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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AB „Rokiškio sūris"

Report on the Audit of the Consolidated and Stand-alone Financial Statements

Opinion

We have audited the consolidated and stand-alone financial statements of AB „Rokiškio sūris" (thereinafter - the Company) and its subsidiaries (thereinafter all together - the Group), which comprise the consolidated and stand-alone statement of balance sheet as at December 31, 2023, and the consolidated and stand-alone statement of comprehensive income, the consolidated and stand-alone statement of changes in equity and the consolidated and stand-alone statement of cash flows for the year then ended, and notes to the consolidated and stand-alone financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and stand-alone financial statements present fairly, in all material respects the consolidated and stand-alone financial position of the Group and the Company as at December 31, 2023, and its consolidated and stand-alone financial performance and its consolidated and stand-alone cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union (thereinafter – IFRS).

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our response to it is described below.

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters (continued)

Key Audit Matters	**How our audit addressed the key audit matter**
Revenue recognition The Group's and the Company's revenue in 2023 amounted to EUR 304.2 million and EUR 264.0 million, (EUR 359.2 million and EUR 342.5 million in 2022) respectively, and mostly consisted of sales of goods. The Group and the Company recognises revenues from sales of goods based on the quantity of goods dispatched and the agreed prices. Revenue is recognised only at point of time, when control of goods has been transferred to the customer based on the agreed delivery terms. Revenue is recognised net of discounts or other sales incentives provided. Although revenue recognition involves only limited judgement, due to the size and volume of transactions it continues to be an audit area which requires significant time and resources and is therefore considered to be a key audit matter. *Refer to note 2.17 and note 5 'Segment reporting' in the financial statements.*	We audited revenue recognition through a combination of controls evaluation and substantive procedures. We evaluated the design and implementation of key controls in relation to the recognition of revenue as also tested substantially, with particular focus on matching of invoices to related shipping documents and to the agreed prices as indicated in the sale orders or agreements. We read the accounting policy for revenue recognition in respect of all material revenue streams and assessed its compliance with the International Financial Reporting Standards as adopted by the European Union. We also performed the following tests of details: • We obtained a sample of transactions conducted with customers during the year and either obtained third party confirmations of the transactions or reconciled the transactions to the signed agreements or sale orders, the shipping documents, the invoices and subsequent receipts of payments from the customers; • We selected a sample of transactions conducted before and after the year-end and evaluated whether revenue was recognised in an appropriate period based on the transfer of control according to the delivery terms and shipping documents; • We assessed the accounting treatment for various sales incentives paid to retail chains, such as publication of advertisements in a supermarket's newspaper, listing fees etc; • We selected a sample of credit invoices, discounts and returns after the year-end and checked whether they were recorded in the appropriate period; • Our work also included testing a sample of revenue journal entries to identify whether they have been recorded in the General Ledger with any unusual corresponding entries.

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
Valuation of accounts receivable and loans granted	
As at 31 December 2023, the Group's and the Company's trade receivables amounted to EUR 50.6 million and EUR 43.5 million (EUR 50.8 million and EUR 62.3 million in 2022), respectively, including the credit loss allowance of EUR 3,786 million (EUR 3.7 million in 2022), and loans granted amounted to EUR 3.3 million and EUR 3.3 million (EUR 5.1 million and EUR 5.07 million in 2022), respectively. In accordance with IFRS 9 'Financial Instruments', the Group's management assesses expected credit losses in relation to trade receivables on a forward-looking basis and recognises an allowance for credit losses at each reporting date. The estimate of expected credit losses represents an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, and reflects all reasonable and supportable information that is available at each reporting date about past events, current conditions and forecasts of future economic conditions. To measure the expected credit losses, the management has grouped trade receivables based on shared credit risk characteristics and the days past due to assess them on a collective or individual basis. The collective assessment was based on the payment profiles of sales over a period of 36 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. Expected credit losses for significant trade receivables overdue for more than 90 days were evaluated individually based on external information from credit insurance agency, collaterals received as security for repayment, and past history of default. The degree of accuracy of the management's estimate will be confirmed or rebutted depending on the future developments that are inherently uncertain.	We performed the following procedures for testing the management's assessment of expected credit losses in relation to trade receivables: • We evaluated the methodology used by the Group's management to assess its compliance with the requirements of IFRS 9; • We examined the accuracy of management's classification of trade receivables for their further assessment on a collective or individual basis depending on the credit risk characteristics and the ageing of receivables; • We examined the accuracy of management's classification of trade receivables for their further assessment on a collective or individual basis depending on the credit risk characteristics and the ageing of receivables; • We examined, on a sample basis the models and calculations used for the assessment of credit losses on a collective or individual basis; • We analysed, on a sample basis, whether the ratio of unpaid balances of a customer at the year end to the annual receipts from the customer indicates any potential impairment issues; • For the sample of the outstanding balances from customers at the end of the year , we obtained the data about payments received after the year end to determine whether the payment patterns were consistent with the management's estimates as at year end.

