MG NL holding B.V.

Annual report 2023

Contents

Management report

I. General information

MG NL holding B.V., (hereafter – the Group), registered in Netherlands Chamber of Commerce, company code – 58978976, registered address Fred. Roeskestraat 115, 1076 EE Amsterdam, the Netherlands, the authorized capital of EUR 22,900,100 ordinary shares with a 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. The main objective is to build in the next 5 years a total of 1GW renewable energy assets. In 2020, the Group made a significant commitment to sustainability by joining the United Nations (UN) Global Compact. As part of this commitment, the Group has pledged to disclose its sustainability efforts and support the broader development of the UN goals.

The Group consists of multiple international companies specializing in various areas, such as car sales, renewable energy, mobility services, and innovative parking solutions. MG NL holding B.V. is the holding company of the Group and it is located in the Netherlands.

The Group has offices in Lithuania, Estonia, Latvia, Poland, Czech, Spain, Italy, Hungary, Romania, Belarus, Ukraine, and the Netherlands. It consists of directly and indirectly owned 258 subsidiaries and 32 associated companies and joint venture companies.

In 2023 the Group had on average 944 employees (2022 – 878 employees).

The Group has a track record of 11.2 MW biogas power, more than 300 MW solar power installed and 256 MW under construction. The Group has operating plants with a total capacity of 51 MW (11 MW biopower, 40 MW solar) excluding assets reclassified to discontinued operations.

The Group's car sales division comprises a network of 16 dealerships, which includes well-known brands like Porsche, Bentley, BMW, Fiat, Maserati, Cupra, SEAT, etc. In addition, the Group's mobility services offers clients access to car sharing through CityBee and car subscription via MyBee. The third mobility company - Mobility Fleet Solutions is responsible for managing the fleets of both CityBee and MyBee.

Board members of MG NL holding B.V.:

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

II. Financial information

In 2023 revenue from sales of the group of companies amounted to EUR 392,144 thousand (2022 – EUR 404,407 thousand). Cost of sales in 2023 amounted to EUR 336,725 thousand (2022 – EUR 339,609 thousand), and gross profit of EUR 55,419 thousand (2022 – EUR 64,798 thousand).

Revenue from sales comprises the following revenue streams:

	2023	2022
Revenue from sale of cars	63.7%	67.2%
Revenue from sale of car parts	18.0%	15.1%
Revenue from sale of energy	5.7%	6.8%
Revenue from lease of cars	7.9%	7.6%
Revenue from car service	2.3%	2.1%
Other	2.4%	1.2%
Total	**100.0%**	**100.0%**

Revenues distribution by country in 2023 and 2022:

	2023	2022
Lithuania	32.90%	39.90%
Latvia	18.00%	14.50%
Germany	10.50%	8.90%
Belarus *	8.30%	10.60%
France	6.70%	6.80%
Belgium	5.90%	3.80%
Estonia	5.60%	6.90%
Poland	2.20%	0.30%
Italy	1.60%	0.90%
Ukraine	1.20%	1.20%
Romania	0.00%	1.30%
Bulgaria	0.00%	0.00%
Other countries	7.1%	4.9%
Total	**100.0%**	**100.0%**

** Group's economic activities in Belarus are in accordance with international sanctions applied to Russia and Belarus as a response to Russia's war against Ukraines started in February 2022.*

Consolidated operating profit before taxation amounted to EUR 8,942 thousand in 2023 (2022 – EUR 45,761 thousand profit).

The Group's profit before taxation saw a decrease of EUR 36,819 thousand in 2023, primarily driven by the following factors:

- profit on disposal of entities decreased by EUR 17,213 thousand (note 25)
- decrease in gross profit by EUR 9,379 thousand (note 23, note 24)
- increase in depreciation and amortisation cost by EUR 4,462 (note 24, note 26, note 27)
- increase in administrative salary expenses by EUR 4,093 thousand (note 27)

The Group's consolidated tangible assets amounted to EUR 375,674 thousand as of 31 December 2023 (31 December 2022 – EUR 227,426 thousand).

As of 31 December 2023, current assets of the Group exceeded current liabilities by EUR 21,328 thousand (31 December 2022, current assets of the Group exceeded current liabilities by EUR 50,070 thousand).

In 2023 the Group generated EBITDA of EUR 45,221 thousand, positive cashflow from operating activities of EUR 48,414 thousand, and a net profit of EUR 7,211 thousand. Based on the above-mentioned facts, the Group is well-positioned to sustain its successful operations, development, and construction activities in 2024 and beyond.

Financial ratios	**2023**	**2022**
Current ratio	1.11	1.21
Debt to Assets ratio	0.62	0.51
Debt to Equity ratio	2.64	1.95

The most significant events of 2023

- On 25 January 2023 the Group acquired 100% shareholding in UAB Axton Commodities;
- On 13 February 2023 the Group sold 100% shares of its subsidiary MES Solar 1 S.L;
- On 17 March 2023 the Group disposed 100% shares of its subsidiary remote sun company UAB GG LTU S1;
- On 3 April 2023 the Group acquired 100% shareholding in UAB Lasinta, SolarStar Sp. z. o.o., Greenprojekt sp. z o.o. and Ecowolt 3 sp. z o.o. owning 3 MW of solar operating assets in Poland;
- On 3 April 2023 the Group acquired 100% shareholding in Solar Park S.R.L and started developing Group's first solar park in Romania;
- On 6 April 2023 the Group sold 30% shares of its subsidiary GG IT HoldCo B.V. The remaining interest of 70% is recognized as an investment in joint venture.
- On 28 September 2023 the Group disposed 100% shares of its subsidiary Modus Energy Asset 9 Sp.z.o.o. (66 MW of solar projects in Poland);
- On 2 October 2023 the Group acquired 100% shareholding in Baltic Biorefinery Group SIA and started developing Group's first solar park in Latvia;
- On 22 December 2023 the Group acquired 100% shareholding of Mobility Fleet Solutions Spain S.L.U;
- Publicly distributable bond emission was issued on 4 December 2023 for EUR 8 million, and was used to refinance the EUR 8,000,000 bond emission maturing on 4 December 2023.

III. Significant risks and uncertainties

Main risks faced by the Group are the following:

- *Decisions of state authorities related to restrictions on the development of alternative energy and sustainability regulations*

Demand for green energy has been 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 energy projects development.

- *Interruption in equipment supply chain*

Current restrictions do not have impact on supply of solar equipment (non EU) and biopower (EU). The Group develops projects as planned therefore management considers this risk to be low.

- *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. Lending for energy projects is considered to be of lower risk and will become of geopolitical significance. 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. It enables mitigation of tax risks and avoids unexpected taxation.

Most of the Group's energy operations, including development and construction, are performed within the EU's with stable legislative and tax systems. The remaining energy markets also offer stability, with guaranteed feed-in tariffs.

- *Fraud risk*

The Group's main area of fraud risk is the procurement process. To mitigate this risk, the Group implements Fraud Risk Management activities that aim to raise awareness, prevent and detect suspicious activities, and conduct investigations if necessary. Procurement decisions are made through tenders that involve a minimum of two suppliers and are approved by at least two senior managers. As a result, the associated risk is considered low.

- *Imbalance costs in Ukraine*

There is an uncertainty related with imbalance costs charged to solar power plants in Ukraine for electricity imbalance. These costs are charged by main customer, electricity buyer in Ukraine. In 2022 these costs have increased unproportionally and are significantly higher compared to historic data without justifiable reasons. Consequently, part of these costs were reclassified to contingent liabilities. More detailed description is disclosed in note 31 Contingent liabilities.

- *Lack of skilled employees*

A shortage of skilled (new) employees may negatively impact business activities and growth opportunities. The Group has maintained to keep the required qualified level of human resources for performing the operations by offering competitive benefits to its employees.

- *Tightening EU sustainability-related regulation and changing needs and expectations of consumers*

New EU regulations implementation, such as the Green Deal, Taxonomy, and CSRD, will result in a gradual phasing out of cars that rely on fossil fuels. To meet these regulations, car manufacturers and investors are intensifying the development of electric vehicles across different consumer segments. As a result, it is expected to be a significant increase in demand for electric cars over the coming five years. Given the projected increase in availability of electric models at varying price points, the associated risk is considered low.

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

The increase in consumer car prices harmed the volume and revenues of car sales. The Group anticipates a decline in inflation over the upcoming year, driven by European Central Bank's interest rates, resulting in a rise in car sales volume.

- *External factors such as pandemics, wars, and other unforeseen events*

In recent years, external factors such as the outbreak of COVID-19 and the war in Ukraine have had a profound impact on the economy and business worldwide.The Group faces and addresses risks related to disruptions in the automotive market and their impact on vehicle prices and decisions by automotive manufacturers to increase costs.
The Group has responded effectively to these challenges by taking immediate and decisive actions to mitigate/minimize the negative impact of these external factors, such as cost-saving measures, ensuring the company's liquidity, and broadening procurement of raw materials. Iimplemented measures have been effective and the Group remains confident in their continued efficacy to tackle future challenges.

IV. Environmental protection and Sustainability management

ESG (Environmental, Social, Governance) is the strategic direction of the Group the application of which is important in the course of its business activities and in cooperation with the key stakeholders.

The Group has identified key ESG material topics directly related to its operations. The ESG area within the group of companies is coordinated by the corporate affairs, finance, and legal departments, responsible for different ESG topics. They report to the highest governance body. The ESG department oversees the implementation of this area at the level of MG NL holding B.V.

The Group is subject to the following standards of environmental protection:

- Order No 493 of 8 October 2003 of the Minister of the Environment of the Republic of Lithuania "Information of Fuel Efficiency and Procedure for Informing Users of CO2 Gas Emissions upon Sales of New Passenger Cars".
- Order No 710 of 24 December 2003 of the Minister of the Environment of the Republic of Lithuania on Approval of Rules for Handling of Vehicles not Suitable for Exploitation.

Group companies are engaged in several areas directly related to sustainability, which are as follows: development of renewable energy and circular economy as well as promotion of sharing economy. By development of renewable energy solutions (solar, wind and other renewable energy), making a change in people's attitude to ownership, with a focus on the sharing economy principles (Citybee), the Group aims to contribute to creation of Europe that is secure and energy independent and of cities that are clean and sustainable.

The Group has calculated greenhouse gas (GHG) emissions from its activities applying the *Green House Gas Protocol* methodology in order to determine not only direct environmental impact of the activities but also the impact throughout the value-chain of activities (in Levels 1, 2, and partially 3 of application). The amount of emissions measured for 2022 and 2023 will be assessed for the purpose of establishing data-driven future targets of climate change mitigation. Each Group company has also made assessments of individual ESG relevance areas, including therein the stakeholders and by estimating the impact on society through economic, environmental and social factors, the assessments could be found in the latest ESG communication on progress for 2022 report (https://www.modus.group/_files/ugd/2acce9_14dec7f8a49942cda5ee118fe15498f2.pdf) and will be updated in the forthcoming communication on progress~~.~~ Group companies have been preparing to assess ESG risks and impacts.

In addition, as a member of the Global Compact, the Group reports annually on its ESG achievements in the annual Communication on Progress of MG NL Holding B.V. The Global Reporting Initiative (GRI) methodology has been applied since 2023, which allows for uniform tracking of progress across all Group companies.

Management of waste (including hazardous waste) from car servicing and maintenance following the requirements of the Law on Waste Management and Rules of Waste Management.

Environmental protection, social welfare, and governance (ESG) are strategic areas, the integration of which is crucial in all mentioned activities, extending beyond compliance with local regulations or conclusions from regular audits. The Group aims to maintain high environmental standards, which begin with project initiation, analysis of adverse environmental impacts, and continue until the end of operation – efficient technology management. The Group also conducts third-party environmental assessments and continually improves its environmental management system. Additionally, the Group seeks to use natural resources more effectively. For example, modern technologies are utilized in biogas plants to process manure, by-products of animal farming, and other organic waste. During processing, not only electricity and heat energy are generated, but the waste is also transformed into odourless liquid fertilizers containing micro-elements necessary for soil humus layer restoration. This process serves as an excellent example of a circular economy, positively impacting the local environment by reducing greenhouse gas (GHG) emissions and unpleasant odours emitted by landfills and livestock farms.

The Group aims to ensure a comfortable and safe working environment for its employees. Remote supervision of implemented projects is conducted, and computerized systems are installed in biogas plants for operators, including monitoring systems for the entire factory, to reduce the number of physical tasks and increase automated processes. Additionally, the Group adheres to employee safety and health requirements, aiming to ensure proper accident prevention and control of occupational diseases and occupational health and safety. Employees undergo regular health check-ups, and to ensure employee safety, the Group regularly conducts employee safety and health training, which includes practical event simulations (such as fire extinguishing, etc.). Moreover, all employees have access to an online education system company-wide. Every 12 months, they are required to complete mandatory employee safety and health training, which has helped the Group avoid accidents during the reporting period.

The table below provides an overview of the total number of injuries and work-related fatalities of Modus Group businesses. Among these incidents, there was only one injury recorded in 2022, which was a cut and a bruise sustained at Green Genius. This injury was attributed to employee malpractice.

Health and safety incidents			
Indicator		**2022**	**2023**
Work related injuries	Unit	1	0
Work related fatalities		0	

Anti-Corruption

The Group has implemented an anti-corruption policy, encompassing efforts to combat bribery, and ensuring the implementation of the highest standards of transparent business practices. The anti-corruption policy regulates corruption prevention, applicable principles, policy implementation, supervision and control, conflicts of interest, support provision, accountability, and more.

Additionally, Group has established a whistleblower protection policy, providing employees with the opportunity to report actual violations of laws, internal policies including the anti-corruption policy, and the code of ethics to their supervisor, the company's website, or a designated email address without fear of negative repercussions. All reports are anonymous unless the whistleblower agrees to be disclosed. The Group also ensures the availability of necessary information related to the resolution of the violation. The Group is committed to safeguarding the anonymity of the employee and otherwise ensuring the security of individuals and information, as well as taking measures to protect individuals who report violations of any company policy from any adverse consequences. The Group ensures complete confidentiality and personal identity protection.

In 2023 no incidents of violations were reported.

V. Information on significant events after the end of the financial year

For a detailed disclosure please refer to note 35 of these financial statements.

VI. Information on compliance with Code of Conduct

The Group has an established Code of Conduct which outlines principles, values and ethical standards that we rely on when conducting our activities. The basis of the Group's activities – transparent, honest, and ethical business practice. The Group complies with its Code of Conduct.

VII. Operating plans and forecasts of the Group of companies' activities

In recent years, the Group has consistently increased its investment in renewable energy and mobility development. The Group plans to continue to focus its investments in these areas, reflecting the long-term strategic priorities of the Group. In addition, the Group will continue to operate in the automotive and real estate sectors consistently.

Forecasted consolidated revenues for 2023 were expected to reach EUR 595 million, which is higher than the actual revenues this year of EUR 392 million. The underperformance was highly the effect of lower sales of cars, which was due to a combination of decrease in demand for high-end cars, lower purchase availability of most-demanded cars and less than expected sales of used cars.

EBITDA for 2023 was expected at EUR 47 million, while actual EBITDA in 2023 was EUR million. Though revenues did not meet the expectations the Group was able to maintain its sales profit margin.

In 2024 consolidated revenue is expected to reach EUR 480,657 thousand.

The highest revenue growth is planned for automotive and mobility, with planned increases to EUR 453,777 thousand. The boost in the automotive sector will come from the sale of luxury cars, especially in the Baltic markets. The growth in the mobility sector will primarily result from efficient fleet management, ensuring a timely car fleet renewal.

Energy business revenues are expected to reach EUR 27,830 thousand.The Group will be adding 69 MW of solar operating assets in Poland to current portfolio.We will achieve the planned revenue by developing remote and large-scale solar power plants in Europe. We have secured the funding to increase development activities further.

