

The background of the cover is a vibrant landscape featuring a dense forest of green trees and a calm lake that perfectly reflects the scene above. A large, semi-transparent orange arrow originates from the bottom left and points towards the top right corner, with a white arrowhead. The sky is a clear, bright blue with some light, wispy clouds. In the top left corner, there are some out-of-focus green leaves from a tree.

# **Business Overview 2020**

**MODUSGROUP**

# Content

Part 1: Business Review	A word from the CEO	4	Part 2: Global Compact	Communication on Progress (COP)	58	
	Map of operations	8		- UN 10 principles & SDGs	60	
	Our strategic guidelines and culture	10		- Key facts	66	
	Our team	14		- Responding to COVID-19	68	
	Corporate governance	16		- Human Rights	72	
	- Management Board	18		- Labour	78	
	- Supervisory Board	20		- Environment	86	
	Financial results	22		- Anti-corruption	94	
	- Revenue	24				
	- EBITDA	26				
	- Investment	28				
	Business highlights	30		Part 3: Auditor's report	Independent auditor's report and consolidated financial statements	96
	- Renewable energy	32			- Report on the audit	98
	- Solar energy	34			- Management report	104
	- Biogas	38			- Consolidated financial statements	109
	- Mobility	42			- Company financial statements	172
	- Automotive	46				
	- Asset Management	50				
	Our story so far	52				
Our brands	56					

# Letter of the CEO



**AINĖ  
MARTINKĖNAITĖ-  
MARTYNIUK**  
CHAIRWOMAN OF THE  
MANAGEMENT BOARD  
AND CEO

2020's global pandemic challenged us as a business, made us question our decision making structures, encouraged us to increase the transparency of our organisation structure and put our values to the test. This year, proved once again that we have a competent and committed team, for which I am utterly grateful.

Our performance as a team allowed us to keep our solid position in the market. We maintained our revenue at the same level as in 2019. The only thing we lost last year, was the opportunity to grow at the pace we are used to. We had to postpone a large share of our planned investments, which were moved to 2021. However, we learned a lot throughout this turbulent year and we are now more capable to handle future challenges that may come our way.

We learned that when the information is scarce, and urgency and uncertainty are at play, a fast decision making process is the key for success. In 2020, we looked hard at our decision making process; we made a few changes to implement leaner processes and gave more autonomy to each business subholding.

As our businesses have grown throughout the years, each of them has matured to be more independent. Each subholding

For your convenience, this entire report is divided into **3 MAIN SECTIONS:**

**1**

The first provides an overview of Modus Group's highlights in 2020.

**2**

In the second part, we present the Communication of Progress report to communicate our efforts to support and uphold the Ten Principles of the UN Global Compact.

**3**

And finally, in the third part and last part, we share the audited, consolidated financial results of Modus Group for the previous period.

now has different leads and teams, variations of corporate culture and different business challenges. As a result, at the end of the year, we strengthened each business support function and significantly reduced centralised functions at Modus Group level.

Furthermore, on the first day of 2020 we united the renewable energy business under one holding company: Modus Energy International. On top of this, all energy business units in all of our markets were unified under one brand: Green Genius. As a result, we have a much more transparent organization structure today. Today, under MG NL holding there are two sister companies: Modus Energy International (Renewable energy) and Modus Grupė (Mobility, Automotive and Asset Management).

2020's audited consolidated business report was carried out at MG NL holding company level, using IFRS standards which includes all business operations under the Modus Group umbrella. We believe that a transparent organization structure and top tier auditor verified financials are indispensable attributes of any credible international group of companies.

At the core of our strategy you will find not only a growing business,

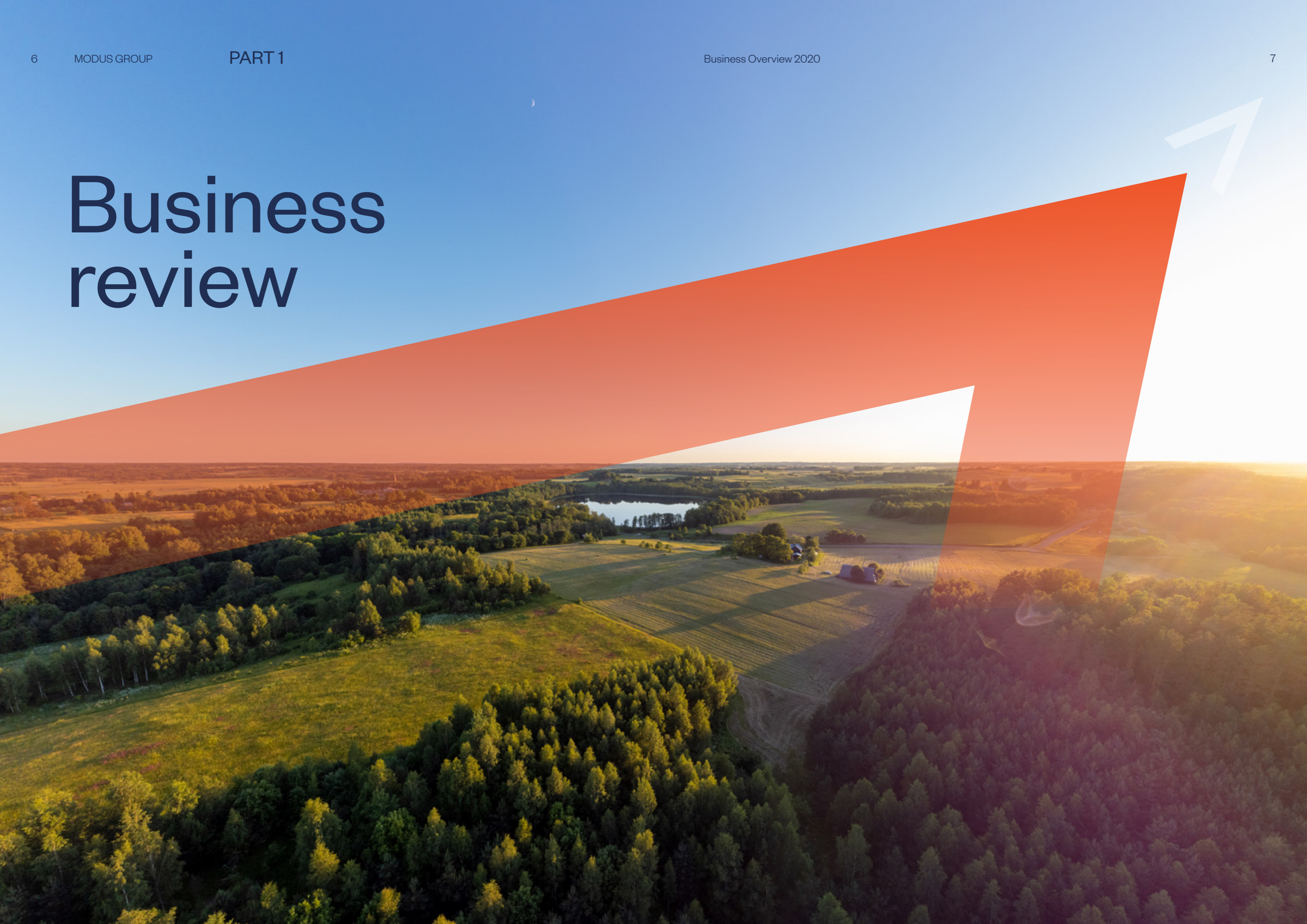
but also our commitment to create value for our stakeholders in a sustainable manner. When a crisis hits, it is important to know your priorities and stick to them. Even during the greatest hardships, we always cared about sustainability and last year is proof of that. Despite all financial challenges, we chose to continue to invest in green solutions, and on top of this, we also joined Global Compact. Today, I am proud to announce that Modus Group reaffirms its support for the Ten Principles of the United Nations Global Compact Goals involving Human Rights, Labour, Environment and Anti-Corruption.

In this annual report on our progress, we describe the actions we take to continually improve the integration of the Global Compact principles and Sustainable Development Goals (in particular 3, 7, 11, 12 and 13) into our strategy, company culture and operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication and would like to thank our team members, customers, suppliers, and partners for their unwavering commitment and support in our overall effort towards sustainability.



# Business review



# Map of operations

Modus Group mainly focuses on three areas: renewable energy (Green Genius), mobility services (CityBee), and automotive business. Currently, we unify 14 automobile brands, including Porsche, Bentley, Aston Martin, BMW, Maserati, Fiat, Jeep and other world-renowned automotive industry names. We also operate in other areas, including smart parking solutions and real estate. The group is currently operating in 11 European markets.



# Elevate life through sustainable choice

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

That is why, at Modus Group, we envision a future, where the sustainable option is the only logical choice for our stakeholders. We want to offer them an option that is not only environmentally friendly, but also economically viable and the one that offers the most

convenient course of action. We bring these sustainable choices to the market: from smart and sustainable mobility solutions, to cutting edge renewable energy parks. We are confident that we can elevate life through sustainable choice.

## INVESTMENT GUIDELINES:

### - Investing into the future.

Investing into profitable ideas which address future needs.

### -Trusting green.

Ecology and sustainability.

### -Working smart.

Less use of labor and more of capital and high-tech.

## Our culture

# We drive evolution

01

**WE**

### **We is more than me.**

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

02

**DRIVE**

### **Going with the flow is not enough, we are driven to win.**

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

03

**EVOLUTION**

### **Progress is in our DNA.**

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

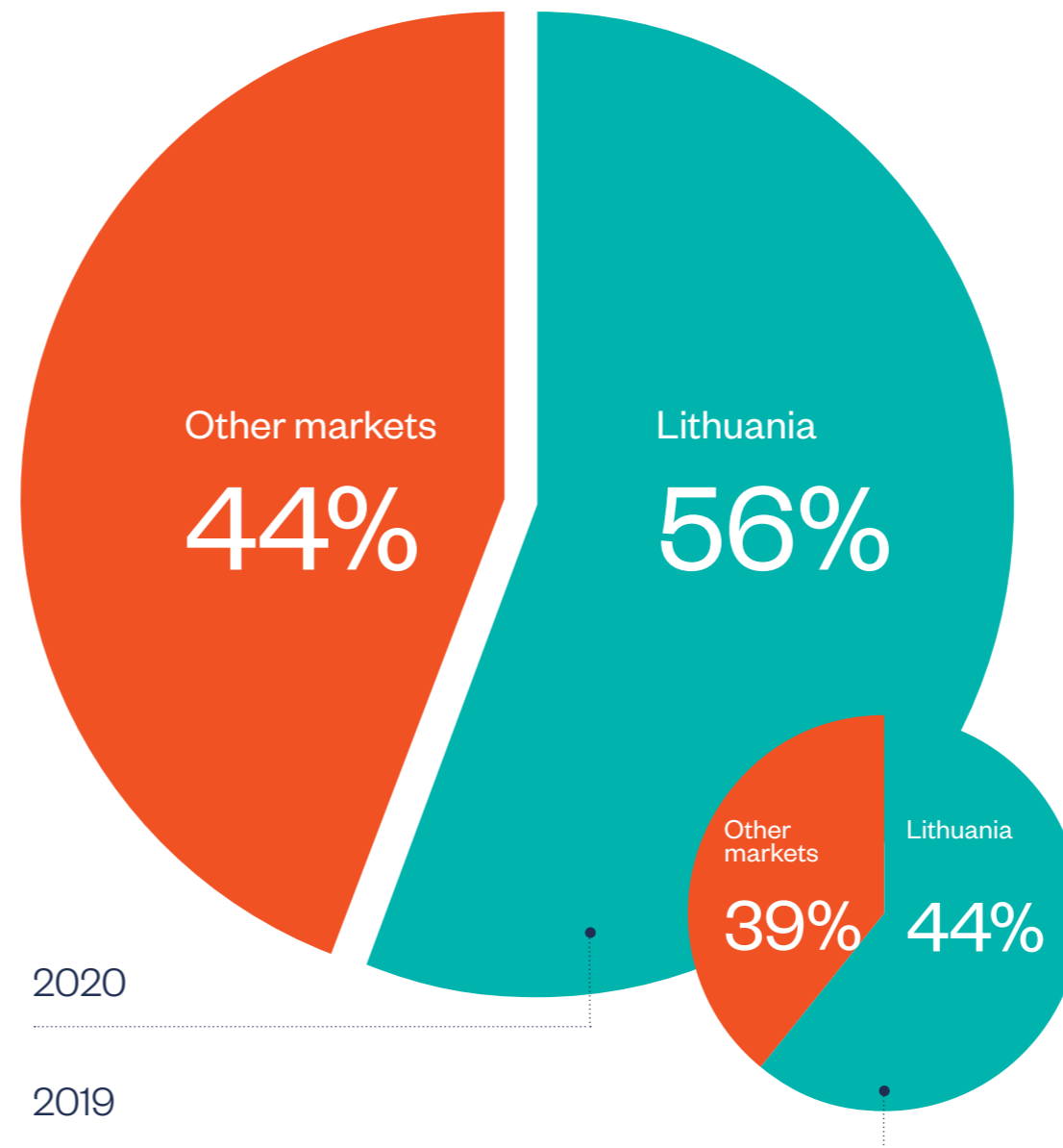
# Our team

>700  
PROFESSIONALS IN  
OUR TEAM

What is possible in Modus Group is greatly influenced by its employees. Our team dares to dream big, is empowered to make decisions, feels ownership of its results and is fuelled by collective ambition. Our culture promotes decisiveness and high standards. We believe in a better world and strive to get there in the fastest possible way. With us, ambitious plans develop into strong business growth.

While 2020 was a challenging year for every business, we came out just as strong as before and maintained our solid position. We believe we were able to achieve this because we tackled the challenges of 2020 as a team. The only thing we lost during the previous year was the opportunity to grow at the pace we are used to.

By the end of December 2020, more than 700 people were working at our companies in the Baltics, Belarus, Poland, Netherlands, Ukraine, Spain, Romania and the Czech Republic. The majority of our team is located in Lithuania, our home market. As Modus Group is further establishing its international presence, the number of colleagues in other markets grows every year. In 2020, it almost reached a 50/50 ratio, with 44 percent of employees working in foreign markets.



## Energy

28% 2020  
26% 2019

## Mobility

18% 2020  
16% 2019

## Automotive

45% 2020  
47% 2019

## Holding and other activities

9% 2020  
11% 2019



# Corporate governance

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

## CORPORATE GOVERNANCE

# Management Board

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

As of August 1, 2020, the composition of the Management Board was changed:

- Ainė Martinkėnaitė-Martyniuk was appointed as new CEO and Chairwoman of the Management Board of Modus Group. Martinkėnaitė-Martyniuk has been working for the Modus Group companies for over 10 years, including 6 years as a member of the group's board, where she was responsible for mobility and parking businesses, as well as the group's human resources department. She replaced Kęstutis Bagdonavičius, who was

Chairman of the Management Board. He continues serving on the Supervisory Board.

- Oleg Martyniuk returned to serve as a member of the Management Board.

At the end of 2020 the Management Board consisted of Ainė Martinkėnaitė-Martyniuk (Chairwomen), Oleg Martyniuk, Ruslan Sklepovič, Erika Zakarauskienė and Giedrius Audickas, who currently continues serving on the Supervisory Board.

## CORPORATE GOVERNANCE

# Management Board



## Ainė Martinkėnaitė-Martyniuk

Chairwoman of the Management Board and CEO

### EDUCATION

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

### PREVIOUS EXPERIENCE

Has been working for Modus Group for more than 10 years, including 6 years as a member of the group's board, where she was first responsible for the group's human resources department and later for the mobility and parking businesses.



## Ruslan Sklepovič

Member of the Management Board responsible for renewable energy

### EDUCATION

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

### PREVIOUS EXPERIENCE

Has been leading Modus Group's renewable energy business for 15 years. There he grew Green Genius from its inception to what it is today.



## Oleg Martyniuk

Member of the Management Board

### EDUCATION

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

### PREVIOUS EXPERIENCE

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



## Erika Zakarauskiėnė

Member of the Management Board, Chief Financial Officer

### EDUCATION

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

### PREVIOUS EXPERIENCE

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

The board coordinates and supervises the most important activities, investment portfolio, and decides on Modus Group's financial direction.

ON 1ST OF MAY 2021 THE MANAGEMENT BOARD COMPRISED OF THE FOLLOWING MEMBERS:

## CORPORATE GOVERNANCE

# Supervisory Board

The Supervisory Board of the company is a collegial supervisory body which currently consists of 7 members, 5 of which are independent.

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

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

As of the August 1, 2020, Dr. Kęstutis Bagdonavičius returned to serve as an independent Supervisory Board member. Giedrius Audickas also joined the Supervisory Board on May 1, 2021, after previously serving as a member of the Management Board.

At the end of 2020 the Supervisory Board consisted of Simon Rozas, Kęstutis Martinkėnas, Jolanta Martinkėnienė, Vytautas Paukštys, Dr. Kęstutis Bagdonavičius and Saul Umbrasas.

ON 1ST OF MAY 2021 THE SUPERVISORY BOARD COMPRISED OF THE FOLLOWING MEMBERS:



## Simon Rozas

Chairman of the Supervisory Board, Independent Member

### EXPERIENCE

Investment Director at Cube Infrastructure Managers, Investor



## Kęstutis Martinkėnas

Member

### EXPERIENCE

Modus Group founder



## Jolanta Martinkėnienė

Member

### EXPERIENCE

Diverse management positions at Modus Group companies



## Vytautas Paukštys

Independent Member

### EXPERIENCE

CEO at Eskimi



## Dr. Kęstutis Bagdonavičius

Independent Member

### EXPERIENCE

Diverse management positions at ERGO Group AG companies



## Giedrius Audickas

Independent Member

### EXPERIENCE

Diverse management positions at different Modus Group companies



## Saul Umbrasas

Independent Member

### EXPERIENCE

Co-founder of E-Band Communications

# Financial results



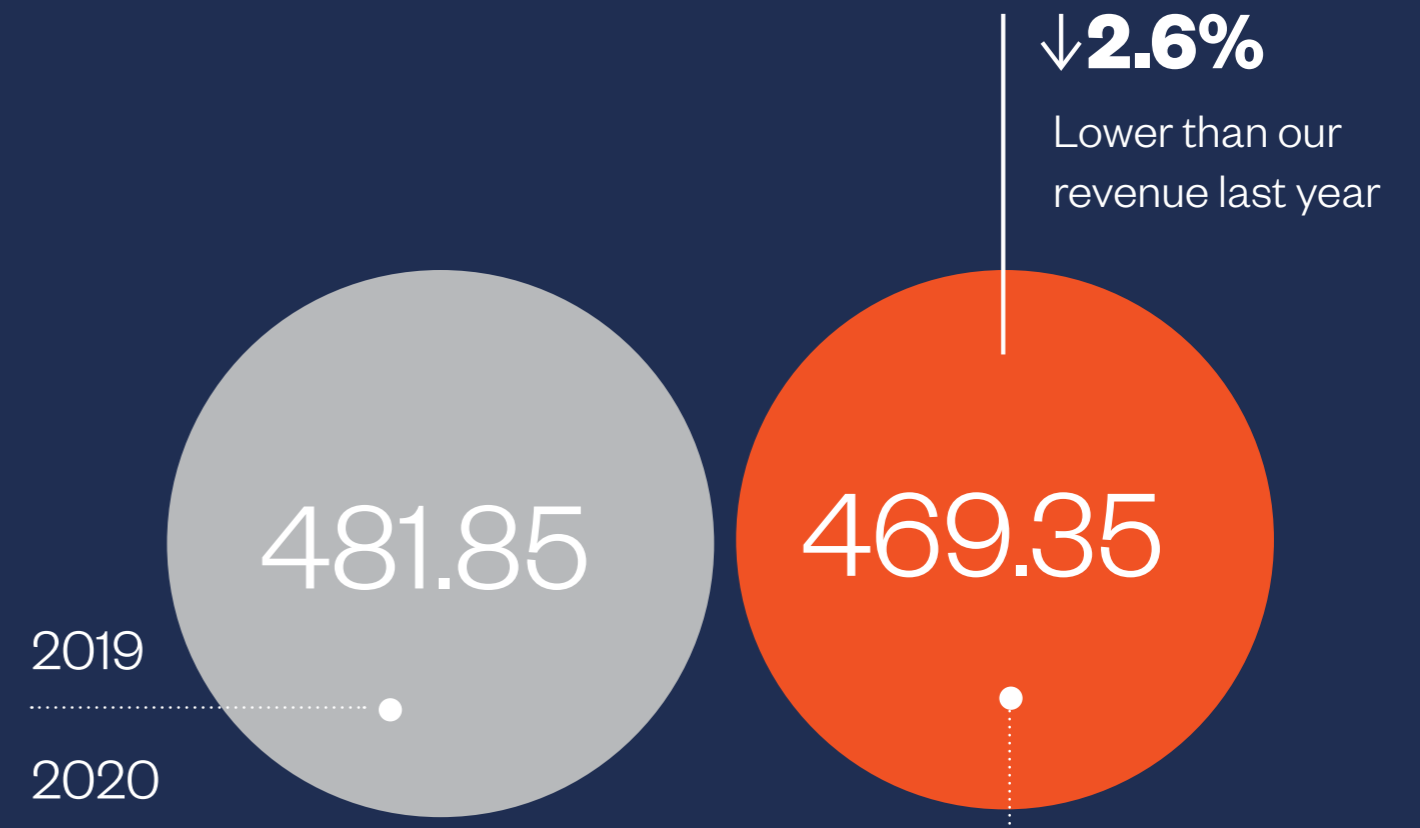
## 2020 FINANCIAL RESULTS

# Revenue

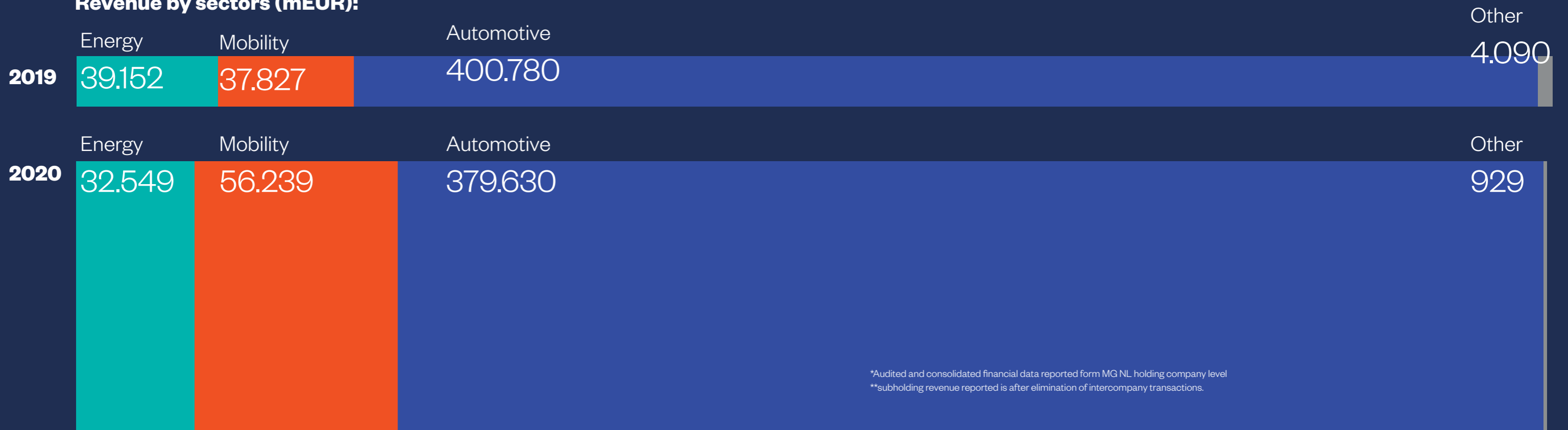
Last year COVID-19 presented a lot of uncertainties for business at large, however we managed to maintain relatively the same level of audited consolidated revenue (hereinafter the revenue). In 2020 the entire Modus Group revenue reached 469.35 million, 2.6% lower than our revenue last year.

The decrease in revenue is visible in most business lines in 2020 within the group. Nevertheless, Modus Mobility revenue increased from 37.8

million in 2019 to 56.2 million in 2020. A large share of Modus Mobility revenue comes from car fleet rotations, and if we look at carsharing revenue, it grew from 15.7 million in 2019 to 18.5 million in 2020. Despite quarantine restrictions, which significantly reduced people's mobility in 2020, the carsharing business revenue grew by 18%, which was mostly achieved through the acquisition of new users, especially in new markets.



