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Independent Auditor's Report

To the Shareholders of UAB Modus Grupė

Opinion

We have audited the consolidated financial statements of UAB Modus Grupė and its subsidiaries ("the Group"). The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's consolidated annual management report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Company code: 111616158
VAT code: LT114949716

In addition, our responsibility is to consider whether information included in the Group's consolidated annual management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements and whether consolidated annual management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of consolidated financial statements, in our opinion, in all material respects:

- The information given in the Group's consolidated annual management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The Group's consolidated annual management report has been prepared in accordance with the requirements of the Law of the Republic of Lithuania on Consolidated Financial Reporting by Groups of Undertakings.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude 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 Group’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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 deficiencies in internal control that we identify during our audit.

On behalf of KPMG Baltics, UAB

Rokas Kasperavičius
Partner
Certified Auditor

Klaipėda, the Republic of Lithuania
26 April 2024

The electronic auditor‘s signature applies only to the Independent Auditor‘s Report on pages 3 to 5 of this document.

Consolidated annual management report

General information about the Group:

Name	**UAB Modus Grupė**
Legal form	Limited liability company
Code	302719143
VAT payer's code	LT100007287918
Authorised capital	Authorised capital of EUR 22,939,783 is divided into 79,102,700 ordinary registered shares with the par value of EUR 0.29 each.
Shareholder (100%)	MG NL holding B.V. (company code: 58978976, address: Fred. Roeskestraat 115, 1076 EE Amsterdam, the Netherlands)
Registered address:	Ozo g. 10A, LT-08200 Vilnius
Telephone	+370 5 235 6080
Fax	+370 5 235 6089
E-mail	info@modus.group
Website	www.modus.group
Date and place of registration	30 January 2012, Vilnius branch of the State Enterprise Centre of Registers
Register where the data about the Company is filed and stored	Register of Legal Entities
Type of main activities	Consulting management activities

I. Objective overview of the position, activity and development of the group of companies, characterisation of the main types of risks and uncertainties faced by the Company

Priority activity areas of the group of companies
Group of companies (the Group) comprises the Company and its 7 subsidiaries (as of 31 December 2022: 8), 50 secondary subsidiaries (as of 31 December 2022: 46), and 2 associated entities (as of 31 December 2022: 2). The Group main activities include automotive retailing (managing a network of dealerships for 16 car brands, including Porsche, Bentley, BMW, Fiat, Maserati, Cupra, SEAT, etc.), mobility services (CityBee, MyBee) and investment fund management (Modus Asset Management). The Group markets include Lithuania, Latvia, and Estonia; the Group operates in 7 European markets.

100% of the shares of UAB Modus Grupė are owned by MG NL Holding B.V., a company incorporated and operating in the Netherlands.

Due to the internal structural changes implemented within the Group, the financial results of the companies operating in the renewable energy business, as well as of the companies (not) directly controlled by MG NL holding B.V., are not consolidated at the level of UAB Modus Grupė as of January 2020 and are not reflected in the annual management report and financial statements.

In 2023, EBITDA of the entities group amounted to EUR 29,792 thousand (2022: EUR 34,233 thousand) and decreased by 12.97 %. EBITDA consists of EUR 29,919 thousand (2022: EUR 34,553 thousand) from the operating activities of the entities of the group and EUR -127 thousand (2022: EUR -320 thousand) from other transactions[1].

[1] The common practice of a holding company is sale, acquisition and merger of companies and assets. The results of these transactions are included in the group of Transactions and other.

Main risks of the Group

The Group is (can be) exposed to several significant risks, including (1) the possibility of the introduction of new taxes and legislation, (2) a general downturn in economic conditions in the country, which may affect purchasing power, and volatile interest rates. These factors may adversely affect the demand for and pricing of the Company's products. (3) The EU's implementation of stricter sustainability regulations, such as the EU Green Deal, Taxonomy, and CSRD, alongside evolving demands and expectations from customers and investors for the gradual elimination of fossil fuels, create potential business risks, but, at the same time, provide business opportunities. In addition, (4) the lack of skilled personnel poses additional risks. The Company also must address risks related to (5) fraud, (6) debtor management, (7) disruptions in the automotive market and their impact on vehicle prices, decisions by automotive manufacturers to increase prices, (8) competition, (9) operating costs, and (10) external factors such as pandemics, wars, and other unforeseen events.

Uncertainties facing the Group

The automotive industry has faced various challenges over the last years, including the COVID-19 pandemic and the restrictions imposed as a result, the semiconductor crisis which has led to disruptions in the supply of new cars worldwide. The war in Ukraine has led to soaring energy prices. Despite these challenges, demand for cars and alternative mobility services continued to grow steadily.

Most significant events

Note 1 in the consolidated financial statements contains the most important information regarding the acquisition and disposal of subsidiaries.

II. Analysis of the financial and non-financial operating results of the Group; information on environmental and personnel issues

During 2023, consolidated sales revenue amounted to EUR 368,450 thousand which shows a decrease by 2.5% compared to 2022 (2022: EUR 377,892 thousand). In 2023, the cost of sales amounted to EUR 311,055 thousand (2022: EUR 317,608 thousand), and the gross profit amounted to EUR 57,395 thousand (2022: EUR 60,284 thousand).

Consolidated profit before taxation amounted to EUR 5,340 thousand in 2022 and showed a decrease compared to the previous reporting period when profit before taxation amounted to EUR 20,516 thousand. In 2023, a decrease in consolidated net profit was marked: EUR 530 thousand of loss was incurred in 2023, while EUR 5,040 thousand of profit was generated in 2022. The decrease in net profit has mainly been caused by the loss incurred on the mobility business.

The Group's consolidated assets amounted to EUR 349,289 thousand as of 31 December 2023 (31 December 2022 – EUR 355,380 thousand).

Ratios characterising the Group's activities

Ratio	2023	2022
Gross profitability = gross profit/sales	15.58%	15.95%
Net profitability = net profit/sales	-0.14%	1.33%
Debt ratio = liabilities/total assets	0.52	0.53
Asset turnover = sales/total assets	1.05	1.06
Current ratio = current assets/current liabilities	1.32	1.29

Employees
In 2023, the average number of employees at the Group was 651 (2022 – 682 employees).

Ruslan Sklepovič	UAB	Ginana	302872801	Panevėžio g. 23-1, Smilgių mstl., Panevėžio r. sav.	Director
Ruslan Sklepovič	UAB	Modus solar turtas	304824538	Vilniaus m. sav. Vilnius, Ozo g. 10A	Director
Ruslan Sklepovič	UAB	Pavilnių saulės slėnis 25	302794021	Vilniaus m. sav. Vilnius, Ozo g. 10A	Director
Ruslan Sklepovič	UAB	Helmont Projects	302791057	Vilniaus m. sav. Vilnius, Ozo g. 10A	Director
Ruslan Sklepovič	UAB	GG Biogas LTU	302854664	Vilniaus m. sav. Vilnius, A. Kojelavičiaus g. 3	Director
Ruslan Sklepovič	UAB	GG Biogas PL	305670388	Vilniaus m. sav. Vilnius, A. Kojelavičiaus g. 3	Director
Ruslan Sklepovič	UAB	GG Biogas Investments	305670370	Vilniaus m. sav. Vilnius, A. Kojelavičiaus g. 3	Director
Ruslan Sklepovič	UAB	Denergija	302791071	Vilniaus m. sav. Vilnius, Ozo g. 10A	Director
Ruslan Sklepovič	UAB	ViaModus	302751041	Vilniaus m. sav. Vilnius, Ozo g. 10A	Director
Ruslan Sklepovič	UAB	Fotona	302841720	Vilniaus m. sav. Vilnius, Ozo g. 10A	Director
Ruslan Sklepovič	UAB	Green Genius Global	304994394	Juozo Balčikonio g. 9, LT-08247 Vilnius	Director
Ruslan Sklepovič	B.V.	Green Genius International B.V.	36406945	Kabelweg 57, kamer 6.05a, 1Oi 4BA Amsterdam	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 6	766092	UL. Ludwika Waryńskiego 3A, 00-645 Warszawa	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 8	786187	UL. Ludwika Waryńskiego 3A, 00-645 Warszawa	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 9	787372	UL. Ludwika Waryńskiego 3A, 00-645 Warszawa	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 10 (Freccia)	806694	UL. Ludwika Waryńskiego 3A, 00-645 Warszawa	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Solar Asset Poland	727539	UL. Ludwika Waryńskiego 3A, 00-645 Warszawa	Board member
Ruslan Sklepovič	CJSC	Kabylovka Biogas	690662468	223043, Minsk district, Papernyansky v/s, v. Tsna, 4 Yubileynaya Steet, room 2-14, Belarus	Board member
Ruslan Sklepovič	CJSC	Severniy Biogas	391003017	231522, Grodno region, Shchuchin district, v/s Vasilishkovsky, Vasilishki agro-town, 26 Sovietskaya Street, Belarus	Board member
Ruslan Sklepovič	CJSC	Parohonskoe Biogas	690658211	225750, Brest region, Pinsk district, Osnezhitsky v/s,	Board member

				Zapolye village, 7 Pinskaya Street, Belarus	
Ruslan Sklepovič	CJSC	Zadneprovskiy Biogas	812003710	231522, Grodno region, Shchuchin district, v/s Vasilishkovsky, Vasilishki agro-town, 26 Sovietskaya Street, Belarus	Board member
Ruslan Sklepovič	CJSC	Mir Biogas	690664723	223043, Minsk district, Papernyansky v/s, v. Tsna, 4 Yubileynaya Street, room 2-15, Belarus	Board member
Ruslan Sklepovič	CJSC	Belovezha Biogas	690664710	225088 Brest region, Kamenets district, Ryasnyansky s / s, ag. Ryasna, st. Anniversary, 1, pom. 32	Board member
Ruslan Sklepovič	UAB	Papilė biodujos	304100937	Vilniaus m. sav. Vilnius, Ozo g. 10A	Board member
Oleg Martyniuk	**UAB**	**UAB Inter Krasta Luxury**	**305663917**	**Vilniaus m. sav. Vilnius, Ozo g. 10A**	**Director**
Oleg Martyniuk	UAB	Inter Krasta Premium	305663899	Vilnius, Žalgirio g. 112-1	Head
Oleg Martyniuk	UAB	Inter Krasta	302693905	Vilnius, Žalgirio g. 112-1	Head
Oleg Martyniuk	UAB	LM Auto	302784123	Vilnius, Konstitucijos pr. 21B	Board member
Oleg Martyniuk	UAB	Modus Mobility	302784358	Vilnius, Žalgirio g. 112-1	Board member
Oleg Martyniuk	UAB	Modus Grupė	302719143	Vilnius, Ozo g. 10A	Board member
Oleg Martyniuk	UAB	Parkdema	304559196	Vilnius, Jogailos g. 4	Board member
Oleg Martyniuk	UAB	Viteksa	302651710	Vilnius, Ozo g. 10A	Head
Oleg Martyniuk	UAB	Tekupa	302842676	Vilnius, Ozo g. 10A	Head; shareholder
Oleg Martyniuk	UAB	Statybiniai projektai	303090397	Vilnius, A. Kojelavičiaus g. 3	Head; shareholder
Oleg Martyniuk	UAB	Luxury Automotive Services 1	305703735	Vilnius, Ozo g. 10A	Head
Oleg Martyniuk	UAB	Luxury Automotive Services 2	305704431	Vilnius, Ozo g. 10A	Head
Oleg Martyniuk	UAB	Modus Asset Management	302790959	Vilnius, Žalgirio g. 112-1	Board member, Chairman
Oleg Martyniuk	UAB	Unimodus	126123769	Vilnius, Ozo g. 10A	Board member
Oleg Martyniuk	UAB	Inter Krasta Services	306368485	Vilnius, Ozo g. 10A	Head
Oleg Martyniuk	UAB	Udrop LT	300561011	Vilnius, Konstitucijos pr. 29-1	Board member
Oleg Martyniuk	UAB	Gepaga	110666382	Marijampolė, Gamyklų g. 4	Head

Oleg Martyniuk	UAB	BLF holding	305656157	Vilnius, Žalgirio g. 112-1	Head
Oleg Martyniuk	UAB	Autoimex	300662220	Vilnius, Žalgirio g. 112A	Head
Oleg Martyniuk		Young Presidents' Organization Lithuania Chapter	304756507	Vilnius, Konstitucijos pr. 20A	Board member, Chairman

Members of the Supervisory Council of UAB Modus Grupė:

Person	**Legal form**	**Name**	**Position**
Kęstutis Bagdonavičius	UAB	Modus Grupė	Chairman and independent member
Kęstutis Martinkėnas	UAB	Modus Grupė	Member
Jolanta Martinkėnienė	UAB	Modus Grupė	Member
Saulius Umbrasas	UAB	Modus Grupė	Independent member

Other managing positions held by the members of the Supervisory Council of UAB Modus Grupė:

Person	**Legal form**	**Name**	**Code**	**Address**	**Position**
Kęstutis Martinkėnas	**UAB**	**Modus Grupė**	**302719143**	**Vilniaus m. sav. Vilnius, Ozo g. 10A**	**Director for Strategic Planning**
Kęstutis Martinkėnas	UAB	Viteksa	302651710	Vilniaus m. sav. Vilnius, Ozo g. 10A	Shareholder
Kęstutis Martinkėnas	UAB	BLF holding	305656157	Vilniaus m. sav. Vilnius, Ozo g. 10A	Shareholder
Jolanta Martinkėnienė	**UAB**	**Modus Grupė**	**302719143**	**Vilniaus m. sav. Vilnius, Ozo g. 10A**	**Design Advisor**
Saulius Umbrasas	**Inc**	**Asset Medical**	**92-3012535**	**Camino San Bernardo, San Diego, CA 92130, USA**	**Director**
Kęstutis Bagdonavičius	**UAB**	**birkle IT Lithuania UAB**	**305839105**	**Ukmergės g. 126, A korpusas, 3-ias aukštas LT-08100 Vilnius**	**Director**
Kęstutis Bagdonavičius	SIA	birkle IT Latvia	40203422631	Strelnieku iela 1- 3, LV-1010 Riga	Director
Kęstutis Bagdonavičius	VšĮ	VŠĮ Global Lithuanian Leaders	302484453	Krokuvos g. 9A-29, LT-09314 Vilnius, Lithuania	Patron
Kęstutis Bagdonavičius	UAB	AHK Service	300119018	Vilniaus g. 28-201, Vilnius	Board member
Kęstutis Bagdonavičius	e.V.	Deutsch-Baltische Handelskammer in Estland, Lettland, Litauen, representative office in Lithuania	300102428	Vinco Kudirkos g. 6, LT-03105 Vilnius, Lithuania	Chairman of the Board

Environmental protection and sustainability management

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

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

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

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

The ESG department reports to the Board of UAB Modus Grupė and monitors the implementation of this area at the level of MG NL Holding B.V.

