

**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF AKCINĖ BENDROVĖ SNAIGĖ****Report on the Audit of the Company's and Consolidated Financial Statements****Qualified Opinion**

We have audited the accompanying separate financial statements of Akcinė bendrovė Snaigė (the Company) and the accompanying consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the separate and consolidated statement of financial position, provided in the file: absnaige-2023-12-31-en.zip (SHA-256-checksum: 04f1d2455747237039039db8258fc94d8ef8cbddc1e893f8a970b85d12c6fc03), as at December 31, 2023, and the separate and consolidated statement of comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the 1-3rd matters and influence of 4th matter described in the paragraph "Basis for Qualified Opinion" section of our report on the relevant data, the accompanying separate and consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and the Group as at 31 December 2023, and their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

**Basis for Qualified opinion**

1. At 31 December 2023, the Company's equity was less than ½ the Company's issued capital and did not meet the requirements of the Law on Companies of the Republic of Lithuania. These events indicate that there is a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern, and, therefore, that the Company and the Group may be unable to realise their assets and discharge their liabilities in the normal course of business and to restore compliance with its total capital ratio requirement.
2. As at 31 December 2023, the Company and the Group recorded items of property, plant and equipment in the financial statements at amounts of EUR 10,424 thousand and EUR 10,457 thousands, respectively. During the year ended 31 December 2023, the Company and the Group incurred a net loss of EUR 3,379 thousand and EUR 3,368 thousand, respectively, whereas equity amounted to EUR 4,760 thousand and EUR 4,971 thousand, respectively. These circumstances indicate potential impairment of property, plant and equipment. Given the absence of the Company's and the Group's recoverable amount estimates, the potential impact of impairment on the amounts of property, plant and equipment, profit (loss) for the year and equity was not assessed. For this reason, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the recoverable amount of property, plant and equipment as at 31 December 2023.
3. As at 31 December 2023, the investment in the subsidiary UAB Almecha was reported in the Company's financial statements amounting to EUR 399 thousand, respectively, and was stated in the balance sheet at acquisition cost. The recoverable amount of investments in subsidiaries was not estimated, and the potential impact of impairment on the investments, profit (loss) for the year and equity was not assessed. We also were unable to satisfy ourselves by alternative practical means concerning this matter and to recognise impairment loss.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public – interest entities (regulation (EU) No 537/2014 of the European Parliament and of the Council). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Key audit matters****Grant Thornton Baltic UAB**

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Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

### **Revenue recognition**

*See financial statements note 3.*

During 2023, the Company and the Group's net sales were reported at, respectively, EUR 16,410 thousand and EUR 17,080 thousand.

The largest share of the sales revenues is generated from the sales of refrigerators and freezers. The Company recognises the goods sales revenues on the basis of the quantity of the goods dispatched and the agreed prices. The revenues are recognised only after the material risk and the ownership rights with respect to the goods are transferred to the buyer, following the agreed INCOTERM terms. The revenues are recognised net of the granted rebates. Although in respect of the recognition of income the decisions are passed to a limited extent only, due to the value and the number of transactions revenue recognition is an important audit area that requires significant time and resources and, therefore, it is considered a key audit matter.

#### *How we audited the key audit matter*

We gained an understanding of the revenue business process and the controls in place, among other audit procedures.

We carried out the audit by combining the control test of effectiveness procedures with the substantive detailed tests procedures.

We evaluated the system of key controls related to the income recognition and tested their implementation. We dedicated special attention to the control procedures related to the reconciling of the invoices with the respective goods transportation documents and the agreed prices indicated in the orders for the goods and the relevant contracts.

We reviewed the accounting policy for the recognition of revenue related to all material income flows and assessed their compliance with the requirements of the International Accounting Financial Reporting Standards adopted by the European Union.

We performed the following substantive detailed tests procedures:

- we selected transactions designed with customers during the year, reconciled transactions with the signed contract or sales order, goods transportation documents, invoices and subsequent payments received from customers;
- our work also included tests of selected income accounting records to assess the adequacy of the correspondence in the general ledger accounts.
- we have analyzed the information on income disclosed in the separate and consolidated financial statements of the Company and the Group.

### **Other information**

The other information comprises the information included in the Consolidated and company's annual report, including Company's Corporate Governance Code Compliance Report and Remuneration statement, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In addition, our responsibility is to consider whether information included in the Consolidated and company's annual report, including Corporate Governance Code Compliance Report and Remuneration statement, for the financial year for which the financial statements are prepared is consistent with the 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 financial statements, in our opinion, in all material respects:

- The information given in the Consolidated and company's annual report, including Corporate Governance Code Compliance Report and Remuneration statement, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- The Consolidated and company's annual report, including Corporate Governance Code Compliance Report and Remuneration statement, has been prepared in accordance with the requirements of the Law on Consolidated Financial Reporting by Groups of Undertakings of the Republic of Lithuania and the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Law of the Republic of Lithuania on accounting and financial reporting, and 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

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

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 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**

Other requirements for the auditor's report under Regulation (EU) No 182/2011 of the European Parliament and of the Council 537/2014.

On the basis of the financial statement audit services contract on 18 September 2023 Grant Thornton Baltic UAB has been chosen to carry out the audit of the Company's and the Group's separate and the consolidated financial statements. Our appointment to carry out the audit of Company's and the Group's 2023 year separate and the consolidated financial statements has been renewed annually and the period of total uninterrupted engagement is 2 years and the total uninterrupted term of appointment is 5 years.

We confirm that our opinion in the section 'Qualified Opinion' is consistent with the additional report which we have submitted to the Company and the Group and Audit Committee and the Central Bank of Lithuania.

We confirm that in light of our knowledge and belief, services provided to the Company and the Group 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.

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

We have been engaged based our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the European single electronic reporting format of consolidated and company financial statements, including Consolidated and company's annual report, for the year ended 31 December 2023 (the "Single Electronic Reporting Format of the consolidated financial statements") contained in file: absnaige-2023-12-31-en.zip (SHA-256-checksum: 04f1d2455747237039039db8258fc94d8ef8cbdc1e893f8a970b85d12c6fc03).

##### *Description of a subject and applicable criteria*

The Single Electronic Reporting Format of the consolidated and company 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. Furthermore, the Company has voluntarily performed the marking of the separate financial statements in accordance with the requirements applicable to the consolidated financial statements.

The requirements described in the preceding paragraph determine the basis for application of the Single Electronic Reporting Format of the consolidated and company 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 Company is responsible for the application of the Single Electronic Reporting Format of the consolidated and company financial statements that complies 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 and company 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 was to express a reasonable assurance conclusion whether the Single Electronic Reporting Format of the consolidated and company 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 noncompliance 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 and company 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 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 and company financial statements for the year ended 31 December 2023 complies, in all material respects, with the ESEF Regulation.

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

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29 April, 2024