In 2023 Group made total investments into solar, biogas and wind projects in amount of EUR 192 million. 2024 is expected to reach EUR 221 million by continuing successful construction of solar parks in Lithuania, Group's first wind park in Jurbarkas as well as starting major construction of 121 MW solar park in Latvia and investing into biomethane conversion project.

In 2024 the Group plans to have nearly 500 MW of solar projects under contructions in Lithuania, Latvia and Romania, also finish the construction of existing projects in Lithuania and Poland as well as and finalize the construction of 80 MW wind park located in Jurbarkas, Lithuania.

In 2022 the Group sold 100% shares of Modus Solar Asset Andalusia S.L. In 2024 the sales agreement is terminated which is expected to have only a limited impact on Group's profit as the Group is engaged with a new buyer to resell 100% of shares in 2024.

Group had increase of yearly average number of employees of 7.5%. For 2024 the Group expects no significant changes in the number of employees will be needed for achieving its targets.

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

The Group conducts market research to substantiate its projects. Rather than allocating a fixed annual budget, research is conducted on an as-needed basis.

Development is performed for energy projects. All eligible expenses are capitalized in accordance with IFRS and reflected in capex of those projects.

IX. 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.

X. Information regarding financial instruments

The Group is exposed to different categories of risks, as explained in financial statements note 33. To mitigate its exposure to foreign currency and interest rate risks, the Group utilizes the following two types of derivative financial instruments:

- FX forward contracts – hedge on the variability of expected cash flows due to changes in foreign currency rates of EUR/PLN (Polish zloty).

- Interest rate swaps – hedge on the variability of future cash due to floating interest rates (EURIBOR/WIBOR) on debt held by Lithuanian and Polish group companies.

Cash flow hedging strategy

Following management policy, risks on FX-rate exposures and floating interest exposures are identified and assessed (likelihood and impact). In cases where exposure to foreign currency and interest rate risks could have a significant impact on the Group's results, a cash flow derivative financial instrument is designated to hedge against the variability of cash flows arising from highly probable forecasted transactions resulting from fluctuations in foreign exchange and interest rates.

At the inception of the designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. Also, the economic relationships between the hedged items and the hedging instrument are documented.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated, or is exercised, then hedge accounting is discontinued prospectively.

Ainė Martinkėnaitė-Martyniuk

Chairman of the Board

MG NL holding B.V.

Amsterdam, Netherlands

30 April 2024

(In EUR thousand, unless otherwise stated)

Consolidated statement of financial position

ASSETS	Notes	As at 31 December 2023	As at 31 December 2022
Non-current assets			
Property, plant and equipment	5	375,674	227,426
Investment property	5	9,869	8,337
Goodwill	6	1,178	2,833
Intangible assets	6	4,577	3,660
Loans granted and term deposits	7	2,375	838
Other investments	11	44,685	24,651
Trade and other receivables	8	628	502
Deferred tax assets	29	4,945	2,969
Total non-current assets		**443,931**	**271,216**
Current assets			
Loans granted and term deposits	7	4,471	1,365
Other investments	11	-	2,355
Inventories	9	56,159	66,497
Project assets held for sale	10	88,209	75,037
Trade and other receivables	8	43,034	61,705
Contract assets	23	-	-
Prepayments, deferred costs and accrued income	12	11,915	17,037
Prepaid income tax		163	71
Assets held for sale	32	5,475	23,103
Cash and cash equivalents	13	33,283	45,485
Total current assets		**242,709**	**292,655**
TOTAL ASSETS		**686,640**	**563,871**

(In EUR thousand, unless otherwise stated)

Consolidated statement of financial position (cont'd)

EQUITY AND LIABILITIES	**Notes**	**As at 31 December 2023**	**As at 31 December 2022**
Authorised capital	14	22,900	22,900
Revaluation reserve		39,214	40,187
Hedge reserve		(469)	2,310
Currency exchange translation reserve		3,931	(718)
Retained earnings	14	90,156	80,808
Equity attributable to shareholders of the parent		**155,732**	**145,487**
Non-controlling interests		1,816	2,484
Total equity		**157,548**	**147,971**
Non-current liabilities			
Bank loans and lease liabilities	15	161,012	95,880
Other financial debts	16	138,916	63,838
Deferred tax liabilities	29	3,190	6,223
Advances received		264	470
Non-current employee benefits	17	155	107
Grants and subsidies	18	1,842	1,840
Provisions	19	153	153
Trade and other payables	22	2,179	4,807
Total non-current liabilities		**307,711**	**173,318**
Current liabilities			
Bank loans and lease liabilities	15	106,165	62,903
Other financial debts	16	20,218	66,617
Corporate income tax liabilities		2,625	1,528
Prepayments received, accrued liabilities and deferred income	20	47,730	46,824
Contract liabilities	23	-	-
Employment related liabilities	21	6,743	5,905
Trade and other payables	22	32,448	35,830
Liabilities held for sale	32	5,452	22,975
Total current liabilities		**221,381**	**242,585**
Total liabilities		**529,092**	**415,900**
TOTAL EQUITY AND LIABILITIES		**686,640**	**563,871**

(In EUR thousand, unless otherwise stated)

Consolidated statement of profit or loss and other comprehensive income

	Notes	2023	2022
Continued operations			
Revenue	23	392,144	404,407
Cost of sales	24	(336,725)	(339,609)
Gross profit		**55,419**	**64,798**
Other income	25	23,925	42,173
Other expenses	25	(1,238)	(635)
Selling expenses	26	(19,464)	(17,917)
Administrative expenses	27	(29,607)	(26,274)
Impairment loss on trade receivables and contract assets	27	(4,139)	(289)
Operating profit (loss)		**24,896**	**61,856**
Profit on disposal of investments into subsidiaries		**-**	**-**
Finance income	28	8,924	5,270
Finance costs	28	(24,467)	(21,364)
Result from financing activities		**(15,543)**	**(16,094)**
Share of profit associated companies		(411)	(1)
Operating profit (loss) before tax		**8,942**	**45,761**
Corporate income tax	29	1,164	(1,730)
Net profit (loss) from continued operations		**10,106**	**44,031**
Discontinued operations			
Net profit (loss) from discontinued operations	32	**(2,895)**	(12,068)
Net profit (loss)		**7,211**	**31,963**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Effect of currency rate changes		4,650	(505)
Hedge reserve		(2,779)	2,310
Items that will be reclassified subsequently to profit or loss:		**1,871**	**1,805**
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits (accrual)		**(47)**	(48)
Revaluation of property, plant and equipment, net of tax		**700**	22,835
Other movements		-	-
Items that will not be reclassified subsequently to profit or loss:		**653**	**22,787**
Total comprehensive income		**9,735**	**56,555**
Net profit (loss) attributable to:			
Shareholders of the parent company		7,564	31,547
Non-controlling interest		(353)	416
Total comprehensive income attributable to:			
Shareholders of the parent company		10,088	54,646
Non-controlling interest		(353)	1,909

(In EUR thousand, unless otherwise stated)

Consolidated statement of changes in equity

	Authorised capital	Share premium	Legal reserve	Revaluation reserve	Currency exchange translation reserve	Hedge reserve	Attributable to shareholders of the parent company	Non-controlling interests	Total
31 December 2021	**22,900**	**-**	**-**	**20,356**	**(217)**	**-**	**47,578**	**647**	**91,264**
Net profit (loss) for the reporting period	-	-	-	-	-	-	31,547	416	31,963
Other comprehensive income for the reporting period	-	-	-	21,342	(505)	2,310	(48)	1,493	24,592
Total comprehensive income for the reporting period	**-**	**-**	**-**	**21,342**	**(505)**	**2,310**	**31,499**	**1,909**	**56,555**
Change in capital due to transfer of subsidiaries	-	-	-	-	4	-	10	-	14
Increase (decrease) in non-controlling interest	-	-	-	-	-	-	-	22	22
Revaluation reserve used	-	-	-	(1,511)	-	-	1,721	-	210
Dividend payment	-	-	-	-	-	-	-	(94)	(94)
31 December 2022	**22,900**	**-**	**-**	**40,187**	**(718)**	**2,310**	**80,808**	**2,484**	**147,971**
Net profit (loss) for the reporting period	-	-	-	-	-	-	7,564	(353)	7,211
Other comprehensive income for the reporting period	-	-	-	700	4,649	(2,779)	(47)	-	2,523
Total comprehensive income for the reporting period	**-**	**-**	**-**	**700**	**4,649**	**(2,779)**	**7,517**	**(353)**	**9,734**
Change in capital due to transfer of subsidiaries	-	-	-	-	-	-	-	-	-
Increase (decrease) in non-controlling interest	-	-	-	-	-	-	-	(190)	(190)
Increase (decrease) in reserve sold entities	-	-	-	-	-	-	14	-	14
Revaluation reserve used	-	-	-	(1,673)	-	-	1,816	(125)	18
Dividend payment	-	-	-	-	-	-	-	-	-
31 December 2023	**22,900**	**-**	**-**	**39,214**	**3,931**	**(469)**	**90,155**	**1,816**	**157,547**

(In EUR thousand, unless otherwise stated)

Consolidated statement of cash flows

	Notes	2023	2022
Cash flows from operating activities			
Net profit (loss) from continued operations		10,106	44,031
Elimination of non-monetary transactions:			
Depreciation expenses	5	19,818	15,148
Amortisation expenses	6	891	1,099
Impairment and write-off losses tangible assets	27	-	4,885
Share of profit of associated and jointly controlled entities		288	-
Impairment (reversal) of trade and other receivables	27	4,139	289
Write down (reversal of write down) of inventories to net realisable value	27	1,065	429
Impairment (reversal) of loans granted	28	601	317
Impairment of financial assets at fair value (gain on increase)	28	(3,330)	(1,112)
Change in fair value of derivative financial instruments	28	(246)	(304)
Change in the liability for employee benefits		8	(2)
Change in provisions	19	-	34
Revaluation reserve formation		(195)	615
Finance (income) costs	28	18,551	10,712
Effect of currency exchange	28	5,754	8,295
Loss (profit) on disposal of property, plant and equipment, and intangible	25	99	164
Loss (profit) on disposal of investments into subsidiaries	25	(17,878)	(39,870)
Income tax expenses (income)	29	(1,164)	1,730
Amortisation of grants		(259)	(204)
Other non-monetary items		(11,320)	(10,363)
Effect of changes in working capital:			
(Increase) decrease in inventories	9	10,338	(16,106)
(Increase) decrease in trade and other receivables	8	15,975	(945)
Decrease (increase) in prepayments, deferred costs and accrued income	12	5,121	(2,613)
Decrease (increase) of property, plant and equipment held for sale		79	-
Increase (decrease) in trade, other payables and current liabilities	22	(6,011)	(20,156)
Increase (decrease) in prepayments received, accrued liabilities and deferred income	20	907	23,803
Increase (decrease) in employment related liabilities	21	837	758
Paid income tax		(3,007)	(2,694)
Net cash from operating activities – continued operations		**51,167**	**17,940**
Discontinued operations			
Discontinued operations opening balance (01.01.2022)		-	(4,507)
Net profit (loss) from discontinued operations	32	(2,895)	(12,068)
Net cash from operating activities discontinued operations		142	27,577
Net cash from operating activities		**48,414**	**28,942**

(continued on the next page)

(In EUR thousand, unless otherwise stated)

Consolidated statement of cash flows (cont'd)

	Notes	2023	2022
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	5	(228,512)	(87,894)
Disposal of property, plant and equipment and intangible assets	5	34,423	18,375
Receipt of government grants	18	265	532
Acquisition of other long-term investments		(281)	(1)
Acquisition of associated entities		-	1
Acquisition of subsidiaries	6	(9,301)	(7,925)
Disposal of subsidiaries	25	56,257	31,029
Term deposit payments	7	(1,875)	-
Redemption of term deposits	7	150	1,862
Loans granted	7	(1,192)	(2,194)
Repaid loans	7	51	3,056
Acquisition bonds		(400)	-
Interest received	7	34	132
Dividend received		589	356
Other increase in cash flows from (to) investing activities		10	272
Net cash used in investing activities – continued operations		**(149,782)**	**(42,399)**
Discontinued operations			
Net cash used in investing activities discontinued operations		1,774	(39)
Net cash used in investing activities		**(148,008)**	**(42,483)**
Cash flows from financing activities			
Loans received	15,16	146,573	110,251
Loans repayment	15,16	(66,558)	(61,598)
Emission of bonds	16	67,445	19,921
Repurchase of bonds	16	(22,859)	(11,140)
Interest paid and transaction costs	15,16	(22,102)	(11,248)
Lease payments		(23,546)	(19,686)
Other increase (decrease) in cash flows from (to) financing activities		10,355	10,890
Net cash generated from/(used in) financing activities – continued operations		**89,308**	**37,390**
Discontinued operations			
Net cash generated from/(used in) financing activities discontinued operations		**(1,916)**	**(6,367)**
Net cash generated from/(used in) financing activities		**87,392**	**31,023**
Effect of exchange rate changes on cash and cash equivalents		**-**	**-**
Increase (decrease) in net cash flows		**(12,202)**	**17,527**
Cash and cash equivalents at the beginning of the period		**45,485**	**27,958**
Cash and cash equivalents at the end of the period		**33,283**	**45,485**

(In EUR thousand, unless otherwise stated)

Notes to the consolidated financial statements for the year ended 31 December 2023

1. General

1.1 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 31.12.2023	Percentage ownership 31.12.2022	Activity description
UAB Modus Grupė	Lithuania	100.00%	100.00%	Holding activities
Green Genius 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.

Green Genius 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 percent of the share capital of Green Genius International B.V.

The Group consists of 258 directly and indirectly owned subsidiaries (31 December 2022 – 268), and 32 associated companies and joint venture companies (31 December 2022 – 19).

