

UAB Modus Grupė

Consolidated Interim Management Report and
Condensed Consolidated Interim Financial Statements
For the 6 Months Period Ended 30 June 2020
(unaudited)

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UAB Modus Grupė

Company code: 302719143, address: Ozo St. 10A, LT-08200 Vilnius

Consolidated Interim Management Report for the 6 Months Period Ended 30 June 2020

Consolidated interim 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 0.29 EUR each.
Shareholder (100%)	MG NL Holding B.V. (Company code 58978976, address: Fred. Roeskestraat 115, 1076 EE, Amsterdam, the Netherlands)
Registered address:	Ozo St. 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 CompanyPriority activity fields of the group of companies

The Group consists of the Company and its 6 subsidiaries (31 December 2019 – 7), 43 secondary subsidiaries (31 December 2019 – 102), and 1 associated company (31 December 2019 – 8).

Modus Group is an international Group of companies operating mainly in the spheres of renewable energy, mobility services, smart parking solutions and car sales. The Group operates 18-car brand network of offices, among them - the Porsche, Bentley, BMW, Fiat, Maserati and etc.

In the first half of 2020, EBITDA of the Group amounted to 62,289 thousand EUR (in the first half of 2019: 35,216 thousand EUR) and has increased by 76.88%. EBITDA consists of 5,682 thousand EUR (in the first half of 2019: 11,554 thousand EUR) from operating activities result and 56,607 thousand EUR (in the first half of 2019: 23,662 thousand EUR) – from other transactions¹.

Main risks faced by the Group

- Introduction of new taxes related to activities of the companies, or increase in effective tax rates.
- Lack of skilled labour force.
- Adverse changes in renewable energy regulation.
- Sudden inflation or general deterioration of the country's economic conditions, which might have an impact on the demand and price of cars.

¹The common practice of a holding company is sale, acquisition and merger of companies and assets. The results of these operations are considered as other transactions.

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

During the first half of 2020, consolidated sales revenue amounted to 181,517 thousand EUR and was lower by 19.78% than during the same period of 2019 (in the first half of 2019: 226,272 thousand EUR). During the first half of 2020, cost of sales amounted to 169,360 thousand EUR (in the first half of 2019: 204,456 thousand EUR), and gross profit amounted to 12,157 thousand EUR (in the first half of 2019: 21,816 thousand EUR).

Consolidated profit before taxation amounted to 49,232 thousand EUR in the first half of 2020 and was significantly higher than in the previous reporting period when profit before taxation was 30,480 thousand EUR. There was also a marked increase in consolidated net profit: in the first half of 2020 – 48,439 thousand EUR, in the first half of 2019 – 29,580 thousand EUR.

The Group's consolidated assets amounted to 313,950 thousand EUR as at 30 June 2020 (31 December 2019 – 365,234 thousand EUR).

The most significant events during the first half of 2020:

- On 1 January 2020, Modus Energy International B.V. issued 176 shares of class B, which all were acquired by UAB Modus Grupė in exchange disposing 100% shares of AB Modus Energy.
- On 2 January 2020, the Group sold 60,100 ordinary uncertificated shares of the subsidiary UAB Nekilnojamojo turto nuoma with the nominal value of EUR 25 each, i.e. sold 100% of shares based on the decision of Board meeting of 27 December 2019, the minutes No. 20191227. At the same time, 100% shares of ZAO Modus Projekts, the subsidiary of UAB Nekilnojamojo turto nuoma, were sold.

Impact of COVID-19

Having successfully started 2020, the Group faced the spread of the COVID-19 virus at the end of the first quarter of the year, along with worldwide industry.

In order to manage the situation, the Group immediately took strict cost saving measures and measures to ensure the company's liquidity, also, agreed with creditors on the possibility of deferring the fulfillment of existing obligations and extending payment terms.

The measures implemented in response to COVID-19 are assessed to be effective and the Group's results are gradually returning to pre-COVID-19 levels.

Ratios characterising the Group's activities

Ratio	1 st half of 2020	1 st half of 2019
Gross profitability = gross profit/sales	6,70%	9.64%
Net profitability = net profit/sales	26,69%	13.07%
Debt ratio = liabilities/total assets	0,59	0.75
Asset turnover = sales/total assets	0,58	0.62
Current ratio = current assets/current liabilities	1,13	1.09

Employees

In the first half of 2020, the average number of employees at the Group was 498 (in the first half of 2019 – 594 employees).

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Consolidated Interim Management Report for the 6 Months Period Ended 30 June 2020

Information on the Head of the Company

Other managing positions held by the Director of UAB Modus Grupė Ainė Martinkėnaitė-Martyniuk:

Person	Legal form	Name	Code	Address	Position
Ainė Martinkėnaitė - Martyniuk	UAB	Modus grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Chairwoman of the Board and Board member, director
Ainė Martinkėnaitė-Martyniuk	UAB	Unimodus	126123769	Ozo St. 10A, Vilnius, Lithuania	Board member
Ainė Martinkėnaitė-Martyniuk	UAB	Modus Mobility	302784358	Ozo St. 10A, Vilnius, Lithuania	Board member
Ainė Martinkėnaitė-Martyniuk	B.V.	MG NL Holding B.V.	58978976	Fred. Roeskestraat 115, 1076 EE, Amsterdam, the Netherlands	Member of the Directors Council
Ainė Martinkėnaitė-Martyniuk²	UAB	Modus Group Services	302784365	Ozo St. 10A, Vilnius, Lithuania	Director

Board members of UAB Modus Grupė:

Person	Legal form	Name	Position
Ainė Martinkėnaitė-Martyniuk	UAB	Modus Grupė	Chairwoman of the Board
Erika Zakarauskienė	UAB	Modus Grupė	Board member
Giedrius Audickas	UAB	Modus Grupė	Board member
Oleg Martyniuk	UAB	Modus Grupė	Board member
Ruslan Sklepovič	UAB	Modus Grupė	Board member

Other managing positions held by the Board Members of UAB Modus Grupė (excluding A. Martinkėnaitė-Martyniuk – provided in the table above):

Person	Legal form	Name	Code	Address	Position
Erika Zakarauskienė	UAB	Modus grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Board member, Group Chief Financial Officer
Erika Zakarauskienė	UAB	Inter Krasta	302693905	Ozo St. 10A, Vilnius, Lithuania	Board member
Erika Zakarauskienė	UAB	Unimodus	126123769	Ozo St. 10A, Vilnius, Lithuania	Board member
Erika Zakarauskienė	UAB	Parkdema	304559196	Jogailos St. 4, Vilnius, Lithuania	Board member
Erika Zakarauskienė²	UAB	Modus Group Services	302784365	Ozo St. 10A, Vilnius, Lithuania	Finance director
Giedrius Audickas	UAB	Modus Mobility	302784358	Ozo St. 10A, Vilnius, Lithuania	Board member, director

² Highlighted – main workplace.