### Revenue by sectors (mEUR):



\*Audited and consolidated financial data reported from MG NL holding company level  
\*\*subholding revenue reported is after elimination of intercompany transactions.

## 2020 FINANCIAL RESULTS

# EBITDA

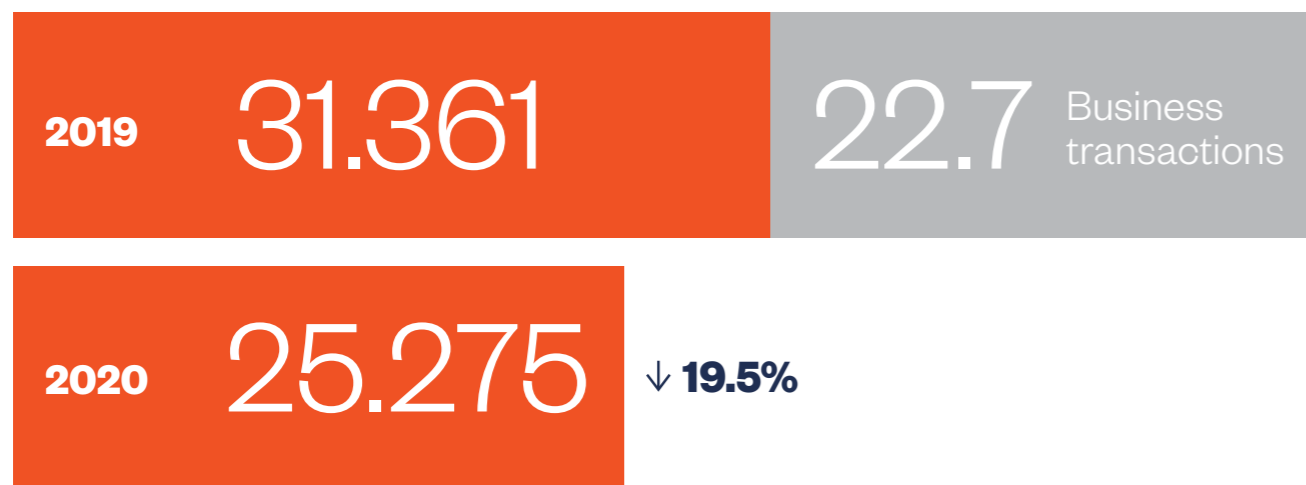
In 2020, Modus Group earned EUR 25.3 million before interest, tax, depreciation, and amortization (EBITDA). This is 19.5% lower than last year's EBITDA from continuous business operations, which was 31.4 million.

Modus Group's automotive business earned EUR 12.3 million, 28.6% more than the previous year. The amount of investment in the energy business was lower than expected due to COVID-19 which led to a lower EBITDA in 2020 compared to 2019.

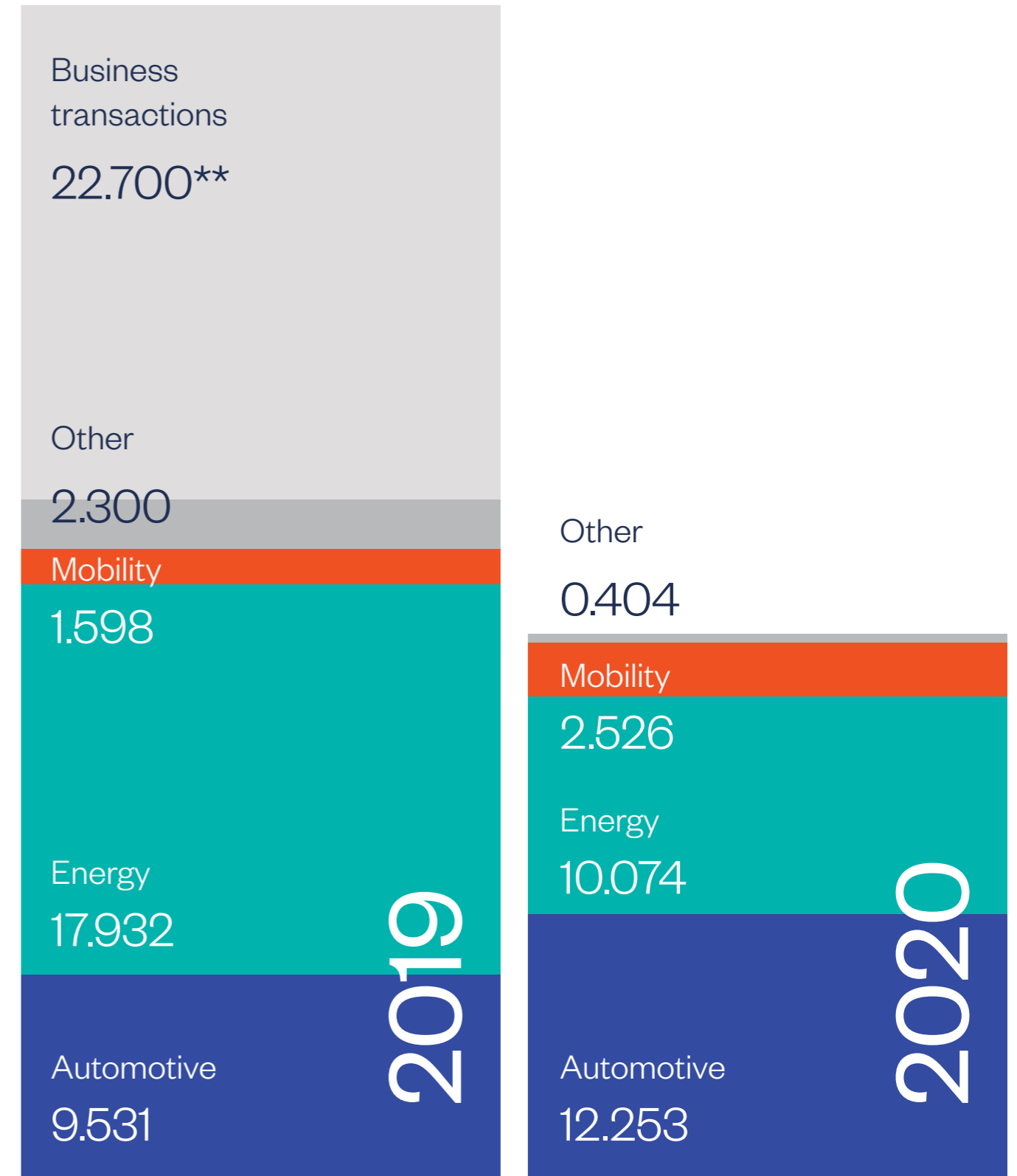
Although the mobility sector in 2020 faced the biggest challenge during its business history, our mobility business outperformed its 2019 results and earned EUR 2.5 million.

The EBITDA of other business sectors represent a combination of asset management business, real estate management and ibis Styles Vilnius Hotel. The decrease in EBITDA is due to two main factors: the effect of the global pandemic on the hospitality sector, as well as the launch of our new asset management business.

### Total EBITDA (mEUR):



### EBITDA by sectors (mEUR):



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

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

\*\* sale of BMW and MINI importer and dealership network in Lithuania

\*\*\* subholding EBITDA reported is after elimination of intercompany transactions.

2020 FINANCIAL RESULTS

# Investments

2020 has started with many red flags across various markets. Even the most thorough business analytics models did not have any precedents for the global pandemic and the economic situation following the lockdown. Therefore, we had to rethink our investment strategies and adapt to the new normal. In 2020, Modus Group invested EUR 63.8 million in various business sectors. The overall investment rate fell by 60 percent in comparison to 2019. Due to quarantine restrictions

and market uncertainty, several projects were put on hold and were pushed to the following year. A large share, EUR 54.7 million, of our 2020 investments were focused on solar power and biogas projects in Central Europe. Meanwhile, EUR 6.7 million was assigned to the mobility business and helped the CityBee vehicle fleet grow in Latvia and Estonia. Furthermore, in 2020 several new and refurbished showrooms were opened and EUR 2.1 million was invested in the automotive sector.

\* Investment data reported form holding company MG NL level \* Investment data reported form holding company MG NL level

**Energy**

54.7 <sup>2020</sup>  
135.7 <sup>2019</sup>

↓ **40.15 %**

Decrease in investments to the renewable energy projects

**Mobility**

6.7 <sup>2020</sup>  
21.3 <sup>2019</sup>

↓ **31.46%**

Decrease in investments to the shared mobility services

**Automotive**

2.1 <sup>2020</sup>  
1.8 <sup>2019</sup>

↑ **116.67 %**

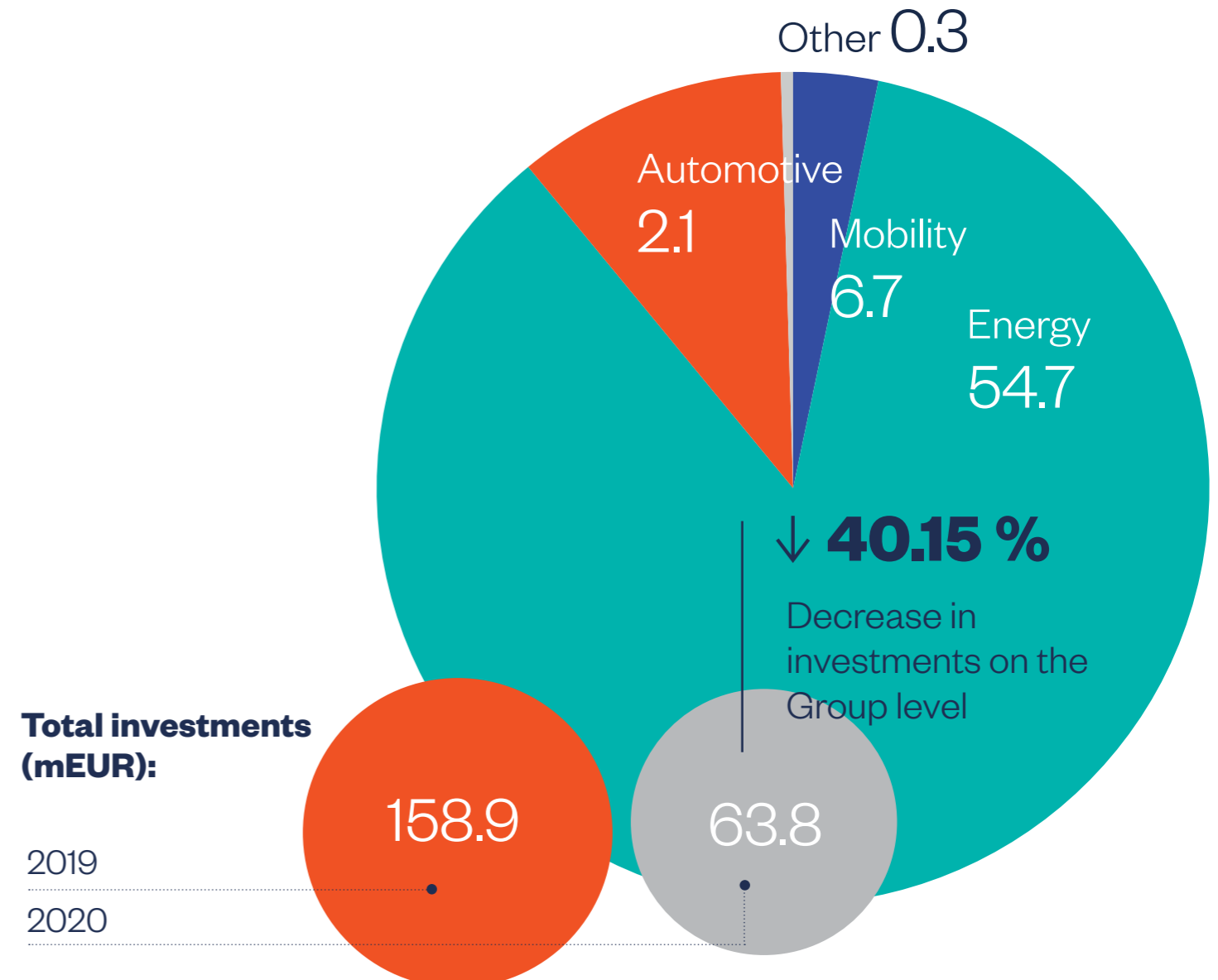
Growth in investments to the automotive business

**Other**

0.3 <sup>2020</sup>  
0.1 <sup>2019</sup>

↑ **300 %**

Growth in investments into other projects



# Business highlights







# Renewable energy



**RUSLAN SKLEPOVIČ,**  
MEMBER OF THE  
MANAGEMENT BOARD  
RESPONSIBLE FOR  
RENEWABLE ENERGY  
BUSINESS

Last year was a demanding year, but those who show courage and determination are able to survive and can even manage to achieve good results. Green Genius is a great example of how a company can work expertly and profitably, even in the face of a pandemic. Last year alone, we gained a foothold in the market by growing our team and starting many new projects. It also allowed us to significantly increase the production of renewable energy: from 110GWh in 2019 to 310GWh in 2020.

Energy brand

**GREEN  
GENIUS**

We also stayed committed to our ambitious goals in Central Europe. This region has a very high potential for developing successful renewable energy projects. Together with Green Genius' international

experience and proven concepts, we are committed to increasing our market share. Our goal for the next 5 years is to build a total of 1GW renewable energy assets that would generate 1650GWh of green electricity per year.

# 10

**YEARS OF EXPERIENCE  
IN RENEWABLE ENERGY  
SECTOR**





# Solar energy

## **Solar energy for everyone.**

We believe that everyone should be able to generate renewable energy. Therefore, in March 2020, Green Genius started offering the option to acquire or rent part of the remote solar power plants in our home market. Now, Lithuanians have an opportunity to generate clean energy themselves, without having the actual solar power plants at their property. This solution not only democratizes green energy, but is also very user-friendly: parts of the solar power park can be reserved through our online platform. Evidently the Lithuanian market was more than ready for this

type of project, since all of the available slots in the remote solar power plants are currently taken.

## **Rapid solar power plant development in Poland.**

In June 2020, one of the biggest fund managers in the world – Aberdeen Standard Investments (ASI) – acquired a 40.4 MW portfolio of solar power plants developed and constructed by Green Genius in Poland. The portfolio consists of 41 cutting-edge individual solar power projects. This partnership demonstrates our strong know-how and leadership in this market as it was the second such investment by ASI.

IN 2020:

# 150<sup>GWH</sup>

OF ELECTRICITY WAS  
GENERATED FROM SOLAR  
POWER PLANTS





In July 2019, ASI acquired a 45.4 MW portfolio from Green Genius and at that time this was the biggest sector acquisition in Poland. This country remains our key strategic market and we have already begun the construction process for the third portfolio of solar power farms.

**Growth in Ukraine.** During 2020, we also continued expanding our solar power portfolio in Ukraine. Green Genius has developed a solar power park of more than 33 MW. The investments into the project exceeded 30 million euros. It was implemented in partnership with the European Bank for Reconstruction and Development (EBRD).



IN 2020

40.4<sup>MW</sup>

SECOND PORTFOLIO IN POLAND OF SOLAR POWER PLANTS SOLD TO ABERDEEN STANDARD INVESTMENTS (ASI)

33<sup>MW</sup>

GREEN GENIUS HAS DEVELOPED A SOLAR POWER PARK IN UKRAINE





# Biogas

## Expanding portfolio in Poland.

In 2020 Green Genius initiated its first biogas projects in Poland, and acquired 2 ready-to-build projects. In the upcoming 3 years we plan to have built 20 MW of biogas power plants.

Poland was already a well-established market for Green Genius, as we have accumulated extensive experience by completing solar projects here. Furthermore, we see great growth opportunities for our biogas business too. Poland will certainly be the focus market for our biogas team in the upcoming years.

## Completed project in Belarus.

In 2020, Green Genius successfully launched a new biogas power plant in Belarus, located near one

IN 2020

# 160 GWH

OF ELECTRICITY WAS GENERATED  
FROM BIOGAS POWER PLANTS





STARTED BIOGAS  
ACTIVITIES IN

# Poland

## € 23

MILLION LOAN FROM KOMMUNALKREDIT  
TO REFINANCE EXISTING BIOGAS  
PORTFOLIO IN LITHUANIA

of the biggest pig farm complexes in the country. The newly built 1 MW biogas power plant will use approximately 250 thousand tons of organic waste from the pig farm complex every year to produce green power. Approximately 8 GWh of clean electricity will be generated by the new biogas plant annually.

With this recent project, all 8 of our biogas power plants in Belarus were completed. They now have reached a total capacity of 10 MW power. This allows our biogas portfolio in Belarus to reduce CO<sub>2</sub> emissions by 87 thousand tons every year.

**Strong support during uncertain times.** Green Genius has installed and is currently operating 11 biogas power plants in Lithuania with a total capacity of 10.8 MW. We also got a license to recycle third-animal by-products, which led to the extended portfolio of biodegradable wastes in one of our plants and one of the first biodegradable waste recycling lines in the Baltic States.

In December 2020, Austrian bank Kommunalkredit provided a €23 million loan to refinance the existing Lithuanian biogas portfolio debt. The transaction is the first of its kind in the Lithuanian energy sector for the bank. Moreover, it was carried out despite the uncertainty brought by the COVID-19 pandemic, and thus demonstrates the resilience of energy assets to economic cycles and diverse crises.

# Mobility



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

The global pandemic had a huge impact on the mobility business, as it was essential for people to stay home. Nevertheless, CityBee is always ready for quick and user-orientated solutions. That is why, we managed to adapt our services and processes to meet the new demands made by the society and to offer new services when the community and market needed them.

CityBee is a start-up no longer. With more than 1600 vehicles in Lithuania, Latvia and Estonia, we are the leading carsharing operator in the Baltic States. Even with travel and other restrictions, CityBee was able to continue growing in Latvia and Estonia during 2020. The

fleet increased from 200 to 350 vehicles in each country.

Moreover, during the spread of the COVID-19 pandemic, we had to adapt our car sharing service with new sanitation procedures to assure our customers are safe.

Mobility  
brand

**citybee**



# 📍 Mobility

# 700

## ELECTRIC VEHICLES

to be added to the fleet in next few years

# mybee.

## A NEW WAY OF HAVING A PERSONAL CAR



**Going electric.** In the beginning, CityBee carsharing platform started with only 35 cars. By the end of 2020, we managed more than 1600 vehicles in the Baltics. Bold decisions and healthy growth, led to another milestone: CityBee signed a deal for 700 electric vehicles. The vehicles will be entering the fleet bit by bit, with the first ones arriving in April 2021. Electrification was the next sensible step for CityBee, since EVs are becoming more and more efficient and capable of traveling longer distances, which make them a good fit for carsharing services.

In addition, we are adding 10 stations to Lithuania's fast-charge network. With these, it will take a short time to recharge CityBee electric vehicles, as every charging station generates 300 kW of power.

**Short-term solution.** During the spread of the COVID 19 pandemic in the spring of 2020, e-commerce was the only safe way to buy goods. Another problem arose during that period: many companies did not have the right infrastructure or the necessary logistics processes to meet consumer needs. As a result, CityBee rushed to the rescue and offered a short-term solution: same-day delivery in the

Baltics. By targeting the service at medium and small businesses, it had the opportunity to contribute to meeting consumer needs and helping businesses through particularly difficult times.

**New business model.** In May 2021, Modus Group is launching a new product: MyBee. MyBee offers a new way of having a personal car. We offer contract flexibility and long-term rental, the same app experience as our carsharing platform, and a price equivalent to a financial lease. With this service we target customers for whom carsharing is not an option, as they live or work outside city centre or have other needs and preferences which are not covered by carsharing.

Via the MyBee app, people can choose the vehicle they are interested in, select the payment and rental conditions that work best for them and pick up the car on the same day. MyBee offers the most efficient solution, as no paper contracts or long-term commitments are needed.



# Automotive



**OLEG MARTYNIUK**  
MEMBER OF THE  
MANAGEMENT BOARD  
RESPONSIBLE FOR  
AUTOMOTIVE BUSINESS

2020 was a very dynamic year for the automotive sector, one that was heavily impacted by the outbreak of the COVID-19. This global pandemic resulted in a compulsory government ordered shutdown of business operations. Automotive companies took immediate actions in order to prioritize safety of their employees and customers. With the gradual reopening of businesses, focus remained on maintaining high levels of customer service with the introduction of new options for contactless sales and service procedures. All this hard work, in combination with cost optimization, resulted in successful navigation through this crisis.



Automotive brands



Jeep



MASERATI



CUPRA

SEAT



BMW MOTORRAD





# Automotive

## **New exclusive Showroom in the centre of Vilnius.**

Just before the outbreak of the COVID-19 pandemic, we opened a new luxury showroom of 600 sq. m. where customers can find a full range of Bentley and Maserati vehicles. This is the first city centre based showroom in Vilnius and is located on the premium Konstitucijos Avenue.



**The new area for Fiat, Jeep, and Alfa Romeo in Vilnius, Lithuania.** 2020 was a year full of changes and adjustments for our automotive activities at Autobrava Motors. We have relocated the Fiat, Jeep, and Alfa Romeo showroom and service area. The 830 sq. m. showroom fits 14 different car models with an additional 1100 sq. m. dedicated to modern service facilities, which are supplied with the latest equipment that meets the highest requirements of the manufacturer.

**First official Cupra showroom in Riga, Latvia.** 2020, for the Cupra brand, was all about preparation for the launch of its first model Cupra Formentor as a standalone company after its separation from Seat. Last year, our company Autobrava Motors became the official Cupra representative in Riga, Latvia. Hence, we also opened a 250 sq. m. showroom to satisfy the needs of the future growth of the Cupra model range.

# Asset Management

The year 2020 was full of challenges. Despite this, by offering different funding programs, Modus Group was able to offer many investment solutions for renewable energy projects in the Baltic region.

**Deep commitment to the Polish market.** Poland is a key renewable energy market for Modus Group. We continue to develop solar power plants under the Green Genius brand in this country, and actively search for new investment opportunities for our funds. Therefore, in February 2020, Modus Asset Management launched Modus Poland Solar Fund I, dedicated to informed investors. The fund's investment units were offered to Baltic investors.

**Building the portfolio.** In December 2020, Modus Asset Management acquired a 16 MW turnkey portfolio of ground-mounted solar photovoltaic farms from leading global solar project developer ReneSola. The acquisition was implemented through the previously mentioned Modus Poland Solar Fund I. The fund continues its active investment phase in the Polish solar sector, aiming to build a portfolio of over 100 MW.


















**14**  
MILLION EURO CALLED  
FROM OUR INVESTORS

**20**  
MILLION EURO OF  
ADDITIONAL COMMITMENTS  
FROM OUR INVESTORS

**Additional fund in Lithuania.** Moreover, we launched the additional renewable energy fund Modus Remote Solar Fund I. It is dedicated to informed investors in the Baltic States, with the first closing expected to take place in June 2021. Modus Remote Solar Fund I has a targeted commitment size of 20 million euros and will invest in already operational solar photovoltaic projects in Lithuania that are leased to clients via a remote solar plant mechanism.

# Our story so far 1993-2017

Modus Group story began in 1993 in Lithuania. During more than 27 years, the company has grown to a successful international business.

