manufacturing capacities for high value-added products (including biotechnologies), and defence and security industries".
- Furthermore, the Description of the Financial Instrument (evidence 3) lists under Chapter II the "conditions for financing the facility". This includes the eligibility conditions for the borrower (section 1 of Chapter II).
 - o As such, a loan may be granted to a business entity (point 2) that operates in the Republic of Lithuania (point 2.1), which complies with the minimum criteria for a trustworthy taxpayer (point 2.2), has not been the subject of bankruptcy and/or restructuring proceedings (point 2.3), has submitted a set of financial statements (point 2.4), and is not a State and/or municipal undertaking or an undertaking in which 25% or more of the company's shares are held by the state and/or the municipality (point 2.5), among other requirements.

For strategic investments (i.e. those in defence technologies; space investments in atomic clocks, strategic launchers; space products; and investments focusing solely on developing and deploying cybersecurity tools and solutions, including when these are part of deploying or upgrading digital networks and data infrastructure) final beneficiaries shall not be controlled by a third country or third country entities and shall have their executive management in the Union except for investments below EUR 10 000 000.

- Under section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement, the fourteenth paragraph states that for final beneficiaries "that invest in defence technologies, in space atomic clocks, strategic launchers, space products, as well as investments for the development and deployment of cybersecurity tools and solutions, including where these tools and solutions are part of the deployment or upgrade of digital networks and data infrastructures ('Strategic investments'), and where the value of the project exceeds EUR 10000000" the final beneficiary is not to be subject to control from third-country entities

(non-EU Member States), and its governing body(ies) shall be active in the EU (see first sub-paragraph to the fourteenth paragraph).

- Furthermore, point 2.16 of section 1 (“eligibility conditions of the borrower” under chapter II) of the Description of the Financial Instrument requires that “the business entity is not controlled, [...] by entities from third countries (non-EU Member States) and its governing body(ies) is/are active in the EU (applies to Strategic Investment Projects with a value of more than EUR 10000000, [...]). Control of third-party entities shall be understood as the possibility to exercise, directly or indirectly, a decisive influence over one or more other undertakings and/or shareholders or members of the business entity, [inter alia] the right to appoint (remove) members of the borrower’s governing bodies, to oblige the governing bodies to take decisions relevant to the borrower or to have a right of veto over decisions taken by the borrower and/or other actions capable of substantially altering the management and operation of the borrower shall be exercised without a majority of the votes of the borrower’s shareholders or members and without any agreement with the other shareholders or participants of the undertaking;”

If the final beneficiary is involved in a strategic investment in the field of 5G connectivity, the measures and risk mitigation plans, pursuant to the 5G Cybersecurity Toolbox, shall also apply to its suppliers. Such suppliers notably include vendors of telecom equipment and manufacturers and other third-party suppliers, such as cloud infrastructure providers, managed service providers, systems integrators, security and maintenance contractors and transmission equipment manufacturers.

- Under section 5.2.9. (“Billion for business”) of Annex A to the Funding Agreement, the thirteenth paragraph states that suppliers and contractors involved in the investment of the final beneficiary “s must comply with the provisions set out in the European Commission’s Communication of 15 June 2023 on the implementation of the 5G cybersecurity toolbox regarding security requirements, restrictions for suppliers considered to be high-risk and dependence on a single supplier (applicable to projects investing in 5G)”.
- Furthermore, point 2.18 of section 1 (“eligibility conditions of the borrower” under chapter II) of the Description of the Financial Instrument requires that “The business entity and the suppliers/contractors involved in the project (in particular vendors and manufacturers of telecommunications equipment and other third-party suppliers such as cloud infrastructure providers, managed service providers, system integrators, security and maintenance contractors and transmission equipment manufacturers) must comply with the provisions set out in the European Commission’s Communication of 15 June 2023 on the implementation of the 5G Cybersecurity Toolbox”.

Where the final beneficiary is involved in a strategic investment in the field of defence, this limitation shall also apply to its suppliers and subcontractors.

- In the context of the requirement under the fourteenth paragraph of section 5.2.9. (“Billion for business”) of Annex A to the Funding Agreement (see above), the second sub-paragraph states “Suppliers and/or contractors of the [project] cannot be controlled by entities from third countries (non-EU Member States) and their governing bodies must be located in the EU”.

The limitations concerning the absence of control by a third country or third country entity set out above do not apply for a particular financing and investment operation where the final beneficiary can demonstrate that it is a legal entity for which the Member State in which it is established has approved a guarantee in line with the principles concerning eligible entities set out in the relevant provisions of the European Defence Fund ('EDF') Regulation or the Commission waiver granted in accordance with principles concerning eligible entities set out in the relevant provisions of the Space Regulation.

- In the context of the requirement under the fourteenth paragraph of section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement (see above), the third sub-paragraph states "the requirements set out do not apply to Strategic Investment Projects where the PG can demonstrate that it is a legal entity for which the Member State in which it is established has approved a guarantee under the European Defence Fund Regulation or has approved a waiver granted by the European Commission in accordance with the requirements set out in the relevant provisions of the Space Regulation".
- Furthermore, point 2.19 of section 1 ("eligibility conditions of the borrower" under chapter II) of the Description of the Financial Instrument states that "The requirements set out in sub-paragraphs 2.16-2.18 of the description of the Facility shall not apply to Strategic Investment Projects where the business entity can demonstrate that it is a legal entity for which it has approved a guarantee in accordance with the relevant provisions of the European Defence Fund Regulation by the Member State in which it is established or has approved a waiver granted by the European Commission in accordance with the requirements set out in the relevant provisions of the Space Regulation [...]".

The implementing partner must notify the government of any derogation granted to the limitations.

- In the context of the requirement under the fourteenth paragraph of section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement (see above), the third sub-paragraph states "[...] ILTE shall inform the Government of the Republic of Lithuania of [final beneficiaries] benefiting from an exemption from the obligation laid down in this subparagraph" (see above).

b. The requirement that all investments supported are financially viable.

- Under section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement, the twelfth paragraph (excluding lists) requires that "The level of risk of non-repayment of the loan is acceptable and the investment project is recognised as economically and financially viable. The assessment of the level of risk and the economic feasibility and financial viability of the project shall be carried out in accordance with the procedure laid down in ILTE's internal procedures".
- This requirement is further reflected under point 2.11 of section 1 ("eligibility conditions of the borrower" under chapter II) of the Description of the Financial Instrument.

c. The requirement to comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the investment strategy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants.