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
Valuation of accounts receivable and loans granted (continued)	
We focused on assessing the allowance for credit losses in relation to trade receivables as the estimation process is complicated and requires significant management's judgements, and the amount of allowance is significant. The expected credit losses for loans granted were calculated in view of the fair value of the collateral, which was not lower than the balance of loans granted as at 31 December 2023. *Refer to note 2.8, note 4 'Critical accounting estimates and judgments', note 20 'Trade and other receivables', and note 18 'Loans granted' in the financial statements.*	• We read the minutes of the Credit Committee containing the results of regular analysis of possible indicators of default or increase in credit risk. • We tested the management's estimates of expected credit losses in relation to loans granted to see whether the fair value of the collateral was not lower than the balance of loans granted, by comparing, on sample basis, the carrying amount of the collateral as at 31 December 2023 with the sale transactions of similar assets in the market.
Inventory write-down to net realisable value	
The Group's and the Company's inventory balance amounted to EUR 94.3 million and EUR 90.5 million, respectively, as at 31 December 2023 (72.2 million EUR and 68.5 million EUR in 2022). We focused on this area due to the size of the inventory balance and because the management's assessment of the net realisable value of finished goods involves estimates about their potential selling price at the balance sheet date. The Group's and the Company's inventory write-down to net realisable value amounted to EUR 0.7 million as at 31 December 2023 (EUR 5.5 million in 2022). *Refer to note 2.9, note 4 'Critical accounting estimates and judgments' and note 19 'Inventory' in the financial statements.*	• We obtained the Company's and the Group's policies and methodology in respect of inventory write-downs to net realisable value, evaluated their compliance with the requirements of IFRSs. • We analysed sales prices of the finished goods items sold after the balance sheet date and compared results with the figures used in the management's calculation of inventory write-down allowance. • We analysed the aging of inventories other than finished goods, by periods, to identify slow-moving or obsolete items. We also verified the reliability of the inventory ageing report and compared our estimated inventory write-down allowance to the management's calculations.

INDEPENDENT AUDITOR’S REPORT (continued)

Other matter – predecesor auditor

The Group‘s and the Company's cosolidated and stand-alone financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an umodified opinion on those financial statements on 7 April 2023.

Other information

The other information comprises the information included in the Group’s and the Company’s annual report, including Corporate Governance Statement, Remuneration statement and Corporate Social Responsibility Report, but does not include the consolidated and stand-alone financial statements and our auditor’s report thereon. Management is responsible for the other information.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

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

In addition, our responsibility is to consider whether information included in the Group’s and the Company’s annual report, including Corporate Governance Statement and Remuneration statement, for the financial year for which the financial statements are prepared is consistent with the consolidated and stand-alone financial statements and whether annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the consolidated and stand-alone financial statements, in our opinion, in all material respects:

- The information given in the Group’s and the Company’s annual report, including Corporate Governance Statement and Remuneration statement, for the financial year for which the financial statements are prepared is consistent with the consolidated and stand-alone financial statements; and
- The Group’s and the Company’s and annual report, including Corporate Governance Statement and Remuneration statement, has been prepared in accordance with the requirements of the Law on Entities Reporting of the Republic of Lithuania and the Law on Consolidated Financial Reporting by Groups of entities of the Republic of Lithuania.

We also need to check that the Corporate Social Responsibility Report has been provided. If we identify that Corporate Social Responsibility Report has not been provided, we are required to report that fact. We have nothing to report in this regard.

