

BUSINESS OVERVIEW

2022

modus
mobility



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ABOUT THE BUSINESS OVERVIEW

The Business Overview of Modus Mobility consists of the Company's consolidated annual report, business highlights and financial report published together with consolidated sustainability report.

FINANCIAL RESULTS

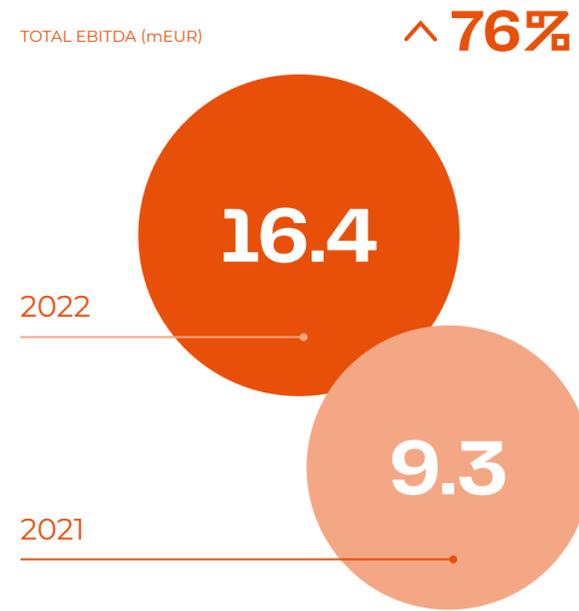
REVENUE

The mobility business line experienced the most significant growth in terms of revenue, with a 22% increase compared to 2021, reaching EUR 110.05 million. The notable growth in our business can be attributed to the evolving mobility landscape when there is a growing demand for alternative transportation options due to changing attitudes towards ownership.

Moreover, the persistent supply chain disruptions and inflation rates in the car industry are also prompting people to look for alternative travel options. One of the core strengths of the mobility business line is its strong competence and extensive expertise in car fleet management.



TOTAL EBITDA (mEUR)



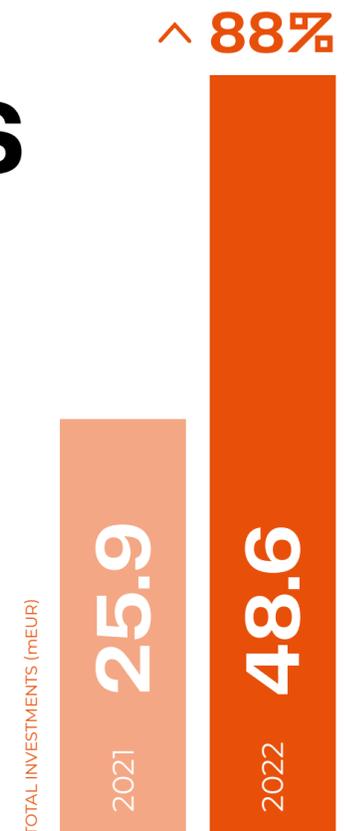
EBITDA

The mobility business line came in second in terms of growth, with its EBITDA increasing by 76% to reach EUR 16.4 million.

INVESTMENTS

The increasing demand for innovative mobility services and the rising potential of the Vehicle as a Service (VaaS) market drove the Group's dedication to growing its investments in the mobility business line. As a result, investments in this area almost doubled, reaching EUR 48.6 million.

These amounts primarily focused on the continuous renewal and expansion of the CityBee fleet, improving service quality through IT enhancements, and growing the MyBee fleet in Lithuania. Additionally, the investments were utilized to launch the MyBee service in a new market – Estonia.





AINĖ MARTINKĖNAITĖ-MARTYŅIUK

Chairwoman of the Management Board
and CEO of Modus Mobility

The mobility industry has witnessed a significant transformation in recent years, with a growing demand for alternative transportation options due to changing attitudes toward car ownership, rising inflation rates, and continuing supply chain disruptions.

Despite the challenges posed by the pandemic and war, the Vehicle as a Service (VaaS) sector has emerged as a flexible and cost-effective alternative to private car ownership, providing people with reliable and efficient mobility. The VaaS sector is expected to demonstrate continued growth by adapting to changing consumer needs and lifestyles, providing a positive outlook for the future of mobility.

Throughout 2022, Modus Mobility continued uniting three mobility brands – CityBee, MyBee, and Mobility Fleet Solutions – to streamline

operations and enhance synergies in the growing VaaS sector. Through strengthening key business support functions, we were able to establish a center of competence, reinforce the overall structure of Modus Mobility, and increase organizational efficiency. This allows Modus Mobility to exploit the existing market potential and prepare for expansion into new markets.

CityBee's success story shows that sustainability and a thriving business model can go hand in hand. CityBee started with just a few cars and a phone-based reservation system and has since transformed into an app-based car sharing business that operates across the Baltics, offering innovative and convenient mobility solutions that meet the evolving needs of its customers. As CityBee celebrates its 10th anniversary, it remains committed to

driving the future of mobility with a sustainable and profitable business model.

Last year, we took steps to address market challenges, such as inflation, by increasing business efficiency while remaining committed to providing an attractive alternative for our clients. As a result, we have expanded our car-sharing services into new cities in response to evolving consumer needs, and CityBee achieved unprecedented financial results this year.

The successful launch of our latest mobility service, MyBee, has paved the way for expansion into Estonia and Latvia, strengthening our position as a leading provider of car sharing and car subscription services in the Baltic region. MyBee is a pioneer in car subscription services in Europe, reflecting both the future of the automotive industry and our commitment to providing innovative mobility solutions that meet our customers' changing needs. By offering people the benefits of a car without needing to buy one, we're helping to revolutionize how people approach mobility. Effective fleet management is essential to the success of car-sharing and subscription services. That's why we rely on Mobility Fleet Solutions (MFS) and their extensive experience in car fleet management and the automotive industry. Our dedicated MFS team is the driving force behind our cutting-edge mobility solutions. They enable us to provide innovative and convenient solutions that exceed our customers' expectations, ensuring the timely renewal of our car fleet.

As we move forward into the new year, our attention remains directed toward systemically tackling ESG (Environmental

Social Governance) aspects that are material to our stakeholders and business conduct. These include:

- maintaining the quality of our services;
- ensuring data security;
- promoting responsible customer behavior;
- reducing our environmental footprint, building resilience to external pressures;
- fostering employee engagement and growth;
- reducing urban pollution.

Ensuring responsibility on the road remains a top priority for our business. In 2022, we took steps to promote driver responsibility and enhance traffic safety. These measures included providing CityBee's customers with real-time app notifications about weather and driving conditions on regional roads. In addition, we have introduced automatic over-speed alerts that immediately notify customers when they are speeding.

At Modus Mobility, we're dedicated to expanding and enhancing our shared mobility services to meet evolving customer needs. Our dedication to customer satisfaction drives us to continuously refine our offerings and introduce new features that provide value and convenience to our customers. Also, as the shared mobility sector grows, we prioritize sustainability, safety, and social responsibility. With our unwavering dedication to providing exceptional customer service and delivering a rewarding experience, we aim to be a leading force in the industry for years to come.

RENEWABLE ENERGY

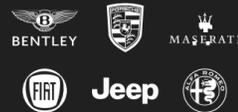


MODUS GROUP

ASSET MANAGEMENT

MODUS ASSET
MANAGEMENT

AUTOMOTIVE



and others (16 in total)

MOBILITY

modus
mobility

WHO WE ARE?

Modus Mobility is part of Modus Group, an international group of companies currently operating in 12 European countries. The Group's core activities cover four areas: renewable energy led by Green Genius, smart urban mobility services (CityBee, MyBee and Mobility Fleet Solutions), automotive businesses with 16 well-known automotive brands, and investment funds management under Modus Asset Management.

