

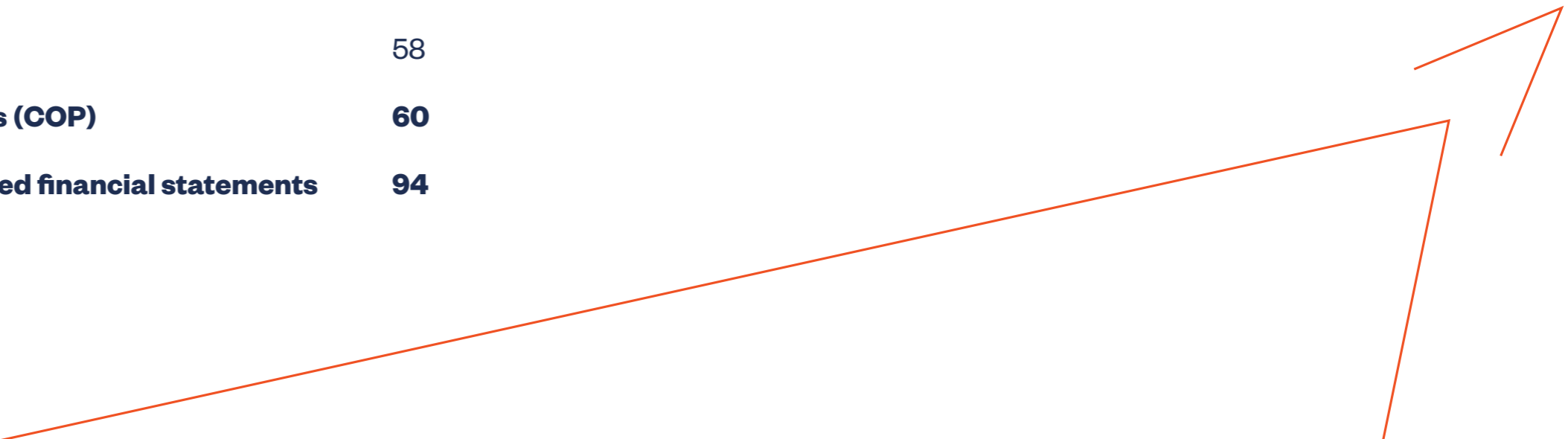


Business Overview 2021

MODUS GROUP

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Success story during another challenging year



**AINĖ
MARTINKĖNAITĖ-
MARTYNIUK**
CHAIR OF THE
MANAGEMENT
BOARD

2021 was another year full of challenges: coping with the new normal of pandemic waves, constantly changing public safety and travel restrictions, broken global supply chains. At the same time, it was a year that demonstrated once again the resilience of Modus Group team and businesses – they have showed the ability to rapidly adapt, focus on our strengths to ensure continuous growth while staying committed to the broader goal of building sustainable business that benefits society. I am proud and grateful to the team for making 2021 a success story against all odds.

Our businesses were the ones that felt the impact of the new reality in a very direct way: people spending less time at the office and working more from home; shrinking supply of new cars due to manufacturing challenges on the international scale; increasing energy and fuel prices all over the world;

high inflation numbers. In this context our activities in the areas of mobility services, renewable energy, automotive retail have become more important than ever and Modus Group companies were under increased pressure to find ways to evolve and adapt.

And we did. Despite numerous challenges we were able to maintain strong market position and revenue on the same level as the previous year – in 2021 it reached EUR 458 million. We have also managed to take off the ground projects that were put on hold before due to the first wave of pandemic, expanding our business in new directions. It was reflected in our investments numbers too – during the last year they have increased by 28 percent and amounted to EUR 82 million. Most of these investments were dedicated to the growth of our mobility and renewable energy businesses.

Our car-sharing company CityBee has demonstrated that it is and will be increasingly relevant in the new reality. Lack of new cars and climbing fuel prices encouraged people to search for smarter, more cost-efficient ways to travel. Therefore last summer, despite the uncertainties of the continuing pandemic, we have expanded CityBee car fleet in all markets. This, combined with an intensive car usage allowed us to achieve the highest count of rides while keeping high revenue per vehicle last summer. It was not stopped by the fact that the need to travel to work and other destinations was still well below pre-pandemic levels – it's a sign of broadening popularity of mobility services.

This is one of the reasons why we have launched a new product – MyBee last year. It offers opportunity to use a car as a subscription-based service for an extended period of time without the need for complicated procedures and long-term financial commitments. Both CityBee and MyBee make it easier for people to be mobile in the cities and around Europe and travel in a more sustainable way. We believe that the importance of these services will continue to grow.

For our automotive business line 2021 was extremely tough to navigate due to global car shortages. But the long-standing work and the trust we have built with our partners over many years has paid off. Not only have we managed to continue smooth operations and achieve good results but signed several significant official representation contracts with Aston Martin and Ducati brands.

With global energy consumption levels rapidly climbing and pushing energy prices up last year, it was a good reminder of how crucial is renewable energy for our future. In 2021 we took major steps to expand our renewable energy portfolio by entering hydrogen and wind business lines. We have also finished constructing one of the most efficient solar power plants in the Baltic region and continued implementing renewable energy projects in the key market – Poland. These efforts will contribute to a sustainable future and energy independence of the whole region.

The importance of that was further highlighted by Russia's war against Ukraine in the beginning of 2022. This unjustifiable act

of aggression has left us all shocked and deeply saddened. But we have also witnessed how the international community can unite to defend democratic values and freedom. In this situation many companies had to make difficult values-based choices. As a group we were faced with one as well. Seeing that Belarus is contributing to the aggression against Ukraine, we have decided to leave this market. This includes our automotive business and renewable energy projects. Instead, we will focus on business development in other European markets with even more energy and determination.

I believe that current challenges that the democratic world is facing will encourage business leaders, investors and society to understand the importance of value-based decisions and social responsibility better than ever. In 2021 Modus Group continued to create value for our stakeholders in a sustainable way. We reaffirm our support for the United Nations Global Compact's ten principles. In this annual report, you will find actions we are taking to continuously improve the integration of these principles in our business.

Financial results



Revenue

Although the second wave of COVID-19 brought new challenges for the business last year, Modus Group managed to maintain very similar level of audited consolidated revenue (hereinafter the revenue) as the year before. In 2021 it amounted to EUR 457.7 million.

Automotive business line revenue was EUR 333 million and accounted for the biggest share of group's total revenue. It decreased by 12 percent compared to 2020 – mostly

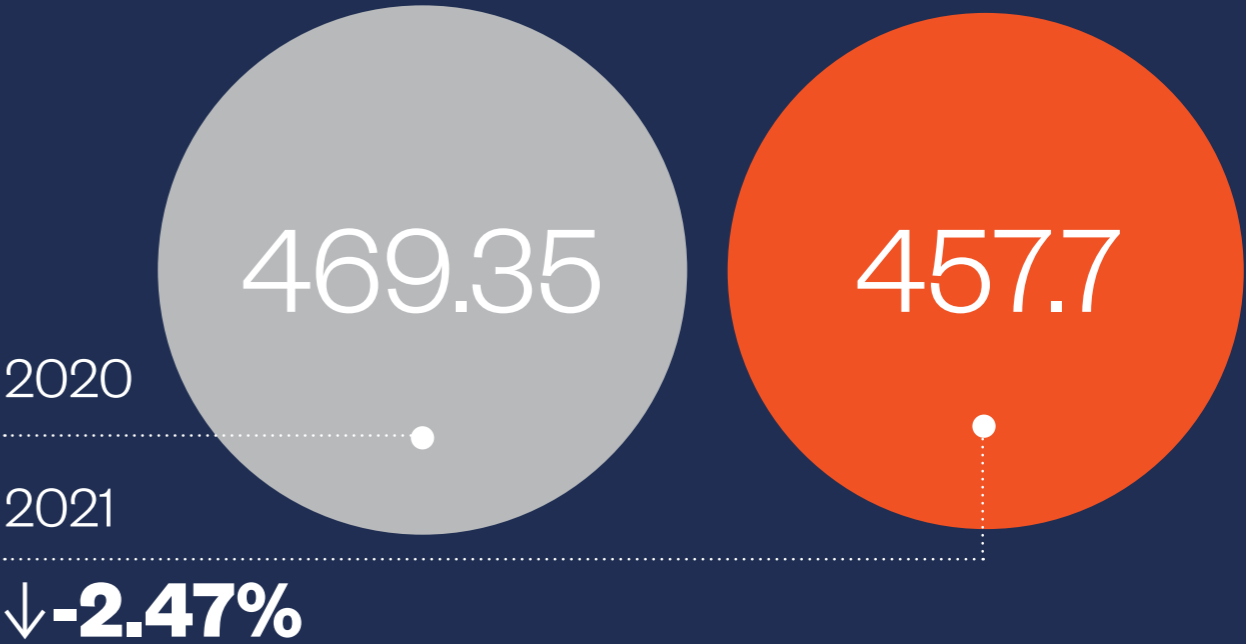
due to the longer manufacturing times and supply shortages of new cars. Supply chains were disrupted by the first wave of the pandemic and this continued to be the main challenge for the automotive business in 2021.

Renewable energy business line's revenue remained almost unchanged and was EUR 33.1 million.

The biggest revenue growth was observed in the mobility business line. Compared to 2020,

the revenue increased by 60 percent reaching EUR 89.9 million. The largest part of the revenue came from the ongoing mobility business car fleet renewal. Car sharing revenue increased by 17 percent to EUR 21.3 million in 2021. The main factor driving it was the rising demand for mobility services after easing quarantine restrictions which resulted in the growth of the car fleet.

Total revenue (mEUR):



Revenue by sectors (mEUR):

	Energy	Mobility	Automotive	Other
2020	32.55	56.24	379.63	0.93
2021	33.1	89.9	333	1.74

*Audited and consolidated financial data reported at MG NL holding company level.
**Subholding revenue reported is after the elimination of intercompany transactions.

EBITDA

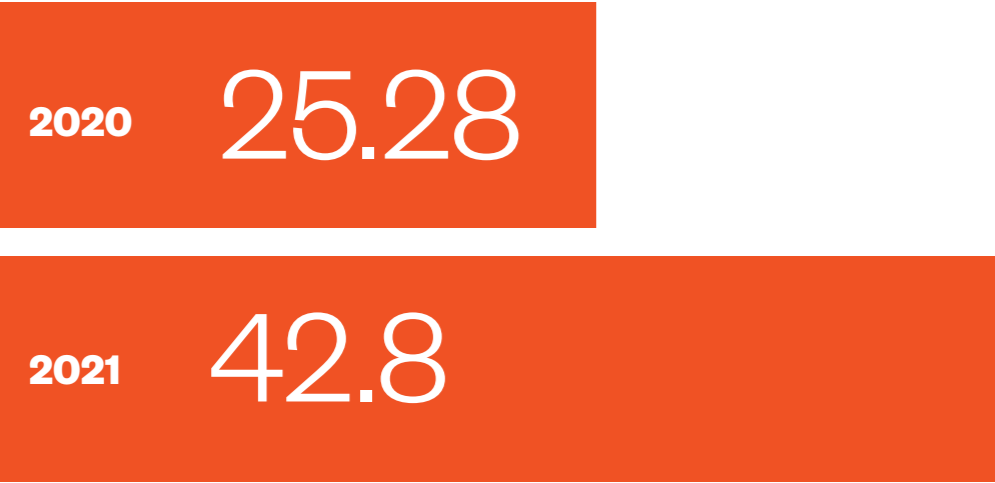
In 2021 Modus Group earned EUR 42.8 million before interest, tax, depreciation, and amortization (EBITDA). Compared to 2020, group's EBITDA increased by 69 percent. The growth was observed across all main business lines.

The biggest EBITDA increase was in the mobility business line. Compared to 2020, it grew almost 4 times to EUR 9.3 million. Despite a difficult start of the

year due to the second wave of COVID-19 and quarantine restrictions, mobility business line recovered rapidly and had the best results in history.

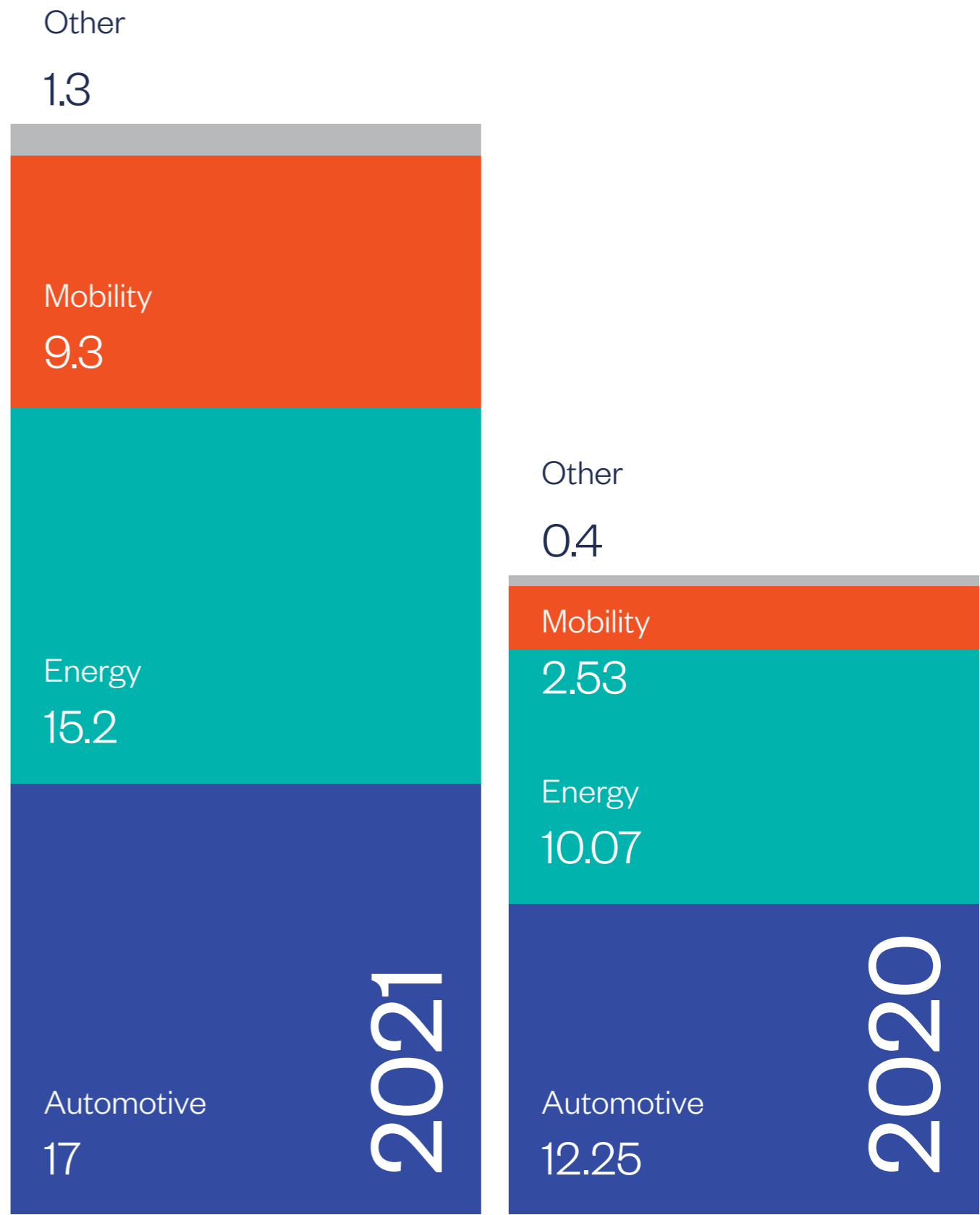
Energy business EBITDA was up by 51 percent to EUR 15.2 million. Automotive business line EBITDA grew by 39 percent to EUR 17 million and accounted for the biggest share of group's overall EBITDA.

Total EBITDA (mEUR):



↑69%

EBITDA by sectors (mEUR):



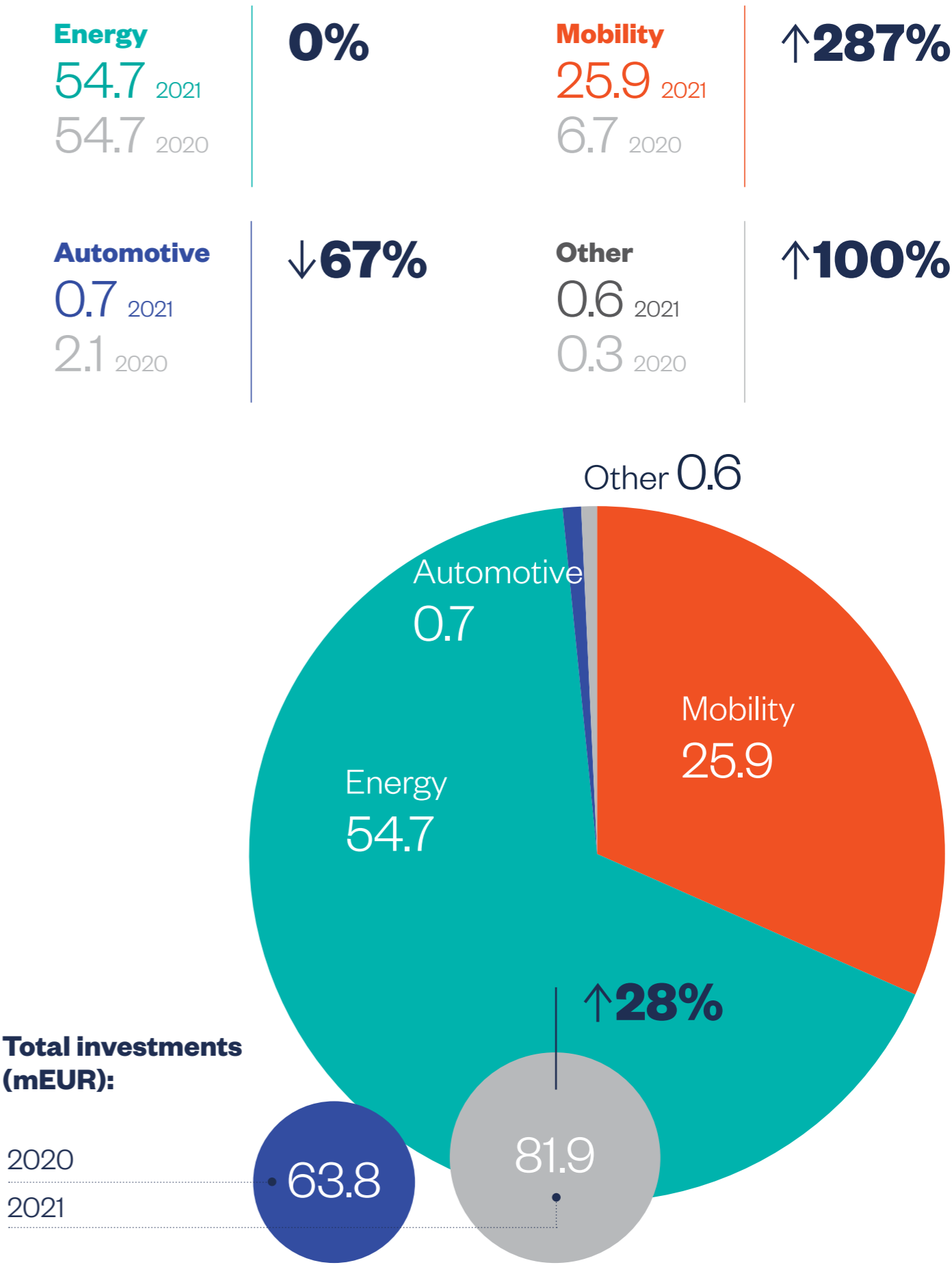
*Audited and consolidated financial data reported form MG NL holding company level.

Investments

After 2020, when investment plans had to be reviewed and changed, some previously planned investments and projects were pushed to 2021. As the uncertainty in the financial markets gradually eased, in 2021 Modus Group invested EUR 81.9 million in various business sectors, resuming the projects that were put on hold before. Compared to 2020, the total investment rate has increased by 28 percent.

Most of the investments – EUR 80.6 million – were directed to mobility and energy business lines. Investments into solar and biogas projects implementation in different markets amounted to EUR 54.7 million and remained at the same level as the year before. Investments into mobility business line increased almost 4 times and reached EUR 25.9 million. These funds were mostly dedicated to the expansion of the CityBee fleet in all markets and the launch of a new product – car subscription service provider MyBee.

* Investment data reported form holding company MG NL level.



Business lines' highlights





Renewable energy



RUSLANAS SKLEPOVIČ
MEMBER OF
MANAGEMENT BOARD
RESPONSIBLE FOR
RENEWABLE ENERGY
BUSINESS

The year 2021 was exciting and highly complex, too. Green Genius has managed to gain a significant financing flow, enabling us to keep up with all the important renewable energy projects and future plans across Europe.

Last year we had some considerable launches. We have opened a new business line of Hydrogen & Wind energy, which is a massive step for us into the future energy market. Besides, the most efficient solar power

plant in the Baltic Region is underway as well. Also, some notable milestones were attained in Poland, where we sold a solar PV portfolio and started the construction of 1st biogas power plant there.

Across the whole continent we see enormous interest in solar energy and the need for energy independence. As an international player with long-term commitments, we carefully diversify our portfolio in Europe. Some value-based decisions, such as leaving Belarus, were inevitable. However, our main focus remains stable – to lead the way to energy independence and sustainable future. Thus, in 2022 we aim to start a solar power plant construction in Italy and focus on Romanian and Latvian markets. Moreover, with Poland's largest private energy company Polenergia we will seek to win a tender to develop the 1st Lithuania offshore wind farm, which is believed to be a game-changer for the region. And the project of the first 84 MW onshore wind farm is already in progress.

Cross-border cooperation is a key factor in aiming for Europe's energy independence and we are very aware of that. Last year our team of professionals at Green Genius expanded noticeably. Hence, I am confident about our capability to empower sustainability in the smartest way.

GREEN GENIUS





Solar energy

The largest solar power parks in the Baltic states. In 2021 we invested over EUR 10 million in the development of new solar power parks in Lithuania. The combined power of these solar power plants now exceeds 13.5 MW, and the estimated annual output should reach 17.000 MWh. These solar power parks occupy a combined area of 23 hectares.

In total, we have already built over 100 solar power parks of various sizes across Lithuania, with a combined power of over 19 MW. They generate 19.000 MWh of clean energy annually and prevent 8.000 tons of CO2 emissions. The electricity produced by Green Genius is not only sustainable, but also local, thereby increasing the country's energy independence.

Continuous expansion in the key strategic market – Poland. In autumn 2021, NextPower III ESG (NP III ESG), the international

solar fund of NextEnergy Capital (NEC), entered into an agreement to buy from Green Genius the 42.3 MW solar PV portfolio in Poland. The portfolio consists of 44 individual solar PV projects which have been awarded a Contract for Difference (CfD) through the 2019 renewable energy auction.

This agreement marked the third portfolio of solar PV projects developed and sold by Green Genius in Poland since 2019. The first two portfolios with total installed capacities of 45.4 MW and 40.4 MW respectively were sold to Aberdeen Standard Investments.

In total, we have already invested more than EUR 100 million in the Polish solar PV sector. We are preparing for the construction of the fourth solar PV portfolio which is expected to have a total installed capacity exceeding 140 MW.

100 mEUR

TOTAL INVESTED INTO SOLAR POWER PARKS DEVELOPMENT IN POLAND

IN 2021:

19.000 MWh

CLEAN ENERGY, GENERATED BY SOLAR POWER PARKS IN THE BALTIC STATES ANNUALLY





Solar PV projects in Italy and Spain close to the finish. In the end of 2021, we signed a EUR 20 million financing contract with Eiffel Investment Group's funds. We are planning to use these funds to finalise the development of solar PV projects in Italy and Spain. This transaction was exceptional as the financing was granted not to a single ready-to-build project, but to a portfolio of projects finishing their development in order to finance their pre-construction capex while benefiting from the diversification of the portfolio. This was the evidence of trust of a well-respected financial institution such as Eiffel Investment Group in our business and competencies in the development of renewable energy projects in different countries.



IN 2021:

238 GWh

ELECTRICITY GENERATED FROM SOLAR POWER PLANTS

20 mEUR

SECURED FINANCING FOR SOLAR PV PROJECTS IN ITALY AND SPAIN





Biogas

Construction of the first biogas power plant in Poland began. The project is the result of cooperation with Bank Pekao S. A. The new facility is being built in the village of Turowiec in the Lubelskie Voivodeship and will use mainly agricultural raw materials. The value of the entire investment project is EUR 5.5 million.

Energy production will begin in the second half of 2022. Substrates in the process of energy production will be, among others, beet pulp, distilling dregs, vegetable and fruit residues from juice production and other agricultural by-products. The power plant will have a capacity of 999 kW, and its productivity is estimated at no less than 8200 MWh per year, saving 87.000 t of CO2eq emissions over a 15-year period.

IN 2021:

161^{GWh}

ELECTRICITY GENERATED FROM BIOGAS POWER PLANTS

New biogas business line strategy – biomethane.

Last year Green Genius decided to diversify its biogas business line and start developing biomethane (renewable natural gas produced by upgrading biogas) projects. Biomethane has an important role while aiming to achieve green

economy goals by significantly reducing CO2eq emitted by the transport sector. Green Genius already secured the financial support of EUR 9 million for the first projects in Lithuania from the Lithuanian Environmental Project Management Agency.



Mobility



**AINĖ
MARTINKĖNAITĖ-
MARTYNIUK**
CHAIR OF
MANAGEMENT
BOARD
RESPONSIBLE FOR
MOBILITY BUSINESS

In 2021, the mobility business continued to deal with the consequences of the first wave of the pandemic while fighting with the second. In the first quarter of the year pandemic and the associated restrictions have reduced people's mobility needs, leading to a corresponding drop in usage of shared mobility services.

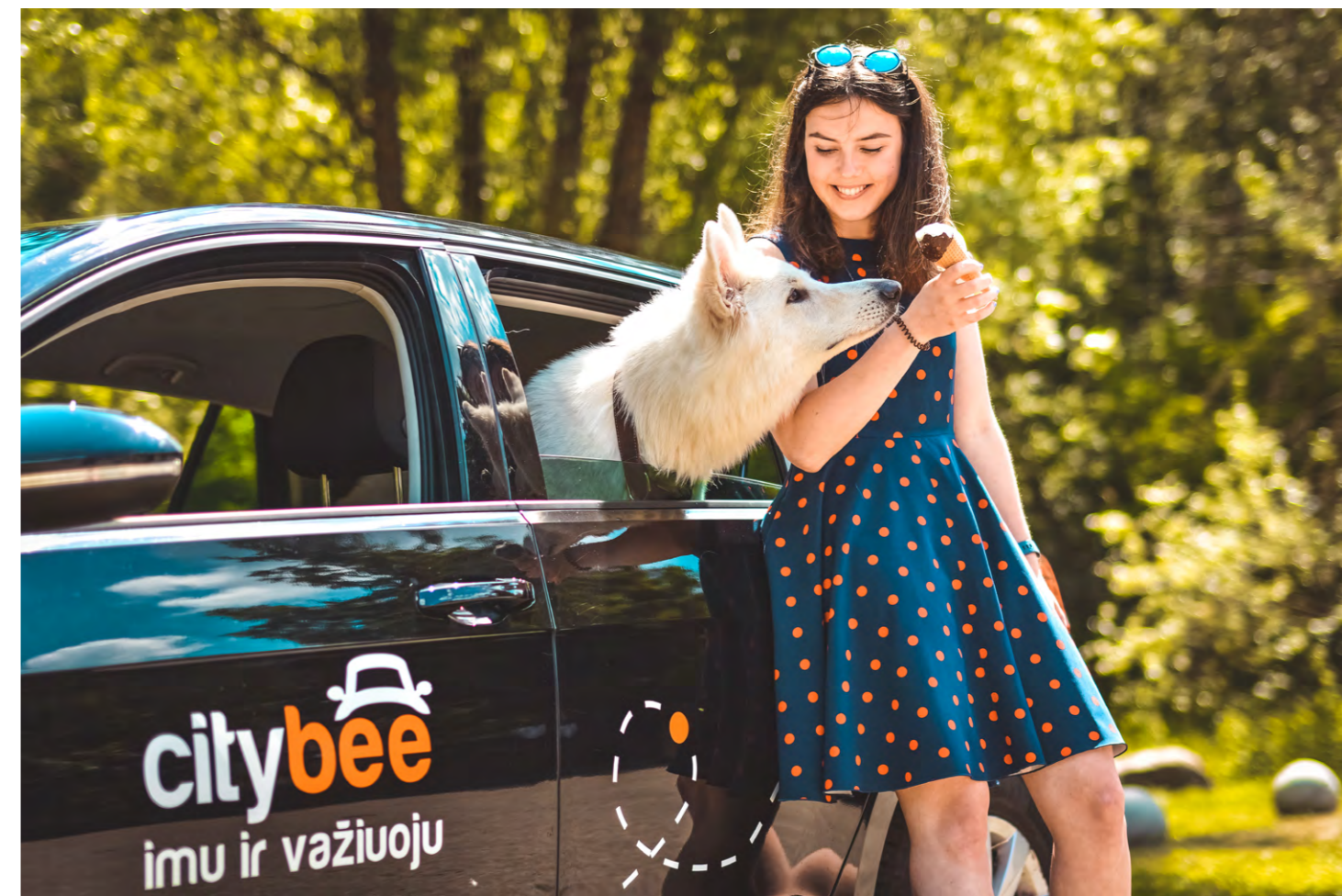
Decrease in the supply of vehicles resulted in both challenges and opportunities for the mobility business. Longer delivery times for new vehicles have increased the demand for mobility services. Therefore, in response to this need, CityBee has expanded its carsharing services in all markets and achieved the best results in history last summer in Lithuania. We also successfully launched a

new car subscription product – MyBee. It allows customers to use cars as a subscription-based service and have them for longer periods of time without any complicated financial commitments. With the changing pace, lifestyle and attitudes of people, carsharing and car subscription services allow to be mobile easily, also contribute to a more sustainable environment.

