
# Consolidated Management Report

# 2024

MAXIMA GRUPĖ

# Consolidated Management Report 2024

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# About Maxima Group

# Letter From The CEO

First of all, I would like to thank our customers, colleagues and partners for their trust and collaboration. The challenges we have overcome together motivate us to work in the best interest of our customers, pursue ambitious goals and continue to strengthen our position in the market.

The year 2024 brought a sense of stability, allowing us to focus on increasing business efficiency and ongoing projects alongside our expansion. We continued to develop the standardisation of store formats, invested in logistics infrastructure, continued reconstruction of our stores, and expanded the range of private-label products.

Throughout the year, energy and food prices stabilised, but consumption trends remained a challenge. Intense competition among retail chains pushed us to focus even more on customer expectations and introduce attractive offers that would encourage customers to choose our stores for their shopping. As in previous years, we paid great attention to private labels, expanding their range and continuing investments in the "Well Done" line we launched in 2023, emphasising high product quality and competitive prices. During the Christmas season, we launched the "Well Done Premium" line under this brand, offering customers the opportunity to enhance their daily shopping basket with an exclusive, top-tier selection at an attractive price.

The most significant investment project of the year was the opening of our new logistics centre in Lithuania, which serves the entire MAXIMA retail network. This is the largest investment in Lithuania in 30 years and a significant step towards a more efficient supply chain and stronger market positioning.

To ensure a better customer experience and greater operational efficiency, we continued our store format unification project in the Baltic states. Now, 85% of our stores have been standardised, and store standardisation in large-format stores will continue in 2025.

As in previous years, Poland and Bulgaria remained the main expansion markets. In 2024, revenue growth in Poland accounted for more than half of the Group's total revenue growth. In 2024, 36 new "Stokrotka" stores were opened in Poland, and 13 new "T Market" stores were opened in Bulgaria.

We are proud that the science-based environmental commitments set by MAXIMA Group in 2023 were officially confirmed by the Science-Based Targets initiative (SBTi) in 2024. The Group has joined the ranks of the world's leading companies that actively pursue sustainability solutions and responsible business development.

Sincerely,

**Manfredas Dargužis,**
CEO
of MAXIMA GRUPĖ

# Who We Are Today

In the 30 years since its founding, the MAXIMA Group of companies (hereinafter "the Group" or "MAXIMA Group"), controlled by MAXIMA GRUPĖ, UAB with headquarters in Vilnius (hereinafter "MAXIMA GRUPĖ" or "the Company"), has become one of the largest retail chains in the Baltic region and has successfully expanded its operations in Poland and Bulgaria. The core business activity of the Group is grocery retail trade.

Total number of stores:

**1,611**

(including 81 franchise stores)

Number of employees:

**36,412**

Daily customers:

**1.6m**

E-commerce orders:

**3.0m**

Total revenue:

**€6,098m**

EBITDA

**€456m**

Investments into fixed assets*:

**€190m**

MAXIMA Group operates 1,611 retail stores (including 81 franchise stores) in five countries – Lithuania, Latvia, Estonia, Poland and Bulgaria. The Group's store brand portfolio consists of the MAXIMA retail chain in the Baltics, STOKROTKA in Poland, T MARKET in Bulgaria, and the online grocery platform BARBORA, which provides services in the Baltics. Across the countries in which the Group operates, stores are classified into formats based on trade area and assortment. Every day, around 1.6 million customers visit the stores.

The Group also includes FRANMAX, UAB (hereinafter "FRANMAX"), which provides information technology (IT) development and support services for the Group's companies, and MAXIMA International Sourcing, UAB (hereinafter "MAXIMA International Sourcing"), which provides the Group's retail companies with centralised procurement and agency services for purchasing food and household goods.

MAXIMA Group is part of a larger corporate group controlled by UAB "Vilniaus prekyba", (hereinafter "Vilniaus prekyba"). In the Baltic states and in Sweden, Poland and Bulgaria, "Vilniaus prekyba" controls and manages a group of subsidiary companies that operate chains of retail stores ("Maxima Group"), DIY stores ("ERMI Group"), pharmacies ("Euroapotheca"), restau-rants and cafés ("Delano"), shopping centres ("Akropolis Group") and real estate development and rental service companies ("NDX Group").

*Excluding the investment in the Dauga shopping center, which was sold in the same year

# Main Events

## 1 1st quarter 2024

- On 1 February 2024, MAXIMA GRUPĖ withdrew as a shareholder of the charity fund Vilniaus prekybos paramos fondas "Dabar".
- On 8 February 2024, MAXIMA GRUPĖ was officially included on the "Science-Based Targets initiative (SBTi)" list of companies who have had their greenhouse gas reduction targets validated, after the official approval dated 20 December 2023.
- On 24 February 2024, Diana Gegelytė was appointed as the sole Board Member (CEO) of MAXIMA Eesti OÜ (hereinafter MAXIMA Estonia), succeeding Kristina Mustonen, who left the Group.
- On 3 March 2024 Barbora Polska, Sp. z o. o., which provided a food delivery service in Poland, ceased its operations.
- On 19 March 2024, the sole shareholder of MAXIMA GRUPĖ adopted a decision to reduce the number of members of the Supervisory Board from five members to three members and accordingly approved the new wording of the Articles of Association of MAXIMA GRUPĖ and elected a new Supervisory Board for a new term of office of 4 years, comprising Nerijus Maknevičius, Matas Kasperavičius and Paulius Mencas. In addition, the new members of the Audit Committee were appointed: Irena Petruškevičienė, independent member and Chair of the Audit Committee, independed member Eglė Čiužaitė, who replaced Rasa Milašiūnienė and Matas Kasperavičius, who replaced Evelina Černienė.

## 2 2nd quarter 2024

- On 28 May 2024, Povilas Šulys was appointed as director of UAB Barbora (hereinafter BARBORA) and director and board member of its managing company RADAS, UAB. P. Šulys succeeds Viktoras Juozapaitis, who left the Group.
- On 30 May 2024, Manfredas Dargužis, CEO of MAXIMA GRUPĖ, will also temporarily lead the subsidiary company "FRANMAX", succeeding Karolis Lesickas, who left the Group.
- On 27 June 2024, MAXIMA GRUPĖ adopted the decision to reduce the number of members of the Board of its subsidiary RADAS, UAB, from five to three, and appointed for a new term of office of 4 years the new members of the Board Povilas Šulys, Jolanta Bivainytė and Šarūnas Savičianskas.

## 3 3rd quarter 2024

- On 25 July 2024, following a review of Group's operations and financial results, the international credit rating agency S&P Global Ratings reaffirmed MAXIMA GRUPĖ's long-term issuer credit rating at BB+ with a stable outlook. The S&P Global Ratings report highlights the Group's revenue growth, successful expansion in Poland and Bulgaria, efficiently managed costs and stable cash-flow generation.

## 4 4th quarter 2024

- On 9 October 2024, MAXIMA GRUPĖ resolved to remove Šarūnas Savičianskas from the board of its subsidiary RADAS, UAB and to appoint Jonas Jočys as the new board member, effective from 10 October 2024, until the end of the current board's term.

- On 14 October 2024, "Vilniaus prekyba", the sole shareholder of MAXIMA GRUPĖ, decided to dissolve the company's Supervisory Board and approve a new version of the company's Articles of Association accordingly. The decision to discontinue the Supervisory Board was made to simplify the company's management, transferring some of its functions to the sole shareholder, "Vilniaus prekyba", and others to the board of MAXIMA GRUPĖ. From the date of registration of the amended Articles of Association, the sole shareholder will have the authority to appoint and dismiss the members of the board of MAXIMA GRUPĖ. The current board members will remain in their positions for the duration of their ongoing term.

- On 13 November 2024, a new Management Board of MAXIMA GRUPĖ, comprising Manfredas Dargužis, Jolanta Bivainytė, Lauryna Šaltinė, Agnė Voverė, Karolina Zygmantaitė, Arūnas Zimnickas and Petar Petrov Pavlov, was formed for a 4-year term. Manfredas Dargužis was appointed Chairman of the Management Board.

# 5 EVENTS AFTER THE REPORTING PERIOD

## 1st quarter 2025

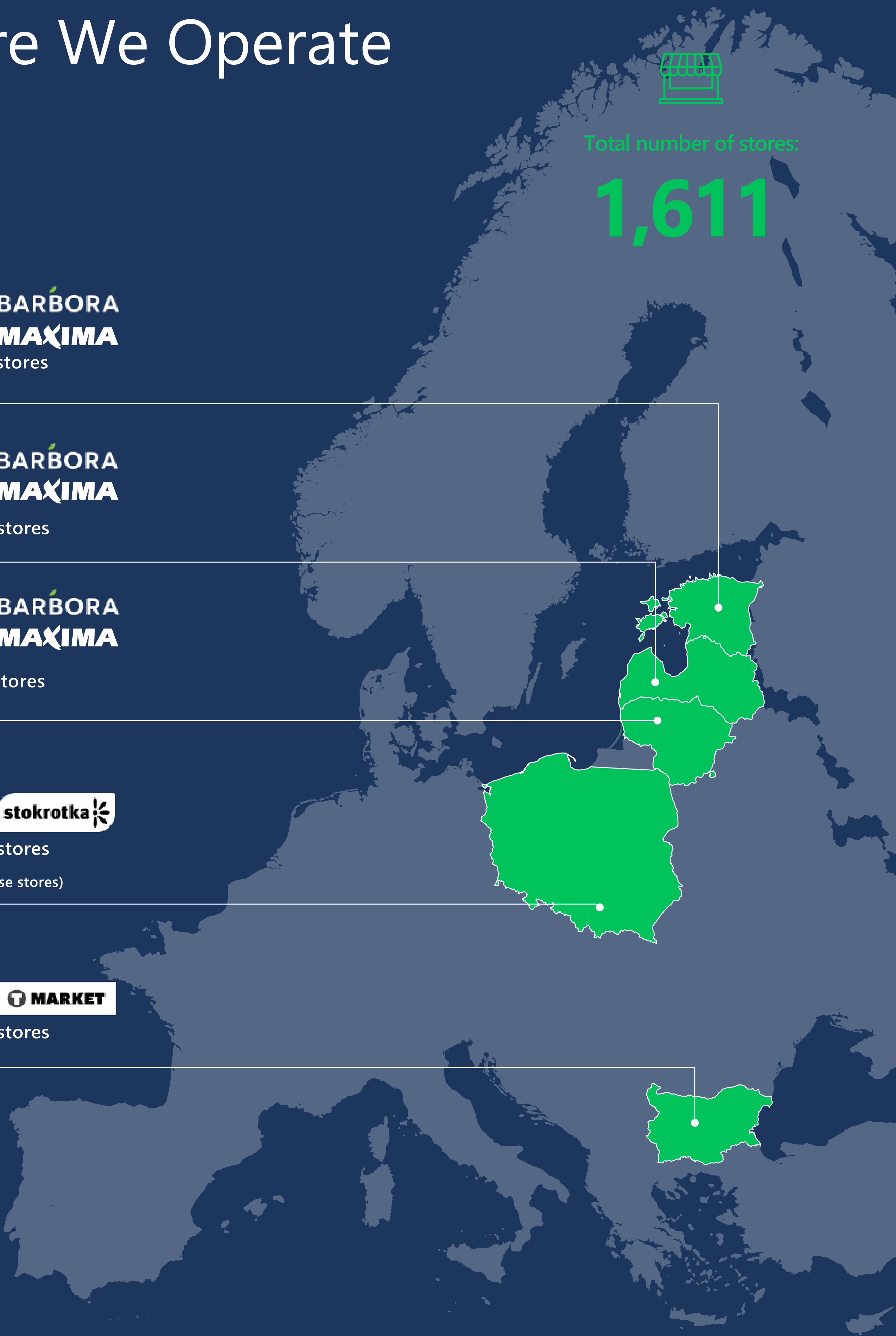
- In January 2025, liquidation proceedings for Barbora Polska, Sp. z o. o. were initiated.

- On 6 February 2025, MAXIMA LT, UAB (MAXIMA Lithuania) purchased 100% of the Sollo, UAB shares from "Vilniaus prekyba" and Vestodija, UAB.

# Where We Operate

Total number of stores:

**1,611**



Estonia

**85**

BARBORA MAXIMA stores

Latvia

**172**

BARBORA MAXIMA stores

Lithuania

**240**

BARBORA MAXIMA stores

Poland

**981**

stokrotka stores

(including 81 franchise stores)

Bulgaria

**133**

T MARKET stores

# Business Overview

In the context of lowering food inflation, in 2024 MAXIMA Group achieved stable revenue growth of 4.3%. Revenue in LFL stores increased by 2.0% at constant exchange rates. The year 2024 continued with intensive market competition driven by increased customer price sensitivity and a decline in consumption in some regions.

In 2024, the Group maintained stable revenue growth in Baltic markets, outperforming market growth in Latvia and Estonia. In Lithuania, revenue was affected by the reconstruction of larger format stores and the closure of non-format stores. Nonetheless, in Lithuania, the Group achieved revenue growth of 3.1%, the highest among Group companies in the Baltics despite the lowest food inflation of any of the markets in these countries.

Sales growth in the Baltic markets was primarily driven by increased customer traffic and larger shopping baskets, fuelling higher sales volumes. This was led by successful promotional campaigns, ranging from weekly leaflet offers to theme months and special weekend discounts. Additionally, at the end of the year, to attract customers and expand offerings, MAXIMA Group's already established private label brand "Well Done" introduced its festive line "Well Done Premium". This new assortment contributed to the continued growth of private-label sales and helped meet evolving customer needs.

In markets where the Group has a lower market share, competition from larger players intensified, which prevented from making more significant gains in STOKROTKA and T MARKET market shares despite their expansion efforts. For STOKROTKA, the increase in the number of stores was a key factor for revenue growth, while its focus on competitive pricing and promotional efforts allowed it to maintain positive LFL and increase average shopper basket size. This enabled STOKROTKA to maintain its market share in Poland. For T MARKET, expansion significantly drove overall revenue growth as well. Despite the deflation of key shopping basket items, influenced by market leaders, T MARKET achieved 1% LFL growth with stable sales volumes.

## CONSOLIDATED REVENUE

€6,098 million
2024

€5,845 million
2023

+4.3%

## CONSOLIDATED LFL REVENUE*

**+2.0%****

### RETAIL OPERATORS' REVENUE GROWTH BY COUNTRY

| € million | 2024 | 2023 | CHANGE |
|---|---|---|---|
| Lithuania | 2,208.9 | 2,142.6 | +3.1% |
| Latvia | 1,101.2 | 1,073.4 | +2.6% |
| Estonia | 598.7 | 593.3 | +0.9% |
| Poland | 1,889.7 | 1,739.0 | +8.7% |
| Bulgaria | 293.6 | 275.0 | +6.7% |

### RETAIL OPERATOR'S LFL REVENUE BY COUNTRY*

| | 2024 |
|---|---|
| Lithuania | +4.4% |
| Latvia | +2.3% |
| Estonia | +1.4% |
| Poland | +0.2% |
| Bulgaria | +1.0% |

*Constant exchange rates

**Like-for-like (LFL) in actual exchange rates for 2024: 2.5%

In 2024, the Group's sales of goods via online channels amounted to EUR 160.5 million (gross revenue), with EUR 148.3 million attributed to sales through BARBORA. Compared with the previous year, e-grocery gross revenue decreased by 6.3% due to the discontinuation of Barbora Polska operations at the end of March 2024. E-commerce gross revenue in the Baltics grew by 7%, with Latvia achieving the highest growth. Throughout 2024 the Group fulfilled over 3 million orders, with Barbora Baltics accounting for more than 2.7 million deliveries. E-commerce share in the Group's sales grew, driven by an increase in active customers, orders and higher average shopping basket size.

At the start of 2024, market growth slowed or even turned negative in most countries, following several years of high inflation. As market growth declined, operating companies needed time to adjust to these changing conditions, which overall impacted profitability. Group EBITDA in 2024 reached EUR 455.6 million with a 7.5% EBITDA margin. Compared with 2023, EBITDA declined, with increasing personnel costs being a key factor across all markets, particularly in Poland, where the minimum wage increased by more than 20%.

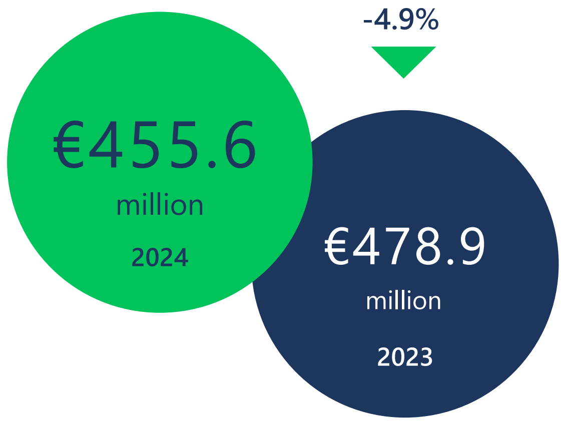
This impact was not offset by selling price adjustments, as the Group prioritised maintaining stable market positions. To mitigate labour cost increases and improve operational efficiency, Baltic countries continued the ongoing store format standardisation project that began in 2021. By the end of 2024, 85% of all stores in the Baltics had been standardised, aiming to enhance the shopping experience for customers and improve the efficiency of store operations.

In Poland, enhanced supply chain algorithms have been implemented to improve efficiency, alongside the expansion of self-checkout systems in stores. As customers become less loyal to specific grocery retailers, actively seeking better offers across the market, STOKROTKA has conducted assortment reviews to optimise store operations and inventory management. To strengthen competitiveness in major Bulgarian cities, T MARKET has refined its assortment strategy to secure a stronger position against market leaders. Moreover, electronic shelf labels and refrigerator doors have been introduced to enhance the efficiency of Bulgarian stores.

**RETAIL OPERATIONS' MARKET SHARE**

| | MARKET GROWTH* | 2024 MARKET SHARE |
|---|---|---|
| **Lithuania** | +5.3% | 29.9% |
| **Latvia** | +2.0% | 25.5% |
| **Estonia** | +0.3% | 15.4% |
| **Poland** | +1.6% | 2.5% |
| **Bulgaria** | +13.4% | 2.5% |

**CONSOLIDATED EBITDA**




**RETAIL OPERATORS' EBITDA AND EBITDA MARGIN**

| € million | 2024 | 2023 | 2024 MARGIN |
|---|---|---|---|
| **Lithuania** | 204.3 | 207.7 | 9.2% |
| **Latvia** | 100.7 | 100.7 | 9.1% |
| **Estonia** | 36.9 | 40.4 | 6.2% |
| **Poland** | 99.4 | 116.3 | 5.3% |
| **Bulgaria** | 18.5 | 18.6 | 6.3% |

*Market share is calculated as retail operators' turnover divided by total market turnover, based on Eurostat NACE Section G classifiers 47.11 and 47.2. In 2024, Latvia's Statistics Department excluded major retail companies' wholesale trade activities from turnover, requiring a recalculation of MAXIMA Latvia's market share; Polish market growth is shown in the local currency.

In line with its plans, MAXIMA Lithuania launched operations at a new 46,000-square-metre logistics centre in June. While the transition from previously used warehouses introduced challenges for supply chain, inventory control and cost management, this represented a strategic move towards improving long-term logistics efficiency and ensuring the supply of fresher products for customers.

In 2024, MAXIMA Group companies invested EUR 189.6 million in fixed assets, amounting to 3% of the total Group revenue. Compared with 2023, investments increased by EUR 21 million, driven by EUR 13.9 million growth in Bulgaria and EUR 12,5 million in Lithuania. In 2024, the Group renovated its trading areas more extensively compared with previous years, acquired several existing store buildings and invested in land plots for the development of new stores.

At the reporting date, the Group's net debt stood at EUR 1,043 million (including lease liabilities of EUR 793 million) and had increased by EUR 86 million compared with the end of 2023. Borrowing, excluding lease liabilities, decreased compared with the end of 2023, while lease liabilities increased by EUR 25 million. As a result, the Group's financial leverage increased slightly compared with the previous year, with the net debt/EBITDA ratio reaching 2.3 by the end of 2024.

## CONSOLIDATED INVESTMENT INTO FIXED ASSETS

+12,6%

€189.6* million
2024

€168.4 million
2023

## CONSOLIDATED NET DEBT TO EBITDA

(inc. lease liability)

**2.3X**

2023: 2.0X

### NUMBER OF EMPLOYEES BY COUNTRY

| | 2024 |
|---|---|
| **Lithuania** | 12,392 |
| **Latvia** | 6,139 |
| **Estonia** | 3,114 |
| **Poland** | 12,272 |
| **Bulgaria** | 2,495 |


*Excluding the investment in the Dauga shopping centre, which was sold during the same year

# Plans And Forecasts

The Group expects market conditions in the upcoming periods to remain moderate, with increasing pressure on profitability due to rising labour costs and uncertainty with respect to energy and fuel costs across all countries. This will require the Group to further optimise operational efficiency while maintaining competitive pricing to sustain market leadership in the Baltics and strengthen its position in Poland and Bulgaria. Investments in technology, automation and process improvements will be key to balancing cost pressures with customer expectations.

Expansion and renovation of the store network will remain a strategic priority for the MAXIMA Group. The Group will be focusing on strengthening its store portfolio through strategic location and land acquisitions, ensuring long-term market presence and accessibility in the markets, particularly in regions with a lower market share. Alongside its physical expansion, the Group will continue enhancing its e-commerce Barbora operations by optimising picking and delivery processes and improving user experience on both the web and app platforms. To strengthen brand loyalty, Barbora will enhance customer service and introduce additional services tailored to customer needs.