1993			LITHUANIA
2003		uniPark	LITHUANIA
2004		 	LITHUANIA
2008		 	BELARUS
2010		 	THE BALTICS
2011	 First solar power plant		LITHUANIA
2012		citybee  	LITHUANIA
2013	 Implementation of first biogas power plant project in Lithuania	 	LITHUANIA LITHUANIA LITHUANIA LATVIA
2015	 Successfully listed bonds on the Nasdaq Baltic First North Alternative market		
2016	 Started partnership with EBRD		
2017	 Solar power plants projects in Poland and Spain		POLAND SPAIN LITHUANIA

# Our story so far 2018-2021

## 2018

### MODUS GROUP

Successfully listed bonds on the Nasdaq Baltic First North alternative market for the second time

Merger of the parking operator UniPark and City Parking Group



B2B solar-as-a-service in Europe

BELARUS

POLAND

THE BALTICS



Building biogas power plants in Belarus



Solar projects in Poland



Autobrava becomes an official JEEP importer in the Baltics

## 2019

LITHUANIA

POLAND

UKRAINE

Sale of



in Lithuania



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



The first implemented solar project in Ukraine

LATVIA  
ESTONIA



Passenger cars in Latvia and Estonia

## 2020



Modus Group joined UN Global Compact

### MODUS GROUP

Modus Group successfully distributed € 8 million bond issue

### MODUS ASSET MANAGEMENT

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

POLAND

POLAND



Renewable energy businesses started operating under single name



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



Biogas activities started in Poland

UKRAINE

LATVIA



Second project in Ukraine finished - a 33MW solar park



## 2021

LITHUANIA



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



# Our brands

## Asset management

MODUS ASSET  
MANAGEMENT

## Energy

GREEN  
GENIUS

## Mobility and smart parking solutions

citybee

mybee.

uniPark

EuroPark

eVend

City Parking Group

## Automotive



Jeep



MASERATI



ASTON MARTIN



SEAT

BMW  
MOTORRAD

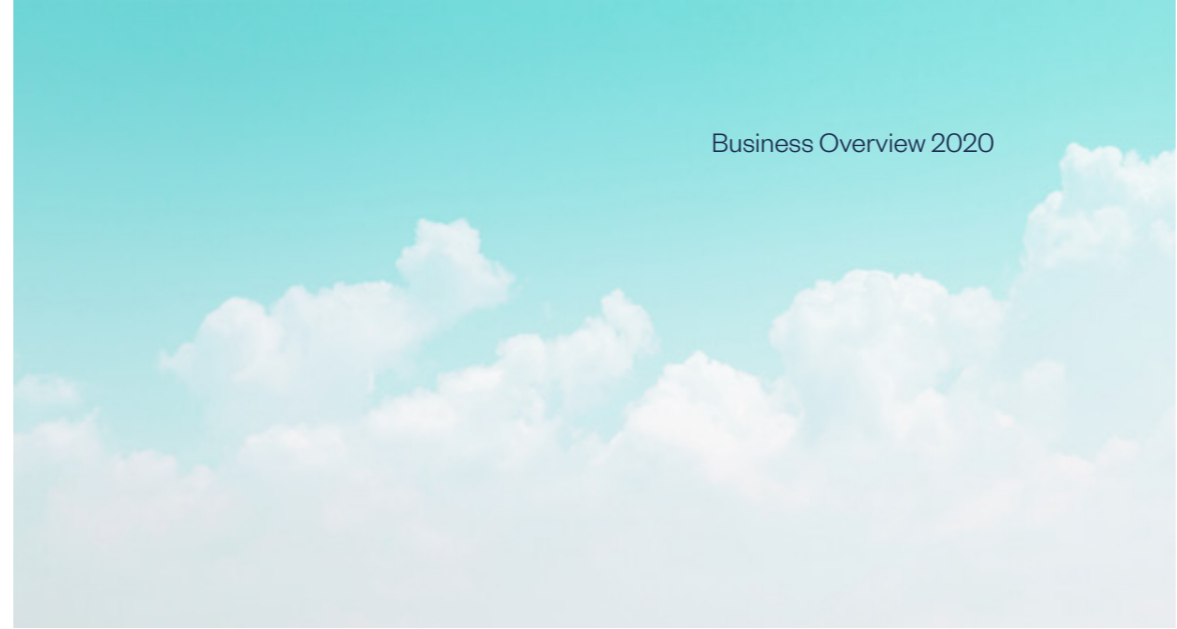


## Real estate



# Global compact Communication on Progress (COP)





# The ten principles and sustainable development goals of the UN

Growing our business and creating value for our stakeholders in a sustainable manner is at the core of Modus Group's strategy. We are committed to elevate life through sustainable choice by continuously focusing on creating shared economies, providing renewable energy and fostering circular economy solutions. By joining the United Nations (UN) Global Compact in 2020, we have committed to disclose our efforts in the area of sustainability and advance the broader development of the UN goals.



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

But that's not all, we continuously create positive impact by actively providing specific solutions to the

world's most pressing problems addressed by UN Sustainable Development Goals (SDGs).

Reflected in our values, today, the UN Global Compact and Sustainable Development Goals lay the foundations for our future corporate sustainability and ensure that our progress can be measured and managed effectively.

## THE TEN PRINCIPLES AND SUSTAINABLE DEVELOPMENT GOALS OF THE UN

# Human Rights

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

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

# Labour

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

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

**Principle 5:** the effective abolition of child labour;

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

# Environment

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

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

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

# Anti- Corruption

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

WE SUPPORT





# We are committed to elevate life through sustainable choice

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



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

3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents. (mobility)

3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. (mobility, biogas, solar)



## Ensure access to affordable, reliable, sustainable and modern energy

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services (biogas, solar)

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix (biogas, solar)

7.3 By 2030, double the global rate of improvement in energy efficiency (biogas, solar)



## Make cities inclusive, safe, resilient and sustainable

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons (mobility)

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management (mobility, biogas, solar)



## Ensure sustainable consumption and production patterns

12.2 By 2030, achieve the sustainable management and efficient use of natural resources (biogas, solar, mobility)

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment (biogas)

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse (biogas)

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (biogas, solar)



## Take urgent action to combat climate change and its impacts

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

# Key Facts



# 700+

EMPLOYEES IN 10 EU COUNTRIES

# 310<sub>GWh</sub>

OF GREEN ENERGY GENERATED THROUGH BIOGAS AND SOLAR PLANTS

# 19.656

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

# 283

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

# 350+

DAYS OF TRAINING BOTH IN-HOUSE & E-LEARNING

# Responding to COVID-19

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

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

wide approach in handling the situation.

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

Since the start of the pandemic in 2020, we have shifted to remote work. Work from home measures have not been new to us, as we were occasionally allowing people to work remotely even before the pandemic. That is why we were able to successfully move all offices online since day one.

FOCUS TOWARDS  
**THE MENTAL HEALTH**  
OF OUR PEOPLE



**11 406** km  
WALKED TO KEEP US HEALTHY



Nearly 70% of our employees have been working remotely during the lockdown. For those unable to perform tasks from home, a range of safety measures were implemented. These included thorough physical distancing protocols, increased frequency of deep cleaning, and amended shift patterns.

2020 has been an emotional rollercoaster for many, that is

why we turned our focus towards the mental health of our people. A set of online events, video games and walking challenges have been introduced to keep the employees motivated and engaged in these difficult times. For those in need, psychologist consultations were also encouraged and the expenses were covered as part of health insurance package.

# Responding to COVID-19

**For our communities.** At Modus Group we are committed to the well-being of the population we serve: creating shared value is an integral part of our business. In the time of COVID-19, we continue to support our communities unconditionally.

We ensured that medical staff had access to our shared mobility vehicles at the peak of the crisis: 120 vehicles were allocated to perform duty related tasks. Vehicles were also provided for the NGO Maisto Bankas to help deliver food packages to community members in risk groups. In total, 2159 households have received support with the help of CityBee vehicles.

In addition to that, 20,000 euros in funding was donated to the medical community through the fund Rūpesting širdelė. In cooperation with Laisvės TV and the Lithuanian tech community we ensured that protective clothes, masks and

respirators (the much needed supplies) reached medical staff in Lithuanian hospitals. As part of this donation, we also distributed medical masks to the retirement homes around Lithuania, which truly faced a shortage of protective gear in this difficult time.

Meanwhile we continued to safely serve our customers. In addition to intensified cleaning, 5000 sanitary liquid bottles were distributed via CityBee vehicles to ensure sanitation and prevent virus spreading through the carsharing service.

We will continue to stay united and support each other in these turbulent times.

# 2159

HOUSEHOLDS SERVED VIA SHARED CAR SERVICE SUPPORT



# 120

VEHICLES FOR MEDICAL STAFF



# 5

THOUSAND SANITARY LIQUID BOTTLES FOR COMMUNITY



# 20

THOUSAND EURO DONATION TO THE MEDICAL COMMUNITY



# Human rights

We as an organization respect the values and cultures of the people we work with the and communities in which we operate. In this way we are able to serve and leave a positive mark. We believe in creating an inclusive workplace where every employee is valued and respected. This section of the report highlights Modus Group's actions to address and monitor human rights principles.

## MODUS GROUP H&S STRATEGY COMMITTS TO:

Continuously assess and manage H&S risks

Maintain safe and clean working environment

Prepare for potential incidents and emergencies

Provide regular and applicable H&S training

Relevant Documents: Health and Safety Policy, Human Resource Policy

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

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



We are committed to upholding human rights and fully support the local labour standards, working hours and health and safety for workers which is reflected in both our Health and Safety and Human Resource policies.

**HEALTH & SAFETY.** We make sure health and safety come first, unconditionally, across all operations. Employees at Modus Group are briefed on how to use their working equipment and receive regular training to ensure the highest health and safety standards. In 2020, a total of 31 health and safety related training sessions were provided to our staff in biogas plants. On a company group level, all employees have access to the online education tool where each of them has to complete a compulsory Health &





Safety training session every 12 months. In turn, the number of health & safety related accidents amounted to only 1 across the group of companies.

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

But that's not all, we also invest in our workplaces so our employees can work in a

comfortable, clean and safe environment. Our biogas plant operators have state-of-the-art offices with fully equipped and computerised systems, as well as full plant monitoring systems.



# 31

## TRAININGS IN THE AREA OF HEALTH & SAFETY

The automotive dealership teams are provided with one of the cleanest and safest workplace environments compared with a market average in each country of operation and our CityBee fleet team is equipped with new vehicles, which are cleaned and maintained weekly.

Any concern and/or incidents related to human rights and/or health and safety can be reported anonymously via our intranet platform. Additionally, Green Genius has a Committee of Employee representatives as well as Health and Safety ambassadors to represent the interests of all workers and to have an open arena for dialog between employees and the employer representatives with the purpose to reflect human rights. This functions additionally to the group's Committee of Employees.

**COMPLIANCE.** We are continuously working on alignment and improvement of internal processes related to the employee's employment journey



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

**COMMUNITIES.** Supporting Modus Group's employees is a key priority of ours, but taking care of our surrounding communities is just as important. Our local teams work closely with municipalities, local governments and communities to identify ways in which we can contribute, collaborate and bring benefits to them. In order to ensure constant mutual and clear communications for communities living around our biogas plants, in 2020, we organised a number of meetings in our operating markets aiming to educate, listen, reflect and inform on the impact our operations might have for the

locals. To illustrate: every year we organise live meetings with the local Ažuolinė community (consisting of around 30 people) in the Elektrėnai municipality so that we could hear feedback from people living around our biogas power plant and make improvements accordingly.

By building mutual trust through a two-way dialogue that is timely, transparent, inclusive and participatory, we aim to reduce social risk and optimize the value of positive relations with stakeholders across our project lifecycles.



## Average salary

Lithuania ↑ 2.31 **TIMES HIGHER**

Latvia ↑ 1.62 **TIMES HIGHER**

Estonia ↑ 1.06 **TIMES HIGHER**

Belarus ↑ 2 **TIMES HIGHER**

Poland ↑ 1.66 **TIMES HIGHER**

Spain ↑ 1.83 **TIMES HIGHER**

Ukraine ↑ 1.65 **TIMES HIGHER**

Check republic ↑ 1.98 **TIMES HIGHER**

Romania ↑ 1.29 **TIMES HIGHER**

**FAIR PAY.** At Modus Group, we ensure to comply with legal regulations and plan workforce working hours accordingly. We are also committed to providing fair and transparent pay including, for the positions applicable, additional remuneration package.

The average salary across all Modus Group companies in all operating countries is higher than the country's average. The below table shows the salary distributions in our operating countries. (Insert a dedicated image next to this.)

# Labour

Our employees are our company's greatest asset and the key to our success. Modus Group's Human Resource strategy is designed to ensure that our people thrive and fulfil their potential. This section highlights all of Modus Group's actions to address and monitor its efforts on labour with a focus on the following principles:



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

**Related Policies:** Human Resource Policy, Onboarding Protocol, Group Internship Policy, Group Business Travel Policy, Equal Opportunities Policy, Training Policy, Freedom of association, Social Policy

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

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

**Principle 5:** The effective abolition of child labour;

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



GREEN GENIUS TEAM BUILDING ACTIVITIES IN 2020

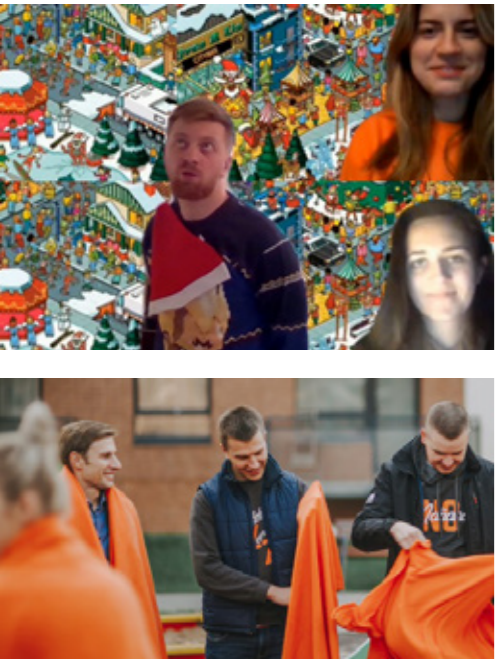
## WORKFORCE RELATIONS.

Modus Group respects the right of all employees and contractors to organise collective bargaining positions and to join a trade union. Our workforce has our full support and we commit to participatory engagement with all employees and their representatives. All employees can access grievance mechanisms, ensuring that any issues raised by our workforce are dealt with quickly and transparently. This aids accessibility, accounts for cultural

sensitivities, and imposes no cost or retribution on the concerned parties.

Our intranet system functions as a tool which allows employees to raise any personal or company related issues and grievances anonymously. An open dialogue between employees, management and the HR teams is continuously promoted, creating a pleasant and open-minded work environment.





TEAM BUILDING MOMENTS OF MOBILITY BUSINESS IN 2020



AUTOMOTIVE TEAMS' EVENTS IN 2020



**EMPLOYEE WELLBEING.** At Modus Group we take physical and emotional wellbeing seriously. In 2020, we organised a virtual mental health workshop to strengthen emotional resilience and help employees cope with mental challenges that have become more present in the times of the COVID-19 pandemic. To ensure everyone is coping well, we consistently sent out questionnaires to our employees throughout the COVID-19 pandemic to get insights and feedback on their wellbeing, safety and productivity when working from home. We also shared consistent internal communications, highlighting the importance of mental health and showcasing ways in which employees could support themselves. We made sure to

highlight the fact that mental health consultations with a specialist are a part of everyone's health insurance and advised employees to use this service if needed.

This year, to encourage organisation-wide physical activity, we also kicked off a walking challenge. This added an average of 110 880 footsteps to every participating employee's regular daily activity per month. On top of the above, we strive to create an empowering and collaborative workplace environment. To showcase this, all-hands meetings are a common practise in our organization. During these regular meetings, business financial and operational performance is openly shared and business

**WALKING CHALLENGE**

**110 880**

**FOOTSTEPS** ADDED TO EVERY PARTICIPATING EMPLOYEE'S REGULAR DAILY ACTIVITY PER MONTH.

goals are presented to keep everyone aligned, enforce collaboration and strengthen the company's culture. We have also implemented a Rewards & Recognition programme, which allows top performers to be recognised for their hard work and to be rewarded accordingly.

We also run periodic internal surveys of employees to measure the level of satisfaction at the workplace. According to numerous

surveys, over 90% of respondents say that their work is meaningful and engaging. The majority would also be willing to recommend the workplace to their friends.

**ZERO TOLERANCE FOR CHILD & FORCED LABOUR.** We strictly comply with the local labour laws and prohibit child labour and forced labour throughout our international operations. In 2020, Modus Group did not identify any risks of human rights abuses, child labour, forced labour or discrimination.

**EQUAL OPPORTUNITY.** Our business always respects the principle of



equal opportunity. Employees are selected based on their expertise and ability to do the job. No distinction, exclusion or preference is made on other backgrounds or characteristics.

Discriminatory advertisement as well as selection according to gender or nationality is prohibited. The company is also committed to making reasonable adjustments to allow people with disabilities to work safely and productively.

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

Zero tolerance for child & forced labour

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

Fair labour practices across all operations

Hiring for competencies and skills above all



Across our business, we work on diversity and inclusion, including gender. Modus Group has been developed to be an inclusive company where people from all backgrounds are able to work, and where their perspectives are valued and celebrated.

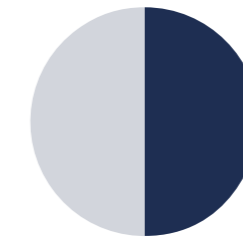
In 2020, 50% (2 out of 4) of our management board members were female, one of which is also a chairwoman. Across

the group of companies, 35% (9 out of 26) of the CEOs, and 32% (52 out of 163) of all managers are women. By the end of 2020, we had a total of 733 employees, of which we're proud to share 29% were female. This is an achievement, keeping in mind that the proportion of male employees in automotive and engineering industries is still very high today.

**PROPORTION OF FEMALE EMPLOYEES AT MODUS GROUP**

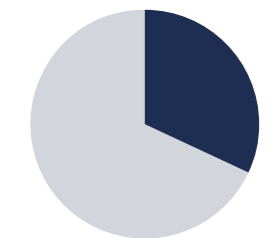
**MANAGEMENT BOARD MEMBERS**

**50%**  
female employees



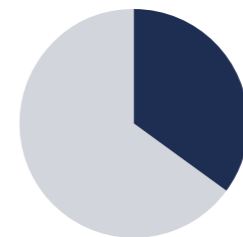
**MANAGERS**

**32%**  
female employees



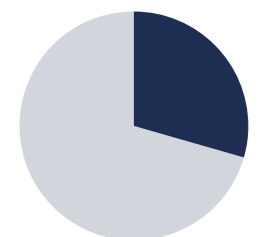
**CEOs**

**35%**  
female employees



**ALL EMPLOYEES**

**29%**  
female employees



Employee distribution by age group:



Modus Group is an equal opportunities employer. That is why, before bringing on board any new employee, we ensure the hiring process is based entirely on their competencies and the right skill set. To ensure we stand by what we say, we have an internal Equal Opportunities Policy. We comply with local labour laws and have zero tolerance towards discrimination in the workplace. Therefore, we strictly forbid discriminating on the basis of race, religion, nationality, gender or age.

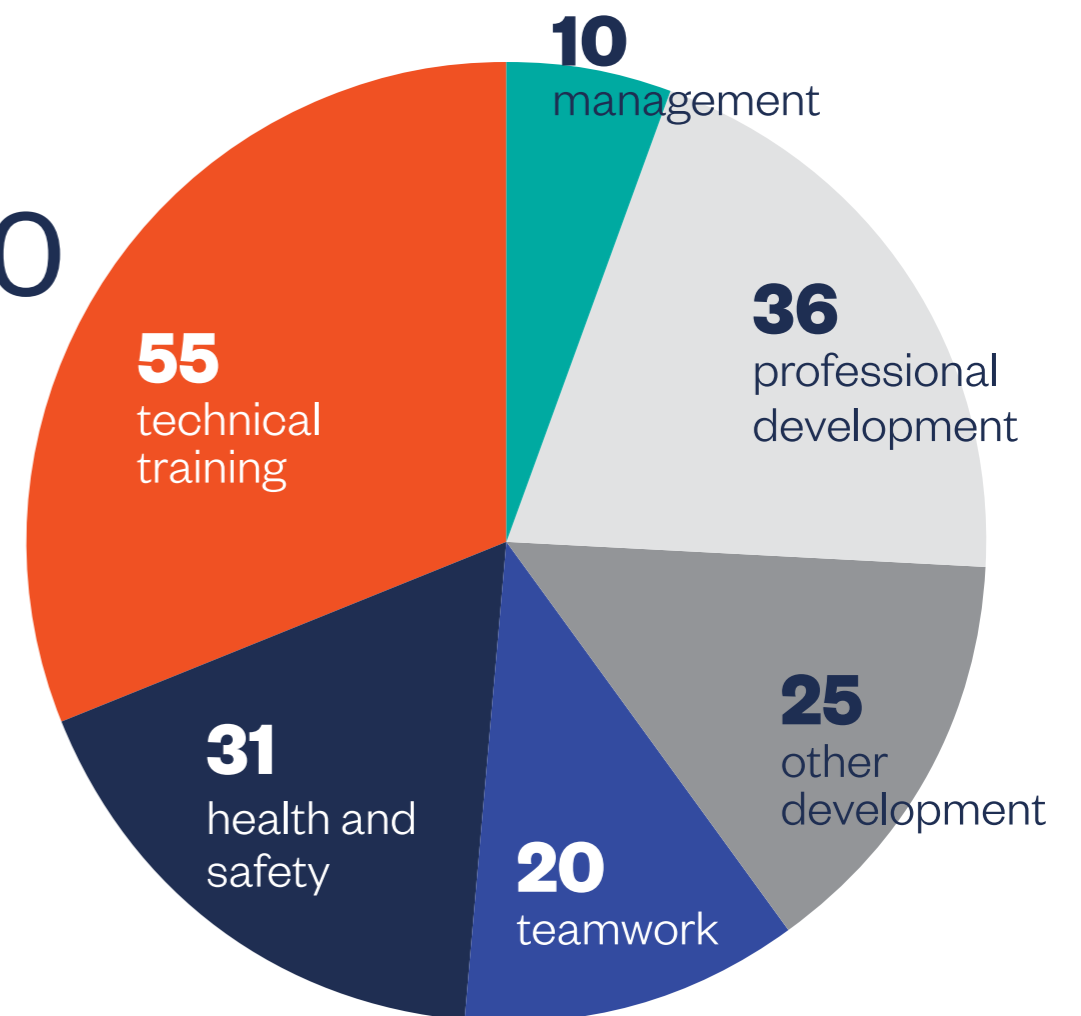
have placed a strong focus on attracting the right people with the right skill sets and keeping those people engaged and motivated. We ensure constant personal and professional development is available: our employees have participated in a total of 177 trainings (2 800 hours of training) in 2020 alone.

**TRAINING.** It is essential that Modus Group has the most passionate minds working across our businesses. That is why we

In 2020

177 trainings

2 800 hours of training



# Environment

## MODUS GROUP'S contribution towards Sustainable Development Goals in 2020

# 7

GOAL



We have substantially increased the share of renewable energy in the global energy mix.

310GWh of green energy generated through biogas and solar plants.

# 11

GOAL



# 9

GOAL



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

20 000 less cars in the Baltic States due to our car sharing service CityBee.

# 12

GOAL



We have moved towards sustainable waste management and efficient use of natural resources; our biogas energy solutions provide circular economy opportunities for biodegradable waste.

# 13

GOAL



283 000 tons of CO2 were avoided in 2020.

# 15

GOAL



We cherish natural habitats and halt the loss of biodiversity.

We undertook year round bird monitoring in Spain and installed the first remote solar power plant with beehives in Lithuania.

This section highlights all of Modus Group's actions to address and monitor its environmental efforts, with a focus on the following principles:

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

**Principle 8:** Undertake initiatives to promote greater environmental responsibility;

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

### Related Documents:

Investing guidelines (in which care for environment is reflected by the "Trusting Green" guideline)

## ENVIRONMENTAL IMPACT

We aim to be the market leader in the CEE region. Environmental stewardship is integral to achieving this goal. To this end, we set out an environmental management approach starting with initial project screening which will carry on up until decommissioning. We proactively respond to environmental risks and work hard to mitigate any impact from the start of the project to its completion.

We want to demonstrate the very best environmental performance practices, that is why we deliver net environmental benefits to local communities and ecosystems. We are constantly working with local communities to address specific environment related challenges they may face.

We also undertake environmental assessment and constantly improve our environmental management system for biogas and solar plants.



## EFFICIENT RESOURCE MANAGEMENT

We are constantly striving to achieve better efficient use of natural resources. Our biogas plants use state-of-the-art technology and allow us to process animals' and other organic waste which is converted to odourless liquid fertilizer. This contributes to circular economy principles and positively impacts local surroundings, helping reduce odour emitted by landfills and animal farms. To illustrate: "Green Genius" has a long-term partnership with the "Idavang" pig farm in Lithuania, dating back to 2014. We utilise pig manure by recycling it into renewable green energy, heat, and fertilizers. In 2020, "Idavang" agreed to update their systems, so that they would be able to utilize heating provided by a biogas power plant.