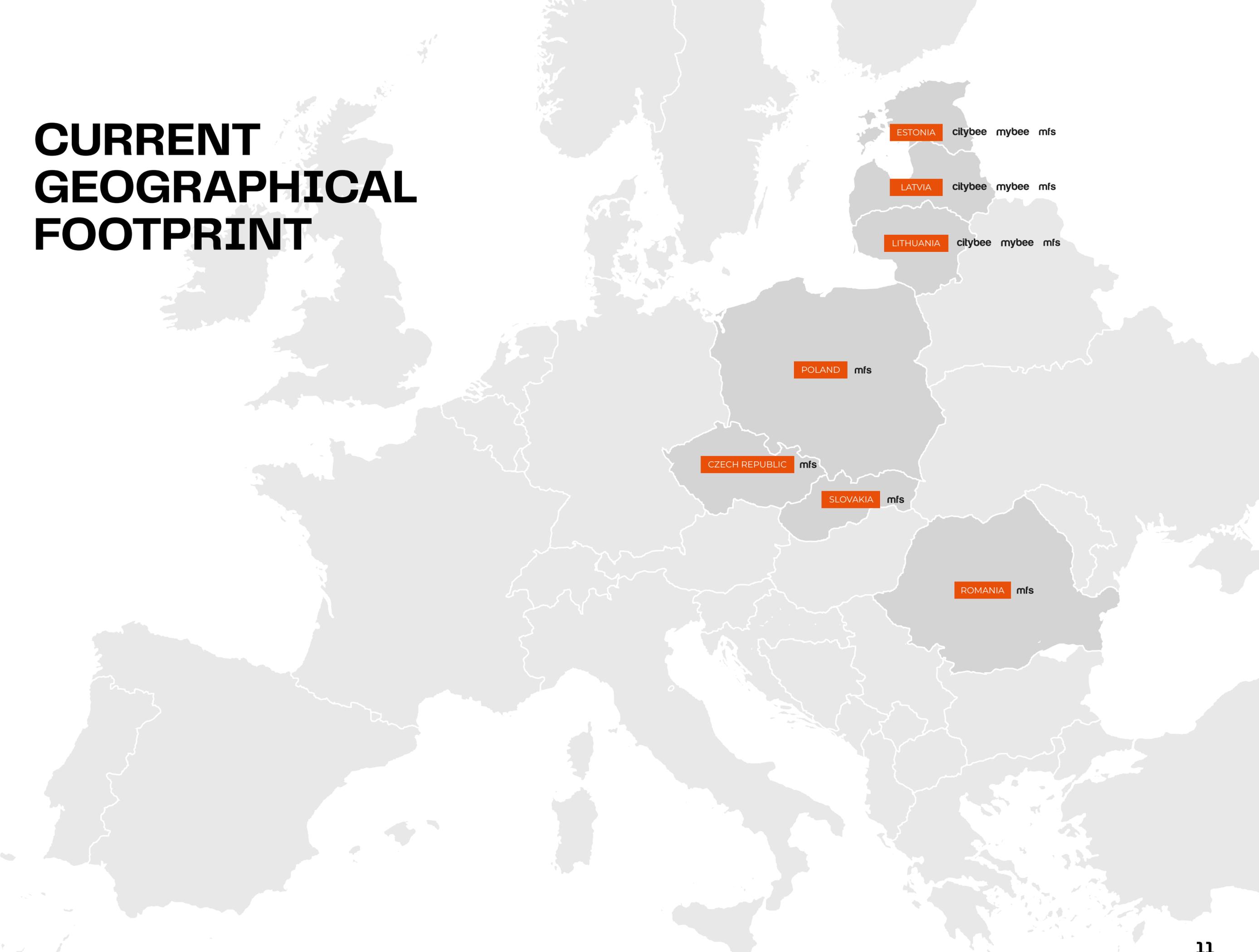
At Modus Mobility, we are committed to developing cutting-edge and user-friendly mobility solutions that transform the way individuals travel. By promoting a shift in car ownership mindset, we integrate alternative modes of transportation and prioritize educating about more sustainable mobility. Our primary goal is to provide advanced and convenient solutions that empower customers to embrace a future defined by improved convenience and flexibility in their travel options.

ALL UNDER ONE ROOF

Modus Mobility unites three brands: CityBee – a leading player of car sharing providers in the Baltics, MyBee – the only fully digital car subscription provider in Europe and Mobility Fleet Solutions – a fleet management company of the above brands.

citybee mybee mfs

CURRENT GEOGRAPHICAL FOOTPRINT



2012

First mobility brand (car sharing services - CityBee) launched in Lithuania.

2019

CityBee expansion to Latvia and Estonia.

2021

Second mobility brand (car subscription provider MyBee) launched in Lithuania.

2021

MFS started to manage CityBee and MyBee fleets.

2022

Modus Mobility united three mobility brands: CityBee, MyBee, Mobility Fleet Solutions.

2022

MyBee launched in Estonia.

2023

MyBee launched in Latvia.

TEAM

The potential of Modus Mobility is shaped mainly by our exceptional people. Our team is fearless in pursuing ambitious goals, empowered to make important decisions, and takes pride in their accomplishments. We share a collective drive to succeed, and our culture prioritizes taking decisive actions and maintaining high standards. We are committed to creating a better world and endeavor to achieve this goal with a sense of urgency. With our talented team, we transform ambitious plans into impressive business growth.



HEADCOUNT BY BUSINESS LINE

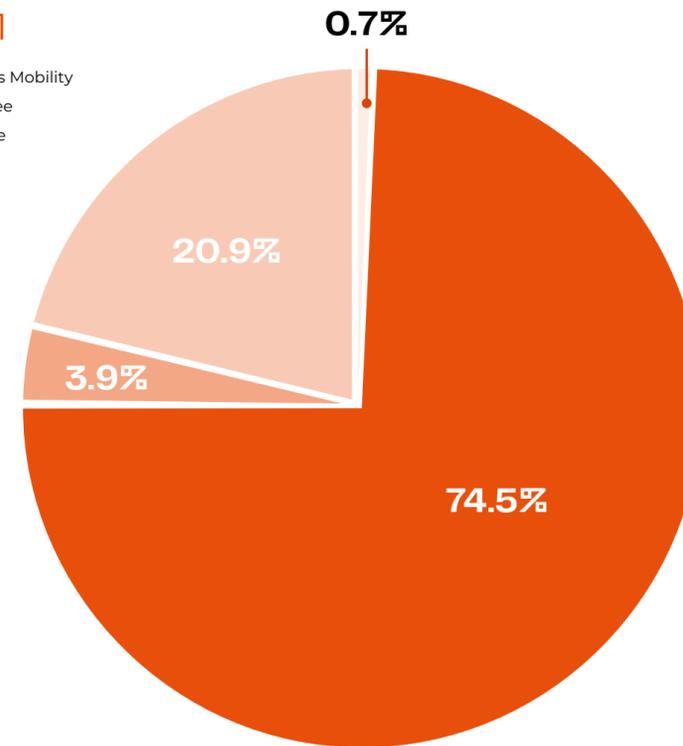
247

Professionals in our team.