(In EUR thousand, unless otherwise stated)

Subsidiaries and associates directly and indirectly controlled by the Company:

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
Avtoideya OOO	Belarus	100%	100%	Auto		Retail trade of cars
Bavaria motors ZAO	Belarus	0%	100%	Auto	Liquidated	Retail trade of cars
OOO Autoimax	Belarus	100%	100%	Auto		Retail trade of cars
Luxury Motors OU	Estonia	100%	100%	Auto		Retail trade of cars
Autobrava SIA	Latvia	100%	100%	Auto		Retail trade of cars
Baltijas Sporta Auto SIA	Latvia	100%	100%	Auto		Retail trade of cars
SIA "Luxury Motors Latvia"	Latvia	100%	100%	Auto		Retail trade of cars
Luxury Motors, UAB	Lithuania	100%	100%	Auto		Retail trade of cars
UAB "Exclusive Luxury Auto" (1)	Lithuania	100%	100%	Auto		Retail trade of cars
UAB AUTOBRAVA	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Autobrava Motors	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Autoimex	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Inter Krasta	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Inter Krasta Luxury	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Inter Krasta Premium	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Inter Krasta Services	Lithuania	100%	0%	Auto	Established	Retail trade of cars
UAB Interviga	Lithuania	100%	100%	Auto		Retail trade of cars
UAB LM Auto	Lithuania	50%	50%	Auto		Retail trade of cars
UAB Luxury Automotive Services 1	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Luxury Automotive Services 2	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Neoparta	Lithuania	100%	100%	Auto		Retail trade of cars
UAB Prime Auto	Lithuania	100%	100%	Auto		Retail trade of cars
VšĮ Jeep club Lithuania	Lithuania	0%	100%	Auto	Disposed	Retail trade of cars
VšĮ Saugaus eismo akademija	Lithuania	100%	100%	Auto		Retail trade of cars
LUXURY MOTORS sp. z o.o.	Poland	100%	0%	Auto	Established	Retail trade of cars
Green Genius Hungary Kft.	Hungary	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Development S. R. L.	Italy	70%	100%	Energy	Disposed 30%	Civil engineering construction
Green Genius Italy S.r.l.	Italy	100%	100%	Energy		Civil engineering construction
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	70%	100%	Energy	Disposed 30%	Electricity generation, transmission and distribution
Green Genius Italy Utility 12 S.r.l.	Italy	70%	100%	Energy	Disposed 30%	Electricity generation, transmission and distribution
Green Genius Italy Utility 13 S.r.l.	Italy	70%	100%	Energy	Disposed 30%	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	70%	100%	Energy	Disposed 30%	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	70%	100%	Energy	Disposed 30%	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	70%	100%	Energy	Disposed 30%	Electricity generation, transmission and distribution
Green Genius Italy Utility 6 S.r.l.	Italy	70%	100%	Energy	Disposed 30%	Electricity generation, transmission and distribution
Green Genius Italy Utility 7 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
Green Genius Italy Utility 7 S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 9 S.r.l.	Italy	70%	100%	Energy	Disposed 30%	Electricity generation, transmission and distribution
Green Genius Italy Utility S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Solar Asset Italy 1 S.R.L.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Green Genius Solar Asset Italy 2 Srl.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Solar Asset Italy S.r.l.	Italy	100%	100%	Energy		Electricity generation, transmission and distribution
Baltic Biorefinery Group SIA	Latvia	100%	0%	Energy	Acquired	Electricity generation, transmission and distribution
LLC "GG LV ipašums"	Latvia	100%	100%	Energy		Electricity generation, transmission and distribution
LLC "GG LV S1"	Latvia	100%	100%	Energy		Electricity generation, transmission and distribution
LLC "Green Genius Latvia"	Latvia	100%	100%	Energy		Electricity generation, transmission and distribution
SIA "GG LV S2"	Latvia	100%	0%	Energy	Established	Electricity generation, transmission and distribution
SIA "GG LV S3"	Latvia	100%	0%	Energy	Established	Electricity generation, transmission and distribution
AB "Green Genius Baltic"	Lithuania	100%	100%	Energy	Renamed (AB "Modus	Holding
Ausieniškių ŽŪB	Lithuania	50%	50%	Energy		Agricultural activities, alternative energy
Mockėnų ŽŪB	Lithuania	50%	50%	Energy		Agricultural activities, silage production
UAB "Agapas"	Lithuania	50%	50%	Energy		No activity
UAB "AUTOIDĖJA"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Bonalėja"	Lithuania	50%	50%	Energy		No activity
UAB "Cenergija"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Denergija"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Energeta"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Fotona"	Lithuania	100%	100%	Energy		Civil engineering construction
UAB "GG Biogas Investments"	Lithuania	100%	100%	Energy		Civil engineering construction
UAB "GG Biogas LTU"	Lithuania	100%	100%	Energy		Business management and other consulting services
UAB "GG Biogas PL“	Lithuania	100%	100%	Energy		Civil engineering construction
UAB "GG Dev Fin"	Lithuania	100%	100%	Energy		Civil engineering construction
UAB "GG LTU S1"	Lithuania	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
UAB "GG LTU S10"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S11"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S12"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S13"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S14"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S15"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S16"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S17"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S18"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S19"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S20"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S21"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S22"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S23"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
UAB "GG LTU S24"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S25"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S26"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S27"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S28"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S29"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S3"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S30"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S31"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S32"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S33"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S34"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S35"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S36"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S37"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S38"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S39"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S4"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S40"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S41"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S42"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S43"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S44"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S45"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S46"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S47"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S48"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S49"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S5"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S50"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S51"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S52"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S53"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S54"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S55"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S56"	Lithuania	100%	0%	Energy	Established	Electricity generation, transmission and distribution
UAB "GG LTU S6"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S7"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S8"	Lithuania	100%	100%	Energy		Civil engineering construction
UAB "GG LTU S9"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V1"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
UAB "GG LTU V10"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V11"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V12"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V13"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V14"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V15"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V16"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V17"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V18"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V2"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V3"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V4"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V5"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V6"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V7"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V8"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "GG LTU V9"	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		Electricity generation, transmission and distribution
UAB "Green Genius Turtas"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Green Genius"	Lithuania	100%	100%	Energy		Construction organisation of solar and biogas pow erplants
UAB "Helmont Projects"	Lithuania	100%	100%	Energy		Consulting on business management and other issues
UAB "Intergates"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Investiciniai turto projektai"	Lithuania	50%	50%	Energy		No activity
UAB "Jenergija"	Lithuania	82.50%	82.50%	Energy		Electricity generation, transmission and distribution
UAB "Kenergija"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Lasinta"	Lithuania	100%	0%	Energy	Acquired	Electricity generation, transmission and distribution
UAB "Lenergija"	Lithuania	82.50%	82.50%	Energy		Electricity generation, transmission and distribution
UAB "Lepita"	Lithuania	100%	100%	Energy		Civil engineering construction
UAB "Lifila"	Lithuania	50%	50%	Energy		No activity
UAB "Menergija"	Lithuania	82.50%	82.50%	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	100%	100%	Energy		Construction, management and lease of real estate
UAB "Nenergija"	Lithuania	82.50%	82.50%	Energy		Electricity generation, transmission and distribution
UAB "Pavilnių saulės slėnis 25"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Psenergija"	Lithuania	82.50%	82.50%	Energy		Electricity generation, transmission and distribution
UAB "REN Energija"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Senergita"	Lithuania	82.50%	82.50%	Energy		Electricity generation, transmission and distribution
UAB "Sigvilta"	Lithuania	100%	100%	Energy		Civil engineering construction

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
UAB "Tiekesta"	Lithuania	100%	100%	Energy		Feedstock supply to biogas plants
UAB "Tvari Energija"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Venergija"	Lithuania	82.50%	82.50%	Energy		Electricity generation, transmission and distribution
UAB "Viamodus"	Lithuania	100%	100%	Energy		Business management and other consulting services
UAB "Zenergija"	Lithuania	82.50%	82.50%	Energy		Electricity generation, transmission and distribution
UAB „EKO Srautas"	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB Enrg projektas 2	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB Enrg projektas 4	Lithuania	100%	100%	Energy		Civil engineering construction
UAB GINANA	Lithuania	50%	50%	Energy		No activity
UAB Mobio solutions	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
UAB Modus solar turtas	Lithuania	100%	100%	Energy		Electricity generation, transmission and distribution
GG IT HoldCo B.V.	Netherlands	70%	100%	Energy	Disposed 30%	Holding
Green Genius Global B.V.	Netherlands	100%	100%	Energy		Holding
Green Genius International B.V.	Netherlands	100%	100%	Energy	Renamed (Modus Ene	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
Agrigen Dolina Iny sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
BioPark Turowiec sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
Ecowolt 3 sp. z o.o.	Poland	100%	0%	Energy	Acquired	Electricity generation, transmission and distribution
Fotorol sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
GGPL 10 sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 11 sp. z o.o.	Poland	100%	0%	Energy	Established	Electricity generation, transmission and distribution
GGPL 12 sp. z o.o.	Poland	100%	0%	Energy	Established	Electricity generation, transmission and distribution
GGPL 13 sp. z o.o.	Poland	100%	0%	Energy	Established	Electricity generation, transmission and distribution
GGPL 14 sp. z o.o.	Poland	100%	0%	Energy	Established	Electricity generation, transmission and distribution
GGPL 15 sp. z o.o.	Poland	100%	0%	Energy	Established	Electricity generation, transmission and distribution
GGPL 2 Sp. z o.o.	Poland	100%	100%	Energy		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.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 7 sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 8 sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
GGPL 9 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
GPD Fotowoltaika 1 sp.z.o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
Green Genius Sp. z o.o.	Poland	100%	100%	Energy		Project management, sub-contracting, developoment of powerplants
Greenprojekt sp. z o.o.	Poland	100%	0%	Energy	Acquired	Electricity generation, transmission and distribution
MB SUN 1	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
Modus Energy Asset 10 Sp.z.o.o.	Poland	100%	100%	Energy		Holding
Modus Energy Asset 11 sp.z o.o.	Poland	100%	100%	Energy		Holding
Modus Energy Asset 12 sp.z.o.o.	Poland	100%	100%	Energy		Holding
Modus Energy Asset 13 sp.z.o.o.	Poland	100%	100%	Energy		Holding

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
Modus Energy Asset 14 sp.z.o.o.	Poland	100%	100%	Energy		Holding
Modus Energy Asset 15 sp.z o.o.	Poland	100%	100%	Energy		Holding
Modus Energy Asset 16 sp.z o.o.	Poland	100%	100%	Energy		Holding
Modus Energy Asset 8 Sp.z.o.o.	Poland	100%	100%	Energy		Holding
Modus Energy Asset 9 Sp.z.o.o.	Poland	0%	100%	Energy	Disposed	Holding
Modus Solar Asset Poland	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
PVE 124 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
PVE 133 sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
PVE 141 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 171 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	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
PVE 52 sp. z o.o.	Poland	0%	100%	Energy	Disposed	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	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
PVE 75 sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
PVE 77 sp. z o.o.	Poland	0%	100%	Energy	Disposed	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	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
SolarStar Sp. z. o.o	Poland	100%	0%	Energy	Acquired	Electricity generation, transmission and distribution
Solart sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 1 sp. z o.o.	Poland	100%	100%	Energy		Electricity generation, transmission and distribution
WORM 11 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 12 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 13 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 18 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 2 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 20 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 3 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 30 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 4 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 7 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 8 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
WORM 9 sp. Z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
Modus Energy Asset 6 Sp.z.o.o.	Poland	100%	100%	Energy		Feedstock supply to biogas plants
PVE 5 sp. z o.o.	Poland	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
PVE 7 sp. z o.o.	Poland	0%	100%	Energy	Disposed	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

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
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
Solar Park S.R.L	Romania	100%	0%	Energy	Acquired	Electricity generation, transmission and distribution
Green Genius Development Spain S.L.	Spain	100%	100%	Energy		Project management, development of pow erplants
MES Solar 1 S. L.	Spain	0%	100%	Energy	Disposed	Electricity generation, transmission and distribution
MES SOLAR II, S.L.	Spain	100%	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR IIII, 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
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
Mobility Fleet Solutions Spain S.L.U	Spain	100%	0%	Energy	Established	Mobility services
“BOLOHYVSKY SOLAR PARK 1“ LIMITED LIABILITY COMPANY	Ukraine	100%	100%	Energy		Electricity generation, transmission and distribution
“BOLOHYVSKY SOLAR PARK 2“ LIMITED LIABILITY COMPANY	Ukraine	100%	100%	Energy		Electricity generation, transmission and distribution
LIMITED LIABILITY COMPANY "GREEN GENIUS UKRAINE"	Ukraine	100%	100%	Energy		Electricity generation, transmission and distribution
UAB "Axton Commodities"	Lithuania	100%	100%	Funds		Management of investment funds, consulting
UAB "Modus Asset Management"	Lithuania	100%	100%	Funds		Management of investment funds, consulting
UAB Energy Transition Investments	Lithuania	100%	100%	Funds		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
Mobility Fleet Solutions, s.r.o.	Czech	100%	100%	Mobility		Trade of cars
Moje včela, s.r.o.	Czech	100%	0%	Mobility	Established	Trade of cars
CityBee Eesti OU	Estonia	100%	100%	Mobility		Car sharing service CityBee
MyBee Estonia OÜ	Estonia	100%	100%	Mobility		Car lease MyBee
Mobility Fleet Solutions SIA	Latvia	100%	100%	Mobility		Trade of cars
Mybee Latvia SIA	Latvia	100%	100%	Mobility		Car lease MyBee
SIA CityBee Latvija	Latvia	100%	100%	Mobility		Car sharing service CityBee
Mobility Fleet Solutions, UAB	Lithuania	100%	100%	Mobility		Trade of cars
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

(In EUR thousand, unless otherwise stated)

Subsidiaries held for sale and controlled by the Company:

Company Name	Statutory seat	Ownership 31 December 2023	Ownership 31 December 2022	Sector	Changes in 2023	Business activities
Belovezha Biogas ZAO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution
Green Biogas ZAO	Belarus	99%	99%	Energy		Electricity generation, transmission and distribution
Kabylovka Biogas ZAO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution
Mir Biogas ZAO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution
Modus Biogas ZAO	Belarus	99%	99%	Energy		Electricity generation, transmission and distribution
Modus Projekts ZAO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution
Parochonskoe Biogas ZAO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution
Renvia Servis OOO	Belarus	100%	100%	Energy		Civil engineering construction
Severnyj Biogas ZAO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution
Zadneprovskyi biogas ZAO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution
BG 17 OOO	Belarus	100%	100%	Energy		Electricity generation, transmission and distribution

1.2 Financial reporting period

These financial statements cover the year 2023, which ended at the balance sheet date of 31 December 2023.

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 79 to 84.

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 30 April 2024.

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.

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.

(In EUR thousand, unless otherwise stated)

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)	Minimum capitalisation value, EUR
Buildings and pipelines	15 – 35	300
Structures	8	300
Machinery and equipment of solar and biogas power plants	10 – 25	300
Other machinery and equipment	5	300
Vehicles	5 – 6	300
Other fixtures, fittings and tools	3 – 6	300

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.

As from 2021 the Group separates ready-to-build (RtB) energy 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 powerplant). RtB energy projects are held for future development of solar, biogas and wind power plants with the intention to construct and commercially operate these plants. RtB energy projects are valued at fair value and depreciation starts when construction is finished and relevant assets come into operation.

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)**	**Minimum capitalisation value, EUR**
Software	3	300
Concessions, patents, licenses, trademarks and similar rights	3	300
Other intangible assets	4	300

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

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.

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.

<u>Financial liabilities. Accounting policies</u>
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

<u>Financial assets</u>
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.

<u>Financial liabilities</u>
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

<u>Derivative financial instruments and hedge accounting</u>
The Group uses derivative financial instruments to hedge against foreign currency risks and interest rate risks. Derivatives are measured at fair value and its changes are recognised either through other comprehensive income in profit or loss. Embedded derivatives are separated from the host contract and accounted for separately when the host contract is not a financial asset and when certain criteria are met.

Derivatives are measured at fair value.

The Group defines certain derivative financial instruments as hedging instruments for hedging against volatility in cash flows associated with highly probable forecasted transactions arising from changes in foreign currency and interest rates.

At the beginning of a designated hedging relationship, the Group documents the entity’s risk management objective and hedging strategy. The Group also records economic relationships between the hedged item and the hedging instrument, including whether the changes in the hedged item and the cash flows of the hedging instrument are expected to be offset against each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the fair value change of a derivative is recognised immediately in profit or loss.

The amount accrued in the hedging reserve is reclassified to profit or loss for the same period or periods in which the estimated future cash flows of the hedge materialize.

If the hedge does no longer meet the criteria for hedge accounting or the hedging instrument is sold, it expires, is cancelled or used, hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve is immediately reclassified to profit or loss.

If the expected cash flows are no longer probable, the accumulated amounts in hedge reserve are immediately reclassified to 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.

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

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 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 2023 and 2022 are as follows:

(In EUR thousand, unless otherwise stated)

Country	2023,%	2022,%
Estonia	20	20
Hungary	9	9
Italy	28	28
Latvia	20	20
Lithuania	15	15
Netherlands	26	26
Poland	19	19
Romania	16	16
Spain	25	25
Ukraine	18	18

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.

(In EUR thousand, unless otherwise stated)

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.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue from sales is recognised net of VAT and discounts, including accrued expected discounts for the year.

3.16. Recognition of expenses

Expenses are recognised on the basis of accrual and matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.
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.

3.17. Foreign currency

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.

The accounting of subsidiaries is kept in a corresponding local currency, which is their functional currency. Balance items in the consolidated financial statements of consolidated foreign subsidiaries are translated into euro at year-end exchange rates, and their items of the statements of profit or loss are translated at the average exchange rates for the period. Currency exchange gains or loses occurring on translation are directly included in the statement of other comprehensive income. Upon disposal of the corresponding investment, the accumulated translation reserve is transferred to profit or loss in the same period when the gain or loss on disposal is recognised.