- Section 3.2. ("Compliance of the Fund with the horizontal principles ('HP') and the Charter of Fundamental Rights of the EU ('Charter')") of Annex A to the Funding Agreement requires that "the investments comply [...] with the Do-No-Significant-Harm principle, as assessed in accordance with the 'Do No Significant Harm' Technical Guidance (2021/C58/01) adopted by the European Commission on 12 February 2021. Once the Financial Instruments are implemented by the Financial Intermediaries, the Financial Intermediary Agreement shall include provisions to ensure that the investments made by the Financial Intermediaries comply with the 'Do No Significant Harm' principle referred to in this paragraph".
- Under section 5.2.9. ("Billion for business") of Annex A to the Funding Agreement, the fifteenth paragraph requires that "The scope of the planned project and the project to be carried out by the end beneficiary must comply with the applicable EU and national environmental requirements and exclude the activities and assets listed below and not meeting environmental requirements:
 - related to fossil fuels, including their downstream use; [including footnote: Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.]
 - covered by the EU Emissions Trading System (EU ETS) and whose projected greenhouse gas (GHG) emissions are not lower than the relevant benchmarks; [including footnote: Where the projected emissions from activities or assets covered by the EU Emissions Trading System (EU ETS) that benefit from support are not significantly lower than the relevant benchmarks, an explanation should be provided as to why this is not possible. The benchmarks for the free allocation of emission allowances to activities covered by the ETS are set out in Commission Implementing Regulation (EU) 2021/447 of 12 March 2021 determining revised benchmark values for free allocation of emission allowances for the period from 2021 to 2025 pursuant to Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council.]
 - relating to waste landfills, incinerators [including footnote: This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level] and mechanical biological treatment plants. [including footnote: This exemption shall not apply to operations carried out under the Financial Instrument in existing mechanical biological treatment plants where the actions under the Financial Measure aim to increase energy efficiency or to modify the recycling operations of separated waste into compost bio-waste and anaerobic digestion of bio-waste, provided that such actions under the Financial Measure do not lead to an increase in the waste treatment capacity of the plants or to the longer lifespan of the plants; for which evidence is provided at plant level.]"

- Furthermore, under point 10 of section 5 (“Non eligible costs” under Chapter II) of the Description of the Financial Instrument states that activities and assets “relating to fossil fuels, including their use in the downstream market, with the exception of” (point 10.1) “activities and assets related to production of electricity and/or heat using natural gas, as well as relevant transmission and distribution infrastructure, that comply with the conditions set out in Annex III to the ‘Do no significant harm’ Technical Guidance (2021/C58/01), and” (point 10.1.1.) “activities and assets referred to in point 10.2 for which the use of fossil fuels is temporary and technically unavoidable for the timely transition to a fossil-free operation” (point 10.1.2.). Activities and assets “covered by the European Union Emissions Trading System (EU ETS) and for which the projected greenhouse gas emissions are not lower than the relevant benchmarks. [including footnote: Where the activity supported does not result in projected greenhouse gas emissions significantly below the relevant benchmarks, an explanation of the reasons why this is not possible should be provided. Benchmarks for activities covered by the free allocation of emission allowances in the ETS are set out in Commission Implementing Regulation (EU) 2021/447” (point 10.2). Activities and assets “relating to waste landfills, incinerators [including footnote: The exemption shall not apply to operations under this measure in installations exclusively dedicated to the treatment of non-recyclable hazardous waste, and to existing installations, where the operations under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided that such actions under this measure do not result in an increase of the plants’ waste treatment capacity or in an extension of the lifetime of the installation; their evidence is provided at plant level.] and mechanical biological treatment plants;[including footnote: This exclusion does not apply to operations under this measure in existing mechanical biological treatment plants, where the operations under this measure are for the purpose of increasing energy efficiency or modifying recycling operations of separated waste into compost bio-waste and anaerobic digestion of bio-waste, provided that such operations under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; their evidence is provided at plant level.]” (point 10.3).

Furthermore, the investment strategy shall require compliance with the relevant EU and national environmental legislation of the final beneficiaries of the Facility.

- Under section 5.2.9. (“Billion for business”) of Annex A to the Funding Agreement, the fifteenth paragraph requires that “The scope of the planned project and the project to be carried out by the end beneficiary must comply with the applicable EU and national environmental requirements [...].”
- Point 4 of section 6 (“Compliance of the projects with the horizontal principles ('HP') and the Charter of Fundamental Rights of the EU ('Charter')” under Chapter II) of the Description of the Financial Instrument states that the project implemented by the borrower must “comply with EU and national environmental requirements applicable to the project.”

d. The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same cost.

- Section 10 (“Measures to avoid double funding”) of Annex A to the Funding Agreement states “The financial intermediaries or ILTE shall take measures to prevent the costs planned in the final beneficiary’s project from being re-financed, i.e. public funding (including from

EU funds and/or other EU financial support instrument) would not finance the final beneficiary's project more than 100 % of the total value of the PG project or would not lead to a breach of the cumulation provisions of State aid and/or de minimis legislation. ILTE will include appropriate provisions in the Financial Intermediary Selection Term Sheets or Financial Instrument Inventories to avoid cases of double funding."

- Furthermore, point 5 of section 5 ("non-eligible project costs" under Chapter II) of the Description of the Financial Instrument states that the loan funds may not be used for "expenditure which has been financed (paid) or financed by EU funds, other EU financial assistance instruments and/or other international assistance or national funds, if, taken together with the loan funds, the expenditure would have been financed by more than 100 % of the value of the eligible project expenditure".

3. The amount covered by the Funding Agreement (or an amendment to an existing Fund of Funds Agreement), the fee structure for the Implementing Partner and the requirement to reinvest any reflows according to the investment strategy of the Facility unless they are used to service loan repayments of the Recovery and Resilience Facility.

- Table 1 of Annex A to the Funding Agreement contains row no. 4, for the financial instrument "Billion for business". This financial instrument is allocated EUR 850 000 000 of funds, for which the source of financing is "RRF loan funds". As part of those EUR 850 000 000, EUR 55 607 477 is the maximum amount of funds allocated to the management fee of INVEGA.
- Moreover, Chapter IX of the Funding Agreement describes the "Management expenditure and management fee" of the Fund of Funds, as follows:
 - "ILTE shall bear the management costs and pay a management fee for the Fund's management activities under the Treaty and/or for the implementation of the Financial Instrument as set out in the Rules" (Paragraph 9.1).
 - "In the event of termination of the Contract, [...], ILTE shall reimburse any surplus of management costs or management fees received in advance, if any, within 60 days of the date of termination of the Contract" (Paragraph 9.3).
 - "The amounts of the management fee and the calculation base may be reviewed for objective reasons, but not more than once per calendar year." (Paragraph 9.4).
- Furthermore, Paragraph 4.7 of Chapter IV ("Management of the FUND") lays down the uses of the RRF loan repayment, as follows:
 - For the payment of the management fee (paragraph 4.7.1);
 - For the "repayment of the part of the State loan taken out under the RRF loan agreement between the European Commission and the Republic of Lithuania paid into the Fund (hereinafter 'the State loan')" (Paragraph 4.7.2.);
 - For the "the payment of interest on the outstanding portion of the State loan, subject to a ceiling of 3 % per annum" (Paragraph 4.7.3.);
 - and "the same or other financial instruments of the Fund implemented under the same policy objectives, to the extent that they are not required for the fulfilment of the obligations set out in sub-paragraphs 4.7.1 to 4.7.3 of the Agreement".