In addition to this, in 2020, we have invested more than 100 000 euros in our biogas energy plant technology to reduce undesirable smells around livestock farming facilities by converting pungent gas into energy.

But there is more: we repurpose the by-product of biogas production by giving it away or selling it to farmers in local

communities to use as fertiliser. In Lithuania, the surplus of the biogas energy goes to the centralised grid and is sold to our partners so that no energy is wasted. This reduces heating costs and results in higher CO<sub>2</sub> savings compared to alternative heating solutions. To practise what we preach, at Modus Group we also use a part of the generated energy for our own heating.

In addition to this, in 2020, we partnered up with a coffee producer Paulig to invite businesses to collect used coffee grounds and turn them into energy through our biogas technology solutions. 12 000 kg of used coffee grounds were transformed into 12 000 kWh of green energy which lit up the Christmas Tree in Vilnius, Lithuania during 2020's festive season.

Our carsharing service reduces city congestion and contributes to sustainable use of natural resources. Every shared vehicle eliminates the need for 12 privately owned cars, which corresponds to 20 000 fewer cars in the streets of largest Baltic cities



### CLEAN ENERGY

Delivering clean, reliable energy is one of our main sustainability commitments. Last year, our biogas power plant generated 160 GWh of green energy, while our solar power plants generated over 150 GWh. In total, this amount could supply more than 100 000 families with their energy needs for a year.

By making renewable energy more affordable, our energy solutions also contribute to the well-being of communities. In 2020, by supplying and producing heat from renewable energy sources, we were able to reduce the price of heating for the town of Vievis by up to 10 percent.

# 310<sup>GWH</sup>

**OF GREEN ENERGY**  
GENERATED THROUGH  
BIOGAS AND SOLAR PLANTS.  
THIS AMOUNT COULD  
POWER MORE THAN 100 000  
HOUSEHOLDS FOR A YEAR

These numbers are a promising start, but we are committed to climb even higher: a total of 1GW of renewable energy assets will be built by 2025, which are planned to generate 1650GWh of green electricity per year.



### CARBON EMISSION REDUCTION.

The development of clean energy and mobility avoids significant carbon dioxide (CO2) pollution. In 2020, 283 000 t of CO2 was saved due to our renewable energy and mobility solutions, this is equivalent to the amount of CO2 that approximately 13 million young trees would be able to absorb in one year.

In other mobility operations, we also prioritise CO2 efficient hybrid or electric cars; 22% of our passenger cars (460 out of 1634) in the Baltics were hybrids in 2020. More than 50 electrical vehicles will be added to the CityBee fleet in 2021, followed by another 700 by 2024.

In 2020, during a Green Genius summer event, as a symbol of

# 283

**THOUSAND TONNES**  
OF CO2 SAVED IN 2020, WHICH  
IS EQUIVALENT TO THE AMOUNT  
OF CO2 THAT APPROXIMATE-  
LY 13 MILLION YOUNG TREES  
WOULD BE ABLE TO ABSORB IN  
ONE YEAR



our mission to reduce CO2 emissions, our team planted 200 young trees in the town of Ažuolienė. If every Green Genius employee would plant trees instead of building renewable plants, each of them would need to plant 200 trees every day to reach the same environmental impact.



**BIODIVERSITY PRESERVATION**

We believe that our operations could have a positive effect on local landscapes and biodiversity, that is why we take proactive steps to cherish natural habitats and halt the loss of biodiversity.

In 2020, a 1 MW solar power plant project implemented in Utena

contributed to conservation of bee populations and biological diversity. In cooperation with the professional beekeepers, six beehives were placed next to our solar plants in order to protect the critically dwindling bee populations. The plant pollination performed by the bees is also very important for the preservation of various flora species. In turn, the green

field area with the wild-flower plantations around the solar farms offer a favourable ecosystem for the reproduction of the species.

We closely follow rigorous environmental processes which are required to test our impact on the environment and we continue to support a precautionary

approach to environmental challenges and biodiversity. In 2020, we also monitored birds in Spain for an entire year in order to get permission to build solar parks in Cadiz, Sevilla and Granada and to ensure that no harm will be done to their natural habitats.



BEEHIVES NEXT TO 1MW SOLAR POWER PLANT IN UTENA

# Anti-corruption

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

**16**  
GOAL



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

**AUDITS.** As a market leader we are committed to set the highest standards of business ethics, and our internal culture is focused on fair and legal work principles. To support this, every year we are audited by a top tier auditing house. An auditor's report for 2020 can be found at the end of this document (Chapter 3).

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

In addition to this, to avoid miscommunications, we tend to limit the number of people communicating with officials.

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



**INVESTMENTS.** We are assessing the risk of corruption when making investment decisions. When entering new markets, we carefully evaluate the corruption presence (including salary, rate of bribery, legal tax pay) in each country before making any business decisions. We also look at the competition to ensure we can compete in a legal, fair and transparent manner.

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

Additionally, throughout 2020, we have strengthened our legal

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

In 2021, we commit to further articulate the culture of the moral compass which is grounded in our values and applied when dealing with anti-corruption. We will continue to embed anti-corruption principles and policies for the group of companies to foster sustainable, inclusive and transparent societies.



# Auditor's report

Independent auditor's report  
and consolidated financial  
statements





## **Independent auditor's report**

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

### **Report on the audit of the accompanying financial statements**

#### ***Our opinion***

We have audited the financial statements 2020 of MG NL holding B.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of MG NL holding B.V. as at 31 December 2020 and of its result and its cash flows for the year ended on 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of MG NL holding B.V. as at 31 December 2020 and of its result for the year ended on 31 December 2020 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 2020;
- 2 the following consolidated statements for the year ended on 31 December 2020: the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- 1 the company statement of financial position before appropriation of the result for the year as at 31 December 2020;
- 2 the company statement of profit or loss for the year ended on 31 December 2020;
- 3 the company statement of changes in equity; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

#### ***Basis for our opinion***

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

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

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

### ***Unaudited corresponding figures***

The financial statements 2019 are unaudited. Consequently, the corresponding figures included in the profit and loss account and in the statements of comprehensive income, changes in equity and cash flows and in the related notes have not been audited.

### ***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 that consists of:

- management report;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

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

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

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

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

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

### **Description of the responsibilities for the financial statements**

#### ***Responsibilities of the Board of Directors for the financial statements***

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

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

### ***Our responsibilities for the audit of the financial statements***

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

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

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

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

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



— evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Rotterdam, 30 April 2021

KPMG Accountants N.V.

T.A. Kalmár RA

# **MG NL Holding B.V.**

**Annual report 2020**



**KPMG Audit**  
Document to which our report  
1941867 21W00176386RTM dated  
**30 April 2021**

also refers.  
KPMG Accountants N.V.

# Contents

	Page
Management report	3 -7
<b>Consolidated financial statements:</b>	
Consolidated statement of financial position	8 – 9
Consolidated statement of profit or loss and other comprehensive income	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12 – 13
Notes to the consolidated financial statements	14 - 69
<b>Company financial statements:</b>	
Company statement of financial position before appropriation of result of the year	71
Company statement of profit or loss and other comprehensive income	72
Company statement of changes in equity	73
Notes to the company financial statements	74 – 79
Other information	80



# Management report

## General information

MG NL Holding B.V., LLC (hereafter – the Group), registered in Netherlands Chamber of Commerce, company code – 59978976, registered address Fred. Roeskestraat 115, 1076 EE Amsterdam, the Netherlands, authorized capital of EUR 22,900,100 ordinary shares with nominal value of EUR 1.00 each.

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

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

The Group has offices in Lithuania, Belarus, Ukraine, Estonia, Latvia, Poland, Czech, Spain, Italy, Hungary, Romania and the Netherlands. It consists of directly and indirectly owned 223 subsidiaries and 10 associated companies .

In 2020 the Group had 733 employees (2019 – 755).

At the energy business the Group has an installation track record of more than 164 MW (20 MW biogas power and 144 MW solar power). The Group has a total of 73 MW in operation (20 MW biopower, 53 MW solar), 44 MW solar powerplants under construction in Poland and more than 940 MW (938 MW solar and 2 MW biopower) under development in Spain, Italy and Poland. In 2021 Group is planning construction of 1 biopower plant in Poland (1 MW), finalize 44 MW construction of solar powerplants in Poland, star construction in Italy and Spain.

For its car sales the Group operates a network of 18 car dealerships, including Porsche, Bentley, BMW, Fiat, Maserati and others.

Board members of MG NL Holding.:

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

## Financial information

In 2020 revenue from sales of the group of companies amounted to EUR 469,348 thousand (2019 – EUR 481,849). Cost of sales in 2020 amounted to EUR 431,902 thousand (2019 – EUR 443,126 thousand), and gross profit – to EUR 37,446 thousand (2019 – EUR 38,723 thousand).

Revenue from sales comprises the following revenue streams:

	2020	2019
Revenue from sale of cars	80.9%	81.1%
Revenue from sale of energy	7.0%	7.8%
Revenue from sale of parts	6.8%	5.1%
Revenue from lease of cars	3.5%	3.3%
Revenue from car service	1.1%	1.2%
Other	0.7%	1.6%



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.



Revenues distribution by country in 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Lithuania	62.7%	69.3%
Belarus	10.2%	9.1%
Latvia	6.8%	6.5%
Germany	5.3%	2.2%
France	3.9%	0.1%
Estonia	3.4%	2.4%
Bulgaria	1.7%	0.0%
Ukraine	1.2%	4.3%
Italy	0.7%	0.6%
Poland	0.6%	5.1%
Spain	0.0%	0.0%
Other countries	3.5%	0.5%

Consolidated operating loss before taxation amounted to EUR 8,710 thousand in 2020 (2019 – EUR 40,110 profit). Negative result in 2020 was predominantly caused by following factors:

- Impairment losses EUR 5,422 thousand. Impairment was recognized in :
  - (i) BY biogas powerplants after revaluation (in 4 entities, in total EUR 3,132 thousand),
  - (ii) write-offs of Spain developed solar projects EUR 664 thousand
  - (iii) allowances for doubtful receivables EUR 1,626 thousand: (i) Energy business EUR 72 thousand, (ii) Mobility services EUR 1,341 thousand, (ii) Automotive business EUR 167 thousand, (iii) other business EUR 46 thousand.
- Increase of interest expenses of EUR 5,897 thousand.
- Loss from foreign currency exchange changes EUR 7,345
- Profit on disposals of subsidiaries decreased by EUR 27,443 thousand.

The Group's consolidated tangible assets amounted to EUR 193,022 thousand as at 31 December 2020 (31 December 2019 – EUR 207,841 thousand).

As at 31 December 2020 current assets of the Group exceeded current liabilities by EUR 5,916 thousand (31 December 2019 – EUR 29,310 thousand negative). The improvement of EUR 35,226 thousand demonstrates the Group strengthens its liquidity to continue to successfully finance its operational activities in 2021 and upcoming years.

### The most significant events of 2020

- 3 solar powerplants in Ukraine, with total installed capacity of 47 MW were completed and successfully entered into operations.
- In 2020 second portfolio of solar powerplants in Poland with total capacity of 40.4 MW was sold to external investor. Total profit from this sale amounts to 5,468 thousand EUR.
- Biogas powerplants in Lithuania were expanded by 0.4 MW
- Development of two biogas powerplants in Poland with total installed capacity of 1 MW each was started.
- At the end of 2020 external financing of Lithuanian biogas powerplants portfolio was structured and refinanced by external bank.
- During 2020 the Group sold 24 directly and indirectly controlled subsidiaries in the energy business (2019 – 45). Sale of subsidiaries is related to sale of second portfolio of solar powerplants in Poland with total installed capacity of 40.4 MW (in 2019 – first portfolio was sold, installed capacity – 45.4 MW). Second portfolio consisted of the 2 Polish asset holding companies Modus Energy Asset 5 Sp. Z.o.o. and Modus Energy Asset 7 Sp. Z.o.o., and 14 subsidiaries consisting of solar powerplants. A part of profit from this sale amounts to EUR 5,468 thousand. This amount includes realisation of all the unrealised profit from equipment supply and project management service profit within Modus Group.
- On 1 January 2020 all shares in Modus Energy AB were transferred from Modus Grupe UAB to Modus Energy International BV. Modus Energy International issued 176 shares class B in exchange.
- On 2 January 2020 all shares in subsidiaries UAB Nekilnojamojo turto nuoma and ZAO Modus Projekts were transferred from Modus Grupe UAB to Modus Energy International B.V.



## Significant risks and uncertainties

Main risks faced by the Group are the following:

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

Demand of green energy is increasing over the years and current legislation development, in management opinion, increase demand even more. The Group observes high increase in green energy in one of the focus markets – Poland where successful projects were finalized and even more projects are upcoming (both solar and biopower).

- *Interruption in equipment supply chain*

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

- *Decline in market liquidity*

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

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

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

- *Lack of skilled employees*

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

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

The countries in which the Goup has active business activities did not show significant changes in economic changes that were caused by factors other than Covid-19. Impact of Covid-19 is commented below in 'Information on the impact of coronavirus (COVID-19) on the performance of the Group'.

## Environmental protection

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

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

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

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

## Information on significant events after the end of the financial year

After the end of the reporting period until the date of these financial statements, there were no subsequent events that would have a significant impact on these financial statements or require additional disclosure.

## Operating plans and forecasts of the Group of companies' activities

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

KPMG  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

In 2021 consolidated revenue is expected to reach EUR 586 million:

- Trade of cars : EUR 517 million
- Energy : EUR 33 million
- Mobility : EUR 25 million
- Parking services : EUR 7 million
- Other revenues : EUR 4 million

The consolidated operating EBITDA is forecasted at EUR 69 million.

In 2020 Group made total investments into solar and biogas projects in amount of EUR 54.7 million and plans even higher investments in 2021 totaling up to EUR 201.6 million. This will enable to build total capacity of 121 MW (120 MW solar and 1 MW biogas) and continue development and construction activities of solar and biopower in Italy, Spain, Poland and Lithuania.

Investment activities are financed from operational cashflows, sale of developed projects and businesses, and external financing from credit institutions (as at 31 December 2020 external loans consisted from EUR 153 million).

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

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

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

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

The Company has no own shares.

### **Information regarding financial instruments**

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

### **Information on the impact of coronavirus (COVID-19) on the performance of the Group**

In 2021 continuing restrictions in relation to virus outbreak, the Group applies measures to secure employees and related personnel. Restrictions related to movements of employees, their work in the offices, power plants and other premises of the Group. Technical measures were implemented for the purpose, which enabled employees to work remotely and therefore maximise their protection against the potential virus threats. Work safety related to personal hygiene was reviewed completely, employees are constantly updated on the latest decisions of the governments, reminded of the latest WHO recommendations related with the threat posed by the virus. The Group's human resources and communications department together with the Group's management do everything in their power to inform employees and partners of the threats related to the virus and the measures to mitigate them. Based on the situation observed at the Group, the recommendations established are followed, and remote work organisation does not pose additional threats to the Group's activities and their continuity, cyber risk has not increased. Current technical measures and their maintenance from partners enables to continue pursuing our objectives and does not pose additional threats.

In order to promptly respond to the resulting adverse business environment, the Group's management carried out an overall assessment of the situation and identified the main threats which could have an impact on the Group's activities in the short-term:

- Disruptions of activities of Group companies due to the existing restrictions and the countries where the main partners are located;
- Impact on movement restriction for the Group's business;
- Potential supply disruptions from foreign and local partners;

The action measures against economic consequences for the country's businesses announced by the European governments had not made a negative impact on the Group's activities.



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

In order to manage the situation, the Group immediately took strict cost savings and measures to ensure the company's liquidity, agreed with creditors on the possibility of deferral of existing obligations and extension of payment terms.

Following assessment of the situation, the Group's management identified potential disruptions related to business development activities; of energy companies, no significant negative impact was identified for the operating activities carried out due to the following reasons:

- Activities of biogas power plants do not have a sensitive dependence both on longer-term and temporary demand fluctuations as the current electricity and heat energy sales agreements with state electricity and heat supply chain companies are (i) long-term, (ii) fixed price agreements, (iii) decrease of overall consumption in the country cannot impact the demand of low power and low quantity electricity produced by biogas power plants due to their small contribution to the overall energy production basket. Potential disruptions in electricity production are identified only due to supply disruptions of imported raw materials; however, due to the low quantity of such raw materials in the overall energy basket and specifics of suppliers, such impact on production is assessed as minimal;
- Activities of solar power plants are even less sensitive to the current adverse situation as due to their specifics such power plants do not have fluctuating costs of raw materials, and electricity sales due to their low power are also inelastic to a potential decrease in overall demand;
- Solar and biogas powerplants development and construction activities. Current restrictions do not have an adverse effect on the planned development and construction of biogas and solar power plants. Developed of existing and new projects in Spain, Italy, Poland and Lithuania are successfully continued after slowdown in mid-2020. The supply chain of equipment and construction services, as well as external and internal financing flows are not negatively effected by current restrictions and development of large scale projects was continued in 2020 and 2021.
- Sales proceeds of businesses (solar powerplants) are significant to the Group due to large scale of such sales. Current restrictions do not have an adverse effect on the planned sales of solar power plants, negotiations with potential buyers are continued parallel to those projects development.

For business activities in automotive, mobility and parking the measures implemented in response to COVID-19 are assessed to be effective and the Group's results are gradually returning to pre-COVID-19 levels.

In addition to the impact of the adverse circumstances discussed above on future plans, the Group's management also made an assessment of the risk of potential material breaches of financial agreements in 2021. The management believes that the cash flow generated by the operating activity and developed projects sale will be sufficient to service current loan agreements and will not trigger a potential premature credit repayment.

Based on the assessment of the Group's management, the current negative circumstances related to the virus do not cause doubts about the Group's ability to continue as a going concern, and they do not alter the long-term plans for the Group's activities and development.

Ainé Martinkėnaitė-Martyniuk  
Chairman of the Board  
MG NL Holding B.V.

Amsterdam, Netherlands  
30 April 2021



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
**30 April 2021**

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Consolidated statement of financial position for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### Consolidated statement of financial position

ASSETS	Notes	As at 31 December 2020	As at 31 December 2019	As at 1 January 2019
<b>Non-current assets</b>				
Property, plant and equipment	5	193,022	207,841	110,294
Investment property	5	6,551	4,866	249
Goodwill	6	8,340	6,250	4,742
Intangible assets	6	2,871	2,491	1,591
Granted long-term loans and long-term deposits	7	4,568	4,176	985
Other investments	10	23,376	23,056	16,684
Trade and other receivables	8	1,960	2,604	3,084
Deferred tax assets	29	3,442	4,621	4,526
<b>Total non-current assets</b>		<b>244,130</b>	<b>255,905</b>	<b>142,155</b>
<b>Current assets</b>				
Loans granted and term deposits	7	2,662	4,118	6,352
Other investments		121	-	-
Inventories	9	93,701	103,926	73,175
Trade and other receivables	8	42,577	24,312	37,949
Contract assets	23	-	922	1,583
Prepayments, deferred costs and accrued income	11	5,788	13,351	5,003
Prepaid income tax		1,014	756	181
Cash and cash equivalents	12	43,635	20,566	12,959
Assets held for sale	13	442	-	647
<b>Total current assets</b>		<b>189,940</b>	<b>167,951</b>	<b>137,849</b>
<b>TOTAL ASSETS</b>		<b>434,070</b>	<b>423,856</b>	<b>280,004</b>

(continued on the next page)



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Consolidated statement of financial position for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### Consolidated statement of financial position (cont'd)

<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>	<b>As at 1 January 2019</b>
Authorised capital	14	22,900	22,900	22,900
Revaluation reserve		21,986	14,811	-
Currency exchange translation reserve		(458)	2,508	(653)
Retained earnings (losses)	14	33,789	41,397	5,083
<b>Equity attributable to shareholders of the parent company</b>		<b>78,217</b>	<b>81,616</b>	<b>27,330</b>
<b>Non-controlling interests</b>		<b>1,052</b>	<b>963</b>	<b>399</b>
<b>Total equity</b>		<b>79,269</b>	<b>82,579</b>	<b>27,729</b>
<b>Non-current liabilities</b>				
Bank loans and lease liabilities	15	110,839	103,867	60,561
Other financial debts	16	39,996	36,850	20,055
Deferred tax liabilities	29	3,880	1,891	47
Advances received		22	5	3
Non-current employee benefits	17	89	58	47
Grants and subsidies	18	1,094	1,245	1,264
Provisions	19	237	100	43
Trade and other payables	22	14,620	-	16
<b>Total non-current liabilities</b>		<b>170,777</b>	<b>144,016</b>	<b>82,036</b>
<b>Current liabilities</b>				
Bank loans and lease liabilities	15	39,881	35,036	40,519
Other financial debts	16	11,877	26,862	24,554
Corporate income tax liabilities		1,820	3,813	1,692
Prepayments received, accrued liabilities and deferred income	20	12,701	8,579	10,122
Contract liabilities	23	-	21	1,293
Employment related liabilities	21	4,674	4,078	2,969
Trade and other payables	22	113,071	118,872	89,090
<b>Total current liabilities</b>		<b>184,024</b>	<b>197,261</b>	<b>170,239</b>
<b>Total liabilities</b>		<b>354,801</b>	<b>341,277</b>	<b>252,275</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>434,070</b>	<b>423,856</b>	<b>280,004</b>



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

### Consolidated statement of profit or loss and other comprehensive income

	Notes	2020	2019
<b>Continued operations</b>			
Revenue	23	469,348	481,849
Cost of sales	24	(431,902)	(443,126)
<b>Gross profit</b>		<b>37,446</b>	<b>38,723</b>
Other income	25	6,276	33,671
Other expenses	25	(1,310)	(1,571)
Selling expenses	26	(11,033)	(11,034)
Administrative expenses	27	(21,179)	(16,547)
Impairment loss on trade receivables and contract assets	27	(1,626)	(370)
<b>Operating profit (loss)</b>		<b>8,574</b>	<b>42,872</b>
<b>Profit on disposal of investments into subsidiaries</b>		<b>-</b>	<b>-</b>
Finance income	28	3,505	3,785
Finance costs	28	(20,797)	(6,546)
<b>Result from financing activities</b>		<b>(17,292)</b>	<b>(2,761)</b>
Share of profit of associated or jointly controlled entities		8	(1)
<b>Operating profit (loss) before tax</b>		<b>(8,710)</b>	<b>40,110</b>
Corporate income tax	29	(2,286)	(3,935)
<b>Net profit (loss) from continued operations</b>		<b>(10,996)</b>	<b>36,175</b>
<b>Discontinued operations</b>			
Net profit (loss) from discontinued operations		-	-
<b>Net profit (loss)</b>		<b>(10,996)</b>	<b>36,175</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Effect of currency rate changes		(254)	3,160
<b>Items that will be reclassified subsequently to profit or loss:</b>		<b>(254)</b>	<b>3,160</b>
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Employee benefits (accrual)		(26)	(27)
Revaluation of property, plant and equipment, net of tax		8,075	15,199
<b>Items that will not be reclassified subsequently to profit or loss:</b>		<b>8,049</b>	<b>15,172</b>
<b>Total comprehensive income</b>		<b>(3,201)</b>	<b>54,507</b>
<b>Net profit (loss) attributable to:</b>			
Shareholders of the parent company		(10,852)	36,132
Non-controlling interest		(144)	43
<b>Total comprehensive income attributable to:</b>			
Shareholders of the parent company		(3,057)	54,108
Non-controlling interest		(144)	399



## MG NL Holding B.V.

Company code 58.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Consolidated statement of changes in equity for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### Consolidated statement of changes in equity

	Authorised capital	Share premium	Legal reserve	Revaluation reserve	Currency exchange translation reserve	Attributable to shareholders of the parent company	Non-controlling interests	Total
<b>1 January 2019</b>	<b>22,900</b>	-	-	-	(653)	5,083	399	27,729
Net profit (loss) for the reporting period	-	-	-	-	-	36,132	43	36,175
Other comprehensive income for the reporting period	-	-	-	14,843	3,160	(27)	356	18,332
<b>Total comprehensive income for the reporting period</b>	-	-	-	<b>14,843</b>	<b>3,160</b>	<b>36,105</b>	<b>399</b>	<b>54,507</b>
First adoption IFRS16	-	-	-	-	-	-	-	-
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	165	165
Revaluation reserve used	-	-	-	(32)	-	38	-	6
Profit (loss) not recognised in the statement of profit or loss and other comprehensive income	-	-	-	-	1	171	-	172
<b>31 December 2019</b>	<b>22,900</b>	-	-	<b>14,811</b>	<b>2,508</b>	<b>41,397</b>	<b>963</b>	<b>82,579</b>
Net profit (loss) for the reporting period	-	-	-	-	-	(10,852)	(144)	(10,996)
Other comprehensive income for the reporting period	-	-	-	8,075	(254)	(26)	-	7,795
<b>Total comprehensive income for the reporting period</b>	-	-	-	<b>8,075</b>	<b>(254)</b>	<b>(10,878)</b>	<b>(144)</b>	<b>(3,201)</b>
Adjustment adoption IFRS16	-	-	-	-	-	14	-	14
Increase (decrease) in non-controlling interests	-	-	-	-	-	(372)	249	(123)
Revaluation reserve recognized	-	-	-	(268)	-	268	-	-
Revaluation reserve used	-	-	-	(632)	-	648	(16)	-
Change in functional currency	-	-	-	-	(2,712)	2,712	-	-
Profit (loss) not recognised in the statement of profit or loss and other comprehensive income	-	-	-	-	-	-	-	-
<b>31 December 2020</b>	<b>22,900</b>	-	-	<b>21,986</b>	<b>(458)</b>	<b>33,789</b>	<b>1,052</b>	<b>79,269</b>



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated

**30 April 2021**

also refers.