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.

For the preparation of the statement of financial position as at 31 December, the following main exchange rates at year-end were applied:

As at 31 December 2023	As at 31 December 2022
1 EUR = 4.9746 PLN	1 EUR = 4.6899 PLN
1 EUR = 1.0919 USD	1 EUR = 1.0666 USD
1 EUR = 3.5290 BYN	1 EUR = 2.7061 BYN
1 EUR = 42.2079 UAH	1 EUR = 38.9510 UAH
1 EUR = 4.9746 RON	1 EUR = 4.9474 RON

3.18. Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

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

3.19. Non-current employee benefits

In accordance with the requirements of the Labour Code of the Republic of Lithuania, each employee leaving the Group operating in the Republic of Lithuania on retirement is eligible to a one-off payment of 2-month salary, and if employment relations have lasted less than one year – a severance pay equal to one month salary..

Several Group entities pay their employees jubilee bonuses and termination benefits in accordance with their internal regulations. The amounts of these termination benefits depend on the number of years worked by an employee, the average salary and minimum monthly salary as determined under legislation.

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.

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.

4. New standards, amendments and interpretations

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

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

The following new Standards, amendments to Standards and new Interpretations approved by the International Accounting Standards Board (IASB) and adopted by the EU are applicable for the reporting period:
• Deferred tax related to assets and liabilities arising from Single Transaction (Amendments to IAS 12);
• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice statement 2);
• International tax reform - Pillar Two Model Rules - Amendments to IAS 12;
• IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance;
• Definition of Accounting Estimates (Amendments to IAS8);
• Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17).

The Group anticipates that the adoption of these standards, revisions and interpretations had no material impact on the financial statements.

New standards, amendments to standards and interpretations not yet adopted

The new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2024 and have not been applied in the preparation of these financial statements are set out below:

- Non-current liabilities with bank-specific indicators (amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (amendments to IFRS 16);
- Supplier Financing Arrangements (amendments to IAS 7 and IFRS 7);
- Lack of Exchangeability (amendments to IAS 21);

The amendments apply to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted but this must be disclosed.

Based on the currently available information, according to the assessment of the Group’s management, the new amendments, after initial application, will not have a significant impact on the Group’s and the Company’s financial statements.

There are no other new or amended standards or interpretations that have not yet entered into force and that could have a material effect on the Group.

(In EUR thousand, unless otherwise stated)

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	Prepayments and construction in progress	Ready-to-build assets	Total
Acquisition cost								
31 December 2021	**5,781**	**88,585**	**65,976**	**49,431**	**10,473**	**25,050**	**12,534**	**257,830**
Transfer discontinued operations	-	(14,744)	(34,583)	(616)	(699)	-	-	**(50,642)**
Transfer Project assets for sale	-	(1,764)	(8,276)	-	(196)	(56,994)	(7,881)	**(75,111)**
Additions	17,396	2,256	1,039	43,087	1,266	89,259	-	**154,303**
Revaluation	-	4,882	12,521	-	-	-	18,548	**35,951**
Disposal of subsidiaries	(8,324)	(6,402)	(6,753)	-	(1,478)	(11,354)	-	**(34,311)**
Foreign currency translation	(1)	(176)	(7,747)	(1)	(324)	(599)	-	**(8,848)**
Disposal and write-offs	345	251	(285)	(23,787)	(371)	(290)	-	**(24,137)**
Reclassifications	10	3,504	11,080	(66)	397	(14,925)	-	**-**
Goodwill reallocation	-	-	-	-	-	-	6,159	**6,159**
31 December 2022	**15,207**	**76,392**	**32,972**	**68,048**	**9,068**	**30,147**	**29,360**	**261,194**
Transfer Project assets for sale	-	(1,570)	432	-	(174)	(20,912)	-	**(22,224)**
Transfers	-	-	(178)	(51)	(801)	-	-	**(1.030)**
Additions	12,228	8,956	3,337	44,751	1,889	195,344	-	**266,505**
Revaluation	-	195	-	-	-	-	4,448	**4,643**
Acquisition of subsidiaries	58	-	3,012	-	1	1,198	9,597	**13,866**
Disposal of subsidiaries	(3,530)	(2,138)	(50,145)	-	(251)	(7,209)	-	**(63,273)**
Foreign currency translation	3	-	312	-	-	20	-	**335**
Disposal and write-offs	(536)	(14)	(319)	(35,807)	(969)	(1,190)	-	**(38,835)**
Reclassifications	79	3,711	56,767	-	450	(60,706)	(300)	**1**
31 December 2023	**23,509**	**85,532**	**46,190**	**76,941**	**9,213**	**136,692**	**43,105**	421,182
Accumulated depreciation & impairment								
31 December 2021	**(7)**	**(9,474)**	**(15,845)**	**(6,291)**	**(6,659)**	**(408)**	**-**	(38,684)
Transfer discontinued operations	-	2,459	8,352	119	378	-	-	**11,308**
Transfer Project assets for sale	-	19	45	-	10	-	-	**74**
Depreciation	(645)	(2,846)	(4,208)	(5,976)	(1,453)	(20)	**-**	**(15,148)**
Impairment for the period	-	(1,641)	(2,620)	(167)	(386)	-	**-**	**(4,814)**
Disposal of subsidiaries	86	3,003	2,844	-	1,189	3	**-**	**7,125**
Foreign currency translation	(1)	(202)	193	1	202	-	**-**	**193**
Disposal and write-offs	27	23	11	5,626	491	-	**-**	**6,178**
Reclassifications	-	-	(42)	42	-	-	**-**	**-**
31 December 2022	**(540)**	**(8,659)**	**(11,270)**	**(6,646)**	**(6,228)**	**(425)**	**-**	(33,768)
Transfer Project assets for sale	-	79	204	-	43	-	-	**326**
Transfers	-	-	177	164	701	-	-	**1,042**
Depreciation	(864)	(4,193)	(6,810)	(6,789)	(1,367)	205	**-**	**(19,818)**
Acquisition of subsidiaries	-	-	(642)	-	-	-	**-**	**(642)**
Disposal of subsidiaries	164	27	1,605	-	15	4	**-**	**1,815**
Foreign currency translation	-	-	(14)	-	(12)	163	**-**	**137**
Disposal and write-offs	(8)	-	6	4,762	577	64	**-**	**5,401**
Reclassifications	-	10	69	9	1	(90)	**-**	**(1)**
31 December 2023	**(1,248)**	**(12,736)**	**(16,675)**	**(8,500)**	**(6,270)**	**(79)**	**-**	**(45,508)**
Carrying amount as at:								
31 December 2022	**14,667**	**67,733**	**21,702**	**61,402**	**2,840**	**29,722**	**29,360**	**227,426**
31 December 2023	**22,261**	**72,796**	**29,515**	**68,441**	**2,943**	**136,613**	**43,105**	**375,674**

(In EUR thousand, unless otherwise stated)

Amortisation of the Group's intangible assets of EUR 891 thousand and depreciation of property, plant and equipment of EUR 19,818 thousand was accounted for in the statement of profit or loss and other comprehensive income under cost of sales (Note 24) EUR 15,610 thousand, costs to sell (Note 26) EUR 132 thousand, and administrative expenses (Note 27) EUR 4,967 thousand.

In 2023 the Group did not recognise any impairment on intangible assets and tangible assets (in 2022 EUR 4,885 thousand accounted for under Administrative expenses (Note 27)).

In 2023 the Group acquired two new companies Baltic Biorefinery Group SIA and Solar Park SRL developing solar projects of 121 MW in Latvia and 10 MW in Romania respectively. These projects were also acquired in RtB stage, thus, goodwill recognised upon purchase transaction was reallocated to non-current tangible assets. These projects are build-to-sell and are accounted at cost method. Construction in Latvia and Romania is expected to start by the end of H1 2024.
In January 2022 the Group acquired three new companies UAB Eko srautas, UAB Ren energija and UAB Energeta in order to develop the on-shore wind park in Jurbarkas. An assessment of the net assets of the acquired companies UAB Eko srautas, UAB Ren energija and UAB Energeta, and a comparison of the net assets with the purchase price, showed that the paid amount is by EUR 10,319 thousand larger than the book value (including payments for shares made in 2023). Considering that the companies were acquired with developed infrastructures, building and environmental permits and grid connections, it was decided to recognise this difference as tangible non-current assets. UAB Eko srautas, UAB Ren energija and UAB Energeta are planned to develop wind power plants in Jurbarkas, total capacity of the project is 85 MW of which 80 MW is at RtB stage and corresponding amount of goodwill recognised (EUR 10,319 thousand) has been reallocated to RtB assets under property, plant and equipment as at 31 December 2023.

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

	As at 31 December	
	2023	**2022**
Machinery and equipment	645	-
Vehicles	335	10,511
Other equipment, fittings and tools	1	5
Total	**981**	**10,516**

Investment property of the Group comprised the following:

	Land	Buildings	Total
Acquisition cost			
31 December 2021	**3,301**	**4,232**	**7,533**
Acquisition of a property (+)	-	175	175
Transfers to investment property (+)	-	-	-
Change in fair value (+/-)	-	834	834
31 December 2022	**3,301**	**5,241**	**8,542**
Acquisition of a property (+)	-	-	-
Transfers to investment property (+)	-	-	-
Change in fair value (+/-)	**1,398**	(71)	1,327
31 December 2023	**4,699**	**5,170**	**9,869**
Accumulated depreciation & impairment			
31 December 2021	**(205)**	**-**	**(205)**
Depreciation	-	-	-
Impairment reversal	-	-	-
31 December 2022	**(205)**	**-**	**(205)**
Depreciation	-	-	-
Impairment reversal	205	-	-
31 December 2023	**-**	**-**	**-**
Carrying amount as at:			
31 December 2022	**3,096**	**5,241**	**8,337**
31 December 2023	**4,699**	**5,170**	**9,869**

(In EUR thousand, unless otherwise stated)

As at 31 December 2023, property, plant and equipment and investment property with the total carrying amount of EUR 193,206 thousand (31 December 2022: – EUR 99,135 thousand) are pledged to credit institutions to guarantee repayment of the loans; lease liabilities are secured by the leased property. EUR 58,316 thousand of pledged assets were reclassified to Project assets held for sale (Note 10). Expiration dates of the pledge of property for different contracts vary from 2024 to 2028 (Note 15).

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 2021	**200**	**5,160**	**210**	**611**	**6,181**
Transfer discontinued operations	**-**	**(13)**	**(9)**	**(4)**	**(26)**
Additions	-	1,416	73	110	1,599
Acquisition of subsidiaires	8,863	-	-	-	8,863
Disposal of subsidiaries	-	-	(2)	-	(2)
Disposals and write-offs	-	(46)	(8)	(112)	(166)
Exchange rate impact	-	-	-	-	-
Goodwill reallocation	(6,159)	-	-	-	(6,159)
Reclassifications	-	-	-	-	-
31 December 2022	**2,904**	**6,517**	**264**	**605**	**10,290**
Transfer discontinued operations	**-**	**-**	**-**	**-**	**-**
Additions	-	1,707	65	37	1,809
Acquisition of subsidiaires	-	-	-	7	7
Disposal of subsidiaries	-	-	-	-	-
Disposals and write-offs	-	(166)	-	-	(166)
Exchange rate impact	-	-	-	-	-
Goodwill remeasurement	(1,655)	-	-	-	(1,655)
Reclassifications	-	243	(211)	(32)	-
31 December 2023	**1,249**	**8,301**	**118**	**617**	**10,285**
Accumulated amortisation & impairment					
31 December 2021	**-**	**(2,383)**	**(78)**	**(349)**	**(2,810)**
Transfer discontinued operations	-	10	3	-	**13**
Amortisation	-	(880)	(48)	(171)	**(1,099)**
Impairment	(71)	-	-	-	**(71)**
Acquisition of subsidiaires	-	-	-	-	**-**
Disposal of subsidiaries	-	-	2	-	**2**
Disposals and write-offs	-	47	9	112	**168**
Exchange rate impact	-	-	-	-	**-**
Reclassifications	-	-	-	-	**-**
31 December 2022	**(71)**	**(3,206)**	**(112)**	**(408)**	**(3,797)**
Transfer discontinued operations	-	-	-	-	**-**
Amortisation	-	(753)	(7)	(131)	**(891)**
Impairment	-	-	-	-	**-**
Acquisition of subsidiaires	-	-	-	(6)	**(6)**
Disposal of subsidiaries	-	-	-	-	**-**
Disposals and write-offs	-	165	-	-	**165**
Exchange rate impact	-	-	-	(1)	**(1)**
Reclassifications	-	(63)	71	(8)	**-**
31 December 2023	**(71)**	**(3,857)**	**(48)**	**(554)**	**(4,530)**
Carrying amount as at:					
31 December 2022	**2,833**	**3,311**	**152**	**197**	**6,493**
31 December 2023	**1,178**	**4,444**	**70**	**63**	**5,755**

(In EUR thousand, unless otherwise stated)

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).

As at 31 December 2023 the Group did not have any intangible assets the control of which would be limited by legislation or certain agreements, or pledged intangible assets.

Goodwill

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)).

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

		31 December	
Location / business line	**Nature of a company**	**2023**	**2022**
Lithuania / windpark	Asset under development	709	2,364
Poland / solar & biogas	Asset under development	341	341
Lithuania / solar & biogas	Operating	101	101
Lithuania / automotive	Operating	27	27
Total		**1,178**	**2,833**

During the testing of a goodwill for impairment IAS 36.82 is followed.

Goodwill impairment tests were carried out as at 31 December 2023. 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/windpark). No impairment of goodwill was determined (2022 – impairment of goodwill of Ukrainian power plants at EUR 72 thousand).

Acquisition of business combinations

In 2023 the Company acquired equity instruments of the following companies.

Country	Company Name	Share %	Date of acquisition
Lithuania	UAB Lasinta	100%	03/04/2023
Poland	SolarStar Sp.z.o.o.	100%	03/04/2023
Poland	Ecowolt 3 Sp.z.o.o.	100%	03/04/2023
Poland	Greenprojekt Sp.z.o.o.	100%	03/04/2023
Romania	Solar Park S.r.l.	100%	03/04/2023
Latvia	Baltic Biorefinery Group SIA	100%	02/10/2023

The entities were acquired for the development and construction of new solar energy plants and production of bio-energy. Total consideration amount of EUR 9,750 thousand was paid in cash. Additional consideration, if any, is not known at the date of publication of the financial statements.At acquisition no contingent assets or contingent liabilities have been recognized.

(In EUR thousand, unless otherwise stated)

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

Non-current assets	
Tangible assets	1,824
Goodwill	495
Total non-current assets	**2,319**
Current assets	
Receivables	3
Cash and cash equivalents	449
Total current assets	**452**
Total assets	**2,771**
Non-current liabilities	
Financial debt	2,495
Total non-current liabilities	**2,495**
Trade payables	452
Total current liabilities	**452**
Total liabilities	**2,947**
Identifiable net assets	**(176)**
Consideration transferred	(9,750)
Goodwill on acquisition	**9,926**
Reallocated goodwill to Ready-to-build-assets	9,926
Goodwill on acquisition	**0**
Consideration transferred	**9,750**
Cash and cash equivalents acquired	(449)
Net cash outflow on acquisition	**9,301**

7. Loans granted and term deposits

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

	31 December	
	2023	**2022**
Loans to other entities	2,225	2,023
Accrued interest receivable from other entities	61	61
	2,286	2,084
Less: impairment	(1,786)	(1,246)
Total	500	838
Non-current term deposits and accrued interest receivable	1,875	-
Total non-current loans and term deposits	**2,375**	**838**

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

	31 December	
	2023	**2022**
Loans to associated companies	6,723	3,867
Loans to other entities	206	177
Accrued interest receivable from associated companies	1,433	1,042
Accrued interest receivable from other entities	14	59
	8,376	5,145

(In EUR thousand, unless otherwise stated)

Less: impairment (from associated parties)	(4,690)	(4,629)
Less: impairment (from other entities)	(151)	(151)
Total loans granted	**3,535**	**365**
Current term deposits and accrued interest receivable	936	1,000
Total current loans and term deposits	**4,471**	**1,365**

As at 31 December 2023 and 2022 the loans were granted to parties related to the Group shareholder.