4. Monitoring, audit, and control requirements, including:

- a. The description of main principles of the Implementing Partner's monitoring system to report on the investment mobilised.**

- Paragraph 1.2 of Annex B (“implementation monitoring”) to the Funding Agreement defines monitoring as “the regular process of collecting and analysing financial and non-financial information and data related to the Financial Instruments financed by the Fund in order to verify and evaluate the functioning of the Fund, compare its functioning and progress with its objectives, targets and budget, and assess its compliance with legal and contractual requirements.”
- Paragraph 3.1 of Annex B (“implementation monitoring”) to the Funding Agreement lays out the general principle of the monitoring process by stating that “checks are carried out, using appropriate tools, and progress is assessed to determine whether there is a risk of deviations from the non-implementation of the Investment Strategy, so that measures can be taken to remedy the situation if necessary”.
- Paragraph 4 of Annex B (“implementation monitoring”) to the Funding Agreement lays out the common guidelines of the monitoring process, as follows:
 - “4.1. The implementation of the Fund is monitored by the Supervisory Committee, the Ministry and the ILTE in accordance with their remit.
 - 4.2. ILTE undertakes to make every effort to achieve the indicators set out in the Investment Strategy and is responsible for providing data on the achievement of the indicator values. ILTE reports on the achievement of the indicators through reporting.
 - 4.3. The implementation of indicators shall be monitored and the risk of non-achievement shall be assessed by the ministries.
 - 4.4. ILTE commits to respond to the changed risks related to the achievement of the indicators and to inform the Ministries about them without delay.”
- As such, the monitoring measure to be implemented by ILTE (see point 5 of Annex B) as fund manager “in specific cases will include documentary checks, reporting. The ILTE undertakes to inform the Supervisory Committee, as appropriate, of the Fund’s the monitoring procedures, the monitoring process and information flows.”

b. The description of main principles of the Implementing Partner’s procedures that aim to ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests in the Implementing Partner’s activities.

- Paragraph 6 of the Preamble to the Funding Agreement states that the financial instruments of the fund are implemented according to the rules for the Implementation of Financial Instruments approved by the Order No. 1K-237 (evidence 4) and according to the requirements of the Recovery and Resilience Plan.
- Under Annex C of the Funding Agreement, on “Audit and Control”, point 2.1.4. contains the main principles of ILTE’s procedures that aim to ensure the prevention, detection and correction of fraud, corruption, and conflict of interests in their activities. As such, it states that “The management and control system of the Fund shall consist of”:
 - (Point 2.1.4.1.) a description of the management and control processes and the distribution of functions within the ILTE;
 - (Point 2.1.4.2.) computerised accounting systems for financial data and data on indicators for monitoring and reporting, storage and transmission of information;
 - (Point 2.1.4.3.) appropriate procedures to ensure the audit trail;

- o (Point 2.1.4.4.) measures for the management of irregularities, infringements, including fraud and/or money laundering, corruption and/or conflicts of public and private interests, identified in [...] the procedures governing the recovery of undue payments laid down in the legislation of the ILTE and of the Republic of Lithuania.
- To ensure adequate compliance control in terms of (inter alia) fraud, corruption and conflict of interest, ILTE follows a three-track model to ensure the prevention, identification, and correction of non-conformities (see paragraph 55 of ILTE's Board Decision of 25 August 2022 – evidence 8):
 - o First line (paragraph 55.1) – INVEGA's (currently known as ILTE) staff is responsible for the day-to-day application of external and internal legal requirements: identification of non-conformities, reporting of non-conformities to the compliance function, correction of non-conformities and preventive control;
 - o The second line (paragraph 55.2) is the Risk Management and Compliance Department, compliance officer and compliance function. The implementation of the compliance function is to be coordinated and controlled by the compliance officer. The compliance function performs an analysis of possible non-conformities; monitoring, providing advice, guidance, training for first line staff, carrying out checks, analysing and monitoring the elimination of non-compliances, and preparing risk management reports.
 - o The third line (paragraph 55.3) is the Internal Audit Service, which assesses the effectiveness of the compliance management process and the management of non-compliance risks.
- In addition, Order No B-244 (evidence 5) states under paragraph 6 that, during the assessment of a client, the responsible employee of ILTE (formerly known as INVEGA) must assess the client's compliance with a set of criteria, including the requirement that in the 5 years leading up to the request for a loan, "the borrower, [...] or a person having powers of representation, decision-making or control over the borrower, has not been convicted by a final court decision or a final administrative decision, and has no criminal record that has not been expunged or been quashed for" fraud paragraph (6.6.2.), corruption (paragraph 6.6.3.), money laundering or terrorist financing (6.6.6.) and other criminal offenses. If the client's assessment identifies non-compliance with the above criteria, ILTE (formerly known as INVEGA) cannot enter in a business relationship with said client (Paragraph 12 of Order No B-244 – Chapter IV).
- Furthermore, to ensure the prevention and detection of conflict of interest, ILTE's Board Decision of 26 August 2024 (evidence 6) sets out key measures (paragraph 15 of Chapter VI), requiring the disclosure of information by interested parties about potential conflict of interests (paragraph 15.1), the declaration of private interests (paragraph 15.2), and a control and monitoring framework of the declarations of public and private interests of ILTE's (formerly known as INVEGA) staff (paragraph 15.3)
- Furthermore, to ensure the correction of conflict of interest, ILTE's Board Decision of 26 August 2024 states under paragraph 16 of Chapter VII that "where a conflict of interests or circumstances that may give rise to a conflict of interests or its appearance become apparent, the interested person shall immediately inform the relevant collegial, sole or sole management body, as well as other persons who jointly perform official duties in relation to such a situation, in writing and in accordance with the procedure laid down in INVEGA's (currently known as ILTE) internal documents, and, if the conflict of interests is confirmed,

declare their disqualification and not participate in any way in the consideration and adoption of the decision that led to the conflict of interests.”

c. The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Implementing Agreement before committing to finance an operation.

- Paragraph 4.11 of Chapter IV of the Funding Agreement states that “Final decisions on the award of funding shall be taken by collegiate, permanent credit committee(s) approved by the governing body of the Fund Manager. [...] Funding shall only be granted to projects that meet the requirements laid down in the State aid or financial instrument scheme approved by the Minister for the Economy and Innovation and the conditions of the description of the financial instrument.”
- Furthermore, the ex-post checks referred to under Paragraph 2.1.6. of Annex C (“Audit and Control”) to the Funding Agreement include “whether final beneficiary’s projects financed by the RRF loan comply with the requirements set out in the State aid or Financial Instrument Scheme approved by the Minister of Economy and Innovation and in the description of the Financial Instrument.” (see paragraph 2.1.6.3.).

d. The obligation of carrying out risk-based ex-post checks in accordance with an internal checks’ plan of INVEGA.

- Paragraph 2.1.6. of Annex C (“Audit and Control”) to the Funding Agreement states “INVEGA commits once a year to carry out risk-based ex-post sample checks on the Financial Instrument financed by the RRF loan, in accordance with the internal verification plan”.