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

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

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

Occupational safety and health

The Group strives to ensure a comfortable and safe working environment for employees in compliance with the requirements of occupational safety and health, aims to ensure adequate prevention of accidents at work and occupational diseases and control of occupational safety and health. Employees undergo medical check ups on a regular basis and, in order to ensure occupational safety, the Group provides regular training on occupational safety and health. Moreover, each employee has access to an online Learning Management System at a group level. During the reporting period, there have been no accidents at the entities of the Group.

Anti-corruption

The Group adheres to high standards of transparency and regulatory compliance, in line with international and regional standards. The Group has an anti-money laundering policy implemented, and, prior to taking investment decisions, the Group entities assess corruption risks taking into account such factors as salaries, the level of bribery and compliance with legal tax obligations. In addition, a competitive analysis is carried out to ensure that undertakings are able to compete in a fair, lawful and transparent manner. The Group has implemented a whistle-blower protection policy enabling employees to report, without fear of negative consequences, actual breaches of legislation, internal policies, including violation of the Code of Conduct, to their superiors or to an email address trustline@modus.group created for the mentioned purpose. The Group also provides access to relevant information related to resolution of the infringement. The Group is committed to protect anonymity of an employee and otherwise ensure personal and information security and to take measures to protect individuals who had reported violations of policies of any company from any adverse consequences. The Group guarantees complete confidentiality and protection of personal identity.

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

After the end of the reporting period and up until the date of these financial statements,there were no subsequent events that would impact these financial statements or require additional disclosure, except the those described in Note 35 of the consolidated financial statements explanatory notes.

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

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

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

The Group conducts market research to justify its projects. The frequency of research is determined by need, rather than a fixed annual budget.

VI. 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.

VII. Information on the objectives of the financial risk management, its policy for hedging major types of foretasted transactions for which hedge accounting is used, and the Group of companies employs financial instruments and when it is important for the valuation of the Group of companies' assets, equity, liabilities, income and costs

The Group uses derivative financial instruments (forward contracts) to hedge against fluctuations in foreign exchange rates.

Fluctuations in energy, labor and other variable costs can affect the Company’s financial results.

Although the Group does not currently use financial instruments to hedge interest rate risk, the situation is carefully analysed to determine whether additional interest rate risk management tools are necessary. To mitigate the risk, the Group continuously reviews the prices of its services and applies price indexation strategies in response to market fluctuations due to rising interest rates. These measures help to ensure the Group’s financial stability and resilience to potential risks.

Erika Huhtala
Director
UAB Modus Grupė

Vilnius, the Republic of Lithuania
26 February 2024

(In EUR thousand, unless otherwise stated)

Consolidated statement of financial position

ASSETS	Notes	31 December 2023	31 December 2022
Non-current assets			
Property, plant and equipment	**5**	100,979	82,812
Investment property	**5**	9,669	8,134
Goodwill	**6**	27	27
Intangible assets	**6**	4,515	3,642
Loans granted and term deposits	**7**	500	35
Other investments	**10**	101,588	107,246
Trade and other receivables	**8**	373	495
Deferred income tax asset	**29**	676	76
Total non-current assets		**218,327**	**202,467**
Current assets			
Loans granted and term deposits	**7**	42,760	45,723
Inventories	**9**	50,219	62,162
Trade and other receivables	**8**	25,872	28,397
Derivatives		-	72
Prepayments, deferred costs and accrued income	**11**	5,616	7,556
Prepaid income tax		114	24
Current assets held for sale		24	128
Cash and cash equivalents	**12**	6,357	8,851
Total current assets		**130,962**	**152,913**
TOTAL ASSETS		**349,289**	**355,380**

(continued on the next page)

(In EUR thousand, unless otherwise stated)

Consolidated statement of financial position (cont'd)

EQUITY AND LIABILITIES	**Notes**	**31 December 2023**	**31 December 2022**
Authorised capital	**13**	22,940	22,940
Share premium	**13**	7,879	7,879
Legal reserve	**13**	2,294	2,294
Revaluation reserve	**13**	22,494	21,891
Currency exchange translation reserve		2,671	(127)
Hedging reserve		(101)	224
Retained earnings (loss)	**13**	109,483	110,134
Equity attributable to shareholders of the parent company		**167,660**	**165,235**
Non-controlling interest		260	239
Total equity		**167,920**	**165,474**
Non-current liabilities			
Bank loans and lease liabilities	**14**	48,970	49,557
Other financial liabilities	**15**	28,366	14,122
Deferred tax liabilities	**29**	54	66
Advances received	**19**	293	523
Non-current employee benefits	**16**	142	102
Grants and subsidies	**17**	1,842	1,840
Trade and other payables	**21**	2,178	4,751
Provisions	**18**	153	153
Total non-current liabilities		**81,998**	**71,114**
Current liabilities			
Bank loans and lease liabilities	**14**	53,677	39,084
Other financial liabilities	**15**	10,180	36,599
Income tax liabilities		994	775
Prepayments, accrued liabilities and deferred income	**19**	19,744	20,470
Employment related liabilities	**20**	4,209	3,931
Trade and other payables	**21**	10,567	17,933
Total current liabilities		**99,371**	**118,792**
Total liabilities		**181,369**	**189,906**
TOTAL EQUITY AND LIABILITIES		**349,289**	**355,380**

The accompanying explanatory notes are an integral part of these consolidated financial statements.

The consolidated financial statements were prepared and signed on 26 April 2024:

Erika Huhtala	Mantas Piliponis
Director	Group Senior Finance Controller

(In EUR thousand, unless otherwise stated)

Consolidated statement of profit or loss and other comprehensive income

	Notes	2023	2022 (restated*)
Revenue	22	368,450	377,892
Cost of sales	23	(311,055)	(317,608)
Gross profit		**57,395**	**60,284**
Other activity income	24	1,172	1,274
Other activity expenses	24	(392)	(855)
Selling expenses	25	(19,266)	(17,785)
Administrative expenses	26	(20,644)	(18,983)
Impairment loss on trade receivables and contract assets	8	(99)	(232)
Operating profit (loss)		**18,166**	**23,703**
Finance income	28	6,026	3,841
Finance costs	28	(9,937)	(6,900)
Result from financing activities		**(3,911)**	**(3,059)**
Share of profit of associated or jointly controlled entities	10	(8,915)	(128)
Profit (loss) before tax		**5,340**	**20,516**
Corporate income tax	29	(2,977)	(3,400)
Net profit (loss) from continued operations		**2,363**	**17,116**
Net profit (loss) from discontinued operations	10	**(2,893)**	**(12,076)**
Total net profit (loss)		**(530)**	**5,040**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Currency exchange effect		2,798	(264)
Effect of hedging transactions		(325)	224
Items that will be reclassified subsequently to profit or loss:		**2,473**	**(40)**
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits (accrual)	16	(47)	(48)
Revaluation of property, plant and equipment, net of tax	13	700	19,002
Items that will not be reclassified subsequently to profit or loss:		**653**	**18,954**
Total comprehensive income		**2,596**	**23,954**
Net profit (loss) attributable to:			
Shareholders of the parent company		(551)	4,953
Non-controlling interests		21	87
Total comprehensive income attributable to:			
Shareholders of the parent company		2,575	23,867
Non-controlling interests		21	87

**refer to Note 33*

The accompanying explanatory notes are an integral part of these consolidated financial statements.

The consolidated financial statements were prepared and signed on 26 April 2024:

Erika Huhtala Director	Mantas Piliponis Group Senior Finance Controller

(in EUR thousand, unless otherwise stated)

Consolidated statement of changes in equity

	Authorised capital	Share premium	Legal reserve	Revaluation reserve	Currency exchange translation reserve	Hedging reserve	Retained earnings (losses)	Attributable to shareholders of the parent company	Non-controlling interests	Total
01 January 2022	**22,940**	**7,879**	**2,294**	**3,220**	**133**	**-**	**105,160**	**105,008**	**152**	**141,626**
Net profit (loss) for the reporting period	-	-	-	-	-	-	5,040	4,953	87	5,040
Other comprehensive income for the reporting period	-	-	-	19,002	(264)	224	(48)	(48)	-	18,914
Total comprehensive income for the reporting period	**-**	**-**	**-**	**19,002**	**(264)**	**224**	**4,992**	**4,905**	**87**	**23,954**
Transfers to legal reserve	-	-	-	-	-	-	-	-	-	-
Revaluation reserve used	-	-	-	(331)	-	-	331	331	-	-
Decrease in capital due to transfer of subsidiaries	-	-	-	-	4	-	10	10	-	14
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(120)	(120)	-	(120)
31 December 2022	**22,940**	**7,879**	**2,294**	**21,891**	**(127)**	**224**	**110,373**	**110,134**	**239**	**165,474**
Net profit (loss) for the reporting period	-	-	-	-	-	-	(530)	(551)	21	(530)
Other comprehensive income for the reporting period	-	-	-	700	2,798	(325)	(47)	(47)	-	3,126
Total comprehensive income for the reporting period	**-**	**-**	**-**	**700**	**2,798**	**(325)**	**(577)**	**(598)**	**21**	**2,596**
Transfers to legal reserve	-	-	-	-	-	-	-	-	-	-
Revaluation reserve used	-	-	-	(97)	-	-	97	97	-	-
Dividends	-	-	-	-	-	-	(150)	(150)	-	(150)
31 December 2023	**22,940**	**7,879**	**2,294**	**22,494**	**2,671**	**(101)**	**109,743**	**109,483**	**260**	**167,920**

The accompanying explanatory notes are an integral part of these consolidated financial statements.

The consolidated financial statements were prepared and signed on 26 April 2024:

Erika Huhtala
Director

Mantas Piliponis
Group Senior Finance Controller

(In EUR thousand, unless otherwise stated)

Consolidated statement of cash flows

	Notes	2023	2022 (restated*)
Cash flows from operating activities			
Net profit (loss)		(530)	5,040
Elimination of non-monetary transactions:			
Depreciation expenses	**5**	11,049	9,736
Amortisation expenses	**6**	888	1,030
Share of profit of associated and jointly controlled entities	**10**	11,808	12,204
Impairment (reversal) of trade and other receivables	**8**	99	232
Write down (reversal of write down) of inventories and current assets held for sale to net realisable value	**26**	1,013	429
Impairment (reversal) of loans granted	**7**	601	317
Impairment of financial assets and investment property at fair value (gain on increase)	**5;10**	(3,082)	(1,112)
Change in fair value of derivative financial instruments		48	(159)
Change in provisions	**18**	-	34
Revaluation reserve formed	**5**	(195)	615
Finance (income) costs	**28**	6,391	3,523
Effect of currency exchange		(47)	490
Loss (profit) on disposal of property, plant and equipment, and intangible assets	**24**	(52)	(164)
Loss (profit) on disposal of investments into subsidiaries	**27**	127	320
Income tax expenses (income)	**29**	2,977	3,400
Amortisation of grants	**17**	(259)	(204)
Elimination of other non-monetary transactions		(1,598)	(571)
Effect of changes in working capital:			
(Increase) decrease in inventories	**5; 9**	10,919	(15,448)
(Increase) decrease in trade and other receivables	**8**	2,570	3,192
Decrease (increase) in prepayments, deferred costs and accrued income	**11**	1,919	941
(Increase) decrease in current assets held for sale		79	4
Increase (decrease) in trade, other payables and current liabilities	**21**	(9,973)	(30,410)
Increase (decrease) in prepayments received, accrued liabilities and deferred income	**19**	(956)	4,124
Increase (decrease) in employment related liabilities	**20**	278	534
Paid income tax		(3,606)	(3,134)
Impact of cars held for rental activities:			
Acquisitions of cars		(27,415)	(11,275)
Disposals of cars		29,721	30,941
Net cash from operating activities		**32,774**	**14,629**

(continued on the next page)

(In EUR thousand, unless otherwise stated)

Explanatory notes

1. General information

UAB Modus Grupė (hereinafter "the Company") 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, registered address: Ozo g. 10A, LT-08200 Vilnius. Activities of the company – consulting management activities.

The ultimate parent company is MG NL Holding B.V., legal address Fred. Roeskestraat 115, 1076 EE Amsterdam, the Netherlands, company code: 58978976. Activities of the company – consulting on business management and other issues.

The Group consists of the Company and its 7 subsidiaries (31 December 2022 – 8), 50 secondary subsidiaries (31 December 2022 – 46), and 2 associated entities (31 December 2022 – 2).

Subsidiaries directly controlled by the Company, controlled share 100% (equity and net profit (loss) from consolidated financial statements, except for UAB Modus Group Services, UAB Modus Asset Management):

				31 December 2023			31 December 2022			
Subsidiary company	**Address**	**Company code**	**Country**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Short description of activity**
UAB Inter Krasta (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302693613	Lithuania	92	10,200	(802)	92	11,002	1,294	Advisory activity of business management and other matters
UAB Inter Krasta Luxury (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	305663917	Lithuania	2,348	21,890	7,740	2,348	19,629	6,334	Advisory activity of business management and other matters
UAB Inter Krasta Premium (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	305663899	Lithuania	12,764	26,177	4,767	12,764	24,410	6,310	Advisory activity of business management and other matters
UAB Unimodus (audited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	126123769	Lithuania	11,400	11,908	1,534	11,400	10,209	(2,717)	Lase of premises, administration of real estate
UAB Modus Mobility (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302784358	Lithuania	5,003	(2,104)	(2,144)	5,003	124	5,496	Advisory activity of business management and other matters
UAB Modus Group Services (unaudited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302784365	Lithuania	-	(343)	23	-	(367)	31	Advisory activity of business management and other matters
UAB Modus Asset Management (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302790959	Lithuania	349	400	574	349	284	(245)	Management of investment funds, consulting

(In EUR thousand, unless otherwise stated)

1. General information (cont'd)

Subsidiaries indirectly controlled by the Company, controlled share 100%:

				31 December 2023			31 December 2022			
Subsidiary company	**Address**	**Company code**	**Country**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Short description of activity**
Other										
Energy Transition Investments UAB (unaudited)	Ozo g. 10A, Vilnius	305950301	Lithuania	-	(74)	(48)	20	(26)	(46)	Advisory activity of business and other management
Daverio sp. z o.o. (unaudited)	Tytusa Chałubińskiego 8, 00-613 Warsaw	521703994	Poland	3	(121)	(97)	3	(23)	(24)	Advisory activity of business and other management
Mobility business										
UAB Prime Leasing (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302565318	Lithuania	1,950	(1,236)	(152)	1,950	(1,084)	77	Car sharing service CityBee
UAB Miesto Bitė (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302793236	Lithuania	102	219	(146)	102	365	321	Long-term car rent service MyBee
UAB Pavilnių Saulės Slėnis 15 (unaudited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302791114	Lithuania	2	42	83	2	(41)	129	Lease of cars
UAB CityBee Solutions (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302833691	Lithuania	2,400	4,480	(208)	2,400	4,689	1,858	Car sharing service CityBee
UAB MyBee Fleet (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302791089	Lithuania	303	503	129	303	373	156	Long-term car rent service MyBee
MyBee Estonia OU (audited)	Harju maakond, Tallinn, Kesklinna linnaosa, Toom-Kuninga tn 15-60, 10122	16462004	Estonia	303	(49)	(185)	303	136	(167)	Long-term car rent service MyBee
MyBee Latvia SIA (audited)	Zemitāna iela 9 k-1, Rīga, LV-1012, Latvia	40203431136	Latvia	403	201	(199)	3	(1)	(4)	Long-term car rent service MyBee
UAB Valunta (audited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	302854778	Lithuania	1,362	113	(210)	1,362	323	(86)	Lease of cars
SIA CityBee Latvija (audited)	Piestatnes iela 11A, Jurmala, LV-2015, Latvia	50203191721	Latvia	603	75	164	603	(88)	1,033	Car sharing service CityBee
CityBee Eesti OU (audited)	Toom-Kuninga 15-60, 10122 Tallinn	14646800	Estonia	1,548	555	(426)	1,548	981	594	Car sharing service CityBee
CityBee Polska Sp. z o.o. (unaudited)	ul. Ludwika Waryńskiego 3a, 00-645 Warszawa	0000739033	Poland	-	(263)	5	-	(1,300)	2,167	Sale of spare parts
UAB Mobility Fleet Solutions (audited)	Vilniaus m. sav. Vilnius, Žalgirio g. 112-1	302735731	Lithuania	30	3,210	(120)	30	3,335	1,163	Wholesale trade in new and used cars
Mobility Fleet Solutions, S.R.O. (audited)	Počernická 272/96, Malešice (Praha 10), 108 00 Praha, Czech Republic	8805555	Czech Republic	10	654	(285)	10	1,003	513	Wholesale trade in new and used cars

(In EUR thousand, unless otherwise stated)

1. General information (cont'd)

Subsidiaries indirectly controlled by the Company, controlled share 100% (cont'd):

				31 December 2023			31 December 2022			
Subsidiary company	**Address**	**Company code**	**Country**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Short description of activity**
Mobility Fleet Solutions Sp. z o.o. (unaudited)	ul. Ludwika Waryńskiego 3a, 00-645 Warsaw, Poland	0000908291	Poland	1	80	44	1	34	89	Wholesale trade in new and used cars
Mobility Fleet Solutions Slovakia s.r.o. (unaudited)	Werferova 6, Košice- mestská časť Juh 040 11, Slovakia	54090164	Slovakia	7	(40)	8	7	(48)	(53)	Wholesale trade in new and used cars
Mobility Fleet Solutions SIA (unaudited)	Zemitāna iela 9 k-1, Rīga, LV-1012, Latvia	40203438990	Latvia	50	46	(4)	50	50	-	Currently not engaged in economic activity
UAB Mobility services (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	305926663	Lithuania	3	(1)	(1)	3	(1)	(3)	Currently not engaged in economic activity
Moje včela, s.r.o. (unaudited)	Počernická 272/96, Malešice, 108 00 Praha 10, Czech Republic	18007724	Czech Republic	-	-	-	-	-	-	Currently not engaged in economic activity
Mobility Fleet Solutions, S.R.L. (unaudited)	Bucuresti Sectoral 1, Strada G-RAL Constantin Budisteanu, Nr. 28C, Etaj 2 SI 5	42118037	Romania	10	134	(219)	10	344	68	Wholesale trade in new and used cars
Cars										
UAB Autobrava (audited)	Žalgirio g. 112A, Vilnius	125481247	Lithuania	2,818	17,253	(538)	2,818	17,792	481	Trade of new and used cars and spare parts
UAB Autoimex (audited)	Žalgirio g. 112A, Vilnius	300662220	Lithuania	4,382	8,329	2,471	4,382	7,207	3,010	Trade of new and used cars and spare parts
UAB Interviga (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	302651678	Lithuania	227	4	-	227	4	-	Currently not engaged in economic activity
SIA Autobrava (audited)	Rīga, Krasta iela 42, LV-1003	40103325594	Latvia	-	(2,441)	320	-	(2,761)	772	Trade in new and used cars, spare parts, car repair services.
SIA Baltijas Sporta Auto (audited)	Rīga, Krasta St. 54	40103655093	Latvia	3	4,396	2,709	3	3,687	2,029	Trade in new and used cars, spare parts, car repair services.

(In EUR thousand, unless otherwise stated)

1. General information (cont'd)

Subsidiaries indirectly controlled by the Company, controlled share 100% (cont'd):

Subsidiary	Address	Company code	Country	31 December 2023 Carrying amount of investments	31 December 2023 Equity	31 December 2023 Net profit (loss)	31 December 2022 Carrying amount of investments	31 December 2022 Equity	31 December 2022 Net profit (loss)	Short description of activity
UAB Prime Auto (audited)	Dariaus ir Girėno g. 15, Vilnius	302841713	Lithuania	3	8,411	5,322	3	6,790	4,684	Trade in new and used cars, spare parts, car repair services.
OOO Avtoideya (audited)	Tsna, Jubilejnaja g., 4-54, Minsko rajonas, Papernyansky	190829939	Belarus	7,003	8,534	1,974	7,003	8,827	3,762	Trade in new and used cars and spare parts, car repair services
UAB Neoparta (audited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	302784493	Lithuania	3	3,070	1,563	3	2,007	876	Trade of car spare parts
UAB Autobrava Motors (audited)	Žalgirio g. 112A, Vilnius	302792561	Lithuania	1,902	169	(381)	1,902	550	97	Trade in new and used cars, motorcycles, other vehicles, their spare parts; car repair services, activity related to lease of vehicles and other assets.
UAB Luxury Motors (audited)	Konstitucijos pr. 21B, Vilnius	302793243	Lithuania	1,252	19	(672)	502	(59)	(227)	Trade in new and used cars, motorcycles, other vehicles, their spare parts; car repair services, activity related to lease of vehicles and other assets.
UAB Exclusive Luxury Auto (audited)	Konstitucijos pr. 21B, Vilnius	302784148	Lithuania	1,257	42	(601)	7	(607)	(356)	Trade in new and used cars, spare parts, car repair services.
UAB Luxury Automotive Services 1 (unaudited)	Ozo g. 10A, Vilnius	305703735	Lithuania	3	2	-	3	2	-	Currently not engaged in economic activity
UAB Luxury Automotive Services 2 (unaudited)	Ozo g. 10A, Vilnius	305704431	Lithuania	3	2	-	3	2	-	Currently not engaged in economic activity
Luxury Motors Latvia SIA (audited)	Rīga, Krasta iela 42, LV-1003, Latvia	40203371477	Latvia	3	(519)	(350)	3	(169)	(171)	Trade of new and used cars and spare parts, car repair services
Luxury Motors OU (unaudited)	Kai 1, Talinas, Harjumaa	16407844	Estonia	3	4	(616)	3	71	(232)	Trade of new and used cars and spare parts, car repair services
Luxury Motors sp. z o.o. (unaudited)	ul. Ludwika Waryńskiego 3a, 00-645 Warszawa	1037674	Poland	45	46	(3)	-	-	-	Currently not engaged in economic activity

(In EUR thousand, unless otherwise stated)

1. General information (cont'd)

Subsidiaries indirectly controlled by the Company, controlled share 100% (cont'd):

				31 December 2023			31 December 2022			
Subsidiary company	**Address**	**Company code**	**Country**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Short description of activity**
OOO Autoimax (audited)	Tsna, Jubilejnaja g., 4-54, Minsko rajonas, Papernyansky	193292793	Belarus	5	2,290	1,672	5	1,066	646	Trade of new and used cars and spare parts
Inter Krasta Services UAB (unaudited)	Ozo g. 10A, Vilnius	306368485	Lithuania	1	1	-	0	0	0	Currently not engaged in economic activity
Real estate										
UAB Askela (unaudited)	A. Kojelavičiaus g. 3, Vilnius	110858226	Lithuania	1,057	988	94	1,057	894	92	Real estate rent, operation and development, electricity production and sale
UAB Kreta (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	120895543	Lithuania	3,517	3,938	241	3,517	3,531	102	Hotels and similar accommodation, real estate management and lease, construction, electricity generation
SIA Unimodus (unaudited)	Rīga, Krasta St. 54	50103911801	Latvia	688	320	51	3	(416)	(36)	Established for development of real estate projects in Latvia; currently no commercial activity.
UAB Nekilnojamo turto prekyba (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	304168443	Lithuania	2,387	2,553	169	3	1	(1)	Currently not engaged in economic activity
UAB Nuomos Sprendimai (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	304168938	Lithuania	3	1	-	3	1	(1)	Currently not engaged in economic activity
UAB Plėtros sprendimai (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	304169901	Lithuania	228	207	106	3	(124)	(108)	Construction, management and lease of real estate
UAB Nekilnojamo Turto Konsultacijos (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	304168895	Lithuania	3	-	-	3	-	(1)	Currently not engaged in economic activity
UAB Modus Estate Services (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	302790998	Lithuania	2	-	-	2	-	(1)	Currently not engaged in economic activity
UAB Pavilnių Saulės Slėnis 22 (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	302790973	Lithuania	461	654	199	2	(5)	(2)	Currently not engaged in economic activity
UAB Unimodus Services (unaudited)	Vilniaus m. sav. Vilnius, Ozo g. 10A	306369110	Lithuania	1	1	-	-	-	-	Currently not engaged in economic activity

(In EUR thousand, unless otherwise stated)

1. General information (cont'd)

Subsidiaries indirectly controlled by the Company, controlled share 50% and more:

				31 December 2023			31 December 2022			
Subsidiary and controlled share, %	**Address**	**Company code**	**Country**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Short description of activity**
UAB LM Auto, 50% (audited)	Konstitucijos pr. 21B, Vilnius	302784123	Lithuania	401	528	42	401	486	173	Trade in new and used cars, motorcycles, other vehicles, their spare parts; car repair services, activity related to lease of vehicles and other assets.

The Company's directly owned associates, controlled share 50% or less (the equity and net profit (loss) of Green Genius International B.V. are from the consolidated financial statements):

				31 December 2023			31 December 2022			
Subsidiary and controlled share	**Address**	**Company code**	**Country**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Carrying amount of investments**	**Equity**	**Net profit (loss)**	**Short description of activity**
UAB Gepaga, 50% (unaudited)	Marijampolės s. Marijampolės m. Gamyklų g. 4	110666382	Lithuania	-	(3,907)	(141)	-	(3,765)	(80)	Real estate lease, operation and development
Green Genius International B.V., 15% (audited)	Fred. Roeskestraat 115, 1076 EE, Amsterdam	66202213	The Netherlands	74,501	109,462	(4,486)	83,225	111,641	14,223	Advisory activity of business management and other matters

<u>Sales of the Group companies</u>
In 2023, the Group disposed of 100% of shares of the indirectly controlled subsidiaries UAB Axton Commodities and SL Mobility Fleet Solutions Spain.

<u>Acquisitions/establishments of Group companies</u>
The following indirectly controlled subsidiaries were established in 2023: Luxury Motors sp. z o.o., Inter Krasta Services UAB, UAB Unimodus services, Moje včela, s.r.o., SL Mobility Fleet Solutions Spain.

<u>Other general information</u>
In 2023, the average number of employees at the Group was 651 (2022 – 682 employees).

2. New standards, amendments and interpretations

In 2023, the Group consistently applied the accounting policies for all the periods presented in these financial statements.

The following are the guidelines that have entered into force since 1 January 2023. Implementation of the guidelines has not affected preparation of the Group's financial statements for 2023:

Standards and amendments which came into effect in 2023:

- IFRS 17 *Insurance Contracts*;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- International tax reform. Pillar Two Model Rules (Amendments to IAS 12).

Standards and Interpretations in issue not yet adopted

A number of new standards, their amendments and interpretations have been announced which will be approved for later periods of the financial statements, or have not yet been adopted in the European Union. Such standards were not applied in preparation of these financial statements. The Group does not plan an earlier application of these standards. The following reviewed standards are not expected to have a material effect on the Group's financial statements:

- Non-current Liabilities with Covenants (Amendments to IAS 1) and Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lack of Exchangeability (Amendments to IAS 21);
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

3. Accounting policies

3.1. Compliance with standards

These consolidated financial statements (hereinafter – financial statements) have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), as set by the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

The Group's management prepared and signed these financial statements on 26 April 2024. The shareholders of the Group have a statutory right to either approve these financial statements or not approve them and require the management to prepare a new set of financial statements.

The financial statements are prepared under the assumption that in the near future the Group will continue as a going concern.

3.2. Basis of preparation of the financial statements

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – IFRS) as adopted by the European Union (hereinafter – EU).

Basis of measurement
The financial statements have been prepared on the acquisition cost basis, except for property, plant and equipment – the asset groups of buildings and pipes as well as machinery and equipment of the solar and biogas power plants at a revalued value, the investment property – the group of buildings at fair value, and the investments at fair value.

All amounts in these financial statements are presented in the legal currency of Lithuania – the euro (EUR).

Significant accounting policies applied are presented below.

3.3. Currency

All amounts in these financial statements are presented in the common currency of the European Union adopted for payments in Lithuanian – the euro (EUR) which is the functional currency of Group companies operating in Lithuania and other European Union countries. The functional currencies of the entities operating in the European Union countries which have not adopted the euro, are their local currencies.

3.4. 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. Equity and net income attributable to non-controlling shareholders are treated separately in the statements of financial position and profit or loss.

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

The amount at which the fair value of the recognised assets acquired, liabilities and contingent liabilities assumed is still in excess of the acquisition cost of investment after a second measurement of the assets acquired, liabilities and contingent liabilities assumed and assessment of the acquisition cost, is immediately recognised in profit or loss.

Goodwill acquired in a business combination for the purpose of measuring impairment is, from the acquisition date, allocated to each of the acquirer's cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

3. Accounting policies (cont'd)

3.4. Basis of consolidation and investments in subsidiaries and associates (cont'd)

Impairment is measured through assessment of the recoverable amount of the cash-generating unit to which the goodwill is related. Where the recoverable amount of a cash-generating unit is lower than the balance value, impairment loss is recognised. 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.

Losses of subsidiaries are attributed to non-controlling interest even if that results in a deficit balance of the non-controlling interest. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of non-controlling interests, if any;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

3.5. Business combinations, goodwill and discontinued activities

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.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 9 in profit or loss. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at 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 and 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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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.

Income and expenses from discontinued operations in the consolidated statement of profit or loss for the reporting and previous reporting period are presented separately from income and expenses from continued operations and profit (loss) from discontinued operations after tax even if after sales the Group retains a non-controlling interest in the consolidated subsidiary, e.g. when consolidated subsidiary becomes an associated entity.