In addition, we must inform you whether, taking into account the information obtained during the audit and the understanding gained about the Company and the Group and their environment, we have identified material misstatements in the consolidated annual report that we received before the date of issuance of this auditor's report. There is nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

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

Management is responsible for the preparation and fair presentation of the consolidated and stand-alone financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of the stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's and the Company's consolidated and stand-alone financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's or the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements (continued)

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and the stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the format of the consolidated financial statements with the requirements of the European Single Electronic Reporting Format

Pursuant to our audit agreement, the Company's management engaged us to perform a reasonable assurance engagement to confirm that the Group's consolidated financial statements, including the consolidated annual report for year ended 31 December 2023 meets the established requirements of the European single electronic reporting format (hereinafter – the "Single Electronic Reporting Format of the consolidated financial statements").

Description of a subject and applicable criteria

The Single Electronic Reporting Format of the consolidated financial statements has been applied by the management of the Company in order to comply with the requirements of 17 December 2018 Articles 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards establishing a single electronic reporting format (thereinafter - the "ESEF Regulation"). The applicable requirements for the Single Electronic Reporting Format of the consolidated financial statements are provided for in the ESEF Regulation.

The requirements described above determine the basis for application of the Single Electronic Reporting Format of the consolidated financial statements and, in our opinion, they are appropriate criteria for providind a reasonable assurance auditor opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on other legal and regulatory requirements (continued)

Report on the compliance of the format of the consolidated financial statements with the requirements of the European Single Electronic Reporting Format (continued)

Responsibilities of management and those charged with governance

The management of the Company is responsible for the application of the Single Electronic Reporting Format of the consolidated financial statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using the ESEF taxonomy and development, implementation and maintenance of such internal controls procedures as are relevant to the preparation of the Single Electronic Reporting Format of the consolidated financial statements without material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process which must also be understood as the preparation of consolidated financial statements in a format adapted in accordance with the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion as to whether the Single Electronic Reporting Format of the consolidated financial statements complies in all material respects with the ESEF Regulation.

We performed the engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) '*Assurance Engagements other than Audits and Reviews of Historical Financial Information*' (thereinafter - the ,,ISAE 3000 (R)"). This standard requires us to comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Single Electronic Reporting Format of the consolidated financial statements is prepared, in all material aspects, in accordance with the applicable requirements.

Reasonable assurance provides a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Single Electronic Reporting Format of the consolidated financial statements was applied, in all material aspects, in accordance with the applicable requirements and such application is free from material errors or omissions of material information. The procedures we performed included:

- obtaining an understanding of the internal control system and processes relevant to the application of the Single Electronic Reporting Format of the consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;

INDEPENDENT AUDITOR'S REPORT (continued)

Report on other legal and regulatory requirements (continued)

Report on the compliance of the format of the consolidated financial statements with the requirements of the European Single Electronic Reporting Format (continued)

Summary of the work performed (continued)

- evaluating the completeness of marking up of the consolidated financial statements using the iXBRL markup language according to the requirements for the implementation of a single electronic reporting format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

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

Conclusion

In our opinion, the Single Electronic Reporting Format of the consolidated financial statements for the year ended 31 December 2023 presented in the abrokiskiosuris-2023-12-31-en.zip file (SHA 256 Hash generated hashcode: 6d76e88d3510bb014180af3f4b2a2c9f581f0ce924db69bb521b5a93a37355b1) complies, in all material respects, with the ESEF Regulation.

Appointment

In accordance with the decision made by general meeting of shareholders' in 2023 April 28 we have been appointed to carry out the audit of the Group's consolidated and the Company's stand-alone financial statements. Our appointment to carry out the audit of the Group's consolidated and the Company's stand-alone financial statements in accordance with the decision made by general meeting of shareholders' has been renewed annually and the period of total uninterrupted engagement is two years.

We confirm that our opinion expressed in the section 'Opinion' is consistent with the additional audit report which we have submitted to the Company and its Audit Committee.

We confirm that in light of our knowledge and belief, services provided to the Group and tthe Company are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of audit, we have not provided any other services except for those disclosed in the consolidated financial statement.

The engagement partner on the audit resulting in this independent auditor's report is Gediminas Karazija.

BDO auditas ir apskaita, UAB
Audit Company Certificate No.001496

Gediminas Karazija
Certified auditor of the Republic of Lithuania
Auditor Certificate No. 000624
Vilnius, the Republic of Lithuania
April 8, 2024

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