These checks shall verify i) that the INVEGA’s control systems are effective, including the detection of fraud, corruption, and conflict of interests;

- Paragraph 2.1.5. of Annex C (“Audit and Control”) to the Funding Agreement states that “Once a year, ILTE undertakes to carry out assessments of the effectiveness of the control system, including assessments of fraud, corruption prevention and the detection of conflicts of interest, and to analyse their results, to ensure that irregularities are properly investigated and corrected and to inform the persons and institutions concerned, in accordance with the regulatory framework and ILTE’s internal documents”.
 - o This assessment relates to the second line of ILTE’s (formerly known as INVEGA) compliance control system (see paragraph 55.2 and 56 of ILTE’s Board Decision of 25 August 2022). This control is carried out using “a risk-based approach, which distinguishes between resources and controls to be applied that are adequate to the risk of non-compliance in a given area and focus on critical and priority area” (see Paragraph 56). These controls include a control of the operational risk management (paragraph 56.1), inspections (on-the-spot checks, documentary checks) at the level of implementation of the measures (paragraph 56.2), management of irregularities and infringements (paragraph 56.3), area-specific audits (paragraph 56.4), periodic monitoring of the review of internal legislation (paragraph 56.5), and surveys as well as studies (paragraph 56.6).
- Moreover, according to ILTE’s Board Decision of 19 January 2024, (paragraph 6.6.) ILTE (formerly known as INVEGA) is to perform a “Regular assessment of the risk of the occurrence of corruption offences and the selection and implementation of appropriate

prevention measures". ILTE (formerly known as INVEGA) manages corruption risks in its business processes, identifies them and takes measures to mitigate (eliminate) those risks. ILTE (formerly known as INVEGA) aims to identify corruption risks on a preventive basis, *inter alia*, before they materialise, by putting in place preventive corruption risk management tools to prevent or reduce the identified risks to acceptable levels.

- Furthermore, according to ILTE's Board Decision of 25 August 2022, (paragraph 37) "In the course of corruption prevention activities, a corruption risk analysis must be carried out every year, the areas of possible manifestation of corruption must be assessed, and in accordance with the external and internal documents regulating how the fight against corruption is to be carried out in ILTE (formerly known as INVEGA), a plan of anti-corruption measures must be drawn up, which sets out the measures for carrying out the prevention of corruption, the responsible employees (departments), the deadlines for the implementation of measures, the expected results."

ii) compliance with the DNSH principle and the State Aid rules;

- The ex-post checks referred to under Paragraph 2.1.6. of Annex C ("Audit and Control") to the Funding Agreement include the compliance of the projects "with the Do-No-Significant Harm (Do-No-Significant Harm) principle as set out in the Technical Guidelines for the Recovery and Resilience Facility Regulation (2021/C58/01) and State aid rules (if applicable)" (see paragraph 2.1.6.1).

and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected.

- The ex-post checks referred to under Paragraph 2.1.6. of Annex C ("Audit and Control") to the Funding Agreement include "whether the [final beneficiary's project] complies with the requirement not to receive funding from EU funds and/or other EU financial support instruments for the same intended costs, i.e. to verify that the PG project has not received funding from EU funds and/or other EU financial support instruments for more than 100 % of the value of the project" (see paragraph 2.1.6.2.).

The audits shall also verify the legality of the transactions and that the conditions of the applicable Funding Agreement (or an amendment to an existing Fund of Funds Agreement) are being respected.

- The ex-post checks referred to under Paragraph 2.1.6. of Annex C ("Audit and Control") to the Funding Agreement include "whether final beneficiary's projects financed by the RRF loan comply with the requirements set out in the State aid or Financial Instrument Scheme approved by the Minister of Economy and Innovation and in the description of the Financial Instrument." (see paragraph 2.1.6.3.).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 137c Publication of call for applications by INVEGA

Related Measure: C5. E.3.1. Loans to enterprises to develop green and high value-added technologies for industrial development

Qualitative Indicator: Publication of call

Time: Q1 2025

1. Context:

This measure aims at improving the access to finance of companies for the development of green and high value-added technologies and the competitiveness of the Lithuanian defence and security industry. This measure consists of a public investment in a Facility managed by INVEGA (the National Promotional Institution). The Facility shall operate by providing subordinated, syndicated and direct loans directly to the private sector, to projects contributing to at least one of the following objectives: developing circularity, decarbonisation, energy efficiency, environmentally friendly, low-waste, advanced, innovative and digital technologies, production capacity for high value-added products, or projects in the defence and security industry. On the basis of the RRF investment, the Facility aims at initially providing at least EUR 850 000 000 of financing.

Milestone 137c relates to the publication of a call for applications by the National Promotional Institution.

Milestone 137c is the third milestone of the investment, and it follows the completion of milestone 137a and milestone 137b. It will be followed by target 137d and target 137e related to the signature of legal agreements with final beneficiaries, and milestone 137f related to the transfer of funds to INVEGA for the Facility. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was fulfilled.
2	Order of Director of ILTE of 21 July 2025 No. B-143 amending Order of Director of ILTE of 29 April 2024 No. B-88 describing the financial instrument "Billion for Business" (hereinafter referred to as "Order No. B-143"). Link to publication: https://ilte.lt/doclib/mnqwsirevhukabsbm873knwy4jkm7mw2	Description of the financial instrument. The latest version is approved by Order No. B-143 of 21 July 2025.
3	Call launched on 29 April 2024. Link to the call: https://ilte.lt/kvietimai/kvietimai-verslui/87/kvieciame-teikti-paraiskas-pagal-skatinamaja-finansine-priemone-milijardas-verslui:1726 (link accessed on 15 December 2025).	Link to the published call, which can be accessed by applicants to request financing for their projects.
4	Copy of Order of Minister of Finance No 1K-238 of 12 July 2024 amending Order No. 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (hereinafter referred to as "Order	Order evidencing that INVEGA has formally changed its title/name to ILTE.

3. Analysis:

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

INVEGA shall launch a call for enterprises to submit applications for loans in line with the requirements specified in the description of the measure.

It should be noted that the closed joint-stock company INVEGA was officially renamed ILTE in 2024; as evidenced in Point 1 of Order of Minister of Finance No. 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company “investment and business guarantee” (evidence 4). For the purposes of this assessment, ILTE and INVEGA should be read as interchangeable.

On 28 March 2024, a call to submit applications to receive a loan from the financial instrument “Billion for Business” was published on the website of ILTE. The Commission services accessed the link provided by the authorities on 15 December 2025 to verify that the website (evidence 3) specifies that loans will be provided to “business entities’ investments in environmentally friendly technologies, increasing circularity, decarbonisation, energy efficiency, deployment of low-waste, smart, innovative, digital technologies, development of production capacities for high value-added products (including biotechnology), and the defence and security industry”. The call specifies that applications can be submitted from 29 April 2024 at 13:00 and that contracts for granting a loan can be signed no later than 31 March 2026 at 23:59. This check was completed successfully, confirming that a call for enterprises to submit application for loans (in line with the requirements specified in the description of the measure) was launched.

The conditions for the implementation of the financial instrument are determined by the description of the financial instrument, as approved by Order of the Director-General of ILTE of 21 July 2025 No. B-143 (evidence 2).

Paragraph 4 of Chapter I of Order No. B-143 states that the “submission, evaluation, conclusion or refusal of the Loan Agreement are governed by ILTE’s direct loan application and application and evaluation procedure, which is publicly available on ILTE’s website”.