3. Accounting policies (cont'd)

3.5. Business combinations, goodwill and discontinued activities (cont'd)

When preparing the consolidated statement of profit or loss, all intra-Group transactions between discontinued and continued operations, which the Group will continue after discontinuation, are presented in continued operations without elimination; i.e. as if they were concluded with third parties. In this case, eliminations are made in discontinued operations. All intra-Group transactions between discontinued and continued operations, which will be discontinued after the discontinuation are eliminated from continued operations.

3.6. 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.

3.7. 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.

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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuations are performed by the Group's management at each reporting date. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of asset or liability and the level of the fair value hierarchy as explained above (Note 31).

(In EUR thousand, unless otherwise stated)

3. Accounting policies (cont'd)

3.8. Property, plant and equipment

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

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

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

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

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

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

Group of property, plant and equipment	Useful life time (in years)	Minimum capitalisation value, EUR
Buildings and pipelines	15 – 35	300
Structures	8 – 35	300
Machinery and equipment of solar and biogas power plants	10 – 25	300
Other machinery and equipment	5 – 16	300
Vehicles	3 – 10	300
Other equipment, fittings and tools	1.5 – 6	150-300

The useful lives, depreciation method and residual values are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items of property, plant and equipment. The residual value of vehicles used in long-term car rental activities is determined on the basis of the repurchase price after 5 years.

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.

3.9. Investment property

Investment property is initially measured at acquisition cost, including the transaction-related costs. After initial recognition, buildings and land are stated at fair value and depreciation is not calculated. The fair value of investment property - buildings and land - 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.

3. Accounting policies (cont'd)

3.9. Investment property (cont'd)

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.

3.10. Intangible assets other than goodwill

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

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

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

Group of intangible non-current assets	Useful life time (in years)	Minimum capitalisation value, EUR
Software	3 – 5	300
Concessions, patents, licenses, trademarks and similar rights	3	300
Other intangible assets	4	300

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

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

3.11. Financial instruments

3.11.1. 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.

3.11.2. Classification and subsequent measurement

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

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

3. Accounting policies (cont'd)

3.11.2. Classification and subsequent measurement (cont'd)

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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets. Business model assessment.
The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the company are compensated - e.g. whether the compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of the sale of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets. Assessment whether contractual cash flows are solely payments of principal and interest.
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative expenses) as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers the following factors:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the group's claim to cash flows from specified assets (e.g. irrevocable features).

3. Accounting policies (cont'd)

3.11.2. Classification and subsequent measurement (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets. Subsequent measurement and gains and losses.
Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss, unless the dividends clearly reflect the portion of the investment cost recovered. The remaining net profit and loss are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial assets. Subsequent measurement and gains and losses.
Financial assets at FVTPL. Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.

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

Financial liabilities. Classification, subsequent measurement and gains and losses.
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.

3.11.3. 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.

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. Accounting policies (cont'd)

3.11.4. 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.

3.11.5. Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments to hedge against foreign currency and interest rate risks. Embedded derivatives are separated from the host contract and accounted for separately when the host contract is not a financial asset and when certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, derivative financial instruments are carried at fair value and its changes are usually recognised in profit or loss.

The Group defines certain derivative financial instruments as hedging instruments for hedging against volatility in cash flows associated with highly probable forecasted transactions arising from changes in foreign currency and interest rates and certain derivative financial instruments and non-derivative financial liabilities as hedges of foreign exchange risk arising from net investment in a foreign operation.

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

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve.

The effective portion of changes in the fair value of a derivative financial instrument recognised in other comprehensive income has been restricted from the inception of the hedge to the cumulative change in the fair value of the hedged item calculated on the basis of the present value. An ineffective portion of the fair value change of a derivative is recognised immediately in profit or loss.

The Group defines a hedging instrument in a cash flow hedge relationship only as an instant currency swap element. The change in the fair value of the forward element of the forward transaction ("forward points") is accounted for separately as a hedging cost and is recognised in the cost of the hedging reserve in equity.

Where, in the case of a forecasted hedge transaction, a non-financial item, such as inventory, is subsequently recognised, the amount accumulated in the hedging reserve and the cost of the hedging reserve are included directly in the cost of the non-financial item when it is recognised.

For all other hedged hedges, the amount accrued in the hedging reserve and the cost of the hedging reserve is reclassified to profit or loss for the same period or periods in which the estimated future cash flows of the hedge affect profit or loss.

If the hedge does not meet the hedge accounting criteria or the hedge is sold, it expires, is cancelled or used, hedge accounting is discontinued prospectively.

When hedge accounting for cash flow hedges is discontinued, the amount accrued in the hedging reserve remains in equity until it is included in the cost of acquisition of non-financial transactions in the event of a hedge of a non-financial transaction or, in the case of other cash flow hedges, is reclassified to profit or loss for the same period or periods during which the estimated cash flows of the hedge affect profit or loss.

If the expected cash flow hedges are no longer probable, the accumulated amounts and the cost of the hedge reserve are reclassified immediately to profit or loss.

3. Accounting policies (cont'd)

3.12. 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.

3.13. 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.

3.14. Assets held for potential sale

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

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

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

3.15. Lease

Leases in which the Group is a lessee
The Group evaluates each lease for possible lease items. If the contract is a lease or includes a lease, the Group accounts for each lease component of the lease separately from the non-lease (service) components of the lease.

The Group does not apply lease recognition provisions to short-term leases (of up to one year) and leases with low value of leased assets (computers, telephones, printers, furniture, etc.). In deciding whether an asset is of low value, the Group assesses each asset individually. In determining whether an asset is of low value, rents are not assessed over the lease term. Low value assets are assets with a value of up to EUR 5 thousand. Payments related to short-term leases and leases of low-value assets are recognised directly as costs in the statement of profit or loss and other comprehensive income. The Group does not apply the lease recognition provisions to all intangible assets. To such assets, the Group applies the provisions of IAS 38 *Intangible Assets.*

The Group recognises the right-of-use assets and the lease liability in the statement of financial position at the inception of the lease.

At the commencement date, the Group measures the right-of-use assets at cost. After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses, and any adjustment due to reassessment of any liability.

At the inception date the Group measures a lease liability at the present value of the lease payments outstanding at that date. Lease payments should be discounted using the interest rate specified in the lease contract, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the borrowing rate charged by the lessee. The Group fixes the lessee's borrowing interest rate at the beginning of each year and uses it for all newly signed contracts and contracts the conditions of which (not all, but only for which the lease obligation needs to be reassessed) have changed during that year. A reassessment of a lease liability occurs when the cash flows change from the original terms of the lease, for example, when changes in the lease term or lease payments change based on an index or interest rate. Changes that were not a term of the original lease contract are changes to the lease.

3. Accounting policies (cont'd)

3.15. Lease (cont'd)

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

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

3.16. Grants and subsidies

Grants received in the form of non-current assets or 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.

3.17. 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.

3.18. Corporate 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. The Group's income tax is calculated based on the Lithuanian tax legislation.

In 2023 and 2022, the corporate income tax rate in the Republic of Lithuania was 15%.

Tax losses in the Republic of Lithuania can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments. Operating losses carry forward is disrupted if the Group changes its activities that resulted in the losses, unless the Group changes its activities due to reasons beyond the entity. Losses from a transfer of securities and/or derivatives can be deferred for 5 years and covered only from the profit of the same type of transactions. With effect from 1 January 2014, tax losses available for carry forward can be used to reduce taxable income of the current tax year by maximum 70%.

(In EUR thousand, unless otherwise stated)

3. Accounting policies (cont'd)

3.18. Corporate income tax (cont'd)

Income tax for the subsidiaries operating in foreign countries is calculated in line with the requirements of local tax legislation. In 2023 and 2022, standard income tax rates in foreign countries where the Group entities operate are as follows:

Country	Rate,%
Poland	19
Latvia*	20
Estonia*	20
Belarus	20
Czech Republic	19
Romania	16

**As of 1 January 2018, taxation of the income of the subsidiaries operating in Estonia and Latvia has been postponed until the moment of profit appropriation, i.e. until the payment of dividends.*

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

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

Tax profit or loss in Lithuania may be transferred between Group companies. Based on the Law on Corporate Income Tax, losses may be transferred both for or without consideration. Group entities willing to transfer tax profit or loss must meet certain conditions:

- on the day of transfer of the tax losses, the parent entity in the Group of entities holds, directly or indirectly, at least 2/3 of shares of each of the subsidiaries taking part in the transfer of the tax losses;
- tax losses are transferred between the entities within a Group of entities which have been part of that Group for an uninterrupted period of at least two years calculating until the day of transfer of the tax losses;
- tax losses are transferred or taken over by the entity (entities) of the Group of entities which have been part of the Group since the date of the entity's / entities' registration and will be part of the Group of entities for an uninterrupted period of at least two years calculating from the date of the entity's/entities' registration.

3.19. Revenue recognition

As of 1 January 2018, 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. Information regarding the Group's accounting policies related to the contracts with clients is provided under Note 22.

<u>Step 1 - Identify Customer Agreements.</u>
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.

3. Accounting policies (cont'd)

3.19. Revenue recognition (cont'd)

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 Company 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, an entity performs its assessment.

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 after sale of goods are recognised based on INCOTERMS.

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

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

3.20. Recognition of expenses

Expenses are recognised on the basis of accrual principle 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.

3.21. Foreign currency

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

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

(In EUR thousand, unless otherwise stated)

3. Accounting policies (cont'd)

3.21. Foreign currency (cont'd)

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 were applied:

2023	2022
1 EUR = 1,105 USD	1 EUR = 1.0666 USD
1 EUR = 3.66874 BYN	1 EUR = 2.68933 BYN
1 EUR = 4.3395 PLN	1 EUR = 4.6808 PLN
1 EUR = 4.9756 RON	1 EUR = 4.9495 RON
1 EUR = 24.724 CZK	1 EUR = 24.116 CZK

3.22. Impairment of assets

3.22.1. Non-derivative financial assets

Financial instruments and contract assets
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.

3. Accounting policies (cont'd)

3.22. Impairment of assets

3.22.1. Non-derivative financial assets (cont'd)

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.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-offs
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual and business customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.22.2. Non-derivative financial assets

The Group recognises an impairment loss which is estimated as a difference between the carrying amount of an asset and current amount of deferred cash flows discounted by applying the effective interest rate, if it is probable that the Group will not recover all amounts receivable.

3.22.3. Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (cash-generating unit).

The recoverable amount is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

3.23. Use of estimates in the preparation of financial statements

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 and investment property (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), classification and fair value of assets held for sale (Note 10), 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.

3.24. 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. Accounting policies (cont'd)

3.25. Non-current employee benefits

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

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

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

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

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

3.26. 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.

3.27. 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.

3.28. 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.

4. Changes in accounting policy and accounting estimates

For the purpose of a more accurate disclosure of the company's financial position, land, which is accounted for as investment property, has started to be accounted for by the Group at fair value since 1 January 2023 (earlier, the cost method used to be applied) on the basis of independent asset valuations carried out.

Investment property – fair value

An independent external valuation was carried out in November 2023 in accordance with International Valuation Standards (IVS) and the relevant legislation of the Republic of Lithuania. The fair value of parking lots was calculated as to the comparative method, based on the information presented by property owner and comparative market transactions. The fair value determined by an independent valuator amounted to EUR 3,500 thousand. An impairment of EUR 294 thousand was recognised in the financial statements.

For determination of the fair value of assets according to an independent external valuation of buildings as to the comparative method, the analysis of transactions presented by the State Enterprise Centre of Registers, in Vilnius City Municipality was performed. The appraiser presents the transactions of the parking lots within the defined value zone, which are most similar by their characteristics to the appraised object. The transactions closest to the valuation date are used in order of priority. The calculation of the adjusted sales prices of comparable objects produces some fluctuations (arithmetic average makes 31 Eur/m2). The analysis of all available comparable transactions revealed that the comparable objects are similar (as far as possible taking into account the individual characteristics of the valued asset) and their arithmetic average objectively reflects the market value of the valued asset.

An independent external valuation was carried out in December 2023 in accordance with International Valuation Standards (IVS) and the relevant legislation of the Republic of Lithuania. The fair value of buildings was calculated by applying the combination of expenses (costs) and comparative methods, based on the information presented by property owner. The fair value determined by an independent valuator amounted to EUR 1,149 thousand. An increase in value of EUR 124 thousand was recognised in the financial statements.

For determination of the fair value of assets according to an independent external valuation of buildings as on the expenses (costs) method, to calculate the development costs of valued assets, lists of costs registered from similar assets with the VĮ Statybos produkcijos Certification Centre of UAB Sistela (company certified by the Ministry of the Environment of the Republic of Lithuania) were used. Impairment was determined based on average useful life of buildings used by UAB Sistela.

An independent external valuation was carried out in December 2023 in accordance with International Valuation Standards (IVS) and the relevant legislation of the Republic of Lithuania. The value of the hotel was measured on the basis of discounted cash flows applying the revenue method, based on information provided by the property owner. Taking into account that the value of the asset determined by an independent valuator amounted to EUR 321 thousand, an increase in value by EUR 102 thousand was recognised in the financial statements.

The following significant assumptions were used to determine the revalued amount of the asset based on an independent external valuation of the building:

- The average one-month lease price of similar properties on the market - EUR 3.85/m2 - was used to determine the potential lease income;
- Real estate tax amounts to EUR 423, insurance costs amount to EUR 133; land rent amounts to EUR 423;
- The discount rate (WACC) set by the property valuators is 8.6%.

An independent external valuation was carried out in December 2023 in accordance with International Valuation Standards (IVS) and the relevant legislation of the Republic of Lithuania. The fair value of land plots was calculated based on comparable method, based on the information presented by property owner. The total fair value determined by an independent valuator amounted to EUR 4,610 thousand. An increase in value by EUR 1,604 thousand was recognised in the financial statements.

For determination of the fair value of assets according to an independent external valuation of land as to the comparative method, the analysis of transactions presented by the State Enterprise Centre of Registers, in Kaunas City Municipality was performed. The appraiser presents the transactions of the land plots within the defined value zone, which are most similar by their characteristics to the appraised object. The transactions closest to the valuation date are used in order of priority. The calculation of the adjusted sales prices of comparable objects produces some fluctuations (arithmetic average makes 44,143 Eur/a). The analysis of all available comparable transactions revealed that the comparable objects are similar (as far as possible taking into account the individual characteristics of the valued asset) and their arithmetic average sufficiently objectively reflects the market value of the valued asset.

4. Changes in accounting policy and accounting estimates (cont'd)

For determination of the fair value of assets according to an independent external valuation of land as to the comparative method, the analysis of transactions presented by the State Enterprise Centre of Registers, in Klaipėda District Municipality was performed. The appraiser presents the transactions of the land plots within the defined value zone, which are most similar by their characteristics to the appraised object. The transactions closest to the valuation date are used in order of priority. The calculation of the adjusted sales prices of comparable objects produces some fluctuations (arithmetic average makes 6,585 Eur/a). The analysis of all available comparable transactions revealed that the comparable objects are similar (as far as possible taking into account the individual characteristics of the valued asset) and their arithmetic average objectively reflects the market value of the valued asset.