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Person	Legal form	Name	Code	Address	Position
Giedrius Audickas	UAB	Modus grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Board member
Giedrius Audickas	UAB	Inter Krasta	302693905	Ozo St. 10A, Vilnius, Lithuania	Board member
Giedrius Audickas	UAB	LM Auto	302784123	Ozo St. 10A, Vilnius, Lithuania	Board member
Giedrius Audickas	UAB	Axton Commodities	304917017	Juozo Balčikonio St. 9, Vilnius, Lithuania	Board member
Giedrius Audickas	UAB	Modus Unipark Services	302791089	Ozo St. 10A, Vilnius, Lithuania	Director
Giedrius Audickas³	UAB	Modus Group Services	302784365	Ozo St. 10A, Vilnius, Lithuania	Managing partner for mobility
Oleg Martyniuk	UAB	Modus Grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Board member
Oleg Martyniuk	UAB	Inter Krasta	302693905	Ozo St. 10A, Vilnius, Lithuania	Board member, director
Oleg Martyniuk	UAB	LM Auto	302784123	Ozo St. 10A, Vilnius, Lithuania	Board member
Oleg Martyniuk³	UAB	Modus Mobility	302784358	Ozo St. 10A, Vilnius, Lithuania	Board member, director of strategic planning
Oleg Martyniuk	UAB	Unimodus	126123769	Ozo St. 10A, Vilnius, Lithuania	Board member
Oleg Martyniuk	UAB	Parkdema	304559196	Ozo St. 10A, Vilnius, Lithuania	Board member
Oleg Martyniuk	UAB	Viteksta	302651710	Ozo St. 10A, Vilnius, Lithuania	Director
Oleg Martyniuk	UAB	Tekupa	302842676	Ozo St. 10A, Vilnius, Lithuania	Director
Oleg Martyniuk	UAB	Statybiniai projektai	303090397	A. Kojelavičiaus St. 3, Vilnius, Lithuania	Director
Oleg Martyniuk	UAB	Pavilnių slėnis 14	302791139	Ozo St. 10A, Vilnius, Lithuania	Director
Oleg Martyniuk	UAB	Pavilnių slėnis 15	302791114	Ozo St. 10A, Vilnius, Lithuania	Director
Oleg Martyniuk	UAB	Autoimex	300662220	Žalgirio St. 112A, Vilnius, Lithuania	Director
Oleg Martyniuk	UAB	Modus Automotive Services	302784148	Ozo St. 10A, Vilnius, Lithuania	Director
Oleg Martyniuk	UAB	GEPAGA	110666382	Gamyklų St. 4, Vilnius, Lithuania	Director
Ruslan Sklepovič	AB	Modus Energy	302693613	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board, director
Ruslan Sklepovič	UAB	Lepita	302854931	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board, director

³ **Highlighted** – main workplace.

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Person	Legal form	Name	Code	Address	Position
Ruslan Sklepovič	UAB	Sigvilta	302841574	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board, director
Ruslan Sklepovič	S.R.L.	Green Genius Italy	RM-1481989	Corso Giuseppe Garibaldi 49 Cap 20121, Milan, Italy	Chairman and member of the board, director
Ruslan Sklepovič	UAB	Axton Commodities	304917017	Juozo Balčikonio St. 9, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Baltic Sun Energy	302444569	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Psenergija	302850071	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Senergita	302850317	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Jenergija	302850299	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Menergija	302850267	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Nenergija	302850064	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Venergija	302850089	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Zenergija	302850121	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Lenergija	302850203	Ozo St. 10A, Vilnius, Lithuania	Chairman and member of the board
Ruslan Sklepovič	UAB	Modus grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Board member
Ruslan Sklepovič	UAB	Modus Asset Management	302790959	Ozo St. 10A, Vilnius, Lithuania	Board member
Ruslan Sklepovič	B.V.	Modus Energy International	36406945	Fred. Roeskestraat 115, 1076 EE, Amsterdam, the Netherlands	Board member
Ruslan Sklepovič	Sp. z o.o.	Ecowolt	553137	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z o.o.	Greenprojekt	564174	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z o.o.	Modus Energy Asset 4	767798	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member

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Person	Legal form	Name	Code	Address	Position
Ruslan Sklepovič	Sp. z o.o.	Modus Energy Asset 6	766092	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z o.o.	Modus Solar Asset Poland	727539	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z o.o.	Modus Energy Asset 8	786187	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z o.o.	Modus Energy Asset 9	787372	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z o.o.	Modus Energy Asset 10	806694	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z o.o.	Modus Energy Asset 11	813994	Aleje Ujazdowskie 41, 00-540, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 12	814545	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 13	820232	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 14	827503	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 15	827506	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Sp. z.o.o.	Modus Energy Asset 16	827512	UL. Ludwika Waryńskiego 3A, 00-645, Warsaw, Poland	Board member
Ruslan Sklepovič	Asociacija	Alternatyviųjų degalų automobilių asociacija	300872628	Ozo St. 10A, Vilnius, Lithuania	Member of the Council
Ruslan Sklepovič	Asociacija	Atsinaujinančios energijos gamintojų asociacija	302646396	Ozo St. 10A, Vilnius, Lithuania	Member of the Council
Ruslan Sklepovič⁴	UAB	Green Genius	301557546	Ozo St. 10A, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	Modus solar turtas	304824538	Ozo St. 10A, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	Turovita	302894840	Ozo St. 10A, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	GG Biogas LTU	302854664	A. Kojelavičiaus St. 3, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	Green Genius Lithuania	302841738	Ozo St. 10A, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	Denergija	302791071	Ozo St. 10A, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	ViaModus	302751041	Ozo St. 10A, Vilnius, Lithuania	Director

⁴ Highlighted – main workplace.

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Person	Legal form	Name	Code	Address	Position
Ruslan Sklepovič	UAB	Fotona	302841720	Ozo St. 10A, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	Green Genius Global	304994394	Juozo Balčikonio St. 9, Vilnius, Lithuania	Director
Ruslan Sklepovič	UAB	GG LTU S1	302791025	Ozo St. 10A, Vilnius, Lithuania	Director

Members of the Supervisory Board of UAB Modus Grupė:

Person	Legal form	Name	Position
Simon Rozas	UAB	Modus Grupė	Chairman and independent member
Kęstutis Martinkėnas	UAB	Modus Grupė	Member
Jolanta Martinkėnienė	UAB	Modus Grupė	Member
Saul Umbrasas	UAB	Modus Grupė	Independent member
Vytautas Paukštys	UAB	Modus Grupė	Independent member
Kęstutis Bagdonavičius	UAB	Modus Grupė	Independent member
Liudas Liutkevičius	UAB	Modus Grupė	Independent member

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

Person	Legal form	Name	Code	Address	Position
Simon Rozas⁵	SA	Cube Infrastructure Managers	B 124.233	41 Avenue de la Liberté, Luxembourg	Director for Investments
Simon Rozas	d. o. o.	Rune Crow	6535522670	Tumpići 16, Veprinac, Croatia	Deputy Chairman of the Supervisory Board
Simon Rozas	UAB	Modus Grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Deputy Chairman and member of the Supervisory Board
Kęstutis Martinkėnas⁵	UAB	Modus Group Services	302784365	Ozo St. 10A, Vilnius, Lithuania	Director for Strategic Planning
Kęstutis Martinkėnas	UAB	Modus Grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Member of the Supervisory Board
Jolanta Martinkėnienė⁵	UAB	Modus Group Services	302784365	Ozo St. 10A, Vilnius, Lithuania	Consultant on design issues
Jolanta Martinkėnienė	UAB	Modus Grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Member of the Supervisory Board
Saul Umbrasas⁵	LLC	E-Band Communications	95-2140062	17034 Camino San Bernardo, San Diego, CA 92127, USA	Senior Vice-president for sales and marketing
Saul Umbrasas	UAB	Modus Grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Member of the Supervisory Board
Vytautas Paukštys⁵	UAB	Aktyvus sektorius	300619315	Saulėtekio Av. 15, Vilnius, Lithuania	Director

⁵ Highlighted – main workplace.