To meet revenue growth targets and evolving customer needs, the Group will refine its product selection, including an emphasis on strengthening private-label offers together with products made in-house in food production units. To improve customer flow and service speed, MAXIMA Group will enhance the quality and variety of fresh and prepared products, optimise store layouts and checkout processes and continue self-checkout expansion. This will take place as the finalisation of the store formatting process in the Baltics and new store reformatting initiatives in Bulgaria and Poland.

Operational efficiency will be further boosted through warehouse automation, including advanced sorting technologies in Lithuania and IT-driven logistics planning in all countries. New IT solutions are being introduced to enhance store delivery efficiency, ensuring fresher products reach customers faster. Additionally, systems and modules in supplier relationship management and demand forecasting are being introduced to improve overall supply chain resilience.

The Group will continue initiatives aimed at mitigating climate impact with a target of reducing greenhouse gas emissions by 42% by 2030. In 2025, greater emphasis will be placed on fostering sustainable supplier partnerships to meet MAXIMA Group's targets. Preparation for deforestation-free products regulation will also form a significant part of the work in 2025, including the development of tools to enable faster due diligence processes for relevant commodities and products.

# 2

# Consolidated Financial Statements

# Independent auditor's report

To the shareholder of MAXIMA GRUPĖ, UAB

## Report on the audit of the consolidated financial statements

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of MAXIMA GRUPĖ, UAB (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2024, and of the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 2 April 2025.

**What we have audited**

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### 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 financial statements section of our report.

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

**Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services that are relevant to our audit of the consolidated financial statements in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Group are in accordance with the applicable law and regulations in the Republic of Lithuania and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014 considering the exemptions of Regulation (EU) No 537/2014 endorsed in the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

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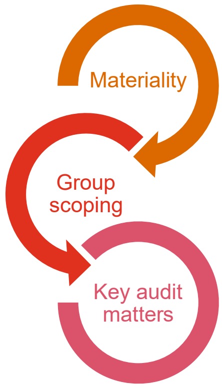
The non-audit services that we have provided to the Group, in the period from 1 January 2024 to 31 December 2024 are disclosed in Note 28 “Audit and non-audit services” to the consolidated financial statements

## Our audit approach

**Overview**




- Overall Group materiality: EUR 18,000 thousand

- We conducted audit work at 14 reporting units, located in Bulgaria, Estonia, Latvia, Lithuania and Poland.
- Our audit addressed 99% of the Group’s total assets and 99% of the Group’s total revenues.

- Goodwill impairment assessment
- Property, plant and equipment and right-of-use assets impairment assessment
- Lease term determination and application of discount rate

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

| | |
|---|---|
| **Overall materiality** | EUR 18,000 thousand (2023: EUR 17,000 thousand) |
| **How we determined it** | 0,3% of Group’s total revenues |
| **Rationale for the materiality benchmark applied** | We chose total revenues as the benchmark because total revenues are one of the Group’s key performance indicators analysed by the management and communicated to the shareholder and, in our view, it is an appropriate measure of |

| | |
|---|---|
| | the size of the Group. Total revenues are also a more stable measure compared to profitability ratio.<br>We chose the threshold of 0,3%, which is within the range of acceptable quantitative materiality thresholds for this benchmark. |

We informed the Audit Committee that we would report to them misstatements identified during our audit above EUR 1,000 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Goodwill impairment assessment<br><br>*Refer to accounting policy on impairment testing in note 2.3 "Goodwill" , accounting estimates and assessments in note 3.2 "Key sources of estimation uncertainty" and note 9 "Goodwill".*<br><br>The Group's goodwill balance amounted to EUR 212 433 thousand as at 31 December 2024.<br><br>Goodwill has to be tested for impairment at least annually. When determining the recoverable amount (higher of value in use and fair value less costs to sell) management is required to use judgment in identifying the relevant cash-generating units or groups of cash generating units and determining their recoverable amounts, which are based on the cash flow forecasts.<br><br>The cash flow forecasts to determine recoverable amount based on the value in use covers the management's estimate of key value driver inputs and external market indicators: inflation rate, revenue growth rate, competition, capital expenditures, and discount rates applied.<br><br>No impairment was recognised in the current reporting period as the recoverable amounts of the relevant groups of cash-generating units were higher than their carrying amounts.<br><br>We focused on this area because the balance of goodwill was material, and the impairment assessment involved the management's significant judgements about the future results | We obtained an understanding of the management's process over the impairment testing. We evaluated the way in which the management identified the Group's groups of cash-generating units to which goodwill was allocated.<br><br>Our audit procedures also included challenging the management on the appropriateness of the impairment models and reasonableness of the assumptions used, by performing the following:<br><br>- Assessing reliability of the cash flow forecasts, by checking the actual past performance and comparing it against the previous forecasts, and by inspecting the internal documents, such as budgets for 2025–2029;<br><br>- Benchmarking the market-related assumptions, such as discount rates and long-term growth rates against the external data. Where it was considered necessary, we involved our valuation experts;<br><br>- Testing the mathematical accuracy of the model and sensitivity of the impairment test to the key inputs. |

| | |
|---|---|
| and the discount rates used in the cash flow forecast. | |
| **Property, plant and equipment and right-of-use assets impairment assessment**<br><br>*Refer to accounting policy on impairment testing in note 2.7 "Impairment of non-financial assets (except for goodwill)", accounting estimates and assessments in note 3.2 "Key sources of estimation uncertainty", note 5 "Property, plant and equipment" and note 6 "Leases".*<br><br>The Group's property, plant and equipment and right-of-use assets amounted to EUR 987 662 thousand and EUR 721 547 thousand, respectively, thereby representing around 60% of total assets reported in the Group's consolidated statement of financial position as at 31 December 2024. The Group assessed existence of impairment indicators for property, plant and equipment and right-of-use assets as at 31 December 2024.<br><br>The Group performed the impairment test for those assets, for which impairment indicators were identified as at 31 December 2024. The test was based on the estimated recoverable amounts (based on value in use) of the Group's cash-generating units (individual stores). The annual impairment test involves the management's judgments regarding the assumptions used in the underlying cash flow forecasts covering the management's estimate of key value driver inputs and external market indicators: inflation rate, revenue growth rate, competition, capital expenditures, and discount rates applied.<br><br>For property, plant and equipment and right-of-use assets, the Group recognised additional impairment charges of EUR 6 404 thousand and EUR 11 420 thousand, respectively, and reversals of impairment charges of EUR 2 970 thousand and EUR 2 707 thousand, respectively, in 2024.<br><br>Based on the above, we considered it to be a key audit matter. | We obtained an understanding of the management's procedures in relation to the impairment assessment of the property, plant and equipment and right-of-use assets.<br>Among other procedures, we involved a valuation expert to assist us with the review of the management´s impairment model structure and composition, as well as the discount rates used by the management in the impairment test.<br><br>-We also considered the key assumptions used by the management when estimating the cash flow forecasts, including the projected trends in the level of revenue, costs, and capital expenditures by comparing them against the historical performance levels and the management's projected changes in the future.<br><br>-We tested sensitivity of the available headroom by considering whether a reasonably possible shift in assumptions might cause the carrying amount of the cash-generating unit to exceed its recoverable amount.<br><br>-We have also assessed the historical accuracy of the management's forecast. |
| **Lease term and the discount rate determination**<br><br>*Refer to accounting policy on lease liabilities and subleases in note 2.17 "Leases", accounting estimates and assessments in note* | We analysed completeness and accuracy of new, modified or remeasured lease contracts that were identified and recorded in the lease accounting system during 2024; assessed whether it was |

*3.1 “Critical judgments in applying the accounting policy” and note 6 “Leases“.*

As at 31 December 2024, the Group’s right-of-use assets amounted to EUR 721 547 thousand, net investment in lease amounted to EUR 17 378 thousand, and lease liabilities amounted to EUR 793 260 thousand.

We focused on this area because the reported balances were material, the process for identifying and reporting all relevant lease-related data (including IT software and controls) was complex, and the measurement of the right-of-use assets and lease liabilities involved the use of assumptions to determine the discount rates and the lease terms, including the termination and renewal options.

For some of the lease contracts the Group uses interest rate implicit in the lease as a discount rate. The Group’s management needs to obtain reliable and supportable information regarding the fair value of the assets being leased, their residual values at the end of the lease, and the lessor's initial direct costs to determine such discount rates.

We focused on this area due to the significant level of management judgement

involved and the complexity of the underlying assumptions used to derive the estimate.

reasonably certain that the lease extension options would be exercised; assessed the discount rates used; and on a sample basis recalculated the right-of-use assets and lease liabilities as listed below:

- We obtained an understanding of the internal processes around the identification of leases, and obtained the related lease data from the lease contracts on a sample basis;

- We read the policy listing the factors, such as economic incentives, geographical location of a store, leasehold improvements and other, to be considered in determining the lease term, including the extension options. We tested the management’s assessment of those factors and whether it was reasonably certain that the lease extension options would be exercised, by reviewing the contractual terms, business plans, and other relevant information;

- For the lease contracts where the management used the incremental borrowing rate as a discount rate, we reviewed the methodology and assumptions used by the management, and compared them against the borrowing rates confirmed by the SEB bank AB;

- For the lease contracts where the management used the interest rate implicit in the lease as a discount rate, we tested the key assumptions, including the fair value determined for the leased asset at the commencement and termination dates of the lease;

- We involved a valuation expert to assist us with the review of the management´s assumptions to determine the interest rate implicit in the lease;

- We assessed completeness and accuracy of the input data used in the calculation of interest rate implicit in the lease by reconciling the inputs to the lease contracts and third party valuation reports for the leased assets , and tested these calculations on a sample basis;

- We recalculated, on a sample basis, the right-of-use asset and the lease liability for the selected lease contracts using the data from the lease contracts, and verified the mathematical accuracy of the calculation

- For the same sample of lease contracts, we tested the lease payments with bank statements, recalculated interest and amortisation charges recognised during the period;

**How we tailored our Group audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises of a number of subsidiaries operating in Bulgaria, Estonia, Latvia, Lithuania and Poland (refer to Note 1 of the consolidated financial statements). A full-scope audit was performed by us or based on our instructions by PwC entities represented in the following countries: Bulgaria, Estonia, Latvia and Poland on the financial information of the following Group entities:

- Barbora UAB;
- Elpro Development S.A.;
- Emperia Holding S.A.;
- Franmax UAB;
- Maxima Bulgaria EOOD;
- Maxima Eesti OU;
- Maxima Latvia SIA;
- Maxima Grupe UAB;
- Maxima LT UAB;
- Maxima International Sourcing UAB;
- Patrika SIA;
- Radas UAB;
- Stokrotka Sp.z.o.o.;
- Supersa OU.

For real estate entities of the Group, the Group engagement team carried out audit work on the selected balances and transactions, which were assessed by us as material from the Group audit perspective. For the remaining components we performed analytical review at the Group level. This together with additional procedures performed at the Group level, including testing of consolidation journals and intercompany eliminations, gave us the evidence we needed for our opinion on the Group's consolidated financial statements as a whole.

## Reporting on other information including the consolidated management report

Management is responsible for the other information. The other information comprises the consolidated management report, including the requirements for the information on corporate governance matters, remuneration and consolidated sustainability matters, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information, including the consolidated management report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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.

With respect to the consolidated management report, including the requirements for the information on corporate governance matters, remuneration and excluding the requirements for the information on consolidated sustainability matters on which the separate assurance report on consolidated sustainability reporting is issued by us on 2 April 2025, we considered whether it includes the disclosures required by the Law of the Republic of Lithuania on Reporting of Undertakings and by Groups of Undertakings.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the consolidated management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the consolidated management report, including the requirements for the information on corporate governance matters and remuneration and excluding the requirements for the information on consolidated sustainability matters, has been prepared in accordance with the Law of the Republic of Lithuania on Reporting of Undertakings and by Groups of Undertakings.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated management report which we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view 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 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 financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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 have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

**Appointment**

We were first appointed as auditors of the Group on 2 May 2019 and reappointed on 9 June 2022 and had an uninterrupted engagement appointment of 6 years

The key audit partner on the audit resulting in this independent auditor’s report is Rimvydas Jogėla.

On behalf of PricewaterhouseCoopers UAB

Rimvydas Jogėla
Partner
Auditor's Certificate No. 000457

Vilnius, Republic of Lithuania
2 April 2025

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report.

(All tabular amounts are in EUR thousands unless otherwise stated)

# Consolidated Statement of Financial Position

| | Notes | At 31 December 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 987 662 | 894 420 |
| Right-of-use assets | 6 | 721 547 | 721 387 |
| Investment properties | 7 | 16 479 | 12 010 |
| Intangible assets (except for goodwill) | 8 | 50 389 | 44 714 |
| Goodwill | 9 | 212 433 | 211 162 |
| Non-current receivables and prepayments | 10 | 19 767 | 18 556 |
| Deferred tax assets | 11 | 9 894 | 6 896 |
| | | **2 018 171** | **1 909 145** |
| **Current assets** | | | |
| Inventories | 12 | 452 294 | 438 153 |
| Trade and other receivables, prepayments and other short-term financial assets | 13 | 92 210 | 96 007 |
| Cash and cash equivalents | 14 | 264 140 | 331 014 |
| | | **808 644** | **865 174** |
| **TOTAL ASSETS** | | **2 826 815** | **2 774 319** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 15 | 1 019 263 | 1 019 263 |
| Share premium | 15 | 41 352 | 41 352 |
| Legal reserve | 16 | 71 626 | 68 194 |
| Reverse acquisition reserve | 16 | (1 430 271) | (1 430 271) |
| Other reserves | | (163) | (323) |
| Foreign currency translation reserve | | (11 244) | (16 540) |
| Retained earnings | | 882 351 | 873 044 |
| **Total equity** | | **572 914** | **554 719** |
| **Non-current liabilities** | | | |
| Borrowings (except for lease liabilities) | 17 | 432 614 | 427 630 |
| Lease liabilities | | 663 381 | 644 547 |
| Deferred tax liabilities | 11 | 26 283 | 22 204 |
| Other non-current liabilities | | 8 599 | 8 763 |
| | | **1 130 877** | **1 103 144** |
| **Current liabilities** | | | |
| Borrowings (except for lease liabilities) | 17 | 81 371 | 92 042 |
| Lease liabilities | | 129 879 | 123 923 |
| Current income tax liabilities | | 2 375 | 9 896 |
| Trade and other payables | 18 | 909 399 | 890 595 |
| | | **1 123 024** | **1 116 456** |
| **Total liabilities** | | **2 253 901** | **2 219 600** |
| **TOTAL EQUITY AND LIABILITIES** | | **2 826 815** | **2 774 319** |

Manfredas Dargužis
Chief Executive Officer

Lauryna Šaltinė
Chief Financial Officer

The consolidated financial statements have been approved and signed electronically on 2 Apr 2025.
*The accompanying notes are an integral part of these consolidated financial statements.*

(All tabular amounts are in EUR thousands unless otherwise stated)

# Consolidated Statement of Comprehensive Income

| | Notes | Year ended 31 December 2024 | 2023 |
|---|---|---|---|
| Revenue | 4,19 | 6 097 771 | 5 844 538 |
| Cost of sales | 4, 20 | (5 645 474) | (5 330 617) |
| General and administrative expenses | 20, 21 | (221 593) | (240 534) |
| Other gains (losses) | | 735 | (399) |
| **Profit from operations** | | **231 439** | **272 988** |
| Finance income | 22 | 5 978 | 5 077 |
| Finance costs | 22 | (74 872) | (59 903) |
| Finance costs, net | | (68 894) | (54 826) |
| **Profit before tax** | | **162 545** | **218 162** |
| Income tax expense | 23 | (26 806) | (33 490) |
| **Net profit** | 4 | **135 739** | **184 672** |
| **Net profit attributable to:** | | | |
| Equity holders of the parent | | 135 739 | 184 672 |
| | | **135 739** | **184 672** |
| **Other comprehensive income:** | | | |
| *Items that will not be subsequently reclassified to profit or loss* | | - | - |
| *Items that may be subsequently reclassified to profit or loss* | | | |
| Exchange differences on translation of foreign operations | | 5 296 | 22 852 |
| Net change gain (loss) on cash flow hedges | 25.2 | 160 | 41 |
| **Other comprehensive income (loss)** | | **5 456** | **22 893** |
| **Total comprehensive income** | | **141 195** | **207 565** |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the parent | | 141 195 | 207 565 |
| | | **141 195** | **207 565** |

(All tabular amounts are in EUR thousands unless otherwise stated)

# Consolidated Statement of Changes in Equity

| | Notes | Share capital | Share premium | Legal reserve | Reverse acquisition reserve | Other reserves | Foreign currency translation reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | | **1 019 263** | **41 352** | **65 051** | **(1 430 271)** | **(364)** | **(39 392)** | **761 515** | **417 154** |
| Profit for the year | | - | - | - | - | - | - | 184 672 | 184 672 |
| Other comprehensive income | | - | - | - | - | 41 | 22 852 | - | 22 893 |
| *Total comprehensive income for the year* | | - | - | - | - | *41* | *22 852* | *184 672* | *207 565* |
| Transfer to legal reserve | 16 | - | - | 3 143 | - | - | - | (3 143) | - |
| Dividends | 24 | - | - | - | - | - | - | (70 000) | (70 000) |
| *Total transactions with shareholders recognised directly in equity* | | - | - | *3 143* | - | - | - | *(73 143)* | *(70 000)* |
| **At 31 December 2023** | | **1 019 263** | **41 352** | **68 194** | **(1 430 271)** | **(323)** | **(16 540)** | **873 044** | **554 719** |
| **At 1 January 2024** | | **1 019 263** | **41 352** | **68 194** | **(1 430 271)** | **(323)** | **(16 540)** | **873 044** | **554 719** |
| Profit for the year | | - | - | - | - | - | - | 135 739 | 135 739 |
| Other comprehensive income | | - | - | - | - | 160 | 5 296 | - | 5 456 |
| *Total comprehensive income for the year* | | - | - | - | - | *160* | *5 296* | *135 739* | *141 195* |
| Transfer to legal reserve | 16 | - | - | 3 432 | - | - | - | (3 432) | - |
| Dividends | 24 | - | - | - | - | - | - | (123 000) | (123 000) |
| *Total transactions with shareholders recognised directly in equity* | | - | - | *3 432* | - | - | - | *(126 432)* | *(123 000)* |
| **At 31 December 2024** | | **1 019 263** | **41 352** | **71 626** | **(1 430 271)** | **(163)** | **(11 244)** | **882 351** | **572 914** |

(All tabular amounts are in EUR thousands unless otherwise stated)

# Consolidated Statement of Cash Flows

| | Notes | Year ended 31 December 2024 | 2023 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net profit | | 135 739 | 184 672 |
| Adjustments for: | | | |
| Depreciation | 5, 6, 7 | 202 508 | 190 616 |
| Amortisation | 8 | 8 209 | 7 167 |
| Property, plant & equipment, intangible assets, right-of-use assets impairment charge (reversal) | 21 | 12 000 | 6 361 |
| (Profit) / loss on disposal and write-offs of property, plant and equipment and intangible assets | 4,5,8 | 665 | 2 214 |
| Income tax expense | 23 | 26 806 | 33 490 |
| Interest expenses | 22 | 77 175 | 64 888 |
| Interest and other finance income | 22 | (5 978) | (5 077) |
| *Changes in working capital* | | | |
| - trade and other receivables | | 12 194 | (3 799) |
| - inventories | | (13 325) | (27 302) |
| - reverse factoring arrangements | 18 | 160 | 8 712 |
| - trade and other payables | | 26 894 | 50 741 |
| **Cash generated from operations** | | **483 047** | **512 683** |
| Income tax paid | 23 | (38 835) | (24 966) |
| **Net cash generated from operating activities** | | **444 212** | **487 717** |
| **INVESTING ACTIVITIES** | | | |
| Purchases of property, plant and equipment, intangible assets and investment properties | 5, 7, 8 | (227 700) | (174 566) |
| Proceeds from disposal of property, plant and equipment | | 24 213 | 10 097 |
| Loans granted | | (228) | (447) |
| Proceeds from repayment of loans granted | | 483 | 179 |
| Interest received | | 4 537 | 4 184 |
| Finance sublease receivable collected | | 4 365 | 3 964 |
| **Net cash (used in) investing activities** | | **(194 330)** | **(156 589)** |
| **FINANCING ACTIVITIES** | 25 | | |
| Proceeds from borrowings | | 84 069 | 172 939 |
| Repayment of borrowings | | (82 370) | (211 189) |
| Payment of principal portion on lease liabilities | | (110 077) | (103 190) |
| Dividends paid | 24 | (123 000) | (70 000) |
| Interest paid, including interest on leases | | (76 459) | (64 372) |
| **Net cash (used in) financing activities** | | **(307 837)** | **(275 812)** |
| **Net increase (decrease) in cash and cash equivalents** | | **(57 955)** | **55 316** |
| **CASH AND CASH EQUIVALENTS, LESS OVERDRAFTS, AT THE BEGINNING OF THE YEAR** | 14 | **318 827** | **263 511** |
| **CASH AND CASH EQUIVALENTS, LESS OVERDRAFTS, AT THE END OF THE YEAR** | 14 | **260 872** | **318 827** |

(All tabular amounts are in EUR thousands unless otherwise stated)

# Notes to the Consolidated Financial Statements

## 1. General information

MAXIMA GRUPĖ, UAB (hereinafter "the Company") was incorporated and commenced its operations on 27 August 2007. The Company's registered address is Ozo st. 25, Vilnius, Lithuania. The Company's legal status - private limited liability company, entity code 301066547.