For determination of the fair value of assets according to an independent external valuation of land as to the comparative method, the analysis of transactions in Latvian Marupe district was performed. The appraiser presents the transactions of the land plots within the defined value zone, which are most similar by their characteristics to the appraised object. The transactions closest to the valuation date are used in order of priority. The calculation of the adjusted sales prices of comparable objects produces some fluctuations (arithmetic average makes 34.62 Eur/m2). The analysis of all available comparable transactions revealed that the comparable objects are similar (as far as possible taking into account the individual characteristics of the valued asset) and their arithmetic average objectively reflects the market value of the valued asset.

(In EUR thousand, unless otherwise stated)

5. Property, plant and equipmentand investment property

Property, plant and equipment of the Group include:

	Land	Buildings and pipelines	Structures	Machinery and equipment of solar and biogas power plants	Other machinery and equipment	Vehicles	Other equipment, fittings and tools	Prepayments and construction in progress	Total
Acquisition cost									
01 January 2022	**236**	**10,021**	**15,670**	**271**	**6,248**	**47,492**	**7,794**	**627**	**88,359**
Additions (+)	-	-	1,712	-	294	43,065	1,076	173	46,320
Revaluation (+)	-	(501)	-	-	(114)	-	-	-	(615)
Disposals of subsidiaries (-)	-	(4,839)	-	-	(4,036)	-	(1,277)	-	(10,152)
Disposals and write-offs (-)	(31)	-	(31)	-	(9)	(37,188)	(214)	-	(37,473)
Reclassifications (+ / -)	-	-	283	170	(172)	-	(118)	(163)	-
Transfers to inventory (+ / -)	-	-	-	-	-	13,558	(12)	-	13,546
31 December 2022	**205**	**4,681**	**17,634**	**441**	**2,211**	**66,927**	**7,249**	**637**	**99,985**
Additions (+)	-	-	8,932	23	147	45,617	1,782	3,766	60,267
Revaluation (+)	-	195	-	-	-	-	-	-	195
Disposals and write-offs (-)	-	-	-	-	(7)	(35,660)	(897)	(5)	(36,569)
Reclassifications (+ / -)	-	-	8	165	(165)	-	-	(8)	-
Transfers to inventory (+ / -)	-	-	-	-	(178)	(51)	(801)	-	(1,030)
31 December 2023	**205**	**4,876**	**26,574**	**629**	**2,008**	**76,833**	**7,333**	**4,390**	**122,848**
Accumulated depreciation									
01 January 2022	**(81)**	**(955)**	**(3,574)**	**(75)**	**(2,703)**	**(5,775)**	**(4,463)**	**-**	**(17,626)**
Depreciation for the period (-)	(11)	(524)	(1,622)	(23)	(580)	(5,988)	(988)	-	(9,736)
Disposals of subsidiaries (+)	-	1,866	-	-	2,014	-	1,260	-	5,140
Disposals and write-offs (+)	31	-	28	-	8	5,646	165	-	5,878
Reclassifications (+ / -)	-	-	(5)	(150)	150	-	5	-	-
Transfers to inventory (+)	-	-	-	-	-	-	1	-	1
31 December 2022	**(61)**	**387**	**(5,173)**	**(248)**	**(1,111)**	**(6,117)**	**(4,020)**	**-**	**(16,343)**
Depreciation for the period (-)	(2)	(195)	(2,906)	(37)	(288)	(6,561)	(1,060)	-	(11,049)
Disposals and write-offs (+)	-	-	-	-	6	4,684	576	-	5,266
Reclassifications (+ / -)	-	-	-	(126)	126	-	-	-	-
Transfers to inventory (+)	-	-	-	-	177	164	701	-	1,042
31 December 2023	**(63)**	**192**	**(8,079)**	**(411)**	**(1,090)**	**(7,830)**	**(3,803)**	**-**	**(21,084)**
Impairment									
01 January 2022	**-**	**-**	**-**	**-**	**-**	**(17)**	**(774)**	**-**	**(791)**
Impairment for the period (-)	-	(1,125)	-	-	(830)	(56)	-	-	(2,011)
Disposals of subsidiaries (+)	-	1,125	-	-	830	-	-	-	1,955
Disposals and write-offs (+)	-	-	-	-	-	17	-	-	17
31 December 2022	**-**	**-**	**-**	**-**	**-**	**(56)**	**(774)**	**-**	**(830)**
Impairment for the period (-)	-	-	-	-	-	(11)	-	-	(11)
Transfers to inventory (+)	-	-	-	-	-	56	-	-	56
31 December 2023	**-**	**-**	**-**	**-**	**-**	**(11)**	**(774)**	**-**	**(785)**
Carrying amount:									
31 December 2022	**144**	**5,068**	**12,461**	**193**	**1,100**	**60,754**	**2,455**	**637**	**82,812**
31 December 2023	**142**	**5,068**	**18,495**	**218**	**918**	**68,992**	**2,756**	**4,390**	**100,979**

(In EUR thousand, unless otherwise stated)

5. Property, plant and equipment and investment property (cont'd)

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 23) – EUR 7,799 thousand (2022: EUR 7,908 thousand), selling expenses – (Note 25) – EUR 129 thousand (2022: EUR 100 thousand), and administrative expenses (Note 26) – EUR 3,746 thousand (2022: EUR 2,553 thousand), of which EUR 48 thousand are accounted for as support (2022: EUR 32 thousand). Depreciation and amortisation costs presented in the non-current asset movement tables are higher by EUR 263 thousand (2022: EUR 204 thousand) than in the statement of profit or loss and other comprehensive income due to amortisation of grants – EUR 259 thousand (2022: EUR 204 thousand) and leaseback – EUR 4 thousand: by amortising profit from sale of assets during the leaseback period the depreciation costs are reduced by amounts of amortisation).

The acquisition cost of fully depreciated property, plant and equipment of the Group still in use comprised the following:

	As at 31 December	
	2023	2022
Other equipment, fittings and tools	2,590	2,029
Machinery and equipment	285	322
Buildings and structures	35	35
Vehicles	35	-
Total	**2,945**	**2,386**

The carrying amounts of property, plant and equipment acquired under lease was as follows (Note 14):

	As at 31 December	
	2023	2022
Vehicles	56,930	46,110
Other equipment, fittings and tools	7	73
Total	**56,937**	**46,183**

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

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

During 2023 and 2022, the Group had no capitalised interest.

As at 31 December 2023, EUR 11 thousand and EUR 774 thousand of impairment were recognised for vehicles and other equipment and fittings, respectively. As at 31 December 2022, impairment of EUR 774 thousand was recognised for other equipment and fittings, and EUR 56 thousand of impairment was recognised for vehicles.

(In EUR thousand, unless otherwise stated)

5. Property, plant and equipment and investment property (cont'd)

Investment property of the Group comprised the following:

	Land	Buildings	Total
Acquisition cost			
01 January 2022	**3,301**	**4,204**	**7,505**
Additions (+)	-	-	-
Disposals and write-offs (-)	-	-	-
Changes in fair value (+ / -)	-	834	834
31 December 2022	**3,301**	**5,038**	**8,339**
Additions (+)	-	-	-
Disposals and write-offs (-)	-	-	-
Changes in fair value (+ / -)	1,398	(68)	1,330
31 December 2023	**4,699**	**4,970**	**9,669**
Impairment			
01 January 2022	**(205)**	**-**	**(205)**
Impairment for the period (-)	-	-	-
31 December 2022	**(205)**	**-**	**(205)**
Impairment for the period (-)	205	-	205
31 December 2023	**-**	**-**	**-**
Carrying amount:			
31 December 2022	**3,096**	**5,038**	**8,134**
31 December 2023	**4,699**	**4,970**	**9,669**

Investment property is attributed to Level 3 at the fair value hierarchy.

As at 31 December 2023, property, plant and equipment and investment property with the carrying amount of EUR 11,515 thousand (31 December 2022 – EUR 19,264 thousand) are pledged to credit institutions to guarantee repayment of the loans, leasing liabilities are secured by assets under lease. In addition, future real estate, the expected value whereof amounts to EUR 3,400 thousand, is pledged as well. Expiration dates of the pledge of property for different contracts vary from 2024 to 2028 (Note 14). The methodology for fair value determination is described in Note 4.

Changes in right-of-use assets were as follows:

	Land	Buildings and structures	Vehicles
Carrying amount as at 1 January	**143**	**11,686**	**46,467**
Acquisitions and changes in current contracts	-	8,887	41,236
Derecognition	-	-	(20,321)
Depreciation of right-of-use assets	(2)	(2,787)	(5,492)
Carrying amount as at 31 December	**141**	**17,786**	**61,890**

The discount rate used in calculations of IFRS 16 was from 2.65% to 8.63%, depending on the nature and country of assets.

(In EUR thousand, unless otherwise stated)

6. Intangible assets

Intangible assets of the Group comprised the following:

	Goodwill	Software	Concessions, trademarks and similar rights	Other intangible assets	Advance payments	Total
Acquisition cost						
01 January 2022	**27**	**4,941**	**194**	**572**	**-**	**5,734**
Additions (+)	-	1,416	73	48	62	1,599
Disposals of subsidiaries (-)	-	-	(2)	-	-	(2)
Acquisition of subsidiaries (+)	4	-	-	-	-	4
Currency exchange effect (+ / -)	-	-	-	-	-	-
Disposals and write-offs (-)	-	(45)	(8)	(112)	-	(165)
Reclassifications (+ / -)	-	-	-	-	-	-
31 December 2022	**31**	**6,312**	**257**	**508**	**62**	**7,170**
Additions (+)	-	1,707	1	52	2	1,762
Disposals of subsidiaries (-)	-	-	-	-	-	-
Acquisition of subsidiaries (+)	-	-	-	-	-	-
Currency exchange effect (+ / -)	-	-	-	-	-	-
Disposals and write-offs (-)	-	(166)	-	-	-	(166)
Reclassifications (+ / -)	-	242	(211)	31	(62)	-
31 December 2023	**31**	**8,095**	**47**	**591**	**2**	**8,766**
Amortisation						
01 January 2022	**-**	**(2,252)**	**(69)**	**(313)**	**-**	**(2,634)**
Amortisation for the period (-)	-	(812)	(48)	(170)	-	(1,030)
Disposals of subsidiaries (+)	-	-	2	-	-	2
Currency exchange effect (+ / -)	-	-	-	-	-	-
Disposals and write-offs (+)	-	45	8	112	-	165
Reclassifications (+ / -)	-	-	-	-	-	-
31 December 2022	**-**	**(3,019)**	**(107)**	**(371)**	**-**	**(3,497)**
Amortisation for the period (-)	-	(751)	(5)	(132)	-	(888)
Disposals of subsidiaries (+)	-	-	-	-	-	-
Currency exchange effect (+ / -)	-	-	-	-	-	-
Disposals and write-offs (+)	-	165	-	-	-	165
Reclassifications (+ / -)	-	(62)	71	(9)	-	-
31 December 2023	**-**	**(3,667)**	**(41)**	**(512)**	**-**	**(4,220)**
Impairment						
01 January 2022	**-**	**-**	**-**	**-**	**-**	**-**
Impairment for the period (-)	(4)	-	-	-	-	(4)
31 December 2022	**(4)**	**-**	**-**	**-**	**-**	**(4)**
Impairment for the period (-)	-	-	-	-	-	-
31 December 2023	**(4)**	**-**	**-**	**-**	**-**	**(4)**
Carrying amount:						
31 December 2022	**27**	**3,293**	**150**	**137**	**62**	**3,669**
31 December 2023	**27**	**4,428**	**6**	**79**	**2**	**4,542**

As at 31 December 2023 and 2022, the Group did not have any intangible assets the control of which would be limited by legislation or certain agreements, or pledged intangible assets.

The acquisition cost of fully amortised intangible non-current assets of the Group still in use comprised the following:

	As at 31 December	
	2023	**2022**
Software	1,037	1,148
Other intangible assets	418	21
Concessions, patents, licenses, trademarks and similar rights	7	6
Total	**1,462**	**1,175**

(In EUR thousand, unless otherwise stated)

6. Intangible assets (cont'd)

Amortisation of the Group's intangible non-current assets was accounted for in the statement of profit or loss and other comprehensive income under cost of sale (Note 23) – EUR 287 thousand (2022: EUR 586 thousand), administrative expenses (Note 26) – EUR 327 thousand (2022: EUR 240 thousand), and selling expenses - EUR 15 thousand (2022: EUR 0 thousand). The total amount of amortisation costs in the statement of profit or loss and other comprehensive income amounted to EUR 629 thousand (2022: EUR 826 thousand) and was lower by EUR 259 thousand (2022: EUR 204 thousand) than in the table of movement of intangible assets due to amortisation of grants.

Value of goodwill related to subsidiaries:

	As at 31 December	
	2023	**2022**
SIA Baltijas Sporta Auto	27	27
Total	**27**	**27**

Impairment tests were carried out as at 31 December 2023 and 31 December 2022. To determine whether the value of goodwill is impaired, net assets method was used. No impairment of goodwill was determined as at 31 December 2023 and 31 December 2022.

7. Loans granted and term deposits

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

	As at 31 December	
	2023	**2022**
Loans to related parties (Note 32)	-	15
Loans to other companies	2,225	1,205
Accrued interest receivable from other companies	61	61
	2,286	1,281
Less: impairment (other companies)	(1,786)	(1,246)
Total loans granted	500	35
Non-current term deposits and accrued interest receivable	-	-
Total	**500**	**35**

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

	As at 31 December	
	2023	**2022**
Loans to related parties (Note 32)	44,740	47,629
Accrued interest receivable from related parties (Note 32)	1,870	1,722
Loans to other companies	165	150
Accrued interest receivable from other companies	10	2
	46,785	49,503
Less: impairment (related parties, Note 32)	(4,690)	(4,629)
Less: impairment (other companies)	(151)	(151)
Total loans granted	41,944	44,723
Current term deposits and accrued interest receivable	816	1,000
Total	**42,760**	**45,723**

As at 31 December 2023 and 2022, Group loans were granted to the parent company and its related entities.

As at 31 December 2023, term deposits consist of overnight deposits with maturities in January 2024. As at 31 December 2022, term deposits consisted of a term deposit with maturity on 31 May 2023.

(In EUR thousand, unless otherwise stated)

7. Loans granted and term deposits (cont'd)

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

	2023	2022
Balance of the loans granted and term deposits in the beginning of the year	**45,758**	**48,751**
Loans granted	1,305	2,327
Repaid loans	(3,023)	(1,884)
Interest calculated on loans	1,028	1,114
Interest received	(873)	(1,204)
Calculated impairment	(601)	(317)
Currency exchange effect	(34)	22
Term deposits	-	-
Offsetting	(150)	(1,189)
Redeemed term deposits	(150)	(1,862)
Balance of the loans granted and term deposits at the end of the year	**43,260**	**45,758**

Loans granted and term deposits are denominated in the following currencies:

	As at 31 December	
	2023	**2022**
EUR	43,260	45,758
Total	**43,260**	**45,758**

The loans bear fixed interest rates.