Furthermore, in line with the description of the measure, **the Facility shall operate by providing subordinated, syndicated and direct loans directly to the private sector and, INVEGA shall provide debt financing (co-finance business projects with private financial institutions (mainly in the form of subordinated loans) or, where a market survey has shown the need for it, finance business projects directly) to: projects contributing to at least one of the following objectives: developing circularity, decarbonisation, energy efficiency, environmentally friendly, low-waste, advanced, innovative and digital technologies, production capacity for high value-added products, or projects in the defence and security industry.**

Section 1 (“eligibility conditions of the borrower”) of Chapter II of Order No. B-143 contains the list of criteria an applicant must fulfil to be eligible for a loan. These criteria stipulate that a loan may be granted to a business entity (point 2) that operates in the Republic of Lithuania (point 2.1), which complies with the minimum criteria for a trustworthy taxpayer (point 2.2), has not been the subject of bankruptcy and/or restructuring proceedings (point 2.3), has submitted a set of financial statements (point 2.4), and is not a State and/or municipal undertaking or an undertaking in which

25% or more of the company's shares are held by the state and/or the municipality (point 2.5), among other requirements.

Paragraph 2.1. of section 2 ("loan purpose") states that a "subordinated, syndicated or Direct Investment Loan" may be granted. Moreover, paragraph 4 states that the "borrower may only use the loan received to finance the project. The project for which funding is requested under the Facility shall comply with the requirements set out in the Facility's financing conditions. The eligibility of the expenditure financed by the loan shall be ascertained from the business plan submitted by the Business Entity". Therefore, the need for a loan should be determined by an ex-ante evaluation in the form of a business plan.

Furthermore, Paragraph 2.14. of section 1 ("eligibility conditions of the borrower") states that "In the case of direct loans and where the Business Entity is active in sectors other than defence and security, the Business Entity must have provided evidence to ILTE that it does not have access to market financing from financial institutions operating in Lithuania. In order to receive a Loan under the Facility and where the amount of the Loan is less than EUR 4 million, the Business Entity must provide three Business Entity Refusal Certificates (the 'Certificate') to the ILTE, signed by the Financial Institutions, stating that financing is not provided to the Business Entity under the conditions specified in the Certificate. [...] In the case of loans of EUR 4 million or more, the business entity must submit two Certificates signed by a bank licensed in the Republic of Lithuania". Thus, the need for a direct loan must be substantiated with market gap to be addressed by the facility.

Paragraph 1 of Chapter I ("Introductory Information") specifies that loans are to be provided to "businesses for investments in environmentally friendly technologies, enhancing circularity, decarbonisation, energy efficiency, deployment of low-waste, smart, innovative, digital technologies, development of manufacturing capacities for high value-added products (including biotechnology), and the defence and security industry".

Furthermore, in line with the description of the measure, **on the basis of the RRF investment, the Facility aims at initially providing at least EUR 850 000 000 of financing.**

Paragraph 2.1 of Chapter I of Order No. B-143 states that "EUR 850 000 000 of RRF loan funds (including the ILTE management fee) have been allocated to the implementation of the Facility".

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Target: 137d Legal agreements signed with final beneficiaries

Related Measure: C5. E.3.1. Loans to enterprises to develop green and high value-added technologies for industrial development

Quantitative Indicator: %

Baseline: 0

Target: 20

Time: Q3 2025

1. Context:

This measure aims at improving the access to finance of companies for the development of green and high value-added technologies and the competitiveness of the Lithuanian defence and security industry.

Milestone 137d relates to loans to enterprises to develop green and high value-added technologies for industrial development in Lithuania.

Milestone 137d is the fourth milestone or target of the investment, and it follows the completion of milestone 137a, milestone 137b, and milestone 137c related to the entry into force of guidelines for Defence and Security Industrial Development 2023-2027, the entry into force of the Funding Agreement and the publication of call for applications. It will be followed by target 137e related to the signature of legal agreements with final beneficiaries for an amount necessary to use at least 100% of the RRF investment into the Facility (taking into account management fees), and milestone 137f related to the transfer of funds to INVEGA for the Facility.

The measure has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2024-KKL1-22-02, signed on 7 November 2024 (hereinafter referred to as 'financing agreement NR. MLRD-2024-KKL1-	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.

	22-02')	
3	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2024-KKL1-32-02, signed on 20 November 2024 (hereinafter referred to as 'financing agreement NR. MLRD-2024-KKL1-32-02')	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.
4	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2025-KKL1-05-05, signed on 28 March 2025 (hereinafter referred to as 'financing agreement NR. MLRD-2025-KKL1-05-05')	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.
5	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2025-KKL1-08-01, signed on 20 November 2024 (hereinafter referred to as 'financing agreement NR. MLRD-2025-KKL1-08-01')	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.
6	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2025-KKL1-12-01, signed on 29 April 2025 (hereinafter referred to as 'financing agreement NR. MLRD-2025-KKL1-12-01')	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.
7	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2025-KKL1-12-02, signed on 28 April 2025 (hereinafter referred to as 'financing agreement NR. MLRD-2025-KKL1-12-02')	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.
8	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2025-KKL1-37-01, signed on 30 April 2025 (hereinafter referred to as 'financing agreement NR. MLRD-2025-KKL1-37-01')	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.
9	Financing agreement between ILTE and the final beneficiary, NR. MLRD-2025-KKL1-12-03, signed on 30 May 2025 (hereinafter referred	Signed legal financing agreement evidencing the loan between ILTE and the beneficiary.

	to as 'financing agreement NR. MLRD-2025-KKL1-12-03')	
10	Copy of Order of Minister of Finance No 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (hereinafter referred to as "Order No 1K-238").	Order evidencing that INVEGA has formally changed its title/name to ILTE.

3. Analysis:

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the target.

INVEGA shall have entered into legal financing agreements with final beneficiaries for an amount necessary to use at least 20% of the RRF investment into the Facility (taking into account management fees).

It should be noted that the closed joint-stock company INVEGA was officially renamed ILTE in 2024; as evidenced in Point 1 of Order of Minister of Finance No. 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (evidence 10). For the purposes of this assessment, ILTE and INVEGA should be read as interchangeable.

The Lithuanian authorities have submitted to the Commission services signed financing agreements, evidencing that ILTE has entered into legal financing agreements with eight final beneficiaries.

1. According to the financing agreement NR. MLRD-2024-KKL1-22-02 signed on 7 November 2024 (evidence 2), ILTE (see section I. "Lender") has entered into legal financing agreement with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 24 064 000.00 (see point 2. "loan amount and currency" of the "special conditions" section).
2. According to the financing agreement NR. MLRD-2024-KKL1-32-02 signed on 20 November 2024 (evidence 3), ILTE (see section I. "Lender") has entered into legal financing agreement with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 28 579 781.00 (see point 2. "loan amount and currency" of the "special conditions" section).
3. According to the financing agreement NR. MLRD-2025-KKL1-05-05 signed on 28 March 2025 (evidence 4), ILTE (see section I. "Lender") has entered into legal financing agreement with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 5 586 079.00 (see point 2. "loan amount and currency" of the "special conditions" section).
4. According to the financing agreement NR. MLRD-2025-KKL1-08-01 signed on 20 November 2024 (evidence 5), ILTE (see section I. "Lender") has entered into legal financing agreement

with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 28 883 536.72 (see point 2. "loan amount and currency" of the "special conditions" section).