To make our services sustainable, we also tested remote-controlled vehicles for the first-time last year. Firstly, such vehicles would help us to significantly optimize fleet management and maintenance processes due to much faster and convenient way of moving them to a preferred location. Secondly, in the future, such vehicles will also be able to reach the customers by themselves (controlled remotely by an operator), allowing them to save time and travel with even more ease. This innovation will be a first step to the future of autonomous vehicles. We plan to continue testing and improving this service, so that we can offer it as soon as all the legal and technical requirements are met.

With a growing number of vehicles in our fleet we constantly face new challenges as well. Technological innovations are often directly linked with data and the responsibility to manage it in a secure and sensitive manner. The leak of customer's data last year was a tough, but valuable lesson that prompted us to thoroughly review our processes and take additional actions to secure it.

Also, as we successfully expand our services, we understand that we have a great responsibility for the behavior of the drivers using our cars and the safety of others participating in the traffic with them. Therefore, in 2021, we have continued to focus on innovative solutions to ensure that our cars are driven in a safe and responsible manner.





22 442

LESS CARS IN THE BALTIC STATES DUE TO OUR CAR SHARING SERVICES IN 2021

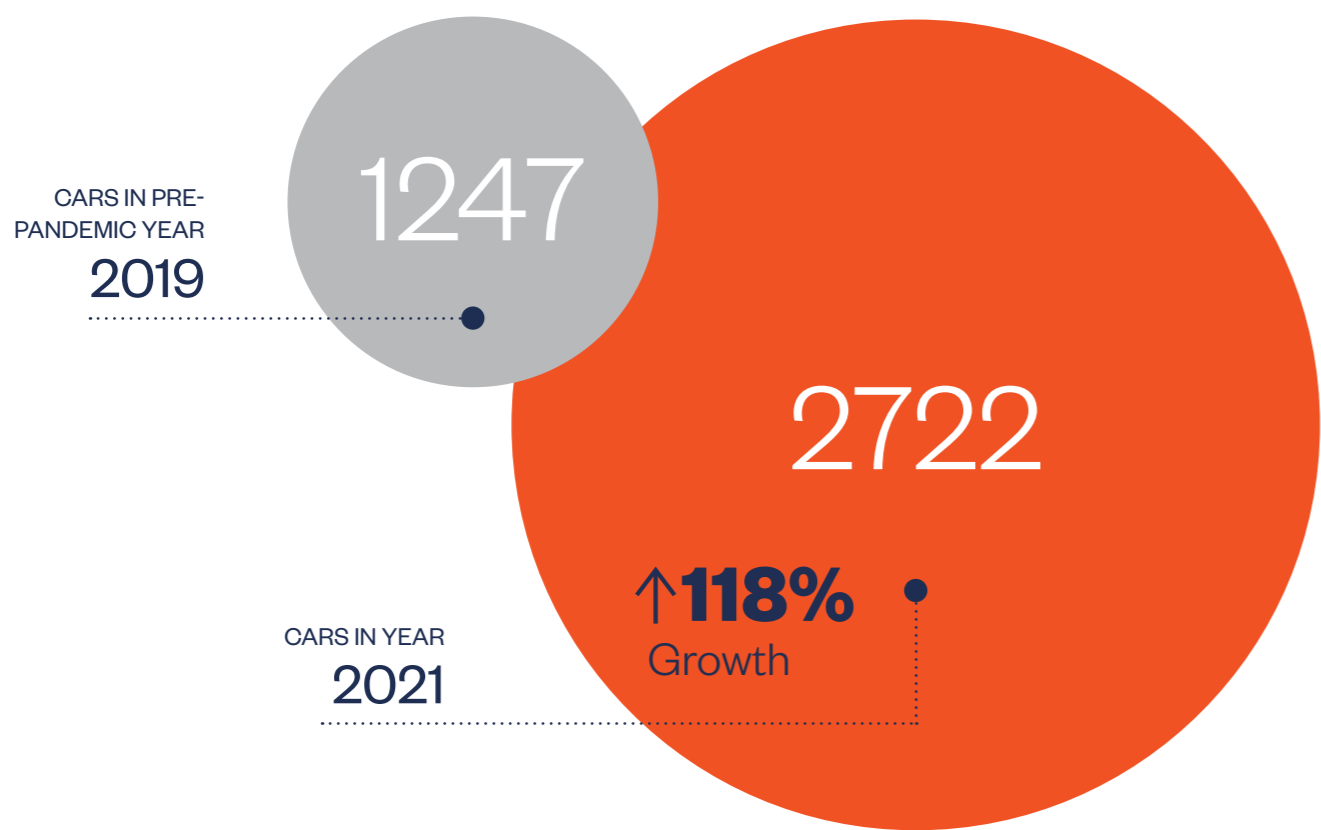


Growing demand for carsharing services.

Recent years have shown that carsharing services are becoming increasingly important in the global context. Carsharing growth is currently driven by both – general inflation and rising fuel prices, as well as changing people’s attitudes and desire to live more sustainably. Although last year was full of challenges, they did not stop our plans to meet the needs of society as best as we could. Our development has allowed us to increase our presence in the Baltics and strengthen our leadership in this region. We added 540 new vehicles in Lithuania, 465 vehicles in Latvia and 42 in Estonia. In combination with the expansion of our fleet and high car usage, last summer we have achieved the highest count of rides, at the same time keeping high revenue per car. Seeing that there is a growing need for shared mobility services, we plan to start expansion outside the Baltics in 2023.

Electric vehicles added to the fleet.

Last year we started electrification of our fleet – an important milestone while increasing the sustainability of the business. In May 2021, first EVs entered our fleet, 38 of them started traveling in the streets of Lithuania. We are glad that customers are increasingly choosing EV. It is estimated that one car sharing vehicle replaces on average twelve vehicles, thus saving resources needed for manufacture, reducing CO2 emissions and solving heavy traffic problems. Nevertheless, the willingness of our customers to drive electric cars will ultimately allow us to reduce emissions to zero. We have set a target for EVs to make up at least half of our car fleet by 2026.



Contributing to safety and driving culture. One of CityBee’s long-term priorities is to encourage responsibility of the drivers on the road, improve traffic culture and safety. As a result, we have introduced an automated speeding warning feature on our car sharing fleet – drivers who dangerously exceed the speed limit receive an automatic call or message on

their phones. Based on the first results, the feature is effective as most of the customers change their behavior after the warning and reduce speed.

We are also informing our customers in real time about the difficult weather conditions and the driving conditions on regional roads.



In order to attract public attention to the need to improve driving culture, together with the Lithuanian Road Police Service we have opened a temporary "Museum of Stupidity" in Vilnius last year. In the exposition in the city center we exhibited three thought-provoking "works of art" – cars damaged during

traffic accidents caused by irresponsible driving. Each of them was accompanied by descriptions of the mundane reasons why the exhibited car was involved in an accident. This exposition has received a lot of public attention and has been noticed internationally.

mybee .

500+

ALREADY SUBSCRIBED
VEHICLES



A successful start. In 2021 summer, Modus Group launched a new product: MyBee. It offers a new way of having a personal car without actually owning it. With MyBee people may no longer worry about long term commitments or complicated processes of buying a new car. They can just subscribe to it as a service, choose their preferred rental terms and additional services on the app and start using it on the same day. With this service we target customers for whom traditional carsharing is not an option, as they live or work outside city center or have other needs and preferences. We are glad that customers' interest in car subscription service in Lithuania is high. From the beginning of operations, more than 500 customers have chosen MyBee car subscription, 30 of the cars subscribed were EVs.

Promising expansion. Because of the successful start and big market demand MyBee is planning to expand car subscription service this year. In addition to plans to grow in Lithuania, it will launch services in Estonia. This country has been chosen for expansion because of its favorable and innovation-driven market which does not yet have a car subscription service. Also, CityBee is a well-established brand here with a high level of customer confidence. MyBee is planning to introduce its services in other markets as well.

Automotive



OLEG MARTYNIUK
MEMBER OF
MANAGEMENT
BOARD RESPONSIBLE
FOR AUTOMOTIVE
BUSINESS

2021 ended on a positive note, even though prolonged COVID-19 pandemic created a full set of challenges in automotive industry.

Disruption of supply chains triggered by the shortage of components resulted in long production deadlines for new vehicles. Despite the sharp decrease in supply, the demand for vehicles has only increased when the pandemic restrictions subsided. This unusual imbalance in the industry has resulted in better margins on both new and used vehicles sales. Also, we have seen changes in customer behavior, as they have started to give priority to low emission vehicles – electric and hybrid ones. The supply chains challenges continue in 2022 as the demand for new vehicles still overshadows global production supply. Russia’s war against Ukraine is likely to rise additional constraints for the industry as well.

Modus Group has made a decision to cease its automotive trade business operations in Belarus due to the military aggression against Ukraine. In Belarus we represent BMW and MINI brands. Modus Group trade of cars, genuine spare parts, bodywork repairs and ongoing technical after-sale service in Belarus comprised 15 percent of all group’s automotive business turnover in 2021. We will further focus on automotive business in the Baltic countries, where we have the exclusive distribution rights for 15 brands, including Porsche, Bentley, Aston Martin, Maserati, Fiat, Jeep and others.

PORSCHE EV'S
SALES IN LITHUANIA
AND LATVIA

2020

73

106

↑45%
Growth

2021



New Autobrava Motors showroom in Latvia.

The global pandemic created an opportunity to review our Autobrava Motors dealer's strategy in Riga. Hence, we have decided to reallocate our business to a different area that is one of the main automotive retail business locations in Riga. With this transition to the new location, we have strengthened our cooperation with Volkswagen Group brands Cupra and Seat, and with Stellantis brands Fiat,

Abarth, Jeep and Alfa Romeo. As the first Cupra dealer in the Baltics, we have introduced the new Cupra Corporate brand identity in our showroom. The new car showroom also offers used cars, service facilities, spare parts and body repairs.

First Aston Martin embassy in the Baltics.

In 2021, we signed an official representation contract with Aston Martin. It was a result of professional

and consistent Modus Group companies' cooperation with OEM's (original equipment manufacturers) throughout the 28 years of business activities. The Aston Martin name and models are well known worldwide and we are proud that we are able to offer our customers vehicles with such unique design, luxury and technical excellence in Lithuania. In this showroom, Aston Martin car owners will be able to take advantage of professional

vehicle service, which will be performed in accordance with the manufacturer's strict requirements.

New exclusive brand – Ducati.

In 2021, we signed an official representation contract for Ducati. Ducati is a world-famous premium motorcycle brand with its own fan base in Lithuania. We are proud to be the only importer of this brand in Lithuania as it has very high standards for its dealers.



Asset Management

MODUS ASSET MANAGEMENT

Growing fund in Poland – the key renewable energy market.

During 2021, Modus Poland Solar Fund I, which was launched in 2020, completed acquisitions of 17 MW solar PV projects. By the end of 2021, the fund had a total operational solar PV portfolio of 20 MW in Poland. The full portfolio has been refinanced by ING bank. This fund continues its active investment phase in the Polish solar sector, aiming to build a portfolio of over 100 MW.

First success of Lithuania's fund.

Modus Remote Solar Fund I, launched in 2020, invests in already operating solar photovoltaic projects in Lithuania that are leased to clients via a remote solar plant mechanism. In 2021, this fund completed its first acquisition of 13.6 MW operational solar PV portfolio in Lithuania. The portfolio has been financed by Citadele bank.



3

RENEWABLE ENERGY
INVESTMENT FUNDS

190^{mEUR}

TOTAL SIZE OF THESE FUNDS

General information about Modus Group



Map of operations


Modus Group is an international group of companies, currently operating in 12 European countries. It mainly focuses on renewable energy (Green Genius), mobility services (CityBee, MyBee), automotive business (representing 15 renowned car brands) and owns fund management company Modus Asset Management, focused on renewable energy investments.



*In 2022 Modus Group has made a decision to leave the Belarus market due to its involvement into Russia's war against Ukraine.



Strategic guidelines and culture



Investing into the future, working smart and trusting green – these are our strategic guidelines that enable us to drive evolution.

The world is slowly, but surely going green. Newly emerging technologies are helping to make shared services, the circular economy and the use of renewable resources more affordable, user-friendly and even more beneficial to our economy every day.

That is why at Modus Group we envision a future, where the sustainable option is the

only logical choice for our stakeholders. We want to offer them an option that is not only environmentally friendly, but also economically viable and the one that offers the most convenient course of action. We bring these sustainable choices to the market: from smart and sustainable mobility solutions, to modern renewable energy projects. Our purpose is to elevate life through sustainable choice.

Culture

We drive evolution

01

WE**We is more than me.**

We trust and respect each other. We share our knowledge and strengths. We work together, therefore, we succeed.

02

DRIVE**Going with a flow is not enough, we are driven to win.**

We are ambitious. We go forward. We dare and we get it done.

03

EVOLUTION**Progress is in our DNA.**

Comfort is not comfortable. We take and make it better. We experiment and learn from mistakes. We create a better future.

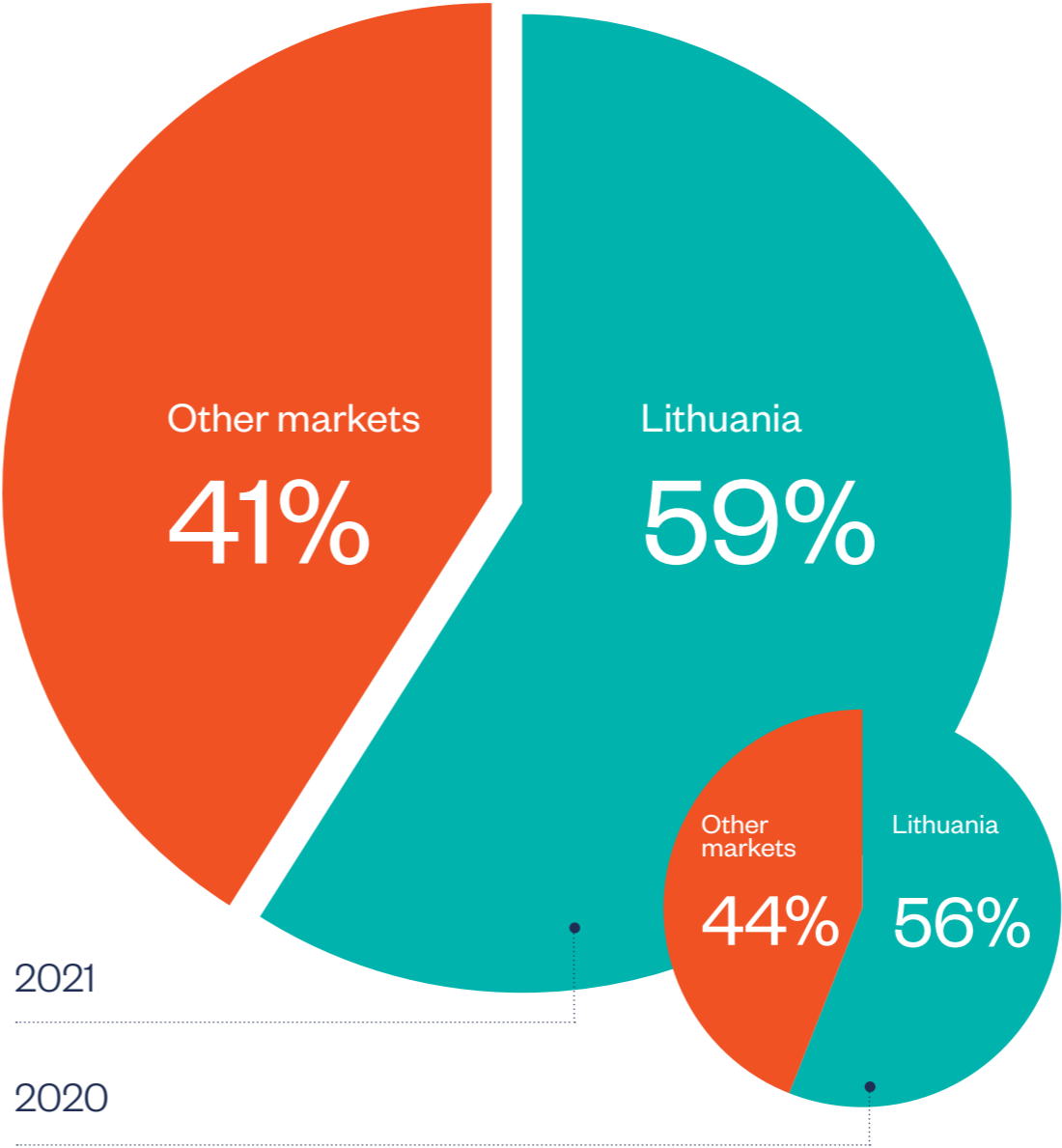
Team

> 800
PROFESSIONALS
IN OUR TEAM

What is possible in Modus Group is greatly influenced by our people. Our team dares to dream big, is empowered to make decisions, feels ownership of results and is fueled by ambition. Our culture promotes decisiveness and high standards. With our team, ambitious plans develop into strong business growth.

Despite the prolonged global pandemic, our operations in 2021 swiftly recovered and our team grew by 13 percent. The number of employees increased

in all businesses, but the largest growth was observed in the energy business line in Polish and Lithuanian markets, where renewable energy projects expanded and the additional resources were needed. By the end of 2021, more than 800 people were working at our companies in 12 European markets. Almost half of employees were working in other markets.



Renewable energy

30% 2021
28% 2020

Mobility

18% 2021
18% 2020

Automotive

44% 2021
45% 2020

Holding and other activities

8% 2021
9% 2020

Corporate governance

At Modus Group, two-tier corporate governance is primarily aimed at business and stakeholders' needs, as well as compliance with the relevant laws and regulations. We believe that success and growth can only be achieved with effective and transparent corporate governance.

Management Board

The Management Board, consisting of 5 members (of which 4 members are currently elected), outlines the strategy and the long-term goals of Modus Group. The board coordinates and supervises the most important activities, investment portfolio, and decides on Modus Group’s financial direction. They bear joint responsibility for Modus Group as a whole and manage the areas assigned to them, including renewable energy, mobility, and automotive business.

There have been several changes in the Management Board last year. On August 2021, Erika Huhtala was elected to the position of the Director of UAB Modus Grupė. She replaced Ainė Martinkėnaitė-Martyniuk, who continues holding the position of the Chair of the Management Board.

CURRENTLY, THE MANAGEMENT BOARD IS COMPRISED OF THE FOLLOWING MEMBERS:



Ainė Martinkėnaitė-Martyniuk

Chair of Management Board responsible for mobility business

EDUCATION

- Human Resources Management, Master’s degree, University of St Andrews
- Economics, Bachelor’s degree, ISM Management and Economics University
- Leading Family Business Course at IMD Business School
- Exponential Families programs at Singularity University
- YPO-LBS Leaders as Entrepreneurs Programme, London Business School

PREVIOUS EXPERIENCE

Has been working for Modus Group for more than 10 years, including 6 years as a member of the Management board.



Ruslanas Sklepovič

Member of Management Board responsible for renewable energy business

EDUCATION

- Energy Management, Master’s degree, Vilnius Tech
- Energy Management, Bachelor’s degree, Vilnius Tech
- Board Member Education Certificate, Baltic Institute of Corporate Governance

PREVIOUS EXPERIENCE

Has been leading Modus Group’s renewable energy business for 15 years.



Oleg Martyniuk

Member of Management Board responsible for automotive business

EDUCATION

- International Strategy and Economics, Master’s degree, University of St Andrews
- Economics, Bachelor’s degree, ISM Management and Economics University
- Leading Family Business Course at IMD Business School
- Exponential Families programs at Singularity University

PREVIOUS EXPERIENCE

Has been working at Modus Group for more than 9 years where he held diverse management positions in finance, automotive and mobility businesses.



Erika Huhtala

Member of Management Board, Chief Financial Officer, CEO of Modus Group

EDUCATION

- Economics, Master’s Degree, Kaunas University of Technology
- Business, Managerial Economics, Bachelor’s Degree, Vytautas Magnus University
- Executive School (MBA), ISM Management and Economics University

PREVIOUS EXPERIENCE

Has been working as CFO of KG Group for 10 years, after has been holding different finance-related positions at Achema Group companies for 5 years.

Supervisory Board

The Supervisory Board of the company is a collegial supervisory body consisting of 7 members (5 independent), of which 5 members are currently elected (3 independent).

The Supervisory Board consists of experts with diverse experience in fields such as risk management, strategy development, governance, finance and financial markets, digital marketing, AI, high-tech.

The main function of the Supervisory Board is supervising and advising the Management Board on the strategic direction of the group, as well as overseeing performance of the company for the benefit of its stakeholders. The Supervisory Board is also responsible for appointing Modus Group's Management Board.

On August 2021, Giedrius Audickas resigned from the Supervisory Board, and on January 2022, Vytautas Paukštys resigned as well.

CURRENTLY, THE SUPERVISORY BOARD IS COMPRISED OF THE FOLLOWING MEMBERS:



Simon Rozas
Chairman of the Supervisory Board, Independent Member

EXPERIENCE
Investment Director at Cube Infrastructure Managers, Investor



PhD Kęstutis Bagdonavičius
Independent Member

EXPERIENCE
Diverse management positions at ERGO Group AG companies



Saulius Umbrasas
Independent Member

EXPERIENCE
Co-founder of E-Band Communications



Kęstutis Martinkėnas
Member

EXPERIENCE
Modus Group founder






















Jolanta Martinkėnienė
Member

EXPERIENCE
Diverse management positions at Modus Group companies

Our story so far

1993-2022

Modus Group story began in 1993 in Lithuania. During this time, the company has grown to a successful international business.

1993			LITHUANIA
2003			LITHUANIA
2004		 	LITHUANIA
2008		 	BELARUS
2010		 	THE BALTICS
2011	 First solar power plant		LITHUANIA
2012		  	LITHUANIA
2013	 Implementation of first biogas power plant project in Lithuania	 	LITHUANIA LITHUANIA LATVIA
2015	 Successfully distributed EUR 2 million bond issue and listed on the Nasdaq Baltic First North Alternative market		
2016	 Started partnership with EBRD		
2017	 Solar power plants projects in Poland and Spain		MODUSGROUP Successfully distributed EUR 5 million bond issue (listed on the Nasdaq Baltic First North alternative market in 2018)

Our story so far

1993-2022

2018

Merger of the parking operator UniPark and City Parking Group

B2B solar-as-a-service in Europe

BELARUS

POLAND

THE BALTICS

GREEN GENIUS

Building biogas power plants in Belarus

GREEN GENIUS

Solar projects in Poland

Jeep

Autobrava becomes an official JEEP importer in the Baltics

2019

Sale of

in Lithuania

GREEN GENIUS

45.5 MW solar portfolio acquired by Aberdeen Standart Investments from Green Genius

GREEN GENIUS

The first implemented solar project in Ukraine

LITHUANIA

POLAND

UKRAINE

citybee

Passenger cars in Latvia and Estonia

LATVIA
ESTONIA

2020

MODUS GROUP

Modus Group joined UN Global Compact

MODUS ASSET MANAGEMENT

Successfully distributed EUR 8 million bond issue (listed on the Nasdaq Baltic First North alternative market in 2021)

Launched 2 new funds: Modus Poland Solar Fund 1 and Modus Remote Solar Fund 1

POLAND

POLAND

GREEN GENIUS

Renewable energy businesses started operating under single name

GREEN GENIUS

Aberdeen Standart Investments acquired a 40.4 MW solar portfolio from Green Genius

GREEN GENIUS

Biogas activities started in Poland

UKRAINE

LATVIA

GREEN GENIUS

Second project in Ukraine finished - a 33 MW solar park

CUPRA

2021

GREEN GENIUS

Launched Hydrogen & Wind business line

mybee .

New mobility product MyBee offers the new way of having a personal car

ASTON MARTIN

DUCATI

LITHUANIA

LITHUANIA

LITHUANIA

2022

MASERATI

mybee .

MyBee announced about plans to enter Estonia

ESTONIA

ESTONIA

citybee

Passenger cars in Latvia and Estonia

BELARUS

In 2022 Modus Group has made a decision to leave the Belarus market due to its involvement into Russia's war against Ukraine.

Our brands

RENEWABLE ENERGY

**GREEN
GENIUS**

MOBILITY

citybee
mybee.

ASSET MANAGEMENT

MODUS ASSET
MANAGEMENT

AUTOMOTIVE



OTHER



Global Compact Communication on Progress (COP)



Global Compact COP

To talk about sustainability in the context of war is paradoxical, because war is incompatible with a sustainable use of the planet. It destroys lives and societal infrastructure, exploits resources, interferes with a variety of natural cycles and ecosystems, and leaves traumatic scars for generations to come.

The unrightful full scale war against Ukraine by Russia summoned frustration and anger. However, at the same time, we have seen unprecedented unity across the democratic world to stop aggression and help people in need. Modus Group did not stand aside. By condemning the aggression, we made a values-based decision to leave the

Belarus market. That included both automotive businesses (BMW and MINI representation in Minsk) and renewable energy projects developed by Green Genius. Also, Modus Group businesses have been closely cooperating with main NGOs providing support for Ukraine and its people – supporting financially and helping with logistics so that

as many people as possible could safely leave the territories of war, and the humanitarian aid could reach those in need. Moreover, war refugees from Ukraine have been hosted in our ibis Styles Hotel in Vilnius. Although Modus Group has no direct presence in Russia or any ties with the Russian market, we have decided to carefully review and double-check our supply chain and partnerships to cut any possible ways to finance unjustifiable aggression.

While continuously supporting Ukraine, we hope that the war and humanitarian and environmental crisis it has caused will encourage every decision-maker, business leader, investor, shareholder and society to look at sustainability and responsibility with an entirely different mindset, and assess business role and values in a new light.