8. Trade and other receivables

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

	As at 31 December	
	2023	**2022**
Trade receivables	4,552	5,504
Receivable finance lease amounts	266	651
Receivables from related parties (Note 32)	20,819	21,214
	25,637	27,369
Less: impairment allowance for receivables	(665)	(891)
Less: impairment allowance for receivables from related parties (Note 32)	(846)	(850)
Less: non-current trade receivables	-	-
Less: non-current leasing receivables	(133)	(273)
Less: non-current receivables from related parties	-	-
Trade receivables, net	**23,993**	**25,355**
Receivable VAT	116	1,414
Overpayment of other taxes and prepaid taxes	1,306	766
Collaterals and other receivables	700	1,084
	2,122	3,264
Less: impairment allowance for other receivables	(3)	-
Less: impairment allowance for receivables from other companies	-	-
Less: other non-current receivables	(240)	(222)
Other receivables, net	**1,879**	**3,042**
Total	**25,872**	**28,397**

The Group's impairment allowance for non-current trade and other receivables are accounted for in the statement of profit or loss and other comprehensive income under impairment of trade debtors and contractual assets.

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

(In EUR thousand, unless otherwise stated)

8. Trade and other receivables (cont'd)

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

	2023	2022
Impairment of receivables at the beginning of the period	**(1,741)**	**(1,644)**
(Impairment) reversal is accounted for in the statement of profit or loss and other comprehensive income	(99)	(232)
Write-offs of bad debts	324	134
Other adjustments	2	1
Impairment allowance for receivables at the end of the period	**(1,514)**	**(1,741)**

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

	As at 31 December	
	2023	**2022**
Amounts not past due	1,244	2,972
Overdue up to 1 month	1,734	1,510
Overdue 1 to 3 months	893	154
Overdue 3 to 6 months	242	283
Overdue 6 to 12 months	51	356
Overdue more than 12 months	654	880
Total	**4,818**	**6,155**

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

	As at 31 December	
	2023	**2022**
Amounts not past due	774	919
Overdue up to 1 month	386	1,346
Overdue 1 to 3 months	552	1,177
Overdue 3 to 6 months	666	1,055
Overdue 6 to 12 months	3,406	12,330
Overdue more than 12 months	15,035	4,387
Total	**20,819**	**21,214**

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 would not be able to discharge their payment obligations. Based on impairment analysis as at 31 December 2023, the Group determined that there were no significant impairment losses (Note 31).

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

As at 31 December 2023, trade and other receivables with the value of EUR 2,273 thousand (31 December 2022 – EUR 38,472 thousand) as well as the claim rights to future receivables with the value of EUR 2,425 are pledged to credit institutions to guarantee repayment of the loans. Expiration dates of the pledge of property for different contracts vary from 2025 to 2028 (Note 14).

(In EUR thousand, unless otherwise stated)

9. Inventories

The Group's inventories comprised:

	As at 31 December	
	2023	**2022**
Goods for resale	50,173	62,029
Raw materials, materials and consumables	46	119
Unfinished goods and work in progress	-	14
Total	**50,219**	**62,162**

As at 31 December 2023, goods in transit amounted to EUR 2,198 thousand (31 December 2022: EUR 2,680 thousand).

As at 31 December 2023, inventories with the value of EUR 14,973 thousand (31 December 2022: EUR 28,352 thousand) were held at warehouses of third parties.

In 2023, inventories amounting to EUR 277,817 thousand (2022 – EUR 283,770 thousand) were recognised as costs incurred during the year and were included in the cost of sales.

As at 31 December 2023, inventories with the carrying amount of EUR 21,583 thousand (31 December 2022: EUR 18,764 thousand) are pledged to credit institutions to guarantee repayment of loans. Expiration dates of the pledge of property for different contracts vary from 2024 to 2025 (Note 14).

10. Other investments

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

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

	As at 31 December	
	2023	**2022**
Green Genius International B.V.	74,502	83,225
Total	**74,502**	**83,225**

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

	2023	**2022**
The Group's investments in associates at the beginning of the period	**83,225**	**76,089**
Increase (decrease) due to share of net profit (loss)	(11,808)	(12,204)
Increase (decrease) due to other comprehensive income part	3,085	19,340
The Group's investments in associates at the end of the period	**74,502**	**83,225**

15% of shares of Green Genius International B.V. held by the Group grant a right to 100% of net profit (loss) of AB Green Genius Baltic;therefore, an increase (decrease) in investment during the reporting period is accounted for according to the net profit (loss) and other comprehensive income of AB Green Genius Baltic. In 2023, the consolidated net loss of AB Green Genius Baltic, having eliminated intra-group transactions, was EUR 11,808 thousand (2022: net loss – EUR 12,204 thousand).

As at 31 December 2023, consolidated equity of Green Genius International B.V. amounted to EUR 109,462 thousand (31 December 2022: EUR 111,641 thousand). In 2023, net loss was EUR 4 486 thousand (2022: net profit – EUR 14,223 thousand).

(In EUR thousand, unless otherwise stated)

10. Other investments (cont'd)

On 29 December 2022, an external business valuation of GGI Group's subsidiary Green Genius Baltic AB was carried out, despite the fact that the value of the Belarusian business is set at EUR 0, the number and value of projects being developed in other markets is increasing and the value of the company's business as determined in the valuation is higher than the Company's investment in it. There have been no significant changes in the operations of Green Genius Baltic AB during the year 2023 that would indicate an impairment of the business value of the investment and therefore no impairment of the investment has been determined.

The GGI Group generated a profit and positive cash flow from continuing operations in 2023 and Green Genius International B.V. repaid part of its loan to the Group. There is no indication that the financial position of the GGI Group will deteriorate significantly in the near future. Given the aforementioned points, it may be stated that there is no risk of loan unrecoverability due to the described events.

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 under share of profit of associates and joint ventures, and net profit (loss) from discontinued operations.

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

2) Debt securities (Note 32):

	As at 31 December	
	2023	**2022**
Bonds	15,279	14,879
Accrued receivable interest	3,642	2,720
Other debt securities	157	164
Total	**19,078**	**17,763**

Interest rate of the bonds amounting to EUR 14,879 thousand is 6%. Interest rate of the remaining bonds amounting to EUR 400 thousand is 10%. Maturity periods - January and February 2026.

3) Investments in shares:

	As at 31 December	
	2023	**2022**
UAB Parkdema	2,850	2,370
Air Lituanica Club - 2% of shares	25	25
Wise Guys Batch 9 OU - 1% of shares	4	4
Other	2	5
Total	**2,881**	**2,404**

(In EUR thousand, unless otherwise stated)

10. Other investments (cont'd)

4) Investments in investment units:

	As at 31 December	
	2023	**2022**
Modus Remote Solar Fund I	2,528	1,885
Modus Renewable Energy Lithuanian Investments	1,755	1,556
Clean Energy Infrastructure Fund	396	-
Stichting First Energie Fonds	395	363
Wise Guys Cyber Fund 1	50	50
Modus Poland Solar Fund I	3	-
Total	**5,127**	**3,854**
Total (1+2+3+4)	**101,588**	**107,246**

Investments in shares
Investments in shares mainly comprise an investment in UAB Parkdema. The fair value of the investment was estimated according to the asset-based and discounted cash flow methods. The fair value that belongs to the Group as determined by an external appraiser amounted to EUR 2,850 thousand (2022: EUR 2,370 thousand). The change in the fair value is accounted for in the statement of profit or loss and other comprehensive income under finance income (expenses) (Note 28).

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's unit, which is equal to the net asset value of the fund divided by the number of fund's units. Accordingly, the Group's share is equal to the number of fund's units held by the Group, measured at the determined market value. The net asset value of the fund consists mainly of loans granted (in one fund) and investments in operating solar power plants and wind projects in Lithuania and other European countries (in other funds), the fair value of which has been determined by independent external valuators.

11. Prepayments, deferred costs and accrued income

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

	As at 31 December	
	2023	**2022**
Prepayments	2,838	4,997
Deferred costs	1,768	1,620
Prepayments to related parties (Note 32)	568	220
Accrued income	442	719
Total	**5,616**	**7,556**

12. Cash and cash equivalents

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

	As at 31 December	
	2023	**2022**
Cash in banks	6,263	8,669
Cash in hand	65	96
Cash in transit	29	86
Total	**6,357**	**8,851**

(In EUR thousand, unless otherwise stated)

12. Cash and cash equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2023	**2022**
EUR	5,578	6,732
CZK	466	240
USD	139	13
PLN	100	28
RON	43	104
BYN	21	1,725
RUB	10	9
Total	**6,357**	**8,851**

The Group has measured cash and cash equivalents as at 31 December 2023 and 31 December 2022 as required by IFRS 9 and no material impairment has been identified - carrying amount of the Group's cash and cash equivalents approximates their fair value.

As at 31 December 2023 and 2022, cash and cash equivalents were not pledged to institutions to guarantee repayment of loans (Note 14).

13. Equity

Authorised capital

As at 31 December 2023 and 2022, the Company's authorised capital comprised 79,102,700 ordinary shares with the nominal value of EUR 0.29 each. All the shares are fully paid in.

In 2023 and 2022, the Group did not acquire or transfer any of its own shares.

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

	Number of shares 2023	Number of shares 2022	Ownership interest (%)	Shares with voting rights (%)
MG NL holding B.V.	79,102,700	79,102,700	100%	100%
Total	**79,102,700**	**79,102,700**	**100%**	**100%**

Share premium
Share premium was recognised as a difference between the emission price and the nominal value of the shares.

Legal reserve
Legal reserve is a compulsory reserve under Lithuanian legislation. Annual contributions of at least 5% 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.

(In EUR thousand, unless otherwise stated)

13. Equity (cont'd)

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. Changes in the revaluation reserve are presented below.

	31 December 2023		
	Revaluation	**Deferred tax**	**Revaluation reserve, after taxes**
Balance at the beginning of the period	**25,759**	**(3,868)**	**21,891**
Revaluation of non-current assets during the period	195	(29)	166
Depreciation of the revaluation of non-current assets	(114)	17	(97)
	25,840	(3,880)	21,960
Share of associated companies	628	(94)	534
Balance at the end of the period	**26,469**	**(3,975)**	**22,494**

	31 December 2022		
	Revaluation	**Deferred tax**	**Revaluation reserve, after taxes**
Balance at the beginning of the period	**3,838**	**(618)**	**3,220**
Revaluation of non-current assets during the period	(615)	121	(494)
Depreciation of the revaluation of non-current assets	(400)	69	(331)
	2,823	(428)	2,395
Share of associated companies	22,936	(3,440)	19,496
Balance at the end of the period	**25,759**	**(3,868)**	**21,891**

Draft appropriation of profit
The draft appropriation of profit was not prepared as at the date of approval of these consolidated financial statements.

14. Bank loans and lease liabilities

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

	As at 31 December	
	2023	**2022**
Non-current portion		
Bank loans and interest payable	2,410	3,000
Lease liabilities	46,560	46,557
Total non-current portion	**48,970**	**49,557**
Current portion		
Bank loans and interest payable	15,209	14,489
Liabilities arising from derivative financial instruments	51	3
Lease liabilities	38,417	24,592
Total current portion	**53,677**	**39,084**
Total	**102,647**	**88,641**

The following are the contractual maturities for the Group's non-current bank loans and lease liabilities:

	As at 31 December	
	2023	**2022**
In 2 to 5 years	43,072	45,103
After five years	5,898	4,454
Total	**48,970**	**49,557**

(In EUR thousand, unless otherwise stated)

14. Bank loans and lease liabilities (cont'd)

The Group's non-current and current bank loans and lease liabilities were denominated in the following currencies:

	As at 31 December	
	2023	2022
EUR	102,557	88,523
CZK	88	102
RON	-	14
PLN	2	2
Total	**102,647**	**88,641**

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

	2023	2022
Balance of bank loans and lease liabilities at the beginning of the period	**88,641**	**63,560**
Loans received	9,936	16,099
Increase in lease liabilities	69,461	77,000
Loans repaid	(9,698)	(14,121)
Lease payments	(54,556)	(51,799)
Interest calculated	6,167	2,977
Interest paid	(6,143)	(2,999)
Transaction costs	(7)	(36)
Amortisation of transaction costs	6	25
Currency exchange effect	(104)	1
Increase (decrease) in liabilities arising from derivative financial instruments	48	(62)
Offsetting	(1,104)	(1,000)
Subsidiaries sold	-	(1,004)
Balance of bank loans and lease liabilities at the end of the period	**102,647**	**88,641**

As at 31 December 2023, the average rate of bank loans and leasing liabilities was 6.88% (31 December 2022: 5.27%).

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

As at 31 December 2023, property, plant and equipment and investment property with the carrying amount of EUR 11,515 thousand (31 December 2022 – EUR 19,264 thousand) and future real estate with the expected value of EUR 3,400 thousand are pledged to credit institutions to guarantee repayment of the loans, leasing liabilities are secured by assets under lease. Expiration dates of the pledge for different contracts vary from 2024 to 2028 (Note 5).

As at 31 December 2023, trade and other receivables with the value of EUR 2,273 thousand (31 December 2022 – EUR 38,472 thousand) as well as the claim rights to future receivables with the value of EUR 2,425 are pledged to credit institutions to guarantee repayment of the loans. Expiration dates of the pledge of property for different contracts vary from 2025 to 2028 (Note 8).

As at 31 December 2023, inventories with the carrying amount of EUR 21,583 thousand (31 December 2022: EUR 18,764 thousand) are pledged to credit institutions to guarantee repayment of loans. Expiration dates of the pledge of property for different contracts vary from 2024 to 2025 (Note 9).

As at 31 December 2023 and 2022, cash and cash equivalents were not pledged to institutions to guarantee repayment of loans (Note 12).

(In EUR thousand, unless otherwise stated)

15. Other financial liabilities

Other borrowings of the Group comprised the following:

	As at 31 December	
	2023	**2022**
Non-current portion		
Non-current loans and accrued interest payable to related parties (Note 32)	14,234	14,122
Debts under debt securities and accrued interest payable to related parties (Note 32)	6,132	-
Debts under debt securities and accrued interest payable	8,000	-
	28,366	**14,122**
Current portion		
Current loans and accrued interest payable to related parties (Note 32)	4,312	3,889
Debts under debt securities and accrued interest payable to related parties (Note 32)	-	5,925
Debts under debt securities and accrued interest payable	1,090	16,216
Other financial liabilities	4,778	10,569
	10,180	**36,599**
Total	**38,546**	**50,721**

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

	2023	**2022**
Balance of other borrowings at the beginning of the period	**50,721**	**59,912**
Redeemed bonds	(8,172)	(6,558)
Bonds issued	1,001	3,172
Loans received	268	480
Loans repaid	(5,976)	(4,611)
Interest calculated	2,269	2,216
Interest paid	(1,489)	(1,781)
Disposal of subsidiaries	-	(2,149)
Currency exchange effect	-	40
Offsetting	(76)	-
Balance of other borrowings at the end of the period	**38,546**	**50,721**

As at 31 December 2023 and 2022, other financial liabilities of the Group are denominated in EUR. Loans from related parties bear variable interest rates related to EURBOR and fixed interest rates that are in line with the market conditions.