5. According to the financing agreement NR. MLRD-2025-KKL1-12-01 signed on 29 April 2025 (evidence 6), ILTE (see section I. "Lender") has entered into legal financing agreement with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 24 960 000.00 (see point 2. "loan amount and currency" of the "special conditions" section).
6. According to the financing agreement NR. MLRD-2025-KKL1-12-02 signed on 28 April 2025 (evidence 7), ILTE (see section I. "Lender") has entered into legal financing agreement with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 32 560 000.00 (see point 2. "loan amount and currency" of the "special conditions" section).
7. According to the financing agreement NR. MLRD-2025-KKL1-37-01 signed on 30 April 2025 (evidence 8), ILTE (see section I. "Lender") has entered into legal financing agreement with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 77 222 400.00 (see point 2. "loan amount and currency" of the "special conditions" section).
8. According to the financing agreement NR. MLRD-2025-KKL1-12-03 signed on 30 May 2025 (evidence 9), ILTE (see section I. "Lender") has entered into legal financing agreement with the final beneficiary (see section II. "The Recipient"), following the qualified electronic signature of representatives from both parties (see top-left of page 1), for a loan amount of EUR 12 037 808.00 (see point 2. "loan amount and currency" of the "special conditions" section).

According to the evidence provided (evidence 2-9), by 30 September 2025 ILTE had entered into legal financing agreements for a total loan amount of EUR 233 893 604.72, for which management fees amount to EUR 666 591.55, thus exceeding the target of legal financing agreements with final beneficiaries for an amount necessary to use at least 20% of the RRF investment into the Facility (taking into account management fees), namely EUR 170 000 000.00, by EUR 64 560 196.27. The total RRF investment into the Facility taking into account management fees amounts to EUR 850 000 000.00. The total of management fees for the financing agreements under assessment amount to EUR 666 591.55, which is the sum of the management fees mentioned in each financing agreement under point 23 (evidence 2-9).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Preliminary Assessment – M/T specific section:

Loan support

Number and name of the Milestone: 180d Investment policy for INVEGA

Related Measure: C6. F.3.2. Capitalisation and financial resilience of the National Promotional Institution

Qualitative Indicator: Adoption of an investment policy

Time: Q1 2025

1. Context:

This measure consists of a public investment to increase the capitalisation of INVEGA (National Promotional Institution) through an equity injection in order to improve access to finance in Lithuania. The investment provides INVEGA with additional equity of EUR 150 000 000. For this, INVEGA is to adopt a new investment policy, including covering the use of the additional equity in line with the RRF objectives and eligibility criteria.

Milestone 180d concerns the adoption of a new investment policy for INVEGA, including covering the use of the additional equity in line with the RRF objectives and eligibility criteria.

Milestone 180d is the second and last milestone of the investment, and it follows the completion of target 180c, related to the transfer of EUR 150 000 000 to INVEGA to increase its capitalisation.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Decision of ILTE's Board of Directors of 6 March 2025 on the approval of the investment policy, (hereinafter referred to as "Investment policy").	New investment policy for ILTE, including covering the use of the additional equity in line with the RRF objectives and eligibility criteria.
3	Minutes of the Meeting of the Management Board No. 9, of 6 March 2025	Minutes of the Meeting of the Management Board No. 9 approving the investment policy for the financial instruments implemented by UAB ILTE with its own funds.
4	Copy of Order of Minister of Finance No. 1K-238 of 12 July 2024 amending Order No. 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (hereinafter referred to as "Order No. 1K-238").	Order evidencing that INVEGA have formally changed its title/name to ILTE.
5	Copy of Protocol No. 019 on the decision of the Governing Board of 18 April 2024 amending the Decision of INVEGA's board of 12 December 2023	Credit committee regulations determining the composition, the rules, and the obligations of the credit committees.

	on the regulations of INVEGA's credit committees (hereinafter referred to as "Credit committee regulations")	
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3. Analysis:

The justification and substantiating evidence provided by the Lithuania authorities cover all constitutive elements of the milestone.

Adoption of a new investment policy for INVEGA, including covering the use of the additional equity in line with the provisions of the measure description.

Furthermore, in line with the description of the measure, **INVEGA shall adopt a new investment policy, including covering the use of the additional equity in line with the RRF objectives and eligibility criteria.**

It should be noted that the closed joint-stock company INVEGA was officially renamed ILTE in 2024; as evidenced in Point 1 of Order of Minister of Finance No. 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (evidence 4). For the purposes of this assessment, ILTE and INVEGA should be read as interchangeable.

Paragraph 18 of the ILTE new investment policy (Chapter 5 "Final Provisions", evidence 2) states that "The policy shall be approved and amended by a decision of the Governing Board of the ILTE." Related to this, the "contents" page of the investment policy (top-right of page 2) states that the investment policy was approved by decision of the board of directors of ILTE on 6 March 2025, thus adopting the new investment policy. This decision is confirmed by the minutes of the meeting of the management board No 9, of 6 March 2025 (evidence 3). Paragraph 4 of the investment policy (Chapter 2 "Incentive financial instruments") states that "the implementation of promotional financial instruments financed by ILTE's own funds must ensure that at least the share of the new ILTE investments that corresponds to the RRF-funded capital in ILTE's total capital will be in line with the objectives of the Regulation". According to the "Terms and Abbreviations" table on page 3 of the investment policy, RRF funds are described as "Funds from the Recovery and Resilience Facility made available in accordance with the provisions of the Regulation", RRF funded capital is equal to "EUR 150 million", and the Regulation refers to "Regulation (EU) 2021/241 of the European Parliament and of the Council of 21 February 2021 establishing the Recovery and Resilience Facility". Thus, the additional equity financed by the RRF (equal to EUR 150 million) is to be in line with the objectives of the RRF.

The eligibility criteria are met through the assessment below.

The investment policy shall include:

The requirement, applicable to at least the share of INVEGA's new investments that the new capital represents in INVEGA's total capital, that investments of INVEGA are in line with the RRF Regulation objective.

As indicated above, Paragraph 4 of the Investment policy (Chapter 2 "Incentive financial instruments") states that "the implementation of promotional financial instruments financed by ILTE's own funds must ensure that at least the share of the new ILTE investments that corresponds

to the RRF-funded capital in the ILTE's total capital will be in line with the objectives of the Regulation".

The requirement, applicable to at least the share of INVEGA's new investments that the new capital represents in INVEGA's total capital, to comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01)

Paragraph 15 of the Investment policy (Chapter 4 "Sustainability Provisions") states that "The implementation of incentive financial measures financed by ILTE's own funds shall ensure that at least the part of the new ILTE investment represented by the RRF-funded capital in ILTE's total capital complies with the 'do no significant harm' (DNSH) principle, as set out in the DNSH Technical Guidance (2021/C58/01)". Furthermore, Paragraph 17 of the Investment policy state that "The policy provisions related to the implementation of the DNSH principle shall be translated into the descriptions of the financing conditions of the incentive financial instruments and other internal documents, including, but not limited to, DNSH questionnaires and checklists".