HEADCOUNT BY BUSINESS LINE

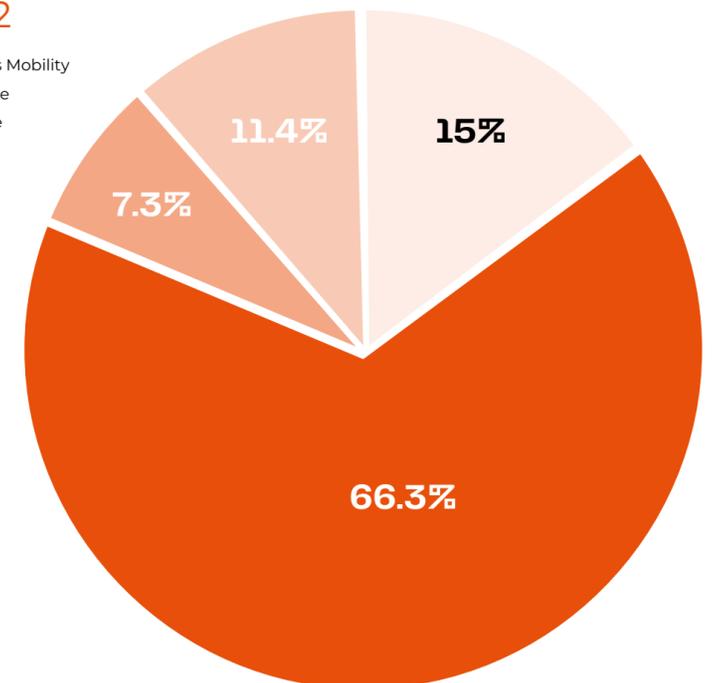
2021

- Modus Mobility
- CityBee
- MyBee
- MFS



2022

- Modus Mobility
- CityBee
- MyBee
- MFS





KRISTIJonas KAIKARIS

CEO of CityBee

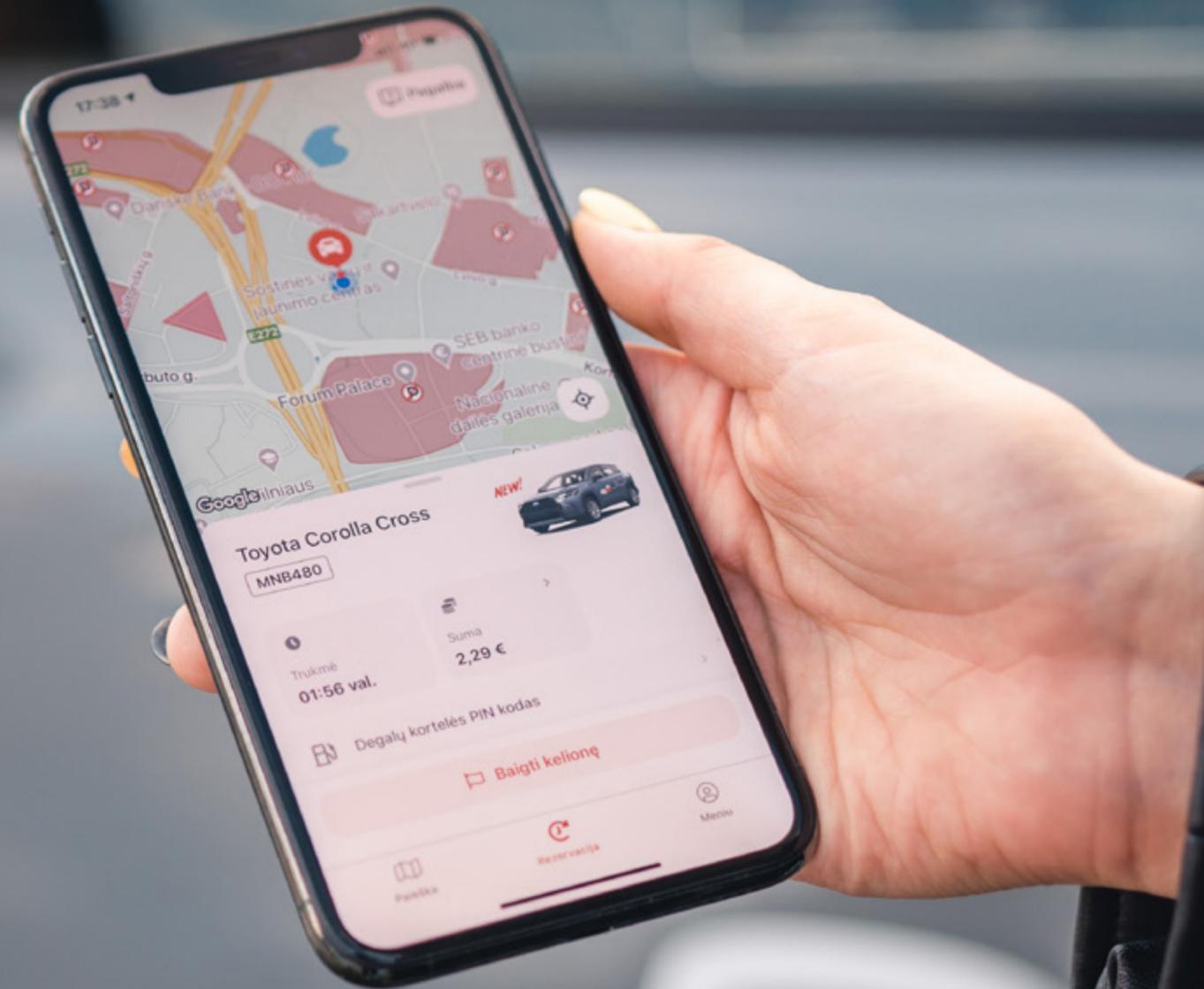
1 000 000

registered customers

In recent years, the popularity of car-sharing services has grown significantly, challenging the notion that car ownership is necessary to enjoy its benefits. This trend is particularly evident in the Baltics, where customers are increasingly opting for convenient and affordable alternatives to owning a personal car. The pandemic-induced changes in work habits, such as remote and hybrid working, have further fuelled this trend. Disrupted international supply chains and general inflation have also contributed to the decline in car supply and increased the cost of cars, further driving this shift towards alternative mobility solutions. At our company, we recognize this trend and have responded by expanding our presence in the Baltics and securing funding for fleet expansion in 2022. Over the past year, our business operations grew to encompass the Baltic States, with a particular focus on Latvia. We introduced our services in five new cities, including Ventspils, Olaine, Jelgava, Ogre, and Ikšķilē. We now operate in 13 cities throughout Latvia.

At CityBee, we're dedicated to meeting the evolving mobility needs of our customers by providing convenient and enjoyable shared mobility services. We seek to continuously innovate and improve our offerings to ensure our customers a smooth and rewarding experience. In 2022, we introduced innovative features that reflect our commitment to providing the best mobility solutions and creating favorable conditions for our customers' mobility.

The growing number of trips and loyal customers is evidence to the changing attitudes towards transportation. In 2022, CityBee achieved a major milestone as its customer base surpassed over one million registered customers. These customers took nearly 2.9 million journeys, covering almost 54 million kilometres in total.



10

millionth trip

2.9M

journeys, covering almost 54 million kilometres in total



Meeting customer demand with innovative mobility solutions.

In 2022, CityBee addressed the increasing demand for longer-distance travel by introducing travel packages offering more competitive pricing and greater flexibility. Although the company's primary focus remains on short-term car sharing, it is noticeable that some customers require longer trips, and this new option meets their needs. To further reward most active customers, To enhance the rewards for our most engaged customers, CityBee has introduced a cashback discount system across all markets. These innovative solutions guarantee more favorable conditions for customers who frequently utilize our car-sharing services. The company also introduced BeePool, a feature that promotes sustainable travel by enabling drivers to find companions. It saves money and contributes to cleaner cities by reducing the number of cars on the road.

CityBee marks significant milestones in 2022.

In 2022, CityBee celebrated a significant milestone: the 10th anniversary and the completion of the 10th millionth journey in Lithuania. This achievement indicates the growing demand for car-sharing services, which has accelerated in recent years. It's especially noteworthy that CityBee reached its first million trips in Lithuania less than four years ago, demonstrating the rapid pace of growth in this market. The company has played a substantial role in shaping the future of mobility and is committed to continuing to meet the evolving needs of our customers.

Securing investment for continued success.

In 2022, CityBee secured financing to expand its fleet in the Baltic countries and purchase new and different car models to meet the growing demand for car-sharing services. Also, CityBee invested heavily in improving the quality of customer support and service availability in the Baltic countries. It included implementing various IT system innovations that helped to streamline operations and improve service delivery.

Investing in the future: CityBee's move towards autonomous driving with Qibus.

In 2022, CityBee's partnership with Qibus, a remote driving software solution provider, continued as the company aims to facilitate the transition towards autonomous driving. By partnering with Qibus, we aim to expedite the implementation of remotely controlled vehicles, all while placing utmost importance on customer safety. Although the new technology is already in use and functioning reliably, both sides understand the importance of further testing and legal regulation. CityBee and Qibus have conducted rigorous tests in various scenarios and gathered a wealth of data. Compared to the first tests in Vilnius last autumn, it can be seen significant improvements in the technology, including enhanced camera resolution in low-light conditions and improved control accuracy. CityBee intends to strategically incorporate this technology into its fleet, commencing with carefully chosen models and progressively expanding its implementation over time.

Contributing to safety and driving culture.

Ensuring the safety of our customers and promoting responsible driving has always been a top priority for CityBee. The company has implemented various measures to promote safe driving practices. These include in-app messages that remind and educate customers about the zero-tolerance policy towards drunk driving, real-time notifications on weather and road conditions, and automatic speeding warnings that have been introduced to alert customers via SMS or phone call when they exceed the speed limit.

This feature has proven highly effective in reducing reckless driving behavior, as nearly 70% of drivers responded promptly to these warnings and exhibited a decrease in their speed. CityBee remains steadfast in its commitment to promoting safe driving and enhancing traffic culture.

mybee



LUKAS JURKŠAITIS

CEO of MyBee

At MyBee, we recognize the growing demand for adaptable and alternative mobility solutions in today's fast-paced world. Our successful launch in Lithuania paved the way for expansion into Estonia and Latvia, solidifying our position as pioneers in car subscription services in Europe. MyBee embodies the future of the automotive industry, offering cutting-edge mobility solutions that cater to the changing demands of our customers. Given the continuous disruptions in the global car industry and the escalating expenses associated with car ownership, our approach to car ownership has become increasingly appealing. Together with CityBee, we provide comfortable mobility solutions for the Baltic countries through our car subscription and sharing services, which are readily accessible throughout the region as viable alternatives to conventional car ownership. As a company, we remain unwavering in our commitment to delivering innovative and alternative mobility solutions that effectively address the evolving needs of our customers. In 2022, as part of our expansion into new countries, we optimized our processes and strengthened our team. This effort aimed to enhance the company's

efficiency and scalability, while also ensuring that it could continue to provide high-quality service to its growing customer base.

MyBee's Lithuanian chapter: a year of growth and achievements.

Car subscription service MyBee was launched in Lithuania in June 2021 and has since gained significant popularity among customers. Within the first year, the service signed over 800 contracts from both private and corporate customers. The service's simplicity and flexibility have made it a preferred option for those seeking affordable and sustainable transportation solutions.