The sole shareholder of the Company is Uždaroji Akcinė Bendrovė Vilniaus Prekyba incorporated in Lithuania. The ultimate shareholder is METODIKA B.V., incorporated in the Netherlands.

The consolidated group is comprised of the Company and its subsidiary undertakings (hereinafter collectively referred to as "the Group"). In 2024 and 2023, the Group's main subsidiaries are listed in the table below. Other subsidiaries not listed below are mainly involved in real estate management. The Group owns 100% of shares in all subsidiaries. In 2024 there were no significant business combinations (in 2023, 19 real estate companies were merged with the remaining real estate companies in Lithuania, all of which were subsidiaries of Maxima LT, UAB).

| Significant subsidiary | Country of incorporation | % held by the Group (on 31 December) | | Principal business activities |
|---|---|---|---|---|
| | | 2024 | 2023 | |
| MAXIMA LT, UAB | Lithuania | 100% | 100% | Retail in food and consumables |
| MAXIMA Latvija SIA | Latvia | 100% | 100% | Retail in food and consumables |
| MAXIMA Eesti OU | Estonia | 100% | 100% | Retail in food and consumables |
| MAXIMA Bulgaria EOOD | Bulgaria | 100% | 100% | Retail in food and consumables |
| Stokrotka Sp.z.o.o. | Poland | 100% | 100% | Retail in food and consumables |
| BARBORA, UAB | Lithuania | 100% | 100% | E-trade |
| PATRIKA SIA | Latvia | 100% | 100% | E-trade |
| SUPERSA OU | Estonia | 100% | 100% | E-trade |
| Barbora Polska Sp.z.o.o. | Poland | 100% | 100% | E-trade (In liquidation) |
| FRANMAX, UAB | Lithuania | 100% | 100% | IT development, maintenance and consulting services |
| MAXIMA INTERNATIONAL SOURCING, UAB | Lithuania | 100% | 100% | Procurement and agency services of food and consumables |

The Group's principal business activity is retail and e-trade in food and consumables.

As of 31 December 2024, the Group employed 36.4 thousand employees (total remuneration related costs amounted to EUR 657 million in 2024 (31 December 2023: 37.8 thousand employees, remuneration related costs EUR 599 million).

The Group's bonds are traded at Euronext Dublin (Ireland) and Nasdaq Vilnius (Lithuania) stock exchanges (Note 17).

The Company's management authorized these consolidated financial statements on 2 April 2025. The Company's shareholders have a statutory right to approve or not to approve these consolidated financial statements and to require the preparation of a new set of consolidated financial statements.

## 2. Material accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are set out below. The accounting policies adopted are consistent with those of the previous financial year, except for the below amended IFRSs which have been adopted by the Group as of 1 January 2024.

### *2.1. Basis of preparation*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"), as adopted by the European Union (hereinafter "the EU"). These consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

All amounts in these consolidated financial statements are presented in euros, the functional currency of the Company and presentation currency of the Group, and they have been rounded to the nearest thousand (in thousand EUR), unless otherwise stated. Due to rounding the numbers in these consolidated financial statements may not sum up.

### *2.2. Adoption of new and/or revised IFRSs and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC)*

**New standards, amendments and interpretations adopted by the Group**

**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023).**

In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements. The new disclosure requirements will be effective for the annual reporting periods beginning on or after 1 January 2024. The Group is currently assessing the impact of the amendments on its financial statements.
The Group applied these amendments to standards and recommendations by refining the disclosures of its accounting policy. As a result of the adoption of the amendments to IAS 7 and IFRS 7, the Group provided new disclosures for liabilities under supplier finance arrangements in Note 18.

**Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).**

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.
As a result of the adoption of the amendments to IAS 1, the Group changed its accounting policy for the classification of borrowings: borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

Several other amendments apply for the first time in 2024, but do not have an impact on the financial statements of the Group for the year ended 31 December 2024.

**IFRSs issued but not yet effective**

**Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).**

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.
The Group is currently assessing the impact of the amendments on its financial statements.

**Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).**

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:
(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
The Group is currently assessing the impact of the amendments on its financial statements.

**Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026)**

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.
The Group is currently assessing the impact of the amendments on its financial statements.

**Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).**

The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.
The Group is currently assessing the impact of the amendments on its financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).**

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
the structure of the statement of profit or loss;
required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.
The Group is currently assessing the impact of the amendments on its financial statements.

### Other standards

There are no other IFRSs, IAS amendments or IFRIC interpretations that are not yet effective that would be expected to have an impact on the Group.

The Group plans to adopt the above mentioned standards and interpretations on their effective dates provided they are endorsed by the EU.

### *2.3. Goodwill*

The excess of the:
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or their groups i.e. retail stores) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### *2.4. Property, plant and equipment*

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the cost of assets to their residual values over their estimated useful lives, as follows:

| | |
|---|---|
| Buildings | 2 – 37 years |
| Equipment and other assets | 2 – 12 years |
| Vehicles | 2 – 4 years |

Buildings average residual useful live as of the reporting date is 22 years.

Leasehold improvements are depreciated on a straight–line basis over the shorter of the estimated useful life of the improvement and the term of the lease.

Properties in the course of construction for operations or for administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation of property, plant and equipment is recognised in profit or loss. Depreciation of property, plant and equipment directly related to sales of goods and services is recognised in cost of sales and depreciation of other property, plant and equipment is recognised in general and administrative expenses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

A gain or loss arising on the disposal of an asset is recognised in profit or loss.

### *2.5. Investment properties*

Investment properties, store buildings and other commercial premises, are held for long-term rental yields and are not occupied by the Group. They are measured initially at cost. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated using the straight-line method. Estimated useful lives of investment property is 10 – 30 years. Land is not depreciated.

Investment properties are derecognised either when they have been disposed of (i.e., at the date a buyer obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use.

### *2.6. Intangible assets with finite useful lives*

Intangible assets expected to provide economic benefits in future periods are measured at acquisition cost less subsequent accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated on the straight-line method to write off the cost of each asset over their estimated useful lives.

Intangible assets acquired in a business combination (trademarks, customer contracts) are recognised at fair value at the acquisition date. They have finite useful life and are carried at cost (being fair value if acquired in a business combination) less accumulated amortisation and impairment losses, if any.

All amortisation of intangible assets is recognised in profit or loss as general and administrative expenses unless it relates to operation of warehouses or retail outlets when it is recognised as cost of sales. The Group amortises intangible assets over the following periods:

| | |
|---|---|
| Software | 2 - 5 years |
| Brands and trademarks | 5 - 15 years |
| Customer contracts | 15 years |
| Other intangible assets | 2 - 5 years |

### *2.7. Impairment of non-financial assets (except for goodwill)*

At each financial year end, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is determined in order to determine the extent of the impairment loss, if any.

### *2.8. Inventories*

Inventories are stated at the lower of weighted average cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs necessary to be incurred in selling. The cost of inventories is calculated by using weighted average cost method: weighted average inventory unit cost = total cost of units for particular item / number of units of particular item.

The cost of inventories is net of volume discounts and rebates received from suppliers during the reporting period but applicable to the inventories still held in stock. Warehousing of inventory and logistics costs incurred for transportation of inventory between different locations of retail operators are accounted for as cost of sales in the relevant accounting period.

### *2.9. Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *2.9.1. Financial assets*

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue from contracts with customers*. Refer to the accounting policies in Note 2.13.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset.

*Subsequent measurement*

*a) Financial assets at amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables, cash and cash equivalents, time deposits and loans granted.

*Impairment of financial assets – credit loss allowance for expected credit losses*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original

effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables (including net investment in the lease) the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience. In addition, the Group reviews individual significant trade and other receivables and recognises individual loss allowances if needed.

The Group considers a financial asset in default when contractual payments are past due. The default rates are calculated for the following aging intervals: 1) 1 – 30 days, 2) 31 – 90 days, 3) more than 90 days.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.9.2. Financial liabilities

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as follows:

- financial liabilities at fair value through profit or loss,
- financial liabilities at amortised cost,
- derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognised initially at fair value and, in case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings including bank overdrafts and bonds, and derivative financial instruments.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

*a) Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of selling in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9 *Financial instruments*.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities are designated upon initial recognition at fair value through profit or loss if the criteria in IFRS 9 for such a designation are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

*b) Financial liabilities at amortised cost*

After initial recognition financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR unwinding process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR unwinding is included in profit or loss as finance costs.

This category generally applies to interest-bearing borrowings, including bank overdrafts and issued bonds, and trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### *2.10. Borrowing costs*

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized. All other borrowing costs are expensed in the period they occur.

### *2.11. Derivative financial instruments and hedging activities*

The Group engages in derivative financial instruments transactions, such as forwards, to hedge purchase and sale price fluctuation risk, and interest rate swaps to hedge cash flows fluctuation risk of EURIBOR on the loans taken from banks, i. e. effectively switching the interest into a fixed rate.

On the agreement date and subsequently derivative financial instruments are accounted for at fair value. Fair value is derived from quoted market prices for forwards (level 1) and using valuation models for interest rate swaps (level 2 and 3). The estimated fair values of these contracts are reported in the statement of financial position as assets for contracts having a positive fair value and liabilities for contracts with a negative fair value. Gain or losses from changes in the fair value of derivative financial instruments are recognised in profit or loss.

For the purposes of hedge accounting, hedges are classified into two categories:
(a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability or a firm commitment (fair value hedges); and
(b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedge relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- The hedge ratio of the hedge relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the other reserves, while any ineffective portion is recognised immediately in profit or loss.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in other comprehensive income is removed from other reserves and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period during which the hedged cash flows affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecasted transaction occurs. Where the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the statement of comprehensive income (profit or loss).

### *2.12. Provisions*

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### *2.13. Revenue from contracts with customers*

*a) Retail revenue*

The Group recognises revenue from its retail customers as it satisfies its performance obligations at the point of check out in its retail stores. Payment of the transaction price is due immediately when the customer purchases the goods.

Revenue from online sales is recognised upon delivery of goods, i.e. upon transfer of control of goods to customer. Online customers pay either at the time of order of goods online using the electronic means of payment or at the time of delivery of goods in cash or by using bank cards. Contract liability is recognised for the payments received before goods are delivered to the customer.

The Group sells gift cards that can be purchased in stores and can later be used to pay for goods in the Group's retail stores. The client pays for the gift card at the time of purchase of gift card. A contract liability for the sold gift cards is recognised at the time of the sale transaction. Revenue is recognised when the gift cards are redeemed by the retail customer or expire, whichever event occurs earlier.

The Group operates a loyalty programme, which allows customers to accumulate points when they purchase goods in the Group's retail stores and online. The points can be redeemed for payment of part of next purchase. A contract liability for the loyalty points is recognised at the time of the original sale transaction under contract liabilities in trade and other payables. Revenue is recognised at the earlier of when the points are redeemed or when they expire.

Retail revenue is recognised at a point in time.

*b) Commission income*

For certain products and services, e.g. lottery tickets, collection of payments for utilities on behalf of utility service providers from retail customers, etc., the Group acts as an agent and recognises commission income in its revenue when the related goods are sold in retail stores. A commission income from the principle is recognised as revenue at a point in time. At this time the consideration is unconditional because only the passage of time is required before the payment is due.

*c) Wholesale revenue*

The Group sells goods to franchisees and other retailers. Revenue is recognised when control of the sold goods has been transferred to the wholesale client in accordance with the terms of delivery. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Wholesale revenue is recognised at a point in time.

*Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to the customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional on the acceptance of the goods and services by the customer.

*Trade receivables*

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.9.1.

*Contract liabilities*

(All tabular amounts are in EUR thousands unless otherwise stated)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### *2.14. Cost of sales*

Cost of sales consists of cost of inventory, net of supplier discounts, and other costs attributable to sales of goods, including warehousing, logistics and retail operations.

Cost of sales are reduced by slotting fees and advertising income earned in accordance with written agreements with suppliers that the Group will be paid for promotional activities, including various advertising and market development efforts in the retail stores. Cost of sales are also shown net of fines and penalties received from suppliers for, e.g. late delivery or poor quality of goods. See Note 3.1 for critical judgements applied.

As at the year-end supplier discounts are allocated to the carrying value of inventory based on the amount of inventory sold and remaining in inventory.

### *2.15. Income tax*

The income tax expense comprises of current tax expenses and changes in deferred tax.

*a) Current income tax*

The current income tax expenses are based on taxable profit for the year. The income tax for the Group is calculated according to the laws of the country in which respective Group's entity operates.

The main corporate income tax rates that have been applied in calculation of current income tax in respective countries:

| | 2024 | 2023 |
|---|---|---|
| Lithuania | 15% | 15% |
| Latvia* | 20/80 | 20/80 |
| Estonia* | 20/80 (14/86 for regular profit distribution amount) | 20/80 (14/86 for regular profit distribution amount) |
| Poland | 19% | 19% |
| Bulgaria | 10% | 10% |

* the taxation of income of subsidiaries operating in Latvia and Estonia is delayed till the moment of earnings distribution, i.e. till the moment of payment of dividends.

Starting from 2025, Estonia's corporate income tax (CIT) rate will increase by 2 percentage points to 22%. Additionally, from 2026 to 2028, an extra temporary corporate tax of 2% will be applied to companies' annual profits as part of the new defence tax package.

In Lithuania, the CIT rate remains at 15% until the end of the 2024 tax year. From 2025 onwards, the rate will increase to 16%.

*b) Deferred income tax*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises deferred tax liabilities in respect of taxable temporary differences stemming from investments in subsidiaries only to the extent that the Group expects reversals of those temporary differences in the foreseeable future. As the object of taxation in Latvia and Estonia is dividends, not profit, there are no differences between the carrying amounts and tax bases of assets and liabilities which could give rise to deferred tax assets or liabilities. In the consolidated financial statements the Group recognises deferred tax liabilities in respect of taxable temporary differences from investments in Latvian and Estonian subsidiaries for the taxes payable on the estimated dividend to be distributed in the foreseeable future from the retained earnings.

### *2.16. Employee benefits*

*a) Social security contributions*

The Group pays social security contributions to the state Social Security Funds (hereinafter - the Fund) on behalf of its employees based on the defined contribution plans in accordance with the local legal requirements in respective countries. A defined contribution plan is a plan under which the Group pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Social security contributions are recognised as expenses on an accrual basis in the statement of comprehensive income.

*b) Bonus plans*

The Group recognises a liability and an expense for employee bonuses which are based on performance of an employee. The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration various financial and individual performance targets. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Remeasurements of liabilities are recognised immediately in profit or loss.

### *2.17. Leases*

The determination of whether a contract is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### *2.17.1. The Group as a lessee*

As a lessee the Group recognises a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

<u>Right-of-use assets</u>

The Group recognises right-of-use assets at the commencement date of the lease, i.e. the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. The right-of-use assets are subject to impairment, see Note 2.7.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period when they occur.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option. When lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment and other equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 2.17.2. The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income are accounted for on a straight-line basis over the lease term and are included in profit or loss in revenue.

### 2.17.3. Sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the classification of a sublease as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. When subleases are classified as finance leases the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and presents the net investment in the sublease under current receivables for amounts to be settled within 12 months and non-current receivables and prepayments in the statement of financial position. During the term of the sublease the Group recognises finance income on sublease based on pattern reflecting a constant period rate of return on the net investment in the lease.

For subleases classified as operating lease, the Group recognises the lease income on a straight-line basis over the lease term and includes them in profit or loss in revenue. Modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

## 2.18. Foreign currencies

*a) Functional and presentation currency*

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in EUR, which is functional currency of the Company, and the presentation currency for the consolidated financial statements.

*b) Transactions and balances*

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the exchange rates prevailing on the dates of those transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

*c) Group companies*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in EUR using exchange rates prevailing on the reporting date.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

All resulting exchange differences are recognised in other comprehensive income and foreign currency translation reserve in equity. Such translation differences are recognised as profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate. Exchange differences arising are recognised in other comprehensive income and foreign currency translation reserve in equity.

### *2.19. Subsequent events*

Subsequent events that provide additional information about the Group's position at the statement of financial position date (adjusting events) are reflected in the consolidated financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

## 3. Critical accounting judgements and key sources of estimation uncertainty

### *3.1. Critical judgments in applying the accounting policy*

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Critical judgement in classifying income from various advertising and market development services

The Group receives slotting fees for the product placements in stores and various advertising income from suppliers in cases when the retailer and the supplier have entered into written agreement that it will be paid for additional arrangement of the goods in the special places or for promotional activities, including various advertising and market development efforts. The product placement and advertising services cannot be sold separately from the supply of goods and the supplier would not obtain any rights or receive any benefit without selling products to the retailer. Therefore the Group concluded that such income should be recognised as a reduction of cost of sales.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases (buildings and land), to lease the assets for additional term of five to thirty years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to extend the lease term. It considers all relevant factors that create an economic incentive for it to exercise the renewal option (e.g., lease term, geographical location of the store, leasehold improvements, etc). The Group included the renewal period as part of the lease term for leases of buildings leased for retail operations where after considering a number of relevant factors the Group concluded that it is reasonably certain that the Group will exercise an extension option.

Potential future cash flows that have not been included in the lease liability for extension options which realisation is not reasonably certain are disclosed in Note 6.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Distinction between properties held for own use and those held to earn rental income.

Some properties comprise a portion that is held to earn rentals and another portion that is held for use in the retail operations or supply of goods or services or for administrative purposes. If one portion of the same property is used in the Group's activity, and other portion of the property is rented, leased portion of property is accounted for as an investment property only if that property could be sold or leased out under a finance lease separately. If the property requires the separation before the portions can be sold or leased out under a finance lease separately, then those portions are not accounted for as separate portions until the separation is feasible, and are presented in property, plant and equipment in the consolidated statement of financial position.  See Note 7 for disclosures of investment properties.

Classification of reverse factoring arrangements (supply chain financing arrangements)

Supplier financing arrangement is a reverse factoring arrangement, where a financial institution (the Factor) agrees to pay amounts the Group owes to the suppliers and the Group agrees to pay the financial institution at the same date as, or a date later than, suppliers are paid. Based on the agreements the Group authorises the Factor to repay the invoices to the supplier. If the Factor would repay the invoice, the Group assumes an unconditional obligation to repay to the Factor. This represents a change of the creditor with a written consent of the Group. The moment of legal release of a debtor under obligation which is being assigned by way of factoring transaction is defined by Article 6.909, part 3, of the Lithuanian Civil Code. It establishes that in the case of factoring, only the payment of outstanding monetary claim releases the original debtor from its obligations towards the supplier. Therefore, while the factored amounts are still unpaid and remain on the Group's statement of financial position, the Group is not legally released from its obligations towards the original suppliers, even if they have transferred those amounts to a Factor (third party) by way of factoring transaction. Based on the above, the Group continues recognising liabilities until it is unconditionally and legally released from obligations towards the original suppliers.

The Group presents liabilities that are part of a reverse factoring arrangement as part of trade payables only when those liabilities have a similar nature and function to trade payables. However, these liabilities are presented separately when the size, nature or function of those liabilities makes separate presentation relevant to an understanding of the Group’s financial position. In assessing whether it is required to present such liabilities separately, the Group considers the amounts, nature and timing of those liabilities. As of 31 December 2024 and 2023 the Group’s liabilities under supplier financing arrangements are presented within trade and other payables (Note 18). As the supplier financing arrangement is closely related to operating purchasing activities of the Group, the Group presents cash outflows to settle the liability as arising from operating activities in its consolidated statement of cash flows.

Determination of discount rate for discounting of lease payments

At the commencement date of the lease contract, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. In 2024, the Group estimated interest rates implicit in the lease using the following inputs provided by the independent valuers for each specific lease contract:

- estimated property yield at the lease commencement and at the end of the lease;
- an estimate of lessor’s initial direct costs (incremental costs of obtaining a lease that would not have been incurred if the lease had not been obtained);
- an estimate of property purchaser’s costs.

Electronic payments

Cash and cash equivalents includes credit card and debit card payments made by customers in stores. Customers have no ability to withdraw, stop or cancel payment once the payment is made. Electronic payments are normally received during 1-2 days. Electronic payments are classified as cash equivalent because they are received during short period, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### *3.2. Key sources of estimation uncertainty*

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the EU requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

The estimates and underlining assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, as well as in the future periods if the revision affects future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of goodwill

The Group conducts an impairment test annually to assess whether goodwill has suffered any impairment. In this assessment, the Group compares the carrying amount of the cash-generating unit groups to which goodwill is allocated (see Note 9) with their recoverable amounts, determined using the value in use approach. The value in use is calculated from cash flow projections for five years using data from the Group's internal forecasts as well as the terminal value estimate. The key assumptions for the value in use calculations are discount rates, growth rates used to extrapolate cash flow projections beyond the period of five years, revenue growth rates and EBITDA (for the definition of EBITDA see Note 4) margins.

Cash flow projections are based on the Group's subsidiaries' next year budgets followed by an extrapolation of expected cash flows for the next five years using growth rates that are determined by management based on available external macroeconomic and retail market growth forecasts. Growth rates are further adjusted to incorporate impact of planned material reconstructions or openings of new stores. Annual average revenue growth rates used for cash flow extrapolation range from 1.8 percent to 2.6 percent (2023: from 1.8 percent to 3.9 percent).