Borrowings under debt securities

	2023	**2022**
AB Šiaulių bankas	8,066	8,030
Shareholder	6,133	5,925
Mundus Bridge Finance Fund	1,023	3,172
VIVA	-	5,014
Total	**15,222**	**22,141**

Publicly distributable bond emission was issued on 4 December 2023. Accounting of financial instruments is carried out by AB Šiaulių bankas. The bond emission was used to refinance the EUR 8,000,000 bond emission maturing on 4 December 2023. The Group has received a guarantee for the emission of bonds from the company MG NL holding B.V., as at 31 December 2023, the amount of the guarantee is EUR 8,000 thousand. Expiration of the guarantee coincides with the redemption of bonds; i. e. the guarantee expires on 4 December 2025.

The other bonds were not publicly traded. As at 31 December 2023, the average interest rate on the issued bonds was 9.72%, maturity periods vary from 2024 to 2028.

(In EUR thousand, unless otherwise stated)

16. Non-current employee benefits

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

The Group's employee benefits comprised of the following:

	2023	2022
Employee benefits in the beginning of the period	**102**	**52**
Formed	40	50
Employee benefits at the end of the period	**142**	**102**

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).

17. Grants and subsidies

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

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

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

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

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

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

(In EUR thousand, unless otherwise stated)

17. Grants and subsidies (cont'd)

In 2023 and 2022, a grant was received from the Climate Change Programme of Environmental Projects Management Agency of Ministry of Environment of the Republic of Lithuania. The grant was received for expansion of the car fleet by implementing environmentally-friendly measures. The grant is recognised as used when assets are depreciated and compensated costs are incurred.

In 2023, the portion of the unused grant amounted to EUR 269 thousand (2022: EUR 191 thousand).

In 2023, a grant was received from the Ministry of Interior care of Civipol to compensate for the incurred costs. The portion of the unused grant amounted to EUR 18 thousand.

18. Provisions

Provisions of the Group included the following:

	2023	2022
Provisions for technical maintenance package	143	153
Other	10	-
Total	**153**	**153**

19. Prepayments, accrued liabilities and deferred income

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

	2023	2022
Advances received	17,248	17,901
Accrued costs	1,461	1,603
Prepayments received from related parties (Note 32)	712	222
Deferred income	616	1,081
Contractual liabilities	-	186
Total	**20,037**	**20,993**
Less: non-current advances received	(293)	(523)
Total	**19,744**	**20,470**

20. Employment related liabilities

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

	2023	2022
Vacation reserve	1,821	1,784
Accrued annual bonuses	947	1,062
Payable remuneration	830	594
Payable taxes related to remuneration	611	488
Other employment related liabilities	-	3
Total	**4,209**	**3,931**

(In EUR thousand, unless otherwise stated)

21. Trade, other payables and current liabilities

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

	2023	2022
Trade payables	5,995	12,243
Trade payables to related parties (Note 32)	50	32
Payable VAT	1,448	1,715
Other taxes payable (excluding corporate income tax)	5,224	8,635
Other amounts payable	28	59
Total	**12,745**	**22,684**
Less: non-current other amounts payable	(2,178)	(4,751)
Total	**10,567**	**17,933**

Other payable taxes mainly comprise tax loan balances with the State Tax Inspectorate and the State Social Security Fund Board. The loans mature in 2025.

The remaining above mentioned trade, other amounts payable and current liabilities are interest-free and they are usually assigned a payment term of up to 30 days.

22. Revenue

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

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

	2023	2022
Primary geographic markets		
Lithuania	120,133	142,326
Latvia	70,541	57,071
Germany	40,982	35,994
Belarus	32,411	42,670
France	26,367	27,395
Belgium	23,113	15,536
Estonia	21,895	27,821
The Netherlands	6,799	6,184
Italy	6,380	3,835
South Korea	3,756	248
Other countries	16,073	18,812
Total	**368,450**	**377,892**

	2023	2022
Major product and service lines		
Revenue from sale of cars	249,980	271,938
Revenue from sale of parts	70,571	61,171
Revenue from lease of cars	30,894	30,863
Revenue from car repair services	10,032	9,347
Other	6,973	4,573
Total	**368,450**	**377,892**
Timing of revenue recognition		
At a point of time	362,562	374,700
Over a certain period	5,888	3,192
Total	**368,450**	**377,892**

(In EUR thousand, unless otherwise stated)

22. Revenue (cont'd)

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
Revenue from sale of cars and spare parts	The Group sells new and used cars and spare parts both to individuals and to legal persons. 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 assumes all the risks and rewards for the goods.
Revenue from car repair services	The Group provides car repair services both to individuals and to legal persons. Invoices are issued under contractual terms and are usually payable immediately or within 15 days.	Revenue is recognised after actual delivery of the service.
Revenue from long-term lease of cars	The Group provides long-term lease services of vehicles. Invoices are issued for each month of the lease period and must be settled on the day of the current calendar month on which the rental agreement comes into force.	Revenue is recognised in the period in which the operational obligations are settled.
Revenue from short-term lease of cars	The Group provides short-term lease of vehicles. 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 persons - 30 days. Individuals pay for the services immediately after they are rendered.	Revenue is recognised after actual delivery of the service.

23. Cost of sales

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

	2023	2022
Cost of sale of cars	220,232	233,499
Cost of sale of spare parts	57,585	50,271
Depreciation and amortisation	7,799	7,908
Salaries and related taxes	6,809	6,235
Fuel	4,757	5,734
Repair and maintenance costs of cars and other equipment	4,211	3,548
Parking services	1,655	1,897
Cost of warranty works	1,402	1,785
Insurance	1,205	917
Other	5,400	5,814
Total	**311,055**	**317,608**

**In 2023, inventories amounting to EUR 277,817 thousand (2022: EUR 283,770 thousand) were recognised as costs incurred during the year and were included in the cost of sales.*

(In EUR thousand, unless otherwise stated)

24. Other operating results

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

	2023	2022 (restated)
OTHER ACTIVITY INCOME		
Received penalties and covering of damages	657	557
Gain from resold services	76	-
Gain from disposal of property, plant and equipment	52	164
Received payments and compensations for covering repair costs and penalties	34	255
Other income	353	298
	1,172	**1,274**
OTHER ACTIVITY EXPENSES		
Loss on disposal of investments in subsidiaries	(127)	(320)
Compensated costs of repair of assets and covering of penalties	(93)	(138)
Loss on resold services	-	(326)
Other expenses	(172)	(71)
	(392)	**(855)**
Other operating results	**780**	**419**

25. Selling expenses

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

	2023	2022
Salaries and related expenses	11,751	10,933
Advertising and promotional costs	3,342	3,029
Transportation and short-term insurance costs	919	618
Representation expenses	619	467
Intermediary costs	490	486
Trainings and secondments	362	329
Demo and exposition car maintenance	282	171
Fuel and lease of cars	273	287
Warehousing expenses	235	460
Customer service	211	326
Depreciation and amortisation	129	100
Legal and other consulting services	105	141
Other	548	438
Total	**19,266**	**17,785**

(In EUR thousand, unless otherwise stated)

26. Administrative expenses

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

	2023	2022 (restated)
Salaries and related expenses	8,207	6,318
Depreciation and amortisation	3,698	2,522
Accounting and audit expenses	1,385	1,384
IS lease and maintenance expenses	1,264	970
Legal and consulting expenses	1,193	1,510
Write-down of inventories	1,013	429
Maintenance of premises, repair and maintenance of equipment	979	869
Taxes	837	913
Fuel, car lease and maintenance	334	354
Communication services	277	216
Bank services	218	191
Business trip expenses	203	168
Support	189	218
Impairment (reversal) of property, plant and equipment	(64)	2,054
Other	911	867
Total	**20,644**	**18,983**

27. Business acquisitions, disposals

Profit from disposal of investments into subsidiaries for the year ended 31 December, included the following:

	2023	2022
Profit (loss) on disposal of investments into subsidiaries engaged in real estate business	-	(320)
Profit (loss) on disposal of investments into subsidiaries engaged in mobility business	1	-
Profit (loss) on disposal of other investments into subsidiaries	(128)	-
Total	**(127)**	**(320)**

Profit on disposal of investments into subsidiaries engaged in real estate business
In 2023, the Group disposed of the subsidiaries UAB Axton Commodities and SL Mobility Fleet Solutions Spain.

The sale of companies shall not be assumed as discontinued operations, as the activity in which the sold companies were engaged continues to be conducted or the sold companies did not form a significant individual activity segment.

The table below shows sale transactions (it is considered that values as at the date of sale and carrying amounts, and carrying amounts from fair values did not differ significantly):

(In EUR thousand, unless otherwise stated)

27. Business acquisitions, disposals (cont'd)

Non-current assets	
Deferred income tax asset	126
Total non-current assets	**126**
Current assets	
Loans granted and term deposits	1
Trade and other receivables	1
Prepayments, deferred costs and accrued income	4
Total current assets	**6**
Total assets	**132**
Current liabilities	
Other financial liabilities	5
Total current liabilities	**5**
Total liabilities	**5**
Net assets at the time of disposal	**127**
Net assets at the time of disposal, owned by non-controlling interest	**-**
Net assets at the time of disposal, owned by shareholders of the parent company	**127**
Disposed share capital, %	100
Sale price	3
Cash and cash equivalents	(3)
Cash flows from disposal	**-**
Profit (loss) on disposal of investments into subsidiaries	**(127)**

Company name	Date of disposal	Data of carrying amounts
UAB Axton Commodities	25/01/2023	25/01/2023
SL Mobility Fleet Solutions Spain	22/12/2023	22/12/2023

Profit (loss) on disposal of investments in subsidiaries in 2022
Real estate business: The Group sold 100% of ordinary registered uncertificated shares of the indirectly controlled subsidiary UAB Pavilnių Saulės Slėnis 17. At the same time, 100% of the shares in the subsidiaries OOO Unimodus and OOO Unimodus Gomel of UAB Pavilnių Saulės Slėnis 17 were sold. The loss on disposal was EUR 320 thousand, recognised in the statement of profit or loss.

(In EUR thousand, unless otherwise stated)

28. Finance income and finance costs

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

	2023	2022
FINANCE INCOME		
Gain from the increase in financial assets at fair value	3,378	1,297
Interest income	1,982	2,118
Dividend income	589	236
Currency exchange gain	47	-
Penalties and fines (income)	23	8
Other income from financing and investing activities	7	182
	6,026	**3,841**
FINANCE EXPENSES		
Interest expenses	(8,770)	(5,586)
Impairment of loans granted	(601)	(317)
Impairment of financial assets measured at fair value	(294)	(185)
Guarantee commitment and commission fees	(117)	(112)
Loss arising from derivative financial instrument	(48)	-
Penalties and fines	(17)	(35)
Currency exchange loss	-	(490)
Impairment of investments	(1)	-
Other expenses from financing and investing activities	(89)	(175)
	(9,937)	**(6,900)**
Financing activity result	**(3,911)**	**(3,059)**

29. Corporate income tax

In 2023 and 2022, corporate income tax in the Group and subsidiaries operating in Lithuania is calculated by applying a 15% income tax rate for the estimated taxable profit of the period. Income tax in other countries is calculated using income tax rates applicable in those countries.

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

	2023	2022
Current tax expense	4,203	3,472
Deferred tax expense (income)	(767)	254
Fee paid for tax loss carry-forwards from Group companies	633	192
Corrections of corporate income tax of previous reporting periods	(1,102)	(508)
Income tax expense (income) recognised in the statement of profit or loss and other comprehensive income	**2,967**	**3,410**

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

	2023	2022
Expenses (income) recognised in the statement of profit or loss	(757)	244
Gain (loss) on revaluation of property, plant and equipment not recognised in the income statement	29	50
Expenses (income) recognised in other comprehensive income (including change due to currency exchange rate fluctuations)	(10)	10
Transfers of assets (liabilities) in connection with disposals of subsidiaries	126	-
Change in deferred income tax, net	**(612)**	**304**

(In EUR thousand, unless otherwise stated)

29. Corporate income tax (cont'd)

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

	2023	2022
Profit (loss) before tax	5,340	20,516
Corporate income tax applying a standard income tax rate of 15%	801	3,077
Tax effect of non-taxable income	(706)	(582)
Non-deductible (deductible) expenses	665	497
Tax effect of tax losses and other temporary differences for which no deferred tax asset was recognised	771	51
Corrections of corporate income tax of previous reporting periods	(1,102)	(508)
Effect of different income tax rates applicable to foreign subsidiaries	596	666
Adaptation of an investment allowance	(18)	(12)
Impact of the income tax due to equity method accounting of the associated entities' interest	1,337	19
Total corporate income tax expense (income)	**2,344**	**3,208**

Changes in temporary differences of the Group before and after tax effect were as follows:

	Temporary differences As at 31 December		Deferred tax As at 31 December	
	2023	**2022**	**2023**	**2022**
Deferred income tax asset				
Tax losses	12,129	7,642	1,819	1,146
Impact of IFRS 16 on deferred income tax	718	505	108	76
Write-down of inventories	651	1,547	98	232
Accrued income	549	(709)	82	(106)
Impairment of amounts receivable	394	394	59	59
Vacation reserve	186	194	28	29
Bonus reserve	175	388	26	58
Accrued costs	110	169	17	25
Total deferred tax asset	**14,912**	**10,130**	**2,237**	**1,519**
Deferred tax liability				
Differences between financial and tax reporting of non-current assets	(10,671)	(9,974)	(1,601)	(1,496)
Impact of different corporate tax rates for foreign subsidiaries	(90)	(34)	(14)	(5)
Derivative financial instruments	-	(53)	-	(8)
Total deferred tax liabilities	**(10,761)**	**(10,061)**	**(1,615)**	**(1,509)**
Deferred income tax, net	**4,151**	**69**	**622**	**10**

The Group has the right to aggregate recognised deferred income tax assets and deferred income tax liabilities on a jurisdictional basis, i.e. when they relate to the same tax authority. In the table above, deferred income tax assets and liabilities are shown before netting and are aggregated in the consolidated statement of financial position to present a more accurate view of the financial position.

Deferred tax assets arising from tax losses are recognised because the Group's management expects them to be realised in the foreseeable future, taking into account taxable profit forecasts.

Deferred tax assets and liabilities are offset if they are realised in net value and over those periods, and 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.