Where, in particular, the investment policy shall exclude the following list of activities:

Paragraph 15 sub-paragraph 1 of the Investment policy (Chapter 4 "Sustainability Provisions") states that the "the part of the new ILTE investment represented by the RRF-funded capital in ILTE's total capital may not be provided to:"

(i) activities related to fossil fuels, including downstream use, Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation

Paragraph 15 sub-paragraph 1.1 of the Investment policy (Chapter 4 "Sustainability Provisions") states that "activities and assets related to fossil fuels, including their use in consumer markets" are to be excluded from the investment policy. Footnote 1 of the investment policy (page 4) provides the exception for "(a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation."

(ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

Paragraph 15 sub-paragraph 1.2 of the Investment policy (Chapter 4 "Sustainability Provisions") states that "activities and assets covered by the EU Emissions Trading System (EU ETS) for which the projected greenhouse gas emissions are not lower than the relevant benchmark" are to be excluded from the investment policy. Footnote 2 of the investment policy (page 4) specifies that "where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided.

Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.”

(iii) activities related to waste landfills, incinerators. This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

Paragraph 15 sub-paragraph 1.3 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that “activities and assets related to waste landfills, incinerators [...]” are to be excluded from the investment policy. Footnote 3 of the investment policy (page 4) clarifies that “this exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.”

and mechanical biological treatment plants. This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

Paragraph 15 sub-paragraph 1.3 of the Investment policy (Chapter 4 “Sustainability Provisions”) also states that “[...] mechanical biological treatment plants” are to be excluded from the investment policy. Footnote 4 of the investment policy (page 4) clarifies that “this exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level”.

Where, in particular, the investment policy shall in the case of general support to corporates, exclude companies with a substantial focus in the following sectors: It is considered that a Final Beneficiary has a “substantial focus” on a sector or business activity if such sector or activity is identified as being an essential part of the business activity of the Final Beneficiary respectively in relation to the gross revenue, profit, or client base of the Final Beneficiary. The gross revenue generated from the restricted sector or activity shall, in any case, not exceed 50% of the gross revenue.

Paragraph 15 sub-paragraph 2 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that the “part of the new ILTE investment that corresponds to RRF-funded capital in ILTE the total capital shall not be allocated to enterprises which focus on the following sectors:”

Footnote 5 of the investment policy (page 4) clarifies that “It is considered that a Final Beneficiary has a ‘substantial focus’ on a sector or business activity if such sector or activity is identified as being

an essential part of the business activity of the Final Beneficiary respectively in relation to the gross revenue, profit, or client base of the Final Beneficiary. The gross revenue generated from the restricted sector or activity shall, in any case, not exceed 50% of the gross revenue.”

(i) fossil fuel-based energy production and related activities. Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

Paragraph 15 sub-paragraph 2.1 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that the enterprises focused on “fossil fuel-based energy production and related activities” are excluded from the investment policy. Footnote 6 of the investment policy (page 5) provides the exception for “(a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.”

(ii) energy-intensive and/or high CO2-emitting industries. Including activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

Paragraph 15 sub-paragraph 2.2 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that the enterprises in “energy-intensive and/or CO2-intensive industries” are excluded from the investment policy. Footnote 7 of the investment policy (page 5) specifies that it includes “activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. The benchmarks for the free allocation of emission allowances to activities covered by the ETS are set out in Commission Implementing Regulation (EU) 2021/447”.

(iii) production, rental, or sale of polluting vehicles. Polluting vehicles are defined as non-zero-emission vehicles.

Paragraph 15 sub-paragraph 2.3 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that the enterprises focused on the “manufacture, hire or sale of polluting vehicles” are excluded from the investment policy. Footnote 8 of the investment policy (page 5) specifies that “Polluting vehicles are defined as non-zero-emission vehicles”.

(iv) waste collection, waste treatment and disposal. This exclusion does not apply to actions in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste

processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level

Paragraph 15 sub-paragraph 2.4 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that the enterprises focused on “waste collection, waste management and disposal” are excluded from the investment policy. Footnote 9 of the investment policy (page 5) specifies that “this exclusion does not apply to actions in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.”.

(v) processing of nuclear fuel, production of nuclear energy;

Paragraph 15 sub-paragraph 2.5 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that the enterprises focused on “nuclear fuel processing, nuclear energy production.” are excluded from the investment policy.

Where, in particular, the investment policy shall require compliance with the relevant EU and national environmental legislation of the supported investments.

Paragraph 16 of the Investment policy (Chapter 4 “Sustainability Provisions”) states that “Investments financed by ILTE’s own funds must be implemented in accordance with the relevant EU and national environmental legislation.”

The requirement that INVEGA’s final investment decisions shall be taken by a Credit Committee, INVEGA’s Management Board or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.

Paragraph 12 of the Investment policy (Chapter 3 “Risk Management and Decision Making”) states that “all decisions are taken by the Credit Committees established by decision of the ILTE Board. Only ILTE staff with good repute, professional qualifications and professional experience in financial institutions shall be appointed to the Credit Committees”.

Furthermore, paragraph 11 of the Investment policy (Chapter 3 “Risk Management and Decision Making”) states that “For all ILTE promotional financial instruments, financing decisions are taken in accordance with the Regulations of the Credit Committees approved by the ILTE Board and the description of the limits of the competences for financing decision-making and contracting”. On this basis, under paragraph 3.8, subparagraph 2 of the Credit committee regulations (chapter 3 “Setting up of the Committee(s), members of the Committee, their rights and obligations” - evidence 4), it is stated that a member of the credit committee is to “independently assess the information provided, take decisions (proposals) objectively and responsibly. [...] he or she shall express his or her position in a clear and unambiguous manner when voting. In the event that the opinion of a member of the Committee does not coincide or is contrary to the proposed decision (proposal), the member of the Committee shall, when voting, indicate the circumstances in which he or she does not agree with the decision (proposal) or indicate additional conditions upon which he or she would agree to the relevant item on the agenda of the Committee meeting”. Moreover, according to paragraph 3.8, sub-paragraph 5, the member of the credit committee is to “avoid conflicts of private and public interest.”. Thus, final investment decisions are taken by a majority of votes from members who are employees of ILTE, independent in their decision-making, including from the government.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Target: 206 Legal agreements signed with final beneficiaries

Related Measure: C8. H.3.1. Investment support for RES plants (solar, wind and hybrid onshore) and electricity storage facilities

Quantitative Indicator: %

Baseline: 0

Target: 20

Time: Q2 2025

1. Context:

This measure aims to incentivise private investment and improve access to finance in the Lithuanian renewable energy sector. It consists of a public investment in the Energy Efficiency Fund (hereafter *the Facility*), which provides loans to private and public sector entities for investment in renewable energy power plants and in electricity storage facilities.

Target 206 concerns legal financing agreements signed with final beneficiaries of the Facility.

Target 206 is the third step in the implementation of the measure and follows the completion of milestone 204 relating to the entry into force of the Funding Agreement between Lithuania and INVEGA (or an amendment to an existing Fund of Funds Agreement) and milestone 205 relating to a call being launched for private entities (including public entities competing in the same call) to submit applications for loans. Target 206 will be followed by Target 207 relating to INVEGA entering into legal financing agreements with final beneficiaries for an amount necessary to use 100% of the RRF investment into the Facility (taking into account management fees) and by milestone 208 relating to Lithuania transferring EUR 549 130 737 to INVEGA for the Facility.