The Ten Principles and sustainable development goals of the UN Global Compact

For Modus Group the aim to maintain the synergy between business growth and value creation for all stakeholders is what defines a sustainable company. We continuously focus on contributing to shared economy, providing renewable energy and fostering circular economy solutions – all of this

is directly linked to reducing carbon footprint and enabling everyone to join the fight against the climate crisis. By joining the United Nations (UN) Global Compact in 2020, we have committed to disclose our sustainability efforts and contribute to the UN goals.



As a member of the largest voluntary corporate sustainability initiative in the world, we support and implement the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption. The Ten Principles of the UN Global Compact are incorporated into our business at every level.

But that is not all, we continuously create positive impact by actively providing specific solutions to the world's most pressing problems addressed by UN Sustainable Development Goals (SDGs). Reflected in our values, today, the UN Global Compact and Sustainable Development Goals lay the foundations for our sustainability and ensure that our progress can be measured and managed effectively.

WE SUPPORT



THE TEN PRINCIPLES AND
SUSTAINABLE DEVELOPMENT
GOALS OF THE UN



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.



Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation.



Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

For many years now, we have focused on sustainable development, with our own strategy notably aligning with SDGs 3, 7, 11, 12 and 13. In fact, these five goals were the reason why certain businesses in Modus Group were initially created. Here are the SDGs Modus Group addresses the most.



Ensure healthy lives and promote well-being for all at all ages

- 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents. **(mobility)**
- 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. **(mobility, biogas, solar)**



Ensure access to affordable, reliable, sustainable and modern energy

- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services **(biogas, solar)**
- 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix **(biogas, solar)**
- 7.3 By 2030, double the global rate of improvement in energy efficiency **(biogas, solar)**



Make cities inclusive, safe, resilient and sustainable

- 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons **(mobility)**
- 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management **(mobility, biogas, solar)**



Ensure sustainable consumption and production patterns

- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources **(biogas, solar, mobility)**
- 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment **(biogas)**
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse **(biogas)**
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle **(biogas, solar)**



Take urgent action to combat climate change and its impacts

- 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning **(biogas, solar)**

Key Facts

800+

EMPLOYEES IN 12
EU COUNTRIES

2500+

HOURS OF LEARNING

22 442

FEWER PERSONAL CARS IN THE STREETS
AND PARKING LOTS DUE TO OUR
CAR-SHARING SERVICE CITYBEE

338

THOUSAND TONS OF CO₂ SAVED
DUE TO RENEWABLE ENERGY AND
MOBILITY SOLUTIONS

399_{GWh}

OF GREEN ENERGY GENERATED
THROUGH BIOGAS AND SOLAR PLANTS



Responding to COVID-19

At Modus Group we have strictly followed authorities' guidelines on health and safety, while also continuously ensuring our colleagues remained healthy and our communities remained resilient throughout the COVID-19 pandemic.

Health and well-being of our employees.

The virus has created a number of implications and required a considered response to protect the health and safety of all our employees. Initially, the business moved quickly to manage travel and movement restrictions, introducing policies to limit social interactions, which have also been adjusted accordingly in our different countries of operations. We have closely followed government guidelines and provided daily updates via emails and newsletters to keep our people informed as any additional advice was handed down from the authorities. This has also

helped us to keep a coherent group-wide approach in handling the situation.

In addition to government guidance, each sub-holding has also initiated their own COVID-19 handling policies, introducing additional precautions and safety measures which allowed for faster response in handling the situation.

The hybrid work model – new normal. As employees at Modus Group have been welcome to work remotely even before the pandemic, work from home measures during the first wave of pandemic in 2020 have not been new to us. Nonetheless, when the situation calmed

FOCUS TOWARDS

MENTAL HEALTH

OF OUR EMPLOYEES



down, the majority of employees expressed the intention to come back to the office. In 2021, during the second wave of the pandemic, to ensure the safety of our employees, their comfort and emotional well-being, we started to apply hybrid work model. It has allowed employees to work couple days a week from the office and the remaining days – from home or their other preferred location. Most of our employees are still successfully applying this practice today. This work model became the new normal, providing employees with the flexibility to plan their responsibilities and ensure easier collaboration as well as safety and well-being of our people.

Mental and physical health matters the most. Due to the second wave of the pandemic the year 2021 was an emotional rollercoaster for many of us. That is why we further strengthened our attention towards the mental health. A set of online events, walking challenges and other hybrid interactions have been introduced to keep the employees motivated and engaged. We expanded our health insurance package as well – the number of consultations with a psychiatrist, psychiatrist-psychologist and medical psychologist has been increased to 12 times a year.



Human rights

In 2021, a total of 26 H&S related training sessions were provided for our staff in biogas renewable energy plants. On a company group level, all employees have access to the online education tool where each of them is asked to complete a compulsory H&S training session every 12 months. In turn, there were 0 accidents across the group of companies last year.

MODUS GROUP H&S STRATEGY COMMITS TO:

- Continuously assess and manage H&S risks
- Maintain safe and clean working environment
- Prepare for potential incidents and emergencies
- Provide regular and applicable H&S training



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

For safety-critical roles within the organisation, we require team members to have appropriate qualifications and additional continuous training in line with the company's standards or local regulatory and legal requirements.

We also invest in improving our workplace so our employees can work in a comfortable, clean and safe environment. Our biogas power plants operators have modern offices with fully equipped and computerized systems, as well as full plant monitoring systems to cut physical tasks to a minimum and increase automated processes.

The automotive dealership teams in all our markets are provided with the cleanest and safest workplace environments compared with a market average. Additionally, our CityBee fleet team is equipped with new vehicles.

Additionally, Green Genius has a Committee of Employee representatives as well as H&S ambassadors to represent the interests

of all workers and to have an open dialogue between employees and the employer representatives to continuously improve working conditions and employees' well-being.

Compliance. We are continuously working on alignment and improvement of internal processes related to the employment journey in the organization. We ensure compliance with local regulations and labour regulations in Recruitment, Employment, Deployment, Development, Performance management, Compensation and Reward processes. On top of this, we closely follow The EU General Data Protection Regulation (GDPR) on data protection and privacy in the European Union and the European Economic Area. This is reflected in Modus Group's Human Resource Policy and related documents when handling our operations to ensure that the data of both employees and clients is collected and stored with the highest levels of safety in mind.

Communities. Supporting Modus Group’s employees is our key priority, but taking care of surrounding communities is just as important. Our local teams work closely with municipalities, local governments and communities to identify ways in which we can contribute, collaborate and multiply benefits to them. In order to ensure constant mutual and clear communications with communities living around our biogas plants, in 2021, we organised a number of meetings in our operating markets aiming to educate, listen to the concerns, reflect and inform on the impact our operations. To illustrate: every year we organise live meetings and events with the local Ažuolinė community in the Elektrėnai municipality so that we could hear feedback from people living around our biogas power

plant and make improvements accordingly. By building mutual trust through a two-way dialogue that is timely, transparent, inclusive and participatory, we aim to reduce social risk and optimize the value of positive relations with stakeholders across our project lifecycles. Also, we are constantly spreading green and environmental ideas for society by participating in events, conferences and fairs in all countries. Leading lectures for kids and students about sustainability and renewable energy as well. Besides, this year we organized nearly 100 field trips to the biogas power plant to show the journey that organic waste continues after being disposed of. The aim of these field trips has been to educate the public about the processes of circular economy and multiple values it creates for people and the planet.



Average salary

Lithuania	↑ 2 TIMES HIGHER
Latvia	↑ 0.7 TIMES HIGHER
Estonia	↑ 1.5 TIMES HIGHER
Poland	↑ 2 TIMES HIGHER
Spain	↑ 2 TIMES HIGHER
Romania	↑ 2.5 TIMES HIGHER
Czech Republic	↑ 2.3 TIMES HIGHER
Ukraine	↑ 3 TIMES HIGHER
Belarus	↑ 1.85 TIMES HIGHER

Fair pay. At Modus Group, we ensure to comply with legal regulations and plan workforce working hours accordingly. We are also committed to providing fair and transparent pay, including the positions applicable an additional remuneration package. The average salary across all Modus Group companies in all operating countries is higher than the countries' average. The table below shows the salary distributions in our operating countries at this moment.

Labour

Employees' well-being. At Modus Group we take both physical and emotional well-being seriously. In 2021, we organised a number of virtual mental health workshops to strengthen emotional resilience and help employees cope with mental challenges that have become more present in the times of the COVID-19 pandemic. To ensure everyone is coping well, we consistently sent out questionnaires to our employees throughout the COVID-19 pandemic to get insights and feedback on their well-being, safety and productivity when working from home. We also had been implementing consistent internal communication, highlighting the importance of mental health and showcasing ways in which employees could support themselves. We made sure to highlight the fact that mental health consultations with a specialist are a part of everyone's health insurance and advised employees to use this service if needed.

3

GOAL

3

GOOD HEALTH AND WELL-BEING



We are committed to promoting the well-being, safety and welfare of employees and contractors. We maintain rigorous standards on H&S, fair labour practices, community engagement and the environment.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour;

Principle 6: The elimination of discrimination in respect of employment and occupation.

Job satisfaction. We also run periodic internal surveys of employees to measure the level of satisfaction in the workplace. According to the results of numerous surveys, almost 90 percent of respondents conclude that their work is meaningful and engaging. Compared to 2020, in 2021 we have seen an improvement, which is likely a result of flexibility, hybrid work model, and additional work benefits. The majority would also be willing to recommend the workplace to their friends.

On top of that, we strive to create an empowering and collaborative workplace environment. To showcase this, all-hands meetings are a common practice in our organization. During these regular meetings, business financial and operational performance is openly shared and business goals are presented to keep everyone aligned, enforce collaboration and strengthen the company's culture.

Zero tolerance for child & forced labour. We strictly comply with the local labour laws and prohibit child labour and forced labour throughout our international operations. In 2021, Modus Group did not identify any risks of human rights abuses, child labour, forced labour or discrimination.





**MODUS GROUP HUMAN
RESOURCE STRATEGY
AND EQUAL OPPORTUNITY
POLICY ENSURE:**

Equal opportunities. Our business respects the principle of diversity, inclusion and equal opportunities. Employees are selected based on their expertise and ability to do the job. No distinction, exclusion or preference is made on personal backgrounds or characteristics. Discriminatory advertising as well as selection according to gender, age, religion, race, sexuality, nationality or any other personal traits is prohibited. The company is also committed to making adjustments needed to allow people with disabilities to work safely and productively.

Zero tolerance for child & forced labour

No discrimination against race, religion, nationality, gender or age

Fair labour practices across all operations

Hiring for competencies and skills above all

Equal opportunities regarding gender are of high importance to us. Modus Group aims to be an inclusive company where people from all backgrounds are able to work and where their perspectives are valued.

In 2021, 50 percent (2 out of 4) of our management board members were female, one of which is also a chair. Across the group of companies, 26 percent (5 out of 19) of the CEOs, and

31 percent (59 out of 189) of all managers are women. By the end of 2021, we had a total of 828 employees, 30 percent of them were female.

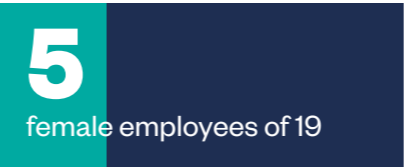
However, we will continue to provide welcoming conditions and encourage young female professionals to consider predominantly male industries of work and join our journey of breaking gender stereotypes.

**PROPORTION OF
FEMALE EMPLOYEES
AT MODUS GROUP**

ALL EMPLOYEES



CEOs



MANAGERS



MANAGEMENT BOARD



EMPLOYEES DISTRIBUTION BY AGE GROUP



Zero tolerance towards discrimination. We foster an environment in which every employee is treated equally, respected and empowered to discover their potential. We forbid any form of discriminatory behavior both within the company or with our external stakeholders. That is why, before bringing on board any new employee, we ensure the hiring process is based entirely on their competencies and the right skill set. To ensure we stand by what we say, we have an internal Equal Opportunities Policy. We comply with local labour laws and have zero tolerance towards discrimination in the workplace.

Training. It is essential that Modus Group has the most

passionate minds working across our businesses. That is why we have placed a strong focus on attracting the right people with the right skill sets and keeping them engaged and motivated. We ensure constant personal and professional development is available.

In 2021, our employees have participated in a total of 178 training courses (2 500 hours of training). This year employees learned leadership, the art of negotiation and time planning, strengthened their competencies and qualifications in technical training, participated in H&S, personal data protection training and other individual trainings based on their individual professional development.

Trainings for employees provided in 2021:



MODUS GROUP'S contribution towards Sustainable Development Goals in 2021

7
GOAL



We have contributed to increasing the share of renewable energy in Europe's energy mix.

In 2021, 399 GWh of green energy was generated by biogas and solar plants. Additionally, we have made a strategic decision to include wind and hydrogen business lines to further increase independence from fossil fuels.

11
GOAL



9
GOAL



We have improved the sustainability of local infrastructures by providing clean technology and have advanced sustainable city infrastructure through mobility solutions.

There are 22 442 less cars in the Baltic States due to our car sharing service CityBee.

12
GOAL



We focus on sustainable biological waste and animal by-products management as well as efficient use of natural resources. Our biogas energy solutions provide circular economy opportunities to recycle biodegradable waste and produce additional benefits for society such as electricity, heat energy and natural fertilizers. In 2021, across all our biogas plants we collected and processed around 2 million tons of biological waste and produced more than 1.9 million tons of natural fertilizer, which was distributed at local farms.

13
GOAL



338 000 tons of CO₂eq were avoided in 2021.

15
GOAL



We fight against climate change not only by providing shared mobility, circular and renewable energy solutions but also by recreating and preserving the natural ecosystems and biodiversity. First remote solar power plant with beehives in Lithuania is successfully operating for the second year. After a year of bird monitoring in Spain we received a permission to build solar parks in Cadiz, Sevilla and Granada. We are now also committed to provide habitats for rabbits and bats in those solar parks.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

ENVIRONMENTAL IMPACT

Environmental stewardship is integral to achieving business goals. To this end, we set out an environmental management approach starting with initial project screening which will carry on up until the decommissioning stage. We proactively respond to environmental risks and work hard to mitigate any potentially negative impact from the start of the project to its completion.

We want to demonstrate the very best environmental performance practices, that is why we deliver

net environmental benefits to local communities and ecosystems. We are constantly working with local communities to address specific environmentally related challenges they may face.

Our processes are also environmentally assessed by third parties to maintain the highest performance standards and constantly improve our environmental management system for biogas and solar plants as well as further renewable energy solutions such as wind and hydrogen.

EFFICIENT RESOURCE MANAGEMENT

We are constantly striving to achieve better efficient use of natural resources. Our biogas plants use technology and allow us to process manure, animal-by-products and other organic waste. It is converted to odourless liquid fertilizer that has the necessary trace elements to restore to the humus layer of the soil. This is a perfect example of circular economy that positively impacts local surroundings by helping to reduce GHG emissions and odour emitted by landfills and animal farms.

To illustrate, in 2021, Green Genius began construction of its first biogas plant in Poland. The new facility is being built in the village of Turowiec in the Lubelskie Voivodeship and will use mainly agricultural raw materials: beet pulp, distilling dregs, vegetable and fruit residues from juice production and other helping something, that would be otherwise disposed and generate negative impact, to create positive value for planet and people. Energy production will begin in the second half of 2022.

But there is more: all biogas renewable energy plants are self-sufficient in terms of energy use, meaning, that the heat energy and electricity produced during the biogas process is used to

continue the production. The surplus of the electricity goes to the national electricity grid for an agreed tariff so that no energy is wasted. In Lithuania, the generated surplus of heat energy is sold at a considerably lower price. It helps communities to reduce their heat bill around 30 percent and for us not to waste energy and contribute to higher CO2eq savings compared to alternative heating solutions. To practice what we preach, at Modus Group we also use a part of the generated energy for our offices and other premises.

Transport currently accounts for 1/4 of EU GHG emissions and this figure is growing as demand continues. Pollution generated by the transport sector is being felt more in cities than other areas. Therefore, the shifting to more sustainable mobility allows us to ensure accessible, affordable, healthier and cleaner travelling alternatives. We strongly stand by this aim. Our car-sharing solution reduces urban congestion and contributes to lower GHG emission per capita. Every shared vehicle eliminates the need for 12 privately owned cars, which corresponds to 22 442 fewer cars in the streets of the largest Baltic cities. In 2021, 2803 tons of CO2eq were saved because of car-sharing services in Baltic cities.





CLEAN ENERGY

Delivering clean, reliable energy is one of our main sustainability commitments. Last year, our biogas power plants generated 161 GWh of green energy, while our solar power plants generated over 238 GWh. In total, this amount could supply more than 130 000 families with their energy needs for a year.

There is a growing interest in clean, reliable energy in society as well. In 2021, we have signed one of the largest green energy contracts in Lithuania. For the next 25 years, almost all institutions of Elektrėnai municipality, kindergartens, schools, social care centers, and hospital, will use green electricity produced by a remote solar park

399 GWh

OF GREEN ENERGY
GENERATED THROUGH
BIOGAS AND SOLAR PLANTS.
THIS AMOUNT COULD
POWER MORE THAN
130 000 HOUSEHOLDS
FOR A YEAR

owned by the municipality. The 1107 kW solar park will also supply the municipal elderships.

Seeing the growing importance of renewable energy, we are committed to provide even more of it: a total of 1 GW of renewable energy assets will be built by 2025, which are planned to generate 1650 GWh of green electricity per year.

GREEN HOUSE GAS (GHG) REDUCTION

The development of clean energy and mobility services avoids significant carbon dioxide (CO2eq) concentration in the atmosphere. In 2021, 338 000 tons of CO2eq was saved due to our renewable energy and mobility solutions. It is equivalent to the amount of CO2eq that approximately 16 million mature trees would be able to absorb in one year.

In other mobility operations, we also prioritise CO2eq efficient hybrid or electric cars. In 2021, 17 percent of our passenger cars (300 out of 1780) in the Baltics were hybrids. 50 electrical vehicles were added to the CityBee fleet in 2021 as well. Our goal is to have half of our fleet of electric cars by 2026. We believe that there are multiple ways to fight the climate change and fostering our forests is one of them. Therefore, Green Genius employees get hands-on and plant trees on an annual basis. Not only it has positive environmental impact, but it also maintains our team spirit to work together and create value. In 2021, Green Genius planted

338 THOUSAND TONNES

OF CO2 SAVED IN 2021, WHICH IS EQUIVALENT TO THE AMOUNT OF CO2 THAT APPROXIMATELY **16 MILLION MATURE TREES** WOULD BE ABLE TO ABSORB IN ONE YEAR



10 000 new trees. Also, instead of buying Christmas gifts for partners, Green Genius decided to fund a new forest project. Green Genius will plant 10 thousand trees in 1 hectare together with the The Untouchable Forest initiative.

**BIODIVERSITY
PRESERVATION**

Without biodiversity there is no life on the planet. Therefore, we take biodiversity loss seriously and that is why we are proactive in rehabilitating and cherishing natural habitats to halt the loss of biodiversity.

We have been taking care of the bees' populations at our 1 MW solar power plant in Utena for two years. In cooperation with the professional beekeepers, the beehives have been taken care of to provide habitat and protect the critically dwindling bee populations. The plant pollination performed by the bees is very



BEEHIVES NEXT TO
1MW SOLAR POWER
PLANT IN UTENA



important for the preservation of various flora species. In turn, the green field area with the wild-flower plantations around the solar farms offer a favorable ecosystem for the reproduction of the species. We have closely followed rigorous environmental processes which are required to test our impact on the environment, and we will continue to support a precautionary approach to environmental challenges and biodiversity.

In 2021, we received the permission to build solar parks in Cadiz, Sevilla and Granada. This was due to our efforts spent monitoring the bird populations in the region. After concluding that there would be no harm to their natural habitats created by our renewable energy plan solutions, we additionally planned to create habitats for rabbits and bats in our solar park's territories.

Anti-corruption

Modus Group focuses on maintaining high standards of corporate governance. Our management team strongly supports good business ethics and the following Global Compact principle:



At Modus Group, we apply a zero tolerance approach to corruption and bribery.

Audits. As a market leader we are committed to set the highest standards of business ethics, and our internal culture is focused on fair and legal work principles. To support this, every year we are audited by a top tier auditor. An auditor’s report for 2021 can be found at the end of this document.

Internal audits are also performed on a regular basis to enhance consistent anti-corruption commitment.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Investments. We are assessing the risk of corruption when making investment decisions. When entering new markets before making any business decisions, in each country we carefully evaluate market situation. We also look at the competition to ensure we can compete in a legal, fair and transparent manner.

At Modus Group we also maintain the highest levels of transparency and regulatory compliance, in accordance with the highest international and regional standards, implementing international policies such as Anti Money Laundering (AML).

Additionally, throughout 2021, we have strengthened our legal and procurement team and their procedures. Employees who are in a position to interact with governmental officials receive specific anti-corruption related training. The rest of the team is fully trained in understanding what our ethical business standards mean and how to uphold them in their day-to-day work.

In 2022, we will continue to embed anti-corruption principles and policies for the group of companies to foster sustainable, inclusive and transparent environment.



Auditor's report and consolidated financial statements



Independent auditor's report

To: the General Meeting of MG NL holding B.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2021 of MG NL holding B.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of MG NL holding B.V. as at 31 December 2021 and of its result and its cash flows for the year ended on 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of MG NL holding B.V. as at 31 December 2021 and of its result for the year ended on 31 December 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- 1 the consolidated statement of financial position as at 31 December 2021;
- 2 the following consolidated statements for the year ended on 31 December 2021: the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- 1 the company statement of financial position before appropriation of the result for the year as at 31 December 2021;
- 2 the company statement of profit or loss for the year ended on 31 December 2021;
- 3 the company statement of changes in equity; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of MG NL holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

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

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities or operations. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities or operations for which an audit had to be carried out on the complete set of financial information or specific items.



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

Rotterdam, 29 April 2022

KPMG Accountants N.V.

T.A. Kalmár RA

MG NL holding B.V.

Annual report 2021



KPMG Audit
Document to which our report
2181109 22W00182265RTM dated
29 April 2022
also refers.
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Management report

General information

MG NL holding B.V., LLC (hereafter – the Group), registered in Netherlands Chamber of Commerce, company code – 58978976, registered address Fred. Roeskestraat 115, 1076 EE Amsterdam, the Netherlands, authorized capital of EUR 22,900,100 ordinary shares with nominal value of EUR 1.00 each.

All shares of MG NL holding B.V. are privately owned by Mr. Kęstutis Martinkėnas.

The Group's mission statement is to offer its stakeholders environmentally friendly and economically viable options to achieve their goals. A main objective is to build in next 5 years a total of 1GW renewable energy assets. By joining the United Nations (UN) Global Compact in 2020, the Group has committed to disclose its efforts in the area of sustainability and advance the broader development of the UN goals.

The Group is an international group of companies operating mainly in the spheres of car sales, renewable energy, mobility services and smart parking solutions. MG NL holding B.V. is the holding company of the Group and located in the Netherlands

The Group has offices in Lithuania, Belarus, Ukraine, Estonia, Latvia, Poland, Czech, Spain, Italy, Hungary, Romania and the Netherlands. It consists of directly and indirectly owned 231 subsidiaries and 12 associated companies.

In 2021 the Group had 821 employees (2020 – 733).

At the energy business the Group has an installation track record of more than 224 MW (20.2 MW biogas power and 203.8 MW solar power). The Group has operating plants with a total capacity of 59.2 MW (20.2 MW biopower, 39 MW solar). In 2022 the Group is planning construction of 135 MW solar powerplants in Poland, 38 MW solar powerplants in Lithuania, 15 MW solar powerplants in Italy and development activities of more than 1,200 MW in Spain, Italy, Poland, Lithuania and Romania.

For its car sales the Group operates a network of 17 car dealerships, including Porsche, Bentley, BMW, Fiat, Maserati and others.

Board members of MG NL holding B.V.:

Person	Position
Ainė Martinkėnaitė-Martyniuk	Chairman of the Board
Alhard Zwart	Board Member
Julia Vladimirowna Bron	Board Member

Financial information

In 2021 revenue from sales of the group of companies amounted to EUR 457,714 thousand (2020 – EUR 469,348). Cost of sales in 2021 amounted to EUR 407,329 thousand (2020 – EUR 431,902 thousand), and gross profit – to EUR 50,385 thousand (2020 – EUR 37,446 thousand).



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Revenue from sales comprises the following revenue streams:

	2021	2020
Revenue from sale of cars	73.2%	80.9%
Revenue from sale of parts	12.2%	6.8%
Revenue from sale of energy	7.2%	7.0%
Revenue from lease of cars	4.8%	3.5%
Revenue from car service	1.4%	1.1%
Other	1.2%	0.7%
Total	100.0%	100.0%

Revenues distribution by country in 2021 and 2020:

	2021	2020
Lithuania	49.1%	62.7%
Belarus	13.2%	10.2%
Latvia	9.3%	6.8%
Germany	6.4%	5.3%
France	5.4%	3.9%
Estonia	4.4%	3.4%
Belgium	3.5%	0.0%
Romania	2.3%	0.0%
Ukraine	1.4%	1.2%
Italy	0.8%	0.7%
Poland	0.6%	0.6%
Bulgaria	0.2%	1.7%
Other countries	3.4%	3.5%
Total	100.0%	100.0%

Consolidated operating profit before taxation amounted to EUR 16,661 thousand in 2021 (2020 – EUR 8,710 loss).

The increase of profit before taxation of EUR 25,371 thousand in 2021 was predominantly caused by following factors:

- Increase of gross profit EUR 12,939 thousand
- Decrease of impairments EUR 4,930 thousand
- Increase of currency exchange gains EUR 10,056 thousand

The Group's consolidated tangible assets amounted to EUR 219,236 thousand as at 31 December 2021 (31 December 2020 – EUR 193,022 thousand).

As at 31 December 2021 current liabilities of the Group exceeded current assets by EUR 33,313 thousand, of which EUR 30 million comprise external financial debts (Note 33) (31 December 2020 current assets exceeded current liabilities by EUR 5,916 thousand). The Group is having negotiations to extend the term of EUR 30 million facility agreement until the end of 2023, therefore this loan can be treated as a long-term liability. Taking into account this loan, current liabilities exceed current assets by EUR 3,313 thousand as at 31 December 2021.

In 2021 the Group had generated EBITDA of EUR 42,831 thousand, positive cashflow from operating activities of EUR 4,080 thousand and net profit of EUR 13,392 thousand. The above mentioned facts confirm that the Group enables to continue its successful operational, development and construction activities in 2022 and upcoming years.

The most significant events of 2021

- Acquisition of 100 percent of shares of UAB "Ekosrautas" that holds SPVs with project documentation allowing construction of 85MW wind power projects in Lithuania. Expected construction date 2023-2024.
- Preliminary share purchase agreement signed to sell UAB GG LTU S1 (10.37MW), UAB GG LTU S2 (6MW) and UAB GG LTU S3 (19.65MW) with closing expected in 2022 to an external licensed investor.
- Successfully completed constructions of 40.5 MW of solar powerplants in Poland and 13.5 MW in Lithuania.
- Construction of group's first biogas powerplant in Turowiec, Poland with total installed capacity of 1 MW. The construction was financed by Pekao bank in Poland.
- Secured capex subsidies (total value EUR 10,117 thousand) from the Lithuanian state for 6 biomethane generation projects in Lithuania to be constructed in 2022-2024.

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- Modus Energy AB and Polenergia agreed to sign an investment agreement to establish a JV to develop wind power projects in the Baltic Sea in the region of the Lithuanian territorial sea or the exclusive economic zone of the Republic of Lithuania.
- Acquisitions and disposals of subsidiaries (Note 1).

Significant risks and uncertainties

Main risks faced by the Group are the following:

- *Decisions of states authorities related to restrictions on the development of alternative energy*

Demand of green energy is increasing over the years and current legislation development, in management's opinion, increases demand even more. The current geopolitical environment dictates an accelerated transition to green energy generation in the EU, and the management expects further improvement in the regulatory environment for green project development.

- *Decline in market liquidity*

As of now the management of the Group does not see a decline in market liquidity and supply of affordable external lending. The risk is considered to be low.