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Consolidated Interim Management Report for the 6 Months Period Ended 30 June 2020

Person	Legal form	Name	Code	Address	Position
Vytautas Paukštys	UAB	REDMOB	301238790	Vytauto Žalakevičiaus St. 4D-34, Vilnius, Lithuania	Director
Vytautas Paukštys	LLC	Redmob Media Private Limited	36AAICR7080 A1ZG	#301, 10-93/5, S N, Colony, Nagaram, Hyderabad 500083, India	Director
Vytautas Paukštys	LLC	Eskimi Limited Nigeria	RC1141149	No 27 (Old 29), Ogunlowo Street, Off, Obafemi Awolowo Way, Behind Airport Hotel, Ikeja, Lagos, Nigeria	Director
Vytautas Paukštys	LLC	Eskimi Pte Limited Singapore	201911011N	20A Tanjong Pagar, Road, Singapore, 88443	Director
Vytautas Paukštys	LLC	ESKIMI MOBILE MEDIA LIMITED CAMEROON	RC/LBE/2015/B/0853	Half Mile-Limbe, Opposite PMUC Office, P.O. Box 634, Limbe, Cameroon	Director
Vytautas Paukštys	LLC	Eskimi Limited Bangladesh	168925484353	KA-32/12, Nadda, Nasrim Mintu Road, Gulshan, Dhaka-1212, Bangladesh	Director
Vytautas Paukštys	UAB	Modus Grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Member of the Supervisory Board
Kęstutis Bagdonavičius⁶	UAB	koncernas "SBA"	132206739	K. Donelaičio St. 62, Kaunas, Lithuania	Board member
Kęstutis Bagdonavičius	UAB	Modus grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Member of the Supervisory Board
Liudas Liutkevičius⁶	UAB	Modus grupė	302719143	Ozo St. 10A, Vilnius, Lithuania	Member of the Supervisory Board
Liudas Liutkevičius	UAB	Energijos Brokeris	302567536	Didžioji St. 25, Vilnius, Lithuania	Director
Liudas Liutkevičius	UAB	SECURITY COMPONENTS	111759715	Juozo Balčikonio St. 9, Vilnius, Lithuania	Director

⁶ Highlighted – main workplace.

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Environmental protection

Certain Group companies are 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.

The activities of the Group companies fully comply with the legislative requirements.

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

After the end of the reporting period until the date of these financial statements there were no subsequent events, which would have a significant impact on these financial statements or would require additional disclosure, except the ones described in Note 25 provided in the explanatory notes to the consolidated financial statements.

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

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

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

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

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

Ainė Martinkėnaitė - Martyniuk
 Director
 UAB Modus Grupė

Vilnius, the Republic of Lithuania
 25 September 2020

UAB Modus Grupė

Company code 302719143, Ozo St. 10A, LT-08200 Vilnius

Condensed consolidated statement of financial position as at 30 June 2020

(In EUR thousand, unless otherwise stated)

Condensed consolidated statement of financial position

ASSETS	Notes	As at 30 June 2020	As at 31 December 2019
Non-current assets			
Property, plant and equipment	4	59 991	129 183
Investment property	4	4 866	4 866
Goodwill	5	27	125
Intangible assets	5	2 489	2 314
Loans granted and term deposits	6	3 018	3 571
Other investments	9	96 904	23 056
Trade and other receivables	7	2 517	2 591
Deferred income tax asset		789	2 910
Total non-current assets		170 601	168 616
Current assets			
Loans granted and term deposits	6	38 436	46 934
Inventories	8	59 623	103 842
Trade and other receivables	7	18 526	20 860
Contract assets		-	922
Prepayments, deferred costs and accrued income	10	7 483	11 761
Advance corporate income tax		-	756
Cash and cash equivalents		19 281	11 543
Total current assets		143 349	196 618
TOTAL ASSETS		313 950	365 234

(continued on the next page)

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 Condensed consolidated statement of financial position as at 30 June 2020
 (In EUR thousand, unless otherwise stated)

Condensed consolidated statement of financial position (cont'd)

EQUITY AND LIABILITIES	Notes	As at 30 June 2020	As at 31 December 2019
Authorised capital	11	22 940	22,940
Share premium	11	7 879	7,879
Legal reserve	11	431	-
Revaluation reserve	11	4 112	-
Currency exchange translation reserve		93	(466)
Retained earnings (loss)		93 105	5,174
Equity attributable to shareholders of the parent company		128 560	35,527
Non-controlling interest		(114)	399
Total equity		128 446	35,926
Non-current liabilities			
Bank loans and lease liabilities	12	42 033	55,398
Other financial debt	13	13 369	18,893
Deferred tax liabilities		-	-
Advances received		-	3
Employee benefits		38	47
Grants and subsidies		1 169	1,264
Provisions		100	43
	16	2 230	-
Total non-current liabilities		58 939	75,648
Current liabilities			
Bank loans and lease liabilities	12	16 467	40,309
Other financial debt	13	20 662	15,393
Corporate income tax liabilities		749	1,691
Prepayments received, accrued liabilities and deferred income	14	7 866	11,094
Contract liabilities		-	1,293
Employment related liabilities	15	3 522	2,950
Trade and other payables	16	77 299	83,671
Total current liabilities		126 565	156,401
Total liabilities		185 504	232,049
TOTAL EQUITY AND LIABILITIES		313 950	267,975

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

The condensed consolidated interim financial statements were prepared and signed on 25 September 2020:


 Ainė Martinkėnaitė - Martyniuk
 Director


 Erika Zakarauskienė
 Group Chief Financial Officer

UAB Modus Grupė

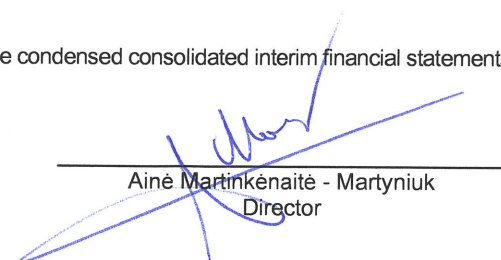
Company code 302719143, Ozo St. 10A, LT-08200 Vilnius