(In EUR thousand, unless otherwise stated)

29. Corporate income tax (cont'd)

The deferred income tax of the Group as at 31 December in different tax jurisdictions:

	As at 31 December	
	2023	2022
Deferred income tax asset		
Lithuania	656	60
Latvia	18	15
Estonia	1	1
Czech Republic	1	-
Total deferred tax asset	**676**	**76**
Deferred tax liability		
Belarus	54	13
Lithuania	-	43
Czech Republic	-	10
Total deferred tax liability	**54**	**66**
Total	**622**	**10**

30. Contingent liabilities

In 2023 and 2022, the Group was not involved in any legal proceedings that could, in the opinion of the management, have significant influence on the Group's consolidated financial position.

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

The Group has issued the following guarantees/sureties:

Receiver of guarantee/surety	Type	Maturity term of guarantee/surety	Currency	As at 31 December 2023	As at 31 December 2022
European Bank for Reconstruction and Development	Guarantee (for Parachonskoe ZAO)	Invalid	EUR	-	4,386
European Bank for Reconstruction and Development	Guarantee (for Severnyj ZAO)	Invalid	EUR	-	2,090
European Bank for Reconstruction and Development	Guarantee (for Kabylovka ZAO)	Invalid	EUR	-	1,975
European Bank for Reconstruction and Development	Guarantee (for Belovezha ZAO)	Invalid	EUR	-	2,930
European Bank for Reconstruction and Development	Guarantee (for BG17 ZAO)	Invalid	EUR	-	4,596
European Bank for Reconstruction and Development	Guarantee (for UAB Helmonts Projects)	30/06//2024	EUR	700	-
Total				**700**	**15,977**

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 2023.

30. Contingent liabilities (cont'd)

Provisions for liabilities under other surety agreements were not accounted for as at 31 December 2023 as the Group estimates that the entities for which 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.

The Group has issued guarantees to suppliers for an amount of EUR 7,125 thousand (2022: EUR 16,051 thousand). The guarantees are valid until 2026 (2022: until 2024). The Group does not have any guarantees issued (2022: EUR 1,510 thousand)

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

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

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

31. Financial instruments – fair values and risk management

Main financial liabilities of the Group comprise loans, 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 three groups:

- Bank loans and lease liabilities (Note 14);
- Other financial debts (Note 15);
- Trade, other payables and current liabilities (Note 21).

The Group has various financial assets: trade and other receivables, loans granted, short-term investments and cash.

The Group classifies financial assets into three groups:

- Cash and cash equivalents (Note 12);
- Other investments (Note 10).
- Trade, other receivables and loans granted stated at amortised cost (Notes 8 and 7 respectively).

Fair value

As at 31 December 2023 and 2022, the Group did not have any significant financial instruments, presented at fair value in the statement of financial position, except for the investments into shares and investment units (Note 10).

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.

The fair value of the Group's financial assets and liabilities as at 31 December 2023 and 2022, approximates their carrying amount.

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 shares and investment units has been determined based on the valuation of independent appraisers.

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.

(In EUR thousand, unless otherwise stated)

31. Financial instruments – fair values and risk management (cont'd)

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.

The amount of maximum exposure to credit risk equals the carrying amount of receivables, loans granted, term deposits and cash and cash equivalents which amounted to EUR 75,862 thousand (31 December 2022: EUR 83,501 thousand) in the Group as at 31 December 2023.

The Group's credit risk is measured separately for Group entities. Balance of amounts receivable of Group entities and overdue amounts receivable are controlled each month.

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.

An analysis of non-overdue and overdue amounts receivable and loans granted as well as impairment recognised as at 31 December 2023 and 2022 is presented in Notes 7 and 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 following segments of credit risk were identified, taking into account the types of customers and the services purchased: 1) car trading in companies of mobility sector - business clients and private persons; 2) operating lease of cars - business clients and private persons; 3) finance lease of cars - business clients and private persons; 4) hotel operation and lease of real estate – business clients and private persons; 5) sales of energy (electricity, heat, gas) – business clients and 6) sale of cars in automotive sector entities– business clients and private persons. The ECLs rate is estimated for each segment based on actual credit loss experience over the past year. These rates are multiplied by scalar factors to reflect the differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. 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.

	2023	2022
Balance at 1 January in accordance with IFRS 9	**(1,741)**	**(1,644)**
Recalculated net impairment	(99)	(232)
Amounts written off	324	134
Other adjustments	2	1
Balance at 31 December in accordance with IFRS 9	**(1,514)**	**(1,741)**

Based on impairment analysis performed as at 31 December 2023 and 2022, the Group determined that there were no significant impairment losses, except for the accounted ones.

(In EUR thousand, unless otherwise stated)

31. Financial instruments – fair values and risk management (cont'd)

Loans granted
The Group uses individual assessment model to determine expected loss of loans granted. The Group uses internal credit rating categories which reflect credit risk on financial assets. Expected economic changes (country and sector risk) are included in the internal rating model. The Group's management reviews the main economic indicators of the markets in which the Group's debtors operate and determine any expected significant changes which could have an impact on the expected credit losses.

If the management determines that there are no significant expected economic variables, the expected credit loss based on historic information are used. Following analysis, no significant expected credit losses were determined.

As at 31 December 2023 and 2022, there were no indications that the amounts receivable, the impairment for which was not accounted for, may not be recoverable.

Interest rate risk
The Group is exposed to the risk of changes in interest rate due to bank loans and other financial borrowings with variable interest rates. As at 31 December 2023, such liabilities of the Group amounted to EUR 96,625 thousand (31 December 2022: EUR 81,873 thousand). In 2023 and 2022, the Group manages the risk by maintaining an appropriate balance of loans with fixed and variable interest rate.

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

	Increase / decrease, p.p.	**Impact on the Group's profit before taxes**
2023	0.3	254
2022	0.3	131

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.

Foreign exchange risk
Changes in currency exchange rates can have an impact on the Group's financial position due to its activities. During the reporting period the Group used foreign exchange swap transactions to manage foreign currency exchange risk.

The Group is exposed to foreign exchange risk when sales, purchases and borrowings are denominated in other currencies than the Euro.

The Group uses currency exchange swap transaction with credit institutions to manage the currency exchange risk.

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.

(In EUR thousand, unless otherwise stated)

31. Financial instruments – fair values and risk management (cont'd)

	Foreign exchange rate	Increase / decrease,%	Impact on the Group's profit before taxes
2023	EUR/BYN	+5%	(25)
	EUR/CZK	+5%	(18)
	EUR/PLN	+5%	(9)
	EUR/USD	+5%	(7)
	EUR/RON	+5%	(3)
	EUR/BYN	-5%	28
	EUR/CZK	-5%	20
	EUR/PLN	-5%	10
	EUR/USD	-5%	7
	EUR/RON	-5%	3
2022	EUR/BYN	+5%	(59)
	EUR/PLN	+5%	(41)
	EUR/RON	+5%	(14)
	EUR/USD	+5%	(1)
	EUR/BYN	-5%	65
	EUR/PLN	-5%	45
	EUR/RON	-5%	16
	EUR/USD	-5%	1

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. There were no changes in the policies or processes of capital management in 2023 and 2022.

The Law on Companies of Republic of Lithuania requires for the equity of a separate company to comprise no less than 50% of its share capital. In 2023 and 2022, the equity of the Group was in compliance with the legal requirements.

32. Related party transactions

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

	2023	2022
Employment-related amounts calculated for the year:		
Key remuneration and related taxes	2,988	2,215
Number of the management members	21	21

The Group has granted a loan to the Company's Director Erika Huhtala, interest: fixed margin, the loan matures in July 2024. As at 31 December 2023, the outstanding balance of the loan was EUR 15 thousand. During 2023, the management of the Group was not granted any loans, guarantees, there were no other paid or calculated amounts of disposals of assets.

During 2023 and 2022, 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.

(In EUR thousand, unless otherwise stated)

32. Related party transactions (cont'd)

The related parties of the Group include:

- The ultimate beneficial owner (shareholder) is K. Martinkėnas.
- The ultimate parent company is MG NL Holding B.V.;
- Entities of the entities group – MG NL Holding B.V. group entities;
- 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 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 2023:

Related party	Amounts and loans receivable	Amounts and loans payable	Sales of goods and services (including interest)	Purchases of goods and services (including interest)
Ultimate beneficial owner	-	6,333	-	308
Parent company	275	-	13	19
Entities of the entities group	41,751	93	2,032	697
Associated entities	6	-	9	-
Other related companies	39,350	19,014	25,847	20,386
Total	**81,382**	**25,440**	**27,901**	**21,410**

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

Related party	Amounts and loans receivable	Amounts and loans payable	Sales of goods and services (including interest)	Purchases of goods and services (including interest)
Ultimate beneficial owner	-	6,107	-	359
Parent company	157	-	2	25
Entities of the entities group	44,769	58	2,041	46
Associated entities	7	-	6	-
Other related companies	37,987	18,025	37,785	17,268
Total	**82,920**	**24,190**	**39,834**	**17,698**

33. Reclassifications

The Group has made the following reclassifications to the 2022 comparative figures in the consolidated statement of profit or loss and other comprehensive income to more accurately reflect other operating and administrative expenses:

Item of the consolidated statement of profit or loss and other comprehensive income	2022 before reclassification	Reclassifi-cation	2022 after reclassification
Profit on disposal of investments into subsidiaries	(320)	320	-
Other activity expenses	(607)	(248)	(855)
Administrative expenses	(18,911)	(72)	(18,983)
Total	**(19,838)**	**-**	**(19,838)**

(In EUR thousand, unless otherwise stated)

33. Reclassifications (cont'd)

The Group has made the following reclassifications of the comparative figures for the year 2022 in the consolidated statement of cash flows in order to reflect consolidated cash flows more accurately:

Item of the consolidated statement of cash flows	2022 before reclassification	Reclassifi-cation	2022 after reclassification
(Increase) decrease in current assets held for sale	-	4	4
(Increase) decrease in inventories	(15,444)	(4)	(15,448)
Elimination of other non-monetary transactions	(767)	196	(571)
Increase (decrease) in trade, other payables and current liabilities	(30,480)	70	(30,410)
Interest paid and transaction costs	(5,180)	(70)	(5,250)
Other increase (decrease) in cash flows from financing activities	10,986	(196)	10,790
(Increase) decrease in trade and other receivables	3,243	(51)	3,192
Interest received	1,253	51	1,304
Loss (profit) on disposal of property, plant and equipment, and intangible assets	(5,768)	5,604	(164)
Acquisition of property, plant and equipment and intangible assets	(13,671)	11,275	(2,396)
Disposal of property, plant and equipment and intangible assets	37,346	(36,545)	801
Acquisitions of cars	-	(11,275)	(11,275)
Disposals of cars	-	30,941	30,941
Total	**(18,482)**	**-**	**(18,482)**

34. War in Ukraine

Activity in Belarus
The strategic decision to exit Belarus was taken and publicly announced by the Group in spring 2022. During this period, the Group has made preparations to exit this market as soon as possible. The process has taken longer due to several factors. The Group cannot unilaterally withdraw from Belarus because it is bound by strict agreements with its international partners. The ever-changing situation in Belarus and decisions taken by the regime create additional challenges. Nevertheless, withdrawal from the Belarusian market remains one of the Group's top priorities and the Group will leave this market without any reservations.

The Group conducts a part of its activities in the Belarus market, including sales of new cars, parts, warranties, and other services. As a result, the Group is affected by the Belarusian economy and financial markets. As a response to the Russia's war against Ukraine started in February 2022 and the involvement of Belarus in the criminal acts of Russia, numerous countries - including the United States of America, the United Kingdom, and European Union - imposed and (or) expanded economic sanctions on legal and natural entities based in Belarus. The sanctions also include asset freezes, payment system limitations, trade restrictions, and travel bans. The expansion of sanctions has already had and will continue to have a negative impact on the economic uncertainty in Belarus, including higher volatility in equity markets, the depreciation of the Belarusian rouble, lower domestic and foreign direct investment flows, the impact on trade flows and trade disruptions with companies operating in Belarus, and a significant reduction in borrowing capacity. Since no agreements were finalised for the disposal of the automotive business by 31 December 2023, the Group's assets and liabilities associated with the business conducted in Belarus were kept on a going concern basis.

The management does not expect that the situation described above will have material adverse effect on the Group's business, or its going concern, financial position, or operating results.

(In EUR thousand, unless otherwise stated)

34. War in Ukraine (cont'd)

The consolidated balance sheet of the Group's companies operating in Belarus at the Group level as of 31 December 2023 is presented below:

	2023
Intangible non-current assets	123
Tangible non-current assets	175
Inventories	9,789
Amounts receivable within one year	1,001
Short-term investments	816
Cash and cash equivalents	171
Deferred costs and accrued income	27
Provisions	54
Amounts payable within one year and other current liabilities	4,618

Revenue from the activity in Belarus (Note 22) for the year ended as at 31 December 2023 amounted to EUR 32,411 thousand (31 December 2022: EUR 42,670 thousand).

Activity in Ukraine
The Group did and does not conduct significant activity in Ukraine.

Activity in the Russian Federation
The Group did and does not conduct activity in the Russian Federation.

Investments in energy sector
The Group holds 15% of B class shares of Green Genius International B.V. which fully grant a right to net profit (loss) of AB Green Genius Baltic (Note 10). The Group has also granted a loan to Green Genius International B.V. (Note 7).

Green Genius International B.V. group
The management of Green Genius International B.V. Group ("GGI Group") has decided to leave the Belarusian market. The GGI Group is working with all relevant parties to complete the withdrawal as soon as possible. As of the beginning of 2022, the business in Belarus is no longer included in the GGI Group's revenue and operating profit. The business in Belarus is reported as discontinued operations in the GGI Group's consolidated financial statements.

35. Subsequent events

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

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

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

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JOINT STOCK COMPANY MODUS GRUPĖ
CONFIRMATION OF THE RESPONSIBLE PERSONS

26 February 2024

Vilnius

For UAB Modus Grupė, company code: 302719143, legal address: Ozo g. 10A, Vilnius, the Republic of Lithuania, data is collected and stored at the Register of Legal Entities., the Company‘s Director and Finance Director are responsible for fairness and completeness of the annual consolidated financial statements.

We, Erika Huhtala, Director of UAB Modus Grupė, and Mr. Mantas Piliponis, Group Senior Finance Controller, confirm that, to our knowledge, the consolidated financial statements for the year ended 31 December 2023 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the Group's consolidated financial position, consolidated operating results and consolidated cash flows for the year then ended. We also confirm that, to our knowledge, the information on business development and overview of activities as well as other information, provided in the consolidated annual management report of UAB Modus Grupė for the year ended 31 December 2023, is correct.

UAB Modus Grupė
Director Erika Huhtala ____________________

UAB Modus Grupė
Group Senior Finance Controller Mantas Piliponis ___________________

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