In 2022, MyBee experienced a significant increase in demand for its car subscription service, driven by the company's continuous efforts to improve its functionality and accessibility. This trend is also due to the current economic climate, characterized by high inflation, rising interest rates, supply chain disruptions, and mounting costs associated

with car ownership. As a result, many people are turning to innovative solutions like combining different transportation modes and exploring car subscription services. Throughout 2022, MyBee has continued its strategy of focusing on eco-friendly transportation options, including small gasoline engines, hybrids, and electric vehicles.

MyBee's Baltic region expansion: Estonia and Latvia launch.

The success of MyBee's car subscription service in Lithuania during its inaugural year, coupled with changing global trends, has spurred the

company's decision to expand geographically. MyBee launched its car subscription service in Estonia in July 2022, followed by Latvia in March 2023. After careful evaluation, MyBee identified both markets as receptive to innovative and alternative mobility solutions. The experience of its sister company, CityBee, was showcased at an exhibition, further highlighting the potential for success. These developments represent significant milestones for MyBee as it strives to offer car subscription services throughout the entire Baltic region.





970

contracts signed in Estonia
and Lithuania in 2022

Funding success: expanding car fleet and model range.

Through partnerships with financial institutions, MyBee secured almost EUR 50 million in funding in the Baltic States in 2022. These funding deals exemplify the trust and confidence that financial institutions have placed in MyBee's vision and business strategy. Such funding deals reflect the trust and confidence financial institutions place in MyBee's vision and business strategy.

Furthermore, MyBee is committed to providing a diverse range of car models in its fleet to meet the specific needs of its customers. Despite the semiconductor crisis, MyBee worked closely with its partners to find innovative solutions and offer cars the competitors couldn't provide.

MyBee expands car subscription services with significant BMW transaction.

In 2022, Krasta Auto, the official BMW representative in Lithuania, set a record by finalizing a EUR 11 million deal with CityBee and MyBee. MyBee's rapid growth and strong brand reputation have enabled it to secure partnerships with top brands such as BMW, providing customers access to some of the most recognized cars on the market. Despite the semiconductor crisis and the shortage of vehicles in the market, MyBee's success and growth have allowed it to secure a large number of cars from leading suppliers.

mfs



ŽYGIMANTAS KVESELYS

CEO of Mobility Fleet Solutions

In recent years, the automotive industry has faced several challenges due to a combination of factors such as Covid-19-related production disruptions, inflation, and rising vehicle transportation costs, which have significantly impacted car supply and production. Additionally, the industry has also struggled with the challenge of escalating electricity prices. However, with over a decade of experience, Mobility Fleet Solutions (MFS) is well-equipped to navigate such circumstances and operate as an international fleet management platform for Modus Mobility. By utilizing our vast knowledge and expertise in car fleet management and the global automotive network, we ensure the timely renewal of CityBee and MyBee car fleets. It is a crucial aspect of our commitment to the customers to provide innovative and convenient mobility solutions. In 2022, we focused on adapting to market changes, expanding and strengthening our team, and improving our business processes to ensure that we continue to meet the evolving needs of our customers.

Self-service sales platform Amber Motors for small-scale B2B customers.

In 2022, MFS introduced a self-service sales platform for small-scale B2B customers aimed at streamlining and improving the purchasing experience with greater efficiency. MFS remains committed to continuously improving its services and providing innovative solutions to meet the evolving needs of its customers.

Cars buying and selling performance.

MFS achieved a strong performance in car sales in 2022, selling 2,400 new and used vehicles to customers across several European countries. MFS provided customers with different vehicles from popular brands, including Volkswagen, Toyota, Opel, BMW, Nissan, FIAT, Renault, Ford, KIA, SEAT, and others. This diverse selection of vehicles enabled MFS to cater to the varied needs of its customers while maintaining a commitment to providing high-quality products and services.

Despite facing disruptions in the supply of cars, MFS purchased 4340 vehicles in 2022, thanks to an improvement in the last quarter of the year. The most popular car brands among the purchased vehicles were Volkswagen, BMW, Toyota, Peugeot, Ford, Nissan, Renault, Audi, Kia, and Hyundai.

+10

years of experience in international car trading business

4340

vehicles purchased in 2022

15

different car brands



MANAGEMENT BOARD



**AINĖ
MARTINKĖNAITĖ-MARTYNIUK**

Chairwoman of the Management Board
and CEO of Modus Mobility



KRISTIJONAS KAIKARIS

CEO



ERIKA HUHTALA

Board Member and CFO



LUKAS JURKŠAITIS

CEO



OLEG MARTYNIUK

Board member



ŽYGIMANTAS KVESELYS

CEO





ABOUT SUSTAINABILITY STATEMENTS

The following information depicts the sustainability-related progress of the Modus Mobility business line. The sustainability statements are prepared following the United Nations (UN) Sustainable Development Goals, relevant standards, and principles of the UN Global Compact.

The sample of indicators presented is limited to the most material ones where data is available. Additionally, this report focuses on the stakeholder engagement and materiality matrices of Modus Mobility as the Group focuses on business development and investment attraction.

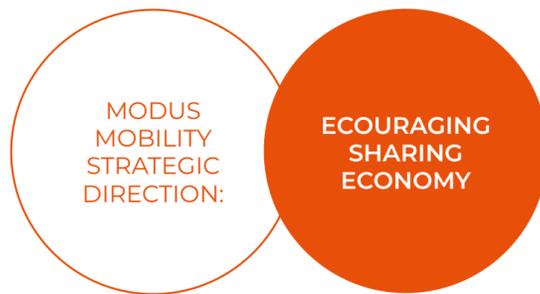
As stated regarding the overall Business Overview, the information provided in the Sustainability report covers the period from January 1st, 2022, until December 31st, 2022, unless stated otherwise in the text.

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SUSTAINABILITY AT A GLANCE

For Modus Mobility, sustainability is a prerequisite to creating shared value for stakeholders and focusing on business development. As our long-term strategy concentrates on building a sustainable future, we are committed to advancing living through sustainable choice and prioritizing shared economy solutions linked to lowering the environmental footprint.

The Group also seeks to contribute to sustainable city-making by changing customers' perceptions towards ownership, meaning instead of using one car for multiple purposes, one is incentivized to combine several ways of transportation and ultimately contribute to lower emissions per capita.



But that is not all, as reflected in Modus Mobility values, the UN Global Compact and Sustainable Development Goals lay the foundations for corporate sustainability and ensure that the progress is measured and managed effectively.

30k

Fewer personal cars in the streets and parking lots due to our car-sharing service CityBee

160

Thousand tons of CO₂ avoided due to mobility solutions

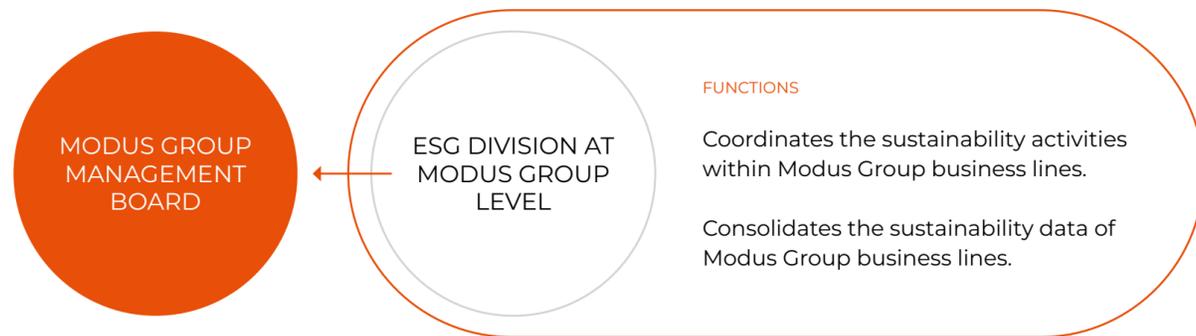
Our activities contribute to the sustainable development goals:



SUSTAINABILITY MANAGEMENT

The management of the sustainability area is coordinated by a dedicated ESG division, which is accountable to the Modus Group Management board. The establishment of this division in 2022 was motivated by a rising awareness of the need for a harmonized

approach to sustainability management across all Modus Group business lines, Modus Mobility included. The communication and corporate affairs, finance, and legal departments at each business line oversee the coordination of specific sustainability-related aspects.



In 2022, the Modus Group embarked on a deliberate and comprehensive effort to integrate ESG management into its group-wide operations. As part of this effort, the Modus Group companies began collecting data on its overall impact on the environment and its social and governance aspects. The data collected, a portion of which is presented in the subsequent report, will be used to create ESG targets and strategies.