Condensed consolidated statement of profit or loss and other comprehensive income for the 6 months period ended 30 June 2020
(In EUR thousand, unless otherwise stated)**Condensed consolidated statement of profit or loss and other comprehensive income**

	Notes	1 January 2020 – 30 June 2020	1 January 2019 – 30 June 2019
Revenue	17	181 517	226 272
Cost of sales	18	(169 360)	(204 456)
Gross profit		12 157	21 816
Other activity income		253	217
Other activity expenses		(319)	(819)
Selling expenses	19	(4 228)	(6 167)
Administrative expenses	20	(6 742)	(8 213)
Impairment loss on trade receivables and contract assets		(61)	10
Operating profit (loss)		1 060	6 844
Profit on disposal of investments into subsidiaries	21	56 607	23 662
Finance income	22	1 177	3 090
Finance costs	22	(2 039)	(3 115)
Result from financing activities		(862)	(25)
Share of profit of associated or jointly controlled entities	9	(7 573)	(1)
Profit (loss) before tax		49 232	30 480
Corporate income tax	23	(793)	(900)
Net profit (loss)		48 439	29 580
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Effect of currency rate changes		163	681
Items that will be reclassified subsequently to profit or loss:		163	681
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Employee benefits (accrual)		-	-
Revaluation of property, plant and equipment, net of tax		-	-
Items that will not be reclassified subsequently to profit or loss:		-	-
Total comprehensive income		48 602	30 261
Net profit (loss) attributable to:			
Shareholders of the parent company		48 700	29 518
Non-controlling interests		(261)	62
Total comprehensive income attributable to:			
Shareholders of the parent company		48 863	30 199
Non-controlling interests		(261)	62

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

The condensed consolidated interim financial statements were prepared and signed on 25 September 2020:


Ainė Martinkėnaitė - Martyniuk
Director


Erika Zakarauskiene
Group Chief Financial Officer

UAB Modus Grupė

Company code 302719143, Ozo St. 10A, LT-08200 Vilnius

Condensed consolidated statement of changes in equity for the 6 months period ended 30 June 2020
(In EUR thousand, unless otherwise stated)

MODUS GROUP

Condensed consolidated statement of changes in equity

	Authorised capital	Share premium	Legal reserve	Revaluation reserve	Currency exchange translation reserve	Retained earnings (losses)	Attributable to shareholders of the parent company	Non-controlling interests	Total
1 January 2019	22 940	7 879	-	-	(466)	5 573	5 174	399	35 926
Net profit (loss) for the reporting period	-	-	-	-	-	29 580	29 518	62	29 580
Other comprehensive income for the reporting period	-	-	-	-	681	-	-	-	681
Total comprehensive income for the reporting period	-	-	-	-	681	29 580	29 518	62	30 261
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-
30 June 2019	22 940	7 879	-	-	215	35 153	34 692	461	66 187
1 January 2020	22 940	7 879	421	14 811	(285)	45 932	44 969	963	91 698
Net profit (loss) for the reporting period	-	-	-	-	-	48 439	48 700	(261)	48 439
Other comprehensive income for the reporting period	-	-	-	-	163	-	-	-	163
Total comprehensive income for the reporting period	-	-	-	-	163	48 439	48 700	(261)	48 602
Transfers to legal reserve	-	-	10	(76)	-	(10)	(10)	-	-
Revaluation reserve used	-	-	-	-	-	76	76	-	-
Sale of subsidiaries	-	-	-	(10 623)	215	(816)	-	(816)	(11 224)
Dividends paid	-	-	-	-	-	(630)	(630)	-	(630)
30 June 2020	22 940	7 879	431	4 112	93	92 991	93 105	(114)	128 446

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

The condensed consolidated interim financial statements were prepared and signed on 25 September 2020:

Ainė Martinkėnaitė - Martyniuk
Director

Erika Zakarauskienė
Group Chief Financial Officer

Condensed consolidated statement of cash flows

	Notes	1 January 2020 – 30 June 2020	1 January 2019 – 30 June 2019
Cash flows from operating activities			
Net profit (loss)		48 439	29 580
Elimination of non-monetary transactions:			
Depreciation expenses	4	4 241	4 525
Amortisation expenses	5	387	185
Share of profit of associated and jointly controlled entities	9	7 573	1
Impairment (reversal) of trade and other receivables		61	(10)
Write down (reversal of write down) of inventories to net realisable value	20	452	26
Impairment (reversal) of loans granted	22	108	-
Change in fair value of derivative financial instruments		-	23
Change in provisions		-	(9)
Finance (income) costs		676	1 186
Effect of currency exchange		(142)	(1 006)
Loss (profit) on disposal of property, plant and equipment, and intangible assets		309	459
Loss (profit) on disposal of investments into subsidiaries	21	(56 607)	(23 662)
Income tax expenses (income)	23	793	900
Amortisation of grants		(76)	(40)
Effect of changes in working capital:			
(Increase) decrease in inventories		46 076	(35 224)
(Increase) decrease in trade and other receivables		(2 425)	(1 240)
Decrease (increase) in contract assets		-	(50)
Decrease (increase) in prepayments, deferred costs and accrued income		2 031	(7 001)
Increase (decrease) in trade, other payables and liabilities		(25 970)	35 150
Increase (decrease) in prepayments received, accrued liabilities and deferred income		1 285	1 165
Increase (decrease) in contract liabilities		-	(1 293)
Increase (decrease) in employment related liabilities		723	557
Paid income tax		(183)	(1 370)
Net cash from operating activities		27 751	2 852

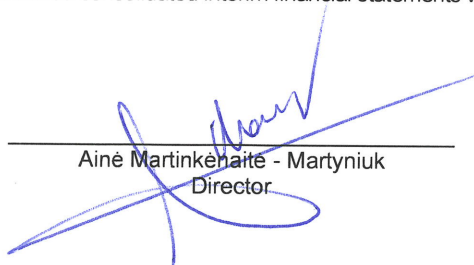
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Condensed consolidated statement of cash flows (cont'd)

	Notes	1 January 2020 – 30 June 2020	1 January 2019 – 30 June 2019
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(1 703)	(8 416)
Disposal of property, plant and equipment and intangible assets		2 495	3 226
Receipt of government grants		-	60
Acquisition of bonds		-	(3 875)
Acquisition of other investments		(437)	-
Acquisition of associated and group entities	21	-	-
Disposal of subsidiaries	21	(6 818)	18 326
Term deposits		(337)	-
Redemption of term deposits		-	1 515
Loans granted		(1 100)	(30 812)
Loans recovered		1 027	18 142
Dividends received		191	-
Interest received		323	742
Net cash used in investing activities		(6 359)	(1 092)
Cash flows from financing activities			
Loans received		6 535	30 098
Loans repayment		(6 224)	(13 748)
Repurchase of bonds		-	(562)
Interest paid and transaction costs		(1 558)	(2 441)
Lease payments		(11 777)	(9 579)
Dividends paid		(630)	-
Net cash generated from/(used in) financing activities		(13 654)	3 768
Effect of exchange rate changes on cash and cash equivalents		-	-
Increase (decrease) in net cash flows		7 738	5 528
Cash and cash equivalents at the beginning of the period		11 543	9 971
Cash and cash equivalents at the end of the period		19 281	15 499

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

The condensed consolidated interim financial statements were prepared and signed on 25 September 2020:



 Ainė Martinkėnaitė - Martyniuk
 Director



 Erika Zakarauskienė
 Group Chief Financial Officer

Explanatory notes to the condensed consolidated interim financial statements

1. Background 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, legal 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 6 subsidiaries (31 December 2019 – 7), 43 secondary subsidiaries (31 December 2019 – 102), and 1 associated company (31 December 2019 – 8).