EBITDA margins are based on on the Group's subsidiaries' next year budgets followed by stable or gradually improving EBITDA margins for the next five years, where margin improvements are projected due to increased economies of scale or execution of certain known enhancments of operational efficiency. EBITDA margin increases over the forecasted five-year period beyond the next year range from 0.3 to 2.8 percentage points (2023: from 0.3 to 1.2 percentage points).

Management estimates discount rates using rates that reflect current market assessment of the time value of money and the risks specific to the cash-generating units. The post-tax discount rates ranged from 6.5 to 9.6 percent (2023: 7.5 – 10.5 percent) and terminal growth rate was from 1.0 to 1.5 percent (2023: 1.0 – 1.5 percent). These discount rates are derived from the Group's post-tax weighted average cost of capital as adjusted for the specific risks relating to each geographical region. Changes in revenue and costs, and, consequently, EBITDA, are based on historical trends and expectations of future developments in the markets the Group operates. The increase in discount rates by 0.5 percentage points and decrease in terminal growth rates by 0.5 percentage points would not result in goodwill impairment. More information about goodwill is disclosed in Note 9. Pre-tax discount rates were in the range from 7.1 to 10.0 percent (2023: 7.7 to 10.6 percent).

Impairment of property, plant and equipment, intangible assets and right-of-use assets

For the purposes of assessing impairment, the Group's property, plant and equipment, intangible assets and right-of-use assets are grouped and evaluated for impairment at the cash generating unit level. Within the Group, individual retail stores are identified as cash generating units, as they generate independent cash inflows and are separately monitored and assessed by management. Costs and assets that cannot be directly attributed to stores, e.g. related to warehouses, administration, marketing activities, etc. are allocated to stores based on store revenue. Due to the Group's operational model, where e-commerce orders are picked and distributed from specific retail stores rather than separate distribution centers, e-commerce revenue is directly linked to the respective store. As a result, e-commerce revenue is included in the cash inflows of the corresponding retail store.

The Group considers both qualitative and quantitative factors when determining whether a cash generating unit may be impaired. An indication of impairment is identified when the cash generating unit's revenue or profitability for the financial period falls significantly below the benchmarks determined by the management, based on historical retail chain performance and industry averages. The circumstances leading to impairment indication include the decrease in store customer traffic, openings of competitors' stores in proximity or an increase in operational costs related to a particular store. Conversely, impairment reversal is considered when the store's profitability improves following management's actions to enhance store operations or favourable market conditions, provided that such improvement is expected to be sustained in the future financial periods.

An impairment is recognised when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flow model does not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Recoverable amounts for cash-generating units are based on value in use, which is calculated from cash flow projections for five years using data from the Group's latest internal forecasts as well as the terminal value estimate. The key assumptions for the value in use calculations are discount rates, revenue growth rates, EBITDA margins and expected future cash inflows. Cash flow projections are based on the Group's subsidiaries' next year budgets followed by an extrapolation of expected cash flows for the next five years using growth rates that are determined by management based on available external macroeconomic and retail market growth forecasts. The terminal growth rate is in line with average retail market growth trends. Management estimates discount rates using post-tax rates that reflect the current market assessment of the time value of money and the risks specific to the cash-generating units. Post-tax discount rates are used to discount post-tax estimated cash flows. Post-tax rates do not include adjustments related to Pillar Two. Management estimates that Pillar Two implementation will not have material effect on post-tax cash flows as Group's effective tax rate in 2024 is 15%.

The post-tax discount rates used to calculate value in use range from 6.5 to 9.6 percent (2023: 7.5 to 10.5 percent), annual average revenue growth rates used for cash flow extrapolation range from 1.8 to 2.6 percent (2023: 1.8 to 3.9 percent), and terminal growth rates range from 1.0 to 1.5 percent (2023: 1.0 to 1.5 percent) depending on the specific country conditions in which each store operates. Pre-tax discount rates were in the range from 7.1 to 10.0 percent (2023: 7.7 to 10.6 percent).

Impairment charge and reversal amounts are disclosed in Notes 5, 6, and 8.

(All tabular amounts are in EUR thousands unless otherwise stated)

## 4. Segment information

The Group's Board is the Chief Operating Decision Maker in the Group. Segments are defined based on how the Board monitors operating results of the separate Group's business units for the purpose of making decisions about resource allocation and performance assessment. The Group's operations are organised and monitored by the Board by two segments, i.e. retail operations and real estate management. Retail operations are further examined by the Board from the geographical perspective.

- Retail segment consists of the Group's retail operations in Lithuania, Latvia, Estonia, Poland and Bulgaria and e-commerce operations.
- Real estate segment leases commercial premises to the customers within the Group and externally.

Segment performance is evaluated based on revenue, cost of sales, EBITDA and net profit. EBITDA is non-IFRS measure. EBITDA is calculated by adjusting net profit by income tax expenses, depreciation and amortisation, finance income and costs, impairment of property, plant and equipment, investment properties, intangible assets and right-of-use assets, and profit from disposal of subsidiaries. The Board does not analyse assets and liabilities by segments. Accounting policies used for segments are the same as the accounting policies used in the preparation of the consolidated financial statements. Inter-segment transactions are eliminated upon consolidation and are reflected in the "Consolidation adjustments" column in the segment information below.

In column "Other" in the segment information below are included results of wholesale, IT services, corporate headquarters and other intermediary holdings in the Group.

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retail | | | | | | |
| | **Lithuania** | **Latvia** | **Estonia** | **Poland** | **Bulgaria** | **E-commerce** | **Total retail** |
| Revenue | 2 208 938 | 1 101 195 | 598 702 | 1 889 714 | 293 553 | 38 040 | 6 130 142 |
| *incl. external customers* | *2 202 507* | *1 100 847* | *598 585* | *1 885 961* | *293 517* | *8 103* | *6 089 520* |
| *incl. inter-segment* | *6 431* | *348* | *117* | *3 753* | *36* | *29 937* | *40 622* |
| Cost of sales | 2 020 556 | 1 005 692 | 560 424 | 1 852 513 | 272 836 | 35 916 | 5 747 937 |
| **EBITDA** | **204 282** | **100 732** | **36 918** | **99 428** | **18 447** | **(15 704)** | **444 103** |
| Interest expenses | 25 775 | 5 898 | 5 357 | 34 869 | 4 043 | 514 | 76 456 |
| Depreciation and amortisation | 86 132 | 43 174 | 25 159 | 93 835 | 16 378 | 1 139 | 265 817 |
| **Net profit (loss)** | **123 930** | **50 775** | **7 294** | **(31 741)** | **(1 247)** | **(21 946)** | **127 065** |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | **Total retail** | **Real estate** | **Total reported segments** | **Other** | **Consolidation adjustments** | **Total** |
| Revenue | 6 130 142 | 84 995 | 6 215 137 | 247 930 | (365 296) | 6 097 771 |
| *incl. external customers* | *6 089 520* | *6 760* | *6 096 280* | *1 491* | *-* | *6 097 771* |
| *incl. inter-segment* | *40 622* | *78 235* | *118 857* | *246 439* | *(365 296)* | *-* |
| Cost of sales | 5 747 936 | 21 501 | 5 769 437 | 203 077 | (327 040) | 5 645 474 |
| **EBITDA** | **444 103** | **79 849** | **523 952** | **14 477** | **(82 873)** | **455 556** |
| Interest expenses | 76 456 | 12 023 | 88 479 | 21 695 | (32 998) | 77 176 |
| Depreciation and amortisation | 265 817 | 22 798 | 288 615 | 4 040 | (81 940) | 210 715 |
| **Net profit (loss)** | **127 065** | **46 100** | **173 165** | **114 365** | **(151 791)** | **135 739** |

(All tabular amounts are in EUR thousands unless otherwise stated)

| | 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retail | | | | | | |
| | Lithuania | Latvia | Estonia | Poland | Bulgaria | E-commerce | Total retail |
| Revenue | 2 142 619 | 1 073 396 | 593 329 | 1 739 017 | 275 026 | 60 554 | 5 883 941 |
| *incl. external customers* | *2 135 938* | *1 073 176* | *593 224* | *1 725 164* | *275 025* | *31 303* | *5 833 830* |
| *incl. inter-segment* | *6 681* | *219* | *105* | *13 853* | *1* | *29 251* | *50 110* |
| Cost of sales | 1 945 060 | 974 220 | 553 124 | 1 655 108 | 229 839 | 61 878 | 5 419 229 |
| **EBITDA** | **207 719** | **100 698** | **40 360** | **116 269** | **18 568** | **(17 784)** | **465 830** |
| Interest expenses | 20 681 | 4 864 | 5 170 | 24 983 | 3 806 | 1 309 | 60 813 |
| Depreciation and amortisation | 80 791 | 38 441 | 24 896 | 78 672 | 13 417 | 3 926 | 240 143 |
| **Net profit (loss)** | **116 677** | **56 529** | **11 710** | **3 342** | **708** | **(50 304)** | **138 662** |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Total retail | Real estate | Total reported segments | Other | Consolidation adjustments | Total |
| Revenue | 5 883 940 | 72 122 | 5 956 062 | 197 530 | (309 054) | 5 844 538 |
| *incl. external customers* | *5 833 830* | *5 441* | *5 839 271* | *1 460* | *3 807* | *5 844 538* |
| *incl. inter-segment* | *50 110* | *66 681* | *116 791* | *196 070* | *(312 861)* | - |
| Cost of sales | 5 419 229 | 24 890 | 5 444 119 | 159 786 | (273 288) | 5 330 617 |
| **EBITDA** | **465 830** | **65 759** | **531 589** | **11 232** | **(63 873)** | **478 948** |
| Interest expenses | 60 812 | 7 227 | 68 039 | 21 158 | (24 310) | 64 888 |
| Depreciation and amortisation | 240 144 | 28 474 | 268 618 | 3 904 | (74 740) | 197 782 |
| **Net profit (loss)** | **138 662** | **30 092** | **168 754** | **78 770** | **(62 852)** | **184 672** |

Segments' net profit (loss) includes dividends received from directly controlled subsidiaries. During the year ended 31 December 2024 dividends included in the Lithuania segment's net profit (loss) amounted to EUR 37,842 thousand (2023: EUR 20,313 thousand), in Latvia segment's net profit (loss) amounted to EUR 350 thousand (2023: EUR 300 thousand) and in Estonia segment's net profit (loss) amounted to EUR 1,250 thousand (2023: EUR 2,300 thousand).

The Company is domiciled in Lithuania. The amount of the Group's revenue from external customers broken down by countries is shown below:

| | 2024 | 2023 |
|---|---|---|
| Lithuania | 2 204 840 | 2 144 050 |
| Latvia | 1 101 904 | 1 074 003 |
| Estonia | 599 488 | 594 604 |
| Poland | 1 898 022 | 1 756 856 |
| Bulgaria | 293 517 | 275 025 |
| | **6 097 771** | **5 844 538** |

Non-current assets other than financial instruments and deferred tax assets, broken down by location of assets, are shown below:

| | 2024 | 2023 |
|---|---|---|
| Lithuania | 555 722 | 487 847 |
| Latvia | 424 076 | 426 991 |
| Estonia | 181 685 | 185 160 |
| Poland | 723 415 | 692 715 |
| Bulgaria | 103 613 | 91 445 |
| | **1 988 511** | **1 884 158** |

(All tabular amounts are in EUR thousands unless otherwise stated)

A reconciliation of EBITDA to net profit is as follows:

| | 2024 | 2023 |
|---|---|---|
| Net profit | 135 739 | 184 672 |
| Profit tax | 26 806 | 33 490 |
| Finance cost net | 68 894 | 54 827 |
| Depreciation | 202 508 | 190 616 |
| Amortisation | 8 209 | 7 167 |
| Property, plant & equipment and intangible assets write-offs (gain)/losses | 1 400 | 1 814 |
| Property, plant & equipment, intangible assets, right-of-use assets impairment (reversal) | 12 000 | 6 361 |
| **EBITDA** | **455 556** | **478 947** |

## 5. Property, plant and equipment

| | Land and buildings | Equipment and other assets | Vehicles | Construction in progress & prepayments | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2023 | 951 362 | 623 434 | 2 793 | 31 753 | 1 609 342 |
| Additions | 19 008 | 58 427 | 209 | 90 745 | 168 389 |
| Disposals and write-offs | (3 502) | (28 626) | (2 303) | (7 428) | (41 859) |
| Exchange differences | 12 424 | 19 191 | 203 | 2 769 | 34 587 |
| Reclassifications (to) from other assets | 2 653 | (59) | 920 | (715) | 2 799 |
| Reclassifications | 13 043 | 28 178 | - | (41 221) | - |
| At 31 December 2023 | 994 988 | 700 545 | 1 822 | 75 903 | 1 773 258 |
| Additions | 31 677 | 66 898 | 146 | 102 707 | 201 428 |
| Disposals and write-offs | (15 306) | (27 609) | (1 877) | (2 988) | (47 780) |
| Acquisition of subsidiaries | 341 | - | - | - | 341 |
| Exchange differences | 3 861 | 4 966 | 72 | 737 | 9 636 |
| Reclassifications (to) from other assets | (6 834) | (581) | 666 | (2 915) | (9 663) |
| Reclassifications | 96 301 | 29 029 | 1 | (125 332) | - |
| At 31 December 2024 | 1 105 028 | 773 248 | 831 | 48 111 | 1 927 218 |
| **Accumulated depreciation and impairment** | | | | | |
| At 1 January 2023 | 473 786 | 337 934 | 2 118 | 5 224 | 819 062 |
| Depreciation | 17 042 | 57 558 | 337 | - | 74 937 |
| Impairment charge (reversal) | (186) | 2 518 | - | - | 2 332 |
| Disposals and write-offs | (1 609) | (26 072) | (2 319) | - | (30 000) |
| Exchange differences | 3 096 | 8 333 | 180 | - | 11 609 |
| Reclassifications (to) from other assets | - | - | 898 | - | 898 |
| At 31 December 2023 | 492 129 | 380 271 | 1 214 | 5 224 | 878 838 |
| Depreciation | 19 723 | 62 283 | 325 | - | 82 332 |
| Impairment charge (reversal) | 2 720 | 720 | - | (6) | 3 434 |
| Disposals and write-offs | (1 746) | (24 199) | (1 715) | - | (27 659) |
| Exchange differences | (3 159) | 6 449 | 44 | - | 3 334 |
| Reclassifications (to) from other assets | (1 280) | (82) | 640 | - | (722) |
| At 31 December 2024 | 508 388 | 425 442 | 508 | 5 218 | 939 556 |
| **Carrying amount** | | | | | |
| At 31 December 2024 | **596 640** | **347 806** | **323** | **42 893** | **987 662** |
| At 31 December 2023 | **502 859** | **320 274** | **608** | **70 679** | **894 420** |

(All tabular amounts are in EUR thousands unless otherwise stated)

In 2024, major part of depreciation of property, plant and equipment was accounted for as cost of sales – EUR 79,282 thousand (2023: EUR 65,526 thousand). Remaining part is accounted for as general and administrative expenses.

*Pledged property, plant and equipment*

The Group has pledged property, plant and equipment with the total carrying value of EUR 262,711 thousand (2023: EUR 234,488 thousand) to secure banking facilities granted to the Group (Note 17).

## 6. Leases

### *6.1. The Group as a lessee*

The Group has lease contracts for land, buildings and vehicles used in its operations. Leases of buildings generally have lease terms between 2 and 40 years, while vehicles generally have lease terms between 2 and 7 years. Land is leased for a period between 2 and 100 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are lease contracts that include extension options, which are further discussed below.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office and other equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below is the carrying amount of right-of-use assets at the end of the reporting period:

| | Land | Buildings | Vehicles | Total |
|---|---|---|---|---|
| At 31 December 2024 | 19 180 | 675 251 | 27 116 | **721 547** |
| At 31 December 2023 | 17 851 | 685 295 | 18 241 | **721 387** |

Additions to the right-of-use assets during 2024 were EUR 114,583 thousand (2023: EUR 161,507 thousand). In 2024, the Group recognised impairment of right-of-use assets amounting to EUR 8,712 thousand (2023: EUR 4,200 thousand).

In 2024 and 2023 the Group has no pledged lease contracts.

Depreciation charge of right-of-use assets during the year is provided below:

| | Land | Buildings | Vehicles | Total |
|---|---|---|---|---|
| 2024 | 668 | 110 295 | 8 937 | **119 900** |
| 2023 | 586 | 107 482 | 7 217 | **115 285** |

Interest expenses on lease liabilities are disclosed in Note 22. In 2024 expenses relating to short-term leases amounted to EUR 1,298 thousand (2023: EUR 1,504 thousand) and expenses of leases of low-value assets amounted to EUR 4,070 thousand (2023: EUR 3,988 thousand).

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In addition, the Group has an ability to re-negotiate terms of lease contracts with the property owners which also contributes to the Group's flexibility. As of 31 December 2024, potential future cash outflows of EUR 156,979 thousand (2023: EUR 137,300 thousand) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

(All tabular amounts are in EUR thousands unless otherwise stated)

### *6.2. The Group as a lessor*

The Group leases and subleases retail and administrative premises to various tenants. These leases have terms between 1 and 28 years.

*Finance leases*

The Group recognises net investment in the lease for leases classified as finance leases. Interest income on the net investment in a lease is disclosed in Note 22.

A maturity analysis of the undiscounted lease payments receivable is provided below:

| | **2024** | **2023** |
|---|---|---|
| In the first year | 4 273 | 3 732 |
| In the second year | 3 617 | 3 485 |
| In the third year | 3 201 | 2 874 |
| In the fourth year | 2 664 | 2 464 |
| In the fifth year | 2 040 | 1 957 |
| After 5 years | 5 797 | 5 197 |
| | **21 592** | **19 709** |
| Unearned finance income | (4 214) | (3 952) |
| Net investment in the lease | **17 378** | **15 757** |

*Operating leases*

Rental income recognized by the Group during the year are disclosed in Note 19.

Future minimum lease payments receivable under non-cancellable operating leases are as follows:

| | **2024** | **2023** |
|---|---|---|
| Not later than 1 year | 25 192 | 22 010 |
| Later than 1 year and no later than 5 years | 43 637 | 41 616 |
| Later than 5 years | 11 627 | 19 146 |
| | **80 456** | **82 772** |

(All tabular amounts are in EUR thousands unless otherwise stated)

## 7. Investment properties

| | Land and buildings |
|---|---|
| **Cost** | |
| At 1 January 2023 | 14 990 |
| Additions | 3 |
| Disposals | - |
| Exchange differences | 1 210 |
| Reclassifications (to) from other assets | (2 661) |
| At 31 December 2023 | 13 542 |
| Additions | 92 |
| Disposals | - |
| Exchange differences | 930 |
| Reclassifications (to) from other assets | 4 884 |
| At 31 December 2024 | 19 448 |
| | |
| **Accumulated depreciation** | |
| At 1 January 2023 | 778 |
| Depreciation | 394 |
| Disposals | - |
| Exchange differences | 320 |
| Reclassifications (to) from other assets | 40 |
| At 31 December 2023 | 1 532 |
| Depreciation | 276 |
| Disposals | - |
| Exchange differences | 86 |
| Reclassifications (to) from other assets | 1 075 |
| At 31 December 2024 | 2 969 |
| | |
| **Carrying amount** | |
| At 31 December 2024 | **16 479** |
| At 31 December 2023 | **12 010** |

As of 31 December 2024, the fair value of investment properties amounted to EUR 18,701 thousand (2023 EUR 16,294 thousand). It was determined by independent valuators using discounted cash flow method (hierarchy level 3). Net operating income were estimated for a period of rent contracts signed and discounted together with estimated terminal value by applying 8 – 14,5 percent discount rates (2023: 9 – 13.5 percent).

The Group has pledged investment property with the total carrying value of EUR 10,460 thousand (2023: EUR 4,515 thousand) to secure banking facilities granted to the Group (Note 17).

## 8. Intangible assets (except for goodwill)

| | Software | Brands and trademarks | Contracts with customers | Other intangible assets | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2023 | 27 068 | 59 544 | 1 460 | 6 825 | 94 895 |
| Additions | 11 413 | - | - | 378 | 11 791 |
| Disposals and write-offs | (85) | - | - | (216) | (301) |
| Exchange differences | 1 007 | (399) | 115 | 2 368 | 3 093 |
| Reclassifications from (to) other assets | (15) | - | - | (1 773) | (1 788) |
| At 31 December 2023 | 39 388 | 59 145 | 1 575 | 7 582 | 107 690 |
| Additions | 17 624 | - | - | 465 | 18 089 |
| Disposals and write-offs | (7 474) | - | - | (323) | (7 797) |
| Exchange differences | 290 | 667 | 27 | (1 327) | (342) |
| Reclassifications from (to) other assets | 357 | - | - | 427 | 784 |
| At 31 December 2024 | 50 185 | 59 812 | 1 602 | 6 824 | 118 423 |
| | | | | | |
| At 1 January 2023 | 14 496 | 35 572 | 270 | 5 618 | 55 956 |
| Amortisation | 2 340 | 2 820 | 25 | 1 982 | 7 167 |
| Impairment charge (reversal) | - | - | - | (171) | (171) |
| Disposals and write-offs | (72) | - | - | (215) | (287) |
| Exchange differences | 380 | 1 092 | 22 | 112 | 1 606 |
| Reclassifications from (to) other assets | - | - | - | (1 295) | (1 295) |
| At 31 December 2023 | 17 144 | 39 484 | 317 | 6 031 | 62 976 |
| Amortisation | 3 760 | 2 614 | 10 | 1 825 | 8 209 |
| Impairment charge (reversal) | 45 | - | - | (192) | (147) |
| Disposals and write-offs | (2 809) | - | - | (428) | (3 237) |
| Exchange differences | 354 | 300 | 16 | 1 468 | 2 138 |
| Reclassifications from (to) other assets | - | - | - | (1 905) | (1 905) |
| At 31 December 2024 | 18 494 | 42 398 | 343 | 6 799 | 68 034 |
| | | | | | |
| **Carrying amount** | | | | | |
| At 31 December 2024 | **31 691** | **17 414** | **1 259** | **25** | **50 389** |
| At 31 December 2023 | **22 244** | **19 661** | **1 258** | **1 551** | **44 714** |

Part of amortisation of intangible assets is accounted for as costs of sales – EUR 300 thousand in 2024 (2023: EUR 305 thousand). Remaining part is accounted for as general and administrative expenses.