- *Introduction of new taxes related to activities of the companies or increase in effective tax rates*

The Group enters only well known markets after robust research. This enables to mitigate tax risks and avoid unexpected taxation. Most of operations, development and constructions are performed within the EU with stable legislation and tax systems. Rest markets are also stable with guaranteed feed-in tariffs.

- *Uncertainties in respect of the sanctions for Belarus entities and war in Ukraine*

In February 2022, following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation and its subsequent invasion of Ukraine, the military conflict escalated and spread to other regions of that country. The current escalation of the military conflict is likely to have a detrimental impact on the political and business environment in Ukraine. The situation in Ukraine is extremely volatile and inherently uncertain. To mitigate this risk, the Group management constantly monitors physical situation in power plants sites, has strengthened physical protection, regularly communicates with local employees, key stakeholders (buyer of electricity, creditors). Additionally, management has assessed Ukrainian companies further worst case scenario impact on Group performance, liquidity. It was concluded, that the impact will not have material negative effect to the Group as Ukrainian companies are fully developed and operate independently. The risk is considered to be moderate.

In response to the Russian Federation's invasion of Ukraine, which have been supported by Belarus, a number of countries, including the United States of America, the United Kingdom and the European Union have imposed and/or expanded economic sanctions against a number of Belarus individuals and legal entities. Belarus management and Group legal team are constantly reviewing sanctions official data bases and making assessment whether current or new business partner are sanctioned. The risk is considered to be moderate.

- *Fraud risk*

The Group main area of fraud risk is procurement process. This risk is mitigated by implementation of Fraud Risk Management activities to increase awareness, prevent and detect suspicious activities, perform investigation if needed. Procurement is carried out through tenders involving at least two suppliers. Procurement decisions are approved by at least two senior managers. The risk is considered to be low.

- *Lack of skilled employees*

A shortage of skilled (new) employees could negatively impact the business activities and growth opportunities. The current labour market does not show lack of qualified people and so the potential risk is considered to be low.

- *Inflation or general deteriorations of a country's economic situation, which may affect the demand and price of cars*

Increase of consumer car prices may have a negative effect on the volume of car sales.



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- COVID-19

At the outbreak of COVID-19 the Group has taken immediate cost-saving measures and ensured the company's liquidity, agreed with creditors on possibility of deferral of existing obligations and extension of payment terms. The measures implemented are assessed to be effective and the Group's results are gradually returning to pre-COVID-19 levels.

Environmental protection

The following environmental standards apply to some of the Group's companies:

- According to the Minister of Environment of the Republic of Lithuania in 2003. October 08 order no. 493 "Information on fuel economy and the presentation of carbon dioxide emissions to consumers in the sale of new passenger cars".
- According to the Minister of Environment of the Republic of Lithuania in 2003. December 24 No. Order 710 approved the "Rules for the Handling of End-of-Life Vehicles".
- Management of waste (including hazardous waste) generated in car service and maintenance activities in accordance with the requirements of the Law on Waste Management and the Rules on Waste Management.

The activities of the group companies fully comply with the legal requirements

No other specific environmental requirements are applied to the activities carried out by the Group companies.

Information on significant events after the end of the financial year

For a detailed disclosure please refer to note 34 of these financial statements.

Operating plans and forecasts of the Group of companies' activities

The guiding principle for business development is to invest in what will be relevant tomorrow, thus promoting the progress of Modus Group's four business sectors. The main investments are planned to be directed to the development of renewable energy and mobility services throughout Europe. A main objective is to build in next 5 years a total of 1GW renewable energy assets. These investments reflect the long-term strategic priorities of the Group. In addition, the Group will continue to operate in the automotive and real estate sectors on a consistent basis.

In 2022 consolidated revenue (including operations in Belarus) is expected to reach EUR 522 million and operating EBITDA – EUR 46.9 million. Note 34 elaborates on the impact of subsequent events affecting Belarus' operations.

The Group continues new project development activities of solar, wind, biomethan and biopower powerplants in Italy, Spain, Poland, Lithuania, Latvia and Romania. In 2022, the Group has decided to exit the Belarussian market.

The Group plans to start construction of a 15MW solar powerplant in Italy.

The Group is beginning preparation works to construct its first wind project (85MW) in Lithuania.

Investment activities are financed from operational cashflows, sale of developed solar projects and using external financing from credit institutions. The Group's demand in external financing is satisfied by new financing which is received for individual projects and the received loans portfolio is increased when financing is needed.

Execution of the energy investment plans depends on a timely possession of permits and licenses required to develop the energy projects.

Employees are the Group's greatest asset and the key to success. The Group's Human Resource strategy is designed to ensure that our people thrive and fulfil their potential and is committed to promoting the well-being, safety and welfare of employees and contractors. Rigorous standards are maintained on Health&Safety, fair labour practices, community engagement and the environment.

By the end of 2021 the Group had 821 employees working at companies in various countries, The Group is further establishing its international presence and the number of colleagues in other markets grows every year.

Energy project development it is important of energy

Information about the research and development activity of the Group of companies

To justify the projects carried out by the Group of companies, market researches are performed. If research is not established, researches are carried out when necessary.

Development is performed for solar projects in Spain, Italy and Poland. All eligible expenses are capitalized in accordance with IFRS and reflected in capex of those projects.

The number and nominal value of the shares of the parent company controlled by the company itself, its subsidiaries or other persons authorised but acting on their own behalf

The Company has no own shares.

Information regarding financial instruments

The Group did not use any financial instruments, which are important to the evaluation of the Group's assets, liabilities, financial position and performance results, except for currency exchange rates: the Group carries out payments mainly in three currencies – EUR, PLN and USD. In order to hedge against fluctuations of PLN exchange rate, the Group engages in derivative financial instruments (forward swaps). Other currency (USD) risk is considered to be low due to limited operations and is not hedged.

Ainë Martinkėnaitė-Martyniuk
Chairman of the Board
MG NL holding B.V.

Amsterdam, Netherlands
29 April 2022



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MG NL holding B.V.

Company code 58.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands
Consolidated statement of financial position for the year ended 31 December 2021
(In EUR thousand, unless otherwise stated)

Consolidated statement of financial position

ASSETS	Notes	As at 31 December 2021	As at 31 December 2020
Non-current assets			
Property, plant and equipment	5	219,236	193,022
Investment property	5	7,328	6,551
Goodwill	6	200	8,340
Intangible assets	6	3,171	2,871
Loans granted and term deposits	7	929	4,568
Other investments	10	23,705	23,376
Trade and other receivables	8	1,137	1,960
Deferred tax assets	29	1,862	3,442
Total non-current assets		257,568	244,130
Current assets			
Loans granted and term deposits	7	5,472	2,662
Other investments		159	121
Inventories	9	64,203	93,701
Trade and other receivables	8	40,560	42,577
Contract assets	23	-	-
Prepayments, deferred costs and accrued income	11	14,423	5,788
Prepaid income tax		1,489	1,014
Cash and cash equivalents	12	27,958	43,635
Assets held for sale	13	72	442
Total current assets		154,336	189,940
TOTAL ASSETS		411,904	434,070

(continued on the next page)



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Consolidated statement of financial position for the year ended 31 December 2021
(In EUR thousand, unless otherwise stated)

Consolidated statement of financial position (cont'd)

EQUITY AND LIABILITIES	Notes	As at	As at
		31 December 2021	31 December 2020
Authorised capital	14	22,900	22,900
Revaluation reserve		20,356	21,986
Currency exchange translation reserve		(217)	(458)
Retained earnings (losses)	14	47,578	33,789
Equity attributable to shareholders of the parent company		90,617	78,217
Non-controlling interests		647	1,052
Total equity		91,264	79,269
Non-current liabilities			
Bank loans and lease liabilities	15	91,416	110,839
Other financial debts	16	35,274	39,996
Deferred tax liabilities	29	3,805	3,880
Advances received		254	22
Non-current employee benefits	17	59	89
Grants and subsidies	18	1,512	1,094
Provisions	19	119	237
Trade and other payables	22	552	14,620
Total non-current liabilities		132,991	170,777
Current liabilities			
Bank loans and lease liabilities	15	72,806	39,881
Other financial debts	16	25,433	11,877
Corporate income tax liabilities		998	1,820
Prepayments received, accrued liabilities and deferred income	20	23,022	12,701
Contract liabilities	23	-	-
Employment related liabilities	21	5,147	4,674
Trade and other payables	22	60,243	113,071
Total current liabilities		187,649	184,024
Total liabilities		320,640	354,801
TOTAL EQUITY AND LIABILITIES		411,904	434,070



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MG NL holding B.V.

Company code 58.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021

(In EUR thousand, unless otherwise stated)

Consolidated statement of profit or loss and other comprehensive income

	Notes	2021	2020
Continued operations			
Revenue	23	457,714	469,348
Cost of sales	24	(407,329)	(431,902)
Gross profit		50,385	37,446
Other income	25	5,737	6,276
Other expenses	25	(1,910)	(1,310)
Selling expenses	26	(12,853)	(11,033)
Administrative expenses	27	(15,447)	(21,179)
Impairment loss on trade receivables and contract assets	27	(245)	(1,626)
Operating profit (loss)		25,667	8,574
Profit on disposal of investments into subsidiaries		-	-
Finance income	28	5,794	3,505
Finance costs	28	(14,800)	(20,797)
Result from financing activities		(9,006)	(17,292)
Share of profit of associated or jointly controlled entities		-	8
Operating profit (loss) before tax		16,661	(8,710)
Corporate income tax	29	(3,269)	(2,286)
Net profit (loss) from continued operations		13,392	(10,996)
Discontinued operations			
Net profit (loss) from discontinued operations		-	-
Net profit (loss)		13,392	(10,996)
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Effect of currency rate changes		(264)	(254)
Items that will be reclassified subsequently to profit or loss:		(264)	(254)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Employee benefits (accrual)		16	(26)
Revaluation of property, plant and equipment, net of tax		(97)	8,075
Other movements		(380)	-
Items that will not be reclassified subsequently to profit or loss:		(461)	8,049
Total comprehensive income		12,667	(3,201)
Net profit (loss) attributable to:			
Shareholders of the parent company		13,193	(10,852)
Non-controlling interest		199	(144)
Total comprehensive income attributable to:			
Shareholders of the parent company		12,468	(3,057)
Non-controlling interest		199	(144)



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MG NL holding B.V.

Company code 58.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands
Consolidated statement of changes in equity for the year ended 31 December 2021
(In EUR thousand, unless otherwise stated)

Consolidated statement of changes in equity

	Authorised capital	Share premium	Legal reserve	Revaluation reserve	Currency exchange translation reserve	Attributable to shareholders of the parent company	Non- controlling interests	Total
31 December 2019	22,900	-	-	14,811	2,508	41,397	963	82,579
Net profit (loss) for the reporting period	-	-	-	-	-	(10,852)	(144)	(10,996)
Other comprehensive income for the reporting period	-	-	-	8,075	(254)	(26)	-	7,795
Total comprehensive income for the reporting period	-	-	-	8,075	(254)	(10,878)	(144)	(3,201)
Adjustment adoption IFRS16	-	-	-	-	-	14	-	14
Increase (decrease) in non-controlling interests	-	-	-	-	-	(372)	249	(123)
Revaluation reserve recognized	-	-	-	(268)	-	268	-	-
Revaluation reserve used	-	-	-	(632)	-	648	(16)	-
Change in functional currency	-	-	-	-	(2,712)	2,712	-	-
Profit (loss) not recognised in the statement of profit or loss and other comprehensive income	-	-	-	-	-	-	-	-
31 December 2020	22,900	-	-	21,986	(458)	33,789	1,052	79,269
Net profit (loss) for the reporting period	-	-	-	-	-	13,193	199	13,392
Other comprehensive income for the reporting period	-	-	-	(97)	215	(843)	-	(725)
Total comprehensive income for the reporting period	-	-	-	(97)	215	12,350	199	12,667
Change in capital due to transfer of subsidiaries	-	-	-	-	26	-	-	26
Increase (decrease) in non-controlling interest	-	-	-	-	-	-	(580)	(580)
Revaluation reserve used	-	-	-	(1,533)	-	1,439	(24)	(118)
31 December 2021	22,900	-	-	20,356	(217)	47,578	647	91,264



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MG NL holding B.V.

Company code 58.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Consolidated statement of cash flows for the year ended 31 December 2021

(In EUR thousand, unless otherwise stated)

Consolidated statement of cash flows

	Notes	2021	2020
Cash flows from operating activities			
Net profit (loss)		13,392	(10,996)
Elimination of non-monetary transactions:			
Depreciation expenses	5	16,123	16,504
Amortisation expenses	6	1,037	903
Impairment and write-off losses	27	-	3,621
Share of profit of associated and jointly controlled entities		-	(8)
Impairment (reversal) of trade and other receivables	27	245	1,626
Write down (reversal of write down) of inventories to net realisable value	27	263	708
Impairment (reversal) of loans granted	28	1,950	200
Impairment of financial assets at fair value (gain on increase)	28	106	(34)
Change in fair value of derivative financial instruments	28	(1,031)	136
Change in the liability for employee benefits		(18)	5
Change in provisions	19	(118)	137
Revaluation reserve formation		462	(243)
Finance (income) costs	28	9,528	8,645
Effect of currency exchange	28	(2,279)	2,064
Loss (profit) on disposal of property, plant and equipment, and intangible assets	25	526	509
Loss (profit) on disposal of investments into subsidiaries	25	(4,292)	(5,468)
Income tax expenses (income)	29	3,269	2,286
Amortisation of grants		(172)	(152)
Other non-monetary items		1,421	1,858
Effect of changes in working capital:			
(Increase) decrease in inventories	9	29,498	10,225
(Increase) decrease in trade and other receivables	8	2,018	(18,265)
Decrease (increase) in contract assets	23	1	922
Decrease (increase) in prepayments, deferred costs and accrued income	11	(8,636)	7,564
Decrease (increase) of property, plant and equipment held for sale	13	370	(442)
Increase (decrease) in trade, other payables and current liabilities	22	(66,892)	8,818
Increase (decrease) in prepayments received, accrued liabilities and deferred income	20	10,320	4,122
Increase (decrease) in contract liabilities	23	-	(21)
Increase (decrease) in employment related liabilities	21	473	596
Paid income tax		(3,484)	(4,265)
Net cash from operating activities		4,080	31,555

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MG NL holding B.V.

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Consolidated statement of cash flows for the year ended 31 December 2021

(In EUR thousand, unless otherwise stated)

Consolidated statement of cash flows (cont'd)

	Notes	2021	2020
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(67,176)	(25,466)
Disposal of property, plant and equipment and intangible assets	5	21,413	16,887
Receipt of government grants	18	590	-
Acquisition of other long-term investments		(2,168)	(800)
Acquisition of associated entities		-	(256)
Acquisition of subsidiaries	6	(4,497)	(6,108)
Disposal of subsidiaries	25	46,789	28,576
Term deposit payments	7	(306)	(1,009)
Redemption of term deposits	7	1,000	-
Loans granted	7	(12,927)	(2,405)
Loans recovered	7	11,917	6,786
Interest received	7	18	1,318
Other increase in cash flows from (to) investing activities		514	-
Net cash used in investing activities		(4,833)	17,523
Cash flows from financing activities			
Loans received	15,16	74,428	71,959
Loans repayment	15,16	(48,344)	(50,146)
Emission of bonds	16	29,429	24,810
Repurchase of bonds	16	(29,257)	(30,598)
Interest paid and transaction costs	15,16	(11,089)	(11,179)
Lease payments	30	(30,036)	(31,108)
Change in non-controlling interests		-	250
Other decrease in cash flows from (to) financing activities		(55)	3
Net cash generated from/(used in) financing activities		(14,924)	(26,009)
Effect of exchange rate changes on cash and cash equivalents		-	-
Increase (decrease) in net cash flows		(15,677)	23,069
Cash and cash equivalents at the beginning of the period		43,635	20,566
Cash and cash equivalents at the end of the period		27,958	43,635



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Notes to the consolidated financial statements for the year ended 31 December 2021

1. Background information

MG NL holding B.V. ("Company") was incorporated on 11 October 2016 under the laws of the Netherlands. The Company has its statutory seat in Amsterdam, the Netherlands and its registered office at Fred. Roeskestraat 115, Amsterdam, the Netherlands.

The sole shareholder of the Company as of its incorporation is a private individual – Mr. Kestutis Martinkenas, Vilnius, Republic of Lithuania.

The principal activities of the Company consist of holding and financing of group companies.

Subsidiaries directly controlled by the Company:

Name	Statutory seat	Percentage ownership 31.12.2021	Percentage ownership 31.12.2020	Activity description
UAB Modus Grupė	Lithuania	100,00%	100,00%	Holding activities
Modus Energy International B.V.	Netherlands	85,00%	85,00%	Holding activities

UAB Modus Grupė is a joint stock company registered with the Register of Legal Entities on 30 January 2012 under the Law on Register of Companies of the Republic of Lithuania, company code 302719143, legal address: Ozo g. 10A, LT-08200 Vilnius. Activities of the company – consulting management activities.

Modus Energy International B.V. ("Company") was incorporated on 7 June 2016 under the laws of the Netherlands. The Company has its statutory seat in Amsterdam, the Netherlands and its registered office at Fred. Roeskestraat 115, Amsterdam, the Netherlands.

As from 1 January 2020 UAB Modus Grupė acquired 15% of the share capital of Modus Energy International B.V.

Sales of group companies

- On 18 January 2021 the Group sold 100 percent ordinary registered shares of subsidiaries UAB Pavilnių saulės slėnis 14 (Lithuania) and Modus Park OOO (Belarus), with a nominal value of EUR 2,896 and EUR 115,945 respectively.
- On 8 July 2021 the Group sold 100 percent ordinary registered shares of Lithuanian subsidiary UAB Remote Solar Investments, each with a nominal value of EUR 1.
- On 23 December 2021 the Group sold 100 percent ordinary registered shares of Ukrainian subsidiary LLC Axton Energija, with a nominal value of EUR 9,366.
- In 2021 the Group's indirectly controlled Polish subsidiary Nummy Investments Sp. z o.o. was liquidated.
- On 17 December 2021 the Group sold 100 percent ordinary registered shares of Polish subsidiaries Modus Energy Asset 4 Sp.z o.o., GGPL 1 Sp. z o.o., GGPL 4 Sp. z o.o., Elektrownia Słoneczna Mazowsze Sp. z o.o., PVE 6 Sp. z o.o., PVE 15 Sp. z o.o., PVE 24 Sp. z o.o., Solar Farma II Sp. z o.o., TGM 1 Sp. z o.o., Solar Power Pustków Sp. z o.o., with a total nominal value of EUR 2,904,336
- On 22 June 2021 the Group sold 100 percent ordinary registered shares of Ukrainian subsidiary Solar Zalukwa LLC, with a nominal value of EUR 1,765,574
- On 3 September 2021 the Group sold 100 percent ordinary registered share of Lithuanian subsidiary UAB GG Saulės parkai, with a nominal value of EUR 2,896.

Acquisitions/establishments of group companies

- On 3 February 2021 the indirectly controlled Lithuanian subsidiaries UAB Luxury Automotive Services 1 and UAB Luxury Automotive Services 2 were established. The shares are owned by UAB Inter Krasta Luxury.
- On 10 October 2021 the indirectly controlled Polish subsidiary Mobility Fleet Solutions Sp. z o.o. was established. UAB Mobility Fleet Solutions holds 99 percent, UAB Modus Mobility holds 1 percent of the shares.
- On 3 November 2021 the indirectly controlled Lithuanian subsidiary UAB Mobility Services was established. The shares are owned by UAB Modus Mobility.

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- On 7 December 2021 the indirectly controlled Lithuanian subsidiary UAB Energy Transition Investments was established. The shares are owned by UAB Modus Asset Management.
- On 30 December 2021 the indirectly controlled Estonian subsidiary Luxury Motors OU was established. The shares are owned by UAB Inter Krasta Luxury.
- On 22 March 2021 Modus Energy Asset 9 Sp. z.o.o. acquired 100 percent of ordinary registered shares of following Polish companies : Worm 1 Sp. z.o.o., Worm 4 Sp. z.o.o., Worm 7 Sp. z.o.o., Worm 8 Sp. z.o.o., Worm 9 Sp. z.o.o., Worm 11 Sp. z.o.o., Worm 12 Sp. z.o.o., Worm 18 Sp. z.o.o., Worm 20 Sp. z.o.o., Worm 30 Sp. z.o.o.
- On 20 April 2021 Modus Energy Asset 9 Sp. z.o.o. acquired 100 percent of ordinary registered shares of following Polish companies : Worm 2 Sp. z.o.o., Worm 3 Sp. z.o.o., Worm 13 Sp. z.o.o.
- On 28 April 2021 AB Modus Energy acquired 100 percent of ordinary registered shares of following Lithuanian companies:
UAB Enrg projektas 1, UAB Enrg projektas 2, UAB Enrg projektas 4, UAB GG Biogas Investments. UAB GG Biogas PL.
- On 28 April 2021 Modus Energy International B.V. acquired 100 percent of ordinary registered shares of Lithuanian company UAB GG dev Fin.
- On 2 June 2021 UAB Enrg projektas 4 acquired 100 percent of ordinary registered shares of following Polish companies:
PVE 133 sp. z o.o., PVE 141 sp. z o.o., PVE 171 sp. z o.o.



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Company Name	Statutory seat	Ownership 31 December 2021	Ownership 31 December 2020	Sector	Changes in 2021	Business activities
Avtoideya OOO	Belarus	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
Bavaria motors IZAO	Belarus	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
OOO Autoimax	Belarus	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
Luxury Motors OU	Estonia	100%	-	Auto	Established	Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
Autobrava SIA	Latvia	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
Baltijas Sporta Auto SIA	Latvia	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
Luxury Motors, UAB	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Autobrava Motors	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB AUTOBRAVA	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Autoimex	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Inter Krasta	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Interviga	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB LM Auto	Lithuania	50 %	50 %	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Modus Automotive Services	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices

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UAB Neoparta	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Prime Auto	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Valunta	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Inter Krasta Luxury	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Inter Krasta Premium	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Luxury Automotive Services 1	Lithuania	100%	-	Auto	Established	Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
UAB Luxury Automotive Services 2	Lithuania	100%	-	Auto	Established	Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
VŠĮ Jeep club Lithuania	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
VŠĮ Saugaus eismo akademija	Lithuania	100%	100%	Auto		Civil engineering constructions, installation of electrical and other equipment, wholesale and retail trade of electric apparatus and devices
Belovezha Biogas ZAO	Belarus	100%	100 %	Energy		Electricity generation, transmission and distribution
Green Biogas ZAO	Belarus	99%	82.5%	Energy		Electricity generation, transmission and distribution
Kabylovka Biogas ZAO	Belarus	99%	100 %	Energy		Electricity generation, transmission and distribution
Mir Biogas ZAO	Belarus	100%	100 %	Energy		Electricity generation, transmission and distribution
Modus Biogas ZAO	Belarus	99%	82.5%	Energy		Electricity generation, transmission and distribution
Modus Projekts ZAO	Belarus	100%	100 %	Energy		Electricity generation, transmission and distribution
Parochonskoe Biogas ZAO	Belarus	99%	100 %	Energy		Electricity generation, transmission and distribution
Renvia Servis OOO	Belarus	100%	100 %	Energy		Electricity generation, transmission and distribution
Severnyj Biogas ZAO	Belarus	99%	100 %	Energy		Electricity generation, transmission and distribution
Zadneprovskiy biogas ZAO	Belarus	100%	100 %	Energy		Electricity generation, transmission and distribution
BG 17 OOO	Belarus	99%	100 %	Energy		Electricity generation, transmission and distribution
Green Genius Hungary Kft.	Hungary	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy S.r.l.	Italy	100%	100%	Energy		Civil engineering construction

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Company Name	Statutory seat	Ownership 31 December 2021	Ownership 31 December 2020	Sector	Changes in 2021	Business activities
Green Genius Italy Utility 10 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 11 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 12 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 13 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 14 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 15 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 16 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 2 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 3 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 4 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 5 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 6 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 7 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 8 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 9 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Solar Asset Italy S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
AB Modus Energy	Lithuania	100%	100 %	Energy		Holding
Ausieniškių ŽŪB	Lithuania	50%	50%	Energy		Electricity generation, transmission and distribution
Mockėnų ŽŪB	Lithuania	50%	50%	Energy		Electricity generation, transmission and distribution
UAB Agapas	Lithuania	50%	50%	Energy		Electricity generation, transmission and distribution
UAB AUTOIDĖJA	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Bonalėja	Lithuania	50%	50%	Energy		Electricity generation, transmission and distribution
UAB Cenergija	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Denergija	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Fotona	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB GG Biogas LTU (UAB Fariavita)	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB GG LTU S1	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution



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(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership 31 December 2021	Ownership 31 December 2020	Sector	Changes in 2021	Business activities
UAB GG LTU S2	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB GG LTU S3	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Green Genius Development	Lithuania	100%	100%	Energy		Civil engineering construction
UAB Green Genius Global	Lithuania	100%	100%	Energy		Civil engineering construction
UAB Green Genius Lithuania	Lithuania	100%	100%	Energy		Civil engineering construction
UAB Green Genius Saulės Parkai	Lithuania	-	100 %	Energy	Sold	Electricity generation, transmission and distribution
UAB Green Genius Turtas	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Green Genius (UAB Modus Energy Solutions)	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Hanitaksa	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Hipso	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Intergates	Lithuania	50%	100 %	Energy		Electricity generation, transmission and distribution
UAB Investiciniai turto projektai	Lithuania	100%	50%	Energy		Electricity generation, transmission and distribution
UAB Ipedita	Lithuania	83%	100 %	Energy		Electricity generation, transmission and distribution
UAB Jenergija	Lithuania	100%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Kalintava	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Kenergija	Lithuania	83%	100 %	Energy		Electricity generation, transmission and distribution
UAB Lenergija	Lithuania	50%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Lifila	Lithuania	83%	50%	Energy		Electricity generation, transmission and distribution
UAB Menergija	Lithuania	100%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Modus biodujos	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Modus Energijos inovacijos	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Modus Energy systems	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Nekilnojamojo turto nuoma	Lithuania	83%	100 %	Energy		Electricity generation, transmission and distribution
UAB Nenergija	Lithuania	100%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Pavilnių saulės slėnis 25	Lithuania	83%	100 %	Energy		Electricity generation, transmission and distribution
UAB Psenergija	Lithuania	100%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Sekovita	Lithuania	83%	100 %	Energy		Electricity generation, transmission and distribution
UAB Senergita	Lithuania	81%	82.5%	Energy		Electricity generation, transmission and distribution



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UAB Sigvilta	Lithuania	100%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Tekilta	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Tiekesta	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Tvari Energija	Lithuania	83%	100 %	Energy		Electricity generation, transmission and distribution
UAB Venergija	Lithuania	100%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Viamodus	Lithuania	83%	100 %	Energy		Electricity generation, transmission and distribution
UAB Zenergija	Lithuania	50%	82.5%	Energy		Electricity generation, transmission and distribution
UAB Enrg projektas 1	Lithuania	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
UAB Enrg projektas 2	Lithuania	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
UAB Enrg projektas 4	Lithuania	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
UAB GG Biogas Investments	Lithuania	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
UAB GG Biogas PL“	Lithuania	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
UAB GG Dev Fin (UAB Enrg projektas 3)	Lithuania	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
UAB GINANA	Lithuania	100%	50%	Energy		Electricity generation, transmission and distribution
UAB Grūduva biodujos	Lithuania	20%	100 %	Energy		Electricity generation, transmission and distribution
UAB HES Sistemas	Lithuania	100%	20%	Energy		Electricity generation, transmission and distribution
UAB Kairėnai biodujos	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Modus solar turtas	Lithuania	20%	100%	Energy		Electricity generation, transmission and distribution
UAB RBR Sistemas	Lithuania	100%	20%	Energy		Electricity generation, transmission and distribution
UAB Vėriškės biodujos	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
UAB Želsvelė biodujos	Lithuania	100%	100 %	Energy		Electricity generation, transmission and distribution
Green Genius Global B.V.	Netherlands	100%	100%	Energy		Holding
Modus Energy Asset PL 4 B.V.	Netherlands	100%	100%	Energy		Holding
Modus Energy Asset PL 5 B.V.	Netherlands	100%	100%	Energy		Holding
Modus Energy Asset PL 7 B.V.	Netherlands	100%	100%	Energy		Holding
Modus Energy International B.V.	Netherlands	100%	100%	Energy		Holding
BioPark Turowiec Sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
Elektrownia Słoneczna Mazowsze Sp. z o.o.	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution



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Company Name	Statutory seat	Ownership 31 December 2021	Ownership 31 December 2020	Sector	Changes in 2021	Business activities
GGPL 1 Sp. z o.o.	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution
GGPL 10 Sp. z o.o. (Querceto Sp. z o.o.)	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 2 Sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 4 Sp. z o.o.	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution
GGPL 5 Sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 6 Sp. z o.o.(Antella Sp. z o.o.)	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 7 Sp. z o.o. (Riposo Sp. z o.o.)	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 8 Sp. z o.o. (Ponsano Sp. z o.o.)	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 9 Sp. z o.o. (Tosatto Sp. z o.o.)	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Sp.z o.o.	Poland	100%	100%	Energy		Civil engineering construction
Modus Energy Asset 10 Sp.z o.o. (Freccia Sp. z o.o.)	Poland	100%	100%	Energy		Holding
Modus Energy Asset 4 Sp.z.o.o	Poland	-	100%	Energy	Sold	Holding
Modus Energy Asset 8 Sp.z.o.o	Poland	100%	100%	Energy		Holding
Modus Energy Asset 9 Sp.z.o.o	Poland	100%	100%	Energy		Holding
Modus Solar Asset Poland	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
PVE 133 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
PVE 141 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
PVE 15 Sp. z o.o	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution
PVE 171 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
PVE 24 Sp. z o.o.	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution
PVE 6 Sp. z o.o.	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution
Solar Farma II Sp. z o.o.	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution
TGM 1 Sp. z o.o.	Poland	-	100%	Energy	Sold	Electricity generation, transmission and distribution
WORM 1 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 11 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 12 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 13 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 18 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution

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Company Name	Statutory seat	Ownership 31 December 2021	Ownership 31 December 2020	Sector	Changes in 2021	Business activities
WORM 2 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 20 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 3 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 30 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 4 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 7 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 8 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
WORM 9 sp. z o.o.	Poland	100%	-	Energy	Acquired	Electricity generation, transmission and distribution
Agrigen Dolina Iny Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
Fotorol Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
GPD Fotovoltaika 1 Sp.z.o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
MB SUN 1	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
Modus Energy Asset 11 Sp.z o.o.(Mezzana Sp. z o.o.)	Poland	100%	100 %	Energy		Holding
Modus Energy Asset 12 Sp.z.o.o. (Stavel Sp. z o.o.)	Poland	100%	100 %	Energy		Holding
Modus Energy Asset 13 Sp.z.o.o. (Andalo Sp. z o.o.)	Poland	100%	100 %	Energy		Holding
Modus Energy Asset 14 Sp.z.o.o. (Bogense Sp. z o.o.)	Poland	100%	100 %	Energy		Holding
Modus Energy Asset 15 Sp.z o.o. (Terenzo Sp. z o.o.)	Poland	100%	100 %	Energy		Holding
Modus Energy Asset 16 Sp.z o.o. (Varese Sp. z o.o.)	Poland	100%	100 %	Energy		Holding
Modus Energy Asset 6 Sp.z.o.o.	Poland	100%	100%	Energy		Holding
PVE 124 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 158 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 41 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 48 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 5 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 52 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 54 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 68 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 7 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution



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PVE 75 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 77 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 84 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
PVE 85 Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
Solar Power Pustków Sp. z o.o.	Poland	-	100 %	Energy	Sold	Electricity generation, transmission and distribution
Solart Sp. z o.o.	Poland	100%	100 %	Energy		Electricity generation, transmission and distribution
GG ROU MINIJA S.R.L.	Romania	100 %	100 %	Energy		Electricity generation, transmission and distribution
GG ROU NERIS S.R.L.	Romania	100 %	100 %	Energy		Electricity generation, transmission and distribution
GG ROU ULA S.R.L.	Romania	100 %	100 %	Energy		Electricity generation, transmission and distribution
GG ROU UPE S.R.L.	Romania	100 %	100 %	Energy		Electricity generation, transmission and distribution
GG ROU VENTA S.R.L.	Romania	100 %	100 %	Energy		Electricity generation, transmission and distribution
Green Genius Romania S.R.L.	Romania	100 %	100 %	Energy		Electricity generation, transmission and distribution
Green Genius Development Spain S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES Solar 1 S. L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR II, S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR III, S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR IV, S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR IX S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR V, S. L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR VI, S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR VII, S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR VIII S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR X S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XI S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XII S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XIII S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XIV S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XV S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution



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MES SOLAR XVI S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XVII S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XVIII S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
Modus Solar Andalusia S. L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
Modus Solar Spain S. L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
Bolohytsky Solar Park 1 Limited liability company	Ukraine	100%	100%	Energy		Electricity generation, transmission and distribution
Bolohytsky Solar Park 2 Limited liability company	Ukraine	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Ukraine Limited liability company	Ukraine	100%	100%	Energy		Electricity generation, transmission and distribution
Solar Zalukwa Limited liability company	Ukraine	-	100%	Energy	Sold	Electricity generation, transmission and distribution
UAB Modus Asset Management	Lithuania	100 %	100 %	Funds		Management of investment funds, consulting
UAB Energy Transition Investments	Lithuania	100 %	-	Funds	Established	Management of investment funds, consulting
UAB Remote Solar Investments	Lithuania	-	100 %	Funds	Sold	Management of investment funds, consulting
UAB Modus Group Services	Lithuania	100 %	100 %	Management		Management of investment funds, consulting
UAB Modus Grupė	Lithuania	100 %	100 %	Management		Holding
Axton Energija LLC	Ukraine	-	100 %	Management	Sold	Management of investment funds, consulting
CityBee Eesti OU	Estonia	100 %	100 %	Mobility		Car sharing service CityBee
SIA CityBee Latvija	Latvia	100 %	100 %	Mobility		Car sharing service CityBee
UAB CityBee Solutions	Lithuania	100 %	100 %	Mobility		Car sharing service CityBee
UAB Miesto Bitė	Lithuania	100 %	100 %	Mobility		Rental of new and used cars, car sharing service CityBee
UAB Modus Mobility	Lithuania	100%	100%	Mobility		Civil engineering construction
UAB MyBee Fleet	Lithuania	100 %	100 %	Mobility		Management consultancy activity for parking services companies
UAB Prime Leasing	Lithuania	100 %	100 %	Mobility		Wholesale of new and used cars; rental of new and used cars; sale of new cars by instalments; car sharing service CityBee
CityBee Polska Sp. z o. o.	Poland	100 %	100 %	Mobility		Car sharing service CityBee
OOO Modus Parking	Belarus	100%	100%	Parking		Car parking services
SIA Europark Latvia	Latvia	100%	100%	Parking		Car parking services
SIA Stova	Latvia	100%	100%	Parking		Car parking services
UAB Parkdema	Lithuania	30 %	30 %	Parking		Car parking services
UAB B2B Park	Lithuania	100%	100%	Parking		Car parking services



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UAB Latuna	Lithuania	100%	100%	Parking		Car parking services
UAB Santaros parkavimo paslaugos	Lithuania	100%	100%	Parking		Car parking services
UAB Stova	Lithuania	100%	100%	Parking		Car parking services
UAB Unipark	Lithuania	100%	100%	Parking		Car parking services
UAB VNO turtas	Lithuania	100%	100%	Parking		Car parking services
Modus Park OOO	Belarus	-	100%	Real Estate	Sold	Car parking services
OOO Unimodus Gomel	Belarus	100%	100%	Real Estate		Established for development of real estate projects
OOO Unimodus	Belarus	100%	100%	Real Estate		Construction, management and lease of real estate
Unimodus SIA	Latvia	100 %	100 %	Real Estate		Established for development of real estate projects
UAB ASKELA	Lithuania	100 %	100 %	Real Estate		Lease, maintenance and development of real estate
UAB GEPAGA	Lithuania	50 %	50 %	Real Estate		Lease, maintenance and development of real estate
UAB KRETA	Lithuania	100 %	100 %	Real Estate		Hotels and similar accommodation, real estate management and lease, construction, electricity generation.
UAB Modus Estate Services	Lithuania	100 %	100 %	Real Estate		Leases of real estate
UAB Nekilnojamojo turto konsultacijos	Lithuania	100 %	100 %	Real Estate		Construction, management and lease of real estate
UAB Nekilnojamojo turto prekyba	Lithuania	100 %	100 %	Real Estate		Construction, management and lease of real estate
UAB Nuomos sprendimai	Lithuania	100 %	100 %	Real Estate		Construction, management and lease of real estate
UAB Pavilnių saulės slėnis 14	Lithuania	-	100%	Real Estate	Sold	Civil engineering construction
UAB Pavilnių saulės slėnis 17	Lithuania	100 %	100 %	Real Estate		Leases of real estate
UAB Pavilnių saulės slėnis 22	Lithuania	100 %	100 %	Real Estate		Leases of real estate
UAB Plėtros sprendimai	Lithuania	100 %	100 %	Real Estate		Construction, management and lease of real estate
UAB Unimodus	Lithuania	100 %	100 %	Real Estate		Lease of premises, administration of real estate



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Company Name	Statutory seat	Ownership 31 December 2021	Ownership 31 December 2020	Sector	Changes in 2021	Business activities
Mobility Fleet Solutions, s.r.o.	Czech	100 %	100 %	Trade		Trade of cars
Mobility Fleet Solutions Sp. z o.o.	Lithuania	100 %	-	Trade	Established	Trade of cars
Mobility Fleet Solutions, UAB	Lithuania	100 %	100 %	Trade		Trade of cars
UAB Pavilnių saulės slėnis 15	Lithuania	100%	100%	Trade		Civil engineering construction
UAB Mobility services	Lithuania	100 %	-	Trade	Established	Trade of cars
Mobility Fleet Solutions S.R.L.	Romania	100 %	100 %	Trade		Trade of cars
Nummy Investments Sp. z o.o.	Poland	-	100 %		Liquidated	Management of investment funds, consulting

1.2 Financial reporting period

These financial statements cover the year 2021, which ended at the balance sheet date of 31 December 2021.

1.3 Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

1.4 Application of Section 402, Book 2 of the Dutch Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Dutch Civil Code, the separate statement of profit and loss of the Company exclusively states the share of the result of participating interests after tax and the other income and expenses after tax. For an appropriate interpretation of these statutory financial statements, the consolidated financial statements of the Company should be read in conjunction with the company financial statements, as included under pages 76 to 85.



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2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – IFRS) as adopted by the European Union (hereinafter – EU) and the legal requirements of Title 9, Book 2 of the Dutch Civil Code.

The consolidated financial statements were authorised for issue by the Board of Directors on 29 April 2022.

2.2 Functional and presentation currency

All amounts in these financial statements are presented in euro. For a disclosure of functional currency refer to accounting policy 3.17. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.3 Use of judgements and estimates

The preparation of financial statements according to International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. Significant areas in these financial statements that require estimates include impairment of property, plant and equipment (Note 5), intangible assets and goodwill (Note 6), long-term and short-term loans granted (Note 7), impairment of trade and other receivables (Note 8) and revaluation of inventories (Note 9); depreciation and amortisation (Notes 5, 6) and recognition of deferred tax asset (Note 29). Future events may cause the assumptions used in arriving at the estimates to change. The effect of such changes in the estimates will be recorded in the financial statements when determined.

As to the management, at the date of preparation of these financial statements, the underlying assumptions and estimates were not subject to a significant risk that from today's point of view it is likely that the carrying amounts of assets and liabilities will have to be adjusted significantly in the subsequent periods.

2.4 Basis of consolidation and investments in subsidiaries and associates

The Group's consolidated financial statements include the Company, its subsidiaries and associates. The financial statements of subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

Investments in associates, i.e. those which are significantly affected by the Group, are accounted for using equity method in the Group's consolidated financial statements. Investments in associates are tested for impairment when there is an indication that the asset may be impaired or the impairment recognised in prior years no longer exists.

Goodwill acquired in a business combination is recognised at acquisition cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired, liabilities and contingent liabilities assumed.

Investments in subsidiaries and associates in the separate financial statements of Group entities are carried at equity value. Expenses directly related to the acquisition of subsidiaries and associates are recognised in profit or loss when incurred. Impairment testing is performed when there is an indication that the asset may be impaired or the impairment recognised in prior years no longer exists.



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3. Accounting policies

3.1. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

Goodwill acquired in a business combination is recognised at acquisition cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired, liabilities and contingent liabilities assumed.

If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

With respect to business combinations arising from transfers of interests in entities that are under the control of the shareholders, the Group has chosen to apply IFRS 3 - Business combinations. Accordingly, transactions under common control are accounted for using the acquisition method whereby the assets acquired and liabilities assumed are recognized at their fair value.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill value will be reviewed annually or more frequently in case of any events or circumstances indicating that the carrying amount is impaired.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.2. Statement of Cash Flows

The statement of cash flows presents the Group's cash inflows and outflows during the year, and its financial position at the end of the year. Following requirements of the standards, cash flows are attributed to three groups: cash flows from (to) operating activities, cash flows from (to) investing activities, and cash flows from (to) financing activities.

Cash flows from (to) operating activities are presented indirectly, i.e. as net profit adjusted to the non-cash amounts from activities, changes in working capital, changes in the fair value of derivative financial instruments, interest paid from the Group's loans allocated to finance activities, non-characteristic operational amounts and corporate income tax paid.

Cash flows from investing activities comprise payments related to acquisition/sale of non-current assets and investments, receipt of dividends and interest.

Cash flows from financing activities comprise amounts received and paid related to shareholders, proceeds from borrowings and repayment of borrowings, interest payments not related to Group loans allocated to finance working capital, long-term and short-term borrowings not related to primary activities.

3.3. Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Primary or the most favourable market must be made available for the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value of a non-financial asset is measured by taking into account the ability of a market participant to generate the economic benefit by using an asset in the most efficient and optimal way or by selling the same to another market participant who would use such asset in the most efficient and optimal way.

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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 inputs are unobservable inputs for the asset or liability that are significant in measuring the fair value.

3.4. Property, plant and equipment

Property, plant and equipment are assets that are controlled by the Group and from which it expects to receive future economic benefits, and the useful life of which is longer than one year. Property, plant and equipment, except for buildings, pipelines and machinery and equipment of solar and biogas power plants, are accounted for at acquisition cost reduced by subsequently accumulated depreciation and subsequently impairment losses. Buildings, pipelines and machinery and equipment of solar and biogas power plants are carried at a revalued value, reduced by subsequently accumulated depreciation and subsequently impairment losses, based on periodically performed evaluations by independent appraisers.

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment are ready for their intended use, such as repair and maintenance costs, are normally charged to the statement of profit or loss in the period the costs are incurred.

Subsequent expenditure is included in the carrying amount of the property, plant and equipment or is recognised as a separate item only if it is probable that the Group will receive future economic benefits and the cost of the item can be reliably estimated. The carrying amount of the replaced part is written off. All other repair and maintenance expenditure is recognised in the statement of profit or loss and other comprehensive income in the period in which it was incurred.

An increase in the carrying amount of buildings, pipelines and machinery and equipment of solar and biogas power plants after the revaluation is credited to the revaluation reserve under equity and to deferred tax liabilities. Impairment losses that cover the previous increase in the value of the same asset, are recognised directly in equity by reducing the revaluation reserve, any other decrease in the value is recognised in profit or loss.

Gain or loss on disposal of the property is calculated by deducting the carrying amount of the disposed asset from the proceeds received and is recognised in the statement of profit or loss. Subsequent to the sale of the revalued asset, a respective share of the revaluation reserve is transferred to the retained earnings.

Depreciation is provided on a straight-line basis over the following estimated useful lives:

Group of property, plant and equipment	Useful life time (in years)
Buildings and pipelines	15 – 35
Structures	8
Machinery and equipment of solar and biogas power plants	10 – 25
Other machinery and equipment	5
Vehicles	5 – 6
Other fixtures, fittings and tools	3 – 6

The useful lives, depreciation method and residual values are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Construction in progress is stated at acquisition cost less accumulated impairment. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until the construction is not finished and the relevant assets are not started to be used.

In 2021 the Group separated ready-to-build (RtB) projects to a new category of property, plant and equipment. These projects include signed land agreements, obtained access and connection points, obtained environmental and construction permits and other necessary rights for construction of power plants and are treated as a part of future tangible asset (solar or biogas).

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powerplant). RtB projects are held for future development of solar and biogas power plants with the intention to construct and commercially operate these plants. RtB projects are valued at fair value and depreciation starts when construction is finished and relevant assets come into operation.

In 2020 purchased RtB projects were recognized as part of goodwill. A purchase price reallocation for acquired business combinations was performed in 2021, at which value of recognized acquired RtB projects was reallocated from goodwill to RtB projects (Note 5 and Note 6). In 2020 the Group did not hold any internally developed RtB projects.

Borrowing costs which are directly attributable to acquisition of assets that require time to prepare for an intended use or sale, construction or production, are capitalised in the cost of a respective asset. All other borrowing costs are expensed in the period they occur.

3.5. Investment property

Investment property is initially measured at acquisition cost, including the transaction-related costs. After initial recognition, buildings are stated at fair value and depreciation is not calculated. The fair value of investment property - buildings - is adjusted on an annual basis during the preparation of the financial statements, recording the change in the value in the statement of profit or loss and other comprehensive income. Land is stated at acquisition cost less impairment losses, if any.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or losses on the disposal or sale of investment property are recognised in the statement of profit or loss in the year of the disposal or sale for the period in which it was sold.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

3.6. Intangible assets other than goodwill

Intangible assets are initially measured at acquisition cost. Acquisition cost of intangible assets acquired on business combination is equal to their fair value at the day of business combination. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end.

The estimated useful lives of intangible assets with finite useful lives are set out below:

Group of intangible non-current assets	Useful life time (in years)
Software	3
Concessions, patents, licenses, trademarks and similar rights	3
Other intangible assets	4

Intangible assets with indefinite lives are not amortised but assessed for impairment at the end of each reporting period.

The useful lives, residual values and amortisation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in intangible assets other than goodwill.

3.7. Financial instruments

3.7.1. Recognition and the initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue.

A trade receivable without a significant financing component is initially measured at the transaction price.

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3.7.2. Classification and subsequent measurement

Financial assets. Accounting policies

On initial recognition, a financial asset is classified as measured at: amortised cost; at fair value through other comprehensive income (FVOCI) – debt investment; as fair value through other comprehensive income (FVOCI) – equity investment; or at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced due by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Loans and other receivables are measured at amortised cost using the effective interest method.

Derivative financial assets are measured at FVTPL.

The Group recognises loss allowances for ECLs (expected credit losses) on:

- financial assets measured at amortised cost;
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group holds that a financial asset is a default event when financial asset is past due for over 180 days.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



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Evidence that financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or

the disappearance of an active market for a security because of financial difficulties.

Financial liabilities. Accounting policies

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.7.3. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in the statement of financial position, but retains all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.7.4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends to either settle them or to realise the asset and the liability simultaneously.

3.7.5. Derivative financial instruments and hedge accounting

Derivative financial instruments

The Group uses derivative financial instruments to hedge against foreign currency risks. Derivatives are initially measured at fair value. Subsequently, derivative financial instruments are carried at fair value and its changes are usually recognised in profit or loss.

3.8. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is calculated under the FIFO method. The cost of finished goods and work in progress includes the applicable allocation of fixed (raw materials, packaging, direct remuneration, etc.) and variable overhead (depreciation, indirect remuneration, utilities, etc.) costs based on a normal operating capacity. The inventories that may not be realised are fully written off.



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3.9. Cash and cash equivalents

Cash comprises cash in hand and cash at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits in bank and other short-term highly liquid investments and surpluses of bank accounts.

3.10. Assets held for potential sale

Non-current assets are accounted for as assets held for sale when and only when benefit is more likely to be gained from disposal rather than their continued use in the Group.

Such assets or disposal groups are measured at the lower of their carrying amount or fair value, less selling expenses. Impairment loss of disposal groups are initially attributed to goodwill and subsequently attributed proportionally to the remaining assets and liabilities, except that loss is not recognised for inventories, financial assets, deferred tax assets, employee benefit assets, investment property or other assets which continue to be measured in accordance with other accounting policies of the Group. Impairment loss is initially accounted for in the statement of profit or loss.

When intangible assets and property plant and equipment are accounted for as held for potential sale, their depreciation is no longer calculated.

3.11. Lease

IFRS 16 was initially applied as of 1 January 2019 and replaced the existing lease guidelines of IAS 17 Leases, IFRIC 4 Determining whether an Arrangement Contains a Lease, SIC-15 Operating Lease. Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Group applies IFRS 16 as of 1 January 2019 applying the modified retrospective approach.

Leases in which the Group is a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and lease of low-value assets - The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which the Group is a lessor

Finance lease

At the inception date, the Group recognises assets held under finance leases in the statement of financial position and presents them as a receivable equal to the amount of the net investment in the lease. The Group uses the interest rate set



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out in the lease contract to estimate the net investment in the lease. In the case of a sublease, if the interest rate specified in the sublease contract cannot be readily determined, the Group, as an intermediate lessor, uses the discount rate used for the host contract (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease. Primary direct costs are included in the initial measurement of net investment in the lease and reduce the amount of revenue recognised over the lease term. The interest rate stipulated in the lease contract is determined in such a way that the initial direct costs are automatically included in the amount of the net investment in the lease; they are not added separately. The Group recognises finance income over the lease term on the basis of a method that reflects a constant periodic rate of return on the Group's net investment in the finance lease. The Group deducts period-related lease fees from gross investment in the lease to gradually reduce both principal and unearned finance income.

Operating lease

The Group recognises lease fees related to operating leases as income on a straight-line basis. Expenses (including depreciation) incurred in earning the lease income are recognised as costs by the Group. Initial direct costs incurred in obtaining an operating lease are included in the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The Group accounts for a change in an operating lease as a new lease from the date the change takes effect, and the lease payments prepaid or accrued in connection with the initial lease.

3.12. Grants and subsidies

Grants are received in the form of non-current assets and intended for the purchase, construction or other acquisition of non-current assets. Assets received free of charge are also allocated to this group of grants. The amount of the asset related grants is recognised in the financial statements gradually according to the depreciation rate of the assets associated with this grant. In profit or loss, a relevant expense account is reduced by the amount of grant amortisation.

Subsidies received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the subsidies, which are not subsidies related to assets, are considered as subsidies related to income. The income related subsidies are recognised by amounts used to the extent of the costs incurred or the calculated income not received during the period, for compensation of which the subsidy is received.

3.13. Provisions

Provisions are recognised when and only when the Group has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Group re-evaluates provisions at each date of the statement of financial position and adjust them in order to present the most reasonable current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses which are expected to be incurred to settle the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest.

3.14. Income tax

Income tax assets and liabilities of the reporting and previous periods are stated at the amount which is expected to be recovered from or paid to a tax administration authority. Income tax is calculated applying tax rates effective as at the last day of the reporting period. Income tax charge is based on profit for the year and considers deferred taxation.

Income tax for the subsidiaries operating in foreign countries is calculated in line with the requirements of local tax legislation. Standard income tax rates in foreign countries where the Group entities operate in 2021 and 2020 are as follows:

Country	2021,%	2020,%
Belarus	18	18
Estonia	20	20
Greece	24	24
Hungary	9	9
Italy	24	24
Latvia	20	20
Lithuania	15	15
Netherlands	25	25
Poland	19	19
Romania	16	16
Spain	25	25
Ukraine	18	18



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Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured at the tax rate that is expected to be applied to the period in which the asset will be disposed of or the liability settled, subject to the tax rates that were adopted or substantially adopted at the date of the statement of financial position.

Deferred tax assets are recognised in the statement of financial position to the extent the Group's management believes they will be realised in the foreseeable future, based on taxable profit forecasts. When it is probable that a portion of deferred tax will not be utilised, this portion of deferred tax is not recognised in the financial statements.

3.15. Revenue recognition

Revenue of the Group is recognised in accordance with IFRS 15, i. e. the Group recognises income at the time and to such an extent that the transfer of committed goods or services to customers would represent an amount that corresponds to the consideration that the Group expects to obtain in exchange for those goods or services. In applying this Standard, the Group takes into account the terms of the contract and all relevant facts and circumstances. Revenue is recognised in the Group using the five-step model.

Step 1 - Identify Customer Agreements.

Agreement between two and/or more parties (depending on the conditions of purchase or sale), which creates implemented rights and liabilities, is recognised as contract. A contract subject to IFRS 15 is recognised only if the following criteria are met:

- the parties have approved the contract (in writing, orally or in accordance with other usual business practices) and are bound by the obligations under the contract;
- there is a possibility to identify the rights of each party regarding the transferable goods and/or services;
- there is a possibility to identify the payment terms provided for the transferable goods and/or services;
- the contract is of a commercial nature;
- there is a chance of getting a reward in return for the goods and / or services that will be passed on to the customer.

Contracts with the customer may be aggregated or disaggregated into several contracts, while retaining the criteria of the former contracts. Such aggregation or disaggregation is considered a change of contract.

Step 2 - Identify performance obligations in the contract.

The contract establishes a commitment to deliver goods and/or services to the customer. When goods and/or services can be distinguished, the commitments are recognised separately. Each commitment is identified in one of two ways:

- the product and/or service is separate; or
- a set of individual goods and/or services that are essentially the same and passed on to the customer in a uniform model.

Step 3 - Determining the transaction price.

Under the new IFRS 15, the transaction price may be fixed, variable or both.

Transactions concluded by the Group are subject to fixed prices for both ongoing services and services performed at a given moment. The Group applies the following sales price calculation methods: adjusted market valuation method, expected cost and profit margin method and residual value method. Similar transactions are measured equally.

Step 4 - Allocate the transaction price to each performance obligation.

Normally, the Group attributes the transaction price to each operating liability, based on relative separate sales prices of each contractually committed to transfer good or service. If data on separate sales prices is not observed in the market, the Group shall perform an estimation of the separate sales price.

Step 5 - Recognition of revenue when performance obligations are fulfilled by the Group.

The Group recognises revenue when it implements operational commitment by transferring committed goods or services to the customer (i.e. when the customer obtains control of the mentioned goods or services). The recognised amount of revenue is equal to the amount of implemented performance obligation. Operational commitment may be implemented at the point of time or over a certain period of time.

Revenue on subcontracting services of power plants is recognised over a period of time based on stage of completion method. The related costs are recognised in profit or loss when incurred. Advances received are included into contractual liabilities. Revenue after sale of goods are recognised based on INCOTERMS.

Revenue is recognised when the amount of revenue can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group, and when specific criteria have been met for each type of income, as described below. The Company relies on historical results, taking into account the customer type, the transaction type and the terms of each agreement.

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3.16. Recognition of expenses

The amount of expenses is usually accounted for as the amount paid or payable, excluding VAT. When settlement term is long and interest not specified, the amount of costs is valued at the amount of settlement discounted by the market interest rate.

Transactions in foreign currency are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses from such transactions and from revaluation of assets and liabilities denominated in foreign currencies as at the reporting date are stated in profit or loss. Such balances are translated at period-end exchange rates.

Goodwill and fair value adjustments arising on acquisition of a foreign subsidiary are recognised at net assets of the acquired entity and accounted for using the exchange rate as at the last day of the reporting period.

As at 31 December 2021	As at 31 December 2020
1 EUR = 4.5994 PLN	1 EUR = 4.6148 PLN
1 EUR = 1.1323 USD	1 EUR = 1.2281 USD
1 EUR = 2.89450 BYN	1 EUR = 3.18662 BYN
1 EUR = 30.9226 UAH	1 EUR = 34.7396 UAH

A contingent asset is not recognised in the financial statements but disclosed when an inflow or economic benefits is probable.