Sales of the Group companies

On 1 January 2020, Modus Energy International B.V. issued 176 shares of class B, which all were acquired by UAB Modus Grupė in exchange disposing 100% shares of AB Modus Energy i.e. 100% of shares of AB Modus Energy and its directly and indirectly controlled subsidiaries.

On 2 January 2020, the Group sold 60,100 ordinary uncertificated shares of the subsidiary UAB Nekilnojamojo turto nuoma with the nominal value of EUR 25 each, i.e. sold 100% of shares of UAB Nekilnojamojo turto nuoma and its directly controlled subsidiary.

Acquisition/establishment of Group companies

As at 24th of February, 2020, Mobility Fleet Solutions S.R.L., a company in Romania, was established; its 99 per cent of shares is owned by UAB Mobility Fleet Solutions and 1 per cent – by UAB Modus Mobility.

Other general information

In the first half of 2020, the average number of employees at the Group was 498 (in the first half of 2019 – 594 employees).

2. Basis of preparation

These condensed consolidated interim financial statements (hereinafter – financial statements) have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (hereinafter – IAS 34).

These financial statements do not contain all the explanatory notes that are mandatory in the annual consolidated financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

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

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). The financial statements are presented in thousands of euros, unless otherwise stated.

The Group's management prepared and signed these financial statements on 25 September 2020.

Financial statements for the six months period ended 30 June 2020 and 30 June 2019 were not audited. Financial statements for the year ended 31 December 2020 were audited by an independent auditor UAB KPMG Baltics.

3. Use of estimates in the preparation of financial statements

The preparation of these condensed consolidated interim financial statements (hereinafter – financial statements) requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. Future events may cause the assumptions used in arriving at the estimates to change.

Significant management judgments in applying the Group's accounting policies and significant areas in which estimates are used were the same as those presented and described in the Group's financial statements for the year ended 31 December 2019

4. Property, plant and equipment and investment property

Property, plant and equipment of the Group comprised:

	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									
As at 31 December 2018	3 483	14 934	7 000	-	2 795	23 604	56 017	5 946	113 779
Acquisition of a property (+)	12	222	4 711	46	394	25 688	1 170	19 762	52 005
Revaluation (+)	-	8 634	-	9 310	-	-	-	-	17 944
Disposal of subsidiaries (-)	(165)	-	(21)	(4 416)	(211)	(59)	(1 147)	(65)	(6 084)
Effect of foreign currency translation (+ / -)	-	334	-	908	(1)	-	365	13	1 619
Disposals and write-offs (-)	-	(163)	-	(1 003)	(224)	(11 899)	(2 244)	(51)	(15 584)
Reclassifications (+ / -)	-	20 550	283	50 386	303	(1 561)	(46 405)	(23 556)	-
Transfers due to revaluation (-)	-	(4 629)	-	(6 772)	-	-	-	-	(11 401)
Transfers to investment property (-)	(2 847)	(4 731)	-	-	-	-	-	-	(7 578)
As at 31 December 2019	483	35 151	11 973	48 459	3 056	35 773	7 756	2 049	144 700
Acquisition of a property (+)	-	-	5 169	-	182	4 806	604	77	10 838
Disposal of subsidiaries (-)	(275)	(21 902)	(918)	(48 196)	(490)	(641)	(1 597)	(1 064)	(75 083)
Effect of foreign currency translation (+ / -)	-	-	-	-	-	(129)	(1)	(52)	(182)
Disposals and write-offs (-)	-	-	(24)	-	(1)	(2 896)	(166)	-	(3 087)
Reclassifications (+ / -)	-	-	-	-	(3)	-	136	(133)	-
As at 30 June 2020	208	13 249	16 200	263	2 744	36 913	6 732	877	77 186
Accumulated depreciation									
As at 31 December 2018	(177)	(2 873)	(1 582)	-	(2 301)	(2 335)	(14 532)	-	(23 800)
Depreciation for the period (-)	(19)	(729)	(1 218)	(2 023)	(221)	(4 345)	(1 144)	-	(9 699)
Disposal of subsidiaries (-)	13	-	12	2 137	104	16	687	-	2 969
Effect of foreign currency translation (+ / -)	-	(1)	-	(101)	-	-	(132)	-	(234)
Disposals and write-offs (-)	-	1	-	151	198	1 795	915	-	3 060
Reclassifications (+ / -)	-	(2 769)	(65)	(7 689)	(77)	432	10 168	-	-
Transfers due to revaluation (+)	-	4 629	-	6 772	-	-	-	-	11 401
Transfers to investment property (+)	-	1 560	-	-	-	-	-	-	1 560
As at 31 December 2019	(183)	(182)	(2 853)	(753)	(2 297)	(4 437)	(4 038)	-	(14 743)
Depreciation for the period (-)	(1)	(226)	(673)	(12)	(79)	(2 835)	(415)	-	(4 241)
Disposal of subsidiaries (+)	126	181	559	753	173	78	389	-	2 259
Effect of foreign currency translation (+ / -)	-	-	-	-	-	21	-	-	21
Disposals and write-offs (+)	-	-	-	-	-	236	47	-	283
Reclassifications (+ / -)	-	-	-	-	1	-	(1)	-	-
As at 30 June 2020	(58)	(227)	(2 967)	(12)	(2 202)	(6 937)	(4 018)	-	(16 421)
Impairment									
As at 31 December 2018	(1 018)	(496)	-	-	-	-	(774)	-	(2 288)
Impairment for the year (-)	-	-	-	-	-	-	-	-	-
Transfers to investment property (+)	1 018	496	-	-	-	-	-	-	1 514
As at 31 December 2019	-	-	-	-	-	-	(774)	-	(774)
Impairment for the year (-)	-	-	-	-	-	-	-	-	-
As at 30 June 2020	-	-	-	-	-	-	(774)	-	(774)
Carrying amount as at:									
As at 31 December 2019	300	34 969	9 120	47 706	759	31 336	2 944	2 049	129 183
As at 30 June 2020	150	13 022	13 233	251	542	29 976	1 940	877	59 991

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

Investment property of the Group comprised the following:

	<u>Land</u>
Acquisition cost	
As at 31 December 2018	454
Acquisition of a property (+)	-
Transfers to investment property (+)	2 847
As at 31 December 2019	3 301
Acquisition of a property (+)	-
As at 30 June 2020	3 301
Impairment	
As at 31 December 2018	(205)
Impairment for the year (-)	(1 018)
As at 31 December 2019	(1 223)
Impairment for the year (-)	-
As at 30 June 2020	(1 223)
Carrying amount as at:	
As at 31 December 2019	2 078
As at 30 June 2020	2 078
	<u>Buildings</u>
Acquisition cost	
As at 31 December 2018	-
Transfers to investment property (+)	4 731
As at 31 December 2019	4 731
Impact of change of accounting policy (-)	(2 148)
As at 31 December 2019 (after change)	2 583
Change in fair value (+/-)	205
As at 31 December 2019	2 788
Change in fair value (+/-)	-
As at 30 June 2020	2 788
Accumulated depreciation	
As at 31 December 2018	-
Depreciation for the period (-)	(92)
Transfers to investment property (-)	(1 560)
As at 31 December 2019	(1 652)
Effect of change of accounting policy (+)	1 652
As at 31 December 2019 (after change)	-
Impairment	
As at 31 December 2018	-
Transfers to investment property (-)	(496)
As at 31 December 2019	(496)
Effect of change of accounting policy (+)	496
As at 31 December 2019 (after change)	-
Carrying amount as at:	
As at 31 December 2019	2 788
As at 30 June 2020	2 788

5. Intangible assets

Intangible assets of the Group comprised the following:

	Goodwill	Software	Concessions trademarks and similar rights	Other intangible assets	Advances paid	Total
Acquisition cost						
As at 31 December 2018	125	2 213	42	127	11	2 518
Acquisitions (+)	-	1 106	22	229	2	1 359
Disposal of subsidiaries (-)	-	(226)	-	(2)	-	(228)
Disposals and write-offs (-)	-	(38)	-	(17)	-	(55)
Reclassifications (+ / -)	-	(88)	2	97	(11)	-
As at 31 December 2019	125	2 967	66	434	2	3 594
Acquisitions (+)	-	520	1	82	14	617
Disposal of subsidiaries (-)	(98)	(45)	(16)	(40)	-	(199)
Effect of foreign currency translation (+ / -)	-	-	-	(1)	(1)	-
Disposals and write-offs (-)	-	-	-	-	-	-
Reclassifications (+ / -)	-	2	-	-	(2)	-
As at 30 June 2020	27	3 444	50	475	14	4 010
Amortisation						
As at 31 December 2018	-	(700)	(13)	(89)	-	(802)
Amortisation charge for the period (-)	-	(416)	(13)	(61)	-	(490)
Disposal of subsidiaries (+)	-	86	-	-	-	86
Disposals and write-offs (+)	-	36	-	15	-	51
Reclassifications (+ / -)	-	(1)	(2)	3	-	-
As at 31 December 2019	-	(995)	(28)	(132)	-	(1 155)
Amortisation charge for the period (-)	-	(326)	(7)	(54)	-	(387)
Disposal of subsidiaries (+)	-	25	5	18	-	48
Effect of foreign currency translation (+ / -)	-	-	-	-	-	-
Disposals and write-offs (+)	-	-	-	-	-	-
Reclassifications (+ / -)	-	-	-	-	-	-
As at 30 June 2020	-	(1 296)	(30)	(168)	-	(1 494)
Carrying amount as at:						
As at 31 December 2019	125	1 972	38	302	2	2 439
As at 30 June 2020	27	2 148	20	307	14	2 516

6. Loans granted and term deposits

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

	30 June 2020	31 December 2019
Loans to related parties (Note 24)	18	3
	18	3
Less: impairment	-	-
Total loans granted	18	3
Non-current term deposits and accrued interest receivable	3 000	3 568
Total	3 018	3 571

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

	30 June 2020	31 December 2019
Loans to related parties (Note 24)	38 692	44 614
Accrued interest receivable from related parties (Note 24)	3 120	2 671
Loans to other entities	-	1 979
Accrued interest receivable from other entities	-	274
	41 812	49 538
Less: impairment (from related parties, Note 24)	(4 237)	(4 129)
Less: impairment (from other companies)	-	-
Total loans granted	37 575	45 409
Current term deposits and accrued interest receivable	861	1 525
Total	38 436	46 934

7. Trade and other receivables

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

	30 June 2020	31 December 2019
Trade receivables	5 671	9 558
Receivable finance lease amounts	3 039	3 451
Receivables from related parties (Note 24)	11 258	5 575
	19 968	18 584
Less: impairment allowance for receivables	(637)	(823)
Less: impairment allowance for receivables from related parties (Note 24)	-	-
Trade receivables, net	19 331	17 761
Receivable VAT	370	2 789
Overpayment of other taxes and prepaid taxes	769	964
Collaterals and other receivables	573	1 937
	1 712	5 690
Less: non-current finance lease receivables	(2 501)	(2 410)
Less: other non-current receivables	(16)	(181)
Other receivables, net	(805)	3 099
Total	18 526	20 860

8. Inventories

The Group's inventories comprised:

	<u>30 June 2020</u>	<u>31 December 2019</u>
Goods for resale	58 142	102 910
Unfinished goods and work in progress	1 381	359
Raw materials, materials and consumables	100	573
Total	<u>59 623</u>	<u>103 842</u>

9. Other investments

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

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

	<u>30 June 2020</u>	<u>31 December 2019</u>
	73 327	-
UAB Bonalėja	-	75
UAB Agapas	-	74
UAB Lifila	-	70
UAB Investiciniai turto projektai	-	68
UAB Ginana	-	68
Mockėnų ŽŪB	-	13
Total	<u>73 327</u>	<u>368</u>

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

	<u>30 June 2020</u>	<u>31 December 2019</u>
The Group's investments in associates at the beginning of the period	368	366
Investments acquired during the period	80 900	3
Increase (decrease) due to sale of subsidiaries	(368)	-
Increase (decrease) due to share of net profit (loss)	(7 573)	(1)
The Group's investments in associates at the end of the period	<u>73 327</u>	<u>368</u>

2) Non-equity securities (Note 24):

	<u>30 June 2020</u>	<u>31 December 2019</u>
Bonds	14 879	14 879
Accrued receivable interest	454	2
Total	<u>15 333</u>	<u>14 881</u>

3) Investments in shares:

	<u>30 June 2020</u>	<u>31 December 2019</u>
UAB Parkdema	3 600	3 600
Air Lituania Club - 2% of shares	25	25
Wise Guys Batch 9 OU - 1.18% of shares	5	5
Other	4	4
Total	<u>3 634</u>	<u>3 634</u>

9. Other investments (cont'd)

4) Investments in investment units:

	30 June 2020	31 December 2019
Investment units of Stichting First Energie Fonds	2 657	2 657
Investment units of Modus Renewable Energy Lithuanian Investments	1 516	1 516
Investment units of Modus Poland Solar Fund I	437	-
Total	4 610	4 173
Total (1+2+3+4)	96 904	23 056

10. Prepayments, deferred costs and accrued income

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

	30 June 2020	31 December 2019
Prepayments	4 117	4 990
Accrued income	2 518	4 700
Deferred costs	826	1 908
Prepayments to related parties (Note 24)	22	163
Total	7 483	11 761

11. Equity
Authorised capital

As at 30 June 2020 and 31 December 2019, 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.