With respect to the emissions data, Modus Mobility intends to employ 2022 as a benchmark for establishing overall emission targets in its quest to attain emissions neutrality. The Group is adopting

a measured and deliberate approach to ESG implementation, as it aims to ensure it is well-equipped to conform to the EU Corporate Sustainability Reporting Directive (CSRD) by 2026 through careful preparation and planning.

Additionally, as with other business lines, on its website, Modus Mobility plans to disclose its eligibility and alignment with EU Taxonomy Regulation 2020/852, which establishes a system for classifying and screening sustainable economic activities based on their contribution to environmental objectives. However, the preliminary assessments of the Group's alignment with the regulation are not included in this report.

STAKEHOLDERS' RELATIONS

Maintaining open and transparent communication and stakeholder relations is crucial for a resilient and adaptive business that can respond to emerging issues and seize opportunities. As most of Modus Mobility's companies are customer-centric, hearing out and maintaining an unrestrained dialogue with target stakeholder groups is an obvious process.

STAKEHOLDER GROUP	PURPOSE OF ENGAGEMENT	MEANS OF ENGAGEMENT
B2B clients	Clients have the best eye for areas of service quality improvement and critical thinking regarding sustainability directions.	Direct communication, social media platforms, companies' websites (or apps), newsletters, customer surveys, feedback forms.
B2C clients		
Suppliers and business partners	Collaboration with industry leaders provides an opportunity to learn from and grow balanced partnerships.	Direct communication, companies' websites, surveys.
Employees	Employee engagement ensures the success of business operations and opportunities to improve.	Direct communication, surveys, newsletters, feedback forms, anonymous reporting.
Financial institutions	The expectations for sustainability and reporting among financial market players are increasing due to the changing regulatory environment.	Direct communication, annual business overview, sustainability questionnaires, investors surveys.
Communities	It is crucial to understand and manage the impact of operations and developments on local communities and society.	Direct communication, community events, websites, surveys, business overview.
Public institutions	Changes introduced by public institutions can have a significant impact on business operations. Therefore, it is important to maintain open and transparent communication with relevant public institutions to stay informed and provide feedback promptly. This enables to adapt business operations to comply with new regulations and contribute to their development.	Direct communication, surveys, websites, business overview.
Social & education partners (NGO)	Cooperation with social partners helps to gain expertise and valuable insights.	Direct communication, social media platforms, companies' websites (or apps), business overview.

The expectations and needs of other Modus Mobility companies' stakeholder groups are also addressed and monitored. These groups include top management, management, supervisory boards, shareholder, business associations, and the media.

MATERIALITY MATRIX

To manage stakeholder expectations effectively and consider their interest as the business's geographical and operational scope expands, 2022 Modus Mobility conducted a strategic materiality assessment, which included in-depth online questionnaires and discussions with key stakeholders.

Modus Mobility aims to manage stakeholders' expectations effectively, considering their interests, and look for opportunities where cooperation could increase the positive impact on sustainable development. Such factors put additional pressure on the need to define clear strategic sustainability directions that meet the needs of society, clients, employees, investors, and other relevant stakeholders for well-balanced business growth.

KEY FACTS:

More than

21

different stakeholder groups with almost 1800 stakeholders were interviewed in the assessments.

Stakeholder groups that participated in Modus Mobility materiality assessment:

Clients (B2B, B2C), business partners, employees, social partners, media representatives, public institution representatives, financial partners, shareholder representatives, business associations, Group's top management.

The materiality assessment helped to clarify the ESG areas of impact by addressing stakeholders' views on the inside-out impacts in respect of the company. This included areas that stakeholders deemed relevant for the company to put strategic attention on, set targets, manage, or monitor. In response to the main impacts, further strategic priorities were defined at the workshops with the top management. Based on the results, the Group prepared a materiality matrix that illustrates the strategic sustainability directions and will be further used in setting targets.

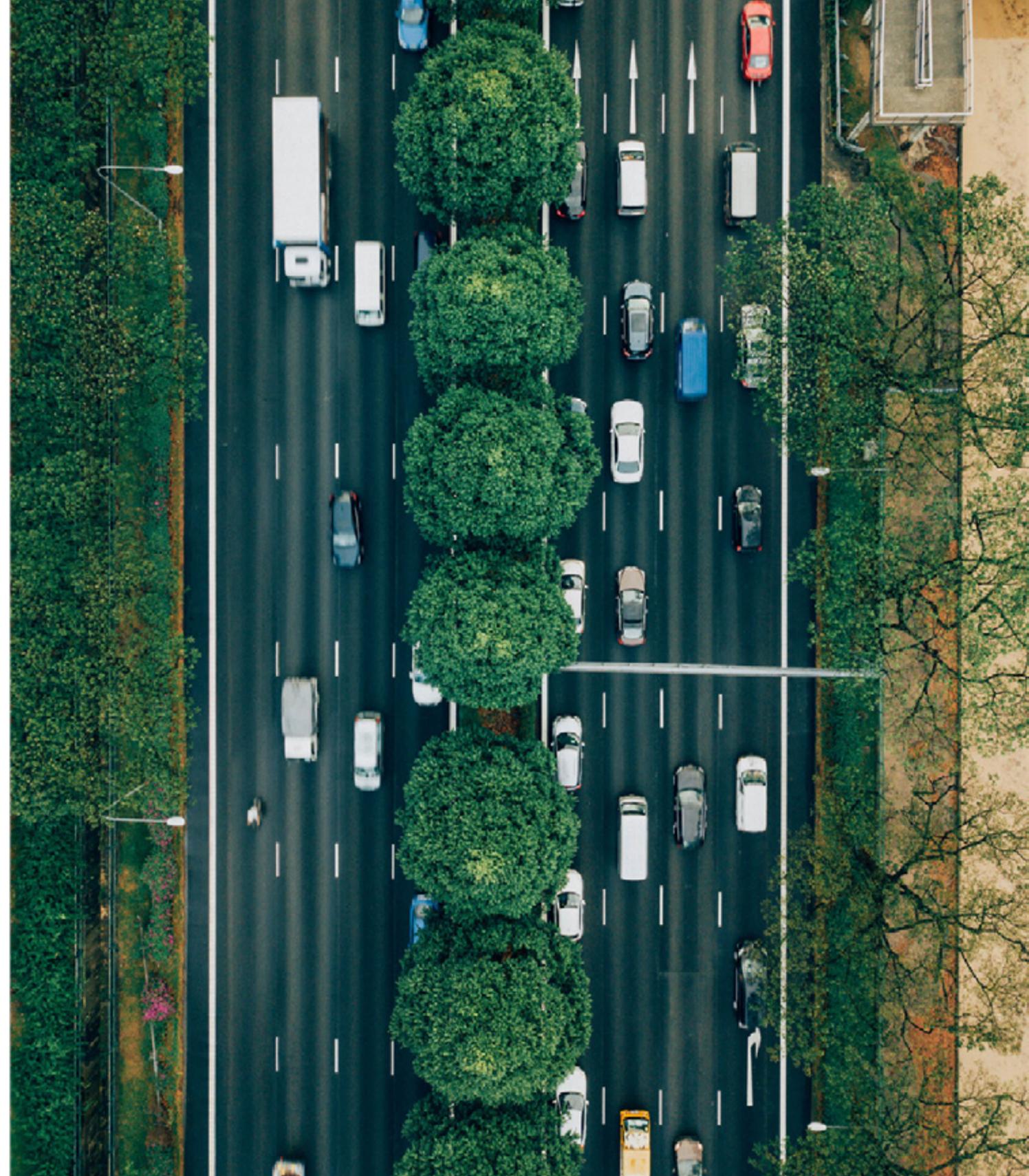
In total

22

thematic ESG aspects that are of the most relevance to both companies and their stakeholders.