Current year cost of employee benefits is expensed immediately in profit or loss. The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. Gain or loss resulting from changes in employee benefits (decrease or increase) is recognised immediately in profit or loss.

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The above mentioned employee benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. Obligation is recognised in the statement of financial position and reflects the present value of these benefits on the preparation date of the statement of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognised in the statement of other comprehensive income as incurred.

Reassessments comprised of actuarial profit and loss are directly charged to retained earnings through other comprehensive income in the statement of financial position with corresponding debit or credit in the period when they are incurred. Reassessments are not charged to profit or loss in the later periods.

3.20. Subsequent events

Subsequent events that provide additional information about the Group's position on the last day of the reporting period (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

3.21. Related parties

Related parties – legal and (or) natural persons related to an entity.

A party is related to an entity if it corresponds to at least of the following characteristics:

- a) the party directly or indirectly controls the entity or is controlled by it;
- b) the party has a significant influence over the entity;
- c) the party has joint control over a joint venture;
- d) the party and another entity are controlled by the same parent or by the same natural person (their group);
- e) the party is an associate or a subsidiary;
- f) the party is a jointly controlled entity;
- g) the party is a member of the key management personnel of the entity or its parent;
- h) the party is a close member of the family of one of the individuals referred to under items a), b), c) or g);
- i) the party is an entity that is controlled, jointly controlled or significantly influenced by either of the individuals referred to under items g) or h); or
- j) the party is an entity accumulating and paying post-employment pensions and other benefits to the employees of the entity or other legal person related to the entity.

3.22. Offsetting

When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off, except the cases when a certain International Financial Reporting Standard specifically requires such set-off.



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New standards, amendments and interpretations

In 2021, the Company and the Group consistently applied the accounting policies for all periods presented in these financial statements.

The following guidance effective 1 January 2021 is set out below. The implemented guidance had no impact on the preparation of the Group's financial statements for 2021:

- COVID-19-Related Rent Concessions (Amendment to IFRS 16);
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);

New standards, their amendments and interpretations, that are not yet effective

Certain new standards, amendments to standards and interpretations have been published that will be adopted for subsequent annual periods or are not yet applicable in the European Union. Such standards have not been applied in the preparation of these financial statements. The Group has no plans to early adopt these standards. The following revised standards are not expected to have a material impact on the Group's financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendment to IAS 37);
- Deferred tax related to assets and liabilities arising from Single Transaction (amendments to IAS 12);
- Annual Improvements to IFRS Standards 2018-2020;
- Property, Plant and Equipment – Proceeds before Intended Use (amendments to IAS 16);
- Classification of Liabilities as Current or Non-current (amendments to IAS 1);
- IFRS 17 Insurance Contracts and amendments to the Standard (expected to be endorsed as of 1 January 2023);
- Disclosure of Accounting Policies (amendments to IAS 1 and IFRS Practice statement 2);
- Reference to the Conceptual Framework (amendments to IFRS 3);
- Definition of Accounting Estimates (amendments to IAS 8).



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4. Changes in accounting policies and estimates

4.1. IAS 16 - Property, plant and equipment

In 2021, the Group decided to account for internally ready-to-build energy projects that are not expected to be sold in the future at revalued amounts. The ready-to-build projects stage includes construction, environmental permits, as well as connections to the electricity grid, all of which are considered to be part of the tangible assets to be constructed (solar power plants or biogas plants) and are therefore subject to the same accounting treatment. At the end of the construction, the ready-to-build projects are reclassified and started to depreciate.

Revaluation ready-to-build energy projects 2021

Italian ready-to-build project was revalued at equivalent of average current market price per megawatt of comparable projects. A revaluation amount of EUR 440 thousand was recognized.

Project costs : EUR 1,130 thousand
Revaluation : EUR 440 thousand
Revalued value : EUR 1,570 thousand

The comparative information in these consolidated financial statements has not been restated as in 2020 the Group had no internally developed ready-to-build projects.

4.2. IAS 16 - Property, plant and equipment

In 2021 and 2020, valuation was performed of the biogas power plants in Belarus. The valuation was performed in accordance with International valuation Standards (IVS) and the related legal acts in Belarus. The restated value of the buildings and pipes as well as of machinery and equipment at the biogas power plants (hereinafter - the biogas power plants) was calculated applying the discounted cash flow method on the basis of information presented by the owner of the property, which was compared with the Belarussian market data. The revalued amount for 2020, as determined by an external valuer, was EUR 32,743 thousand. In 2021, the revalued amount was not materially different from the recorded amount. No impairment indicators were identified. The result of the revaluation is disclosed by asset group in Note 5.

In 2021 and 2020, the following significant assumptions were used to determine the revalued value of assets based on an independent external valuation of biogas power plants in Belarus:

- It is considered that the income under the electricity sales contracts will be earned at the available fixed tariff until the end of the tariff (10 years from the entry into force of the tariff); according to the existing power purchase agreements, the incentive tariff is hedged to the US dollar (USD) at a rate of 69% and is recalculated on a quarterly basis, depending on the change in the USD and the Belarussian rouble.
- Due to the functional currency (USD) of these power plants, the flow of revenue is also modelled in USD;
- variable power plant costs are indexed at an annual rate of 2.5% and 1.6% for the entire period until the end of the incentive tariff;
- costs related to management and operation of power plants are based on market prices valid at the time of valuation; the annual investment rate is 2.5% and 1%;
- the discount rate (WACC) as determined by asset valuers is 11.9% and 10.4%.

The sensitivity analysis below shows the restated value fluctuations that depend on changes in the capitalisation and discount rate.

Sensitivity to the discount rate (EUR thousand):

	+ 1 p.p.	- 1 p.p.
Biogas power plants in 2020	(1,988)	1,384
Biogas power plants in 2021	(1,792)	2,020



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5. Property, plant and equipment and Investment property

Property, plant and equipment of the Group comprised the following:

	Land	Buildings and structures	Machinery and plant equipment	Vehicles	Other equipment, fittings and tools	Prepayment s and construction in progress	Ready-to-build projects	Total
Acquisition cost								
31 December 2019	11,667	47,525	60,448	35,893	8,154	60,548	-	224,235
Additions	3,060	6,104	3,913	13,244	1,955	25,545	-	53,821
Revaluation	-	3,054	6,587	43	-	-	-	9,684
Disposal of subsidiaries	(5,631)	(6,095)	(30,119)	-	-	(18,473)	(24,568)	(36,023)
Foreign currency translation	(5)	(1,398)	(4,709)	(203)	(306)	(121)	-	(6,742)
Disposal and write-offs	(729)	(498)	(1,494)	(17,603)	(1,200)	(1,944)	-	(23,468)
Reclassifications	-	1,849	60,876	203	777	(63,705)	-	-
Transfers	-	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-	-
31 December 2020	8,362	56,636	95,502	31,577	9,380	20,050	-	221,507
Acquisition of subsidiaries	-	-	-	-	-	353	4,580	4,933
Additions	4,536	2,684	2,697	38,827	1,548	49,544	-	99,836
Revaluation	-	(867)	405	-	-	-	440	(22)
Disposal of subsidiaries	(4,998)	(8,095)	(42,176)	-	(339)	(18,473)	(24,568)	(52,531)
Foreign currency translation	-	1,119	2,229	41	55	(74)	-	3,370
Disposal and write-offs	(2,123)	(3,211)	(180)	(21,011)	(305)	(1,490)	-	(28,320)
Reclassifications	4	34,301	7,499	(3)	134	(40,392)	1,130	2,672
Goodwill reallocation	-	-	-	-	-	-	6,384	6,384
Transfers	-	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-	-
31 December 2021	5,781	88,585	65,976	49,431	10,473	25,050	12,534	257,832
Accumulated depreciation & impairment								
31 December 2019	(548)	(3,035)	(3,087)	(4,465)	(4,851)	(408)	-	(16,394)
Depreciation	(578)	(3,031)	(5,644)	(5,952)	(1,299)	-	-	(16,504)
Impairment for the period	-	(1,188)	(1,769)	-	-	-	-	(2,957)
Disposal of subsidiaries	-	-	746	-	-	-	-	746
Foreign currency translation	-	53	770	1	228	-	-	1,052
Disposal and write-offs	467	173	214	4,502	216	-	-	5,572
Reclassifications	-	(25)	(166)	-	191	-	-	-
Transfers	-	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-	-
31 December 2020	(659)	(7,053)	(8,936)	(5,914)	(5,515)	(408)	-	(28,485)
Depreciation	(501)	(3,173)	(6,004)	(5,416)	(1,029)	-	-	(16,123)
Impairment for the period	-	-	-	-	-	-	-	-
Disposal of subsidiaries	1,077	30	1,422	-	74	-	-	2,603
Foreign currency translation	-	(142)	(644)	(5)	(33)	-	-	(824)
Disposal and write-offs	76	1,849	3	5,045	(66)	-	-	6,907
Reclassifications	-	(985)	(1,686)	(1)	-	-	-	(2,672)
Transfers	-	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-	-
31 December 2021	(7)	(9,474)	(15,845)	(6,291)	(6,659)	(408)	-	(38,596)
Carrying amount as at:								
31 December 2019	11,119	44,490	57,361	31,428	3,303	60,140	-	207,841
31 December 2020	7,703	49,583	86,566	25,663	3,865	19,642	-	193,022
31 December 2021	5,774	79,111	50,131	43,140	3,904	24,642	12,534	219,236

Amortisation of the Group's intangible assets and depreciation of property, plant and equipment was accounted for in the statement of profit or loss and other comprehensive income under cost of sales (Note 24) – EUR 14,278 thousand, costs to sell – (Note 26) – EUR 54 thousand, and administrative expenses (Note 27) – EUR 2,828 thousand.

Purchase price allocation

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On 1 January 2021 the Group performed remeasurement of purchase price allocation (PPA) for business combinations acquired. Ready-to-build (RtB) energy projects were recognized for the amount of EUR 6,384, and the amount was reallocated from goodwill (Note 6).

Revaluation ready-to-build energy projects

Italian ready-to-build project was revalued at equivalent of average current market price per megawatt of comparable projects. A revaluation amount of EUR 440 thousand was recognized.

Project costs : EUR 1,130 thousand
Revaluation : EUR 440 thousand
Revalued value : EUR 1,570 thousand

The carrying amount of property, plant and equipment leased to third parties (operating lease) was as follows:

	As at 31 December	
	2021	2020
Buildings	6,574	-
Vehicles	5,254	3,549
Total	11,828	3,549

During 2021 capitalised interest amounted to EUR 1,385 thousand (2020 – 1,411 thousand).

Investment property of the Group comprised the following:

	Land	Buildings	Total
Acquisition cost			
31 December 2019	3,301	2,788	6,089-
Acquisition of a property (+)	-	-	-
Transfers to investment property (+)	-	-	-
Change in fair value (+/-)	-	881	881
31 December 2020	3,301	3,669	6,970
Acquisition of a property (+)	-	352	352
Transfers to investment property (+)	-	(23)	(23)
Change in fair value (+/-)	-	234	234
31 December 2021	3,301	4,232	7,533
Accumulated depreciation & impairment			
31 December 2019	(1,223)	(1,652)	(2,875)
Depreciation	-	-	-
Impairment	804	-	804
Effect of change of accounting policy (+)	-	1,652	1,652
31 December 2020	(419)	-	(419)
Depreciation	-	-	-
Impairment	214	-	214
31 December 2021	(205)	-	(205)
Carrying amount as at:			
31 December 2019	2,078	1,136	3,214
31 December 2020	2,882	3,669	6,551
31 December 2021	3,096	4,232	7,328

As at 31 December 2021, property, plant and equipment and investment property with the total carrying amount of EUR 53,606 thousand (31 December 2020: – EUR 41,567 thousand) are pledged to credit institutions to guarantee repayment of the loans; lease liabilities are secured by the leased property. The pledge of property for different contracts ends from December 2022 to November 2023 (Note 15).

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6. Goodwill and intangible assets

Intangible assets of the Group comprised the following:

	Goodwill	Software	Conce- ssions, trademarks and similar rights	Other intangible assets	Total
Acquisition cost					
31 December 2019	6,250	2,868	73	511	9,702
Additions	-	1,278	13	198	1,489
Acquired subsidiaires	6,602	45	16	40	6,703
Disposal of subsidiaries	(4,322)	(45)	(16)	(44)	(4,427)
Disposals and write-offs	(190)	(160)	-	(119)	(469)
Exchange rate impact	-	(3)	(3)	(3)	(9)
Reclassifications	-	-	-	-	-
31 December 2020	8,340	3,983	83	583	12,989
Additions	-	1,177	127	67	1,371
Acquired subsidiaires	-	-	-	-	-
Disposal of subsidiaries	(1,756)	-	-	-	(1,756)
Disposals and write-offs	-	(1)	(1)	(40)	(42)
Exchange rate impact	-	1	1	1	3
Goodwill reallocation	(6,384)	-	-	-	(6,384)
Reclassifications	-	-	-	-	-
31 December 2021	200	5,160	210	611	6,181
Accumulated amortisation & impairment					
31 December 2019	-	(797)	(35)	(129)	(961)
Amortisation	-	(772)	(15)	(116)	(903)
Acquired subsidiaires	-	(25)	(5)	(18)	(48)
Disposal of subsidiaries	-	24	5	17	46
Disposals and write-offs	-	46	-	39	85
Exchange rate impact	-	3	-	-	3
Reclassifications	-	(6)	-	6	-
31 December 2020	-	(1,527)	(50)	(201)	(1,778)
Amortisation	-	(857)	(29)	(151)	(1,037)
Acquired subsidiaires	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-
Disposals and write-offs	-	-	1	3	4
Exchange rate impact	-	1	-	-	1
Reclassifications	-	-	-	-	-
31 December 2021	-	(2,383)	(78)	(349)	(2,810)
Carrying amount as at:					
31 December 2019	6,250	2,071	38	382	8,741
31 December 2020	8,340	2,456	33	382	11,211
31 December 2021	200	2,777	132	262	3,371

As at 31 December 2021 and 2020 the Group did not have any intangible assets the control of which would be limited by legislation or certain agreements, or pledged intangible assets.

Amortisation of the Group's intangible non-current assets was accounted for in the statement of profit or loss and other comprehensive income under Administrative expenses (Note 27).



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Purchase price allocation

On 1st January 2021 the Group performed remeasurement of purchase price allocation (PPA) for business combinations acquired. Ready-to-build energy projects were recognized for the amount of EUR 6,384, and the amount was reallocated from goodwill (Note 5).

In accordance with IAS 36.80, MGNL BV identifies goodwill arising from acquisition of subsidiaries based on:

- Nature of a company (operating asset / asset under development) – operating assets are tested separately; assets under development are treated as one CGU;
- Business line (solar / biogas / automotive);
- Location of subsidiary (country) (separate acquisitions in separate countries of solar/biogas companies (SPVs) are treated as one cash-generating unit (although cash will be generated in future periods)).

During the testing of a goodwill for impairment IAS36.82 is followed.

As at 31 December and 1 January, MGNL BV management considers following CGUs and goodwill associated:

Location / business line	Nature of a company	31 December	
		2021	2020
Lithuania / solar & biogas	Operating	101	92
Poland / solar	Asset under development	-	7,641
Poland / biogas	Asset under development	-	526
Ukraine / power plants	Operating assets	72	54
Lithuania / automotive	Operating	27	27
Total		200	8,340

Goodwill impairment tests were carried out as at 31 December 2021. The testing method used was selected based on cash-generating units for different geographical locations of the assets, nature of a company (operating asset / asset under development) and business lines (solar/biogas).

Goodwill attributable for operating assets was tested using DCF method. IRR rate for free cash flows varies from 7.1% to 8.5%, inflation rate of 2%.

Goodwill attributable to assets under construction / development were tested using typical DCF models of such projects. IRR of such projects calculated varied from 7.6% to 13%, inflation rate of 2%.

As at 31 December 2021, no impairment of goodwill was determined.

Acquisition of business combinations

In 2021 the Company acquired equity instruments of the following companies.

Country	Company Name	Share %	Date of acquisition
Lithuania	UAB GG Dev Fin (UAB Enrg projektas 3)	100%	17/12/2020
Lithuania	UAB Enrg projektas 1	100%	17/12/2020
Lithuania	UAB Enrg projektas 2	100%	17/12/2020
Lithuania	UAB Enrg projektas 4	100%	17/12/2020
Lithuania	UAB "GG Biogas PL"	100%	17/12/2020
Lithuania	UAB "GG Biogas Investments"	100%	17/12/2020
Poland	WORM 1 sp. z o.o.	100%	22/03/2021
Poland	WORM 2 sp. z o.o.	100%	20/04/2021



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Poland	WORM 3 sp. z o.o.	100%	20/04/2021
Poland	WORM 4 sp. z o.o.	100%	22/03/2021
Poland	WORM 7 sp. z o.o.	100%	22/03/2021
Poland	WORM 8 sp. z o.o.	100%	22/03/2021
Poland	WORM 9 sp. z o.o.	100%	22/03/2021
Poland	WORM 11 sp. z o.o.	100%	22/03/2021
Poland	WORM 12 sp. z o.o.	100%	22/03/2021
Poland	WORM 13 sp. z o.o.	100%	20/04/2021
Poland	WORM 18 sp. z o.o.	100%	22/03/2021
Poland	WORM 20 sp. z o.o.	100%	22/03/2021
Poland	WORM 30 sp. z o.o.	100%	22/03/2021
Poland	PVE 133 sp. z o.o.	100%	02/06/2021
Poland	PVE 141 sp. z o.o.	100%	02/06/2021
Poland	PVE 171 sp. z o.o.	100%	02/06/2021

Acquisition of entities

The entities were acquired for the development and construction of new solar energy plants.

Total consideration amount of EUR 3,127 thousand was paid in cash.

Additional consideration, if any, is not known at end date of publication of the financial statements.

At acquisition no contingent assets or contingent liabilities have been recognized.

For entities acquired in prior years contingent consideration was paid of EUR 1,468 thousand.

Balance sheet at date of acquisition – assets and liabilities at fair value:

Non-current assets

Property, plant and equipment 4,933

Total non-current assets 4,933

Current assets

Other receivables 323

Deferred expenses 682

Cash and cash equivalents 98

Total current assets 1,103

Total assets 6,036

Non-current liabilities

Total non-current liabilities -

Financial debts 798

Other payables and current liabilities 643

Total current liabilities 1,441

Total liabilities 1,441



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Identifiable net assets	4,595
Consideration transferred	(4,595)
Goodwill on acquisition	-
Total consideration transferred in cash	4,595
Cash and cash equivalents acquired	(98)
Net cash outflow on acquisition	4,497

7. Loans granted and term deposits

The Group's long-term loans granted and term deposits comprised the following:

	31 December	
	2021	2020
Loans to other entities	1,782	-
Loans to associated companies (Note 33)	95	-
Accrued interest receivable from other entities	61	-
Deposits to banks	-	568
	1,938	568
Less: impairment	(1,009)	-
Total	929	568
Non-current term deposits and accrued interest receivable	-	4,000
Total non-current Loans and term deposits	929	4,568

Short-term loans granted by the Group and term deposits comprised the following:

	31 December	
	2021	2020
Loans to associated companies (Note 33)	3,769	53
Loans to other entities	1,459	1,656
Accrued interest receivable from associated companies (Note 33)	953	112
Accrued interest receivable from other entities	153	302
Loans to related parties (Note 33)	-	1,704
Accrued interest receivable from related parties (Note 33)	-	2,631
	6,334	6,458
Less: impairment (from related/associated parties)	(4,549)	(4,328)
Less: impairment (from other companies)	(151)	-
Total loans granted	1,634	2,130
Current term deposits and accrued interest receivable	3,838	532
Total current loans and term deposits	5,472	2,662

As at 31 December 2021 and 2020 the loans were granted to parties related to the Group shareholder.



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Changes in the loans granted by the Group and term deposits during the year were as follows:

	2021	2020
Balance of the loans granted and term deposits in the beginning of the year	7,230	8,294
Loans granted	12,927	2,404
Term deposits	306	1,009
Interest calculated on loans	291	228
Acquisition of subsidiaries	-	6,247
Interest received	(18)	(665)
Subsidiaries sold	(568)	(1,797)
Redeemed term deposits	(1,000)	-
Calculated impairment	(1,944)	(200)
Repaid loans	(11,917)	(6,287)
Non-monetary movements	1,094	(1,939)
Influence of exchange rates	-	(64)
Balance of the loans granted and term deposits at the end of the year	6,401	7,230

The share of loans, including interest payable, denominated in other currencies:

	31 December	
	2021	2020
EUR	4,291	7,228
BYN (in EUR)	2,110	2
Total	6,401	7,230

Fixed interest rates in compliance with market conditions are applied to loans.

8. Trade and other receivables

The Group's trade and other receivables comprised the following:

	31 December	
	2021	2020
Receivables from associated companies (Note 33)	24,135	16,809
Trade receivables	10,530	11,022
Receivable finance lease amounts	1,236	2,397
	35,901	30,228
Less: impairment allowance for trade receivables	(1,134)	(995)
Less: impairment allowance for receivables associated parties (Note 33)	(866)	(866)
Trade receivables, net	33,901	28,367
Receivable VAT	3,220	7,007
Collaterals and other receivables	2,666	5,219
Overpayments of other taxes and prepaid taxes	1,910	3,944
	7,796	16,170
Less: non-current trade and other receivables	(171)	(1,960)
Less: non-current receivables related parties (Note 33)	(178)	-
Less: other non-current receivables	(788)	-
Other receivables, net	6,659	14,210
Total current trade and other receivables	40,560	42,577

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Impairment expenses of the Group's current trade and other receivables are accounted for in the statement of profit or loss and other comprehensive income under impairment loss on trade receivables and contract assets.

Fair values of trade and other receivables approximate their carrying amounts.

Changes in impairment allowance for the Group's trade receivables for the year were the following:

	2021	2020
Impairment of receivables at the beginning of the period	(1,861)	(823)
Impairment in the statement of profit or loss and other comprehensive income	(245)	(1,626)
Written-off bad receivables	115	643
Acquired business	-	(263)
Sale of business	-	197
Other adjustments	(9)	11
Impairment allowance for receivables at the end of the period	(2,000)	(1,861)

Ageing of the Group's trade receivables, receivable finance lease amounts, and other receivables, before impairment, from third parties can be specified as follows:

	31 December	
	2021	2020
Amounts not past due	8,335	7,617
Overdue up to 1 month	1,049	827
Overdue 1 to 3 months	511	313
Overdue 3 to 6 months	774	2,297
Overdue 6 to 12 months	152	1,571
Overdue more than 12 months	945	794
Total	11,766	13,419

Ageing of the Group's trade receivables, before impairment, from related parties can be specified as follows:

	31 December	
	2021	2020
Amounts not past due	1,258	15,242
Overdue up to 1 month	1,747	677
Overdue 1 to 3 months	4,585	5
Overdue 3 to 6 months	13,721	780
Overdue 6 to 12 months	1,932	3
Overdue more than 12 months	892	102
Total	24,135	16,809

Impairment allowance for trade receivables overdue more than 12 months is not formed, if by the issue date of these consolidated financial statements the amount was recovered.

As at 31 December 2021, trade and other receivables with the value of EUR 35,452 thousand (31 December 2020 – EUR 42,073 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends in May 2023 (Note 15).

In the opinion of the management, as at the date of the statement of financial position there were no indications for trade and other receivables not overdue and for which impairment was not stated that debtors will not be able to discharge their payment obligations.

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9. Inventories

The Group's inventories comprised:

	31 December	
	2021	2020
Goods for resale	59,906	88,673
Raw materials, materials and consumables	3,831	4,179
Unfinished goods and work in progress	466	849
Total	64,203	93,701

As at 31 December 2021, goods in transit amount to EUR 295 thousand (at 31 December 2020 – EUR 2,173). Inventories by the value of EUR 36,448 thousand were held at warehouses of third parties (at 31 December 2020 – EUR 66,601 thousand).

Group's inventory impairment expenses were recognised as costs incurred during the year and included in the selling and administrative expenses.

As at 31 December 2021, inventories by the value of EUR 34,012 thousand (31 December 2020: EUR 74,317 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends from December 2022 to May 2023 (Note 15).

10. Other investments

Other long-term investments of the Group comprised the following:

1) Investments in associates, accounted for using equity method:

	31 December	
	2021	2020
UAB Bonalėja	155	154
UAB Lifila	146	146
UAB Agapas	101	101
UAB Investiciniai turto projektai	98	97
UAB Ginana	91	90
Mockėnų ŽŪB	7	10
Total	598	598

Changes in the Group's investments in associates, stated at equity method, during the year were the follows:

	2021	2020
The Group's investments in associates at the beginning of the period	598	368
Investments acquired during the period	-	-
Increase (decrease) due to share of net profit (loss)	-	230
The Group's investments in associates at the end of the period	598	598

Increase (decrease) in the Group's investments in associates due to profit (loss) is accounted for in the statement of profit or loss and other comprehensive income as share of profit of associates and joint ventures.

Information on associated entities is presented in the general information part of the consolidated explanatory notes.



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2) Non-equity securities:

	31 December	
	2021	2020
Bonds	15,033	14,879
Accrued receivable interest	1,816	911
Total	16,849	15,790

The interest rate of the bonds is 6%, the maturity date - January 2026.

3) Investments in shares:

	31 December	
	2021	2020
UAB Parkdema	2,130	1,950
Air Lituanica Club - 2% of shares	25	25
Wise Guys Batch 9 OU - 1.18% of shares	5	5
Other	36	35
Total	2,196	2,015

Investments in shares

Investments in shares comprise mainly an investment in UAB Parkdema. The fair value of the investment was estimated according to the asset-based and discounted cash flow methods. The fair value that belongs to the Group as determined by an external appraiser amounted to EUR 2,130 thousand (2020: EUR 1,950 thousand). The change in the fair value is accounted for in the Statement of profit or loss and other comprehensive income under finance income (expenses) (Note 28).

4) Investments in investment units:

	31 December	
	2021	2020
Modus Remote Solar Fund I	2,077	-
Modus Renewable Energy Lithuanian Investments	1,621	1,516
Investment units of Stichting First Energie Fonds	315	2,657
Wise Guys Cyber Fund 1	49	-
Modus Poland Solar Fund I	-	800
Total	4,062	4,973
Total (1+2+3+4)	23,705	23,376

Investments in investment units

The fair value of the investments units was calculated by estimating the net asset value of the fund and calculating the market value of the fund unit, which is equal to the net asset value of the fund divided by the number of fund units. Accordingly, the Group's share is equal to the number of fund units held by the Group, measured at market value. The net asset value of the fund consists mainly of loans granted and equity securities, the fair value of which has been determined by independent external appraisers.



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11. Prepayments, deferred costs and accrued income

The Group's prepayments, deferred costs and accrued income comprised the following:

	31 December	
	2021	2020
Prepayments	9,002	3,888
Deferred costs	2,850	960
Other accrued income	2,250	885
Deposits	261	55
Prepayments to related parties	60	-
Total	14,423	5,788

12. Cash and cash equivalents

The Group's cash and cash equivalents comprised the following:

	31 December	
	2021	2020
Cash at bank	27,881	43,373
Cash on hand	34	81
Cash in transit	42	181
Total	27,958	43,635

Cash and cash equivalents are denominated in EUR, USD, PLN, UAH, BYN, CZK, HUF and RON .

The Group has measured its cash and cash equivalents as at 31 December 2021 and 31 December 2020 in accordance with IFRS 9, and no material impairment was determined – the carrying amount of the Group's cash and cash equivalents approximates their fair value.

As at 31 December 2021, cash and cash equivalents by the value of EUR 5,866 thousand (31 December 2020 – EUR 9,599 thousand) are pledged to credit institutions to guarantee repayment of the loans (Note 15).