KPMG Accountants N.V.



## MG NL Holding B.V.

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

Consolidated statement of cash flows for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

### Consolidated statement of cash flows

	Notes	2020	2019
<b>Cash flows from operating activities</b>			
Net profit (loss)		(10,996)	36,175
Elimination of non-monetary transactions:			
Depreciation expenses	5	16,504	10,669
Amortisation expenses	6	903	533
Impairment and write-off losses	27	3,621	-
Share of profit of associated and jointly controlled entities		(8)	1
Impairment (reversal) of trade and other receivables	8,27	1,626	370
Write down (reversal of write down) of inventories to net realisable value		708	585
Impairment (reversal) of loans granted	7,27	200	542
Impairment of financial assets at fair value (gain on increase)	27	(34)	(1,410)
Change in fair value of derivative financial instruments		136	(27)
Change in the liability for employee benefits		5	-
Change in provisions	19	137	57
Revaluation reserve formation		(243)	-
Finance (income) costs	28	8,645	3,215
Effect of currency exchange		2,064	(1,079)
Loss (profit) on disposal of property, plant and equipment, and intangible assets	25	509	541
Loss (profit) on disposal of investments into subsidiaries	25	(5,468)	(32,911)
Income tax expenses (income)	29	2,286	3,935
Amortisation of grants		(152)	(79)
Other non-monetary items		1,858	1,505
Effect of changes in working capital:			
(Increase) decrease in inventories	9	10,225	(40,933)
(Increase) decrease in trade and other receivables	8	(18,265)	(333)
Decrease (increase) in contract assets	23	922	661
Decrease (increase) in prepayments, deferred costs and accrued income	11	7,564	(9,850)
Increase (decrease) of property, plant and equipment held for sale	13	(442)	-
Increase (decrease) in trade, other payables and current liabilities	22	8,818	48,697
Increase (decrease) in prepayments received, accrued liabilities and deferred income	20	4,122	381
Increase (decrease) in contract liabilities	23	(21)	(1,272)
Increase (decrease) in employment related liabilities	21	596	2,077
Paid income tax		(4,265)	(3,155)
<b>Net cash from operating activities</b>		<b>31,555</b>	<b>18,895</b>

(continued on the next page)



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

12

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

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

Consolidated statement of cash flows for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

### Consolidated statement of cash flows (cont'd)

	Notes	2020	2019
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangible assets	5,6	(25,466)	(84,190)
Disposal of property, plant and equipment and intangible assets	5,6	16,887	12,161
Receipt of government grants		-	60
Disposal of discontinued operations		-	-
Acquisition of bonds		-	(4,818)
Redemption of bonds		-	427
Acquisition of other long-term investments		(800)	(1,518)
Acquisition of associated entities		(256)	(3)
Acquisition of subsidiaries	6	(6,108)	615
Disposal of subsidiaries	25	28,576	24,081
Term deposit payments		(1,009)	(3,010)
Redemption of term deposits		-	-
Loans granted	7	(2,405)	(66,708)
Loans recovered	7	6,786	71,915
Interest received		1,318	2,042
Other increase in cash flows from (to) investing activities		-	-
<b>Net cash used in investing activities</b>		<b>17,523</b>	<b>(48,946)</b>
<b>Cash flows from financing activities</b>			
Loans received	15,16	71,959	155,444
Loans repayment	15,16	(50,146)	(110,088)
Emission of bonds	16	24,810	23,375
Repurchase of bonds	16	(30,598)	(937)
Interest paid and transaction costs	15,16	(11,179)	(5,496)
Lease payments	15	(31,108)	(24,801)
Dividend paid to non-controlling interests		-	(37)
Change in non-controlling interests		250	202
Other decrease in cash flows from (to) financing activities		3	(4)
<b>Net cash generated from/(used in) financing activities</b>		<b>(26,009)</b>	<b>37,658</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Increase (decrease) in net cash flows</b>		<b>23,069</b>	<b>7,607</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>20,566</b>	<b>12,959</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>43,635</b>	<b>20,566</b>



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### Notes to the consolidated financial statements for the year ended 31 December 2020

#### 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 31.12.2020	Percentage ownership 31.12.2019	Activity description
UAB Modus Grupe	Lithuania	100,00%	100,00%	Holding activities
Modus Energy International B.V.	Netherlands	85,00%	100,00%	Holding activities

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

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

As from 1<sup>st</sup> of January 2020 UAB Modus Grupe acquired 15% of the share capital of Modus Energy International B.V.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Notes to the consolidated financial statements for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

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



**KPMG Audit**

**Document to which our report**

**1941867 21W00176386RTM dated**

**30 April 2021**

**also refers.**

**KPMG Accountants N.V.**

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Notes to the consolidated financial statements for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership percentage		Sector	Changes in 2020	Business activities
		31 December 2020				
VšĮ "Jeep club Lithuania"	Lithuania	100 %		Auto		Civil engineering constructions, installation of electrical and other equipment, installation of electrical systems, w wholesale and retail trade of electric apparatus and devices
VšĮ "Saugaus eismo akademija"	Lithuania	100 %		Auto		Civil engineering constructions, installation of electrical and other equipment, installation of electrical systems, w wholesale and retail trade of electric apparatus and devices
Belovezha Biogas ZAO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Green Biogas ZAO	Belarus	82.5%		Energy		Electricity generation, transmission and distribution
Kabylovka Biogas ZAO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Mir Biogas ZAO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Modus Biogas ZAO	Belarus	82.5%		Energy		Electricity generation, transmission and distribution
Modus Projekts ZAO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Parochonskoe Biogas ZAO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Renvia Servis OOO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Severnyj Biogas ZAO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Zadneprovskiy biogas ZAO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
BG 17 OOO	Belarus	100 %		Energy		Electricity generation, transmission and distribution
Green Genius Greece Single Member Private Capital Company	Greece	-		Energy	Liquidated	Electricity generation, transmission and distribution
Green Genius Greece Utility Single Member Private Capital Company	Greece	-		Energy	Liquidated	Electricity generation, transmission and distribution
Green Genius Greece Utility II Single Member Private Capital Company	Greece	-		Energy	Liquidated	Electricity generation, transmission and distribution
Green Genius Greece Utility III Single Member Private Capital Company	Greece	-		Energy	Liquidated	Electricity generation, transmission and distribution
Green Genius Hungary Kft.	Hungary	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy S.r.l.	Italy	100%		Energy		Civil engineering construction
Green Genius Italy Utility 10 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 11 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 12 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 13 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 14 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 15 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 16 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 2 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 3 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 4 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 5 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 6 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 7 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 8 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility 9 S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Green Genius Italy Utility S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution
Solar Asset Italy S.r.l.	Italy	100%		Energy		Electricity generation, transmission and distribution

KPMG

Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Notes to the consolidated financial statements for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership	Sector	Changes in	Business activities
		percentage		2020	
		31 December 2020			
AB "Modus Energy"	Lithuania	100 %	Energy		Holding
Ausieniškių ŽŪB	Lithuania	50%	Energy		Electricity generation, transmission and distribution
Mockėnų ŽŪB	Lithuania	50%	Energy		Electricity generation, transmission and distribution
UAB "Agapas"	Lithuania	50%	Energy		Electricity generation, transmission and distribution
UAB "AUTOIDĖJA"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Bonolėja"	Lithuania	50%	Energy		Electricity generation, transmission and distribution
UAB "Cenergija"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Denergija"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Fotona"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "GG Biogas LTU" (UAB Fariavita)	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S1"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S2"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "GG LTU S3"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Green Genius Development"	Lithuania	100%	Energy		Civil engineering construction
UAB "Green Genius Global"	Lithuania	100%	Energy		Civil engineering construction
UAB "Green Genius Lithuania"	Lithuania	100%	Energy		Civil engineering construction
UAB "Green Genius Saulės Parkai"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Green Genius Turtas"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Green Genius" (UAB Modus Energy Solutions)	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Hanitaksa"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Hipsa"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Intergates"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Investiciniai turto projektai"	Lithuania	50%	Energy		Electricity generation, transmission and distribution
UAB "Ipedita"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Jenergija"	Lithuania	82.5%	Energy		Electricity generation, transmission and distribution
UAB "Kalintava"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Kenergija"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Lenergija"	Lithuania	82.5%	Energy		Electricity generation, transmission and distribution
UAB "Lifila"	Lithuania	50%	Energy		Electricity generation, transmission and distribution
UAB "Menergija"	Lithuania	82.5%	Energy		Electricity generation, transmission and distribution
UAB "Modus biodujos"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Modus Energijos inovacijos"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Modus Energy systems"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Nekilnojamojo turto nuoma"	Lithuania	100 %	Energy		Electricity generation, transmission and distribution
UAB "Nenergija"	Lithuania	82.5%	Energy		Electricity generation, transmission and distribution



**KPMG Audit**

Document to which our report

1941867 21W00176386RTM dated

**30 April 2021**

also refers.

**KPMG Accountants N.V.**

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership percentage		Sector	Changes in 2020	Business activities
		31 December 2020				
UAB "Pavilnių saulės slėnis 25"	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB "Psenergija"	Lithuania	82.5%		Energy		Electricity generation, transmission and distribution
UAB "Sekovita"	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB "Senergita"	Lithuania	82.5%		Energy		Electricity generation, transmission and distribution
UAB "Sigvilta"	Lithuania	82.5%		Energy		Electricity generation, transmission and distribution
UAB "Tekilta"	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB "Tiekesta"	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB "Tvarenergija"	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB "Venergija"	Lithuania	82.5%		Energy		Electricity generation, transmission and distribution
UAB "Viamodus"	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB "Zennergija"	Lithuania	82.5%		Energy		Electricity generation, transmission and distribution
UAB GINANA	Lithuania	50%		Energy		Electricity generation, transmission and distribution
UAB Grūduva biodujos	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB HES Sistemos	Lithuania	20%		Energy		Electricity generation, transmission and distribution
UAB Kairėnai biodujos	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB Modus solar turtas	Lithuania	100%		Energy		Electricity generation, transmission and distribution
UAB RBR Sistemos	Lithuania	20%		Energy		Electricity generation, transmission and distribution
UAB Vėriškės biodujos	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
UAB Želsvelė biodujos	Lithuania	100 %		Energy		Electricity generation, transmission and distribution
Green Genius Global B.V.	Netherlands	100%		Energy		Holding
Modus Energy Asset PL 4 B.V.	Netherlands	100%		Energy		Holding
Modus Energy Asset PL 5 B.V.	Netherlands	100%		Energy		Holding
Modus Energy Asset PL 7 B.V.	Netherlands	100%		Energy		Holding
Modus Energy International B.V.	Netherlands	100%		Energy		Holding
Agnieszka Solar Sp. z o.o.	Poland	-		Energy	Sold	Electricity generation, transmission and distribution
Bąk Sp. z o.o.	Poland	-		Energy	Sold	Electricity generation, transmission and distribution
BioPark Turowiec Sp. z o.o.	Poland	100%		Energy		Electricity generation, transmission and distribution
Ecowolt 3 Sp. z o.o.	Poland	-		Energy	Sold	Electricity generation, transmission and distribution
Elektrownia Słoneczna Mazowsze Sp. z o.o.	Poland	100%		Energy		Electricity generation, transmission and distribution
Eunika Solar Sp. z o.o.	Poland	-		Energy	Sold	Electricity generation, transmission and distribution
GEO OSD Sp. z o.o.	Poland	-		Energy	Sold	Electricity generation, transmission and distribution
GGPL 1 Sp. z o.o.	Poland	100%		Energy		Electricity generation, transmission and distribution
GGPL 10 Sp. z o.o.	Poland	100%		Energy		Electricity generation, transmission and distribution
GGPL 2 Sp. z o.o.	Poland	100%		Energy		Electricity generation, transmission and distribution
GGPL 3 Sp. z o.o.	Poland	-		Energy	Sold	Electricity generation, transmission and distribution
GGPL 4 Sp. z o.o.	Poland	100%		Energy		Electricity generation, transmission and distribution
GGPL 5 Sp. z o.o.	Poland	100%		Energy		Electricity generation, transmission and distribution

KPMG

Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Notes to the consolidated financial statements for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership	Sector	Changes in	Business activities
		percentage		2020	
		31 December 2020			
GGPL 6 Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
GGPL 7 Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
GGPL 8 Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
GGPL 9 Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
Green Genius Sp.z o.o.	Poland	100%	Energy		Civil engineering construction
Green Park IX Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
Greenprojekt Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
Katarzyna Solar Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
Modus Energy Asset 10 Sp.z o.o.	Poland	100%	Energy		Holding
Modus Energy Asset 4 Sp.z.o.o	Poland	100%	Energy		Holding
Modus Energy Asset 5 Sp.z.o.o	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
Modus Energy Asset 7 Sp.z.o.o	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
Modus Energy Asset 8 Sp.z.o.o	Poland	100%	Energy		Holding
Modus Energy Asset 9 Sp.z.o.o	Poland	100%	Energy		Holding
Modus Solar Asset Poland	Poland	100%	Energy		Electricity generation, transmission and distribution
Polsola 4 Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
PV Sepólno Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
PVE 15 Sp. z o.o	Poland	100%	Energy		Electricity generation, transmission and distribution
PVE 21 Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
PVE 23 Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
PVE 24 Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
PVE 25 Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
PVE 6 Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
Sobieslaw a Solar Sp. z o.o	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
Solar Farma II Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
SSW1 Sp. z o.o.	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
TGM 1 Sp. z o.o.	Poland	100%	Energy		Electricity generation, transmission and distribution
Warsola 7 Sp. z o.o	Poland	-	Energy	Sold	Electricity generation, transmission and distribution
Agrigen Dolina Iny Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
Fotorol Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
GPD Fotowoltaika 1 Sp.z.o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
MB SUN 1	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
Modus Energy Asset 11 Sp.z o.o.	Poland	100 %	Energy	Acquired	Holding
Modus Energy Asset 12 Sp.z.o.o.	Poland	100 %	Energy	Acquired	Holding
Modus Energy Asset 13 Sp.z.o.o.	Poland	100 %	Energy	Acquired	Holding
Modus Energy Asset 14 Sp.z.o.o.	Poland	100 %	Energy	Acquired	Holding
Modus Energy Asset 15 Sp.z o.o.	Poland	100 %	Energy	Acquired	Holding
Modus Energy Asset 16 Sp.z o.o.	Poland	100 %	Energy	Acquired	Holding
Modus Energy Asset 6 Sp.z.o.o.	Poland	100%	Energy		Holding



**KPMG Audit**

**Document to which our report  
1941867 21W00176386RTM dated**

**30 April 2021**

**also refers.**

**KPMG Accountants N.V.**




## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Notes to the consolidated financial statements for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership	Sector	Changes in	Business activities
		percentage		2020	
		31 December 2020			
PVE 124 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 158 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 41 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 48 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 5 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 52 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 54 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 68 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 7 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 75 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 77 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 84 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
PVE 85 Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
Solar Pow er Pustków Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
Solart Sp. z o.o.	Poland	100 %	Energy	Acquired	Electricity generation, transmission and distribution
GG ROU MINUA S.R.L.	Romania	100 %	Energy	Acquired	Electricity generation, transmission and distribution
GG ROU NERIS S.R.L.	Romania	100 %	Energy	Acquired	Electricity generation, transmission and distribution
GG ROU ULA S.R.L.	Romania	100 %	Energy	Acquired	Electricity generation, transmission and distribution
GG ROU UPE S.R.L.	Romania	100 %	Energy	Acquired	Electricity generation, transmission and distribution
GG ROU VENTA S.R.L.	Romania	100 %	Energy	Acquired	Electricity generation, transmission and distribution
Green Genius Romania S.R.L.	Romania	100 %	Energy	Acquired	Electricity generation, transmission and distribution
Green Genius Assets Spain S.L.	Spain	-	Energy	Liquidated	Electricity generation, transmission and distribution
Green Genius Development Spain S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES Solar 1 S. L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR II, S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR III, S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR IV, S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR IX S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR V, S. L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR VI, S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR VII, S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR VIII S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR X S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XI S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XII S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XIII S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XIV S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution

 KPMG Audit

Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Notes to the consolidated financial statements for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

Company Name	Statutory seat	Ownership	Sector	Changes in	Business activities
		percentage		2020	
		31 December 2020			
MES SOLAR XV S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XVI S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XVII S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
MES SOLAR XVIII S.L.	Spain	100%	Energy		Electricity generation, transmission and distribution
Modus Solar Andalusia S. L.	Spain	100%	Energy		Electricity generation, transmission and distribution
Modus Solar Spain S. L.	Spain	100%	Energy		Electricity generation, transmission and distribution
Bolohyvsky Solar Park 1 Limited liability company	Ukraine	100%	Energy		Electricity generation, transmission and distribution
Bolohyvsky Solar Park 2 Limited liability company	Ukraine	100%	Energy		Electricity generation, transmission and distribution
Green Genius Ukraine Limited liability company	Ukraine	100%	Energy		Electricity generation, transmission and distribution
Solar Zalukw a Limited liability company	Ukraine	100%	Energy		Electricity generation, transmission and distribution
Remote Solar Investments, UAB	Lithuania	100%	Funds		Management of investment funds, consulting
UAB "Modus Asset Management"	Lithuania	100 %	Funds		Management of investment funds, consulting
UAB "Modus Group Services"	Lithuania	100 %	Management		Management of investment funds, consulting
UAB "Modus Grupė"	Lithuania	100 %	Management		Holding
CityBee Eesti OU	Estonia	100 %	Mobility		Car sharing service CityBee
SIA "CityBee Latvija"	Latvia	100 %	Mobility		Car sharing service CityBee
UAB "CityBee Solutions"	Lithuania	100 %	Mobility		Car sharing service CityBee
UAB "Miesto Bitė"	Lithuania	100 %	Mobility		Rental of new and used cars, car sharing service CityBee
UAB "Modus Mobility"	Lithuania	100 %	Mobility		Civil engineering construction
UAB "Modus Unipark Services"	Lithuania	100 %	Mobility		Management consultancy activity for parking services companies
UAB "Pavilnių saulės slėnis 15"	Lithuania	100 %	Mobility		Civil engineering constructions
UAB "Prime Leasing"	Lithuania	100 %	Mobility		Wholesale of new and used cars; rental of new and used cars; sale of new cars by instalments; car sharing service CityBee
Numy Investments Sp. z o.o.	Poland	100 %	Mobility		Car parking services
CityBee Polska Sp. z o. o.	Poland	100 %	Mobility		Car sharing service CityBee
OOO Modus Parking	Belarus	100%	Parking		Car parking services
SIA Europark Latvia	Latvia	100%	Parking		Car parking services
SIA Stova	Latvia	100%	Parking		Car parking services
UAB "Parkdema"	Lithuania	30 %	Parking		Car parking services
UAB B2B Park	Lithuania	100%	Parking		Car parking services
UAB Latuna	Lithuania	100%	Parking		Car parking services
UAB Santaros parkavimo paslaugos	Lithuania	100%	Parking		Car parking services
UAB Stova	Lithuania	100%	Parking		Car parking services
UAB Unipark	Lithuania	100%	Parking		Car parking services
UAB VNO turtas	Lithuania	100%	Parking		Car parking services
City Parking Group S.A.	Poland	100%	Parking		Car parking services
Modus Park OOO	Belarus	100%	Real Estate		Car parking services
OOO "Unimodus Gomel"	Belarus	100%	Real Estate		Established for development of real estate projects in Belarus; currently performs no commercial activity
OOO "Unimodus"	Belarus	100%	Real Estate		Construction, management and development of real estate.
Unimodus SIA	Latvia	100 %	Real Estate		Established for development of real estate projects in Latvia; currently no commercial activity
UAB "ASKELA"	Lithuania	100 %	Real Estate		Lease, maintenance and development of real estate; production and sale of electricity
UAB "GEPAGA"	Lithuania	50 %	Real Estate		Lease, maintenance and development of real estate
UAB "KRETA"	Lithuania	100 %	Real Estate		Hotels and similar accommodation, real estate management and lease, construction, electricity generation.



KPMG Audit

Document to which our report

1941867 21W00176386RTM dated

30 April 2021

also refers

KPMG Accountants NV

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

Company Name	Statutory seat	Ownership	Sector	Changes in	Business activities
		percentage		2020	
		31 December 2020			
UAB "Modus Estate Services"	Lithuania	100 %	Real Estate		Leases of real estate
UAB "Nekilnojamojo turto konsultacijos"	Lithuania	100 %	Real Estate		Construction, management and lease of real estate
UAB "Nekilnojamojo turto prekyba"	Lithuania	100 %	Real Estate		Construction, management and lease of real estate
UAB "Nuomos sprendimai"	Lithuania	100 %	Real Estate		Construction, management and lease of real estate
UAB "Pavilnių saulės slėnis 14"	Lithuania	100 %	Real Estate		Civil engineering constructions
UAB "Pavilnių saulės slėnis 17"	Lithuania	100 %	Real Estate		Leases of real estate
UAB "Pavilnių saulės slėnis 22"	Lithuania	100 %	Real Estate		Leases of real estate
UAB "Plėtros sprendimai"	Lithuania	100 %	Real Estate		Construction, management and lease of real estate
UAB "Unimodus"	Lithuania	100 %	Real Estate		Lase of premises, administration of real estate
Mobility Fleet Solutions, s.r.o.	Czech	100 %	Trade		Trade of cars
UAB Baltijos autonomā Eesti filiaal	Estonia	100 %	Trade		Trade of cars
BLCT, UAB	Lithuania	100 %	Trade		Trade of cars
Mobility Fleet Solutions, UAB	Lithuania	100 %	Trade		Trade of cars
UAB "Baltijos autonomā"	Lithuania	100 %	Trade		Trade of cars
UAB "Generalinis lizingas"	Lithuania	100 %	Trade		Trade of cars
Mobility Fleet Solutions S.R.L.	Romania	100 %	Trade		Trade of cars

### 1.2 Financial reporting period

These financial statements cover the year 2020, which ended at the balance sheet date of 31 December 2020.

### 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 separate financial statements, as included under pages 70 to 79.



**KPMG Audit**  
Document to which our report  
1941867 21W00176386RTM dated

**30 April 2021**

also refers.

**KPMG Accountants N.V.**

# MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

## 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.

These financial statements are the first financial statements of the Group prepared in accordance with IFRS, as adopted by the EU. In preparation of these financial statements the Group applied IFRS 1 First-time Adoption of International Financial Reporting Standards.

The consolidated financial statements were authorised for issue by the Board of Directors on 30 April 2021.