Stakeholders were encouraged to comment, suggest, and share their views regarding the approach they think would be the most suitable to address

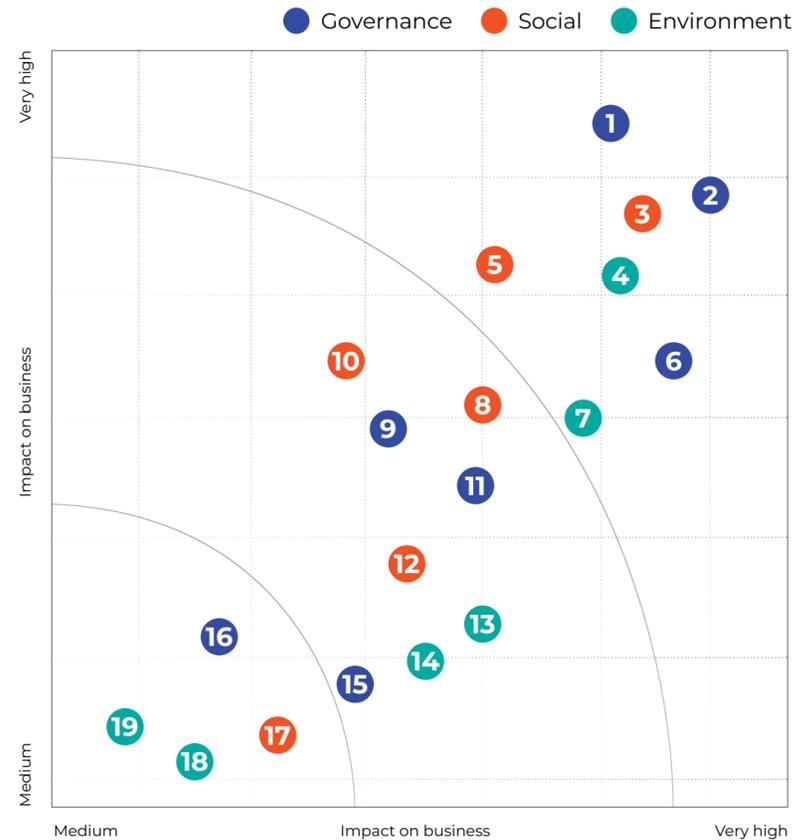
ESG

 aspects.

Modus Mobility

The materiality matrix presented below illustrates the most relevant aspects of sustainability for Modus Mobility and provides a roadmap for creating shared value for both – the business and its stakeholders.

The matrix summarises stakeholder views on ESG areas concerning the company (vertical axis) and the relevance of ESG areas for the companies' strategic directions while considering risks and opportunities (horizontal axis).



STRATEGIC ISSUES:

1 Service quality and security

A focus on delivering high-quality service experiences meets the needs and expectations of clients and stakeholders. Therefore, Modus Mobility Group is committed to maintaining the highest standards regarding fleet conditions and service quality.

2 Data privacy

Modus Mobility Group relies heavily on data to make informed decisions and deliver valuable services to its customers. The group is committed to protecting personal data and positions itself as a responsible and trustworthy partner for businesses and individuals.

3 Responsible behaviour change

Modus Mobility Group encourages responsible behavior change first and foremost by promoting shared mobility instead of ownership. Secondly, it encourages a safe and responsible driving culture.

4 Climate change mitigation

Car-sharing has a positive environmental impact as shared vehicles are used up to 30% more than privately owned vehicles. On the other hand, Modus Mobility Group cares about its environmental impact, and having calculated its GHG emissions, the Group is already at the stage to set ambitious emissions reduction goals.

5 Engaged and qualified employees

Promotion of professional and personal development of employees, cultivation of competencies required by the sector is extremely important for Modus Mobility Group.

6 Business resilience to external impacts

Modus Mobility Group must invest in adapting to changes in its operating environment and withstand unexpected challenges or crises to safeguard high service quality to its clients.

7 Pollution reduction

Reducing pollution is critical for protecting the environment, particularly in urban areas where air pollution can have significant health impacts. Therefore, Modus Mobility Group is committed to maintaining the highest standards with regard to fleet conditions.

ISSUES TO INTERNALIZE:

8 Employees health and safety

Modus Mobility Group is committed to prioritizing the mental and physical well-being of its employees. Providing a safe and healthy working environment ensures employees feel valued and supported, leading to higher satisfaction and retention.

9 Ethical business practices

For Modus Mobility Group, ethical business practice relates to openness about decisions and activities, transparent management of activities, a fight against corruption, and compliance with fair and transparent competition principles.

10 Human rights protection

Ensuring human rights and equal opportunities, and diversity at work. Fostering a non-discriminatory culture.

ISSUES TO INTERNALIZE:

16 Sustainable finance

Financial instruments prioritizing investment in ESG are important for the Group as they help manage financial risks, enhance reputation, and drive innovation.

17 Community support

Modus Mobility Group community is its clients and urban residents; thus, the Group prioritizes its support to initiatives that support the same values of the Group primarily focusing on safe and respectful driving culture.

11 Innovation promotion

By investing in innovation, Modus Mobility Group can offer unique and improved services to customers, reduce costs, improve sustainability, and ensure the long-term success of the business.

12 Employee welfare

Modus Mobility Group focuses on ensuring suitable working conditions for employees, adequate remuneration, work-life balance, career opportunities, ensuring freedom to join associations.

13 Waste reduction management

Modus Mobility Group is not a waste-intensive company. However, its operations focus is on the practical implementation of circular economy solutions, reduction of waste generation as well as adequate treatment.

14 Sustainable material use

The Group's use of environmentally friendly materials for its own purposes.

15 Value chain management

Focus on suppliers' sustainability and best practices.

18 Biodiversity protection

The direct impact of the Group on biodiversity is low. However, as the Group operates in urban environments, it has the potential to impact local ecosystems and wildlife. Encouraging biodiversity in urban areas can provide benefits to urban residents, such as improved air quality and a more pleasant living environment. For example, supporting pollinators such as bees can improve the health of local vegetation and promote more green spaces.

19 Sustainable water consumption

Modus Mobility Group is not a water intensive; however, in its processes, it strives to focus on lower water consumption.

COMBATING CLIMATE CHANGE



The challenge of climate change is a significant issue that affects all of humanity, and it requires action from individuals to organizations across all industries. Modus Mobility addresses this challenge by focusing on one critical area – mobility, which contributes significantly to greenhouse gas emissions. The transportation sector is crucial for the European Union's goal of achieving climate neutrality by 2050. To achieve the targets outlined in the Paris Agreement and mitigate global temperature rise to 2°C, a crucial step lies in the transformation and decarbonization of transportation systems. Modus Mobility recognizes the pivotal role it must undertake in this endeavor.

The transport sector plays a major role in climate change due to its considerable contribution to global greenhouse gas emissions. In 2019, the International Energy Agency (IEA) reported that the transport sector was accountable for 24% of CO₂ emissions. Therefore, the transport industry must significantly decrease its environmental impact by aiming for a minimum 90% reduction in GHG emissions from 1990 to attain EU climate

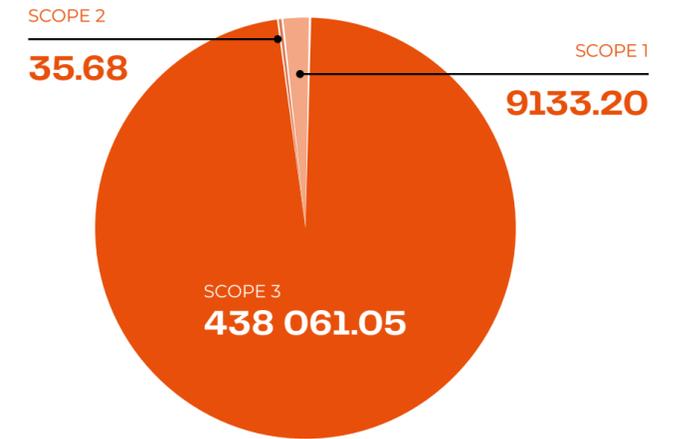
neutrality by 2050. However, with the world's increasing urbanization, the transport sector's impact on climate change is expected to continue to increase unless major changes are implemented in how people are transported.

The sector requires drastic changes, and Modus Group, together with Modus Mobility, plays an important role in this transition. The shift towards more sustainable modes of transportation prioritizes consumers and seeks to provide accessible, affordable, healthier, and cleaner alternatives. Modus Mobility is deeply committed to this objective. Through the company's car-sharing solution provided by CityBee, the aim is to reduce urban congestion and decrease greenhouse gas emissions per capita. According to internal estimations and research by other car-sharing providers, each shared vehicle eliminates the need for around 11 - 15 privately owned cars, resulting in around 30 thousand fewer cars on the streets of the largest Baltic cities thanks to CityBee only. This means that in 2022, CityBee car-sharing services in the Baltic cities helped save more than 160 thousand tons of CO₂eq.

Our impact

However, all good efforts come with impact. While it is important to contribute to environmentally good objectives, it is also crucial to monitor and reduce the very own environmental impact. As Modus Mobility works to promote sustainable practices, they must also ensure that their operations are environmentally responsible. This includes monitoring and reducing their use of natural resources, minimizing waste, and reducing operational GHG (scope 1 and scope 2). To strike a balance between contributing to environmentally good objectives and reducing its environmental impact, in 2022, Modus Mobility companies calculated the GHG emissions for the very first time. Companies have strategically decided to monitor and reduce their environmental footprint in the long run so they could be able to promote sustainability while also ensuring their long-term viability.