The measure has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

No.	Name of the evidence	Short description
1	Summary document	Summary document justifying how the target (including all the constitutive elements) has been satisfactorily fulfilled.
2	Copy of Order of Minister of Finance No. 1K-238 of 12 July 2024 amending Order No. 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (hereinafter referred to as "Order No. 1K-238").	Order evidencing that INVEGA has formally changed its title/name to ILTE.
3a	Loan agreement between ILTE and the final	Legal financing agreement between ILTE and

	beneficiary, No. AEI_RRF-2024-KK-L1-27-01NR, signed on 22 October 2024 and 21 October 2024 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2024-KK-L1-27-01NR')	the beneficiary, signed electronically by both parties.
3b	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-33-04-7-2-S-58, signed on 19 February 2025 and 18 February 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-33-04-7-2-S-58')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3c	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-11-01, signed on 29 April 2025 (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-11-01')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3d	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-11-03, signed on 29 April 2025 (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-11-03')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3e	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-11-04, signed on 29 April 2025 (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-11-04')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3f	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-11-05, signed on 29 April 2025 (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-11-05')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3g	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-11-02, signed on 30 April 2025 (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-11-02')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3h	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-09-01, signed on 2 May 2025 and 30 April 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-09-01')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3i	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-09-02, signed on 2 May 2025 and 30 April 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-09-02')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3j	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-23-05,	Legal financing agreement between ILTE and the beneficiary, signed electronically by both

	signed on 30 June 2025 and 26 June 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-23-05')	parties.
3k	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-23-04, signed on 30 June 2025 and 26 June 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-23-04')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3l	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-23-03, signed on 9 July 2025 and 3 July 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-23-03')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3m	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-25-01, signed on 17 July 2025 and 16 July 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-25-01')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3n	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KK-L2p-40-03, signed on 1 August 2025 and 31 July 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KK-L2p-40-03')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.
3o	Loan agreement between ILTE and the final beneficiary, No. AEI_RRF-2025-KKL1-53-01, signed on 18 August 2025 and 14 August 2025 respectively (hereinafter referred to as the 'financing agreement No. AEI_RRF-2025-KKL1-53-01')	Legal financing agreement between ILTE and the beneficiary, signed electronically by both parties.

3. Analysis:

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the target.

INVEGA shall have entered into legal financing agreements with final beneficiaries for an amount necessary to use at least 20% of the RRF investment into the Facility (taking into account management fees).

It should be noted that the closed joint-stock company INVEGA was officially renamed ILTE in 2024; as evidenced in Point 1 of Order of Minister of Finance No. 1K-2438 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (evidence 2). For the purposes of this assessment, ILTE and INVEGA should be read as interchangeable.

The Lithuanian authorities submitted to the Commission services signed loan agreements, evidencing that ILTE has entered into legal financing agreements with 15 final beneficiaries (evidence 3 and 3a-3o).

1. According to the financing agreement No. AEI_RRF-2024-KK-L1-27-01NR signed by parties on 21 October 2024 and 22 October 2024 (evidence 3a), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 3 937 136.80 (see point 2, 'Loan amount and currency' of the Special conditions section).
2. According to the financing agreement No. AEI_RRF-2025-33-04-7-2-S-58 signed by parties on 18 February 2025 and 19 February 2025 (evidence 3b), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 40 000.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
3. According to the financing agreement No. AEI_RRF-2025-KKL1-11-01 signed by parties on 29 April 2025 (evidence 3c), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 10 819 066.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
4. According to the financing agreement No. AEI_RRF-2025-KKL1-11-03 signed by parties on 29 April 2025 (evidence 3d), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 8 305 496.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
5. According to the financing agreement No. AEI_RRF-2025-KKL1-11-04 signed by parties on 29 April 2025 (evidence 3e), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 11 511 714.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
6. According to the financing agreement with No. AEI_RRF-2025-KKL1-11-05 signed by parties on 29 April 2025 (evidence 3f), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 9 756 656.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
7. According to the financing agreement No. AEI_RRF-2025-KKL1-11-02 signed by parties on 30 April 2025 (evidence 3g), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified

electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 8 513 421.00 (see point 2, 'Loan amount and currency' of the Special conditions section).

8. According to the financing agreement No. AEI_RRF-2025-KKL1-09-01 signed by parties on 30 April 2025 and 2 May 2025 (evidence 3h), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 2 000 000.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
9. According to the financing agreement No. AEI_RRF-2025-KKL1-09-02 signed by parties on 30 April 2025 and 2 May 2025 (evidence 3i), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 1 232 000.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
10. According to the financing agreement with No. AEI_RRF-2025-KKL1-23-05 signed by parties on 26 June 2025 and 30 June 2025 (evidence 3j), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 941 640.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
11. According to the financing agreement No. AEI_RRF-2025-KKL1-23-04 signed by parties on 26 June 2025 and 30 June 2025 (evidence 3k), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 1 613 677.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
12. According to the financing agreement No. AEI_RRF-2025-KKL1-23-03 signed by parties on 3 July 2025 and 9 July 2025 (evidence 3l), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 3 202 560.00 (see point 2, 'Loan amount and currency' of the Special conditions section).
13. According to the financing agreement No. AEI_RRF-2025-KKL1-25-01 signed by parties on 16 July 2025 and 17 July 2025 (evidence 3m), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 2 520 518.14 (see point 2, 'Loan amount and currency' of the Special conditions section).
14. According to the financing agreement No. AEI_RRF-2025-KK-L2p-40-03 signed by parties on 31 July 2025 and 1 August 2025 (evidence 3n), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following

the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 32 009.60 (see point 2, 'Loan amount and currency' of the Special conditions section).

15. According to the financing agreement No. AEI_RRF-2025-KKL1-53-01 signed by parties on 14 August 2025 and 18 August 2025 (evidence 3o), ILTE (see section I, 'Lender') has entered into legal financing agreement with the final beneficiary (see section II, 'Beneficiary'), following the qualified electronic signature of representatives of both parties (see top-left of page 1), for a loan amount of EUR 59 458 000.00 (see point 2, 'Loan amount and currency' of the Special conditions section).

According to the evidence provided (evidence 3a to 3o), by 31 August 2025 ILTE has entered into legal financing agreements with final beneficiaries for the total loan amount of EUR 123 883 894.54, for which management fees amounted to EUR 358 415.53, thus exceeding the target of legal financing agreements with final beneficiaries for an amount necessary to use at least 20% of the RRF investment into the Facility (taking into account management fees), namely EUR 109 826 147.40, by EUR 14 416 162.67. The total RRF investment into the Facility taking into account management fees amounts to EUR 549 130 737.00. The management fees for the legal financing agreements under this assessment amount to EUR 358 415.53, which is the sum of the management fees mentioned in each financing agreement under point 23 (evidence 3a-3o).

4. Commission Preliminary Assessment: Satisfactorily fulfilled