

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Urbo bankas UAB:

Report on the Audit of the Separate and the Consolidated Financial Statements

Opinion

We have audited the separate financial statements of Urbo Bankas UAB (hereinafter – the Bank) and the consolidated financial statements of Urbo Bankas UAB and its subsidiaries (hereinafter – the Group) as contained in electronic data file uaburbobankas- 2024- 12- 31- en.zip (SHA 256 Checksum: f575ffd8650c960a1be2319b7a7f147f553be0f89f4d351cdcfe2cd0508b8d6b) which comprise the separate statement of financial position of the Bank and the consolidated statement of financial position of the Group as at 31 December 2024, the separate income statement and the consolidated income statement, the separate statement of comprehensive income and the consolidated statement of comprehensive income, the separate statement of changes in equity and the consolidated statement of changes in equity, the separate statement of cash flows and the consolidated statement of cash flows for the year then ended, and the notes to the separate and consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate financial position of the Bank and the consolidated financial position of the Group as at 31 December 2024, and their respective separate and consolidated financial performance and their respective separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of the Financial Statements and Other Assurance Services 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 the Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated 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 respective response are described below.

The key audit matter	How the matter was addressed in our audit
<p>Valuation of loans and receivables (see notes 7 and 29 in separate and consolidated financial statements)</p> <p>The impairment allowance for the Group’s loans and receivables (hereinafter – the loans), which as at 31 December 2024, after impairment loss, amounted to EUR 414,549 thousand, is calculated by dividing the Group’s loans into homogeneous groups and risk levels. The Group loans are divided into 3 risk levels, where the 1st risk level is the lowest and the 3rd risk level is the highest.</p> <p>The impairment allowance for loans is calculated: collectively – by assessing expected credit losses guided by historical information and economic indicators; or individually – using individual assessment. Loans, which are assessed individually, typically involve higher credit risk.</p>	<p>We conducted the following audit procedures:</p> <p>We have identified loan approval processes and tested controls and their effectiveness: on loan risk monitoring, including client risk level allocation, on identification of loss events, on timely collateral revaluation.</p> <p>We gained an understanding of the loans impairment methodology of the Bank and the Group and performed the assessment whether it meets the requirements of the International Financial Reporting Standard 9 <i>Financial Instruments</i>.</p>

The key audit matter	How the matter was addressed in our audit
<p><i>(continued)</i></p> <p>Both collectively and individually assessed impairment losses significantly depend on internal control procedures established by the Bank and the Group as well as the assumptions applied.</p> <p>In our opinion, the valuation method selected by the Group and the Bank as well as the assumptions used, such as interest rates, assigned risk group and credit ratings, value of the collateral and its realization period has a significant effect to the collectively or individually assessed impairment losses, as well as loans net value at the end of the reporting period.</p> <p>Based on this we consider the loans valuation to be a key audit matter.</p>	<p>We have selected higher risk loans (including individually significant loans; loans from different sectors of activity ; loss-bearing loans, or loans that were assigned risk level 3 for other reasons) for testing risk assessment and impairment allowance calculation.</p> <p>We have tested the selected loans sample, had discussions with the responsible Bank officers and identified whether the future cash flows of the loans are calculated appropriately and whether the loans are assigned to the appropriate risk level (i.e. whether the assumptions made while calculating the cash flows for loans repayment, discount rates and the value of collateral are reasonable).</p> <p>We have tested valuations of the collateralized assets which usually comprise significant part of the future cash flows for the loans having indication of impairment and identified whether the methods and assumptions used in valuations were appropriate, whether the market conditions since the date of valuation till 31 December 2024 have not changed significantly and whether there is no need for renewal of valuation.</p> <p>We have verified whether calculation of collective impairment allowance complies with the Bank's and the Group's methodology.</p> <p>We have evaluated the sufficiency and appropriateness of disclosures related to loans in the financial statements of the Bank and the Group.</p>

Other Information

The other information comprises the information included in the Group's Annual Management Report, including the requirements for the information on remuneration and Corporate Governance Report, but does not include the separate and consolidated financial statements and our auditor's report on them. Management is responsible for the other information.

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

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

In addition, our responsibility is to consider whether information included in the Group's Annual Management Report, including the information on remuneration and the Corporate Governance Report, for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements and whether Group's Annual Management Report, including the information on remuneration and the Corporate Governance Report, has been prepared in compliance with applicable legal requirements. Based on the work carried out during the course of audit, the separate and consolidated financial statements, in our opinion, in all material respects:

- The information given in the Group's Annual Management Report, including the information on remuneration and the Corporate Governance Report, for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements; and
- The Group's Annual Management Report, including the information on remuneration and the Corporate Governance Report, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

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

Management is responsible for the preparation and fair presentation of the separate and consolidated 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 separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Regulatory and Supervisory Requirements

Following the decision of the general shareholder's meeting dated 20 March 2024 we were re-elected to perform an audit of the separate and consolidated financial statements of the Bank and the Group for two years (2024 and 2025). The total uninterrupted term of appointment is 8 years.

We confirm that our audit opinion expressed in the Opinion paragraph of our report is consistent with the audit report about the separate and consolidated financial statements which we have presented to the Bank and the Group and its Audit Committee.

We confirm that to the best of our knowledge and belief, we have not provided any prohibited non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

During the audit period, in addition to the audit services of the Bank's separate and the Group's consolidated annual financial statements we also provided the following services: the audit of the Bank's separate and the Group's consolidated condensed interim financial statements for the period ended 30 September 2024.

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

Based on our agreement with the Bank, we have been engaged to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the European single electronic reporting format of consolidated financial statements, including Group's annual management report, for the year ended 31 December 2024 (the "Single Electronic Reporting Format of the consolidated financial statements") recorded in the file uaburbobankas- 2024- 12- 31- en.zip (SHA 256 Checksum f575ffd8650c960a1be2319b7a7f147f553be0f89f4d351c dcf2cd0508b8d6b).

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 to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Single Electronic Reporting Format of the consolidated financial statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Single Electronic Reporting Format of the consolidated financial statements and, in our view, these requirements constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibilities of management and those charged with governance

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

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Single Electronic Reporting Format of the consolidated financial statements which is free from material non-compliance with the requirements of the ESEF Regulation.

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

Our responsibility

Our responsibility is to express a reasonable assurance conclusion whether the Single Electronic Reporting Format of the consolidated financial statements complies with the ESEF Regulation.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (the „ISAE 3000 (R)“). This standard requires that we 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 is a high level of assurance, but it does not guarantee that the service performed in accordance 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. Our procedures included in particular:

- 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;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of single electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Bank's and 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 2024 complies, in all material respects, with the ESEF Regulation.

The audit engagement partner for this independent auditor's report is Arūnas Užbalis.

Auditor Arūnas Užbalis
Auditor certificate No. 000543

ROSK Consulting UAB
Audit company certificate No. 001514

Vilnius, Lithuania
12 March 2025