



2024/2025 Financial Year

AB Akola Group

Audit committee activity report



For the financial year 2024/2025 ended 30 June 2025

1. Introduction



Lukas
Kuraitis



Skaistė
Malevskienė



Arūnas
Bartusevičius

1. Introduction

Audit Committee (hereinafter referred to as – „Committee“) of AB Akola Group (hereinafter referred to as – „Company“) elected by Annual General Shareholders Meetings held on 28th October 2022 and on 27th October 2023 for the term of the office of 2023/2027.

There were 3 (three) members working in the Committee:

Name, surname	Status in the Committee	Cadence started	Cadence to end
Lukas Kuraitis	Independent Member	28/10/2022	27/10/2026
Skaistė Malevskienė	Independent Member	28/10/2022	27/10/2026
Arūnas Bartusevičius	Independent Member	27/10/2023	27/10/2026

While performing its activities the Committee acts according to Regulations of the Audit Committee of AB Akola Group approved by General Shareholders Meeting held on 29th of April 2025, defining formation of the Committee and work procedures, rights and obligations, number of its members, requirements for education and professional experience, the principles of independence and other issues related to formation of the Committee and work organization thereof (hereinafter referred to as – „Regulations“).

The Audit Committee approved this activity report as 10th October 2025

2. Issues related to work organization of the committee

2. Issues related to work organization of the committee

The meetings of the Committee are convoked as such demand emerges. They resolved issues assigned for the competence of the Committee. Committee analysed and discussed uncorrected audit differences for financial year 2023–2024 and other recommendations made by the auditors. After getting acquainted with the data, the Committee provided its insights on the corrections of the identified uncorrected audit differences and the implementation of the recommendations.

The Committee was introduced to AB “Akola Group” and its subsidiaries (hereinafter referred to as – „Group“) transfer pricing documentation (hereinafter referred to as – “TPD”) of both the financial years ended at 30th June 2023 and 30th June 2024. The Committee was briefed on the tax risks arising from intragroup transactions, as identified in the TPD, and discussed measures to minimize or eliminate these risks.

The Committee was presented with the Group’s risk matrix, which identified various risks that arise or may arise for the Company and its subsidiaries. The scope of potential risks, as well as the risk management measures used and potentially applicable within the Group, were discussed with the Committee. The Committee’s insights and recommendations regarding the application and oversight of risk management measures were heard. The next steps were agreed with the Committee on how risk management measures will be improved and implemented within the Company and the Group.

The Committee was presented with information about unusual and new transactions within the Group, and the nature of these transactions, potential risks, and their impact on the Group’s activities were discussed. An analysis was carried out on how these transactions comply with established internal and external requirements. Additional measures needed to ensure transparency and compliance were also discussed.

The Committee was briefed on the inspection conducted by the supervisory authorities and the findings received. The discussion focused on how the results of inspections might impact the Group’s operations, and the associated risks were evaluated. Additionally, a remedy plans was presented to address the identified issues and ensure compliance with regulatory requirements.

The Committee was presented with the interim financial audit and sustainability assurance results. Key findings were analysed and recommendations were provided. The progress of the process was also reviewed, and critical aspects were discussed to ensure that both the financial statements annual audit and the sustainability assurance are carried out within the established deadlines.

▪ Financial statement audit:

On 29th June 2025, during a meeting between the Committee and the audit team of UAB Ernst & Young Baltic (hereinafter – “EY”), the Group’s 2024/2025 financial year audit plan and its scope was presented and agreed. The work schedule was introduced and all significant deadlines were approved, while the key audit risks were discussed. The audit team presented the methodology used to assess and test these risks. During the meeting, the EY audit team was also introduced to the Committee. The Committee evaluated the competence and independence of the audit team members.

On 25th August 2025, during a meeting with the EY audit team, the Committee was presented with the status of the Group’s audit, preliminary audit observations, and the status of ongoing legal disputes. The Committee discussed the further course of the audit.