13. Assets held for sale

The following are the changes in the Group's assets held for sale during the year:

	31 December	
	2021	2020
Assets held for sale in the beginning of the period	442	-
Reclassified from property, plant and equipment	147	503
Sold during the period	(443)	-
Impairment accounted in statement of profit or loss and other comprehensive income	(74)	(61)
Assets held for sale at the end of the period	72	442



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14. Equity

Authorised capital

As at 31 December 2021 and 2020 the Company's authorised capital comprised 22,900,100 ordinary shares with the nominal value of EUR 1.00 each. All the shares are fully paid in.

In 2021 and 2020, the Group did not acquire nor transfer any of its own shares.

As at 31 December 2021 and 2020 the Group's shareholders were as follows:

	Number of shares 2021	Number of shares 2020	Ownership interest (%)	Shares with voting rights (%)
Martinkėnas Kęstutis	22,900,100	22,900,100	100%	100%
Total	22,900,100	22,900,100	100%	100%

Profit allocation

Results of 2020 have been added to retained earnings reserve.

15. Bank loans and lease liabilities

Bank loans and lease liabilities of the Group comprised the following:

	31 December	
	2021	2020
Non-current		
Bank loans and interest payable	51,296	76,699
Lease liabilities (Note 30)	40,120	34,140
Total	91,416	110,839
Current		
Bank loans and interest payable	59,930	24,809
Lease liabilities (Note 30)	12,652	14,784
Liabilities arising from derivative financial instruments	224	288
Total	72,806	39,881
Total	164,222	150,720

Lease liabilities predominantly consists of car rental contracts. More detailed information of leases is presented in Note 30.

The following are the contractual maturities for the Group's long-term bank loans and leasing (finance lease) liabilities:

	31 December	
	2021	2020
In 2 to 5 years	75,920	84,838
After five years	15,496	26,001
Total	91,416	110,839



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Long-term and short-term bank loans and lease liabilities were denominated in the following currencies:

	31 December	
	2021	2020
EUR	135,074	95,637
USD (in EUR)	25,368	9,346
PLN (in EUR)	3,632	4,583
UAH (in EUR)	95	23,771
BYN (in EUR)	53	17,383
Total	164,222	150,720

The following are the changes in the bank loans and lease liabilities of the Group during the year:

	2021	2020
Balance of bank loans and leasing liabilities at the beginning of the period	150,720	138,904
Proceeds from borrowings	51,355	64,628
Increase in lease liabilities	40,504	28,221
Interest calculated	7,966	6,681
Increase in liabilities arising from derivative financial instruments	1,086	(2,896)
Amortisation of transaction costs	48	43
Transaction costs	-	(2)
Subsidiaries sold	-	134
Subsidiaries acquired	(110)	239
Interest paid	(7,748)	(6,812)
Effect of currency exchange rate	(12,327)	(6,705)
Leasing payments	(30,036)	(31,108)
Loans repaid	(37,236)	(40,607)
Balance of bank loans and leasing liabilities at the end of the period	164,222	150,720

As at 31 December 2021 and 2020 the bank loans bore variable interest rates depending on various maturities of EURIBOR plus margins in compliance with market conditions.

	Interest rate %	Variable interest
Bank loans	2.75% - 8%	3m - 6m EURIBOR
Lease liabilities	2% - 4 %	3m - 6m EURIBOR

As at 31 December 2021, property, plant and equipment and investment property with the total carrying amount of EUR 53,606 thousand (31 December 2020: – EUR 41,567 thousand) are pledged to credit institutions to guarantee repayment of the loans; lease liabilities are secured by the leased property. The pledge of property for different contracts ends from December 2022 to November 2023 (Note 5).

As at 31 December 2021, trade and other receivables with the value of EUR 35,452 thousand (31 December 2020 – EUR 42,073 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends in May 2023 (Note 8).

As at 31 December 2021, inventories by the value of EUR 34,012 thousand (31 December 2020: EUR 74,317 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends from December 2022 to May 2023 (Note 9).

As at 31 December 2021, cash and cash equivalents by the value of EUR 5,866 thousand (31 December 2020 – EUR 9,599 thousand) are pledged to credit institutions to guarantee repayment of the loans (Note 12).

Based on loan agreements concluded by Group entities, Group entities have to comply with certain financial and non-financial covenants. As at 31 December 2021, Group entities were in compliance with the applicable covenants.



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16. Other financial debts

Other financial debts of the Group comprised the following:

	31 December	
	2021	2020
Long-term loans and accrued interest payable to related parties (Note 33)	14,749	11,007
Debts under non-equity securities and accrued interest payable	14,949	23,759
Debts under non-equity securities and accrued interest payable to related parties (Note 33)	5,576	5,230
Total non-current part	35,274	39,996
Debts under non-equity securities and accrued interest payable	7,176	102
Short-term loans and accrued interest payable to related parties (Note 33)	3,951	92
Other borrowings	14,306	11,683
Total current part	25,433	11,877
Total	60,707	51,873

The following are the changes in the Group's borrowings during the year:

	2021	2020
Balance of other financial debts at the beginning of the period	51,873	63,712
Bonds issued	29,429	24,810
Loans received	23,073	7,489
Interest calculated	3,457	2,548
Acquisition of subsidiaries	-	4,419
Change in other financial liabilities	(1,880)	(325)
Influence of exchange rates	(1,537)	(12)
Interest paid	(3,341)	(3,744)
Loans repaid	(11,109)	(9,159)
Redeemed bonds	(29,257)	(37,865)
Balance of other financial debts at the end of the period	60,707	51,873

As at 31 December 2021 and 2020 other financial liabilities of the Group are denominated in EUR.

Loans from related parties bear fixed interest rates that are in line with the market conditions.

	Interest rate %
Bonds	4% - 8.25%
Loans from related parties	2% - 5 %

17. Non-current employee benefits

According to the legislative requirements of the Republic of Lithuania, each employee at the age of retirement is entitled to a one-off payment in the amount of 2-month salary.

The Group's employee benefits comprised of the following:

	2021	2020
Employee benefits in the beginning of the period	89	58
Formed	(12)	31
Paid	(11)	(11)
Disposal of subsidiaries	-	-
Employee benefits at the end of the period	59	89

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For calculation of the employee benefits, the Group evaluated an impact of the mortality level in Lithuania, the discount rate, the retirement age, age and turnover of employees, growth of remuneration and other factors. Actuarial loss related to the above mentioned liabilities are presented in the Group's statement of profit or loss and other comprehensive income under employee benefits (accrual).

18. Grants and subsidies

The grants and subsidies of the Group consisted of the following:

	31 December	
	2021	2020
Grants and subsidies in the beginning of the period	1,094	1,245
Grants and subsidies received (repaid) during the period	590	1
Amortisation	(172)	(152)
Grants and subsidies at the end of the period	1,512	1,094

On 22 December 2010 The Group has entered into a financing and administration agreement with the Ministry of Economy of the Republic of Lithuania and the Lithuanian Business Support Agency for the construction of a motel with a campsite and the development of tourism services in Vilnius City Municipality.

19. Provisions

Provisions of the Group included the following:

	31 December	
	2021	2020
Provisions for technical maintenance package	118	112
Provision for repurchased cars	1	3
Other provisions	-	122
Total	119	237

20. Prepayments received, accrued liabilities and deferred income

The Group's prepayments received, accrued liabilities and deferred income comprised the following:

	31 December	
	2021	2020
Advances received	16,247	9,595
Accrued expenses	4,124	1,617
Deferred income	2,604	1,489
Prepayments received from related parties (Note 33)	47	-
Total	23,022	12,701



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21. Employment related liabilities

The Group's liabilities related to employment relations comprised the following:

	31 December	
	2021	2020
Vacation reserve	1,710	1,337
Accrued annual bonuses	1,602	1,061
Payable taxes related to remuneration	1,040	1,662
Payable remuneration	793	614
Other employment related liabilities	2	-
Total	5,147	4,674

22. Trade and other payables

As at 31 December, Group's non-current trade payables and other amounts payable comprised the following:

	31 December	
	2021	2020
Other long-term payables	552	14,620
Total non-current	552	14,620

As at 31 December, Group's current trade payables and other amounts payable comprised the following:

	31 December	
	2021	2020
Trade payables	35,637	91,076
Other taxes payable (excluding corporate income tax)	17,485	10,078
Trade payables to related parties (Note 33)	3,193	88
Payable VAT	2,958	11,704
Other amounts payable	970	125
Total	60,243	113,071

The abovementioned trade, other amounts payable and current liabilities are interest-free and they are usually assigned a payment term between 30 to 60 days.

23. Revenue

23.1. Revenue streams

In the following table, revenue is disaggregated by major product and service lines, and timing of revenue recognition:

	2021	2020
Major product and service lines		
Revenue from sale of cars	334,863	379,735
Revenue from sale of parts	55,986	31,886
Revenue from sale of energy	33,173	32,653
Revenue from lease of cars	22,152	16,583
Revenue from car service	6,185	5,085
Other	5,355	3,406
Total	455,714	469,348
Timing of revenue recognition		
At a point of time	455,766	469,770

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Over a certain period	1,948	578
Total	457,714	469,348

Contract assets and contract liabilities

The following table provides information about amounts receivable, contract assets and contract liabilities under contracts with customers.

	As at 31 December	
	2021	2020
Contract assets	-	-
Contract liabilities	-	-
Total	-	-

Contract assets are primarily related to the Group's rights to compensation for subcontracting work which is completed as at 31 December but not invoiced. No impairment has been determined for the amount of contract assets for the periods ended 31 December 2021 and 2020. Contract assets are transferred to amounts receivable when rights become unconditional. This usually happens when the Group presents a customer with an invoice.

Contract liabilities are related to prepayments received from customers for subcontracting work the revenue of which is recognised over the period.

23.2. Disaggregation of revenue from contracts with customer

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines.

For the year ended 31 December, the Group's revenue comprised the following:

	2021	2020
Primary geographic markets		
Lithuania	224,625	294,067
Belarus	60,437	47,768
Latvia	42,672	31,802
Germany	29,492	24,891
France	24,683	18,340
Estonia	20,207	15,762
Belgium	15,839	-
Romania	10,618	-
Ukraine	6,303	5,749
Italy	3,656	3,400
Poland	2,872	2,921
Bulgaria	1,127	8,197
Other countries	15,183	16,451
Total	457,714	469,348

23.3. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over goods or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the revenue recognition policies.

Type of product / service	Nature and timing of the satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
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Income from sale of cars and spare parts	The Group sells new and used cars and spare parts both to individuals and to legal entities. Invoices are issued under contractual terms and are usually payable immediately or within 15 days.	Revenue is recognised when a car or parts are delivered to the customer – i.e. when the customer is obtaining control of the goods.
Income from car service	The Group provides car services both to individuals and to legal persons. Invoices are issued under contractual terms and are usually payable immediately or within 15 days.	Income is recognised after actual delivery of the service.
Income from lease of cars	The Group provides short-term lease of cars, bicycles and scooters. Accounting (reporting) period – one calendar month. Invoices are issued and revenue recognised at a particular point in time – on the last day of each reporting period for the previous month. Settlement term for legal entities - 30 days. Individuals pay for the services immediately after they are rendered.	Income is recognised after actual delivery of the service.
Revenue from energy produced by biogas and solar power plants	The Group sells biogas and solar energy (electricity, heating) which it produces and distributes to the buyer's network. Accounting (reporting) period – one calendar month. Invoices are issued and revenue recognised at a particular point in time – on the last day of each reporting period. Payment period – 30 days.	Revenue is recognised on a monthly basis when energy is produced and based on the actual quantity of the energy produced.
Revenue from subcontracting of power plants	The Group builds solar and biogas power plants to customers. Each project starts upon signing a contract and under the construction stage deadlines established in the contract. Duration of a project depends on complexity of a project; however, it usually lasts no longer than one year. During construction the buyer controls all of the work carried out; therefore, if the customer terminates a contract, the Group has the right to compensation of the costs incurred up to the moment of termination, including the margin agreed upon. Invoices are issued under contractual terms and are usually payable within 30 days following the date of the invoice.	Revenue is recognised over time based on the percentage of completion method. The related costs are recognised when they are incurred. Advances received are included in contract liabilities. The Group's rights to compensation for the subcontracting work which as at 31 December is completed but not invoiced, are included in contract assets.
Other income	The Group provides other services (management, etc.) and sells other goods (raw materials, etc.) Invoices are issued under contractual terms and are usually payable immediately or within 15 days.	Revenue is recognised after actual delivery of services or, when selling the goods, when the client is obtaining control.

24. Cost of sales

For the year ended 31 December, the Group's cost of sales comprised the following:

	2021	2020
Cost of sales of cars	307,188	359,365
Costs of sales of spare parts	47,998	25,908
Depreciation and amortisation	14,278	13,952
Cost of materials	8,617	8,406
Salaries and related taxes	6,708	5,491
Maintenance costs of solar and biogas power plants	4,740	3,613
Contracting costs	2,783	2,055
Repair and servicing costs of cars and other equipment	2,777	2,947
Parking cost	1,745	1,546
Cost of warranty works	1,677	1,132
Insurance costs	691	1,246
Fuel and power consumption	559	531
Cost of sales of equipment and other goods	504	1,993
Other	7,064	3,717
Total	407,329	431,902

25. Other income and other expenses



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For the year ended 31 December, other income (expenses) comprised the following:

	2021	2020
Other operating income		
Profit on disposal of subsidiaries	4,292	5,468
Penalties received and damages covered	150	142
Other income	1,295	666
	<u>5,737</u>	<u>6,276</u>
Other operating expenses		
Loss from resold services	(847)	(509)
Loss on disposal of non-current assets	(769)	(585)
Other expenses	(294)	(216)
	<u>(1,910)</u>	<u>(1,310)</u>
Other income and other expenses	<u>3,827</u>	<u>4,966</u>

Profit on disposal of subsidiaries

In 2021, the Group sold investments into the following subsidiaries :

Country	Company Name	Share %	Date of disposal
Lithuania	UAB GG Saulės parkai	100%	03/09/2021
Lithuania	UAB Pavilnių saulės slėnis 14	100%	18/01/2021
Belarus	Modus Park OOO	1%	18/01/2021
Poland	MEA 4 Sp.z.o.o.	100%	17/12/2021
Poland	Elektrownia Słoneczna Mazowsze sp. z o.o.	100%	17/12/2021
Poland	GGPL 1 Sp. z o.o.	100%	17/12/2021
Poland	GGPL 4 Sp. z o.o.	100%	17/12/2021
Poland	PVE 15 sp. z o.o.	100%	17/12/2021
Poland	PVE 24 sp. z o.o.	100%	17/12/2021
Poland	PVE 6 sp. z o.o.	100%	17/12/2021
Poland	Solar Farma II sp. z o.o.	100%	17/12/2021
Poland	Solar Power Pustków sp. z o.o.	100%	17/12/2021
Poland	TGM 1 Sp. z o.o.	100%	17/12/2021
Ukraine	Limited Liability Company Solar Zalukwa	100%	22/06/2021

The sale of companies is not considered a discontinuing operation because the disposed companies did not form a significant separate operating segment.



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Calculation of profit on disposal of investments into subsidiaries:

	Total
Non-current assets	
Property, plant and equipment	49,929
Intangible assets	1,742
Deferred tax assets	250
Total non-current assets	51,921
Current assets	
Inventory	140
Trade and other receivables	3,091
Prepayments, deferred cost and accrued income	81
Cash and cash equivalents	2,746
Total current assets	6,058
Total assets	57,979
Non-current liabilities	
Other borrowings	4,697
Total non-current liabilities	4,697
Current liabilities	
Other borrowings	10,743
Trade, other payables and current liabilities	1,588
Total current liabilities	12,331
Total liabilities	17,028
Net assets and group loans at time of disposal	40,951
Sales price shares	2,977
Sales of group loans	42,266
Sales price shares and group loans	45,243
Cash and cash equivalents in sold subsidiaries	(2,746)
Cash flows from disposal	42,497
Sales price shares+ settlement of group loans	45,243
Net assets and group loans at time of disposal	40,951
Profit on disposal of investments in subsidiaries	4,292



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26. Selling expenses

For the year ended 31 December, selling expenses comprised the following:

	2021	2020
Salaries and related expenses	7,698	6,899
Advertising and promotional costs	2,512	1,725
Transportation and short-term insurance costs	457	281
Customs and registration costs	369	422
Representation expenses	321	253
Legal and other consulting services	178	69
Trainings and secondments	132	59
Fuel and lease of cars	129	140
Demo and display cars maintenance costs	118	195
Depreciation and amortisation	54	43
Other	885	947
Total	12,853	11,033

27. Administrative expenses

For the year ended 31 December, administrative expenses consisted of the following:

	2021	2020
Salaries and related expenses	5,270	5,543
Depreciation and amortisation	2,828	3,412
Accounting and audit expenses	2,172	793
Legal and consulting expenses	1,714	2,111
Taxes	903	488
Maintenance of premises, repair and maintenance of equipment	672	567
Lease and maintenance expenses	543	787
Impairment expenses	492	5,422
Bank charges	341	524
Write-down of inventories	263	708
Support	182	130
Business trip expenses	89	82
IT and communication services	22	486
Lease of premises	24	277
Fuel, car lease and maintenance	13	22
Management services	-	1,234
Other	164	219
Total	15,692	22,805

Impairment losses of EUR 492 thousand in 2021 were recognised (i) write-offs developing solar projects in Spain of EUR 238 thousand, (ii) allowances for doubtful receivables of EUR 245 thousand, (iii) rest (EUR 9 thousand) – allowances for inventory.

Salaries and related expenses

	2021	2020
Salaries and related expenses (cost of sales, Note 24)	6,708	5,491
Salaries and related expenses (selling expenses, Note 26)	7,698	6,899
Salaries and related expenses (administrative expenses, Note 27)	5,270	5,543
	19,676	17,933



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	2021	2020
Average number of employees	821	733
<i>of which employed in the Netherlands</i>	2	2
<i>of which employed outside the Netherlands</i>	819	731

For the year ended 31 December, salary and related expenses comprised the following:

	2021	2020
Salary expenses	17,138	16,036
Social security expenses	1,696	1,405
Vacation reserve expenses	505	170
Contributions to pension funds	47	62
Other related expenses	290	260
	19,676	17,933

28. Finance income and finance costs

For the year ended 31 December, finance income (expenses) comprised the following:

	2021	2020
FINANCE INCOME		
Gain from currency exchange	2,531	-
Interest income	1,357	1,283
Gain on increase in financial assets at fair value	1,031	1,828
Dividends received	125	366
Penalties and fines	6	8
Other income from financing and investing activities	744	20
	5,794	3,505
FINANCE EXPENSES		
Interest expenses	(10,885)	(9,722)
Impairment of loans granted	(1,950)	(200)
Currency exchange loss	(252)	(7,777)
Guarantee commitment and commission fees	(201)	(57)
Loss arising on derivative financial instrument	(86)	(2,054)
Penalties and fines	(45)	(34)
Impairment financial assets measured at fair value	(106)	
Other expenses from financing and investing activities	(1,275)	(953)
	(14,800)	(20,797)
Result from financing activities	(9,006)	(17,292)

29. Corporate income tax

In 2021 and 2020 corporate income tax in the Group and subsidiaries is calculated by applying the applicable local income tax rates for the estimated taxable profit of the period.

As at 31 December, the Group's income tax expenses (income) recognised in the statement of profit or loss comprised the following:

	2021	2020
Current tax expense	2,600	2,360
Deferred tax expense (income)	1,086	630
Corrections of corporate income tax of previous reporting periods	(417)	(704)
Income tax expense (income) recognised in the statement of profit or loss and other comprehensive income	3,269	2,286

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The following is a reconciliation of the Group's corporate income tax:

	2021	2020
Profit (loss) before tax	16,661	(9,258)
Corporate income tax applying a standard income tax rate of 25%	4,165	(2,315)
Tax effect of non-taxable income	(2,666)	(7,185)
Non-deductible (deductible) expenses	2,606	2,310
Tax effect of tax losses and other temporary differences for which no deferred tax asset was recognised	(46)	3,565
Tax losses transferred to the group companies (+)	312	252
Corrections of corporate income tax of previous reporting periods	(417)	(704)
Effect of different income tax rates applicable to foreign subsidiaries	(773)	6,323
Investment incentive	88	40
Total corporate income tax expense (income)	3,269	2,286

The changes of temporary differences before and after tax effect in the Company were as follows:

	Deferred tax			
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
Deferred income tax asset				
Tax losses	25,292	30,641	4,263	5,185
Write-down of inventories	908	1,841	141	326
Incentive of investments into property, plant and equipment	332	2,081	49	312
Impairment of amounts receivable	514	689	77	105
Vacation reserve	274	93	48	16
Loan amortized cost	-	1,247	-	226
Bonus reserve	946	394	142	59
Tax losses not recognized during previous financial year	-	84	-	32
Effect of different corporate tax rates on foreign subsidiaries	-	194	-	30
Other accrued costs	456	565	80	103
Total deferred tax asset	28,722	37,829	4,800	6,394
Deferred tax liability				
Differences between the financial and tax depreciation of property, plant and equipment	(41,403)	(39,185)	(6,670)	(6,634)
Loan amortization	(336)	-	(59)	-
Construction insurance	(14)	(72)	(2)	(12)
Other accrued income	(61)	(1,171)	(12)	(186)
Total deferred tax liabilities	(41,814)	(40,428)	(6,743)	(6,832)
Deferred income tax, net	(13,092)	(2,599)	(1,943)	(438)

The Company has a statutory right to offset the recognised amounts, i.e. when the amounts are related to the same tax administration authority. In table above the deferred tax assets and deferred tax liabilities are presented before offsetting while consolidated statement of financial position presents offset balances in order to reflect a more accurate position. The net of deferred tax liability in the table above (EUR 1,943 thousand) is equal to a net of deferred tax asset (EUR 1,862 thousand) and deferred tax liabilities (EUR 3,805 thousand) presented in the consolidated statement of financial position as at 31 December 2021.

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Deferred tax asset for tax losses is recognised as the Group's management believes they will be realised in the foreseeable future, based on taxable profit forecasts.

Changes in the Group's deferred income tax assets and liabilities were the following:

	2021	2020
Income (expenses) recognised in the statement of profit or loss	(1,086)	630
Income (expenses) recognised in other comprehensive income (including change due to currency exchange rate fluctuations)	30	1,861
Change due to currency exchange rate fluctuations	39	-
Transfer of liabilities (assets) related to disposal of subsidiaries	(488)	853
Transfer of liabilities (assets) related to disposal of subsidiaries	-	(175)
Change in deferred income tax, net	(1,505)	3,169

Deferred tax assets and liabilities are offset if they will be realised in net value and over those periods, and they are related to the same tax administration authority. Each Group company pays income tax at net value; i.e. offsets temporary differences; therefore, deferred tax liabilities of each Group company are offset against deferred income tax assets of that company. Deferred income tax assets and liabilities of different Group entities are offset. Deferred income tax assets and liabilities arising on consolidation entries are also offset if they are related with the same tax administration authority.

As at 31 December temporary differences and tax losses for which deferred tax assets were not recognised as they are not expected to be realised:

	As at 31 December	
	2021	2020
Tax temporary differences for which no deferred tax assets were recognised	-	44
Tax losses for which no deferred tax assets were recognised	1,905	4,075
Total temporary differences and tax losses	1,905	4,119



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30. Leases

In 2021 and 2020 Group entities had concluded various lease agreements under which it leases premises, land, equipment and vehicles.

Information about leases for which the Group is a lessee is presented below.

Right-of-Use assets

Property, plant and equipment of the Group comprised the following right-of-use assets

	Land	Buildings and structures	Machinery and plant	Vehicles	Other equipment, fittings and tools	Prepayments and construction in progress	Total
Acquisition cost							
31 December 2019	11,218	17,716	49	30,495	44	-	59,522
Acquired assets	495	120	-	111	-	-	726
Additions	4,483	5,532	-	1,412	25	-	11,452
Derecognition	(5,865)	(8,403)	(44)	(53)	(37)	-	(14,402)
Depreciation	(583)	(2,472)	(5)	(6,545)	(12)	-	(9,617)
31 December 2020	9,748	12,493	-	25,420	20	-	47,681
Acquired assets	-	-	-	-	-	-	-
Additions	4,243	2,456	-	-	-	-	6,699
Derecognition	(6,288)	(1,097)	-	(15)	-	-	(7,400)
Depreciation	(636)	(1,506)	-	(1,020)	(8)	-	(3,170)
31 December 2021	7,067	12,346	-	24,385	12	-	43,810

Amounts recognized in profit and loss

Interest on lease liabilities

Expenses for short-term leases and leases with low-value assets

	2021	2020
Interest on lease liabilities	1,481	1,581
Expenses for short-term leases and leases with low-value assets	3,878	3,078

Lease liabilities

Non-current lease obligations

Current lease obligations

Total

31 December	
2021	2020
40,120	34,140
12,652	14,784
52,772	48,924

Maturity lease obligations

Within 1 year

In 2–5 years

After five years

Total

31 December	
2021	2020
12,652	14,784
29,425	20,255
10,695	13,884
52,772	48,923

31. Contingent liabilities

In 2021 and 2020, the Group was not involved in any legal proceedings that could, in the opinion of the management, have significant influence on the Group's consolidated financial position.



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The tax administrator has not performed a full-scope tax investigation in the Group. The Tax Authorities have not performed full-scope tax investigations at the Company. The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and where appropriate, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties. Management of the Group is not aware of any circumstances which would cause calculation of additional significant liabilities due to unpaid taxes.

The Group has issued the following guarantees/sureties:

Receiver of guarantee/surety	Type	Maturity term of guarantee/surety	Currency	As at 31 December	
				2021	2020
European Bank for Reconstruction and Development	Guarantee (for Parachonskoe ZAO)	24/01/2028	EUR	5,197	5,806
European Bank for Reconstruction and Development	Guarantee (for Severnyj ZAO)	24/01/2028	EUR	2,494	2,796
European Bank for Reconstruction and Development	Guarantee (for Kabylovka ZAO)	24/01/2028	EUR	2,357	2,644
European Bank for Reconstruction and Development	Guarantee (for BG17 ZAO)	04/03/2029	EUR	5,391	5,948
European Bank for Reconstruction and Development	Guarantee (for Belovezha ZAO)	04/03/2029	EUR	3,385	3,704
OP Corporate Bank plc Lietuvos filialas	Guarantee (for UAB Baltijos autonoma)	06/09/2021	EUR	1,000	1,000
Luminor Bank AS Lietuvos skyrius	Guarantee (for UAB Baltijos autonoma)	28/02/2022	EUR	139	600
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Askela“)	31/12/2022	EUR	34	69
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Bioinvest“)	31/12/2022	EUR	60	60
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Unimodus“)	31/12/2022	EUR	12	23
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Kreta“)	31/12/2022	EUR	6	12
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Green Genius“)	27/01/2026	EUR	800	-
Luminor Bank AS Lietuvos skyrius	Surety For UAB „Green Genius“)	30/11/2022	EUR	983	-
Circle K Lietuva UAB	Guarantee	31/12/2030	EUR	-	51
PayRay Bank UAB	Surety (for UAB „GG LTU S2“)	30/09/2022	EUR	4 600	-
Lietuvos draudimas AB	Surety (for UAB „Enrg projektas 2“)	18/10/2022	EUR	177	-
Lietuvos draudimas AB	Surety (for UAB „Jenergija“)	18/10/2022	EUR	107	-
Lietuvos draudimas AB	Surety (for UAB „Lenergija“)	18/10/2022	EUR	107	-
Lietuvos draudimas AB	Surety (for UAB „Psenergija“)	18/10/2022	EUR	107	-
Lietuvos draudimas AB	Surety (for UAB „Senegita“)	18/10/2022	EUR	107	-
ERGO Insurance SE Lietuvos filialas	Surety (for "Green Genius" Sp. z o.o.)	30/06/2022	EUR	107	-



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AB Energijos skirstymo operatorius	Guarantee	25/04/2023	EUR	15	-
AB Energijos skirstymo operatorius	Guarantee	10/12/2023	EUR	5	-
AB Energijos skirstymo operatorius	Guarantee	12/06/2024	EUR	23	-
AB Energijos skirstymo operatorius	Guarantee	12/06/2024	EUR	16	-
AB Energijos skirstymo operatorius	Guarantee	03/07/2024	EUR	41	-
AB Energijos skirstymo operatorius	Guarantee	03/07/2024	EUR	75	-
AB Energijos skirstymo operatorius	Guarantee	16/08/2024	EUR	75	-
AB Energijos skirstymo operatorius	Guarantee	28/08/2024	EUR	81	-
AB Energijos skirstymo operatorius	Guarantee	30/08/2024	EUR	75	-
AB Energijos skirstymo operatorius	Guarantee	08/11/2024	EUR	137	-
AB Energijos skirstymo operatorius	Guarantee	11/11/2024	EUR	117	-
AB Energijos skirstymo operatorius	Guarantee	03/01/2025	EUR	59	-
Banco Sabadell, S.A.	Guarantee	09/01/2023	EUR	120	120
Total				28,172	22,833

All the companies for which the sureties have been issued are related companies. Furthermore, all the companies met the financial ratios if such were prescribed in the loan agreements. Therefore, no provisions for the liabilities related to the sureties issued have been recognised as at 31 December 2021.