As at 30 June 2020 and 31 December 2019, the Group's shareholders were as follows:

	Number of shares 2020	Number of shares 2019	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 per cent of the net profit must be allocated to the reserve up to the extent equal to 10 per cent of the authorised capital. The reserve can only be used to cover future losses.

Revaluation reserve

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

12. Bank loans and lease liabilities

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

	<u>30 June 2020</u>	<u>31 December 2019</u>
Non-current		
Lease liabilities	38 842	30 985
Bank loans and interest payable	3 191	45 935
Liabilities arising from derivative financial instruments	-	10
	<u>42 033</u>	<u>76 930</u>
Current part		
Lease liabilities	8 189	15 867
Bank loans and interest payable	8 278	17 321
Liabilities arising from derivative financial instruments	-	21
	<u>16 467</u>	<u>33 209</u>
Total	<u>58 500</u>	<u>110 139</u>

13. Other financial debt

Other financial debt of the Group comprised the following:

	<u>30 June 2020</u>	<u>31 December 2019</u>
Long-term loans and accrued interest payable to related parties (Note 24)	7 994	7 473
Debts under non-equity securities and accrued interest payable to related parties (Note 24)	4 344	4 344
Long-term loans and accrued interest payable to other companies	1 031	1 031
Total non-current part	<u>13 369</u>	<u>12 848</u>
Debts under non-equity securities and accrued interest payable	5 003	5 128
Short-term loans and accrued interest payable to other companies	846	848
Debts under non-equity securities and accrued interest payable to related parties (Note 24)	738	549
Short-term loans and accrued interest payable to related parties (Note 24)	504	1 195
Other borrowings	13 571	11 058
Total current part	<u>20 662</u>	<u>18 778</u>
Total	<u>34 031</u>	<u>31 26</u>

14. Prepayments received, accrued liabilities and deferred income

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

	<u>30 June 2020</u>	<u>31 December 2019</u>
Advances received	6 729	5 614
Accrued expenses	560	2 337
Prepayments received from related parties (Note 24)	360	485
Deferred income	217	369
Total	<u>7 866</u>	<u>8 805</u>

15. Employment related liabilities

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

	30 June 2020	31 December 2019
Payable taxes related to remuneration	1 604	621
Vacation reserve	1 040	1 241
Payable remuneration	640	696
Accrued annual bonuses	236	1 189
Other employment related liabilities	<u>2</u>	<u>2</u>
Total	<u>3 522</u>	<u>3 749</u>

16. Trade, other payables and current liabilities

The Group's trade, other amounts payable and current liabilities comprised the following:

	30 June 2020	31 December 2019
Trade payables	61 963	109 115
Payable VAT	15 832	3 442
Trade payables to related parties (Note 24)	203	177
Other taxes payable (excluding corporate income tax)	1 527	45
Other amounts payable	<u>4</u>	<u>126</u>
Total	<u>79 529</u>	<u>112 905</u>
Less: other non-current payables	<u>(2 230)</u>	<u>-</u>
	<u>77 299</u>	<u>112 905</u>

17. 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 six months period ended 30 June, the Group's revenue comprised the following:

	2020	2019
Primary geographic markets		
Lithuania	122 565	166 613
Belarus	19 416	21 763
Latvia	15 060	12 069
Germany	9 419	7 250
Estonia	4 959	3 883
Italy	1 439	1 023
Poland	809	7 106
Ukraine	5	5 682
Other countries	<u>7 845</u>	<u>883</u>
Total	<u>181 517</u>	<u>226 272</u>
Major product and service lines		
Revenue from sale of cars	154 241	176 675
Revenue from sale of parts	14 528	15 190
Revenue from lease of cars	7 823	6 717
Revenue from car service	2 516	3 545
Revenue from sale of energy	38	19 430
Other	<u>2 371</u>	<u>4 715</u>
Total	<u>181 517</u>	<u>226 272</u>
Timing of revenue recognition		
At a point of time	181 517	214 921
Over a certain period	<u>-</u>	<u>11 351</u>
Total	<u>181 517</u>	<u>226 272</u>

18. Cost of sales

For the six months period ended 30 June, the Group's cost of sales comprised the following:

	<u>2020</u>	<u>2019</u>
Cost of cars sold	144 571	169 900
Costs of spare parts sold	12 480	10 716
Depreciation and amortisation	3 283	4 152
Salaries and related taxes	2 031	1 962
Fuel	1 564	1 298
Repair and servicing costs of cars and other equipment	1 215	782
Other	4 216	15 646
Total	<u>169 360</u>	<u>204 456</u>

19. Selling expenses

For the six months period ended 30 June, selling expenses comprised the following:

	<u>2020</u>	<u>2019</u>
Salaries and related expenses	2 404	3 329
Advertising and promotional costs	949	1 246
Representation expenses	152	202
Transportation and short-term insurance costs	96	225
Warehousing costs	86	8
Demo and display cars maintenance costs	61	94
Fuel and short-term lease of cars	58	75
Trainings and secondments	50	125
Legal and other consulting services	41	37
Depreciation and amortisation	38	13
Customs and registration costs	1	304
Other	292	509
Total	<u>4 228</u>	<u>6 167</u>

20. Administrative expenses

For the six months period ended 30 June, administrative expenses consisted of the following:

	<u>2020</u>	<u>2019</u>
Salaries and related expenses	2 251	2 923
Depreciation and amortisation	1 225	488
Legal and consulting expenses	875	659
Write-down of inventories	452	26
IS lease and maintenance expenses	363	556
Accounting and audit expenses	350	610
Maintenance of premises, repair and maintenance of equipment	290	372
Bank charges	187	216
Communication services	148	196
Support	94	358
Fuel, car lease and maintenance	71	132
Short-term lease of premises	63	277
Taxes	65	169
Business trip expenses	27	183
Advertising and representation expenses	-	151
Other	281	897
Total	<u>6 742</u>	<u>8 213</u>

21. Profit on disposal of investments into subsidiaries

For the six months period ended 30 June, profit from disposal of investments into subsidiaries included the following:

	<u>2020</u>	<u>2019</u>
Profit on disposal of investments into subsidiaries engaged in energy business	56 607	1 143
Profit on disposal of investments into subsidiaries engaged in car business	-	22 519
Total	<u>56 607</u>	<u>23 662</u>

Profit on disposal of investments into subsidiaries engaged in energy business

In 2020, the Group sold investments into its subsidiaries AB Modus Energy and UAB Nekilnojamojo turto nuoma as well as their directly and indirectly controlled subsidiaries.