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

	2023	**2022**
Balance of the loans granted and term deposits in the beginning of the year	**2,203**	**6,401**
Transfer discontinued operations	-	(24)
Loans granted	1,192	2,194
Term deposits	1,875	-
Interest calculated on loans	134	142
Interest received	(34)	(132)
Redeemed term deposits	(150)	(1,862)
Calculated impairment	(601)	(317)
Repaid loans	(51)	(3,056)
Non-monetary movements	2,312	(1,189)
Influence of exchange rates	(34)	46
Balance of the loans granted and term deposits at the end of the year	**6,846**	**2,203**

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

	31 December	
	2023	**2022**
EUR	6,846	2,203
Total	**6,846**	**2,203**

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	
	2023	**2022**
Trade receivables	20,639	32,102
Receivables from associated companies	21,098	21,169
Receivable finance lease amounts	266	651
	42,003	53,922
Less: impairment allowance for trade receivables	(4,973)	(1,278)
Less: impairment allowance for receivables associated parties	(846)	(850)
Trade receivables, net	**36,184**	**51,794**
Receivable VAT	2,177	5,442
Collaterals and other receivables	3,009	3,337
Overpayments of other taxes and prepaid taxes	2,292	1,634
	7,478	10,413

(In EUR thousand, unless otherwise stated)

Less: non-current trade and other receivables	(255)	(7)
Less: non-current receivables related parties	(373)	-
Less: other non-current receivables	-	(495)
Other receivables, net	**6,850**	**9,911**
Total current trade and other receivables	**43,034**	**61,705**

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:

	2023	2022
Impairment of receivables at the beginning of the period	**(2,128)**	**(2,000)**
Impairment in the statement of profit or loss and other comprehensive income	(4,139)	(289)
Written-off bad receivables	446	160
Other adjustments	2	1
Impairment allowance for receivables at the end of the period	**(5,819)**	**(2,128)**

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 administrative expenses (Note 27).

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	
	2023	**2022**
Amounts not past due	8,444	8,387
Overdue up to 1 month	1,773	22,114
Overdue 1 to 3 months	938	212
Overdue 3 to 6 months	267	309
Overdue 6 to 12 months	659	381
Overdue more than 12 months	8,824	1,350
Total	**20,905**	**32,753**

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

	31 December	
	2023	**2022**
Amounts not past due	840	762
Overdue up to 1 month	399	1,350
Overdue 1 to 3 months	547	132
Overdue 3 to 6 months	692	2,136
Overdue 6 to 12 months	3,501	12,401
Overdue more than 12 months	15,119	4,388
Total	**21,098**	**21,169**

Trade receivables overdue more than 12 months relates to sale of investments in 2023.

As at 31 December 2023 the Group performed a credit loss assessment and recognized EUR 4,139 thousand write-off of receivables.

(In EUR thousand, unless otherwise stated)

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 due is in accordance with contractually agreed payment schedule.

As at 31 December 2023, trade and other receivables with the value of EUR 4,236 thousand (31 December 2022 – EUR 39,786 thousand) are pledged to credit institutions to guarantee repayment of the loans. Expiration dates of the pledge of property for different contracts vary from 2025 to 2028 (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.

9. Inventories

The Group’s inventories comprised:

	31 December	
	2023	**2022**
Goods for resale	55,929	62,128
Raw materials, materials and consumables	131	4,328
Unfinished goods and work in progress	99	41
Total	**56,159**	**66,497**

As at 31 December 2023, goods in transit amount to EUR 2,189 thousand (at 31 December 2022 – EUR 3,810 thousand). Inventories by the value of EUR 19,672 thousand were held at warehouses of third parties (at 31 December 2022 – EUR 32,455 thousand).

Group’s inventory impairment expenses were recognised as costs incurred during the year and included in administrative expenses (Note 27).

As at 31 December 2023, inventories by the value of EUR 26,392 thousand (31 December 2022: EUR 21,906 thousand) are pledged to credit institutions to guarantee repayment of the loans. Expiration dates of the pledge of property for different contracts vary from 2024 to 2025 (Note 15).

10. Project assets held for sale

As at 31 December 2023, the item of project assets held for sale includes the following projects:

Company	Project	Carrying amount	Estimated date of completion
UAB "GG LTU S3"	Remote solar park (Rėkyva)	20,170	May 2024
UAB "GG LTU S6"	Remote solar park (Šeduva)	13,183	April 2024
UAB "GG LTU S4"	Remote solar park ((Mažeikiai)	24,672	May 2024
UAB "GG LTU S8"	Remote solar park (Kalviai)	15,057	July 2024
UAB "GG LTU S13"	Remote solar park (Radviliškis)	10,003	July 2024
UAB "GG LTU S10"	Remote solar park (Alizava)	5,124	November 2024
Total		**88,209**	

(In EUR thousand, unless otherwise stated)

11. Other investments

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

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

	31 December	
	2023	**2022**
GG IT HoldCo B.V.	16,888	-
UAB Bonalėja	148	156
UAB Lifila	141	147
UAB Papilė biodujos	116	-
UAB Agapas	94	103
UAB Investiciniai turto projektai	92	98
UAB Ginana	83	91
Mockėnų ŽŪB	-	2
Total	**17,562**	**597**

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

	2023	**2022**
The Group's investments in associates at the beginning of the period	**597**	**598**
Investments acquired during the period	6,704	-
Increase (decrease) fair value through net profit (loss)	10,559	-
Increase (decrease) due to share of net profit (loss)	(298)	(1)
The Group's investments in associates at the end of the period	**17,562**	**597**

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.

2) Non-equity securities:

	31 December	
	2023	**2022**
Bonds	15,437	15,043
Accrued receivable interest	3,642	2,720
Total	**19,079**	**17,763**

The interest rate of the bonds is 6% and 10%, the maturity date - January 2026 and February 2026.

3) Investments in shares:

	31 December	
	2023	**2022**
UAB Parkdema	2,850	2,370
Air Lituanica Club - 2% of shares	25	25
Wise Guys Batch 9 OU - 1.18% of shares	4	4
Other	38	38
Total	**2,917**	**2,437**

(In EUR thousand, unless otherwise stated)

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 2,850 thousand (2022: EUR 2,370 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	
	2023	2022
Modus Remote Solar Fund I	2,528	1,885
Modus Renewable Energy Lithuanian Investments	1,755	1,556
Clean Energy Infrastructure Fund	396	-
Investment units of Stichting First Energie Fonds	395	363
Wise Guys Cyber Fund 1	50	50
Modus Poland Solar Fund I	3	-
Total	**5,127**	**3,854**
Total non-current other investments (1+2+3+4)	**44,685**	**24,651**

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.

Other investments of the Group comprised the following:

	31 December	
	2023	2022
Interest rate swaps (IRS)	-	2,355
Total current other investments	**-**	**2,355**

12. Prepayments, deferred costs and accrued income

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

	31 December	
	2023	2022
Prepayments	5,263	10,002
Deferred costs	4,655	3,538
Other accrued income	1,427	3,297
Prepayments to related parties	479	200
Deposits	91	-
Total	**11,915**	**17,037**

(In EUR thousand, unless otherwise stated)

13. Cash and cash equivalents

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

	31 December	
	2023	2022
Cash at bank	33,184	43,920
Cash on hand	70	104
Cash in transit	29	86
Restricted account	-	1,375
Total	**33,283**	**45,485**

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

The Group has measured its cash and cash equivalents as at 31 December 2023 and 31 December 2022 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 2023, cash and cash equivalents by the value of EUR 11,583 thousand (31 December 2022 – EUR 17,200 thousand) are pledged to credit institutions to guarantee repayment of the loans (Note 15).

14. Equity

Authorised capital
As at 31 December 2023 and 31 December 2022 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 2023 and 2022, the Group did not acquire nor transfer any of its own shares.

As at 31 December 2023 and 2022 the Group's shareholders were as follows:

	Number of shares 2023	Number of shares 2022	Ownership interest (%)	Shares with voting rights (%)
Martinkénas Kęstutis	22,900,100	22,900,100	100%	100%
Total	**22,900,100**	**22,900,100**	**100%**	**100%**

Holder of shares is entitled to dividend reserve.

Profit allocation
Results of 2022 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	
	2023	2022
Non-current		
Bank loans and interest payable	94,847	35,216
Liabilities arsing from derivatives	372	14
Lease liabilities (Note 30)	65,793	60,650
Total	**161,012**	**95,880**

(In EUR thousand, unless otherwise stated)

Current		
Bank loans and interest payable	66,829	37,555
Liabilities arising from derivative financial instruments	145	6
Lease liabilities (Note 30)	39,191	25,342
Total	**106,165**	**62,903**
Total	**267,177**	**158,783**

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	
	2023	**2022**
In 2 to 5 years	110,973	72,589
After five years	50,039	23,291
Total	**161,012**	**95,880**

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

	31 December	
	2023	**2022**
EUR	236,832	151,386
PLN (in EUR)	30,169	7,198
CZK (in EUR)	88	102
UAH (in EUR)	88	83
RON (in EUR)	-	14
Total	**267,177**	**158,783**

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

	2023	**2022**
Balance of bank loans and leasing liabilities at the beginning of the period	**158,783**	**164,222**
Reclassification of discontinued operations	-	(25,410)
Proceeds from borrowings	115,139	43,613
Increase in lease liabilities	79,238	94,796
Interest calculated	11,101	7,471
Increase/(decrease) in liabilities arising from derivative financial instruments	138	(217)
Amortisation of transaction costs	16	35
Transaction costs	(7)	(36)
Subsidiaries sold	(9,543)	(14,072)
Subsidiaries acquired	2,494	-
Interest paid	(10,993)	(7,509)
Effect of currency exchange rate	1,180	16
Leasing payments	(55,745)	(52,518)
Loans repaid	(23,520)	(50,608)
Others	(1,104)	(1,000)
Balance of bank loans and leasing liabilities at the end of the period	**267,177**	**158,783**

As at 31 December 2023 and 31 December 2022, the bank loans and lease liabilities bore variable interest rates depending on various maturities of EURIBOR, LIBOR and WIBOR plus margins in compliance with market conditions.

(In EUR thousand, unless otherwise stated)

	Interest rate %	Variable interest
Bank loans	2.3% - 9.14%	3m-6m EURIBOR / 3m USD LIBOR/ 1m-3m WIBOR
Lease liabilities	1.55% - 4.5%	3m - 6m EURIBOR

As at 31 December 2023, property, plant and equipment and investment property with the total carrying amount of EUR 193,206 thousand (31 December 2022: – EUR 100,228 thousand) are pledged to credit institutions to guarantee repayment of the loans; lease liabilities are secured by the leased property. EUR 58,316 thousand of pledged assets were reclassified to Project assets held for sale (Note 10). Expiration dates of the pledge of property for different contracts vary from 2024 to 2028 (Note 5).

As at 31 December 2023, trade and other receivables with the value of EUR 4,236 thousand (31 December 2022 – EUR 39,786 thousand) are pledged to credit institutions to guarantee repayment of the loans. Expiration dates of the pledge of property for different contracts vary from 2025 to 2028 (Note 8).

As at 31 December 2023, inventories by the value of EUR 26,392 thousand (31 December 2022: EUR 21,906 thousand) are pledged to credit institutions to guarantee repayment of the loans. Expiration dates of the pledge of property for different contracts vary from 2024 to 2025 (Note 9).

As at 31 December 2023, cash and cash equivalents by the value of EUR 11,583 thousand (31 December 2022 – EUR 17,200 thousand) are pledged to credit institutions to guarantee repayment of the loans (Note 13).

16. Other financial debts

Other financial debts of the Group comprised the following:

	31 December	
	2023	**2022**
Debts under non-equity securities and accrued interest payable	118,151	49,324
Long-term loans and accrued interest payable to related parties	14,633	14,514
Debts under non-equity securities and accrued interest payable to related parties	6,132	-
Total non-current part	**138,916**	**63,838**
Debts under non-equity securities and accrued interest payable	11,128	46,234
Debts under non-equity securities and accrued interest payable to related parties	-	5,925
Short-term loans and accrued interest payable to related parties	4,312	3,707
Other borrowings	4,778	10,751
Total current part	**20,218**	**66,617**
Total	**159,134**	**130,455**

(In EUR thousand, unless otherwise stated)

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

	2023	2022
Balance of other financial debts at the beginning of the period	**130,455**	**60,707**
Reclassification of discontinued operations	-	2,086
Bonds issued	67,445	19,921
Loans received	31,434	66,638
Interest calculated	12,213	4,425
Acquisition of subsidiaries	6	4,668
Disposal of subsidiairies	(5,729)	(2,162)
Change in other financial liabilities	(76)	-
Influence of exchange rates	392	42
Interest paid	(11,109)	(3,739)
Loans repaid	(43,038)	(10,991)
Redeemed bonds	(22,859)	(11,140)
Balance of other financial debts at the end of the period	**159,134**	**130,455**

As at 31 December 2023 and 2022 other financial liabilities of the Group are denominated in EUR.

Loans from related parties bore variable and fixed rates that are in line with the market conditions.

	Interest rate %	Variable interest
Loans from external parties	1.3% - 13%	3m-6m EURIBOR / 1m WIBOR
Loans from related parties	2% - 5%	6m EURIBOR

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:

	2023	2022
Employee benefits in the beginning of the period	**107**	**59**
Formed	48	50
Paid	-	(2)
Employee benefits at the end of the period	**155**	**107**

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	
	2023	2022
Grants and subsidies in the beginning of the period	**1,840**	**1,512**
Grants and subsidies received (repaid) during the period	265	532
Amortisation	(259)	(204)
Grants used	(4)	-
Grants and subsidies at the end of the period	**1,842**	**1,840**

(In EUR thousand, unless otherwise stated)

On 22 December 2010, the Group entered into a financing and administration agreement with the Ministry of Economy of the Republic of Lithuania and Public Enterprise Lithuanian Business Support Agency regarding construction of a motel with a camp-site and the development of tourism services in the Vilnius city municipality.

In 2023, the portion of the unused grant amounted to EUR 798 thousand (2022: EUR 830 thousand).

In 2018, a grant was received from the project 'Development of Solution for Innovative Management of Car-Sharing Service' co-financed by the EU Structural Funds. The grant was received for development of non-current assets. The grant is recognized as used when assets are amortized and compensated costs are incurred.

In 2023, the portion of the unused grant amounted to EUR 757 thousand (2022: EUR 819 thousand).