Provisions for liabilities under other surety agreements were not accounted for as at 31 December 2021 as the Group estimates that the entities for which sureties are provided will continue their activities or start developing new profitable activities; also, no information is available on termination or liquidation of the activities of those entities. Further operating plans of the entities are known to the Group and the risk is managed through active participation in determination of operating plans and continual financial control.

32. Financial instruments – fair values and risk management

As at 31 December 2021 and 2020 the Group did not have any significant financial instruments, presented at fair value in the statement of financial position, except for the investments into derivatives (forward exchange contracts).

Main financial liabilities of the Group comprise loans, finance lease, other financial debts, trade and other payables. The main objective of these financial liabilities is to increase financing of the Group's activities and to guarantee liquidity.

The Group classifies financial liabilities into following groups:

- Borrowings from external parties (Note 15 and Note 16)
- Borrowings from related parties (Note 16)
- Finance lease liabilities (Note 15)
- Trade, other payables and current liabilities (Note 22)
- Prepayments received, accrued liabilities and deferred income (Note 20)

The Group has various financial assets that are classified into following groups:

- Cash and cash equivalents (Note 12)
- Trade and other receivables (Note 8)
- Loans granted and term deposits (Note 7)
- Other investments (Note 10)
- Prepayments, deferred costs and accrued income (Note 11)



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Methods and assumptions used for determination of fair values are described below:

- The carrying amount of current trade and other receivables, current trade and other payables and short-term borrowings approximates fair value due to short-term nature of instruments.
- The fair value of long-term liabilities is established on the basis of the market price of the same or similar loan or interest rate applicable at the time for loans with the same maturity term. The fair value of long-term liabilities with variable interest is close to their carrying amount.
- The fair value of the investments into associates approximates the equity value.
- Derivative instruments are measured at fair value.
- Carrying amount of other non-current investments approximates the fair value of these investments.

The Group's main financial assets and liabilities not carried at fair value are trade and other receivables (including loans granted), non-current and current trade and other debts.



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The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2021		Carrying amounts				Fair value			
		FVTPL	FVOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note								
Financial assets measured at fair value									
Assets arising from derivatives		159				159	159		
Financial assets not measured at fair value									
Loans granted	7			2,562		2,562		2,562	
Deposits to banks	7			3,839		3,839		3,839	
Trade and other receivables	8			41,697		41,697		41,697	
Prepayments, deferred costs and accrued income	11			14,423		14,423		14,423	
Cash and cash equivalents	12			27,958		27,958		27,958	
Financial liabilities measured at fair value									
Liabilities arising from derivatives	15	224				224	224		
Financial assets not measured at fair value									
Bank loans and interest payable	15			111,226		111,226		114,455	
Loans from related parties	16			24,276		24,276		22,506	
Debts under non-equity securities	16			36,431		36,431		39,661	
Lease liabilities	15				52,772	52,772		52,772	
Trade and other payables	20				23,022	23,022		23,022	
Prepayments, accrued liabilities and deferred income	22				60,798	60,798		60,798	



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31 December 2020		Carrying amounts				Fair value			
		FVTPL	FVOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note								
Financial assets not measured at fair value									
Loans granted	7			2,130		2,130		2,130	
Deposits to banks	7			5,100		5,100		5,100	
Trade and other receivables	8			44,537		44,537		44,537	
Prepayments, deferred costs and accrued income	11			5,788		5,788		5,788	
Cash and cash equivalents	12			43,635		43,635		43,635	
Financial liabilities measured at fair value									
Liabilities arising from derivatives	15	288				288	288		
Financial assets not measured at fair value									
Bank loans and interest payable	15			101,510		101,510		104,876	
Loans from related parties	16			16,328		16,328		14,617	
Debts under non-equity securities	16			35,545		35,545		31,288	
Lease liabilities	15				48,922	48,922		48,922	
Trade and other payables	20				12,701	12,701		12,701	
Prepayments, accrued liabilities and deferred income	22				127,690	127,690		127,690	



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The main risks arising from financial instruments are credit risk, interest rate risk, liquidity risk, foreign currency risk. The Group is also exposed to capital management and inventories risk. Risks are described below.

Credit risk

The Group's credit risk is primarily related to amounts receivable (including loans granted) and arises due to potential default of other contract parties to meet contractual obligations. Amounts receivable in the statement of financial position are stated less doubtful amounts receivable which the Group estimates based on previous experience and current economic environment. Credit risk related to cash is limited since the Group performs transactions with banks having high credit rating issued by foreign agencies. No impairment allowance was recognized on cash and cash equivalents

The amount of maximum exposure to credit risk equals the carrying amount of amounts receivable, deposits, loans granted and cash and cash equivalents which as at 31 December 2021 was EUR 76,056 thousand (31 December 2020 – EUR 95,470 thousand).

The Group's credit risk is measured separately for Group entities. Impairment is not measured for trade and other amounts receivable for which as at the date of the statement there are no indications that debtors will default on their obligations.

The Group's credit risk concentration related to trade amounts receivable is not high. The Group has no significant transactions carried out in a different country to the one in which a respective Group entity operates.

Impairment analysis of not overdue and overdue amounts receivable as at 31 December 2021 and 2020 is presented in Note 8.

Expected credit loss assessment

Trade and other receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and available press information about customers). The ECLs rate is estimated for each segment based on actual credit loss experience over the past year. The ECL for trade receivables from related parties is calculated individually assessing the expected credit risk because historically these amounts are recoverable and the credit risk is considered to be minimal.

Trade receivables have no significant element of financing. The Group's credit terms for sales are 30 days from receipt of the invoice.

The Group applies the simplified approach for trade receivables.

The Group has elected to use a provision matrix to calculate ECLs, which is based on:

- historical default rates over expected deadline for trade receivables;
- correction of assessment of future forecasts.
- threshold for immaterial receivable amounts

In 2021 the Group determined impairment loss of EUR 245 thousand.

Loans granted

The ECL for loans granted is calculated individually assessing the expected credit risk because historically these amounts are recoverable and the credit risk is considered to be minimal.

As at 31 December 2021 the ECL allowance for loans to related parties amounted EUR 4,549 thousand (31 December 2020 – EUR 4,328 thousand), and the ECL allowance for loans to other companies amounted EUR 151 thousand (31 December 2020 – no allowance)

Exposure to interest rate risk

The Group is exposed to the risk of changes in interest rate due to bank loans with variable interest rates. As at 31 December 2021 such liabilities of the Group amounted to EUR 83,060 thousand (31 December 2020 – EUR 94,480 thousand).

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates (increase/decrease in basis points is determined based on economic conditions and the Group's experience), with all other variables held constant (through the impact on floating rate borrowings). There is no other impact on the Group's equity, other than the impact of income tax of the current year.



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	<u>Increase / decrease, p.p.</u>	<u>Impact on the Group's profit before taxes</u>
2021	0.3	249
2020	0.3	283

Liquidity risk

The objective of short-term liquidity risk management is to control the day to day funds' requirement. Each Group entity independently plans its internal cash flows. The Group's short-term liquidity is controlled by daily assessments of the balances and requirement of cash and cash equivalents.

The risk of long-term liquidity is controlled by analysing the expected future cash flows taking into consideration possible financing sources. The ability to raise required funds and the impact of the investments carried out on the Group's liquidity are assessed before approval of the Group's new investment project.

Maturities of the Group's financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted payments are provided in Notes 15, 16 and 30.

Foreign exchange risk

Changes in currency exchange rates can have an impact on the Group's financial position due to activities.

The Group is exposed to foreign exchange risk when sales, purchases and borrowings are denominated in other currencies than the euro. The group is exposed to foreign exchange risk for activities and net financial position in the non-euro countries Poland and Ukraine and Belarus.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in currency exchange rates due to changes in the value of monetary assets and liabilities, with all other variables held constant.

	<u>Foreign exchange rate</u>	<u>Increase / decrease, %</u>	<u>Impact on the Group's profit before taxes</u>
2021	EUR/PLN	+5%	(856)
	EUR/UAH	+5%	(1,272)
	EUR/BYN	+5%	(247)
	EUR/USD	+5%	(974)
	EUR/PLN	-5%	856
	EUR/UAH	-5%	1,272
	EUR/BYN	-5%	247
	EUR/USD	-5%	974
2020	EUR/PLN	+5%	(140)
	EUR/UAH	+5%	(718)
	EUR/BYN	+5%	(104)
	EUR/USD	+5%	(1,038)
	EUR/PLN	-5%	140
	EUR/UAH	-5%	718
	EUR/BYN	-5%	104
	EUR/USD	-5%	1,038



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Capital management

The Group manages its capital to ensure that the capital is sufficient to guarantee the Group's activities. The management of entities controls that the entities are in compliance with capital requirements provided in legislation and loan agreements and provide information to the Group's management.

Raw materials price risk

Some Group entities are exposed to the risk of fluctuations in prices of raw materials used in production which depend on the prices in international markets. In the opinion of the Group's management, this risk is managed by concluding long-term and short-term agreements with suppliers of raw materials.

33. Related party transactions

Salaries of the Group's key management personnel and related taxes:

	2021	2020
Employment-related amounts calculated for the year		
Key remuneration and related taxes (in EUR thousand)	2,189	1,583
Number of the management members	30	33

The related parties of the Group include:

- The ultimate beneficial owner (shareholder) is K. Martinkėnas.
- Associated entities – the list of entities is provided in the part of general information in the explanatory notes;
- Other related parties – other entities controlled by MG NL holding BV's shareholder, his family members and management of the Group.

The table below provides information on transactions with related entities during the period ended 31 December 2021:

Related party	Amounts receivable (including loans granted)	Amounts payable (including loans received)	Sales of goods and services (including interest)	Purchases of goods and services (including interest)
Ultimate beneficial owner	-	5,576	-	357
Associated entities	267	3,578	7	-
Other related companies	42,130	18,359	132,082	13,451
Total	42,397	27,513	132,089	13,808



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The table below provides information on transactions with related entities during the period ended 31 December 2020:

Related party	Amounts receivable (including loans granted)	Amounts payable (including loans received)	Sales of goods and services (including interest)	Purchases of goods and services (including interest)
Ultimate beneficial owner	-	5,230	-	-
Associated entities	165	465	5	-
Other related companies	33,692	10,742	218,117	840
Total	33,857	16,437	218,122	840

34. Subsequent events

War in Ukraine

Activities in Belarus

The Group conducts operations in the Belarus market through its subsidiaries, selling new cars, parts, warranties and other services, real estate leases to Group companies, and biogas/solar energy production and maintenance. Please refer to the list of Belarus subsidiaries in the financial statements. Consequently, the Group is exposed to the economic and financial markets of Belarus. In response to the Russian Federation's invasion of Ukraine, which has been supported by Belarus, a number of countries, including the United States of America, the United Kingdom and the European Union have imposed and/or expanded economic sanctions against a number of Belarus individuals and legal entities. The sanctions include asset freezes, restrictions to payment systems, trade restrictions, and travel bans, among other things. Further legislation is planned. The expanded sanctions already had or are expected to have a further detrimental effect on economic uncertainty in Belarus, including more volatile equity markets, a depreciation of the Belarus rouble, a reduction in both local and foreign direct investment inflows, impact on trade flows and trade disruptions with the entities operating in Belarus, and a significant tightening in the availability of credit. As a result, some Belarus entities may experience difficulties accessing the international equity and debt markets and may become increasingly dependent on state support for their operations. The longer-term effects of the imposed and possible additional sanctions are very uncertain at this moment of time.

However, the specific nature of the activities reduces the potential negative impact of sanctions. Power plant subsidiaries sell electricity to Belarussian energy monopolist at a tariff legally linked to the US dollar, so the negative impact of the sanctions on revenue is unlikely. Raw materials for biogas power plants productions are purchased from local agriculture companies, which activities are not directly affected by sanctions. Belarussian companies are fully operational. The companies' operations allow to fulfil all current financial liabilities.

Presented below is the Group's summarized exposure as at 31 December 2021 (in EUR thousand):

Intangible fixed assets	65
Property, plant and equipment	45,491
Financial assets	2,117
Other non-current assets	566
Inventories	7,035
Accounts receivable within one year	1,715
Short-term investments	839
Cash and cash equivalents	9,665
Deferred charges and accrued income	



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Provisions	1,214
Amounts payable after one year and other non-current liabilities	24,130
Amounts payable within one year and other current liabilities	10,766

The consolidated Group's Belarus subsidiaries sales revenues for the year ended 31 December 2021 amounted to EUR 60,455 thousand.

Based on the Group's current KPIs and Group operations in other markets, management does not anticipate a direct immediate and significant adverse impact of the current situation as described in the previous paragraphs on the Group, its operations, financial position and operating results. Management cannot however preclude the possibility of an escalation of the general market uncertainty to other markets, or a consequential adverse impact on the economic environment the Group operates in, that might have an adverse effect on the Group, and its financial position and operating results, in the medium and longer term.

On 10 March 2022, the Group has publicly announced a strategic review of the presence in Belarus. Based on this review, the shareholders have taken a decision to exit the Belarussian market. The management is working with all the involved parties to define and agree on the exit strategy.

As a result of this decision, starting Q1-2022 the business in Belarus will no longer be included in the Group's revenue and operating profit. From an accounting perspective, the business will be treated as an asset held for sale until completion of the disposal. The business will be reassessed at fair value. The event is a non-adjusting event after balance sheet date and that all the assets are presented as continuing operations in the statement of financial position and the statement of profit or loss as at 31 December 2021. As of March 2022, the Group will disclose its Belarussian assets as assets held for sale.

Activities in Ukraine

The Group conducts operations in the Ukrainian market through its three subsidiaries, please refer to the list of Ukraine subsidiaries in the financial statements. Consequently, the Group is exposed to the economic and financial markets of Ukraine. In February 2022, following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation and its subsequent invasion of Ukraine, the military conflict escalated and spread to other regions of that country. The current escalation of the military conflict is likely to have a detrimental impact on the political and business environment in Ukraine, including on the ability of many entities to continue business as usual. In view of the above, as at the date these consolidated financial statements were authorised for issue, the situation in Ukraine is extremely volatile and inherently uncertain. In the wake of the ongoing and dynamic nature of the war management concluded that a reliable estimate of the financial impact cannot be presently made as situations is very uncertain at this moment of time.

However the specific nature of the activities reduces the potential negative impacts. Subsidiaries are solar power plants, operation and maintenance companies, which are based in Ukraine government controlled territory, in which war activities are decreasing (North west). The companies are fully operational, generate and sell electricity and there is no need for material maintenance. The companies have sufficient cash to fulfil all current financial liabilities. In addition, on 9 March 2022, EBRD, the creditor to the subsidiaries, has announced 2bn EUR package of measures to help citizens, companies and countries affected by the war on Ukraine.

Presented below is the Group's summarized exposure as at 31 December 2021 (in EUR thousand):

Property, plant and equipment	30,308
Deferred tax assets	393
Inventories	62
Amounts receivable within one year	1,234
Cash and cash equivalents	2,839
Deferred expenses and accrued income	13
Financial debts payable after one year	12,438
Financial debts payable within one year	2,453
Other current liabilities	311



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The consolidated Group's Ukraine subsidiaries electricity sales revenues for the year ended 31 December 2021 amounted to EUR 5 403 thousand.

Based on the Group's current KPIs and Group operations in other markets, management does not anticipate a direct immediate and significant adverse impact of the current situation as described in the previous paragraphs on the Group, its operations, financial position and operating results. Management cannot however preclude the possibility of an escalation of the general market uncertainty to other markets, or a consequential adverse impact on the economic environment the Group operates in, that might have an adverse effect on the Group, and its financial position and operating results, in the medium and longer term. In any future circumstances the event is a non-adjusting event after balance sheet date and all assets are presented as continued operations in the statement of financial position and the statement of profit or loss as at 31 December 2021.

Activities in Russia

The Group has not had and does not have any activities in Russia.

After the end of the financial year until the date of approval of these financial statements, no other subsequent events occurred, except for the ones described above, which would have a material effect on the financial statements or require additional disclosure.

Other events

During 2022 as of the date of these financial statements, the Group has fully redeemed the bonds of UAB Mundus.

At 7 January 2022 an indirectly controlled subsidiary SIA Luxury Motors Latvia was established, with authorized capital of 2,800 unites and ordinary shares with a value of EUR 2,800

After the end of the financial year until the date of approval of these financial statements, no other subsequent events occurred, except for the ones described above, which would have a material effect on the financial statements or require additional disclosure.



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Company financial statements



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Company statement of financial position before appropriation of result for the year ended 31 December 2021

(In EUR thousand, unless otherwise stated)

Company statement of financial position before appropriation of result of the year

ASSETS	Notes	As at 31 December 2021	As at 31 December 2020
Non-current assets			
Fixed assets	5	3	3
Financial fixed assets	6	90,668	78,321
Total non-current assets		90,671	78,324
Current assets			
Trade and other receivables	7	88	0
Prepayments, deferred costs and accrued income	8	7	47
Cash and cash equivalents	9	19	3
Total current assets		114	50
TOTAL ASSETS		99,785	78,374
EQUITY AND LIABILITIES			
Authorised capital	4	22,900	22,900
Legal reserve	4	2,974	734
Revaluation reserve	4	20,356	21,986
Currency exchange translation reserve		(217)	(458)
Retained earnings	4	31,411	43,906
Result of the year	4	13,193	(10,851)
Total equity		90,617	78,217
Current liabilities			
Financial debts	10	110	70
Accrued liabilities	11	32	32
Employment related liabilities	12	23	23
Trade payables	13	3	32
Total short-term liabilities		168	157
Total liabilities		168	157
TOTAL EQUITY AND LIABILITIES		90,785	78,374



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Company statement of profit or loss for the year ended 31 December 2021

(In EUR thousand, unless otherwise stated)

Company statement of profit or loss

	2021	2020
<u>Continued operations</u>		
Result from participating interests after tax	13,539	(10,523)
Other result after tax	(346)	(328)
Net profit (loss)	13,193	(10,851)



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Company statement of changes in equity for the year ended 31 December 2021

(In EUR thousand, unless otherwise stated)

Company statement of changes in equity

	Authorised capital	Share premium	Legal reserve	Revaluation reserve	Currency exchange translation reserve	Retained earnings	Result of the year	Total
31 December 2019	22,900	-	427	14,811	2,508	4,838	36,132	81,616
Net profit (loss)	-	-	-	-	-	-	(10,851)	(10,851)
Other comprehensive income	-	-	-	8,075	(254)	(26)	-	7,795
Total comprehensive income	-	-	-	8,075	(254)	(26)	(10,851)	(3,056)
Profit distribution	-	-	-	-	-	36,132	(36,132)	-
Adjustment IFRS16	-	-	-	-	-	14	-	14
Increase NCI	-	-	-	-	-	(373)	-	(373)
Change functional currency	-	-	-	-	(2,712)	2,712	-	-
Revaluation reserve	-	-	-	(900)	-	916	-	16
Additions legal reserve	-	-	307	-	-	(307)	-	-
31 December 2020	22,900	-	734	21,986	(458)	43,906	(10,851)	78,217
Net profit (loss)	-	-	-	-	-	-	13,193	13,193
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	13,193	13,193
Profit distribution	-	-	-	-	-	(10,851)	10,851	-
Realised translation reserve	-	-	-	-	-	(479)	-	(479)
Foreign currency change	-	-	-	-	215	-	-	215
Change in capital due to transfer of subsidiaries	-	-	-	-	26	-	-	26
Employee benefit revaluation	-	-	-	-	-	16	-	16
Transfer to legal reserve	-	-	2,240	-	-	(2,240)	-	-
Revaluation reserve	-	-	-	(1,630)	-	1,439	-	(191)
Other movements	-	-	-	-	-	(380)	-	(380)
31 December 2021	22,900	-	2,974	20,356	(217)	31,411	13,193	90,617



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Notes to the company financial statements

1. General

These separate financial statements and the consolidated financial statements together constitute the statutory financial statements of MG NL holding B.V. (hereafter: 'the Company'). The financial information of the Company is included in the Company's consolidated financial statements, as presented on pages 14 to 75.

2. Basis of preparation

These separate financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of results for its separate financial statements, the Company makes use of the option provided in section 2:362(8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the separate financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these statutory financial statements, the separate financial statements should be read in conjunction with the consolidated financial statements.

Information on the use of financial instruments and on related risks for the group is provided in the notes to the consolidated financial statements of the group.

All amounts in the company financial statements are presented in EUR thousand, unless stated otherwise.

3. Accounting policies

Participating interests in group companies

Group companies are all entities in which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognised from the date on which control is obtained by the Company and derecognised from the date that control by the Company over the group company ceases. Participating interests in group companies are accounted for in the separate financial statements according to the equity method, with the principles for the recognition and measurement of assets and liabilities and determination of results as set out in the notes to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Share of result of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.

The Company makes use of the option to eliminate intragroup expected credit losses against the book value of loans and receivables from the Company to participating interests, instead of elimination against the equity value / net asset value of the participating interests.



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4. Equity

Authorised capital

As at 31 December 2021 and 2020 the Company's authorised capital comprised 22,900,100 ordinary shares with the nominal value of EUR 1.00 each. All the shares are fully paid in.

In 2021 and 2020, the Group did not acquire nor transfer any of its own shares.

As at 31 December 2021 and 2020 the Group's shareholders were as follows:

	Number of shares 2021	Number of shares 2020	Ownership interest 2021 (%)	Ownership interest 2020 (%)
Martinkėnas Kęstutis	22,900,100	22,900,100	100%	100%
Total	22,900,100	22,900,100	100%	100%

Legal reserve

Legal reserve is a compulsory reserve under Lithuanian legislation. Annual contributions of at least 5 per cent of the net profit must be allocated to the reserve up to the extent equal to 10 per cent of the authorised capital. The reserve can only be used to cover future losses.

Revaluation reserve

Revaluation reserve is an increase in the value of property, plant and equipment resulting from revaluation of assets. The reserve cannot be used to cover the losses.

Profit allocation

Results of 2020 have been added to retained earnings reserve.

Proposed appropriation of result

In anticipation of the Annual General Meeting's adoption of the financial statements, it is proposed that the result after taxation and extraordinary items for the financial year ended 31 December 2021, a net profit amounting to EUR 13,193 thousand, will be added to the retained earnings.

5. Fixed assets

	Other equipment, fittings and tools
Acquisition cost	
31 December 2020	3
Acquisition of property	-
31 December 2020	3
Accumulated depreciation	
31 December 2020	-
Depreciation	-
31 December 2021	-
Carrying amount as at:	
31 December 2020	3
31 December 2021	3



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6. Financial fixed assets

The Company's financial fixed assets comprised the following:

	2021	2020
Participating interest in group companies	90,668	78,321
Total	90,668	78,321

The following are the changes in the Group's participating interests in group companies:

	Participating interest in group companies
31 December 2020	78,321
Result from participating interests after tax	13,539
Foreign currency change	215
Employee benefits	16
Change in capital due to transfer of subsidiaries	26
Revaluation reserve	(191)
Other movements	(380)
Dividends received	(399)
Realised translation reserve	(479)
31 December 2021	90,668

7. Trade and other receivables

The Company's Trade and other receivables comprised the following:

	2021	2020
Other receivables	88	-
Total	88	-

8. Prepayments, deferred costs and accrued income

Company's Prepayment, deferred costs and accrued income comprised the following:

	2021	2020
Deferred expenses	4	43
Prepayments to suppliers	3	2
Deposits	-	2
Total	7	47



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9. Cash and cash equivalents

Company's Cash and cash equivalents comprised the following:

	2021	2020
Cash at bank	19	3
Total	19	3

The Company maintains its bank account with Swedbank AB, Republic of Lithuania.

10. Financial debts

Company's Financial debt comprised the following:

	2021	2020
Short-term financial debt		
Loans received from group companies	110	70
Total	110	70

11. Accrued liabilities

Company's Accrued liabilities comprised the following:

	2021	2020
Accrued expenses	32	32
Total	32	32

12. Employment related liabilities

Company's Employment related liabilities comprised the following:

	2021	2020
Bonus payments accrued	18	18
Income tax payable	4	4
Social security payable	1	1
Total	23	23

13. Trade payables

Company's Trade payables comprised the following:

	2021	2020
Trade payables	3	32
Total	3	32



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14. Directors

During the reporting year the Company had three directors (2020: three).

- Mr Alhard Zwart - appointed as Managing Director of the Company on 10 January 2020
- Ms Julia Vladimirovna Bron - appointed as the Managing Director of the Company on 1 April 2020
- Ms Ainé Martinkénaitė-Martyniuk - appointed as the Managing Director of the Company on 1 August 2020

The remuneration for the board of directors amounted to EUR 46,782 (2020 :EUR 46,782).

The Company has no supervisory directors.

15. Auditor's fee

The following fees were charged by KPMG Accountants N.V. and other audit firms to the company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code.

	KPMG Accountants N.V.	Other KPMG network	Other audit firms	Total
	2021	2021	2021	2021
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Audit of the financial statements	113.5	266.7	66.8	447.0
Other audit engagements	-	-	-	-
Tax-related advisory services	-	-	-	-
Other non-audit services	-	-	760.6	760.6
	113.5	266.7	827.3	1,207.5

The fees mentioned in the table for the audit of the financial statements 2021 relate to the total fees for the audit of the financial statements 2021, irrespective of whether the activities have been performed during the financial year 2021.

	KPMG Accountants N.V.	Other KPMG network	Other audit firms	Total
	2020	2020	2020	2020
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Audit of the financial statements	168.0	230.5	33	431.5
Other audit engagements	-	-	-	-
Tax-related advisory services	-	-	-	-
Other non-audit services	-	-	-	-
	168.0	230.5	33	431.5



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The fees mentioned in the table for the audit of the financial statements 2020 relate to the total fees for the audit of the financial statements 2020, irrespective of whether the activities have been performed during the financial year 2020.

16. Related parties

The company has received a loan from its subsidiary Modus Grupë UAB (Note 10).

Ainë Martinkėnaitė-Martyniuk
Chairman of the Board
MG NL holding B.V.

Julia Vladimirovna Bron
Member of the Board
MG NL holding B.V.

Alhard Zwart
Member of the Board
MG NL holding B.V.

Amsterdam, Netherlands
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Other information

Retained earnings

Article 16 of the Articles of Association provides that the profit established shall be at the disposal of the General Meeting. If and to the extent that a loss sustained in any fiscal year is not recovered from a reserve or made up in some other way, no distribution of profit shall be made in subsequent years as long as such loss has not been recovered. Article 18 of the Articles of Association provides that, insofar as there is a profit in the Company, the General Meeting may declare an interim dividend.

A loss sustained in any fiscal year is not recovered from a reserve or made up in some other way, no distribution of profit shall be made in subsequent years as long as such loss has not been recovered.

Auditor's report

The auditor's report with respect to the financial statements is set out on the next pages.



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MODUS GROUP