Under the brands and trademarks the Group accounted for Stokrotka brand acquired in a business combination in 2018. Its carrying amount was EUR 17,232 thousand as of 31 December 2024 (2023: EUR 19,294 thousand) and it is amortised over the remaining useful life of 8 years (2023: 9 years).

## 9. Goodwill

| | |
|---|---|
| At 1 January 2023 | 205 819 |
| Exchange differences | 5 343 |
| At 31 December 2023 | 211 162 |
| Exchange differences | 1 271 |
| At 31 December 2024 | 212 433 |

For the purpose of impairment testing, the goodwill as of 31 December 2024 and 2023 was allocated to the below listed groups of cash generating units which are also operating and reportable segments. Goodwill was allocated to groups of cash generating units that are expected to benefit from the synergies of the business combination.

(All tabular amounts are in EUR thousands unless otherwise stated)

| | 2024 | 2023 |
|---|---|---|
| Retail – Lithuania | 21 498 | 21 210 |
| Retail – Latvia | 135 040 | 134 898 |
| Retail – Estonia | 12 743 | 12 636 |
| Retail – Poland | 42 999 | 42 265 |
| Retail – Bulgaria | 153 | 153 |
| | **212 433** | **211 162** |

Goodwill is reviewed for impairment on an annual basis or more frequently if there are indications that goodwill may be impaired. Goodwill acquired in a business combination is allocated to groups of cash-generating units according to the level at which management monitors that goodwill. In 2024 and 2023 impairment tests did not result in additional goodwill impairment.

## 10. Non-current receivables and prepayments

| | 2024 | 2023 |
|---|---|---|
| Net investment in the lease | 14 007 | 12 834 |
| Prepayments | 5 760 | 5 722 |
| | **19 767** | **18 556** |

## 11. Deferred income tax

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereof, during the current and prior reporting periods (before offsetting):

| **Deferred tax assets** | **Accrued expenses** | **Contract liability** | **Tax losses** | **Impairment of assets** | **Different depreciation and amortisation rates** | **Other** | **Total** |
|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | **3 389** | **530** | **6** | **2 648** | **4 629** | **9 049** | **20 251** |
| (Charged) / credited to statement of comprehensive income | 153 | (31) | - | 171 | (875) | 1 696 | 1 114 |
| Exchange differences | 122 | - | - | 200 | 8 | 498 | 828 |
| Other | - | - | - | - | (40) | 76 | 36 |
| **At 31 December 2023** | **3 664** | **499** | **6** | **3 019** | **3 722** | **11 319** | **22 229** |
| (Charged) / credited to statement of comprehensive income | 223 | (114) | 2 | 275 | (1 067) | 3 807 | 3 126 |
| Effect of tax rate change | 135 | 26 | - | - | 50 | 261 | 472 |
| Exchange differences | 44 | - | - | 158 | 1 | 111 | 314 |
| Other | - | - | 7 | - | - | 194 | 201 |
| **At 31 December 2024** | **4 066** | **411** | **15** | **3 452** | **2 706** | **15 692** | **26 342** |

(All tabular amounts are in EUR thousands unless otherwise stated)

| **Deferred tax liabilities** | **Different depreciation and amortisation rates** | **Fair value adjustments** | **Investments in subsidiaries** | **Total** |
|---|---|---|---|---|
| **At 1 January 2023** | **16 324** | **9 542** | **3 945** | **29 811** |
| Charged / (credited) to statement of comprehensive income | 2 471 | (1 209) | 4 986 | 6 248 |
| Exchange differences | 817 | 662 | - | 1 479 |
| **At 31 December 2023** | **19 612** | **8 995** | **8 931** | **37 538** |
| Charged / (credited) to statement of comprehensive income | 2 265 | (1 141) | 3 069 | 4 193 |
| Effect of tax rate change | 636 | - | - | 636 |
| Exchange differences | 218 | 145 | - | 363 |
| **At 31 December 2024** | **22 731** | **8 000** | **12 000** | **42 731** |

Fair value adjustments in deferred tax liabilities are related to acquired business in Poland.

As of 31 December 2024 deferred tax assets to be realised within one year amounted to EUR 12,579 thousand and deferred tax liabilities to be settled within one year amounted to EUR 16,470 thousand (2023: EUR 13,541thousand and EUR 13,299 thousand, respectively).

Deferred tax assets and liabilities have been offset when there was a legally enforceable right to set off current tax assets against current tax liabilities and when they related to income taxes levied by the same taxation authority and the Group intended to settle its current tax assets and liabilities on a net basis.

*Taxable temporary differences on investments in subsidiaries*

As of 31 December 2024 the Group recognised deferred tax liability of EUR 12,000 thousand (2023: EUR 8,931 thousand) associated with investments in subsidiaries in Latvia and Estonia for the amounts that are planned to be distributed as dividends in the foreseeable future. Temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised amounted to EUR 246,278 thousand as of 31 December 2024 (2023: EUR 206,401 thousand).

*Tax losses*

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As of 31 December 2024 the Group did not recognise deferred income tax assets of EUR 4,109 thousand (2023: EUR 1,396 thousand) in respect of tax losses amounting to EUR 22,894 thousand (2023: EUR 9,184 thousand) that can be carried forward against future taxable income. The expiry dates of tax losses for which no deferred tax asset was recognised are provided below:

| | **2024** | **2023** |
|---|---|---|
| Within 1 year | - | 710 |
| Within 2 years | 83 | - |
| Within 3 years | 2 | - |
| Within 4 years | 369 | - |
| Within 5 years | 14 392 | 16 |
| Indefinitely | 8 048 | 8 458 |
| **Total** | 22 894 | **9 184** |

(All tabular amounts are in EUR thousands unless otherwise stated)

## 12. Inventories

| | 2024 | 2023 |
|---|---|---|
| Goods for resale | 429 248 | 423 265 |
| Goods in transit | 19 263 | 9 311 |
| Materials | 3 783 | 5 577 |
| | **452 294** | **438 153** |

The allowances for net realisable value of inventories comprise EUR 22,684 thousand (2023: EUR 20,683 thousand). The change in allowance for inventory is accounted for in cost of sales. In 2024, increase in allowance amounting to EUR 1,748 thousand was included in cost of sales (2023: decrease of EUR 253 thousand).

Inventories recognised as an expense during the year ended 31 December 2024 amounted to EUR 4,976,914 thousand (2023: EUR 4,786,541 thousand) and write-offs amounted to EUR 117,338 thousand (2023: EUR 111,264 thousand). These expenses were included in cost of sales.

The Group has pledged inventories with the total carrying value of EUR 20,000 thousand (in 2023: EUR 20,000 thousand) to secure banking facilities granted to the Group (Note 17).

## 13. Trade and other receivables, prepayments and other short-term financial assets

| | 2024 | 2023 |
|---|---|---|
| Trade receivables | 12 352 | 13 284 |
| Other receivables | 60 079 | 60 826 |
| Less: allowances for trade receivables | (2 904) | (1 857) |
| Less: allowances for other receivables | (812) | (1 457) |
| Trade and other receivables, net | 68 715 | 70 796 |
| Current year portion of net investment in the lease | 3 371 | 2 923 |
| Contract assets | 2 848 | 3 091 |
| Derivative financial instruments | 655 | 86 |
| Short term loans granted | 49 | 302 |
| | 75 638 | 77 198 |
| | | |
| Deferred charges | 6 002 | 7 069 |
| Prepayments | 2 746 | 2 592 |
| Prepaid income tax | 5 791 | 216 |
| VAT receivable | 1 638 | 8 322 |
| Other prepaid taxes | 395 | 610 |
| | **92 210** | **96 007** |

Other receivables mainly relate to receivables for sold property, plant and equipment and advertising and other services provided to the Group's suppliers (see Note 2.13. for accounting policy).

Contract assets are assets recognised for services performed to the Group's customers before the end of the year, but for which invoices have not been issued at that date. After invoice is issued, which reflects the unconditional right to payment, contract assets are transferred to trade receivables.

Trade receivables and other receivables are non-interest bearing and generally have payment terms of 10 to 45 days (2023: 16 to 41 days).

Movements of the Group's allowance for expected credit losses of trade receivables and other receivables are as follows:

| | 2024 | 2023 |
|---|---|---|
| At 1 January | 3 314 | 3 375 |
| Impairment losses | 482 | 358 |
| Write-off of impairment loss due to receivables write-off | (249) | (663) |
| Other | 171 | 244 |
| At 31 December | **3 718** | **3 314** |

The amount of allowances for trade and other receivables expenses is recognized as general and administrative expenses.

## 14. Cash and cash equivalents

| | 2024 | 2023 |
|---|---|---|
| Cash at bank | 194 522 | 152 726 |
| Cash on hand and in transit | 55 370 | 79 677 |
| Short-term bank deposits | 14 248 | 98 611 |
| | **264 140** | **331 014** |

Cash in transit is comprised of cash in the cash registers of the stores not yet collected for encashment and cash collected for encashment but not delivered to the bank yet, as well as bank transfers made at the year-end (including payments for customers purchased goods by debit or credit cards), which have not yet reached their destination before the year end. Cash in transit reaches the Group's bank accounts in several days after the year end.

Bank deposits are short-term with original maturity of three months or less.

Cash in certain bank accounts and future cash inflows into these accounts amounting to EUR 31,270 thousand (2023: EUR 27,312 thousand) were pledged to the banks as security for credit facilities granted (Note 17).

In the consolidated statement of cash flows cash and cash equivalents, less overdrafts, comprise of the following:

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | 264 140 | 331 014 |
| Bank overdrafts (Note 17) | (3 268) | (12 187) |
| | **260 872** | **318 827** |

## 15. Share capital and share premium

| | 2024 | 2023 |
|---|---|---|
| Number of shares (in thousands) | 3 514 699 | 3 514 699 |
| Par value of one share | 0.29 | 0.29 |
| Total share capital | **1 019 263** | **1 019 263** |

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

In 2024 and 2023 there were no changes in the Company's share capital.

(All tabular amounts are in EUR thousands unless otherwise stated)

*Share premium*

Share premium was recognised for the difference between the proceeds received on share issue and par value of the shares issued.

## 16. Reserves

*Legal reserve*

Legal reserve is a compulsory reserve under the Lithuanian legislation. Legal reserve is made up by transfers from retained earnings. The reserve should comprise 10% of the Company's share capital and could be used to cover losses of the Company. Annual transfers of 5% of the Company's net profit are compulsory until the reserve reaches 10% of the Company's share capital. As of 31 December 2024, legal reserve amounted to EUR 71,626 thousand (2023: EUR 68,194 thousand).

*Reverse acquisition reserve*

In 2007, in the course of the Group's restructuring MAXIMA MGN, UAB, the newly incorporated subsidiary of the Company, acquired 100 per cent of shares of MAXIMA LT, UAB from the Company's sole shareholder at that time Uzdaroji Akcine Bendrove Vilniaus Prekyba (currently LEKSITA, UAB), for a total consideration of EUR 1,667,292 thousand. At the time of the transaction, i.e. before and after the restructuring, the ultimate parent of the Group was Uzdaroji Akcine Bendrove Vilniaus Prekyba (currently LEKSITA, UAB). The acquisition was accounted for as a reverse acquisition, and for accounting purposes the legal subsidiary MAXIMA LT, UAB (identified as acquirer), has been deemed to have acquired the legal parent, MAXIMA GRUPĖ, UAB (identified as acquiree). The net assets of MAXIMA LT, UAB have been recognised at their pre-combination carrying amounts. No goodwill was recognised. The reverse acquisition reserve comprises principally of the pre-acquisition reserves of MAXIMA LT, UAB and its subsidiaries, elimination of the investment in MAXIMA LT, UAB and elimination of net assets of MAXIMA MGN, UAB.

## 17. Borrowings (except for lease liabilities)

| | **2024** | **2023** |
|---|---|---|
| *Non-current* | | |
| Bank loans | 194 958 | 190 802 |
| Bonds | 237 656 | 236 828 |
| | 432 614 | 427 630 |
| *Current* | | |
| Bank loans | 71 087 | 72 839 |
| Bank overdrafts | 3 268 | 12 187 |
| Bonds | 7 016 | 7 016 |
| | 81 371 | 92 042 |
| | **513 985** | **519 672** |

In July 2022, the Group issued EUR 240 million nominal value fixed 6.25% interest rate 5-year unsecured bonds. Bonds are traded at Euronext Dublin (Ireland) and Nasdaq Vilnius (Lithuania) stock exchanges. The fair value of bonds amounted to EUR 249,166 thousand as of 31 December 2024 (2023: EUR 243,844 thousand).

On 13 September 2018 the Group issued EUR 300 million nominal value fixed 3.25% interest rate coupon bonds. Bonds matured on 13 September 2023 and part of the proceeds from the 2022 issued bonds was used for the purchase of EUR 193 million nominal value bonds. The remaining portion was purchased through a bank financing agreement.

In 2024 Group has signed several new financing agreements for EUR 53 million, of which effective interests rate range were 3.3% - 7.6%. Financing is provided for periods from 5 to 10 years.

(All tabular amounts are in EUR thousands unless otherwise stated)

The bank loans as of 31 December 2024 and 2023 are secured by cash in certain bank accounts (Note 14), property, plant and equipment (Note 5), right-of-use assets (Note 6) and investment property (Note 7).

As of 31 December, the carrying amounts of the borrowings are denominated in the following currencies:

| | 2024 | 2023 |
|---|---|---|
| EUR | 446 744 | 479 361 |
| PLN | 65 536 | 38 914 |
| BGN | 1 705 | 1 397 |
| | **513 985** | **519 672** |

The weighted average effective interest rates as of 31 December were as follows:

| | 2024 | 2023 |
|---|---|---|
| Bank loans | 4.89% | 4.64% |
| Bonds | 6.68% | 6.68% |
| Total | 5.74% | 5.60% |

Non-current borrowings (except for lease liabilities) are repayable as follows:

| | 2024 | 2023 |
|---|---|---|
| In the second year | 63 891 | 55 663 |
| In the third to fifth years (inclusive) | 349 094 | 364 662 |
| After five years | 19 629 | 7 305 |
| | **432 614** | **427 630** |

For undiscounted contractual future cash outflows see Note 25.1.

The undrawn borrowing facilities were as follows:

| | 2024 | 2023 |
|---|---|---|
| Expiring within one year | 69 358 | 80 524 |
| Expiring beyond one year | 44 000 | 15 000 |
| | **113 358** | **95 524** |

In accordance with the Euro Medium Term Note Program issued for bonds and the agreements signed with banks AB SEB Bankas, AB Swedbank and Nordic Investment Bank, the Group must comply with several covenants that are evaluated based on Group consolidated financial statements, including consolidated secured leverage ratio, consolidated net leverage ratio, fixed charge coverage ratio, restricted subsidiary financial debt and capital ratios. As of 31 December 2024 the Group complied with all of them and has no indication that it will have difficulty complying with these covenants.

The Group's subsidiaries are also required to comply with various loan covenants under their agreements with banks, including the net debt-to-EBITDA ratio, equity-to-assets ratio, and others. As of December 31, 2024, all covenants were fully met, except for the following: MMS Projects EOOD, a subsidiary of MAXIMA Bulgaria EOOD, was not in compliance with a debt service coverage ratio under an agreement with UniCredit Bank. However, on March 13, 2025, MMS Projects EOOD signed an amendment to the agreement, modifying the calculation of this ratio for both the previous period and future periods. Consequently, MMS Projects EOOD was compliant with this covenant as of the date of issuance of the financial statements. Due to the non-compliance as of December 31, 2024, the carrying amount of the loan of EUR 4,076 thousand was reclassified from non-current to current borrowings.

(All tabular amounts are in EUR thousands unless otherwise stated)

## 18. Trade and other payables

| | 2024 | 2023 |
|---|---|---|
| Trade payables | 713 479 | 698 088 |
| Liabilities under reverse factoring arrangements | 18 833 | 18 673 |
| Derivative financial instruments | - | 323 |
| Other amounts payable | 9 174 | 16 608 |
| Accrued expenses | 12 126 | 11 933 |
| | 753 612 | 745 625 |
| | | |
| Remuneration, social security and other related taxes | 89 216 | 84 025 |
| Payable taxes, other than corporate income tax | 40 894 | 38 545 |
| Contract liabilities | 22 821 | 19 699 |
| Advances received | 2 856 | 2 701 |
| | **909 399** | **890 595** |

The Group is involved in reverse factoring arrangements with banks under which the banks agree to pay amounts the Group owes to the Group's suppliers and the Group agrees to pay the banks at a date later than suppliers are paid. Payment terms with suppliers participating in the Supply chain financing program remain largely unchanged. In instances where amendments are agreed, the new terms will not deviate significantly from industry standards for the specific product category. Additionally, any revised payment period complies with, or fall within, the legal maximums terms. Liabilities under reverse factoring arrangement have a similar nature and function to trade payables, as they are part of the working capital used in the Group's normal operating cycle.

Payables to the banks under reverse factoring arrangement were as follows:

| | 2024 |
|---|---|
| *Carrying amount of liabilities* | |
| Presented within trade and other payables | 18 833 |
| Of which suppliers have received payment | 17 179 |
| Presented within finance payables | - |
| Of which suppliers have received payment | - |
| *Range of payment due dates* | |
| Liabilities that are part of the arrangement | 20 - 120 |
| Comparable trade payables that are not part of an arrangement | 10 - 180 |
| Non-cash changes | - |

The carrying amounts of liabilities under the supplier financing arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature.

Derivatives designated as hedging instruments reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future purchases in USD.

Contract liabilities represent the Group's liability to customers to transfer goods or services for the loyalty points received and gift cards. They also include prepayments for goods and services received from the Group's customers.

In 2024, the Group recognised EUR 19,699 thousand (of which EUR 5,978 thousand loyalty points) revenue that was included in the contract liability balance (2023: EUR 18,070 thousand (of which EUR 6,639thousand loyalty points)).

(All tabular amounts are in EUR thousands unless otherwise stated)

## 19. Revenue

| | 2024 | 2023 |
|---|---|---|
| *Revenue from contracts with customers* | | |
| Retail revenue | 5 943 358 | 5 699 645 |
| Commission income | 10 131 | 9 971 |
| Wholesale revenue | 78 117 | 72 142 |
| Other | 30 159 | 27 709 |
| | 6 061 765 | 5 809 467 |
| *Other income* | | |
| Rental income | 36 006 | 35 071 |
| | 36 006 | 35 071 |
| | **6 097 771** | **5 844 538** |

All revenue from contracts with customers during the year were recognised at a point of time.