On 3rd October 2025, during a meeting with the EY audit team, the results of the Group’s financial statements audit were presented: key audit matters, uncorrected audit misstatements, audit status and outstanding issues, the appropriateness of accounting policies, estimates and disclosures in the financial statements, control deficiencies, and IT recommendations. It was discussed during the meeting that there were no significant changes in the audit plan and strategy. EY proposed issuing an unmodified auditor’s opinion.

▪ Sustainability reporting assurance:

The Committee monitored the sustainability reporting processes to ensure their compliance with the Law on Corporate and Group Reporting as well as the requirements of the European Sustainability Reporting Standards.

The Committee assessed the application of the double materiality principle – evaluating both the Group’s impact on the environment and society, and the influence of external factors on the Group’s financial position. Identified shortcomings in the area of sustainability reporting, as well as measures to address them, were discussed. Further steps were also agreed on how internal control measures will be improved to ensure a higher level of accountability and transparency within the Group.

2. Issues related to work organization of the committee

2. Issues related to work organization of the committee/cont'd

On 10th July 2025, the Committee met with the sustainability assurance team of UAB 'ROSK Consulting' (hereinafter – 'ROSK'). The sustainability assurance plan and its scope for the financial year 2024/2025 were presented and coordinated with the Committee. The work schedule was introduced, and all significant deadlines were agreed upon. Key risks were discussed, and the assurance team presented the methodology to be used for assessing and verifying these risks. During the meeting, the Committee was also introduced to the ROSK assurance team. The Committee evaluated the competence and independence of the team members during the presentation.

On 10th October 2025, the Committee met with the ROSK audit team to review the Group's sustainability reporting results. The presentation covered key assurance matters, the appropriateness of assessments and disclosures in the report, control deficiencies, and related recommendations. During the meeting, it was noted that there were no significant changes to the assurance plan or strategy. ROSK submitted Independent practitioner's limited assurance report on AB Akola Group consolidated sustainability report.

In the Committee meetings held during the reporting period, it was observed how the Company complies with the EUROPEAN PARLIAMENT AND COUNCIL REGULATION (EU) No. 537/2014, on specific requirements regarding statutory audit of public-interest entities and repealing Commission decision 2005/909/EB (hereinafter referred to as – the Regulation).

The Company's management closely cooperated with the members of the Committee, timely and properly provided detailed information related to the specific accounting, financial and operational features of the Company.

During the reporting period Committee made 5 (five) decisions:

- 17th October 2024
- 3rd December 2024
- 20th January 2025
- 25th March 2025
- 7th April 2025

On 17th October 2024, the Company's Committee decided, in accordance with the Regulation, to approve the purchase of NAS (Akola ApS tax consulting in Denmark based on a request from the Danish tax administrator) from EY's Denmark branch. Any issues related to independence were discussed with the audit team.

On 3rd December 2024, the Company's Committee decided, in accordance with the Regulation, to approve the purchase of NAS (tax consulting related to the quality of the SAF-T file of AB Akola Group, aiming to assess whether the file complies with the SAF-T technical specification and its technical requirements) from EY's Lithuania branch. Any issues related to independence were discussed with the audit team.

On 20th January 2025, the Company's Committee decided, in accordance with the Regulation, to approve the purchase of NAS (Akola ApS non-audit services in Denmark related to the completion of tax forms regarding shareholder dividend approval and a request for dividend tax refund for the company's minority shareholders) from EY's Denmark branch. Any issues related to independence were discussed with the audit team.

On 25th March 2025, the Company's Committee decided, in accordance with the Regulation, to approve the purchase of NAS (non-audit services for AB 'Kauno Grūdai' related to the calculation and recognition of tax goodwill) from EY's Lithuania branch. Any issues related to independence were discussed with the audit team.

On 7th April 2025, in accordance with Clause 19.6 of the Regulations, the Committee, in cases where a financial audit and/or sustainability assurance service is planned, is responsible for implementing the selection procedure of the auditor(s) or audit firm(s) and/or sustainability assurance service provider and for providing a recommendation regarding their appointment. The Committee provided a recommendation to the Company's management to sign a contract for the provision of sustainability assurance services with UAB "ROSK Consulting" (hereinafter referred to as "ROSK") for a period of 1 (one) year, for the financial year 2024/2025 ending on 30 June 2025. Before making this recommendation, the Committee confirmed that its recommendation was not influenced by any third party. The Committee observed and evaluated the procurement process, reviewed the applicable requirements and selection criteria, and submitted its comments on them. Before making its recommendation, the Committee also reviewed a detailed comparative analysis of the proposals received.