GHG emissions



INDICATOR	UNIT	2022	COMMENT
GHG EMISSIONS			
Direct (Scope 1) emissions		9133.20	2022 is the first year Modus Group companies started to collect and gather emissions data in a systemic and unified way. Before this, companies were reporting in accordance with the data request that specifies disclosure scope and boundaries. Emissions are calculated according to GHG protocol.
Indirect (Scope 2) emissions (market based)	t CO ₂ -eq	35.68	
Other indirect (Scope 3) emissions		438 061.05	
Total		447 229.93	
Emissions (all scopes) per full-time equivalent (FTE)	t CO ₂ -eq/FTE	1810.6	
Emissions (all scopes) per unit of revenue	t CO ₂ -eq/EURm	4063.8	
ENERGY CONSUMPTION			
DIRECT FUEL USE			
Diesel	litres	5245.9	
Petrol		12 543.6	
ELECTRICITY CONSUMED INDIRECTLY			
Electricity consumption	kWh	65 315.9	
Of which from renewable sources		23 206.4	
Electricity for charging		12 121.3	
Heat		76 126	

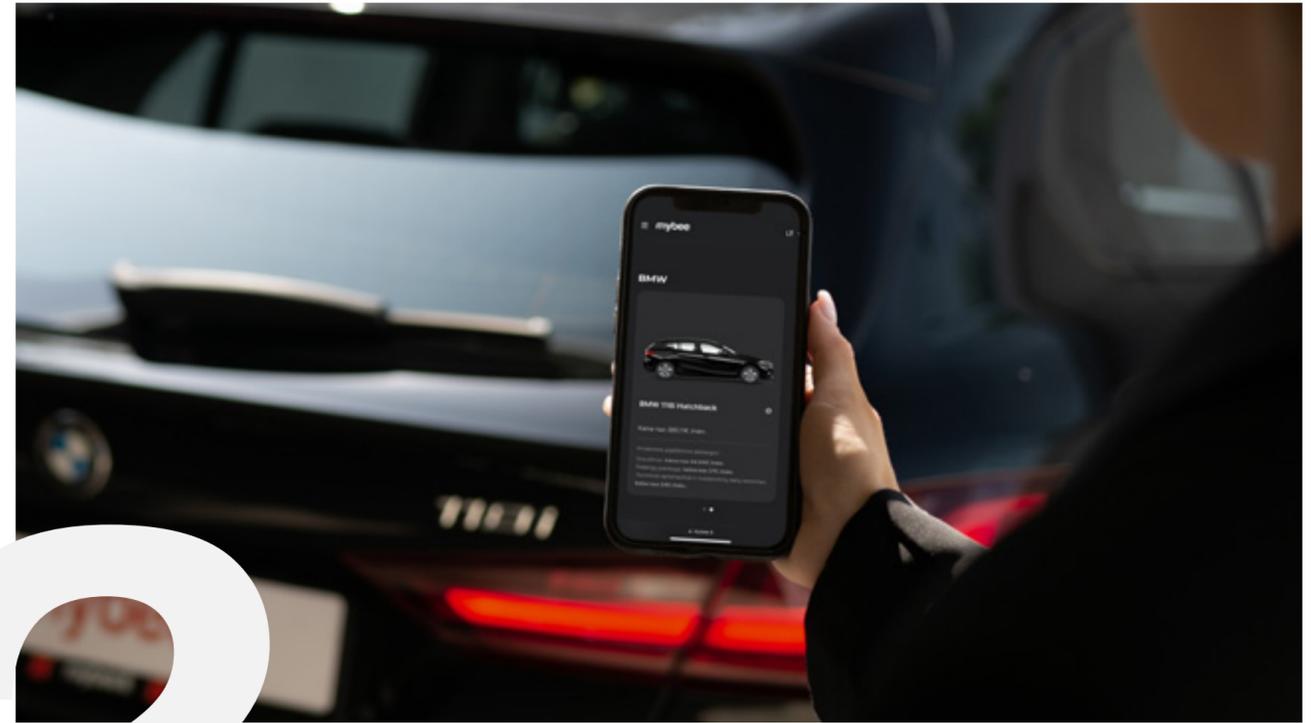
PROMOTING INNOVATION

All Modus Mobility businesses share one similar characteristic – an innovative attitude that encourages creative thinking, problem-solving, and experimentation to develop new processes that could be beneficial in optimising business operations or providing a well-thought solution to clients. This usually involves a willingness to take risks, challenge assumptions, and embrace change to achieve better outcomes.



The more employees are involved in organizing shared economy operations, the lower the profitability and customer experiences tend to be. This is why CityBee is moving towards autonomous driving in partnership with Qibus, a remote driving software solution provider. The partnership, which began in 2022, aims to support the transition towards autonomous driving by accelerating the deployment of remotely controlled vehicles while prioritizing safety for customers. While the new technology has already been implemented and functions reliably, both companies understand the importance of continued testing and legal regulation.

CityBee and Qibus have conducted extensive tests in various scenarios and collected substantial data. The technology has improved significantly, including enhancements to camera resolution in low-light conditions and improved control accuracy, compared to initial tests conducted in Vilnius the previous autumn. Seemingly coordinating with relevant stakeholders, CityBee plans to gradually integrate this technology into its fleet, starting with selected models and expanding over time.



Modus Mobility has launched an inventive solution called MyBee, that bridges the gap between car ownership and sharing to meet customers' needs. The in-house software allows clients to subscribe a vehicle quickly. Launched a few years ago, MyBee is already present in all Baltic countries.

Modus Mobility is deeply committed to promoting safety and responsible driving culture. The company has always placed the safety of its customers at the forefront of its operations and has implemented various measures to reinforce this commitment. These measures include using in-app messages to educate customers about its zero-tolerance policy towards drunk driving, providing real-time weather and road conditions notifications, and introducing automatic speeding warnings in 2022. The latter has proven particularly effective, with nearly 70% of drivers responding positively to these warnings and adjusting their driving accordingly. The company remains unwavering in its dedication to promoting safe driving and fostering a positive culture.

Approach to circular economy

The European Union's Green Deal has greatly emphasized the responsible participation of consumers, communities, public and private sectors, and non-governmental organizations in waste reduction. Resource efficiency and circular economy are crucial for achieving sustainable local, national, European, and global production and consumption targets.

Modus Mobility approach – monitoring and reducing waste and other resource use at business operations.

Modus Mobility is implementing various measures to reduce waste generation in its operations. Employees in the companies: offices are encouraged to follow certain principles. These include lowering paper use, drinking tap water, introducing bathroom textile hand towels, and other environmentally friendly and ecological solutions. Employees sort their waste and receive education on proper sorting. To encourage colleagues to sort, the company

does not have rubbish bins at individual desks, and employees can only dispose of rubbish in sorting bins located in common office areas.

Except for municipal waste and paper, glass, and plastic generated by office employees, waste in Modus Mobility companies uses Unified Products, Packaging, and Waste Accounting Information System (GPAIS).

RESOURCE MANAGEMENT

INDICATOR	UNIT	2022	TREATMENT METHOD
WASTE GENERATED, OF WHICH			
Tyres	Tonnes	13.7	Recycled
General waste		1.25	
Plastic		0.2	
Electronic		0.02	Combustion
General waste		1.025	
Textile	0.3		
WATER			
Consumption	m ³	72.5	
Consumption intensity	m ³ /FTE	0.3	

AMBITIOUS TEAM OF PROFESSIONALS



Employees are the backbone of Modus Mobility, which is why it strives to create and maintain a culture that fosters long-term partnerships based on common values, mutual understanding, and equal opportunities. The Group places significant emphasis on the well-being of its employees as this is essential for efficient, long-lasting, and successful business operations. As a result, Modus Mobility continually explores and assesses various tools and approaches that can enhance the well-being of its employees while pursuing business goals and activities.

Modus Mobility's operations and suppliers are based in the EU, meaning they operate under EU legislation. The company is a United Nations Global Compact (UNGC) member and adheres to the essential principles and rights at work established in the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work.

INDICATOR	UNIT	2022
NUMBER OF EMPLOYEES		
All employees	Units	247
HEADCOUNT SHARE BY COUNTRY		
Lithuania		76.5
Latvia		12.9
Estonia	%	7.3
Romania		1.2
Czech Republic		2
Poland		0.4
GENDER		
Female	%	36
Male		64
AGE		
<25		39
26-35	%	37
36-45		19
>46		5

EMPLOYEE WELFARE

Modus Mobility focuses on ensuring suitable working conditions for employees, adequate remuneration, work-life balance, and career opportunities, among many other ways to increase employee welfare and job satisfaction.