## 20. Expenses by nature

Breakdown of expenses by nature included in the comprehensive income statement:

| | 2024 | 2023 |
|---|---|---|
| Cost of goods for resale | 4 640 958 | 4 424 288 |
| Rent, maintenance and utilities | 192 945 | 193 881 |
| Depreciation, amortisation and impairment | 222 715 | 204 143 |
| Employee remuneration and related taxes | 656 649 | 598 709 |
| Other | 153 800 | 150 128 |
| | **5 867 067** | **5 571 150** |

## 21. General and administrative expenses

| | 2024 | 2023 |
|---|---|---|
| Employee remuneration and related taxes | 93 215 | 100 248 |
| Long-term employee benefits | 153 | 275 |
| Transportation services | 2 459 | 2 463 |
| Property, plant and equipment, intangible assets, right-of-use assets impairment charge | 12 000 | 6 361 |
| Depreciation and amortization | 23 393 | 36 142 |
| Advertising | 34 305 | 32 865 |
| Rental expenses | 785 | 1 135 |
| Utilities | 8 767 | 13 010 |
| Taxes (except for income tax) | 7 447 | 8 286 |
| Repair and maintenance | 15 617 | 14 315 |
| Consulting and other professional services | 5 877 | 5 696 |
| Other | 17 575 | 19 738 |
| | **221 593** | **240 534** |

(All tabular amounts are in EUR thousands unless otherwise stated)

## 22. Finance costs, net

| | 2024 | 2023 |
|---|---|---|
| *Finance costs* | | |
| Interest expenses | | |
| – Bank borrowings | (14 329) | (8 591) |
| – Bonds | (15 828) | (18 583) |
| – Lease | (46 931) | (37 714) |
| – Other | (87) | - |
| | (77 175) | (64 888) |
| Other | 70 | (37) |
| Net foreign exchange gain/(loss) | 2 233 | 5 022 |
| | **(74 872)** | **(59 903)** |
| *Finance income* | | |
| Interest income on net investment in the lease | 1 441 | 893 |
| Bank interest income | 4 537 | 3 999 |
| Other income | - | 185 |
| | **5 978** | **5 077** |
| Finance costs, net | **(68 894)** | **(54 826)** |

## 23. Income tax expense

| | 2024 | 2023 |
|---|---|---|
| Current tax | 25 540 | 28 395 |
| Adjustments for current tax of prior periods | 198 | (39) |
| Deferred tax (Note 11) | 1 068 | 5 134 |
| **Income tax expense** | **26 806** | **33 490** |

The total income tax charge can be reconciled to the accounting profit before tax as follows:

| | 2024 | 2023 |
|---|---|---|
| Profit before income tax | 162 545 | 218 162 |
| Tax at domestic tax rate of 15% (2023: 15%) | 24 381 | 32 724 |
| Income not subject to tax | (1 686) | (1 661) |
| Expenses not deductible for tax purposes | 4 818 | 3 091 |
| Tax losses for which no deferred income tax was recognised | 652 | 2 018 |
| Utilisation of previously unrecognised tax losses | - | (205) |
| Tax incentives (charity, etc) | (2 440) | (573) |
| Adjustments in respect of prior year | 67 | (19) |
| Effect of different tax rates of foreign subsidiaries | 536 | (2 027) |
| Other | 478 | 142 |
| Income tax expense | **26 806** | **33 490** |
| Effective income tax rate | 16% | 15% |

*Pillar Two*

May 2023, the IASB issued narrow-scope amendments to IAS 12, 'Income Taxes'. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. These amendments were introduced in response to the imminent implementation of the Pillar Two model rules released in December 2021 by the Organisation for Economic

Co-operation and Development's (OECD) as a result of international tax reform. The primary objective of these regulations is to guarantee that large multinational enterprises, specifically those with global revenues surpassing EUR 750 million, are subject to a minimum effective tax rate (hereinafter ETR) of 15%. These rules need to be incorporated into the national laws of the countries that choose to adopt them. In accordance with IASB effective date, the companies may apply the exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023.

The Group operates in jurisdictions where the implementation of the Pillar Two model rules has either been delayed or recently enacted. Within all jurisdictions where the Group operates, only Bulgaria adopted a new law on 31 December 2023, implementing the Global Minimum Tax, which came into effect on 1 January 2024. During the transitional period, the Group intends to apply the Transitional Country-by-Country (CbCR) Safe Harbour (hereinafter TCSH), which allows for simplified compliance measures under the Pillar Two framework. The transitional period refers to the initial years following the implementation of these rules, during which TCSH is available to reduce the administrative burden for multinational enterprises (MNEs).

As a lower-tier parent company, the Group acknowledges the applicability of the Pillar Two rules and their associated compliance requirements. The Group submits the necessary assessments and relevant data to its ultimate parent company, which evaluates the Group's potential exposure to top-up-tax tax obligations for all jurisdictions, where the Group operates, respectively. The ultimate parent company is responsible for assessing the Group's ETR and, where applicable, for settling any top-up tax liabilities that may arise at the consolidated level, except for Bulgaria, where the top-up tax liabilities should be settled by the subsidiaries.

The ultimate parent company has performed an assessment of the potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting and 2024 financial information for the constituent entities in the MNE Group. In all jurisdictions where the Group operates either the Pillar Two effective tax rate exceeds 15% or the Routine Profits Test is met.

Consequently, no top-up-up tax liabilities or deferred tax assets or liabilities arising from the Pillar Two model rules have been recognized in the Group's consolidated financial statements.

## 24. Dividends per share

Dividends declared in 2024 and 2023 amounted to EUR 123,000 thousand (EUR 0.035 per share) and EUR 70,000 thousand (EUR 0.020 per share), respectively.

## 25. Financial risk management

### *25.1. Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

*a) Market risk*

Foreign currency exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to USD due to purchasing of goods in foreign countries while income is mostly denominated in local currencies. The potential adverse effect from foreign exchange risk is substantially diminished, because the Group companies use foreign currency policies for the management of open currency exposure by currency acquisitions. In 2024 and 2023, the Group was using derivative financial instruments to be able to hedge its risks arising from foreign currency fluctuations ("forwards").

Carrying amounts of borrowings by currencies are disclosed in Note 17.

Interest rate risk

The Group's interest rate risk arises from long-term borrowings. The Group is exposed to cash flow interest rate risk as some of the Group's borrowings are subject to floating interest rates related to EURIBOR.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps or borrowing at fixed rates directly. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

The Group's borrowings with variable interest rates amounted to EUR 254,362 thousand as of 31 December 2024 (2023: EUR 211,839 thousand) with repricing periods between 1 - 6 months (2023: 1 - 6 months). The remaining borrowings are with fixed interest rates. Fair value of bonds is disclosed in Note 17, fair value of borrowings with fixed interest rate is EUR 15,021 thousand (2023: EUR 72,426 thousand). The Group estimates that the increase of variable interest rates by 100 basis points, applied to exposed amounts as of 31 December 2024 and with all other variables held constant, would result in an increase in interest expense of EUR 2,544 thousand (2023: 2,118 thousand).

*b) Credit risk*

The Group's credit risk arises from its trade and other receivable, contract assets, cash and cash equivalents and loans granted. Management considers that the Group's maximum exposure to credit risk is reflected by the carrying amount of the financial assets at the reporting date.

The credit risk of liquid funds (cash and cash equivalents) is limited because the counterparties are banks with high credit ratings assigned by international credit-ratings agencies or subsidiaries of such banks. Sales to retail customers are settled in cash or using credit cards. Management does not expect any material losses from non-performance of the Group's counterparties.
The Group monitors creditworthiness of debtors by using controls that include credit approvals, limits, prepayment requirements and other monitoring procedures. Each Group's entity is responsible for managing and analysing credit risk for each of its new clients. There is no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The amounts presented in the consolidated statement of financial position are net of estimated allowances for doubtful amounts. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, type of service, collateral received). Some of the Group's trade and other receivables are secured by pledged real estate and bank guarantees and insur
ance. The Group's trade and other receivable secured by collateral amounted to EUR 2,759 thousand as of 31 December 2024 (2023: EUR 3,757 thousand). A loss allowance has not been recognised for the amount of trade and other receivables covered by collateral. Collateral obtained by the Group has not affected the expected credit losses as of 31 December 2024 (2023: has not affected the expected credit losses).

Set out below is the information about the credit risk exposure on the Group's trade and other receivables and contract assets using provision matrix:

(All tabular amounts are in EUR thousands unless otherwise stated)

**31 December 2024**

| | Current | 1-30 days past due | 31-90 days past due | >90 days past due | Total |
|---|---|---|---|---|---|
| Expected credit loss rate | 0.1%-1% | 0.5%-8% | 7% | 100% | |
| Gross carrying amount - trade and other receivables from non-related parties (incl. net investment in the lease) | 66 790 | 6 223 | 1 187 | 4 505 | 78 705 |
| Gross carrying amount - trade and other receivables from related parties (incl. net investment in the lease) | 11 104 | - | - | - | 11 104 |
| Contract assets | 2 848 | - | - | - | 2 848 |
| Expected credit loss | (104) | (63) | (161) | (3 389) | (3 717) |
| | **80 638** | **6 160** | **1 026** | **1 116** | **88 940** |

**31 December 2023**

| | Current | 1-30 days past due | 31-90 days past due | >90 days past due | Total |
|---|---|---|---|---|---|
| Expected credit loss rate | 0.1%-1% | 0.5%-8% | 7% | 100% | |
| Gross carrying amount - trade and other receivables from non-related parties (incl. net investment in the lease) | 68 110 | 7 727 | 1 202 | 3 396 | 80 435 |
| Gross carrying amount - trade and other receivables from related parties (incl. net investment in the lease) | 9 244 | 188 | - | - | 9 432 |
| Contract assets | 3 049 | 15 | 28 | - | 3 091 |
| Expected credit loss | (45) | (81) | (114) | (3 074) | (3 314) |
| | **80 358** | **7 848** | **1 116** | **322** | **89 644** |

The partners of the Group in cash transactions are banks with an adequate credit history and high ratings. The credit quality of cash at banks (including short-term bank deposits in 2024) is assessed by reference to external credit ratings and is as follows:

| | 2024 | 2023 |
|---|---|---|
| A1 (Moody's) | 1 079 | 967 |
| A2 (Moody's) | 102 | 9 806 |
| A3 (Moody's) | 1 803 | - |
| A- (S&P) | 24 712 | 65 432 |
| Aa2 (Moody's) | - | 9 204 |
| Aa3 (Moody's) | 162 186 | 153 434 |
| Baa1 (Moody's) | 659 | 572 |
| Baa2 (Moody's) | - | 607 |
| BBB (Fitch) | 18 186 | 11 305 |
| Other | 43 | 10 |
| | **208 770** | **251 337** |

*c) Liquidity risk*

The Group is exposed to liquidity risk due to different maturity profiles of receivables and payables. Major amount of operating cash is collected from retail customers, therefore the Group does not have significant amount of trade receivables while payables to suppliers outstanding as of 31 December 2024 had weighted average payment term of 41 days (2023: 41 days).

(All tabular amounts are in EUR thousands unless otherwise stated)

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding. Management believes that the Group will have sufficient cash resources through earning cash from operating activities and utilising undrawn credit facilities from various banks (Note 17). In order to manage short term liquidity risks the Group targets to increase average credit portfolio maturity with longer term credit agreements.

The following is the contractual maturity analysis of the Group's non-derivative financial liabilities. The analysis is based on undiscounted cash flows, accounting the earliest date on which the Group can be required to pay. Floating interest rates are estimated using the prevailing interest rates at the reporting date.

| | 2024 | | | |
|---|---|---|---|---|
| | **Borrowings from banks and bonds** | **Lease liabilities** | **Other financial liabilities** | **Total** |
| In the first year | 93 716 | 155 353 | 753 612 | 1 002 681 |
| In the second year | 81 745 | 145 314 | - | 227 059 |
| In the third year | 316 767 | 135 248 | - | 452 015 |
| In the fourth year | 31 612 | 121 630 | - | 153 242 |
| In the fifth year | 12 791 | 103 318 | - | 116 109 |
| After five years | 18 461 | 347 852 | - | 366 313 |
| | **555 092** | **1 008 715** | **753 612** | **2 317 419** |

| | 2023 | | | |
|---|---|---|---|---|
| | **Borrowings from banks and bonds** | **Lease liabilities** | **Other financial liabilities** | **Total** |
| In the first year | 99 464 | 147 355 | 745 625 | 992 444 |
| In the second year | 76 714 | 132 752 | - | 209 466 |
| In the third year | 71 951 | 120 410 | - | 192 361 |
| In the fourth year | 306 538 | 110 979 | - | 417 517 |
| In the fifth year | 26 107 | 98 436 | - | 124 543 |
| After five years | 7 361 | 370 525 | - | 377 886 |
| | **588 135** | **980 457** | **745 625** | **2 314 217** |

### *25.2. Derivatives*

The Group has the following derivative financial instruments in the following line items in the statement of financial position:

| | **2024** | **2023** |
|---|---|---|
| *Current assets – Trade and other receivables, prepayments and other short-term financial assets* | | |
| Foreign currency forwards – cash flow hedges | 648 | - |
| Interest rate swaps – held for trading | 7 | 86 |
| **Total current derivative financial instrument assets** | **655** | **86** |
| | | |
| *Non-current liabilities – Other non-current liabilities* | | |
| Interest rate swaps – held for trading | - | - |
| | | |
| *Current liabilities – Trade and other payables* | | |
| Foreign currency forwards – cash flow hedges | - | 323 |
| **Total derivative financial instrument liabilities** | **-** | **323** |

(All tabular amounts are in EUR thousands unless otherwise stated)

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

*Foreign currency forwards*

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in USD. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item (i.e. notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

In hedges of foreign currency purchases, ineffectiveness may arise from the differences in the timing or forecasted amount of the cash flows of the hedged items and the hedging instruments, or if there are changes in the credit risk of the derivative counterparty.

The impact of the hedge accounting on the consolidated statement of changes in equity is disclosed under "other reserves" line item.

*Interest rate swaps*

As of 31 December 2024 and 2023, the Group had an interest rate swap agreement in place, in which it agreed to exchange the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. Interest rate swaps are not designated as hedging instruments in hedge relationships by the Group.

### 25.3. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group considers total capital under management to be equity plus net debt:

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | (264 140) | (331 014) |
| Borrowings | 513 985 | 519 672 |
| Lease liabilities | 793 260 | 768 470 |
| Equity | 572 914 | 554 719 |
| | **1 616 019** | **1 511 847** |

The capital management strategy aims to continually optimise its financial structure by maintaining an optimum balance between net debt and EBITDA, equity and total assets. It aims at minimising the cost of capital and maintaining the Group's credit rating at a level that allows it to access a wide range of financing sources and instruments. Management's focus is to ensure the Group companies have sufficient equity capital to comply with capital adequacy ratios, the minimum capital rules set by local legislation and meet covenants set in bank credit agreements and Euro

Medium Term Note Programme Prospectus. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders.

As of 31 December 2024, net debt was EUR 1043,105 thousand (2023: EUR 957,128 thousand) and EBITDA was EUR 455,556 thousand (2023: EUR 478,948 thousand) resulting in net debt/EBITDA ratio of 2.3 (2023: 2.0).

### *25.4. Fair value of financial instruments*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuations are performed by the Group's management at each reporting date. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of asset or liability and the level of the fair value hierarchy as explained above.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

- The carrying amount of current trade and other receivables, contract assets, current trade and other payables, short-term loans granted and current borrowings approximates their fair value (level 3).
- For the valuation of foreign currency forwards the Group uses the present value of future cash flows based on the forward exchange rates at reporting date (level 2) (Note 25.2).
- For the valuation of interest rate swaps the Group uses present value of the estimated future cash flows based on observable yield curves (Note 25.2).
- The fair value of non-current debt, except for bonds, is based on the quoted market price for the same or similar instruments or on the current rates available for debt with the same maturity profile. The carrying amount of non-current borrowings with variable interest rates approximates their fair value (level 3).
- The fair value of bonds is based on quoted market price (level 1) (Note 17).

There were no transfers between level 1 and level 2 during 2024.

(All tabular amounts are in EUR thousands unless otherwise stated)

## 26. Related party transactions

Related parties below include the Group's parent Uždaroji Akcinė Bendrovė Vilniaus Prekyba and other related parties that are entities controlled by the Group's ultimate controlling party. The ultimate controlling party of the Group is Mr. N. Numa.

*a) Sales and purchases of goods and services and property, plant and equipment*

| | | Sales of goods and services | Purchases of goods and services | Sales of property, plant and equipment | Purchases of property, plant and equipment |
|---|---|---|---|---|---|
| Parent company | 2024 | - | 708 | - | - |
| | 2023 | - | 789 | - | - |
| Other related parties | 2024 | 12 656 | 15 996 | 13 208 | 206 |
| | 2023 | 10 609 | 20 537 | 37 | 78 |
| **Total** | 2024 | **12 656** | **16 703** | **13 208** | **206** |
| | 2023 | **10 609** | **21 326** | **37** | **78** |

Sales of services to related parties include mostly sales of goods, rent services and commission income. Purchases of goods and services from related parties include mostly purchased goods for resale and consulting services.

*b) Year-end balances arising from sales/purchases of goods/services and rent of real estate*

| | | Net investment in the lease – long-term | Net investment in the lease – short-term | Trade and other receivables | Trade and other payables |
|---|---|---|---|---|---|
| Parent company | 2024 | - | - | - | 110 |
| | 2023 | - | - | - | 124 |
| Other related parties | 2024 | 8 587 | 1 693 | 824 | 3 119 |
| | 2023 | 7 364 | 1 415 | 653 | 6 130 |
| **Total** | 2024 | **8 587** | **1 693** | **824** | **3 229** |
| | 2023 | **7 364** | **1 415** | **653** | **6 251** |

In 2024, interest income earned on net investment in the lease to other related parties amounted to EUR 312 thousand (2023: EUR 461 thousand).

(All tabular amounts are in EUR thousands unless otherwise stated)

*c) Borrowings*

| | | Lease liabilities–long-term | Lease liabilities–short-term | Interest expenses on lease liabilities |
|---|---|---|---|---|
| Parent company | 2024 | - | - | - |
| | 2023 | - | - | - |
| Other related parties | 2024 | 110 317 | 12 382 | 8 119 |
| | 2023 | 115 350 | 11 675 | 8 238 |
| **Total** | 2024 | **110 317** | **12 382** | **8 119** |
| | 2023 | **115 350** | **11 675** | **8 238** |

*d) Key management compensation*

| | **2024** | **2023** |
|---|---|---|
| Salaries including related taxes | 1 053 | 850 |
| Termination benefits | - | 64 |

The Group considers C-level executives of the Company as key management. In 2024, the average number of key management employees was 7 (2023: 7).

## 27. Cash flow information

### *27.1. Non-cash investing and financing activities*

Non-cash investing and financing activities in 2024 and 2023 are provided below:

- Additions to right-of-use assets and lease liabilities amounted to EUR 114,583 thousand (Note 6) (2023: EUR 161,507).
- Lease liability remeasurements and decrease in lease liability due to lease contract terminations, including effect of foreign exchange rate changes, amounted to EUR 22,071 thousand (2023: EUR 6,972 thousand).

### *27.2. Changes in liabilities arising from financing activities*

The below table summarises changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes during the year ended 31 December 2024 and 2023:

| | 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Balance at 1 January 2024 | Dividends declared | Cash received | Cash paid | Increase in lease Liabilities* | Interest expenses | Interest paid | Other** | Balance at 31 December 2024 |
| Borrowings, excl. bank overdrafts | 507 484 | - | 84 069 | (82 370) | - | 30 244 | (29 528) | 817 | 510 717 |
| Lease liabilities | 768 470 | - | - | (110 077) | 131 148 | 46 931 | (46 931) | 3 719 | 793 260 |
| Dividend payable | - | 123 000 | - | (123 000) | - | - | - | - | - |
| **Total liabilities arising from financing activities** | **1 275 954** | **123 000** | **84 069** | **(315 447)** | **131 148** | **77 175** | **(76 459)** | **4 536** | **1 303 977** |

(All tabular amounts are in EUR thousands unless otherwise stated)

| | 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Balance at 1 January 2023 | Dividends declared | Cash received | Cash paid | Increase in lease Liabilities* | Interest expenses | Interest paid | Other** | Balance at 31 December 2023 |
| Borrowings, excl. bank overdrafts | 543 678 | - | 172 940 | (211 189) | - | 27 174 | (26 658) | 1 539 | 507 484 |
| Lease liabilities | 683 286 | - | - | (103 190) | 181 492 | 37 714 | (37 714) | 6 882 | 768 470 |
| Dividend payable | - | 70 000 | - | (70 000) | - | - | - | - | - |
| **Total liabilities arising from financing activities** | **1 226 964** | **70 000** | **172 940** | **(384 379)** | **181 492** | **64 888** | **(64 372)** | **8 421** | **1 275 954** |

*Increase in lease liabilities includes additions of EUR 114,583 thousand and other changes of EUR 16,565 thousand (2023: EUR 161,507 thousand and EUR 19,985 thousand, respectively).

**Majority part is forex effect.

## 28. Audit and non-audit services

In 2024, remuneration of the Group's auditors (PricewaterhouseCoopers network member firms) for audit services and non-audit services amounted to EUR 379 thousand and EUR 66 thousand respectively (2023: EUR 384 thousand and EUR 8 thousand).

## 29. Contingent liabilities

Resolved court proceedings relating to collapse of store roof in Riga,

Latvia Maxima Latvija SIA and its employee, who was responsible for labour safety in the store (located in Priedaines iela 20, Riga, Latvia) whose roof partly collapsed on 21 November 2013, participated as defendants in a criminal case initiated based on breach of labour safety rules.

Decision of the court of the first instance was delivered on 18 February 2020. The court acquitted the employee of Maxima Latvija SIA. Decision of the court was appealed.

Appeal court brought its decision on 24 January 2023, completely acquitting the employee of Maxima Latvija SIA and terminating the legal proceedings against the company.

On December 27, 2023, the Supreme Court, considering the prosecutor's and other parties' submitted cassation appeal, decided to initiate the cassation process.

On December 19, 2024, the Senate of the Supreme Court issued its final decision concerning Maxima Latvija SIA and the accused employee. The Supreme Court upheld the Appeal Court's decision, which found the employee not guilty and the case was terminated. This decision is final and unappealable.

No provision has been made in the financial statements for this case. On the date of approval of these financial statements the case against Maxima Latvija SIA is closed.

## 30. Significant events during the year

In March 2024, Barbora Polska, Zp. z o. o.  ceased its operations in Poland. Considering that the assets will no longer generate income, the subsidiary terminated nearly all lease agreements and disposed of the majority of its assets. The remaining asset value in the subsidiary is immaterial.

## 31. Events after the reporting period

On January 2025, liquidation proceedings for Barbora Polska, Sp. z o. o. were initiated.

On February 2025, MAXIMA LT, UAB purchased 100% of the Sollo, UAB shares from Vilniaus prekyba, UAB and Vestodija, UAB. The purchase price was determined based on fair value as assessed by an independent valuator, and the payment for the shares was made in cash.

There have been no other significant events after the reporting period.