19. Provisions

Provisions of the Group included the following:

	31 December	
	2023	**2022**
Provisions for technical maintenance package	143	153
Provision for repurchased cars	10	-
Total	**153**	**153**

20. Prepayments received, accrued liabilities and deferred income

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

	31 December	
	2023	**2022**
Advances received	29,209	34,461
Accrued expenses	16,749	10,234
Deferred income	1,194	1,726
Prepayments received from related parties	578	217
Contractual obligations	-	186
Total	**47,730**	**46,824**

21. Employment related liabilities

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

	31 December	
	2023	**2022**
Vacation reserve	2,639	2,357
Accrued annual bonuses	2,057	1,955
Payable remuneration	1,134	801
Payable taxes related to remuneration	913	789
Other employment related liabilities	-	3
Total	**6,743**	**5,905**

(In EUR thousand, unless otherwise stated)

22. Trade and other payables

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

	31 December	
	2023	**2022**
Other long-term payables	2,179	4,807
Total non-current	**2,179**	**4,807**

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

	31 December	
	2023	**2022**
Trade payables	24,521	23,845
Other taxes payable (excluding corporate income tax)	5,277	8,675
Payable VAT	2,380	2,554
Other amounts payable	225	725
Trade payables to related parties	45	31
Total	**32,448**	**35,830**

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:

	2023	**2022**
Major product and service lines		
Revenue from sale of cars	249,980	271,938
Revenue from sale of spare parts	70,571	61,171
Revenue from lease of cars	30,894	30,863
Revenue from sale of energy	22,368	27,437
Revenue from car service	9,061	8,471
Revenue from sales power plants	2,337	-
Other	6,933	4,527
Total	**392,144**	**404,407**

	2023	**2022**
Timing of revenue recognition		
At a point of time	385,678	401,179
Over a certain period	6,466	3,228
Total	**392,144**	**404,407**

<u>Contract assets and contract liabilities</u>
The following table provides information about amounts receivable, contract assets and contract liabilities under contracts with customers.

	31 December	
	2023	**2022**
Contract assets	-	-
Contract liabilities	-	-
Total	**-**	**-**

(In EUR thousand, unless otherwise stated)

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 2023 and 2022. 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:

	2023	2022
Primary geographic markets		
Lithuania	129,085	161,305
Latvia	70,541	58,615
Germany	40,982	35,994
Belarus *	32,411	42,670
France	26,367	27,395
Belgium	23,113	15,536
Estonia	21,895	27,821
Poland	8,648	1,203
Italy	6,380	3,835
Ukraine	4,789	4,743
Romania	83	5,329
Other countries	27,850	19,961
Total	**392,144**	**404,407**

** Group's economic activities in Belarus are in accordance with international sanctions applied to Russia and Belarus as a response to Russia's war against Ukraines started in February 2022.*

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
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 controlof 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.

(In EUR thousand, unless otherwise stated)

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 percenatage 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.
Revenue from sale of power plants	Power plants that are developed and constructed intended for sale.	Revenue is recognised at a point in time when the control of the power plants is transferred to a new owner
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:

	2023	2022
Cost of sales of cars	220,232	233,499
Costs of sales of spare parts	57,585	50,271
Depreciation and amortisation	15,610	12,790
Salaries and related taxes	9,319	8,302
Cost of sales power plant projects	7,116	-
Fuel and power consumption	5,062	6,073
Repair and servicing costs of cars and other equipment	4,211	3,548
Cost of materials	2,748	5,159
Maintenace costs of solar and biogas power plants	2,513	3,181
Parking cost	1,655	1,897
Contracting costs	1,410	233
Cost of warranty works	1,402	1,785
Insurance costs	1,205	917
Cost of sales of equipment and other goods	11	4,542
Other	6,646	7,412
Total	**336,725**	**339,609**

25. Other income and other expenses

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

	2023	2022
Other operating income		
Profit on disposal of subsidiairies	22,657	39,870
Penalties received and damages covered	657	557
Profit on disposal of non-current assets	161	164
Other income	450	1,582
	23,925	**42,173**
Other operating expenses		
Loss from resold services	-	(326)
Loss on disposal of non-current assets	(184)	-
Other expenses	(1,054)	(309)
	(1,238)	(635)
Other income and other expenses	**22,687**	**41,538**

(In EUR thousand, unless otherwise stated)

Profit on disposal of subsidiairies

In 2023 the Group sold investments into the following subsidiairies:

Country	Company Name	Share %	Date of disposal
Spain	MES Solar 1 S.l.	100%	13/02/2023
Lithuania	UAB GG LTU S1	100%	17/03/2023
Netherlands	GG IT HoldCo B.V.	30%	06/04/2023
Italy	Green Genius Development S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 3 S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 5 S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 6 S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 9 S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 11 S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 12 S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 13 S.r.l.	30%	06/04/2023
Italy	Green Genius Italy Utility 15 S.r.l.	30%	06/04/2023
Poland	Modus Energy Asset 9 Sp.z.o.o.	100%	28/09/2023
Poland	GGPL 9 Sp.z.o.o.	100%	28/09/2023
Poland	Solart Sp. z o.o.	100%	28/09/2023
Poland	Fotorol Sp. z o.o.	100%	28/09/2023
Poland	GPD Fotowoltaika 1 Sp.z.o.o.	100%	28/09/2023
Poland	PVE 5 Sp. z o.o.	100%	28/09/2023
Poland	PVE 7 Sp. z o.o.	100%	28/09/2023
Poland	PVE 48 Sp. z o.o.	100%	28/09/2023
Poland	PVE 52 Sp. z o.o.	100%	28/09/2023
Poland	PVE 68 Sp. z o.o.	100%	28/09/2023
Poland	PVE 77 Sp. z o.o.	100%	28/09/2023
Poland	PVE 85 Sp. z o.o.	100%	28/09/2023
Poland	PVE 124 Sp. z o.o.	100%	28/09/2023
Poland	MB SUN 1 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 2 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 3 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 4 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 7 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 8 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 9 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 11 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 12 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 13 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 18 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 20 Sp.z.o.o.	100%	28/09/2023
Poland	WORM 30 Sp.z.o.o.	100%	28/09/2023

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

(In EUR thousand, unless otherwise stated)

Calculation of profit on disposal of investments into subsidiairies:

	Subsdiaries build-to-operate	Subsdiaries build-for-sale	Total
Non-current assets			
Property, plant and equipment	12,408	49,051	**61,459**
Intangible assets	-	1	**1**
Total non-current assets	**12,408**	**49,052**	**61,460**
Current assets			
Inventory	1	6,310	**6,311**
Trade and other receivables	526	996	**1,522**
Prepayments, deferred costs and	134	822	**956**
Deferred tax assets	136	-	**136**
Cash and cash equivalents	278	839	**1,117**
Total current assets	**1,075**	**8,967**	**10,042**
Total assets	**13,483**	**58,019**	**71,502**
Non-current liabilities			
Other borrowings	11,835	2,390	**14,225**
Total non-current liabilities	**11,835**	**2,390**	**14,225**
Current liabilities			
Group loans	738	46,933	**47,671**
Other borrowings	1,053	-	**1,053**
Trade, other payables and current	582	1,580	**2,162**
Total current liabilities	**2,373**	**48,513**	**50,886**
Total liabilities	**14,208**	**50,903**	**65,111**

	Subsdiaries build-to-operate	Subsdiaries build-for-sale	Total
Net assets at the time of disposal	**(725)**	**7,116**	**6,391**
Disposed share capital,%	*100%*	*100%*	***100%***
Sales price shares and group loans	5,407	49,270	54,677
Net assets and group loans	(13)	(54,049)	(54,062)
Equity value of joint venture	6,704	-	6,704
Profit fair valuation joint venture	10,559	-	10,559
Profit on disposal of investments	**22,657**	**(4,779)**	**17,878**
Sales price shares received in cash	7,710	1,992	9,702
Sales price group loans received in cash	738	46,933	47,671
Sales price shares and group loans in	**8,448**	**48,925**	**57,373**
Cash and cash equivalents disposed	(278)	(839)	(1,117)
Cash inflow from disposal investments	**8,170**	**48,086**	**56,256**

A total profit of EUR 17,878 thousand was gained from a sale of investments in subsidiairies.
Result on sales on subsidiairies build-for-sale of is presented under note 23 Revenues (EUR 2,337 thousand revenues) and note 24 Cost of sales (EUR 7,116 thousand cost of sales). Results on sale of subsidiaries build-to-operate is presented under note 25 Other income and other expenses.

(In EUR thousand, unless otherwise stated)

26. Selling expenses

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

	2023	2022
Salaries and related expenses	11,757	10,943
Advertising and promotional costs	3,454	3,054
Transportation and short-term insurance costs	919	618
Representation expenses	651	498
Trainings and secondments	362	329
Demo and display cars maintenance costs	282	171
Fuel and lease of cars	273	287
Customs and registration costs	211	326
Depreciation and amortisation	132	105
Legal and other consulting services	115	152
Other	1,308	1,434
Total	**19,464**	**17,917**

27. Administrative expenses

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

	2023	2022
Salaries and related expenses	11,663	7,570
Depreciation and amortisation	4,967	3,352
Impairment expenses	4,139	5,174
Legal and consulting expenses	3,326	2,819
Accounting and audit expenses	2,662	2,472
Taxes	1,302	1,173
Lease and maintenance expenses	1,264	946
Write-down of inventories	1,065	429
Maintenance of premises, repair and maintenance of equipment	1,048	931
Business trip expenses	368	238
Bank charges	333	317
Support	189	218
IT and communication services	189	25
Lease of premises	148	173
Fuel, car lease and maintenance	145	168
Other	938	558
Total	**33,746**	**26,563**

Impairment loss of EUR 4,139 thousand is recognized for allowances for doubtful receivables.

<u>Salaries and related expenses</u>

	2023	2022
Salaries and related expenses (cost of sales, Note 24)	9,319	8,302
Salaries and related expenses (selling expenses, Note 26)	11,757	10,943
Salaries and related expenses (administrative expenses, Note 27)	11,663	7,570
	32,739	**26,815**

	2023	2022
Average number of employees	944	878
of which employed in the Netherlands	*2*	*2*
of which employed outside the Netherlands	*942*	*876*

(In EUR thousand, unless otherwise stated)

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

	2023	2022
Salary expenses	29,041	22,946
Social security expenses	1,794	2,099
Vacation reserve expenses	1.030	1,045
Contributions to pension funds	123	101
Other related expenses	751	624
	32,739	**26,815**

28. Finance income and finance costs

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

	2023	2022
Finance income		
Profit arsing from derivatives	294	2,172
Interest income	2,071	1,341
Gain on increase in financial assets at fair value	3,378	1,112
Dividends received	589	236
Other income from financing and investing activities	42	225
Gain from currency exchange	2,525	176
Penalties and fines	25	8
	8,924	**5,270**
Finance expenses		
Interest expenses	(20,622)	(12,053)
Currency exchange loss	(2,542)	(8,471)
Impairment of loans granted	(601)	(317)
Other expenses from financing and investing activities	(224)	(190)
Impairment financial assets measured at fair value	(295)	(186)
Guarantee commitment and commission fees	(117)	(112)
Penalties and fines	(18)	(35)
Loss arising from derivatives	(48)	-
	(24,467)	**(21,364)**
Result from financing activities	**(15,543)**	**(16,094)**

29. Corporate income tax

In 2023 and 2022 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:

	2023	2022
Current tax expense	5,951	4,270
Deferred tax expense (income)	(5,211)	(1,718)
Corrections of corporate income tax of previous reporting periods	(1,904)	(822)
Income tax expense (income) recognised in the statement of profit or loss and other comprehensive income	**(1,164)**	**1,730**

(In EUR thousand, unless otherwise stated)

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

	2023	2022
Profit (loss) before tax	8,942	45,761
Corporate income tax at applicable tax rate	(3,331)	13,446
Tax effect of non-taxable income	(1,930)	(14,236)
Non-deductible (deductible) expenses	1,298	2,351
Tax effect of tax losses and other temporary differences for which no deferred tax asset was recognised	(1,463)	462
Recognition of previously unrecognised deferred taxes	6,104	(12)
Tax losses transferred to the group companies (+)	-	(3)
Tax losses of previous years carried forward	(1,873)	-
Corrections of corporate income tax of previous reporting periods	(1,885)	(823)
Effect of different income tax rates applicable to foreign subsidiaries	596	-
Income tax impact due to share of associated companies	1,336	-
Investment incentive	(16)	545
Total corporate income tax expense (income)	**(1,164)**	**1,730**

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

	Temporary differences		**Deferred tax**	
	31 December		**31 December**	
	2023	**2022**	**2023**	**2022**
Deferred tax assets	58,783	38,017	9,638	6,451
Deferred tax liabilities	(51,928)	(64,160)	(7,883)	(9,706)
Deferred tax, net	**6,855**	**(26,143)**	**1,755**	**(3,255)**

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:

	2023	2022
Income (expenses) recognised in the statement of profit or loss	5,211	1,718
Income (expenses) recognised in other comprehensive income	(117)	(3,439)
Transfer of liabilities (assets) related to disposal of subsidiaries	(262)	(168)
Transfer of liabilities (assets) related to acquisition of subsidiaries	178	-
Reclassification of discontinued operations	-	577
Change in deferred income tax, net	**5,010**	**(1,312)**

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	
	2023	**2022**
Tax temporary differences for which no deferred tax assets were recognised	5	77
Tax losses for which no deferred tax assets were recognised	4,686	3,989
Total temporary differences and tax losses	**4,691**	**4,066**

(In EUR thousand, unless otherwise stated)

30. Leases

In 2023 and 2022 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
31 December 2021	**7,067**	**12,346**	**-**	**24,385**	**12**	**-**	**43,810**
Acquired assets	-	1,698	-	18	-	-	**1,716**
Additions	16,837	7	38	22,299	73	-	**39,254**
Derecogntion	(8,723)	-	-	-	-	-	**(8,723)**
Depreciation	(559)	(1,603)	-	(185)	(8)	-	**(2,355)**
31 December 2022	**14,622**	**12,448**	**38**	**46,517**	**77**	**-**	**73,702**
Acquired assets	-	-	-	-	-	-	**-**
Additions	9,922	9,895	(12)	11,522	-	-	**31,327**
Derecogntion	(3,933)	(2,785)	-	14	(66)	-	**(6,770)**
Depreciation	(863)	(208)	-	(314)	(3)	-	**(1,388)**
31 December 2023	**19,748**	**19,350**	**26**	**57,739**	**8**	**-**	**96,871**

Amounts recognized in profit and loss

	2023	2022
Interest on lease liabilities	5,882	2,495
Expenses for short-term leases and leases with low-value assets	5,236	4,278

	31 December	
	2023	2022
Lease liabilities		
Non-current lease obligations	65,793	60,650
Current lease obligations	39,191	25,342
Total	**104,984**	**85,992**

	31 December	
	2023	2022
Maturity lease obligations		
Within 1 year	39,192	25,342
In 2–5 years	41,286	43,167
After five years	24,506	17,483
Total	**104,984**	**85,992**

31. Contingent liabilities

In 2023 and 2022, 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.

The tax administrator has not performed a full-scope tax investigation in the Group. 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 military conflict in Ukraine began in February 2022 and is ongoing. The military actions that have started will have an impact not only on Ukraine, but also on the economies of Europe and the rest of the world. At the date of these financial statements, the situation in Ukraine is highly volatile and largely uncertain. In the opinion of management, there is no material impact on the Group‘s operations. During the financial year, the Group had sales, purchases or other transactions with energy companies in Ukraine and Belarus (classified as discontinued), but the transactions were not material.

As at 31 December 2022 the Group has reclassified EUR 897 thousand of trade payables in statement of financial position and costs in profit or loss statement to contingent liabilities. These costs are related with Group’s solar power plants in Ukraine and were charged by Guaranteed Buyer, state-owned buyer of electricity, for electricity imbalance. Imbalance costs is a difference between estimated production by producer and actual production provided into the grid. Generation of electricity has not changed significantly between the years, except that percentage of imbalance covered by producers increased from 50% in 2021 to 100% in 2022. RES associations have sent a joint appeal to NEURC regarding the reimbursement of the Guaranteed Buyer’s share of imbalances on the part of RES producers. As a consequence of complaints from renewable energy producers, imbalance costs were not charged for the 4th quarter of 2022 by Guaranteed Buyer.The increase of imbalance costs in 2022 is significant and disproportionate. In 2021 percentage of imbalance costs from revenue was 3%, while in 2022 percentage of imbalance costs from revenue increased up to 25%. According to IAS 37.10 it is an uncertain present liability. It is in dispute and the Group expects that after recalculation these costs will be significantly lower, because imbalance costs in 2022 are inadequately high as compared to historic data and also the fact that Guaranteed Buyer doesn’t provide any calculations for the amount of imbalance costs charged.