### 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.



# MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

## 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.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(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:

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

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

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

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.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### 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 (until 31 December 2019, buildings were stated at cost method and depreciation was calculated for 2019; therefore, the change in fair value was accounted for as profit (loss) not recognised 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:

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

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

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

### 3.7. Financial instruments

#### 3.7.1. Recognition and the initial measurement

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

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



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

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.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

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

### 3.7.3. Derecognition

#### Financial assets

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

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

#### Financial liabilities

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

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

### 3.7.4. Offsetting

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

### 3.7.5. Derivative financial instruments and hedge accounting

#### Derivative financial instruments

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

## 3.8. Inventories

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

## 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.



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

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

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

### 3.11. Lease

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

#### Leases in which the Group is a lessee

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

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

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

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

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

IFRS 16 was initially applied as of 1 January 2019 and replaced the existing lease guidelines of IAS 17 Leases, IFRIC 4 Determining whether an Arrangement Contains a Lease, SIC-15 Operating Lease. Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Group applies IFRS 16 as of 1 January 2019 applying the modified retrospective approach without adjusting the comparative information.

#### 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

KPMG

Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

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 2020 and 2019 are as follows:

<b>Country</b>	<b>2020,%</b>	<b>2019,%</b>
Belarus	18	18
Estonia	20	20
Greece	24	28
Hungary	9	9
Italy	24	28
Latvia	20	20
Lithuania	15	15
Netherlands	25	25
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

KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

income tax purposes. Deferred tax assets and liabilities are measured at the tax rate that is expected to be applied to the period in which the asset will be disposed of or the liability settled, subject to the tax rates that were adopted or substantially adopted at the date of the statement of financial position.

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

### 3.15. Revenue recognition

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

#### Step 1 - Identify Customer Agreements.

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

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

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

#### Step 2 - Identify performance obligations in the contract.

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

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

#### Step 3 - Determining the transaction price.

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

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

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

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

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

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

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

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

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

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

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 losses 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:

2020	2019
1 EUR = 4.6148 PLN	1 EUR = 4.25670 PLN
1 EUR = 1.2281 USD	1 EUR = 1.111890 USD
1 EUR = 3.18662 BYN	1 EUR = 2,35464 BYN
1 EUR = 34,7396 UAH	1 EUR = 26.6028 UAH

### 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. 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

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

on the preparation date of the statement of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognised in the statement of other comprehensive income as incurred.

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

### 3.20. Subsequent events

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

### 3.21. Related parties

Related parties – legal and (or) natural persons related to an entity. A party is related to an entity if it corresponds to at least of the following characteristics:

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

### 3.22. Offsetting

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



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### 4. New standards, amendments and interpretations

#### New standards, amendments and interpretations

##### a) Adoption of new and/or changed IFRS and International Financial Reporting Interpretations Committee (IFRIC)

###### **Amendments to References to Conceptual Framework in IFRS Standards**

The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The amendments did not have a material impact on the Group's consolidated financial statements.

###### **Amendments to IAS 1 and IAS 8: Definition of Material**

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments did not have a material impact on the Group's consolidated financial statements.

###### **Amendments to IFRS 3: Definition of a business.**

The amendments revise definition of a business. A business must have inputs and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present, including for early stage companies that have not generated outputs. An organised workforce should be present as a condition for classification as a business if are no outputs. The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. An entity can apply a 'concentration test'. The assets acquired would not represent a business if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets). The amendments did not have a material impact on the Group's consolidated financial statements.

###### **Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform, Phase 1**

The amendments were triggered by replacement of benchmark interest rates such as LIBOR and other inter-bank offered rates ('IBORs'). The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform. The amendments did not have a material impact on the Group's consolidated financial statements.

##### b) Other standards

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; except for COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following new and amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

###### - **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (not yet endorsed by EU);**

The amendments clarify that the classification of liabilities as current or non-current shall be based solely on the Entity's right to defer settlement at the end of the reporting period. The company's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance. The classification is not affected by management's intentions or expectations about whether and when the Entity will exercise its right. The amendments also clarify the situations that are considered settlement of a liability. The Entity expects that the amendments, when initially applied could not have a material impact on its financial statements because there are no such loans.

###### - **Reference to the Conceptual Framework (Amendments to IFRS 3);**



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## **MG NL Holding B.V.**

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### **- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16);**

The amendments to IAS 16 require that the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended must be recognised, together with the cost of those items, in profit or loss and that the entity must measure the cost of those items applying the measurement requirements of IAS 2.

### **- Onerous Contracts – Cost of Fulfilling a Contract (Amendment to IAS 37);**

In determining costs of fulfilling a contract, the amendments require an entity to include all costs that relate directly to a contract. Paragraph 68A clarifies that the cost of fulfilling a contract comprises both: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.





## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 5. Property, plant and equipment

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	Total
<b>Acquisition cost</b>							
<b>1 January 2019</b>	<b>8,786</b>	<b>26,816</b>	<b>2,795</b>	<b>23,652</b>	<b>56,018</b>	<b>18,455</b>	<b>136,522</b>
Additions	5,935	6,722	11,736	25,760	1,601	86,682	138,436
Revaluation	-	8,634	9,310	-	-	-	17,944
Disposal of subsidiaries	(165)	(6,096)	(4,627)	(59)	(1,147)	(18,200)	(20,568)
Foreign currency translation	(35)	308	293	-	337	(1,876)	(973)
Disposal and write-offs	(7)	(312)	(2,976)	(11,899)	(2,250)	(1,957)	(19,401)
Reclassifications	-	20,833	50,689	(1,561)	(46,405)	(23,556)	-
Transfers	-	(4,629)	(6,772)	-	-	-	(11,401)
Transfers to investment property	(2,847)	(4,731)	-	-	-	-	(7,578)
<b>31 December 2019</b>	<b>11,667</b>	<b>47,525</b>	<b>60,448</b>	<b>35,893</b>	<b>8,154</b>	<b>60,548</b>	<b>224,235</b>
Additions	3,060	6,104	3,913	13,244	1,955	25,545	53,821
Revaluation	-	3,054	6,587	43	-	-	9,684
Disposal of subsidiaries	(5,631)	(6,095)	(30,119)	-	-	(18,273)	(38,888)
Foreign currency translation	(5)	(1,398)	(4,709)	(203)	(306)	(121)	(6,742)
Disposal and write-offs	(729)	(498)	(1,494)	(17,603)	(1,200)	(1,944)	(23,468)
Reclassifications	-	1,849	60,876	203	777	(63,705)	-
Transfers	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-
<b>31 December 2020</b>	<b>8,362</b>	<b>56,636</b>	<b>95,502</b>	<b>31,577</b>	<b>9,380</b>	<b>20,050</b>	<b>221,507</b>
<b>Accumulated depreciation &amp; impairment</b>							
<b>1 January 2019</b>	<b>(1,195)</b>	<b>(5,088)</b>	<b>(2,301)</b>	<b>(2,338)</b>	<b>(15,306)</b>	-	<b>(26,228)</b>
Depreciation	(384)	(1,947)	(2,281)	(4,373)	(1,184)	(408)	(10,577)
Disposal of subsidiaries	1,031	645	2,241	19	687	-	4,623
Foreign currency translation	-	(1)	(101)	-	(132)	-	(234)
Disposal and write-offs	-	1	349	1,795	915	-	3,060
Reclassifications	-	(2,834)	(7,766)	432	10,168	-	-
Transfers	-	4,629	6,772	-	1	-	11,402
Transfers to investment property	-	1,560	-	-	-	-	1,560
<b>31 December 2019</b>	<b>(548)</b>	<b>(3,035)</b>	<b>(3,087)</b>	<b>(4,465)</b>	<b>(4,851)</b>	<b>(408)</b>	<b>(16,394)</b>
Depreciation	(578)	(3,031)	(5,644)	(5,952)	(1,299)	-	(16,504)
Impairment for the period	-	(1,188)	(1,769)	-	-	-	(2,957)
Disposal of subsidiaries	-	-	746	-	-	-	746
Foreign currency translation	-	53	770	1	228	-	1,052
Disposal and write-offs	467	173	214	4,502	216	-	5,572
Reclassifications	-	(25)	(166)	-	191	-	-
Transfers	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-
<b>31 December 2020</b>	<b>(659)</b>	<b>(7,053)</b>	<b>(8,936)</b>	<b>(5,914)</b>	<b>(5,515)</b>	<b>(408)</b>	<b>(28,485)</b>
<b>Carrying amount as at:</b>							
<b>1 January 2019</b>	<b>7,591</b>	<b>21,728</b>	<b>494</b>	<b>21,314</b>	<b>40,712</b>	<b>18,455</b>	<b>110,294</b>
<b>31 December 2019</b>	<b>11,119</b>	<b>44,490</b>	<b>57,361</b>	<b>31,428</b>	<b>3,303</b>	<b>60,140</b>	<b>207,841</b>
<b>31 December 2020</b>	<b>7,703</b>	<b>49,583</b>	<b>86,566</b>	<b>25,663</b>	<b>3,865</b>	<b>19,642</b>	<b>193,022</b>



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

Amortisation of the Group's intangible assets and depreciation of property, plant and equipment was accounted for in the statement of profit or loss and other comprehensive income under cost of sales (Note 24) – EUR 13,952 thousand, costs to sell – (Note 26) – EUR 43 thousand, and administrative expenses (Note 27) – EUR 3,412 thousand.

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

	As at 31 December	
	2020	2019
Vehicles	3,549	4,215
<b>Total</b>	<b>3,549</b>	<b>4,215</b>

During 2020 capitalised interest amounted to EUR 1,411 thousand (2019 - 2,831 thousand).

Investment property of the Group comprised the following:

	Land
<b>Acquisition cost</b>	
<b>As at 1 January 2019</b>	<b>454</b>
Acquisition of a property (+)	-
Transfers to investment property (+)	2,847
<b>As at 31 December 2019</b>	<b>3,301</b>
Acquisition of a property (+)	-
Transfers to investment property (+)	-
<b>As at 31 December 2020</b>	<b>3,301</b>
<b>Impairment</b>	
<b>As at 1 January 2019</b>	<b>(205)</b>
Transfers to investment property (-)	(1,018)
<b>As at 31 December 2019</b>	<b>(1,223)</b>
Impairment	804
<b>As at 31 December 2020</b>	<b>(419)</b>
<b>Carrying amount as at:</b>	
<b>As at 31 December 2019</b>	<b>2,078</b>
<b>As at 31 December 2020</b>	<b>2,882</b>
	<b>Buildings</b>
<b>Acquisition cost</b>	
<b>As at 1 January 2019</b>	-
Transfers to investment property (+)	4,731
<b>As at 31 December 2019</b>	<b>4,731</b>
Impact of change of accounting policy (-)	(2,148)
<b>As at 31 December 2019 (after change)</b>	<b>2,583</b>
Change in fair value (+/-)	205
<b>As at 31 December 2019</b>	<b>2,788</b>
Change in fair value (+/-)	881
<b>As at 31 December 2020</b>	<b>3,669</b>
<b>Accumulated depreciation</b>	
<b>As at 1 January 2019</b>	-
Depreciation for the period (-)	(92)
Transfers to investment property (-)	(1,560)
<b>As at 31 December 2019</b>	<b>(1,652)</b>
Effect of change of accounting policy (+)	1,652
<b>As at 31 December 2019 (after change)</b>	-



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### Impairment

#### As at 1 January 2019

Transfers to investment property (-) (496)

#### As at 31 December 2019

Effect of change of accounting policy (+) 496

#### As at 31 December 2019 (after change)

-

#### Carrying amount as at:

#### As at 31 December 2019

2,788

#### As at 31 December 2020

3,669

Until 31 December 2019, buildings were accounted using the cost method and their depreciation was calculated for 2019. Therefore, the change in the fair value of EUR 205 thousand was stated as profit (loss) not recognised in the statement of profit or loss and other comprehensive income as well as the change in the related deferred tax liability of EUR (31) thousand.

As at 31 December 2020, property, plant and equipment and investment property with the total carrying amount of EUR 41,567 thousand (31 December 2019: – EUR 84,442 thousand) are pledged to credit institutions to guarantee repayment of the loans; lease liabilities are secured by the leased property. The pledge of property for different contracts ends from January 2020 to March 2029 (Note 15).

## 6. Intangible assets

Intangible assets of the Group comprised the following:

	Goodwill	Software	Concessions, trademarks and similar rights	Other intangible assets	Total
<b>Acquisition cost</b>					
<b>1 January 2019</b>	<b>4,742</b>	<b>2,015</b>	<b>49</b>	<b>135</b>	<b>6,941</b>
Additions	7,793	1,093	22	309	9,217
Disposal of subsidiaries	(6,285)	(114)	-	(2)	(6,401)
Disposals and write-offs	-	(38)	-	(17)	(55)
Reclassifications	-	(88)	2	86	-
<b>31 December 2019</b>	<b>6,250</b>	<b>2,868</b>	<b>73</b>	<b>511</b>	<b>9,702</b>
Additions	-	1,278	13	198	1,489
Acquired subsidiaries	6,602	45	16	40	6,703
Disposal of subsidiaries	(4,322)	(45)	(16)	(44)	(4,427)
Disposals and write-offs	(190)	(160)	-	(119)	(469)
Exchange rate impact	-	(3)	(3)	(3)	(9)
Reclassifications	-	-	-	-	-
<b>31 December 2020</b>	<b>8,340</b>	<b>3,983</b>	<b>83</b>	<b>583</b>	<b>12,989</b>
<b>Accumulated amortisation &amp; impairment</b>					
<b>1 January 2019</b>	-	<b>(502)</b>	<b>(20)</b>	<b>(86)</b>	<b>(608)</b>
Amortisation	-	(459)	(13)	(61)	(533)
Disposal of subsidiaries	-	86	-	-	86
Disposals and write-offs	-	79	-	15	94
Reclassifications	-	(1)	(2)	3	-
<b>31 December 2019</b>	-	<b>(797)</b>	<b>(35)</b>	<b>(129)</b>	<b>(961)</b>
Amortisation	-	(772)	(15)	(116)	(903)
Acquired subsidiaries	-	(25)	(5)	(18)	(48)
Disposal of subsidiaries	-	24	5	17	46
Disposals and write-offs	-	46	-	39	85
Exchange rate impact	-	3	-	-	3
Reclassifications	-	(6)	-	6	-
<b>31 December 2020</b>	-	<b>(1,527)</b>	<b>(50)</b>	<b>(201)</b>	<b>(1,778)</b>

KPMG

KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### Carrying amount as at:

1 January 2019	4,742	1,513	29	49	6,333
31 December 2019	6,250	2,071	38	382	8,741
31 December 2020	8,340	2,456	33	382	11,211

As at 31 December 2020 and 2019 the Group did not have any intangible assets the control of which would be limited by legislation or certain agreements, or pledged intangible assets.

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

During 2020 the Company acquired 100% of shares in 29 Polish companies and established 6 Romanian companies, all in the energy sector. Total goodwill recognized is EUR 6.5m.

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

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

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

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

Location / business line	Nature of a company	31 December		1 January
		2020	2019	2019
Lithuania / solar & biogas	Operating	92	-	-
Poland / solar	Asset under development	7,641	5,483	4,268
Italy / solar	Asset under development	-	-	10
Lithuania / solar	Operating & under development	-	-	-
Poland / biogas	Asset under development	526	281	-
Ukraine / power plants	Operating assets	54	361	339
Lithuania / automotive	Operating	27	125	125
<b>Total</b>		<b>8,340</b>	<b>6,250</b>	<b>4,742</b>

Goodwill impairment tests were carried out as at 31 December 2020. The testing method used was selected based on cash-generating units for different geographical locations of the assets, nature of a company (operating asset / asset under development) and business lines (solar/biogas).

Goodwill attributable for operating assets was tested using DCF method. Discount rate for cash flows used - 9.5%, inflation rate of 2%.

Goodwill attributable to assets under construction / development were tested using typical DCF models of such projects. IRR of such projects calculated varied from 6% to 14%, inflation rate of 2%.

As at 31 December 2020, no impairment of goodwill was determined.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### Acquisition of business combinations

In 2020 the Company acquired equity instruments of the following companies.

Country	Company Name	Share %	Date of acquisition
Poland	Modus Energy Asset 13 Sp. z o.o.	100%	2020-02-20
Poland	Modus Energy Asset 14 Sp. z o.o.	100%	2020-02-20
Poland	Modus Energy Asset 11 sp. z o.o.	100%	2020-02-20
Poland	Solar Power Pustków sp. z o.o.	100%	2020-01-15
Poland	Modus Energy Asset 12 Sp. z o.o.	100%	2020-02-20
Poland	Modus Energy Asset 15 Sp. z o.o.	100%	2020-02-20
Poland	Modus Energy Asset 16 Sp. z o.o.	100%	2020-02-20
Poland	Agrigen Dolina Iny sp. z o.o.	100%	2020-08-18
Poland	Solart Sp. z o.o.	100%	2020-09-22
Poland	Fotorol sp. z o.o.	100%	2020-10-05
Poland	GPD Fotowoltaika 1 sp.z.o.o.	100%	2020-10-05
Poland	PVE 5 sp. z o.o.	100%	2020-11-14
Poland	PVE 7 sp. z o.o.	100%	2020-11-14
Poland	PVE 48 sp. z o.o.	100%	2020-11-14
Poland	PVE 52 sp. z o.o.	100%	2020-11-14
Poland	PVE 77 sp. z o.o.	100%	2020-11-14
Poland	PVE 85 sp. z o.o.	100%	2020-11-14
Poland	PVE 124 sp. z o.o.	100%	2020-11-14
Poland	MB SUN 1	100%	2020-11-14
Poland	PVE 41 sp. z o.o.	100%	2020-11-16
Poland	PVE 54 sp. z o.o.	100%	2020-11-24
Poland	PVE 68 sp. z o.o.	100%	2020-11-20
Poland	PVE 75 sp. z o.o.	100%	2020-11-20
Poland	PVE 84 sp. z o.o.	100%	2020-11-20
Poland	PVE 158 sp. z o.o.	100%	2020-11-20

The Polish entities are acquired for development and construction of new solar energy plants.

Total consideration amount of EUR 6,289 thousand was paid in cash.

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

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



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

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

<b>Non-current assets</b>	-
<b>Current assets</b>	
Trade and other receivables	1,414
Prepayments	129
Cash and cash equivalents	181
<b>Total current assets</b>	<b>1,724</b>
<b>Total assets</b>	<b>1,724</b>
<b>Non-current liabilities</b>	-
Financial debts	763
Trade payables	28
Other payables and current liabilities	5
Accrued expenses and deferred revenue	1,141
<b>Total current liabilities</b>	<b>1,937</b>
<b>Total liabilities</b>	<b>1,937</b>
<b>Identifiable net assets</b>	<b>(213)</b>
<b>Consideration transferred</b>	<b>6,289</b>
<b>Goodwill on acquisition</b>	<b>6,501</b>
<b>Consideration transferred in cash</b>	<b>6,289</b>
<b>Cash and cash equivalents acquired</b>	<b>181</b>
<b>Net cash outflow on acquisition</b>	<b>6,108</b>

Goodwill recognized is primarily related to growth expectations, expected future profitability.

### 7. Loans granted and term deposits

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

	31 December		1 January
	2020	2019	2019
Loans to related parties	-	577	365
Accrued interest receivable from related parties	-	31	52
Deposits to banks	568	-	-
	<u>568</u>	<u>608</u>	<u>417</u>
Less: impairment	-	-	-
<b>Total</b>	<b>568</b>	<b>608</b>	<b>417</b>
Non-current term deposits and accrued interest receivable	4,000	3,568	568
<b>Total non-current Loans and term deposits</b>	<b>4,568</b>	<b>4,176</b>	<b>985</b>

KPMG

Audit

Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

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

	31 December		1 January
	2020	2019	2019
Loans to related parties	1,704	3,716	3,954
Accrued interest receivable from related parties	2,631	754	751
Loans to associated companies	53	-	-
Accrued interest receivable from associated companies	112	-	-
Loans to other entities	1,656	1,979	3,535
Accrued interest receivable from other entities	302	274	184
	<u>6,458</u>	<u>6,723</u>	<u>8,424</u>
Less: impairment (from related parties)	(4,328)	(4,129)	(3,587)
Less: impairment (from other companies)	-	-	-
Total loans granted	<u>2,130</u>	<u>2,594</u>	<u>4,837</u>
Current term deposits and accrued interest receivable	532	1,524	1,515
<b>Total current loans and term deposits</b>	<u><b>2,662</b></u>	<u><b>4,118</b></u>	<u><b>6,352</b></u>

As at 31 December 2020 and 2019 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:

	2020	2019
<b>Balance of the loans granted and term deposits in the beginning of the year</b>	<b>8,294</b>	<b>7,337</b>
Acquisition of subsidiaries	6,247	-
Loans granted	2,404	3,742
Repaid loans	(6,287)	(5,226)
Interest calculated on loans	228	727
Interest received	(665)	(528)
Calculated impairment	(200)	(542)
Subsidiaries sold	(1,797)	(225)
Term deposits	1,009	3,009
Non-monetary movements	(1,939)	-
Influence of exchange rates	(64)	-
<b>Balance of the loans granted and term deposits at the end of the year</b>	<u><b>7,230</b></u>	<u><b>8,294</b></u>

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

	31 December		1 January
	2020	2019	2019
EUR	7,228	7,680	7,281
PLN (in EUR)	-	605	19
BYN (in EUR)	2	9	37
<b>Total</b>	<u><b>7,230</b></u>	<u><b>8,294</b></u>	<u><b>7,337</b></u>

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



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 8. Trade and other receivables

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

	31 December		1 January
	2020	2019	2019
Trade receivables	11,022	10,061	12,088
Receivable finance lease amounts	2,397	3,451	3,708
Receivables from related parties	-	3,700	3,916
Receivables from associated companies	16,809	-	-
Other receivables	-	-	482
	<u>30,228</u>	<u>17,212</u>	<u>20,194</u>
Less: impairment allowance for trade receivables	(995)	(823)	(1,032)
Less: impairment allowance for receivables from related parties	(866)	-	-
<b>Trade receivables, net</b>	<b>28,367</b>	<b>16,389</b>	<b>19,162</b>
Receivable VAT	7,007	6,430	7,579
Overpayments of other taxes and prepaid taxes	3,944	1,078	583
Collaterals and other receivables	5,219	3,019	13,709
	<u>16,170</u>	<u>10,527</u>	<u>21,871</u>
Less: non-current trade and other receivables	(1,960)	(2,423)	(2,670)
Less: other non-current receivables	-	(181)	(414)
<b>Other receivables, net</b>	<b>14,210</b>	<b>7,923</b>	<b>18,787</b>
<b>Total current trade and other receivables</b>	<b><u>42,577</u></b>	<b><u>24,312</u></b>	<b><u>37,949</u></b>

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

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

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

	2020	2019
<b>Impairment of receivables at the beginning of the period</b>	<b>(823)</b>	<b>(1,032)</b>
Impairment in the statement of profit or loss and other comprehensive income	(1,626)	(370)
Written-off bad receivables	643	372
Acquired business	(263)	-
Sale of business	197	168
Other adjustments	11	39
<b>Impairment allowance for receivables at the end of the period</b>	<b><u>(1,861)</u></b>	<b><u>(823)</u></b>





## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

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		1 January
	2020	2019	2019
Amounts not past due	7,617	8,834	9,475
Overdue up to 1 month	827	1,301	3,824
Overdue 1 to 3 months	313	1,589	1,062
Overdue 3 to 6 months	2,297	537	431
Overdue 6 to 12 months	1,571	473	229
Overdue more than 12 months	794	778	1,257
<b>Total</b>	<b>13,419</b>	<b>13,512</b>	<b>16,278</b>

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

	31 December		1 January
	2020	2019	2019
Amounts not past due	15,242	1,583	2,282
Overdue up to 1 month	677	1,838	(25)
Overdue 1 to 3 months	5	102	2,782
Overdue 3 to 6 months	780	(373)	(327)
Overdue 6 to 12 months	3	438	(304)
Overdue more than 12 months	102	112	(492)
<b>Total</b>	<b>16,809</b>	<b>3,700</b>	<b>3,916</b>

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

As at 31 December 2019, trade and other receivables with the value of EUR 42,073 thousand (31 December 2019 – EUR 1,885 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends in April 2022 (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		1 January
	2020	2019	2019
Goods for resale	88,673	102,994	72,563
Raw materials, materials and consumables	4,179	573	435
Unfinished goods and work in progress	849	359	177
<b>Total</b>	<b>93,701</b>	<b>103,926</b>	<b>73,175</b>

As at 31 December 2020, goods in transit amount to EUR 2,173 million (at 31 December 2019 – none). Inventories by the value of EUR 66,601 thousand were held at warehouses of third parties (at 31 December 2019 – EUR 88,741 thousand).