3

# Governance

# Corporate Governance

The Company seeks transparent and effective corporate governance that is in line with international best practices and serves as a basis for the success and sustainability of the Group's activities.

The corporate governance structure is established in the Company's Articles of Association, which were updated on 24 October 2024 by the sole shareholder of the Company. The main change during the reporting period was the dissolution of the Company's Supervisory Board. This non-mandatory corporate governance body was dissolved to simplify the Company's management structure, and some of its functions were transferred to the sole shareholder, "Vilniaus prekyba", and others to the Board.

The Articles of Association of the Company are available on the Company's website.

## Corporate Governance System

**General Meeting of Shareholders** | The highest decision-making body, where the shareholders participate in the supervision and governance of the Company.

**Management Board** | Responsible for taking material management decisions, related to the implementation of the business strategy.

**Audit Committee** | Monitors the processes of preparation and audit of financial statements, as well as the process of preparation and assurance of the sustainability statement.

**CEO (General Manager)** | Sole executive management body that manages the Company's day-to-day operations and represents the Company in its relationships with third parties.

# The General Meeting of The Shareholders

The Company has the sole shareholder, i.e. "Vilniaus prekyba".

The competence of the General Meeting of Shareholders is the same as prescribed in the Law on Companies of the Republic of Lithuania, with additional competence to appoint and revoke the members of the Audit Committee and to approve the Regulations of the Audit Committee.

During the reporting period the Company's sole shareholder decided to: (i) reduce the number of members of the Supervisory Board (from 5 to 3), (ii) change some of the members of the Supervisory Board and the Audit Committee, (iii) approve the set of consolidated and Company's financial statements for 2023 and adopt the decision on profit distribution, (iv) dissolve the Supervisory Board of the Company and (vi) appoint the members of the Management Board for the new term of 4 years.

# Supervisory Board

The Supervisory Board was a collegial supervisory body that consisted of 3 members elected for a 4-year term of office by the General Meeting of Shareholders. On 14 October 2024, "Vilniaus prekyba", the sole shareholder of the Company, decided to dissolve the Supervisory Board.

## From 19 March 2024* to 14 October 2024 the Supervisory Board consisted of:

**Matas Kasperavičius**
Chair of the Supervisory Board

CFO
of "Vilniaus prekyba"

**Paulius Mencas**
Member of the Supervisory Board

Board Member
of "Vilniaus prekyba"

**Nerijus Maknevičius**
Member of the Supervisory Board

Board Member
of "Vilniaus prekyba"

On the final day before the decision was taken to dissolve the Supervisory Board, it was composed of individuals of just one gender (100% men).

*Until 19 March 2024, Evelina Černienė and Jurgita Šlekytė were members of the Supervisory Board; they were later replaced by Paulius Mencas and Matas Kasperavičius.

The competence of the Supervisory Board was the same as prescribed by the Law on Companies of the Republic of Lithuania, i.e. the Supervisory Board approved the Company's business strategy and was responsible for supervising the activities of the Company and its management bodies, including the appointment and removal of members of the Management Board. It also submitted its comments and proposals to the General Meeting of Shareholders regarding the implementation of the Company's business strategy, financial statements, and the activities of the Management Board and the CEO.

In 2024 (until 14 October 2024), the Supervisory Board held 1 meeting, and all elected members of the Supervisory Board participated in the meeting. The main matters discussed during the meeting included:

- appointment of the Chair of the Supervisory Board;
- assessment of the Company's annual financial statements, the consolidated annual financial statements of the Company and its subsidiaries, and the submission of proposals to the General Meeting of Shareholders of the Company;
- review of the reports on the activities of the Audit Committee of the Company.

There was no procedure established to evaluate the performance of the Supervisory Board.

# Audit Committee

The Audit Committee consists of 3 members who are elected for a 4-year term of office by the General Meeting of Shareholders. The Chairperson of the Audit Committee is also elected by the General Meeting of Shareholders (only an independent member can be elected as a chair of the Audit Committee). The continuous term of office of a member of the Audit Committee cannot exceed two full consecutive terms, and, in any event, it can be no more than 8 consecutive years.

On 3 March 2022, the Audit Committee was elected for a term of 4 years.

At the end of the reporting period, the Audit Committee consisted of three members: Irena Petruškevičienė (chair of the Audit Committee and an independent member), Eglė Čiužaitė (an independent member) and Matas Kasperavičius (a member nominated by the sole shareholder of the Company). Rasa Milašiūnienė (an independent member) and Evelina Černienė (a member nominated by the sole shareholder of the Company) served as members of the Audit Committee until 19 March 2024. At the end of the reporting period, the Audit Committee was composed of individuals of both genders (67% women and 33% men).

The main functions of the Audit Committee are to monitor the process of the preparation and audit of the consolidated financial statements and sustainability statement of the Group companies, to monitor the independence of the external auditors and to monitor the effectiveness of internal controls related to the reliability of the financial statements.

In 2024, the Audit Committee held 8 meetings. All Audit Committee members participated in all 8 meetings.

The main matters discussed during the meetings included:

- review of the activities and results of the Company and its subsidiaries;
- monitoring the process of preparing financial statements and the sustainability statement;
- review of the independent auditor’s work programme and monitoring of the financial statements audit and sustainability statement assurance processes performed by the independent auditor;
- approval of the Internal Audit Plan for the year 2024 and review of internal audit reports;
- monitoring of sustainability reporting compliance and how the Company is preparing for the implementation of the new sustainability reporting requirements;
- approval of the selection criteria for the external auditor for the financial statement audit and sustainability statement assurance for 2025–2027;
- monitoring of the nature and scale of non-audit services and approval of the acquisition of specific non-audit services from the Company’s auditor.

# About the Audit Comittee Members

**IRENA PETRUŠKEVIČIENĖ** is the Chair of the Audit Committee and an independent member with more than 30 years of experience in auditing. She worked at the auditing and consulting company UAB "PricewaterhouseCoopers" for more than 10 years and served as a member of the European Court of Auditors for 6 years. She was a member of the audit committee of the European Commission and the UN World Food Programme. Currently, she also serves as an independent member and the chair of the audit committee for AB "Ignitis grupė", as well as a member of the audit committee for UAB "Vilniaus viešasis transportas" and VĮ Registrų centras. She is a Fellow of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom and a Member of the Lithuanian Association of Certified Auditors.

**EGLĖ ČIUŽAITĖ** is an independent member of the Audit Committee with more than 20 years of leadership experience in finance and business management. She serves as an independent member of the board and chair of the audit committee at AB "Vilniaus šilumos tinklai", an independent member of the board and chair of the audit and risk committee at Lithuanian Airports, an independent member of the audit committee at AKROPOLIS GROUP, UAB and a board member at VšĮ "Jaunimo linija". Previously, she held various management and board positions at Ignitis group (mainly AB "Ignitis gamyba").

**MATAS KASPERAVIČIUS** is a member of the Audit Committee (nominated by the Shareholder) with more than 10 years of experience in finance, investment and business management. He worked as a transaction advisory consultant at EY and held various management positions in the NDX group. He currently serves as the CFO of "Vilniaus prekyba" and as an audit committee member at AKROPOLIS GROUP, UAB.

# Management Board

The Management Board is a collegial management body that consists of 8 members elected for a 4-year term of office by the General Meeting of Shareholders. The Management Board elects the Chair of the Management Board from among its members.

On 13 November 2024, the Management Board was elected for a term of 4 years. At the end of the reporting period, the Management Board was composed of 7 executive members and 0 non-executive members. Independent board members comprised 0%. The Management Board of the Company mainly comprises CEOs of retail companies within the Group. This has been the usual practice of the Group as it allows the consolidation of experience, the sharing of best practices and know-how, and the efficient implementation of strategic decisions. The Management Board does not include dedicated representatives of employees or other worker groups members.

The Chair of the Management Board is the CEO of the Company. Combining the CEO and the Chair positions ensures strong leadership and supports effective decision-making by the Management Board, as well as enabling the rapid and efficient implementation of any adopted decisions. This also ensures that the Management Board is provided with complete and accurate information on all matters being discussed.

The Company takes additional measures to ensure that any conflicts of interest of members of the Management Board are prevented and mitigated. These include (i) data regarding other positions held by the members of the Management Board being regularly collected and updated; (ii) each member of the Management Board has loyalty obligations, while each member is also required to clearly declare any conflicts of interest and abstain from voting if such a situation occurs (including cases where the performance of the CEO or any other matter that may cause potential conflicts of interest are discussed, when the CEO abstains from voting as the Chair of the Management Board). Potential conflicts of interest of the Management Board members, such as cross-board memberships, cross-shareholding with suppliers or other stakeholders, or the existence of controlling shareholders (if any) are disclosed in this current management report.

## At the end of the reporting period, the Management Board was composed of the following members:

**Manfredas Dargužis**
Chairman

SINCE 2 JUN 2023

CEO
of MAXIMA GRUPĖ, UAB

**Jolanta Bivainytė**
Board Member

SINCE 2 JUN 2023

CEO and Chairwoman of the Management Board
of MAXIMA LT, UAB

**Lauryna Šaltinė**
Board Member

SINCE 1 FEB 2023

CFO
of MAXIMA GRUPĖ, UAB

**Agnė Voverė**
Board Member

SINCE 24 NOV 2022

CEO
of MAXIMA INTERNATIONAL SOURCING, UAB

**Karolina Zygmantaitė**
Board Member

SINCE 3 MAR 2022

CEO
of MAXIMA LATVIJA SIA

**Arūnas Zimnickas**
Board Member

SINCE 14 OCT 2020

President of the Management Board
of EMPERIA HOLDING SP. Z O.O. and STOKROTKA SP. Z O.O.

**Petar Petrov Pavlov**
Board Member

SINCE 14 OCT 2020

CEO
of MAXIMA BULGARIA EOOD

A full list of positions held by the members of the Management Board is provided in the “Other information” section.

At the end of the reporting period, the Management Board comprised individuals of both genders (57% women and 43% men; the average for 2024 being identical).

The competence of the Management Board is the same as prescribed by the Law on Companies of the Republic of Lithuania, except that the Management Board adopts decisions to issue bonds, i.e. the Management Board has the competence to adopt material management decisions, to approve certain transactions, to assess financial statements, the draft of the business strategy, to oversee the implementation of the business strategy and to execute other functions prescribed by legal acts.

The Management Board also performs additional roles related to business conduct, as follows:

- oversight of the material risks related to Group companies' business;
- oversight of ethics and compliance, including approval of the Suppliers Code of Conduct, the Anti-corruption Policy and related policies;
- oversight of sustainability, including commitment to and monitoring of achievement of agreed sustainability goals, approval of related policies and evaluation of the consolidated sustainability statement;
- monitoring of material internal investigations, i.e. the Management Board is informed of the results of material internal investigations related to breaches of business conduct, fraud or unethical practices.

Collectively, the Management Board possesses substantial expertise in business conduct matters. This combined experience primarily encompasses corporate governance best practices, risk management and internal controls expertise, and sector-specific expertise related to competition law compliance and marketing practices regulatory compliance. This expertise has been accumulated through extensive practical experience managing various retail companies and participation in internal trainings within the Group companies.

Management Board meetings take place on a weekly basis. Additionally, ad hoc meetings are held if necessary. During the reporting period, the Management Board covered the following key areas in its meetings:

- approval of the Company's Annual Report for 2023 and its submission to the Supervisory Board and the General Meeting of Shareholders;
- evaluation of the consolidated annual financial statements for 2023 and a draft of the allocation of profit (loss) and providing comments to the Supervisory Board and the General Meeting of Shareholders;
- evaluation of the execution of the business strategy and its submission to the Supervisory Board;
- evaluation of financial results, development of activities;
- approved the new versions of the Dividend policy and the Treasury policy;
- approved the new version of the Suppliers Code of Conduct;
- approved the updated structure of units of the Company and the list of employee positions.

There is no procedure in place approved by the Company to evaluate the performance of the Management Board.

## Chief Executive Officer

The Chief Executive Officer of the Company is appointed by the Management Board.

The current CEO Manfredas Dargužis was elected as of 5 June 2023.

The competence of the CEO does not differ from the competence of the head of the Company established by the Law on Companies, i.e. the CEO organises the implementation of the business strategy, other decisions of the Company's corporate bodies, represents the Company in its relationships with third parties, etc.

## Remuneration Policy

The Company does not have an approved remuneration policy determining the remuneration for the members of the governance bodies. Legal acts do not impose such an obligation, as only the Company's bonds are traded publicly. However, on February 2025 the Company approved a remuneration policy applicable to employees of the Company.

The competence to decide on remuneration for the members of the governance bodies lies with a body that is authorised to appoint certain members. During the reporting period, neither the members of the Supervisory Board nor the members of the Management Board (with the exception of one member of the Management Board) received any remuneration for their positions on the Company's Supervisory Board or Management Board.

As the majority of the Audit Committee comprises independent members, the General Meeting of Shareholders approved the remuneration for the independent members of the Audit Committee. However, the remuneration for the delegated Audit Committee member was not approved.

Information about the Group's key management compensation is provided in the paragraph 26 of the Consolidated financial statement.

None of the Group companies has granted shares or rights to share options, nor has it established the possibility of recover the variable part of the remuneration.

Annual remuneration for the members of the governance bodies are not disclosed in this report for reasons of confidentiality.

## Internal Audit

The Company has an internal audit department that reports periodically to the Audit Committee, the Management Board and the CEO. The internal audit team provides assurance on the effectiveness of the internal controls system, governance, compliance with corporate policies, efficiency of processes and other risk management activities. It is responsible for auditing the Group companies and providing recommendations for possible improvements, as well as tracking implementation of action plans developed following audits.

# Risk Management

## Control Framework

As with any business, MAXIMA Group encounters various types of risks that could lead to unforeseen circumstances in the Group's companies. To ensure smooth operations, the Group's management endeavours to anticipate and respond to these risks promptly, to prevent them from impeding the Group's primary objectives. The management's aim is to cultivate a work culture that prioritises a proactive stance towards risk management, enabling the management team to fulfil the expectations of the Group's stakeholders.

## Management Of Significant Risks

In the following pages, a summary of the Group's risk management structure outlines the key risks as of the year-end and continuous measures taken to alleviate these risks. For each risk, MAXIMA Group takes specific measures to manage the underlying causes and minimise potential consequences.

| PRINCIPAL RISK | MITIGATION |
|---|---|
| **Credit risk** | |
| The Group's credit risk comes from trade and other receivables,contract assets, cash and cash equivalents and loans granted. The management considers that the maximum exposure to credit risk is reflected by the carrying amount of financial assets. | • Retail sales are settled in cash or credit cards.<br>• Monitoring the creditworthiness of debtors by using controls that include credit approvals, limits, prepayment requirements and other monitoring procedures.<br>• Exposure is spread over a number of counterparties and customers.<br>• Funds in banks are diversified among numerous banks or their subsidiaries, with investment grade ratings assigned by international credit-ratings agencies. |
| **Restrictive covenants in long-term debt arrangements** | |
| The agreements that govern the Group's long-term debt contain certain restrictive covenants. Failure to comply with any of these covenants could constitute an event of default, which could result in the immediate or accelerated repayment of its debt, lead to cross-default under its other debt arrangements or limit or reduce its ability to implement and execute its key strategies, which could in turn have a material adverse effect on its business, results of operations and financial condition. | • Constant monitoring of leverage ratios and other covenants.<br>• Risk management-related ratios and limits are set out in the Treasury and financial risk management policy, which is communicated across the Group and is regularly reviewed by the Management Board and competent employees. |

| PRINCIPAL RISK | MITIGATION |
|---|---|
| **Funding and liquidity risk** | |
| The Group is exposed to liquidity risk due to different maturity profiles of receivables and payables. The majority of the Group's operating cash is collected from retail customers; therefore, the Group does not have a significant amount of trade receivables. | • Sufficient levels of available cash and cash equivalents.<br>• Liquidity levels and sources of cash are regularly reviewed, and the Group maintains access to committed credit facilities and debt capital markets.<br>• Arranging funding ahead of demand.<br>• Our Treasury and financial risk management policy is communicated across the Group and is regularly reviewed by the Management Board and competent employees. |
| **Foreign currency exchange rate** | |
| The Group acquires some of its goods and services in foreign currencies, principally in US dollars, while its income is mainly denominated in euro. The impact of such currency risk cannot be reliably predicted. | • The Group uses derivative financial instruments (forward contracts) to hedge its risks arising from foreign currency fluctuations. |
| **Interest rates** | |
| The Group's interest rate risk arises from short-term and long-term borrowings. The Group is exposed to cash-flow interest rate risk as some of the Group's borrowings are subject to floating interest rates related to base rate. | • Enter into borrowing contracts with fixed interest rates.<br>• Application of derivative financial instruments to hedge the risk arising from interest rate fluctuations. |
| **Strategy risk** | |
| There is a risk that the Group may be unable to execute its strategy, or that such plans do not deliver the expected benefits or prove to be ineffective. There are a number of factors that could impede the delivery of the Group's key strategic priorities. These risks include the incapacity to prioritise resources to deliver competing change activities and/or not having the correct skills, capabilities and culture in place to implement and integrate the necessary changes within the specified timeframes. | • The Group management team is focused on strategy implementation.<br>• Business continuity strategic guidelines and tactical policy.<br>• Business continuity management plans. |

| PRINCIPAL RISK | MITIGATION |
|---|---|
| **Reputation and brand image risks** | |
| The Group believes that its strong brand is among its most valuable assets and that its brand image and reputation have contributed significantly to the success of its business. The Group's continued success depends on its ability to maintain, promote and grow its brand image and reputation. | • Permanent improvement of internal control systems.<br>• Training employees and developing the corporate culture to ensure unethical behaviour is seen as unacceptable.<br>• Using the expertise of specialist external agencies and our in-house marketing team to maximise the value and image of our brand.<br>• The Group implements initiatives in areas that are known to be material to its business brand reputation. |
| **Country and geopolitical risks** | |
| Political, economic, social and legal factors could impact the Group's operations, profitability and reputation in its countries of operation. Country risk management involves implementing measures to mitigate identified risks, such as diversifying operations, establishing local partnerships and securing appropriate insurance coverage. Geopolitical tensions have intensified in recent years, in particular following the military invasion of Ukraine by the Russian Federation in February 2022. Although difficult to predict, the mounting geopolitical tensions and the likelihood of further escalation of the conflict could have a major influence on trade policies, production, duty and taxation on a global scale. | • The Group is present in different countries with different specific risks.<br>• Knowledge and awareness of the business, economic and legal environment in countries where the Group has a presence.<br>• Monitoring, reviewing and reporting on changes in the political, financial, social or economic situation in countries where the Group has a presence.<br>• Incorporation of the impacts of political and regulatory changes in our strategic planning and policies.<br>• Engagement of leadership, structured action and communication plans to manage this risk area. |
| **Regulatory risk** | |
| A pattern of increasing regulation, coupled with enforcement measures, is evident across all sectors of the Group's business. This raises the likelihood of non-compliance, introduces additional expenses to comply with these regulations and adds complexity to business processes. | • The Group has a presence in different countries with different regulatory frameworks, which enables the diversification of risk.<br>• Knowledge and awareness of regulations in countries where the Group has a presence.<br>• Monitoring, reviewing and reporting on any changes in regulations in countries where the Group has a presence. |

| PRINCIPAL RISK | MITIGATION |
| --- | --- |
| **Competitive environment, economic conditions and risks of unforeseen increases in cost structure** | |
| The Group faces stiff competition from numerous regional and global brick-and-mortar and online retailers in a variety of critical aspects such as customers, employees, digital prominence, products and services. The Group competes through multiple means, including pricing, selection and availability of products, customer services, locations, store hours, in-store amenities, and shopping convenience and experience. Failure to react adequately to competitive forces or market shifts could have a significant adverse impact on the Group's financial performance. | • Research and monitoring of consumer behaviour.<br>• Analysis of economic development.<br>• Price benchmarking of the competition.<br>• Strengthening of own brands.<br>• Developing a more personalised customer relationship.<br>• Continuous improvement of the internal control systems.<br>• Managing the product mix and pricing policy.<br>• Multi-format model to meet changing customer needs.<br>• Effective and unified processes. |
| **Risks related to real estate development** | |
| The Group may encounter difficulties in renewing relevant leases on existing terms or at all or may be adversely affected by a lessor exercising their contractual termination rights. Additionally, where the Group seeks to identify premises for purchase, it may be difficult to obtain suitable sites at commercially reasonable prices due to competition within the sector impacting the costs of acquiring land. Any such difficulty may impact the Group's profitability and the results of operations. Furthermore, difficulty acquiring suitable premises either for purchase or lease may adversely affect the Group's ability to expand its operations. | • Research and monitoring of possibilities to develop real-estate in various regions.<br>• Maintaining mergers & acquisitions and property management competencies.<br>• Due diligence reviews.<br>• Balanced structure of owned and leased real-estate properties. |
| **Risk related to information technologies performance, Data Security and Data Privacy** | |
| Maintaining the security of confidential data related to customers, employees and the Group is crucial. Any major breach in information security could have severe negative consequences for the Group's finances and reputation. The risk landscape has become more challenging as cybercrime continues to increase, with deliberate attacks targeting all markets. This trend increases the risk exposure for broader business disruption and data breaches. | • Continuous improvement of internal control systems.<br>• Engaging the best internal IT experts.<br>• Using effective outsourcing practices with SLA and monitoring compliance.<br>• Ensuring sufficient reliability of centralised IT infrastructure.<br>• Cybersecurity insurance.<br>• Policies and procedures to ensure cybersecurity.<br>• Established team and information systems to detect atypical behaviour in the corporate network and report and respond to any security incidents.<br>• Specialised hardware and software for protection against malicious software, spam, external and internal cyberattacks or data leaks.<br>• Training and communication to help prevent data security and privacy-related incidents, including regular induction and refresher courses for the Group's employees. |