As at 31 December 2023, no invoices have been received for imbalance costs incurred in 2023. The dispute remains ongoing as NEURC has only provided a resolution for the period spanning from September 2022 to January 2024. However, the actual costs for imbalance remain uncertain due to the implementation of a new rate calculation formula in subsequent periods. The exact amount is yet to be determined as GarPok is currently gathering data to calculate it in accordance with new legislation. Additionally, there is still a lack of clarity regarding the period from January 2022 to August 2022. Due to not receiving any invoices for imbalance costs for the year 2023, there is a need to make an accrual for these costs. Because of the lack of clarity and lack of information of a new cost rate Group has decided to use the historical rate (6% from revenue) to account for contingent liability. Thus, the Group has increased costs and trade payables by EUR 297 thousand as at 31 December 2023.

In 2023, some Group entities were not in compliance with the requirement of the Law on Companies of the Republic of Lithuania, which provides that a company’s equity cannot be lower than 1/2 of its authorised capital. The following are the companies which were not in compliance with the requirement as at 31 December 2023: UAB Modus Mobility, UAB Prime Leasing, UAB Inter Krasta, UAB Modus Group Services, UAB Energy Transition Investments.

The investment of EUR 2,850 thousand (2022: EUR 2,370 thousand) into UAB Parkdema has been pledged as to the agreement with the creditor. The agreement provides for subordination of the held bonds as well, the value of which amounts to EUR 14,879 thousand (2022: EUR 14,879 thousand). Maturity period - December 2025.

The Company has signed an agreement on investment in the Modus Renewable Energy Lithuanian Investments sub-fund with the sub-fund's management company, UAB Modus Asset Management and UAB T Invest, which specifies the Company's conditional obligation with a deferred performance deadline. The value of the conditional obligation is EUR 1,285 thousand, and it matures in 2025.

(In EUR thousand, unless otherwise stated)

The Group has issued the following guarantees/sureties:

Receiver of guarantee/surety	Type	Maturity term of guarantee/surety	Currency	31 December	
				2023	2022
European Bank for Reconstruction and Development	Guarantee (for Parachonskoe ZAO)	24/01/2028	EUR	0	4,386
European Bank for Reconstruction and Development	Guarantee (for Severnyj ZAO)	24/01/2028	EUR	0	2,090
European Bank for Reconstruction and Development	Guarantee (for Kabylovka ZAO)	24/01/2028	EUR	0	1,975
European Bank for Reconstruction and Development	Guarantee (for BG17 ZAO)	04/03/2029	EUR	0	4,596
European Bank for Reconstruction and Development	Guarantee (for Belovezha ZAO)	04/03/2029	EUR	0	2,930
European Bank for Reconstruction and Development	Guarantee (for UAB Helmonts Projects)	30/06/2024	EUR	700	0
MBANK S.A.	Guarantee	31/12/2033	PLN	18,300	0
Kommunal Kredit	Guarantee	09/03/2026	EUR	669,316	0
MBANK S.A.	Guarantee	31/12/2033	PLN	1,371	0
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Green Genius“)	27/01/2026	EUR	10,791	800
Luminor Bank AS Lietuvos skyrius	Guarantee	31/01/2024	EUR	878	983
ERGO Insurance SE Lietuvos filialas	Surety (for "Green Genius" Sp. z o.o.)	30/06/2022	EUR	0	270
Compensa Vienna Insurance Group	Surety (for UAB „Eko srautas“)	30/09/2024	EUR	0	6
Solar Park SRL	Guarantee	31/12/2023	EUR	0	500
UAB Projektana	Surety (for UAB „Eko srautas“)	Until the end of obligation	EUR	0	6,750
NRG Site UAB	Surety (for UAB „Eko srautas“)	Until the end of obligation	EUR	0	10,482
Akciju sabiedriba "Citadele banka" Lietuvos filialas	Surety (for UAB „GG LTU S20“)	28/09/2025	EUR	2,200	0
Akciju sabiedriba "Citadele banka" Lietuvos filialas	Surety (for UAB „GG LTU S20“)	01/09/2028	EUR	4,700	0
AB Energijos skirstymo operatorius	Guarantee	10/12/2023	EUR	0	5
AB Energijos skirstymo operatorius	Guarantee	03/07/2024	EUR	0	41
AB Energijos skirstymo operatorius	Guarantee	16/08/2024	EUR	75	75
AB Energijos skirstymo operatorius	Guarantee	28/08/2024	EUR	0	81
AB Energijos skirstymo operatorius	Guarantee	28/08/2024	EUR	0	75
AB Energijos skirstymo operatorius	Guarantee	08/11/2024	EUR	137	137
AB Energijos skirstymo operatorius	Guarantee	11/11/2024	EUR	117	117
AB Energijos skirstymo operatorius	Guarantee	03/01/2025	EUR	0	59
AB Energijos skirstymo operatorius	Guarantee	25/06/2025	EUR	159	112
AB Energijos skirstymo operatorius	Guarantee	25/06/2025	EUR	358	269
AB Energijos skirstymo operatorius	Guarantee	03/03/2025	EUR	117	117
AB Energijos skirstymo operatorius	Guarantee	04/03/2025	EUR	60	60
AB Energijos skirstymo operatorius	Guarantee	09/04/2025	EUR	169	169
AB Energijos skirstymo operatorius	Guarantee	08/04/2025	EUR	195	195
AB Energijos skirstymo operatorius	Guarantee	21/04/2025	EUR	57	57

(In EUR thousand, unless otherwise stated)

AB Energijos skirstymo operatorius	Guarantee	24/04/2025	EUR	93	93
AB Energijos skirstymo operatorius	Guarantee	30/04/2025	EUR	90	90
AB Energijos skirstymo operatorius	Guarantee	30/04/2025	EUR	146	146
AB Energijos skirstymo operatorius	Guarantee	19/06/2025	EUR	126	126
AB Energijos skirstymo operatorius	Guarantee	19/06/2025	EUR	90	90
AB Energijos skirstymo operatorius	Guarantee	12/05/2025	EUR	41	41
AB Energijos skirstymo operatorius	Guarantee	15/05/2025	EUR	99	99
AB Energijos skirstymo operatorius	Guarantee	20/05/2025	EUR	225	225
AB Energijos skirstymo operatorius	Guarantee	22/05/2025	EUR	140	140
AB Energijos skirstymo operatorius	Guarantee	22/05/2025	EUR	152	152
AB Energijos skirstymo operatorius	Guarantee	23/07/2025	EUR	0	65
AB Energijos skirstymo operatorius	Guarantee	23/12/2025	EUR	390	390
AB Energijos skirstymo operatorius	Guarantee	30/12/2025	EUR	750	750
AB Energijos skirstymo operatorius	Guarantee	20/01/2026	EUR	397	397
AB Energijos skirstymo operatorius	Guarantee	30/09/2025	EUR	252	0
AB Energijos skirstymo operatorius	Guarantee	09/09/2025	EUR	181	0
AB Energijos skirstymo operatorius	Guarantee	15/09/2025	EUR	136	0
AB Energijos skirstymo operatorius	Guarantee	12/02/2026	EUR	218	0
AB Energijos skirstymo operatorius	Guarantee	30/10/2025	EUR	153	0
AB Energijos skirstymo operatorius	Guarantee	19/02/2026	EUR	498	0
AB Energijos skirstymo operatorius	Guarantee	02/02/2026	EUR	580	0
AB Energijos skirstymo operatorius	Guarantee	02/03/2026	EUR	290	0
AB Energijos skirstymo operatorius	Guarantee	15/12/2025	EUR	248	0
AB Energijos skirstymo operatorius	Guarantee	23/09/2025	EUR	175	0
AB Litgrid	Guarantee	22/04/2026	EUR	1,365	1,365
AB Litgrid	Guarantee	23/04/2026	EUR	1,365	1,365
AB Litgrid	Guarantee	15/05/2025	EUR	1,170	1,170
Banco Sabadell, S.A.	Guarantee	09/01/2023	EUR	0	120
Total				**50,424**	**44,161**

All the entities, for which a surety has been provided, are related entities; moreover, all the entities were in compliance with the financial covenants, when determined, in bank agreements. Provisions for liabilities do not need to be accounted for as the loans, guaranteed by the Group, are being serviced.

Provisions for liabilities under other surety agreements were not accounted for as at 31 December 2023 as the Group estimates that the entities, for which the sureties have been provided, will continue their activities or start development of new profitable activities; also, no information is available on termination or liquidation of the activities of those entities. Further activities plans of the entities are known to the Group and the risk is managed through active participation in determination of activity plans and continual financial control.

(In EUR thousand, unless otherwise stated)

32. Discontinued operations

Activities in Belarus

The Group conducted operations in the Belarus energy market through its subsidiaries. Subsidiaries of the parent company own solar and biogas power plants, also they carry out operation and maintenance services.

At the beginning of 2022 Group's management took the decision to exit the Belarusian energy market. Management is working with all the parties involved to finalize the exit as soon as possible. The exit takes longer than expected because of additional requirements and restrictions implemented by Belarusian government.

From the beginning of 2022, the energy business in Belarus is no longer included in the Group's revenue and operating profit and is shown as discontinued operations. No dividends or distributions were received from the subsidiaries. From an accounting perspective, the Belarus energy business is revalued, carried at fair value and treated as an asset held for sale until the sale is completed. All negative implications (impairment of assets related to Belarusian companies) have already been included into the financial results. The net equity value was held at zero as at 31 December 2023 and 2022.

Group's assets held for sale comprised the following:

	As at 31 December	
	2023	**2022**
Property, plant and equipment	1,853	17,476
Intangible assets	11	13
Loans granted and term deposits	273	2,086
Deferred tax assets	695	433
Trade and other receivables	524	684
Inventories	890	624
Prepaid income tax	56	357
Cash and cash equivalents	1,146	1,295
Prepayments, deferred costs and accrued income	4	7
Total	**5,452**	**22,975**

The Group's liabilities related to assets held for sale comprised the following:

	As at 31 December	
	2023	**2022**
Bank loans and leasing liabilities	5,060	22,725
Trade payables	184	112
Employment related liabilities	127	117
Other payables and current liabilities	81	21
Total	**5,452**	**22,975**

In 2023 part of loan portfolio related to discontinued operations was transferred from European Bank for Reconstruction and Development (EBRD) to UAB Helmont Projects (Group company) by a separate assignment agreement. Total amount of loan transferred (including accrued interest) is EUR 16,766 thousand.

(In EUR thousand, unless otherwise stated)

	2023
Revenue	3,648
Cost of sales	(3,864)
Depreciation reversal	618
Gross profit (loss)	**402**
Other income	208
Other expenses	(4)
Administrative expenses (excl. PPE impairment expenses)	(622)
Depreciation reversal	24
Impairment expenses	1,040
Operating profit (loss)	**1,048**
Finance income	448
Finance costs	(5,873)
Elimination of finance costs related to inter-segment transactions	1,150
Finance activity result	**(4,275)**
Operating profit (loss) before tax	**(3,227)**
Corporate income tax	332
Net profit (loss) from discontinued operations	**(2,895)**

Because of the valuation of the subsidiaries the Group is not exposed to the economic and financial markets of Belarus.

Based on the Group's objectives and strategy in the markets in which it operates, management does not expect that the situation described in the preceding paragraphs will have a direct and material adverse effect on the Group's business or its going concern, financial position or performance results. However, management cannot exclude the possibility that general uncertainty in the market will increase and affect other markets, thereby adversely affecting the Group's exposure to the economic environment, its financial condition and results of operations in the medium and longer term.

Other assets held for sale

In the Mobility business EUR 23 thousand of non-tangible assets is recognized as assets held for sale.

33. Financial instruments – fair values and risk management

As at 31 December 2023 and 2022 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 13)
- Trade and other receivables (Note 8)
- Loans granted and term deposits (Note 7)
- Other investments (Note 11)
- Prepayments, deferred costs and accrued income (Note 12)

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.

(In EUR thousand, unless otherwise stated)

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 2023		**Carrying amounts**					**Fair value**		
	Note	FVTPL	FVOCI	Amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Assets arising from derivatives		-				**-**	-		
Financial assets not measured at fair value									
Loans granted	7			5,910		**5,910**		5,910	
Deposits to banks	7			936		**936**		936	
Trade and other receivables	8			43,662		**43,662**		43,662	
Prepayments, deferred costs and accrued income	12			11,915		**11,915**		11,915	
Cash and cash equivalents	13			33,283		**33,283**		33,283	
Financial liabilities measured at fair value									
Liabilities arising from derivatives	15	517				**517**	517		
Financial assets not measured at fair value									
Bank loans and interest payable	15			161,676		**161,676**		161,769	
Loans from related parties	16			25,077		**25,077**		24,607	
Debts under non-equity securities	16			134,057		**134,057**		144,146	
Lease liabilities	15				104,984	**104,984**		104,984	
Trade and other payables	22				34,627	**34,627**		34,627	
Prepayments, accrued liabilities and deferred income	20				47,730	**47,730**		47,730	

(In EUR thousand, unless otherwise stated)

31 December 2022		**Carrying amounts**					**Fair value**		
	Note	FVTPL	FVOCI	Amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Assets arising from derivatives		2,355				**2,355**	2,355		
Financial assets not measured at fair value									
Loans granted	7			1,203		**1,203**		1,203	
Deposits to banks	7			1,000		**1,000**		1,000	
Trade and other receivables	8			62,207		**62,207**		62,207	
Prepayments, deferred costs and accrued income	12			17,037		**17,037**		17,037	
Cash and cash equivalents	13			45,485		**45,485**		45,485	
Financial liabilities measured at fair value									
Liabilities arising from derivatives	15	20				**20**	20		
Financial assets not measured at fair value									
Bank loans and interest payable	15			72,771		**72,771**		55,734	
Loans from related parties	16			24,328		**24,328**		26,356	
Debts under non-equity securities	16			106,127		**106,127**		96,643	
Lease liabilities	15				85,992	**85,992**		85,992	
Trade and other payables	22				40,637	**40,637**		40,637	
Prepayments, accrued liabilities and deferred income	20				46,824	**46,824**		46,824	

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 2023 was EUR 83,790 thousand (31 December 2022 – EUR 109,894 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 2023 and 2022 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 2023 the Group determined impairment loss of EUR 4,139 thousand (2022 – EUR 289 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 2023 the ECL allowance for loans to related parties amounted EUR 4,690 thousand (31 December 2022 – EUR 4,629 thousand), and the ECL allowance for loans to other companies amounted EUR 151 thousand (31 December 2022 – EUR 151 thousand).

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 2023 such liabilities of the Group amounted to EUR 238,701 thousand (31 December 2022 – EUR 95,945 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.

	Increase / decrease, p.p.	Impact on the Group's profit before taxes
2023	0.3	716
2022	0.3	285

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 2023 and 2022 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.

		Impact on profit before taxes (in thousand EUR)	
Foreign exchange rate	Increase / decrease, %	2023	2022
EUR/PLN	+5%	(3,476)	(3,416)
EUR/UAH	+5%	(643)	(1,236)
EUR/BYN	+5%	(25)	(65)
EUR/USD	+5%	(7)	(1,192)
EUR/PLN	-5%	3,476	3,416
EUR/UAH	-5%	643	1,236
EUR/BYN	-5%	25	65
EUR/USD	-5%	7	1,192

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.

Hedge accounting

The Group holds derivative financial instruments to manage its exposure to interest rate risk and foreign exchange risk exposures.
Derivative financial instruments are designated as cash flow hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions from changes in foreign exchange rates and interest rates. At inception of designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. Also the economic relationships between the hedged items and the hedging instrument is documented.

The effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.
The Group designates the change in fair value of the forward element of forward foreign exchange contracts as the hedging instrument in cash flow hedging relationships.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve is immediately reclassified to profit or loss.
If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Interest rate risk
The Group designates interest rate swap contracts (IRS) to manage the interest risk of its floating interest loans.
The IRS exchanges the floating interest rate on a particular loan to a fixed interest rate.
Hedge relationships between hedged items and hedging instruments are 100% effective.
Market valuation of the IRS contracts amounts to a loss of EUR 469 thousand as per end 2023 (31 December 2022 – gain of EUR 2,269 thousand) and is recognized as hedge reserve. The negative change in hedge reserve of EUR 2,738 thousand is presented in Otther comprehensive income.
In 2023 a gain of EUR 294 thousand was recognized as profit on IRS contracts.

Foreign exchange contracts
The Group designates foreign exchange (FX) forward contracts to manage the foreign currency risk on expected future cash transactions in PLN and CZK.
FX contracts have expired and no amount is reported in hedge reserve as per end 2023 (31 December 2022 profit of EUR 41 thousand).The negative change in hedge reserve of EUR 41 thousand is presented in Other comprehensive income.
In 2023 a loss of EUR 48 thousand was recognized as profit on FX forward contracts.

34. Related party transactions

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

	2023	2022
Employment-related amounts calculated for the year		
Key remuneration and related taxes (in EUR thousand)	3,628	2,614
Number of the management members	32	32

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.

(In EUR thousand, unless otherwise stated)

The table below provides information on transactions with related entities during the period ended 31 December 2023:

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	-	6,133	-	308
Associated entities	3,836	445	9	-
Other related companies	41,916	19,124	25,847	20,386
Total	**45,752**	**25,702**	**25,856**	**20,694**

The table below provides information on transactions with related entities during the period ended 31 December 2022:

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	-	5,925	-	359
Associated entities	402	423	6	-
Other related companies	40,528	18,228	37,785	17,268
Total	**40,930**	**24,576**	**37,791**	**17,627**

35. Going concern

When preparing the financial statements as at 31 December 2023, management has concluded that it is appropriate to continue preparing the financial statements based on the going concern principle, assuming that the Group will be able to generate sufficient cash flows from operating activities.
As at 31 December 2023 current assets of the Group was more than current liabilities by EUR 21,328 thousand. In 2023 the Group had generated revenues of EUR 392,144 thousand, EBITDA of EUR 45,221 thousand, positive cashflow from operating activities of EUR 48,414 thousand.

Management has a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future. These financial statements have been prepared on the going concern basis and do not reflect any adjustments that might be necessary if the Group were not able to continue as a going concern.

36. Subsequent events

On 16 January 2024 the Group received a sale termination notice from OX2 HNM AB in regards to the sale of Modus Solar Asset Andalusia S.L. shares which originally occurred in 2022. In accordance with SPA the termination will have the following consequences:

a) Seller will reimburse to purchaser all amounts paid under the SPA

b) Purchase shall transfer the shares of Modus Solar Andalusia S.L., with a notary deed

c) All rights and obligations shall terminate

As the notice of termination and all of its consequences (e.g. notary deed) came into effect in 2024, the termination will be accounted for in the financial statements 2024.

On 27 February 2024 and 11 April 2024 the Group has signed construction financing agreements for 121 MW Jekabpils project in Latvia with Berenberg Fund and Nord LB bank respectively totalling to EUR 87 million to be used in contruction of Group's largest solar park.
On 10 April 2024 the Group has entered into Share Purchase Agreement with Elona Development S.L. to sell 20 MW of solar PV park in Spain.
On 16 April 2024 the Group has signed a construction financing agreement for biomethane conversion project with Swedbank AB Lithuania. Total credit amount is EUR 29 million of which EUR 11,9 million will be used to refinance existing loan.

On 2 January 2024, the indirectly controlled subsidiary UAB Miesto Bitė was merged with the indirectly controlled subsidiary UAB MyBee Fleet. UAB MyBee Fleet has taken over all assets, rights and obligations of UAB Miesto Bitė in accordance with all the terms of reorganisation, financial statements, accounting records and the Transfer and Acceptance Acts of assets, rights and obligations.

As at the preparation date of the financial statements, the indirectly controlled subsidiary UAB Kreta has been disposed of to external investors and no longer belongs to the Group. The disposal will not have any significant effect on the Group's results for 2024.

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.

Company financial statements

(In EUR thousand, unless otherwise stated)

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

ASSETS	**Notes**	**As at 31 December 2023**	**As at 31 December 2022**
Non-current assets			
Fixed assets	5	3	3
Financial fixed assets	6	155,934	145,553
Total non-current assets		**155,937**	**145,556**
Current assets			
Trade and other receivables	7	107	121
Prepayments, deferred costs and accrued income	8	9	8
Cash and cash equivalents	9	17	1
Total current assets		**133**	**130**
TOTAL ASSETS		**156,070**	**145,686**
EQUITY AND LIABILTIES			
Authorised capital	4	22,900	22,900
Legal reserve	4	3,090	3,090
Revaluation reserve	4	39,214	40,187
Hedge reserve		(469)	2,310
Currency exchange translation reserve		3,931	(718)
Retained earnings	4	79,501	46,171
Result of the year	4	7,565	31,547
Total equity		**155,732**	**145,487**
Financial debts	10	275	157
Accrued liabilities	11	43	33
Employment related liabilities	12	15	5
Trade payables	13	5	4
Total short-term liabilities		**338**	**199**
Total liabilities		**338**	**199**
TOTAL EQUITY AND LIABILITIES		**156,070**	**145,686**

Company statement of profit or loss

	2023	2022
Continued operations		
Result from participating interests after tax	7,850	31,683
Other result after tax	(285)	(136)
Net profit (loss)	**7,565**	**31,547**

(In EUR thousand, unless otherwise stated)

Company statement of changes in equity

	Authorised capital	Legal reserve	Revaluation reserve	Currency exchange translation reserve	Hedge reserve	Retained earnings	Result of the year	Total
31 December 2021	**22,900**	**2,974**	**20,356**	**(217)**	**-**	**31,411**	**13,193**	**90,617**
Net profit (loss)	-	-	-	-	-	-	31,547	31,547
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**31,547**	**31,547**
Profit distribution	**-**	**-**	**-**	**-**	-	**13,193**	**(13,193)**	-
Increase fair value derivatives	-	-	-	-	2,310	-	-	2,310
Foreign currency change	-	-	-	(505)	-	-	-	(505)
Change in capital due to transfer of subsidiaries	-	-	-	4	-	10	-	14
Employee benefit revaluation	-	-	-	-	-	(48)	-	(48)
Transfer to legal reserve	-	116	-	-	-	(116)	-	-
Revaluation reserve	-	-	19,831	-	-	1,721	-	21,552
Other movements	-	-	-	-	-	-	-	-
31 December 2022	**22,900**	**3,090**	**40,187**	**(718)**	**2,310**	**46,171**	**31,547**	**145,487**
Net profit (loss)	-	-	-	-	-	-	7,565	7,565
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**7,565**	**7,565**
Profit distribution	**-**	**-**	**-**	**-**	-	31,547	(31,547)	-
Increase fair value derivatives	-	-	-	-	(2,779)	14	-	(2,765)
Foreign currency change	-	-	-	4,649	-	-	-	4,649
Change in capital due to transfer of subsidiaries	-	-	-	-	-	-	-	-
Employee benefit revaluation	-	-	-	-	-	(47)	-	(47)
Transfer to legal reserve	-	-	-	-	-	-	-	-
Revaluation reserve	-	-	(973)	-	-	1,816	-	843
Other movements	-	-	-	-	-	-	-	-
31 December 2023	**22,900**	**3,090**	**39,214**	**3,931**	**(469)**	**79,501**	**7,565**	**155,732**

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 10 to 74.

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.

(In EUR thousand, unless otherwise stated)

4. Equity

Authorised capital
As at 31 December 2023 and 2022 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 2023 and 2022, the Group did not acquire nor transfer any of its own shares.

As at 31 December 2023 and 2022 the Group's shareholders were as follows:

	Number of shares 2023	Number of shares 2022	Ownership interest 2023 (%)	Ownership interest 2022 (%)
Martinkénas 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 2022 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 extraordinairy items for the financial year ended 31 December 2023, a net profit amounting to EUR 11,388 thousand, will be added to the retained earnings.

5. Fixed assets

	Other equipment, fittings and tools
Acquisition cost	
31 December 2022	**3**
Acquisition of property	-
31 December 2023	**3**
Accumulated depreciation	
31 December 2022	**-**
Depreciation	-
31 December 2023	**-**
Carrying amount as at:	
31 December 2022	**3**
31 December 2023	**3**

(In EUR thousand, unless otherwise stated)

6. Financial fixed assets

The Company's financial fixed assets comprised the following:

	31 December	
	2023	**2022**
Participating interest in group companies	155,934	145,553
Total	**155,934**	**145,553**

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

	Participating interest in group companies
31 December 2022	**145,553**
Result from participating interests after tax	7,850
Foreign currency change	4,649
Employee benefits	(46)
Change in capital due to transfer of subsidiaries	-
Revaluation reserve	843
Increase fair value derivatives	(2,765)
Dividends received	(150)
31 December 2023	**155,934**

7. Trade and other receivables

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

	31 December	
	2023	**2022**
Other receivables	107	121
Total	**107**	**121**

8. Prepayments, deferred costs and accrued income

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

	31 December	
	2023	**2022**
Deferred expenses	5	5
Prepayments to suppliers	4	3
Total	**9**	**8**

9. Cash and cash equivalents

Company's Cash and cash equivalents comprised the following:

	31 December	
	2023	**2022**
Cash at bank	17	1
Total	**17**	**1**

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

(In EUR thousand, unless otherwise stated)

10. Financial debts

Company's Financial debt comprised the following:

	31 December	
	2023	**2022**
Short-term financial debt		
Loans received + accrued interest from group companies	275	157
Total	**275**	**157**

The Company has a loan with UAB Modus Grupė at the interest rate of 6.4%. In 2023 EUR 150 thousand was set-off with dividend payout by UAB Modus Grupė and a new loan tranche of EUR 255 thousand was received.

11. Accrued liabilities

Company's Accrued liabilities comprised the following:

	31 December	
	2023	**2022**
Accrued expenses	43	33
Total	**43**	**33**

12. Employment related liabilities

Company's Employment related liabilities comprised the following:

	31 December	
	2023	**2022**
Income tax payable	4	4
Social security payable	1	1
Bonus payments accrued	10	-
Total	**15**	**5**

13. Trade payables

Company's Trade payables comprised the following:

	31 December	
	2023	**2022**
Trade payables	5	4
Total	**5**	**4**

(In EUR thousand, unless otherwise stated)

14. Related party transactions

The table below provides information on transactions with related entities during the period ended 31 December 2023:

Related party	Amounts receivable	Amounts payable	Sales of goods and services (including interest)	Purchases of goods and services (including interest)
Shareholder	-	-	-	-
Entities of the group	107	275	86	13
Total	**107**	**275**	**86**	**13**

The table below provides information on transactions with related entities during the period ended 31 December 2022:

Related party	Amounts receivable	Amounts payable	Sales of goods and services (including interest)	Purchases of goods and services (including interest)
Shareholder	-	-	-	-
Entities of the group	121	157	164	2
Total	**121**	**157**	**164**	**2**

15. Directors

During the reporting year the Company had three directors (2022: three).

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

The remuneration for the board of directors amounted to EUR 68 thousand (2022 :EUR 65 thousand).
The Company has no supervisory directors.

16. 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
	2023	2023	2023	2023
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Audit of the financial statements	155.0	396.2	112.7	**663.9**
Other audit engagements	-	-	-	**-**
Tax-related advisory services	-	-	50.5	**50.5**
Other non-audit services	-	-	-	**-**
	155.0	**396.2**	**163.2**	**714.4**

(In EUR thousand, unless otherwise stated)

The fees mentioned in the table for the audit of the financial statements 2023 relate to the total fees for the audit of the financial statements 2023, irrespective of whether the activities have been performed during the financial year 2023.

	KPMG Accountants N.V.	**Other KPMG network**	**Other audit firms**	**Total**
	2022	2022	2022	2022
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Audit of the financial statements	121.5	375.9	62.0	**559.4**
Other audit engagements	-	28.8	13.1	**41.9**
Tax-related advisory services	-	-	5.4	**5.4**
Other non-audit services	-	-	33.7	**33.7**
	121.5	**404.7**	**114.2**	**640.4**

The fees mentioned in the table for the audit of the financial statements 2022 relate to the total fees for the audit of the financial statements 2022, irrespective of whether the activities have been performed during the financial year 2022.

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

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

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

Amsterdam, Netherlands
30 April 2024

Amsterdam, Netherlands
30 April 2024

Amsterdam, Netherlands
30 April 2024

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.

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 2023 of MG NL holding B.V., based in Amsterdam. The financial statements comprise 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 2023 and of its result and its cash flows for the year 2023 in accordance with IFRS Accounting Standards as endorsed 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 2023 and of its result for the year 2023 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 2023;

2 the following statements for the year 2023: the consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows; and

3 the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1 the company statement of financial position as at 31 December 2023;

2 the company statement of profit or loss for the year 2023;

3 the company statement of changes in equity for the year 2023; 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 accountants-organisaties’ (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 designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the management report and the notes to the financial statements the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's and Group's code of conduct, anti-corruption policy and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Board of Directors and other relevant functions, such as the legal department.

As part of our audit procedures, we:

- assessed other positions held by members of the Board of Directors and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated correspondence with supervisory authorities and regulators.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements: compliance with covenants and tax law and regulations.

We evaluated, together with our forensic specialists, the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud and non-compliance risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries.
- We performed work on topside adjustments as part of the consolidation process and drafting the financial statements and disclosure notes. Where we identified instances of unexpected adjustments or other risks through our work, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit by applying variance in the selection of group entities subject to audit procedures.

Revenue recognition (a presumed risk)

Risk:

The Group's revenue is generated mainly from the sale of cars, sale of parts, lease of cars, mobility services, the production of electricity from solar and biopower, thermal heat (biopower), biogas production, as well as the sale of developed solar power plants. We identified a risk of premature revenue recognition (existence) as significant to our audit. Most of the revenue is generated by group companies abroad.

Responses:

We assessed the Group's accounting policies, obtained an understanding of the process of revenue recognition and evaluated the design and implementation of process level controls regarding revenue recognition as implemented by management.

In addition to the procedures already mentioned above, we performed substantive audit procedures on the revenue streams of the Company, including:

- we issued group audit instructions including the identification of a significant risk in respect of revenue recognition to the component auditors;
- we obtained confirmation letters from clients to test the occurrence of revenues for the financial year and recalculated the accruals related to ongoing construction;
- we performed journal entry testing, specifically taking into account high risk criteria in relation to revenues and top side journal entries posted to revenue in the consolidation ledger.

We communicated our risk assessment, audit responses and results to the Board of Directors.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

As part of the preparation of the financial statements, the Board of Directors is responsible for the assessment of the Company's ability to continue as a going concern and to appropriately disclose the results of its assessment in the financial statements.

As part of this assessment the Board of Directors prepared an impairment trigger analysis, financial and liquidity risk analysis addressing amongst others the future financing and cash requirements to ensure continuation of the Group's operations. The Board of Directors has not identified any significant going concern risks.

To assess the Board of Directors' assessment, we have performed, inter alia, the following procedures:

- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we considered whether the developments in energy prices indicate a significant going concern risk;
- we analysed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks;
- we considered whether the outcome of our audit procedures could indicate a significant going concern risk.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Director's going concern assessment.

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 all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding 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 fraud or error.

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.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

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, 30 April 2024

KPMG Accountants N.V.

T.A. Kalmár RA