3. Review of conformity of the committee members to the requirements

4. Presentation of recommendations

3. Review of conformity of the committee members to the requirements

Assessment of independence of the independent Committee members Lukas Kuraitis, Skaistė Malevskienė and Arūnas Bartusevičius was performed. After this assessment it was determined that all members satisfy all the independence requirements. Lukas Kuraitis, Skaistė Malevskienė and Arūnas Bartusevičius have also signed confirmations on their independence.

The key criteria for determining whether a member of the Audit committee can be considered independent were established on January 24, 2017, by resolution of the Board of the Bank of Lithuania No. 03-14 "Description of Requirements for Audit Committees" (Summary editorial as of 1st July 2018) as well as described by the requirements for the Audit Committee, the composition of the bodies of the Audit Committee and the composition of the Audit Committee.

During assessment it was also established that the qualification and work experience of all the members of the Committee satisfy the requirements of the Regulations (person is considered to have appropriate qualification when the person has a university degree in social sciences law, economics, business, finance or management; person is considered to have appropriate experience if the person has at least 3 year's experience in the field of audit, accounting, finance or law).

4. Presentation of recommendations

RECOMMENDATION TO THE MANAGEMENT BOARD OF THE COMPANY ON PRESENTATION OF ANNUAL INFORMATION FOR 2024/2025 FOR SHAREHOLDERS' APPROVAL

On 9th October 2024, the Committee prepared a recommendation to the Company's Management Board regarding the information for the financial year 2024–2025. In its recommendation, the Committee advised the Board to submit the audited annual information for 2024–2025 to the shareholders for approval.

Before providing this recommendation, the Committee members reviewed the audited annual data, analysed the information presented by the Company's CFO, Mažvydas Šileika, on the preparation process of the financial statements for the financial year 2024–2025, listened to the presentation by the auditors from UAB 'Ernst & Young Baltic' on the audit of the financial statements for the reporting year, reviewed the audit findings identified during the audit process, observed the audit procedures, and assessed whether the auditors complied with the principles of independence and objectivity.

Prior to making its recommendation to the Board, the Committee also reviewed the annual and consolidated sustainability reporting data, analysed the information presented by CFO Mažvydas Šileika on the preparation process of the sustainability disclosures for 2024–2025, and listened to the presentation by the assurance service providers from UAB 'ROSK Consulting' on the performed sustainability assurance engagement. The Committee evaluated the deficiencies identified during the assurance, reviewed the proposed corrective measures, and monitored the assurance process. It also assessed compliance with the European Sustainability Reporting Standards and evaluated whether the assurance providers acted independently and objectively. Based on the information received and insights provided, the Committee formed its opinion on the reliability of the sustainability reporting and developed recommendations for further strengthening of internal control and compliance in the area of sustainability.

4. Presentation of recommendations

4. Presentation of recommendations/cont'd

EFFECTIVENESS OF THE RISK AND INTERNAL AUDIT SYSTEM

During the reporting year, the Group established a Risk and Internal Audit function, whose main objective is to ensure a systematic approach to risk management and the effectiveness of internal controls across the entire Group.

The first phase of the function’s activities focused on conducting a Group-wide risk assessment using a unified and approved methodology. This methodology enables the identification, assessment, and prioritisation of the most significant risks. Based on the results obtained, an internal audit plan will be developed in the upcoming financial year, focusing on the highest-impact risks and control processes. The performance and outcomes of the function will be periodically reviewed and discussed by the Audit Committee.

The Committee recommends further development of the Risk and Internal Audit function at the Group level, ensuring that:

- The most significant business areas are regularly assessed on a risk-based principle;
- Risk assessment and audit results are utilised in strategic decision-making and in strengthening control processes.

Chairman of the Committee	(signature)	Lukas Kuraitis
Members of the Committee	(signature)	Skaistė Malevskienė
	(signature)	Arūnas Bartusevičius