The businesses within Modus Mobility conduct regular internal surveys (such as eNPS or engagement evaluations) to gauge employee

satisfaction at work. Internal analyses have shown employees find their work meaningful and engaging due to the interesting content, inclusive work environment, hybrid work model, increased flexibility, and additional work benefits. Additionally, most respondents would be willing to recommend their workplace to their friends.

BENEFITS PROVIDED TO EMPLOYEES:

- Professional development and education
- Health insurance
- Company events and celebrations
- Social benefits
- Vaccinations
- Average one workday for volunteering
- Possibility to have 3rd pillar pension fund after one year of employment
- Financial incentives for position or candidate referral
- Physical engagement activities
- Remote work for office employees
- Flexible working hours
- Mentorship and leadership programs
- Pet friendly offices (where possible due to low customer interactions)
- Online or live presentations of global relevant topics

All benefits are provided to all employees after official trial period without exceptions.



Competitive remuneration

Modus Mobility recognizes the importance of maintaining a modern, competitive, globally-minded organization. The company recruits competent, innovative, and fast-learning employees to achieve this. Additionally, the Group is committed to motivating its team by providing competitive compensation in all operating markets. To ensure compliance with legal regulations, Modus Mobility schedules work hours for its employees appropriately. Moreover, the Group provides fair and transparent compensation, including additional benefits for eligible positions. The average salary for all Modus Mobility companies in all operating countries is higher than the national average.

Open and transparent internal communication

Modus Mobility aims to create a collaborative and empowering work environment, which is exemplified by regular internal communication. All businesses uphold the practice of transparently communicating their financial and operational performance and business goals to employees, the essential stakeholders. Results are usually discussed at quarterly general meetings, usually quarterly, all-hands meetings. During these meetings, the Group's financial and operational performance is shared openly, business goals are presented, and collaboration is encouraged to strengthen the Group's culture.

Additionally, Modus Mobility encourages an effective meeting culture involving all internal project stakeholders and external parties when necessary. Further, every employee can hold a one-on-one meeting with their manager to discuss work-related issues and their emotional health and career advancement opportunities, address any concerns, and provide feedback from both sides.

Seeking to communicate with employees effectively and increase their involvement in internal culture initiatives, Modus Mobility uses a variety of internal means: Microsoft Teams platform, informative letters, newsletters, podcasts, video reports, meetings, and others. To better respond to employees' needs, businesses periodically survey employees on the effectiveness of the channels. Fundamental changes and initiatives that have an impact on employees are communicated transparently and in a comprehensible manner. A specialized team coordinates internal communication, utilizing a shared internal communication tool (Microsoft Teams) to relay information across the organization and other communication methods such as letters, newsletters, and meetings.

Furthermore, employees have elected a labor council, and union representatives constantly consider the employees' proposals.



Wellbeing

Modus Mobility continues to strengthen its attention toward employees' mental health by introducing a range of measures to keep them motivated and engaged. These include online events, walking challenges, and other hybrid interactions. Furthermore, the health insurance package has been expanded to offer 12 consultations per year with a medical psychologist, psychiatrist, or psychiatrist-psychotherapist.

Modus Mobility greatly emphasizes the well-being of its employees and acknowledges the significance of prioritizing their physical and emotional health. Additionally, consistent internal communication has been established to highlight the importance of mental health and provide employees with tools to support

themselves. It is essential to note that mental health consultations with a specialist are included in everyone's health insurance, and employees are encouraged to take advantage of this service if necessary. All of this shows a positive result on employee attraction and retention.

Furthermore, Modus Mobility is continuously striving to align and improve its internal processes related to the employment journey within the organization. They ensure compliance with local and labor regulations in all processes, including Recruitment, Employment, Deployment, Development, Performance management, Compensation, and Reward.



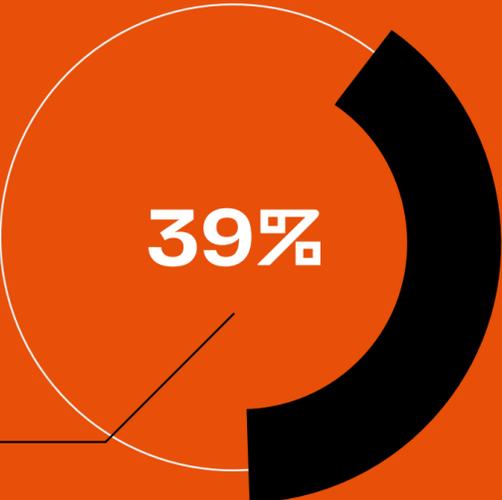
INDICATOR	UNIT	2022
EMPLOYEE TURNOVER		
Employee turnover rate	%	36
New employees	Units	141
PARENTAL LEAVE		
Employees entitle to parental leave		100
Employees that took parental leave, female		3
Employees that took parental leave, male	%	3
Employees that returned to work after parental leave, female		2
Employees that returned to work after parental leave, male		2
EDUCATION AND TRAINING		
Share of participants		41
Training hours	%	176
Training hours per employee		10.7

Engaged and qualified employees

Modus Mobility is particularly invested in raising employees with exceptional performance and high growth potential. Businesses aim to promote these talents and encourage their career development within different companies while providing opportunities for personal growth and

fulfilment. Moreover, Modus Mobility places great importance on having a highly skilled and motivated workforce. The Group's concerted effort to attract and retain the right individuals with the necessary skill sets. Development opportunities are provided to promote continuous personal and professional growth.

Human rights and equal opportunities



Share of women in management

Modus Mobility values diversity, inclusion, and equal opportunities. Employees are selected based on their expertise and ability to perform the job, and no distinction, exclusion, or preference is made based on personal traits or characteristics. Discriminatory advertising and selection based on gender, age, religion, race, sexuality, nationality, or other personal traits are strictly prohibited.

representatives who report or witness related issues or incidents from retaliation, hostile behaviour, and other adverse consequences.

Modus Mobility's human resource strategy and equal opportunity policy ensure:

- Zero tolerance for child and forced labour.
- No discrimination against race, religion, nationality, gender, or age.
- Fair labour practices across all operations.
- Hiring for competencies and skills above all.

Modus Mobility ensures that all employees are advised and encouraged to report any concerns regarding human rights or safety violations anonymously. The company also protects those employees and their

Events of discrimination



Human rights violations

Employee health and safety

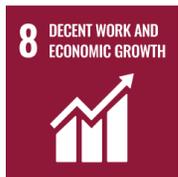
Modus Mobility is committed to providing employees with a comfortable, clean, and safe work environment. The Group invested in modern, fully equipped offices that third-party partners monitor to determine potential health and safety risks. Additionally, CityBee fleet team is equipped with the newest vehicles that are cleaned and maintained weekly. All employees undergo a regular health check-up that is conducted every two years.

To ensure the safety of employees, companies regularly provide H&S training, part of it being practical events simulations (fire extinguishing and similar). Additionally, all employees have access to an online education tool on a company-wide level. They must complete a compulsory H&S training session every 12 months, resulting in zero accidents across the Group of companies last year.

Work related injuries:

ZERO

ETHICAL BUSINESS CONDUCT



Transparency, anti-corruption, fair competition, and compliance are important for Modus Mobility because they increase efficiency and establish trust and confidence among stakeholders, including customers, employees, shareholders, and society. Transparency allows for openness and honesty in business operations and decision-making, which leads to increased accountability and credibility. It also builds and maintains stakeholder trust, which is essential for long-term success. Also, anti-corruption measures are necessary to prevent unethical behaviour that can undermine business operations' integrity and damaged reputation.

As a market leader, Modus Mobility is dedicated to upholding high standards of business ethics. Group's internal culture strongly emphasizes principles of fairness and legality in operations. To reinforce this commitment, Modus Mobility undergoes an annual audit by a reputable auditing firm. Modus Mobility companies also conduct regular internal audits to establish transparency further.

Sustainable investments

Modus Mobility promotes sustainability by directing investments toward environmentally and socially responsible projects. A growing share of investment comes with assessing ESG risks and opportunities to promote positive business conduct.

When making investment decisions, Group constantly assesses the risk of corruption. Before entering new markets, careful evaluations are conducted on corruption, including factors such as salaries, bribery rates, and legal tax payments. The company also analyses the competition to ensure it competes legally, fairly, and transparently. Modus Mobility maintains high levels of transparency and regulatory compliance following international and regional standards, implementing policies such as Anti Money Laundering (AML). In 2022, the Group has strengthened its legal and procurement team and procedures. Employees who interact with government officials receive specific anti-corruption training, while the rest of the team is trained to understand and uphold Group's ethical business standards.

Modus Mobility is committed to embedding anti-corruption principles to foster sustainable, inclusive, and transparent societies. Therefore, the Group is currently undergoing a strategic policy and procedures revision process; hence, not all business lines are covered by anticorruption procedures yet.