Company name	Date of disposal	Date of carrying amounts
AB Modus Energy	2020-01-01	2019-12-31
UAB Nekilnojamojo turto nuoma	2020-01-02	2019-12-31

The table below presents the sale transactions (the values as at the date of sale and the date of carrying amounts are not considered to differ materially from their fair values):

Item/Company	AB Modus Energy	UAB Nekilnojamojo turto nuoma	Total
Non-current assets			
Property, plant and equipment	66 515	6 309	72 824
Intangible assets	53	-	53
Goodwill	98	-	98
Loans granted and term deposits	593	2 930	3 523
Other investments	368	-	368
Trade and other receivables	143	-	143
Deferred income tax asset	2 104	20	2 124
Total non-current assets	<u>69 874</u>	<u>9 259</u>	<u>79 133</u>
Current assets			
Loans granted and term deposits	12 898	-	12 898
Inventories	1 401	31	1 432
Trade and other receivables	8 012	12	8 024
Contract assets	922	-	922
Prepayments, deferred costs and accrued income	2 240	7	2 247
Advance corporate income tax	148	92	240
Total current assets	<u>25 621</u>	<u>142</u>	<u>25 763</u>
Total assets	<u>95 495</u>	<u>9 401</u>	<u>104 896</u>
Non-current liabilities			
Bank loans and lease liabilities	39 579	3 138	42 717
Other financial debt	605	1	606
Employee benefits	11	-	11
Deferred tax liability	1 920	376	2 296
Total non-current liabilities	<u>42 115</u>	<u>3 515</u>	<u>45 630</u>
Current liabilities			
Bank loans and lease liabilities	10 245	772	11 017
Other financial debt	583	4 500	5 083
Corporate income tax liabilities	2 157	-	2 157
Prepayments received, accrued liabilities and deferred income	2 229	-	2 229
Contract liabilities	21	-	21
Employment related liabilities	941	9	950
Trade, other payables and current liabilities	6 613	61	6 674
Total current liabilities	<u>22 789</u>	<u>5 342</u>	<u>28 131</u>
Total liabilities	<u>64 904</u>	<u>8 857</u>	<u>73 761</u>
Net assets at the time of disposal	<u>30 591</u>	<u>544</u>	<u>31 135</u>
Net assets (before reserves) at the time of disposal, attributable to non-controlling interests	816	-	816
Net assets (before reserves) at the time of disposal, attributable to shareholders of the parent company	29 775	544	30 319
Reserves at the time of disposal, attributable to shareholders of the parent company			
Revaluation reserve	(8 444)	(2 179)	(10 623)
Currency exchange translation reserve	49	166	215
	<u>(8 395)</u>	<u>(2 013)</u>	<u>(10 408)</u>
Net assets at the time of disposal, attributable to shareholders of the parent company	21 380	(1 469)	19 911

21. Profit on disposal of investments into subsidiaries (cont'd)

Disposed share capital, %	100	100	100
Sales price	80 900	2 436	83 336
Cash and cash equivalents	(6 783)	(35)	(6 818)
Cash flows from disposal	74 117	2 401	76 518

Cash flows from disposals after settlements are (6,818) thousand EUR, i.e. transferred cash and cash equivalents, as 80,900 thousand EUR amount receivable for the shares of AB Modus Energy was offset by the amount payable for Modus Energy International B.V. shares after the share exchange, and 2,436 thousand EUR receivable for the shares of UAB Nekilnojamojo turto nuoma has not yet been recovered due to plans to offset it with outstanding loans.

22. Finance income and finance costs

For the six months period ended 30 June, finance income (expenses) comprised the following:

	2020	2019
FINANCE INCOME		
Interest income	972	1 366
Dividends	191	-
Fines and penalties	6	3
Gain from currency exchange	-	1 509
Gain arising on derivative financial instrument	-	112
Other income from financing and investing activities	8	100
	1 177	3 090
FINANCE EXPENSES		
Interest expenses	(1 727)	(2 524)
Impairment of loans granted	(108)	-
Guarantee commitment fees and commissions	(75)	-
Fines and penalties	(28)	(69)
Currency exchange loss	(21)	-
Other expenses from financing and investing activities	(80)	(522)
	(2 039)	(3 115)
Financing activity result	(862)	(25)

23. Corporate income tax

In 2020 and 2019, 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.

For the six months period ended 30 June, the Group's income tax expenses (income) recognised in the statement of profit or loss comprised the following:

	2020	2019
Current tax expense	281	907
Deferred tax expense (income)	512	94
Corrections of corporate income tax of previous reporting periods	-	(101)
Income tax expense (income) recognised in the statement of profit or loss and other comprehensive income	793	900

24. Related parties transactions

For the six months period ended 30 June, salaries and related taxes of the Group's key management personnel and supervisory board:

	<u>2020</u>	<u>2019</u>
Employment-related amounts calculated for the year		
Key remuneration and related taxes	987	829
Number of the management members	23	34

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 30 June 2020:

Related party	Amounts receivable (inc. loans granted)	Amounts payable (inc. loans received)	Sales of goods and services (inc. interest)	Purchases of goods and services (inc. interest)
<i>Ultimate beneficial owner</i>	-	5 212	-	179
<i>Parent company</i>	-	98	4	-
<i>Entities of the entities group</i>	40 849	2 482	1 201	99
<i>Associated entities</i>	4	-	2	-
<i>Other related companies</i>	23 353	6 351	92 054	444
Total	64 206	14 143	93 261	722

The table below provides information on transactions with related entities during the period ended 30 June 2019 and 31 December 2019:

Related party	31 December	1 January – 30 June	Purchases of goods and services (inc. interest)
	Amounts receivable (inc. loans granted)	Amounts payable (inc. loans received)	Sales of goods and services (inc. interest)
<i>Ultimate beneficial owner</i>	-	5 033	-
<i>Parent company</i>	435	-	6
<i>Entities of the entities group</i>	44 258	877	7 140
<i>Associated entities</i>	165	371	549
<i>Other related companies</i>	18 920	7 942	126 625
Total	63 778	14 223	134 320

25. Subsequent events

As of 1st of August, 2020, the Board and the Director of the Company as well as the Supervisory Board have changed:

- Ainė Martinkėnaitė - Martyniuk was appointed as the Chairwoman of the Board, the Board member and Director of the Company in place of Kęstutis Bagdonavičius;
- Oleg Martyniuk was appointed the Board member;
- Kęstutis Bagdonavičius and Liudas Liutkevičius no longer serve as Board members, but they were appointed as independent members of the Supervisory Board.

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

* * * * *

JOINT STOCK COMPANY MODUS GRUPĖ
CONFIRMATION OF THE RESPONSIBLE PERSONS

25 September 2020

Vilnius

The Company's Director and Group Chief Financial Officer are responsible for fairness and completeness of the condensed consolidated interim financial statements of UAB Modus Grupė, company code 302719143, legal address Ozo st. 10A, Vilnius, the Republic of Lithuania, data is collected and stored at the Register of Legal Entities.

We, Mrs. Ainė Martinkėnaitė - Martyniuk, Director of UAB Modus Grupė, and Mrs. Erika Zakarauskienė, Group Chief Financial Officer, confirm that, to our knowledge, the condensed consolidated interim financial statements for the financial period ended 30 June 2020 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the Group's financial position, operating results and cash flows for the financial period 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 interim management report of UAB Modus Grupė for the financial period ended 30 June 2020, is correct.

UAB Modus Grupė
Director Ainė Martinkėnaitė - Martyniuk

UAB Modus Grupė
Group Chief Financial Officer Erika Zakarauskienė