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

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

As at 31 December 2020, inventories by the value of EUR 74,317 thousand (31 December 2019: EUR 86,820 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends in December 2020 (Note 15).

### 10. Other investments

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

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

	31 December		1 January
	2020	2019	2019
UAB Bonalėja	154	75	74
UAB Agapas	101	74	74
UAB Lifila	146	70	69
UAB Investiciniai turto projektai	97	68	68
UAB Ginana	90	68	68
Mockėnų ŽŪB	10	13	13
<b>Total</b>	<b>598</b>	<b>368</b>	<b>366</b>

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

	2020	2019
<b>The Group's investments in associates at the beginning of the period</b>	<b>368</b>	<b>366</b>
Investments acquired during the period	-	3
Increase (decrease) due to share of net profit (loss)	230	(1)
<b>The Group's investments in associates at the end of the period</b>	<b>598</b>	<b>368</b>

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		1 January
	2020	2019	2019
Bonds	14,879	14,879	10,488
Accrued receivable interest	911	2	442
<b>Total</b>	<b>15,790</b>	<b>14,881</b>	<b>10,930</b>

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



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 3) Investments in shares:

	31 December		1 January
	2020	2019	2019
UAB Parkdema – 30% of shares	1,950	3,600	2,190
Air Lituanica Club - 2% of shares	25	25	34
Wise Guys Batch 9 OU - 1.18% of shares	5	5	-
Other	35	4	27
<b>Total</b>	<b>2,015</b>	<b>3,634</b>	<b>2,251</b>

### 4) Investments in investment units:

	31 December		1 January
	2020	2019	2019
Investment units of Stichting First Energie Fonds	2,657	2,657	2,655
Modus Poland Solar Fund I	800	-	-
Modus Renewable Energy Lithuanian Investments	1,516	1,516	-
Other investments	-	-	482
<b>Total</b>	<b>4,973</b>	<b>4,173</b>	<b>3,137</b>
<b>Total (1+2+3+4)</b>	<b>23,376</b>	<b>23,056</b>	<b>16,684</b>

#### 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 1,950 thousand (2019: EUR 3,600 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).

#### 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.

## 11. Prepayments, deferred costs and accrued income

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

	31 December		1 January
	2020	2019	2019
Prepayments	3,888	5,777	2,774
Deferred costs	960	1,957	1,044
Other accrued income	885	5,454	1,022
Deposits	55	-	-
Prepayments to related parties	-	163	163
<b>Total</b>	<b>5,788</b>	<b>13,351</b>	<b>5,003</b>



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 12. Cash and cash equivalents

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

	31 December		1 January
	2020	2019	2019
Cash at bank	43,373	20,437	12,897
Cash on hand	81	51	32
Cash in transit	181	78	30
<b>Total</b>	<b>43,635</b>	<b>20,566</b>	<b>12,959</b>

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

The Group has measured its cash and cash equivalents as at 31 December 2019 and 31 December 2018 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 2020, cash and cash equivalents by the value of EUR 9,599 thousand (31 December 2019 – EUR 6,654 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends from April 2020 to March 2029 (Note 15).

### 13. Assets held for sale

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

	31 December	
	2020	2019
<b>Assets held for sale in the beginning of the period</b>	-	<b>647</b>
Subsidiaries sold	-	(647)
Reclassified from property, plant and equipment	503	-
Sold during the period	-	-
Impairment accounted for in the statement of profit or loss and other comprehensive income	(61)	-
<b>Assets held for sale at the end of the period</b>	<b>442</b>	-

### 14. Equity

#### Authorised capital

As at 31 December 2020 and 2019 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 2020 and 2019, the Group did not acquire nor transfer any of its own shares.

As at 31 December 2020 and 2019 the Group's shareholders were as follows:

	Number of shares 2020	Number of shares 2019	Ownership interest (%)	Shares with voting rights (%)
Martinkėnas Kęstutis	22,900,100	22,900,100	100%	100%
<b>Total</b>	<b>22,900,100</b>	<b>22,900,100</b>	<b>100%</b>	<b>100%</b>



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

As at 1 January 2019 the Group's shareholders comprised the following:

	<u>Number of shares 2020</u>	<u>Number of shares 2019</u>	<u>Ownership interest (%)</u>	<u>Shares with voting rights (%)</u>
Martinkėnas Kęstutis	22,900,100	22,900,100	100%	100%
<b>Total</b>	<b>22,900,100</b>	<b>22,900,100</b>	<b>100%</b>	<b>100%</b>

### Profit allocation

Results of 2019 have been added to retained earnings reserve.

## 15. Bank loans and lease liabilities

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

	<u>31 December</u>		<u>1 January</u>
	<u>2020</u>	<u>2019</u>	<u>2019</u>
<b>Non-current</b>			
Bank loans and interest payable	76,699	62,635	29,834
Liabilities arising from derivative financial instruments	-	10	24
Lease liabilities (Note 30)	34,140	41,222	30,703
<b>Total</b>	<b>110,839</b>	<b>103,867</b>	<b>60,561</b>
<b>Current</b>			
Bank loans and interest payable	24,809	18,733	30,834
Liabilities arising from derivative financial instruments	288	21	34
Lease liabilities (Note 30)	14,784	16,282	9,651
<b>Total</b>	<b>39,881</b>	<b>35,036</b>	<b>40,519</b>
<b>Total</b>	<b>150,720</b>	<b>138,903</b>	<b>101,080</b>

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:

	<u>31 December</u>		<u>1 January</u>
	<u>2020</u>	<u>2019</u>	<u>2019</u>
In 2 to 5 years	84,838	73,146	50,011
After five years	26,001	30,721	10,550
<b>Total</b>	<b>110,839</b>	<b>103,867</b>	<b>60,561</b>

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

	<u>31 December</u>		<u>1 January</u>
	<u>2020</u>	<u>2019</u>	<u>2019</u>
EUR	95,637	74,277	77,267
USD (in EUR)	9,346	22,702	14,529
BYN (in EUR)	17,383	10,841	7,239
PLN (in EUR)	4,583	12,741	2,045
UAH (in EUR)	23,771	18,342	-
<b>Total</b>	<b>150,720</b>	<b>138,903</b>	<b>101,080</b>

Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

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

	<u>2020</u>	<u>2019</u>
<b>Balance of bank loans and leasing liabilities at the beginning of the period</b>	<b>138,904</b>	<b>95,708</b>
Initial application of IFRS 16	-	5,372
<b>Balance in the beginning of the period (adjusted)</b>	<b>138,904</b>	<b>101,080</b>
Proceeds from borrowings	64,628	41,756
Increase in lease liabilities	28,221	42,182
Loans repaid	(40,607)	(21,212)
Leasing payments	(31,108)	(24,801)
Interest calculated	6,681	4,613
Interest paid	(6,812)	(4,523)
Transaction costs	(2)	(3)
Amortisation of transaction costs	43	56
Effect of currency exchange rate	(6,705)	(186)
Increase in liabilities arising from derivative financial instruments	2,896	(27)
Subsidiaries acquired	239	-
Subsidiaries sold	134	(32)
<b>Balance of bank loans and leasing liabilities at the end of the period</b>	<b><u>150,720</u></b>	<b><u>138,903</u></b>

As at 31 December 2020 and 2019 the bank loans bore variable interest rates depending on various maturities of EURIBOR and LIBOR plus margins in compliance with market conditions.

	<u>Interest rate %</u>	<u>Variable interest</u>
Bank loans	2.5 - 8%	3m USD LIBOR / 3 - 6m EURIBOR
Lease liabilities	2 - 4 %	3 - 6m EURIBOR

As at 31 December 2020, property, plant and equipment with the carrying amount of EUR 41,567 thousand (31 December 2019 – EUR 84,442 thousand) are pledged to credit institutions to guarantee repayment of the loans. The end dates of pledges for different agreements are from January 2020 to March 2029 (Note 5).

As at 31 December 2020, trade and other receivables with the value of EUR 42,073 thousand (31 December 2019 – EUR 1,885 thousand) are pledged to credit institutions to guarantee repayment of the loans. The end dates of pledges for different agreements ends in April 2022 (Note 8).

As at 31 December 2020, inventories by the carrying amount of EUR 74,317 thousand (31 December 2019 – EUR 86,820 thousand) are pledged to credit institutions to guarantee repayment of loans. The pledge of property for different contracts ends in December 2020 (Note 9).

As at 31 December 2020, cash and cash equivalents by the value of EUR 9,599 thousand (31 December 2019 – EUR 6,654 thousand) are pledged to credit institutions to guarantee repayment of the loans. The pledge of property for different contracts ends from April 2020 to March 2029 (Note 12).

Based on the loan agreements concluded by the Group's entities, Group entities have to comply with certain financial and non-financial covenants. As at 31 December 2020, the Group did not comply with certain specified financial and non-financial ratios; therefore, as at 31 December 2020, the Group received waivers from the banks that they will not require early repayment of the loans. UAB Modus Grupė and UAB Unimodus did not meet the financial ratios; however, the loans are short-term and are expected to be repaid in time, so bank waivers have not been obtained.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 16. Other financial debts

Other financial debts of the Group comprised the following:

	31 December		1 January
	2020	2019	2019
Long-term loans and accrued interest payable to related parties	11,007	7,473	8,934
Debts under non-equity securities and accrued interest payable to related parties	5,230	4,344	4,344
Long-term loans and accrued interest payable to other companies	-	1,031	1,215
Debts under non-equity securities and accrued interest payable	23,759	24,002	5,562
<b>Total non-current part</b>	<b>39,996</b>	<b>36,850</b>	<b>20,055</b>
Debts under non-equity securities and accrued interest payable	102	13,691	9,321
Short-term loans and accrued interest payable to related parties	92	717	434
Short-term loans and accrued interest payable to other companies	-	848	-
Debts under non-equity securities and accrued interest payable to related parties	--	549	1,109
Other borrowings	11,683	11,057	13,690
<b>Total current part</b>	<b>11,877</b>	<b>26,862</b>	<b>24,554</b>
<b>Total</b>	<b>51,873</b>	<b>63,712</b>	<b>44,609</b>

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

	2020	2019
<b>Balance of other financial debts at the beginning of the period</b>	<b>63,712</b>	<b>44,609</b>
Bonds issued	24,810	23,375
Redeemed bonds	(37,865)	(937)
Loans received	7,489	45,252
Loans repaid	(9,159)	(23,735)
Interest calculated	2,548	2,198
Interest paid	(3,744)	(786)
Disposal of subsidiaries	-	(32,051)
Acquisition of subsidiaries	4,419	765
Change in other financial liabilities	(325)	5,021
Influence of exchange rates	(12)	1
<b>Balance of other financial debts at the end of the period</b>	<b>51,873</b>	<b>63,712</b>

As at 31 December 2020 and 2019 other financial liabilities of the Group are denominated in EUR.  
Loans from related parties bear fixed interest rates that are in line with the market conditions.

	<u>Interest rate %</u>
Bonds	4-8.2 %
Loans from related parties	2-5%



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 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:

	<u>2020</u>	<u>2019</u>
<b>Employee benefits in the beginning of the period</b>	<b>58</b>	<b>47</b>
Formed	31	27
Paid	(11)	(16)
Disposal of subsidiaries	11	-
<b>Employee benefits at the end of the period</b>	<b>89</b>	<b>58</b>

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:

	<u>31 December</u>	
	<u>2020</u>	<u>2019</u>
<b>Grants and subsidies in the beginning of the period</b>	<b>1,245</b>	<b>1,264</b>
Grants and subsidies received (repaid) during the period	1	60
Amortisation	(152)	(79)
<b>Grants and subsidies at the end of the period</b>	<b>1,094</b>	<b>1,245</b>

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

### 19. Provisions

Provisions of the Group included the following:

	<u>31 December</u>		<u>1 January</u>
	<u>2020</u>	<u>2019</u>	<u>2019</u>
Provisions for technical maintenance package	112	64	13
Provision for repurchased cars	3	36	30
Other provisions	122	-	-
<b>Total</b>	<b>237</b>	<b>100</b>	<b>43</b>





## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 20. Prepayments received, accrued liabilities and deferred income

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

	31 December		1 January
	2020	2019	2019
Advances received	9,595	5,614	7,742
Accrued expenses	1,617	2,502	1,434
Prepayments received from related parties	-	93	-
Deferred income	1,489	370	946
<b>Total</b>	<b>12,701</b>	<b>8,579</b>	<b>10,122</b>

### 21. Employment related liabilities

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

	31 December		1 January
	2020	2019	2019
Vacation reserve	1,337	1,308	1,269
Accrued annual bonuses	1,061	1,200	505
Payable remuneration	614	797	575
Payable taxes related to remuneration	1,662	772	612
Other employment related liabilities	-	1	8
<b>Total</b>	<b>4,674</b>	<b>4,078</b>	<b>2,969</b>

### 22. Trade, other payables and current liabilities

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

	31 December		1 January
	2020	2019	2019
Other long-term payables	14,620	-	16
<b>Total non-current</b>	<b>14,620</b>	<b>-</b>	<b>16</b>

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

	31 December		1 January
	2020	2019	2019
Trade payables	91,076	113,988	82,943
Payable VAT	11,704	3,443	5,742
Trade payables to related parties	88	200	57
Other taxes payable (excluding corporate income tax)	10,078	46	56
Other amounts payable	125	1,195	292
<b>Total</b>	<b>113,071</b>	<b>118,872</b>	<b>89,090</b>

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.



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 23. Revenue

#### 23.1. Revenue streams

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

	2020	2019
<b>Major product and service lines</b>		
Revenue from sale of cars	379,735	390,623
Revenue from sale of energy	32,653	37,533
Revenue from sale of parts	31,886	24,812
Revenue from lease of cars	16,583	15,673
Revenue from car service	5,085	5,647
Other	3,406	7,561
<b>Total</b>	<b>469,348</b>	<b>481,849</b>
<b>Timing of revenue recognition</b>		
At a point of time	468,770	462,047
Over a certain period	578	19,802
<b>Total</b>	<b>469,348</b>	<b>481,849</b>

#### Contract assets and contract liabilities

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

	<u>As at 31 December</u>	
	2020	2019
Contract assets	-	922
Contract liabilities	-	(21)
<b>Total</b>	<b>-</b>	<b>901</b>

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 2020 and 2019. 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:

	2020	2019
<b>Primary geographic markets</b>		
Lithuania	294,067	333,747
Belarus	47,768	43,738
Latvia	31,802	31,522
Germany	24,891	10,684
France	18,340	325
Estonia	15,762	11,367
Bulgaria	8,197	1
Poland	2,921	24,644



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

Ukraine	5,749	20,817
Italy	3,400	2,791
Spain	-	13
Other countries	16,451	2,200
<b>Total</b>	<b>469,348</b>	<b>481,849</b>

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



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 24. Cost of sales

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

	<u>2020</u>	<u>2019</u>
Cost of sales of cars	359,365	369,882
Costs of sales of spare parts	25,908	19,408
Depreciation and amortisation	13,952	9,617
Cost of materials`8,40	8,406	4,484
Salaries and related taxes	5,491	6,793
Maintenace costs of solar and biogas power plants	3,613	3,071
Repair and servicing costs of cars and other equipment	2,947	2,646
Contracting costs	2,055	11,120
Cost of sales of equipment and other goods	1,993	3,970
Parking cost	1,546	717
Insurance costs	1,246	1,175
Cost of warranty works	1,132	1,078
Fuel and power consumption	531	3,285
Other	3,717	5,880
<b>Total</b>	<b><u>431,902</u></b>	<b><u>443,126</u></b>

### 25. Other income and other expenses

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

	<u>2020</u>	<u>2019</u>
<b>Other operating income</b>		
Profit on disposal of subsidiaries	5,468	32,911
Penalties received and damages covered	142	48
Other income	666	712
	<u>6,276</u>	<u>33,671</u>
<b>Other operating expenses</b>		
Loss from resold services	(509)	(767)
Loss on disposal of non-current assets	(585)	(594)
Other expenses	(216)	(210)
	<u>(1,310)</u>	<u>(1,571)</u>
<b>Other income and other expenses</b>	<b><u>4,966</u></b>	<b><u>32,100</u></b>

### Profit on disposal of subsidiaries

In 2020, the Group disposed investments in the following subsidiaries:

<u>Subsidiary</u>	<u>Country</u>	<u>Disposal</u>
Green Genius Greece Single Member Private Capital Company	Greece	Liquidated
Green Genius Greece Utily Single Member Private Capital Company	Greece	Liquidated
Green Genius Greece Utily II Single Member Private Capital Company	Greece	Liquidated
Green Genius Greece Utily III Single Member Private Capital Company	Greece	Liquidated
Green Genius Assets Spain S.L.	Spain	Liquidated
Modus Energy Asset 5 Sp.z.o.o	Poland	Sold
Modus Energy Asset 7 Sp.z.o.o	Poland	Sold
GGPL 3 Sp. z o.o.	Poland	Sold
Ecowolt 3 sp. z o.o.	Poland	Sold
Greenprojekt sp. z o.o.	Poland	Sold
Green Park IX Sp. z o.o.	Poland	Sold
GEO OSD Sp. z o.o.	Poland	Sold
PV Sepólno Sp. z o.o.	Poland	Sold
PVE 23 Sp. z o.o.	Poland	Sold
PVE 25 Sp. z o.o.	Poland	Sold
SSW1 Sp. z o.o.	Poland	Sold
PVE 21 Sp. z o.o.	Poland	Sold
Eunika Solar Sp. z o.o	Poland	Sold



KPMG Audit

Document to which our report

1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

Sobieslawa Solar Sp. z o.o	Poland	Sold
Agnieszka Solar Sp. z o.o.	Poland	Sold
Katarzyna Solar Sp. z o.o.	Poland	Sold
Bąk Sp. z o.o.	Poland	Sold
Warsola 7 Sp. z o.o	Poland	Sold
Polsola 4 Sp. z o.o.	Poland	Sold

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

### Total profit on disposal of investments into subsidiaries

	<b>Total</b>
<b>Non-current assets</b>	
Property, plant and equipment	35,281
Intangible assets	4,241
<b>Total non-current assets</b>	<b>39,522</b>
<b>Current assets</b>	
Loans granted	33,486
Trade and other receivables	711
Prepayments, deferred costs and accrued income	174
Cash and cash equivalents	616
<b>Total current assets</b>	<b>34,987</b>
<b>Total assets</b>	<b>74,509</b>
<b>Non-current liabilities</b>	
Other financial debts	36
<b>Total non-current liabilities</b>	<b>36</b>
<b>Current liabilities</b>	
Bank loans and lease liabilities	5,773
Other financial debts	68,125
Corporate income tax liabilities	12
Trade, other payables and current liabilities	263
<b>Total current liabilities</b>	<b>74,173</b>
<b>Total liabilities</b>	<b>74,209</b>
<b>Net assets at the time of disposal</b>	<b>300</b>
<b>Disposed share capital, %</b>	<b>100%</b>
<b>Sales price shares+ settlement of group loans</b>	<b>29,192</b>
<b>Cash and cash equivalents</b>	<b>(616)</b>
<b>Cash flows from disposal</b>	<b>28,576</b>
<b>Sales price shares</b>	<b>1,888</b>
<b>Net assets</b>	<b>300</b>
<b>Profit on disposal of investments into subsidiaries</b>	<b>1,588</b>
<b>Release of unrealized profit on sales to disposed entities</b>	<b>3,880</b>
<b>Total profit of disposal of investments</b>	<b>5,468</b>



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### 26. Selling expenses

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

	<u>2020</u>	<u>2019</u>
Salaries and related expenses	6,899	4,807
Advertising and promotional costs	1,725	3,017
Customs and registration costs	422	604
Transportation and short-term insurance costs	281	317
Representation expenses	253	371
Demo and display cars maintenance costs	195	135
Fuel and lease of cars	140	166
Legal and other consulting services	69	211
Trainings and secondments	59	299
Depreciation and amortisation	43	31
Other	947	1,076
<b>Total</b>	<b><u>11,033</u></b>	<b><u>11,034</u></b>

### 27. Administrative expenses

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

	<u>2020</u>	<u>2019</u>
Salaries and related expenses	5,543	5,219
Impairment expenses	5,422	-
Depreciation and amortisation	3,412	1,445
Legal and consulting expenses	2,111	2,823
Management services	1,234	0
Accounting and audit expenses	793	488
Lease and maintenance expenses	787	780
Write-down of inventories	708	585
Maintenance of premises, repair and maintenance of equipment	567	731
Bank charges	524	669
Taxes	488	581
IT and communication services	486	445
Lease of premises	277	225
Support	130	437
Business trip expenses	82	323
Fuel, car lease and maintenance	22	261
Advertising and representation expenses	-	118
Other	219	1,417
<b>Total</b>	<b><u>22,805</u></b>	<b><u>16,547</u></b>

Impairment losses of EUR 3,795 thousand in 2020 were recognised in (i) BY biogas powerplants after revaluation (in 4 entities, in total EUR 3,131 thousand), (ii) write-offs of Spain developed solar projects EUR 664 thousand, (iii) allowances for doubtful receivables EUR 1,627.

#### Salaries and related expenses

	<u>2020</u>	<u>2019</u>
Salaries and related expenses (cost of sales, Note 24)	5,491	6,793
Salaries and related expenses (selling expenses, Note 26)	6,899	4,807
Salaries and related expenses (administrative expenses, Note 27)	5,543	5,219
	<b><u>17,933</u></b>	<b><u>16,819</u></b>



KPMG Audit

Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

Average number of employees	733	755
<i>of which employed in the Netherlands</i>	2	1
<i>of which employed outside the Netherlands</i>	731	754

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

	<u>2020</u>	<u>2019</u>
Salary expenses	16,036	14,928
Social security expenses	1,405	1,288
Vacation reserve expenses	170	211
Contributions to pension funds	62	-
Other related expenses	260	392
	<u><b>17,933</b></u>	<u><b>16,819</b></u>

### 28. Finance income and finance costs

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

	<u>2020</u>	<u>2019</u>
FINANCE INCOME		
Interest income	1,283	1,615
Gain on increase in financial assets at fair value	1,828	1,410
Gain from currency exchange	-	693
Dividends received	366	-
Penalties and fines	8	7
Other income from financing and investing activities	20	60
	<u><b>3,505</b></u>	<u><b>3,785</b></u>
FINANCE EXPENSES		
Interest expenses	(9,722)	(3,825)
Impairment of loans granted	(200)	(542)
Guarantee commitment and commission fees	(57)	(498)
Loss arising on derivative financial instrument	(2,054)	(316)
Penalties and fines	(34)	(86)
Currency exchange loss	(7,777)	(432)
Other expenses from financing and investing activities	(953)	(847)
	<u><b>(20,797)</b></u>	<u><b>(6,546)</b></u>
<b>Financing activity result</b>	<u><b>(17,292)</b></u>	<u><b>(2,761)</b></u>

### 29. Corporate income tax

In 2020 and 2019 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:

	<u>2020</u>	<u>2019</u>
Current tax expense	2,360	4,922
Deferred tax expense (income)	630	(892)
Corrections of corporate income tax of previous reporting periods	(704)	(95)
<b>Income tax expense (income) recognised in the statement of profit or loss and other comprehensive income</b>	<u><b>2,286</b></u>	<u><b>3,935</b></u>



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

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

	2020	2019
Profit (loss) before tax	(9,258)	40,110
Corporate income tax applying a standard income tax rate of 25%	(2,315)	10,027
Tax effect of non-taxable income	(7,185)	(5,242)
Non-deductible (deductible) expenses	2,310	2,849
Tax effect of tax losses and other temporary differences for which no deferred tax asset was recognised	3,565	2,130
Tax losses transferred to the group companies (+)	252	(58)
Corrections of corporate income tax of previous reporting periods	(704)	(94)
Effect of different income tax rates applicable to foreign subsidiaries	6,323	(4,331)
Investment incentive	40	(1,346)
<b>Total corporate income tax expense (income)</b>	<b>2,286</b>	<b>3,935</b>

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

	Temporary differences			Deferred tax		
	As at 31 December		1 January	As at 31 December		1 January
	2020	2019	2019	2020	2019	2019
<b>Deferred income tax asset</b>						
Tax losses	30,641	32,282	25,088	5,185	5,087	4,269
Write-down of inventories	1,841	657	671	326	104	101
Incentive of investments into property, plant and equipment	2,081	648	852	312	98	128
Impairment of amounts receivable	689	626	1,459	105	95	229
Vacation reserve	93	319	576	16	54	87
Loan amortized cost	1,247	-	-	226	-	-
Bonus reserve	394	256	99	59	44	15
Tax losses not recognized during previous financial year	84	143	-	32	27	-
Effect of different corporate tax rates on foreign subsidiaries	194	-	-	30	-	-
Other accrued costs	565	2,015	351	103	273	54
<b>Total deferred tax asset</b>	<b>37,829</b>	<b>36,946</b>	<b>29,096</b>	<b>6,394</b>	<b>5,782</b>	<b>4,883</b>
<b>Deferred tax liability</b>						
Differences between the financial and tax depreciation of property, plant and equipment	(39,185)	(20,185)	(2,073)	(6,634)	(2,845)	(372)
Derivative financial instruments	-	(22)	(58)	-	(3)	(9)
Construction insurance	(72)	-	-	(12)	-	-
Other accrued income	(1,171)	(1,664)	(32)	(186)	(203)	(6)
<b>Total deferred tax liabilities</b>	<b>(40,428)</b>	<b>(21,871)</b>	<b>(2,163)</b>	<b>(6,832)</b>	<b>(3,051)</b>	<b>(387)</b>
<b>Deferred income tax, net</b>	<b>(2,599)</b>	<b>15,075</b>	<b>26,933</b>	<b>(438)</b>	<b>2,731</b>	<b>4,496</b>

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.





## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

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

	2020	2019
Income (expenses) recognised in the statement of profit or loss	630	(892)
Profit (loss) not recognised in the statement of profit or loss due to change in the accounting policy for investment property	-	31
Income (expenses) recognised in other comprehensive income (including change due to currency exchange rate fluctuations)	1,861	2,739
Change due to currency exchange rate fluctuations	-	(5)
Transfer of liabilities (assets) related to disposal of subsidiaries	853	51
Transfer of liabilities (assets) related to disposal of subsidiaries	(175)	(159)
<b>Change in deferred income tax, net</b>	<b>3,169</b>	<b>1,765</b>

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

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

	As at 31 December	
	2020	2019
Tax temporary differences for which no deferred tax assets were recognised	44	319
Tax losses for which no deferred tax assets were recognised	4,075	4,688
<b>Total temporary differences and tax losses</b>	<b>4,119</b>	<b>3,035</b>

### 30. Leases

In 2020 and 2019 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
<b>Acquisition cost</b>							
<b>1 January 2019</b>	5,603	5,322	68	20,728	40	-	31,762
Additions	6,017	13,796	-	13,918	25	-	33,756
Derecognition	-	(31)	(12)	-	-	-	(43)
Depreciation	(402)	(1,371)	(7)	(4,151)	(21)	-	(5,952)
<b>31 December 2019</b>	<b>11,218</b>	<b>17,716</b>	<b>49</b>	<b>30,495</b>	<b>44</b>	<b>-</b>	<b>59,522</b>
Acquired assets	495	120	-	111	-	-	726
Additions	4,483	5,532	-	1,412	25	-	11,452
Derecognition	(5,865)	(8,403)	(44)	(53)	(37)	-	(14,402)
Depreciation	(583)	(2,472)	(5)	(6,545)	(12)	-	(9,617)
<b>31 December 2020</b>	<b>9,748</b>	<b>12,493</b>	<b>-</b>	<b>25,420</b>	<b>20</b>	<b>-</b>	<b>47,681</b>

#### Amounts recognized in profit and loss

	2020	2019
Interest on lease liabilities	1,581	1,149
Expenses for short-term leases and leases with low-value assets	3,078	3,441



KPMG Audit  
1941867 21W00176386RTM dated

Document to which our report  
dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

	31 December		1 January
	2020	2019	2019
<b>Lease liabilities</b>			
Non current lease obligations	34,140	41,222	30,703
Current lease obligations	14,784	16,282	9,651
<b>Total</b>	<b>48,924</b>	<b>57,504</b>	<b>40,354</b>

	31 December		1 January
	2020	2019	2019
<b>Maturity lease obligations</b>			
Within 1 year	14,784	16,282	9,651
In 2–5 years	20,255	28,227	19,643
After five years	13,884	12,995	11,060
<b>Total</b>	<b>48,923</b>	<b>57,504</b>	<b>40,354</b>

### 31. Contingent liabilities

In 2020 and 2019, 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 have not performed full-scope tax investigations at the Company. The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and where appropriate, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties. Management of the Group is not aware of any circumstances which would cause calculation of additional significant liabilities due to unpaid taxes.

The Group has issued the following guarantees/sureties:

Receiver of guarantee/surety	Type	Maturity term of guarantee/surety	Currency	As at 31 December	
				2020	2019
Alfa Bank	Guarantee	Paid in 2020	USD	-	4,737
Three Thousand Corporations OÜ	Guarantee (for LLC Solar Zalukwa)	Paid in 2020	EUR	-	7,800
European Bank for Reconstruction and Development	Guarantee ( for Parachonskoe ZAO)	24/01/2028	EUR	5,806	-
European Bank for Reconstruction and Development	Guarantee ( for Severnyj ZAO)	24/01/2028	EUR	2,796	-
European Bank for Reconstruction and Development	Guarantee ( for Kabylovka ZAO)	24/01/2028	EUR	2,644	-
European Bank for Reconstruction and Development	Guarantee ( for BG17 ZAO)	04/03/2029	EUR	5,948	-
European Bank for Reconstruction and Development	Guarantee ( for Belovezha ZAO)	04/03/2029	EUR	3,704	-
OP Corporate Bank plc Lietuvos filialas	Guarantee (for UAB Baltijos autonomas)	06/09/2021	EUR	1,000	929
Luminor Bank AS Lietuvos skyrius	Guarantee (for UAB Baltijos autonomas)	28/02/2022	EUR	600	-
Luminor Bank AS Lietuvos skyrius	Guarantee (for UAB Smilgiai biodujos)		EUR		325



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Askela“)	2022 12 31	EUR	69	-
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Bioinvest“)	2022 12 31	EUR	60	90
Circle K Lietuva UAB	Guarantee	2030 12 31	EUR	51	-
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Unimodus“)	2022 12 31	EUR	23	-
Luminor Bank AS Lietuvos skyrius	Surety (for UAB „Kreta“)	2022 12 31	EUR	12	-
Banco Sabadell, S.A.	Guarantee	2023 01 09	EUR	120	-
<b>Total</b>				<b>22,833</b>	<b>13,881</b>

All the companies for which the sureties have been issued are related companies. Furthermore, all the companies met the financial ratios if such were prescribed in the loan agreements. Therefore, no provisions for the liabilities related to the sureties issued have been recognised as at 31 December 2020.

Provisions for liabilities under other surety agreements were not accounted for as at 31 December 2020 as the Group estimates that the entities for which sureties are provided will continue their activities or start developing new profitable activities; also, no information is available on termination or liquidation of the activities of those entities. Further 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.

Some of the Group's companies did not comply with the requirement of the Law on Companies of the Republic of Lithuania that the company's equity must be not less than ½ its authorized capital. Companies that did not meet this requirement at 31 December 2020: UAB Modus Mobility, UAB Prime Leasing, UAB Pavilnių saulės slėnis 14, UAB Pavilnių saulės slėnis 15, UAB Pavilnių saulės slėnis 17, UAB Nekilnojama turto prekyba, UAB Rental Solutions, UAB Plėtros sprendimai, UAB Nekilnojam turto konsultacijos, UAB Pavilnių saulės slėnis 22, UAB Modus Estate Services, UAB Inter Krasta, UAB Interviga, UAB Exclusive Luxury Auto, UAB Remote Solar Investment, UAB Modus Group Services, UAB Axton Commodities.

Investment in UAB Parkdema, the value of which is EUR 1,950 thousand (2019: EUR 3,600 thousand) is pledged in accordance with the agreement of UAB Parkdema with the creditor. Under this agreement, there are subordinated and held bonds with the value of EUR 14,879 thousand (2019: EUR 14,879 thousand). The maturity ends in December 2026.

According to the agreement between the investors and the sub-fund Modus Renewable Energy Lithuanian Investments which is the manager of the closed-ended renewable energy composite investment fund Modus Renewable Energy Fund I, the Group committed to repurchase the investments into the subsidiaries in January 2025 by the total amount of EUR 1,285.4 thousand, if no other investors are found.

### 32. Financial instruments – fair values and risk management

As at 31 December 2020 and 2019 the Group did not have any significant financial instruments, presented at fair value in the statement of financial position, except for the investments into derivatives (forward exchange contracts).

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

The Group classifies financial liabilities into following groups:

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

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

- Cash and cash equivalents (Note 12)



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

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

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.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
 Notes to the consolidated financial statements for the year ended 31 December 2020  
 (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 2020	Note	Carrying amounts				Fair value		
			FVTPL	FVOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2
<b>Financial assets not measured at fair value</b>									
Loans granted		7			2,130				2,130
Deposits to banks		7			5,100				5,100
Trade and other receivables		8			44,537				44,537
Prepayments, deferred cost and accrued income		11			5,788				5,788
Cash and cash equivalents		12			43,635				43,635
<b>Financial liabilities measured at fair value</b>									
Liabilities arising from derivatives		15	288				288		
<b>Financial assets not measured at fair value</b>									
Bank loans and interest payable		15			101,510				104,876
Loans from related parties		16			16,328				14,617
Debts under non-equity securities		16			35,545				31,288
Lease liabilities		15				48,922			48,922
Trade and other payables		20				12,701			12,701
Prepayments, accrued liabilities and deferred income		22				127,690			127,690



**KPMG Audit**  
 Document to which our report  
 1941867 21W00176386RTM dated

**30 April 2021**

also refers.  
 KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

31 December 2019	Note	Carrying amounts				Total	Fair value		
		FVTPL	FVOCI	Amortised cost	Other financial liabilities		Level 1	Level 2	Level 3
<b>Financial assets not measured at fair value</b>									
Loans granted	7			3,201		<b>3,201</b>		3,201	
Deposits to banks	7			5,093		<b>5,093</b>		5,093	
Trade and other receivables	8			26,916		<b>26,916</b>		26,916	
Contract assets	23			922		<b>922</b>		922	
Prepayments, deferred cost and accrued income	11			13,351		<b>13,351</b>		13,351	
Cash and cash equivalents	12			20,566		<b>20,566</b>		20,566	
<b>Financial liabilities measured at fair value</b>									
Liabilities arising from derivatives	15	31				<b>31</b>	31		
<b>Financial assets not measured at fair value</b>									
Bank loans and interest payable	15			81,369		<b>81,369</b>		79,665	
Loans from related parties	16			549		<b>549</b>		471	
Debts under non-equity securities	16			63,163		<b>63,163</b>		64,465	
Lease liabilities	15				57,503	<b>57,503</b>		57,503	
Trade and other payables	20				8,579	<b>8,579</b>		8,579	
Contract liabilities	23				21	<b>21</b>		21	
Prepayments, accrued liabilities and deferred income	22				118,872	<b>118,872</b>		118,872	



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated

**30 April 2021**

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

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 2020 was EUR 95,470 thousand (31 December 2019 – EUR 56,700 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 2020 and 2019 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 2020 the Group determined impairment loss of EUR 1,626 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 2020 the ECL allowance for loans to related parties amounted EUR 4,328 thousand (31 December 2019 – EUR 4,129 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 2020 such liabilities of the Group amounted to EUR 94,480 thousand (31 December 2019 – EUR 70,721 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.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

	<u>Increase / decrease, p.p.</u>	<u>Impact on the Group's profit before taxes</u>
2020	0.3	283
2019	0.3	212

### 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 2020 and 2019 based on contractual undiscounted payments are provided in Notes 15, 16 and 30.

### Foreign exchange risk

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

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

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

	<u>Foreign exchange rate</u>	<u>Increase / decrease, %</u>	<u>Impact on the Group's profit before taxes</u>
2020	EUR/PLN	+5%	(140)
	EUR/UAH	+5%	(718)
	EUR/BYN	+5%	(104)
	EUR/USD	+5%	(1,038)
	EUR/PLN	-5%	140
	EUR/UAH	-5%	718
	EUR/BYN	-5%	104
	EUR/USD	-5%	1,038
2019	EUR/PLN	+5%	(211)
	EUR/UAH	+5%	(253)
	EUR/BYN	+5%	(342)
	EUR/USD	+5%	(1,094)
	EUR/PLN	-5%	211
	EUR/UAH	-5%	253
	EUR/BYN	-5%	342
	EUR/USD	-5%	1,094

### 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.



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

### Raw materials price risk

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

### 33. Related party transactions

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

	<u>2019</u>	<u>2018</u>
Employment-related amounts calculated for the year		
Key remuneration and related taxes	2,189	1,583
Number of the management members	30	33

In 2019 and 2018, the management of the Group did not receive any loans, guarantees; no other payments or property transfers were made.

During 2019 and 2018, the main transactions of the Group entities carried out with related entities were receipt of loans from related parties, issue of loans to related parties and supply of goods.

The related parties of the Group include:


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

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

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

The table below provides information on transactions with related entities during the period ended 31 December 2019:

Related party	<u>Amounts receivable (including loans granted)</u>	<u>Amounts payable (including loans received)</u>	<u>Sales of goods and services (including interest)</u>	<u>Purchases of goods and services (including interest)</u>
Ultimate beneficial owner	-	5,033	-	358
Associated entities	165	371	111	12
Other related companies	19,527	7,971	258,095	494
<b>Total</b>	<b><u>19,692</u></b>	<b><u>13,375</u></b>	<b><u>258,206</u></b>	<b><u>864</u></b>

 KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## **MG NL Holding B.V.**

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the consolidated financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### **34. Subsequent events**

In January 2021 Group has signed a credit refinancing agreement for the amount of EUR 18,952 thousand.

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.



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
**30 April 2021**

also refers.  
KPMG Accountants N.V.

## **MG NL Holding B.V.**

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Company financial statements for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

---

### **Company financial statements**



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
**30 April 2021**

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Company statement of financial position for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

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

ASSETS	Notes	As at 31 December 2020	As at 31 December 2019
<b>Non-current assets</b>			
Fixed assets	4	3	-
Financial fixed assets	5	78,321	82,021
<b>Total non-current assets</b>		<b>78,324</b>	<b>82,021</b>
<b>Current assets</b>			
Trade and other receivables	6	0	1
Prepayments, deferred costs and accrued income	7	47	23
Cash and cash equivalents	8	3	1
<b>Total current assets</b>		<b>50</b>	<b>25</b>
<b>TOTAL ASSETS</b>		<b>78,374</b>	<b>82,046</b>
<b>EQUITY AND LIABILITIES</b>			
Authorised capital		22,900	22,900
Legal reserve		734	427
Revaluation reserve		21,986	14,811
Currency exchange translation reserve		(458)	2,508
Retained earnings		43,906	4,838
Result of the year		(10,851)	36,132
<b>Total equity</b>		<b>78,217</b>	<b>81,616</b>
<b>Short-term liabilities</b>			
Short-term financial debts	9	70	430
Accrued liabilities	10	32	-
Employment related liabilities	11	23	1
Trade payables	12	32	(1)
<b>Total short-term liabilities</b>		<b>157</b>	<b>430</b>
<b>Total liabilities</b>		<b>157</b>	<b>430</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>78,374</b>	<b>82,046</b>



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Company statement of profit or loss for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

---

### Company statement of profit or loss

	Notes	<u>2020</u>	<u>2019</u>
<b><u>Continued operations</u></b>			
Result from participating interests after tax		(10,523)	36,317
Other result after tax		<u>(328)</u>	<u>(185)</u>
<b>Net profit (loss)</b>		<b>(10,851)</b>	<b>36,132</b>



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
**30 April 2021**

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Company statement of changes in equity for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

### Company statement of changes in equity

Company equity statement is equal to the consolidated equity statement

	Authori sed capital	Share premium	Legal reserve	Revaluat ion reserve	Currency exchange translation reserve	Retained earnings	Result of the year	Total
<b>1 January 2019</b>	<b>22,900</b>	-	-	-	(653)	5,083	-	<b>27,330</b>
Net profit (loss)	-	-	-	-	-	-	36,132	36,132
Other comprehensive income	-	-	-	14,843	3,160	(27)	-	17,976
<b>Total comprehensive income</b>	-	-	-	<b>14,843</b>	<b>3,160</b>	<b>(27)</b>	<b>36,132</b>	<b>54,108</b>
Revaluation reserve	-	-	-	(32)	-	38	-	6
Profit (loss) not recognized in the statement of profit or loss and other comprehensive income	-	-	-	-	1	171	-	172
Additions legal reserve	-	-	427	-	-	(427)	-	-
<b>31 December 2019</b>	<b>22,900</b>	-	<b>427</b>	<b>14,811</b>	<b>2,508</b>	<b>4,838</b>	<b>36,132</b>	<b>81,616</b>
Net profit (loss)	-	-	-	-	-	-	(10,851)	(10,851)
Other comprehensive income	-	-	-	8,075	(254)	(26)	-	7,795
<b>Total comprehensive income</b>	-	-	-	<b>8,075</b>	<b>(254)</b>	<b>(26)</b>	<b>(10,851)</b>	<b>(3,056)</b>
Result allocation 2019	-	-	-	-	-	36,132	(36,132)	-
Adjustment IFRS16	-	-	-	-	-	14	-	14
Increase NCI	-	-	-	-	-	(373)	-	(373)
Change functional currency	-	-	-	-	(2,712)	2,712	-	-
Revaluation reserve	-	-	-	(900)	-	916	-	16
Additions legal reserve	-	-	307	-	-	(307)	-	-
<b>31 December 2020</b>	<b>22,900</b>	-	<b>734</b>	<b>21,986</b>	<b>(458)</b>	<b>43,906</b>	<b>(10,851)</b>	<b>78,217</b>



KPMG Audit

Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

# MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the company financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

## 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 8 to 69

### 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.



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
30 April 2021

also refers.  
KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the company financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### 4. Equity

#### Authorised capital

As at 31 December 2020 and 2019 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 2020 and 2019, the Group did not acquire nor transfer any of its own shares.

As at 31 December 2020 and 2019 the Group's shareholders were as follows:

	<u>Number of shares 2020</u>	<u>Number of shares 2019</u>	<u>Ownership interest (%)</u>
Martinkėnas Kęstutis	22,900,100	22,900,100	100%
<b>Total</b>	<b>22,900,100</b>	<b>22,900,100</b>	<b>100%</b>

As at 1 January 2019 the Group's shareholders comprised the following:

	<u>Number of shares 2020</u>	<u>Number of shares 2019</u>	<u>Ownership interest (%)</u>
Martinkėnas Kęstutis	22,900,100	22,900,100	100%
<b>Total</b>	<b>22,900,100</b>	<b>22,900,100</b>	<b>100%</b>

#### 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 2019 have been added to retained earnings reserve.

### Proposed appropriation of result

In anticipation of the Annual General Meeting's adoption of the financial statements, it is proposed that the result after taxation and extraordinary items for the financial year ended 31 December 2020, a net loss amounting to EUR 11,544 thousand, will be added to the retained earnings and non controlling interest of minority shareholders.

### 5. Fixed assets

#### Acquisition cost

##### 1 January 2019

Acquisition of property

#### Other equipment, fittings and tools

-



KPMG Audit  
Document to which our report  
1941867 21W00176386RTM dated  
**30 April 2021**

also refers.  
KPMG Accountants N.V.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the company financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

<b>31 December 2019</b>	-
Acquisition of property	3
<b>31 December 2020</b>	<b>3</b>
<b>Accumulated depreciation</b>	
<b>1 January 2019</b>	-
Depreciation	-
<b>31 December 2019</b>	-
Depreciation	-
<b>31 December 2020</b>	-
<b>Carrying amount as at:</b>	
<b>1 January 2019</b>	-
<b>31 December 2019</b>	-
<b>31 December 2020</b>	<b>3</b>

## 6. Financial fixed assets

The Company's financial fixed assets comprised the following:

	<b>2020</b>	<b>2019</b>
Participating interest in group companies	78,321	82,021
<b>Total</b>	<b>78,321</b>	<b>82,021</b>

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

	Participating interest in group companies
<b>31 December 2019</b>	<b>82,021</b>
Restatement opening balance	14
Share in result group companies	(10,523)
Revaluations assets	8,075
Dividends received	(630)
Effect of translation to presentation currency	(239)
Revaluatipn reserve	(372)
Employee benefits	(25)
<b>31 December 2020</b>	<b>78,321</b>

## 7. Trade and other receivables

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

	<b>2020</b>	<b>2019</b>
Other receivables	-	1
<b>Total</b>		<b>1</b>



KPMG Audit

Document to which our report  
1941867 21W00176386RTM dated

30 April 2021

also refers.

KPMG Accountants N.V.

## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the company financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### 8. Prepayments, deferred costs and accrued income

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

	<u>2020</u>	<u>2019</u>
Deferred expenses	43	-
Prepayments to suppliers	2	22
Deposits	2	1
<b>Total</b>	<b><u>47</u></b>	<b><u>23</u></b>

### 9. Cash and cash equivalents

Company's Cash and cash equivalents comprised the following:

	<u>2020</u>	<u>2019</u>
Cash at bank	3	1
<b>Total</b>	<b><u>3</u></b>	<b><u>1</u></b>

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

### 10. Financial debt

Company's Financial debt comprised the following:

	<u>2020</u>	<u>2019</u>
<b>Short-term financial debt</b>		
Loans received from group companies	70	401
Accrued interest loans from group companies	-	29
<b>Total</b>	<b><u>70</u></b>	<b><u>430</u></b>

### 11. Accrued liabilities

Company's Accrued liabilities comprised the following:

	<u>2020</u>	<u>2019</u>
Accrued expenses	32	-
<b>Total</b>	<b><u>32</u></b>	<b><u>-</u></b>



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the company financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### 12. Employment related liabilities

Company's Employment related liabilities comprised the following:

	<u>2020</u>	<u>2019</u>
Income tax payable	4	1
Social security payable	1	-
Bonus payments accrued	18	-
<b>Total</b>	<b><u>23</u></b>	<b><u>1</u></b>

### 13. Trade payables

Company's Trade payables comprised the following:

	<u>2020</u>	<u>2019</u>
Trade payables	32	(1)
<b>Total</b>	<b><u>32</u></b>	<b><u>(1)</u></b>

### 14. Directors

During the reporting year the Company had three directors (2019: three).

#### On 10 January 2020

Ms Yulia Karpova resigned and was honorably discharged as Managing Director of the Company.  
Mr Alhard Zwart was appointed as Managing Director of the Company.

#### On 1 April 2020

Mr Liudas Liutkevičius and Mr Maximilianis Hübner resigned and were honorably discharged as Managing Directors of the Company  
Ms Julia Vladimirovna Bron and Mr Kęstutis Bagdonavičius were appointed as Managing Directors of the Company.

#### On 1 August 2020

Mr Kęstutis Bagdonavičius resigned and was honorably discharged as Managing Director of the Company.  
Ms Ainė Martinkėnaitė-Martyniuk was appointed as the Managing Director of the Company.

The remuneration for the board of directors amounted to EUR 46,782 (2019 :EUR 5,197).

The Company has no supervisory directors.



## MG NL Holding B.V.

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands  
Notes to the company financial statements for the year ended 31 December 2020  
(In EUR thousand, unless otherwise stated)

---

### 15. Auditor's fee

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

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

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

### 16. Related parties

The company has received a loan from its subsidiary Modus Grupe UAB.

### 17. Subsequent events

See note 35 – Subsequent Events in the Consolidated Financial Statements included in this Annual Report.

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

Amsterdam, Netherlands  
30 April 2021



## **MG NL Holding B.V.**

Company code 59.97.89.76, Fred.Roeskestraat 115, Amsterdam, the Netherlands

Other information for the year ended 31 December 2020

(In EUR thousand, unless otherwise stated)

---

### **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.



**MODUS GROUP**