| PRINCIPAL RISK | MITIGATION |
|---|---|
| **Crime and Security Risks** | |
| The Group promotes the security and safety of customers and employees in its stores, warehouses and other facilities. However, due to their high visibility and the presence of large numbers of people, particularly in the Group's large-format stores, the Group's properties may be targets for crime, including thefts, break-ins and robberies, and other forms of violence. Any threats, whether genuine or not, can cause declining visitor numbers at the affected properties. | • Continuous improvement of the internal control systems.<br>• Policies and procedures to ensure safety.<br>• Outsourced security service providers. |
| **Retail operations, supply, and inventory management risks** | |
| Efficiently managing inventory and ensuring availability are crucial for the Group's success. Inadequate inventory management or stock shortages leading to lost sales could harm the Group's competitive position and financial condition. | • Optimal level of decentralisation for operational business processes and supply chains.<br>• Logistics strategy for managing and diversifying supply chains within the existing network to avoid the concentration of supply from certain regions or countries.<br>• Efficient management of inventory stocks.<br>• Increased direct centralised global sourcing as well as reduced shrinkage and efficiency improvements. |
| **Human resources, a strike or other labor disruption** | |
| The Group faces the risk of employee fraud and misconduct, including failure to comply with regulations, inaccurate reporting, theft, and improper use of information or inventory. The Group has policies to deter such conduct, but detecting and preventing it may not always be possible. Such activities could result in fines or sanctions and harm the Group's reputation. Some of the Group's employees are unionised, and any future strikes or work stoppages could hinder cost reduction and efficiency efforts, potentially harming the Group's business and financial condition. | • Monitoring the labour market and providing employee benefits in line with the market.<br>• Processes in place for employee onboarding, training and development.<br>• Developing a corporate culture based on open communication and employees' involvement in decision making.<br>• Trust line for employees.<br>• Corruption prevention policies adopted and regular trainings on their content. |
| **Unforeseen taxes, tax penalties and sanctions** | |
| The imposition of any tax amendments in the markets in which the Group operates or changing interpretations or application of tax regulations by the tax authorities and the possible imposition of penalties and other sanctions due to unpaid tax liabilities may result in additional amounts being payable by the Group. This could have an adverse effect on its business, results of operations and financial condition. | • Monitoring of draft laws and timely initiation of internal projects to prepare for any legislative changes.<br>• Open collaboration and long-term cooperation with tax authorities in all countries where the Group operates.<br>• The approach to tax risk is conservative.<br>• Intra-group transactions in the Group are performed following the arm's length principle. |

| PRINCIPAL RISK | MITIGATION |
|---|---|
| **Compliance with current legislation** | |
| The Group is subject to the laws of Lithuania and those of other countries and jurisdictions, including Latvia, Estonia, Poland, Bulgaria and the European Union, as well as the regulations of the regulatory agencies of countries in which it operates. These laws and regulations affect many aspects of the Group's business and, in many respects, determine the manner in which the Group conducts its business and the standards applicable to its products and services. | • Continuous improvement of the internal control systems.<br>• Monitoring of draft laws and timely initiation of internal projects to prepare for any legislative changes.<br>• Legal support, audit of contracts, development and use of contract templates. |
| **Product safety and liability risks** | |
| Failure to manage safety risks for both food and non-food products could lead to injury or loss of life, a breach of regulations and/or reputational damage. If any products sold by the Group are defective, contaminated or adulterated, this may lead to the risk of exposure to product liability claims and adverse publicity. Concerns regarding the safety of food and non-food products could cause customers to avoid purchasing certain products from the Group or to seek alternative sources of supply even if the basis for the concern is outside the control of the business. | • Product safety policies.<br>• Control standards for food and non-food products.<br>• Standard operating procedures.<br>• Tracing of product origins and conditions of production.<br>• Third-party certification.<br>• Carrying out laboratory tests of product samples.<br>• Complying with approved rules for product transportation, storage and sale.<br>• Complying with sanitation rules.<br>• Providing training for employees, including in quality assurance. |
| **Environment and sustainability risks** | |
| The Group faces risks relating to reducing the environmental impact of its business, in particular with regard to reducing packaging and implementing new methods of reducing waste and energy usage across stores, warehouses and offices. As a large retailer of food and perishable products, the Group may be required to comply with strict environmental, health and safety laws or enforcement policies or become involved in claims and lawsuits relating to health and safety matters. | • Reducing packaging.<br>• Implementing new methods to increase energy efficiency across stores and warehouses.<br>• Implementing methods to reduce waste throughout the entire value chain.<br>• Setting targets for energy efficiency and water, plastic and waste management.<br>• Established metrics with appropriate management oversight and governance mechanisms to enable the Group's management to monitor progress. |
| **Occupational health and safety risks** | |
| Risks related to occupational health and safety may result in workplace accidents that impact the Group's business operations. The Group employs personnel in certain locations that are inherently dangerous working environments (including warehouses and distribution facilities) where the use of machinery and the presence of heavy loads presents a risk of accident or injury. In addition, safety hazards may arise for employees, contractors and the public on the Group's premises. | • Safe and comfortable working environment.<br>• Compliance with employees' working hours and holiday schedules.<br>• Regular medical examinations and health screening for employees.<br>• Regular training of employees. |

# Control Framework for the Preparation of Consolidated Financial Statements

MAXIMA Group is managed on an integrated basis, with centralised financial reporting and internal controls related to the preparation of consolidated financial statements. MAXIMA GRUPĖ sets accounting policies and reporting procedures that must be followed by the Group entities. All subsidiaries report their financial results to MAXIMA GRUPĖ on a monthly basis. Reported numbers are analysed by MAXIMA GRUPĖ employees in order to detect any accounting or reporting errors.

All MAXIMA Group entities, except for Polish subsidiaries and RADAS, UAB and its subsidiaries, use SAP ERP software for financial accounting and reporting. The common system ensures consistent accounting and reporting and data comparability. A specialised SAP consolidation module is used as a tool for preparation of consolidated financial statements.

All changes in International Financial Reporting Standards as adopted by EU (hereinafter “IFRS”) are followed by MAXIMA GRUPĖ. The Company evaluates potential impact on consolidated and stand-alone financial statements, prepares plans for implementation of new standards, and controls the implementation, ensuring that new standards are appropriately implemented across the Group.

# Approach to Taxes

MAXIMA Group recognises the importance of how its paid taxes contribute to local societies and the progress of countries in which the Group does business. The Group pays taxes in countries where the value is created in the course of the Group’s commercial activities. The Group’s entities, retail operators in the Baltics - MAXIMA Lithuania, MAXIMA Latvia and MAXIMA Estonia - are among the largest taxpayers in the respective countries. For the Group, as retail leader and one of the biggest taxpayers in the Baltics with gradually expanding the operations in Poland and Bulgaria, it is important to act in a responsible way and respond to the global challenges and needs that society faces.

Full compliance with applicable tax laws and regulations and transparency are key principles of the Group’s approach to tax. The Group acts in accordance with relevant legislation on tax calculation and ensures that taxes are paid accurately and timely. The Group recognises the interest of its stakeholders in the tax matters, including awareness on the tax management and fulfilment of disclosure requirements. Information on tax expenses and taxes paid disclosed in accordance with IFRS can be found in MAXIMA GRUPĖ consolidated financial statements.

The Group aims for the open collaboration and long-term cooperation with tax authorities in all countries where the Group operates. The Group creates appropriate conditions for government representatives to check activities of any entity in the Group and cooperates during inspections. The Group openly provides information when requested by the tax authorities. The staff must ensure that information and statements provided to public authorities are correct and complete. If discrepancies in the Group’s entity’s activities are found, the respective Group’s entity immediately corrects them and takes measures to prevent such discrepancies from happening again in the future. For significant transactions the Group seeks advance clearance from the tax authorities in the form of tax rulings, where applicable by the local tax legislation.

The Group’s approach to tax risk is conservative. The Group is not involved in aggressive tax planning. The Group does not have subsidiaries or associates operating in low-tax jurisdictions or “tax heavens”. Intra-group transactions in the Group are performed following arm’s length principle and comply with OECD Guidelines for transfer pricing and local tax regulations. The Group does not use transfer pricing for tax planning purposes.

The Group’s tax position is regularly reviewed to identify items that could be subject to different interpretations. For uncertain tax positions that probably will not be accepted by the tax authorities, provision is formed in the financial statements. In the consolidated financial statements for the year ended 31 December 2024 no provision for uncertain tax positions was recognised.

The Group's financial statements of all significant subsidiaries are audited by external independent auditors. Taxes included in the financial statements are subject to audit procedures.

Responsible employees of finance departments in each country where the Group operates constantly monitor changes in tax laws and regulations, participate in various external trainings on the changes in legislation. This helps to ensure good understanding of tax laws and mitigate risk of non-compliance.

Trust lines are maintained at the Group where everyone can anonymously report concerns about any conduct, including tax-related, in any entity of the Group. The stakeholders have not expressed any negative views or concerns on the Group's approach to tax during the reporting period.

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# Sustainability Statement

# Independent practitioner's limited assurance report on MAXIMA GRUPĖ, UAB consolidated Sustainability Statement

To the shareholder of MAXIMA GRUPĖ, UAB

## Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of MAXIMA GRUPĖ, UAB (the "Company"), included in consolidated Sustatinability Statement of the consolidated management report (the "consolidated Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated Sustainability Statement is not prepared, in all material respects, in accordance with the Law of the Republic of Lithuania on Reporting by Undertakings and by Groups of Undertakings Articles 21 and 22 implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note IRO-1 – Materiality Assessment; and
- compliance of the disclosures in subsection Disclosures Pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation) within the Environmental Information section of the consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

## Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

## Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services that are relevant to our sustainability assurance services in the Republic of Lithuania.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Responsibilities for the consolidated Sustainability Statement

Management of the Company is responsible for designing and implementing a process to identify the information reported in the consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note IRO-1 – Materiality Assessment of the consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the consolidated Sustainability Statement, in accordance with the Law of the Republic of Lithuania on Reporting by Undertakings and by Groups of Undertakings Articles 21 and 22 implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection Disclosures Pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation) within the Environmental Information section of the consolidated Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

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

**Inherent limitations in preparing the consolidated Sustainability Statement**

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

## Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.
Our responsibilities in respect of the consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process set out in note IRO-1 – Materiality Assessment.

Our other responsibilities in respect of the consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated Sustainability Statement. 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.

## Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
  - performing inquiries with the Company and its subsidiaries' representatives to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents, information available in-house, and publicly available information); and
  - reviewing the Group's internal documentation of its Process;
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in note IRO-1 – Materiality Assessment.

In conducting our limited assurance engagement, with respect to the consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated Sustainability Statement by:

- obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
    - obtaining an understanding of the roles and responsibilities in the preparation of the consolidated Sustainability Statement, including communication within the Group and between management and those charged with governance.
- evaluated whether the information identified by the Process is included in the consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the consolidated Sustainability Statement;
- where applicable, compared disclosures in the consolidated Sustainability Statement with the corresponding disclosures in the financial statements and management report;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated Sustainability Statement.

## Other matter

The comparative information included in the consolidated Sustainability Statement of the Company as at 31 December 2023 and for the year then ended was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

On behalf of PricewaterhouseCoopers UAB

Rimvydas Jogėla

Partner

Auditor's Certificate No. 000457

Vilnius, Republic of Lithuania

2 April 2025

The auditor's electronic signature is used herein to sign only the Independent Limited Assurance Report

# General Information

## BP-1 Basis For Preparation

This sustainability statement has been prepared on a consolidated basis. The scope of consolidation is the same as for the financial statements. None of subsidiary entities included in the consolidation are obligated to prepare individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. The Group has not applied the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

The statement has limited coverage of the upstream and downstream value chain. A double materiality assessment has incorporated an evaluation of both the organisation's own and value chain operations, with more detailed information provided alongside with the assessment results. The inclusion of upstream and downstream value chain data in the reported metrics is limited to Scope 3 greenhouse gas (GHG) indicators, whereby the related impacts on the climate have been evaluated. The remaining indicators do not include value chain data.

## BP-2 Specific Circumstances

The time horizons used in the sustainability statement are in line with the definitions set out in European Sustainability Reporting Standards, ESRS 1:

a) The short-term horizon corresponds with the reporting period of our financial statements (the calendar year);

b) The medium-term horizon is the five-year perspective beyond the short-term reporting period;

c) The long-term horizon is beyond the five-year perspective.

The sustainability statement has been compiled in adherence with ESRS for the first time, resulting in an update to the structure, scope and detail of the information presented. The metrics provided are comparable with those in the previous report, which were calculated (or estimated) following the same methodologies. For instances in which this is not the case, detailed information is provided alongside the reported metric.

For metrics that include value chain information estimated using indirect sources, additional details on the sources and proxies used, as well as the level of uncertainty, are provided alongside them.

Information on quantitative metrics and monetary amounts subject to a high level of measurement uncertainty are presented alongside such disclosures, including the information on the sources of such uncertainty and the assumptions, approximations and judgements made.

All forward-looking information provided in this report is considered to be uncertain, and users of the information should exercise their own judgment, conduct additional research and not place undue reliance on these statements when making any decisions or taking any actions.

We have also identified errors in reported metrics in the previous reporting period for waste and GHG-related indicators. More details on the nature of the errors and the restated values are provided alongside the relevant disclosures.

Through double materiality assessment, which is described in more detail in the Materiality Assessment chapter, we have identified that certain sustainability-related matters are also significant in the value chain. Due to limited visibility on Tier-N suppliers, however, we have been unable to gather quantitative data of appropriate quality. Nevertheless, the majority of impacts are expected to materialise beyond our Tier-1 suppliers. Data availability in the value chain is currently limited for several reasons, including the phased-in application of the Corporate Sustainability Reporting

Directive (CSRD) for companies, the phased-in provisions for value chain information, and the limitations on data gathering arising from the disclosure scope set by the to-be-approved European Sustainability Reporting Standard for listed SMEs (LSME) and Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME). As our downstream value chain consists of natural persons, we are also subject to applicable laws on data collection, which limit our ability to gather sustainability-related data of appropriate quality. For these reasons, we have relied on transitional provisions for value chain information, as stipulated by the ESRS.

To address some of these challenges, our Supplier Code of Conduct conveys our expectations that our upstream business partners will manage environmental, social and governance issues with due care. In addition, our complaints mechanisms developed under due diligence processes enable stakeholders to report on adverse impacts in the upstream value chain in cases for which existing processes do not capture them.

Only the Scope 3 GHG emissions metrics provided in the report hold value chain data, while the remaining indicators incorporate data for only the organisation's own operations. More information on the uncertainties related to this data is provided alongside the reported figures.

Disclosure requirements or data points that have been incorporated by reference, omitted or subject to phase-in provisions are listed in sub-chapter IRO-2 – ESRS Disclosure Requirements Index. The list includes reasons for omission.

Unless stated otherwise, data for disclosures was collected through the internal systems of Group companies, and, where applicable, is based on invoiced amounts, statements of works performed, reports by service providers. Unless stated otherwise, the data points were not validated by an external body, other than the assurance provider. Unless stated otherwise, the data points are not estimates, established using proxies, or assumptions.

The Group has not prepared any dedicated action plans for sustainability-related actions. We disclose information only on material actions that have been implemented or have been in progress of implementation during the reporting period by relevant Group companies. Unless stated otherwise, the disclosed actions have been completed during the reporting period, and maintenance of achieved positive results is expected in the future. Whenever a certain impact, risk or opportunity doesn't have a dedicated action presented in the sustainability statement, it means that no actions, material for reporting, have been implemented during the reporting period.

# GOV-1 Sustainability Governance

Detailed information on the composition and diversity of the administrative, management and supervisory bodies, and their roles and expertise related to business conduct matters is available in the Governance report on pages 75-77, 194-196.

The administrative, management and supervisory bodies oversee impacts, risks and opportunities via approval and monitoring activities. The Management Board reviews the Group's sustainability policies and goals, approves the annual sustainability statement, and oversees the sustainability strategy's implementation through annual and ad hoc updates.

The responsibilities of the administrative, management and supervisory bodies in terms of sustainability-related impacts, risks and opportunities are not reflected in the terms of reference, board mandates or any other policies.

# GOV-1 Sustainability Governance

## MAXIMA GRUPĖ, UAB

### The Board

- Reviews sustainability targets
- Approves Group-wide sustainability policies
- Approves the annual report
- Oversees the implementation of the sustainability targets (semi-annual and annual reports)

### Audit Committee

Oversees the sustainability reporting process, the independence of the assurance provider

### Independent assurance provider

Performs independent limited assurance of the Sustainability Statement

### CEO

Ensures implementation of sustainability targets, policies

### Legal and Sustainability Department

**Sustainability targets**

- Develops Group-wide sustainability targets, submits to the Board for review
- Oversees / coordinates the implementation of the Group-wide sustainability targets
- Provides the Board with a semi-annual and annual report on the progress of sustainability targets

**Consolidated Sustainability Statement**

- Establishes a unified framework for sustainability reporting and data control
- Prepares annual Consolidated Sustainability Statement
- Performs limited verification of the quantitative ESG data submitted by the Group companies

**Compliance coordination**

- Coordinates compliance with key sustainability-related requirements across the Group

### Finance Department

**Consolidated Sustainability Report**

- The CFO oversees the preparation of the Sustainability Report as part of the financial reporting package
- Head of Accounting and Financial Control prepares the Taxonomy Report
- Provides limited verification of the quantitative ESD data provided by the Group companies

### Internal Audit

**Internal control**

- Evaluates the effectiveness of internal controls relevant to sustainability reporting

## Group Companies

### Responsibilities of the Group companies

**Sustainability targets**

- Develop own sustainability targets, share information with Head of Sustainability at MAXIMA GRUPĖ, UAB
- Ensure that sustainability targets are met at the company level

**Consolidated Sustainability Statement**

- Verify the data (ESG controller function)
- Submit ESG data to Head of Sustainability at MAXIMA GRUPĖ, UAB

**Compliance coordination**

- Ensure compliance with sustainability requirements at company level

Each company is independently responsible for meeting its own targets and implementation of sustainability requirements

### Sustainability targets are:

Group-wide – relevant to all Group companies, coordinated by MAXIMA GRUPĖ, UAB

Individual sustainability initiatives - which are carried out at the level of individual Group companies and are not coordinated by MAXIMA GRUPĖ, UAB.

# GOV-1 Sustainability Governance

The role of management in the governance of processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities is delegated to the Legal and Sustainability Department, Finance Department and Internal Audit team, as presented in the scheme.

The administrative, management and supervisory bodies are comprised of people with the diverse skills and expertise necessary to ensure an appropriate level of governance. Members of these bodies can leverage sustainability-related expertise through the network of sustainability professionals, practitioners and subject-matter experts in their own workforce and dedicated training, as well as external consultancy when deemed necessary.

Internally available expertise covers different areas of sustainability matters material to the Group:

- General sustainability matters and good governance practices – Sustainability units and Legal departments [sustainability matters under G1].
- Energy- and climate-related matters – Real estate departments and Sustainability units [sustainability matters under E1].
- Pollution prevention, waste management and packaging-related matters – Environmental management units and Sustainability units [sustainability matters under E2, E3, E5].
- Own workforce-related sustainability matters, including, but not limited to, health and safety, social dialogue, diversity and equality, and privacy – Human resources departments, Legal departments and Sustainability units [sustainability matters under S1].
- Supply chain-specific sustainability matters, including, but not limited to, ensuring human rights and safe working conditions in the supply chain – Legal departments and Sustainability units [sustainability matters under S2].
- Consumer-related sustainability matters, including, but not limited to, privacy, health and safety, accessibility, and responsible marketing practices – Communications departments, Legal departments and Sustainability units [sustainability matters under S4].

# GOV-2 Sustainability Matters Addressed by Management

Reporting lines are structured to ensure effective communication that aligns with the undertaking's operating and subordination principles, enabling sustainability-related topics to be addressed in a timely manner.

| RAPPORTEUR | SUSTAINABILITY OVERSIGHT BODY | FREQUENCY | TOPICS |
|---|---|---|---|
| Head of Sustainability | Management Board | Annually (once in 2024) | Annual sustainability report<br>Key sustainability metrics and progress towards sustainability goals, including progress towards meeting science-based targets |
| Head of Sustainability | Audit Committee | Ad hoc (3 times in 2024) | Development of internal controls for sustainability reporting<br>Progress on enhancement of data-collection traceability and reliability |
| Head of Sustainability | Management Board | Ad hoc (once in 2024) | Setting sustainability goals and directions for the near term<br>Presentation of results of double materiality assessment. Feedback of the Management Board on results<br>Updates of science-based targets for the reduction of greenhouse gas emissions<br>Updates on the implementation of group-wide sustainability-related goals |
| Head of Sustainability<br>Head of Legal | CEO | Quarterly (4 times in 2024) | Setting sustainability work priorities for the year and approving action plans<br>Setting goals for compliance with regulations on sustainability reporting<br>Setting quarterly goals for sustainability<br>Presenting the results of stakeholder engagement |
| Internal Audit team | Audit Committee | Ad hoc (did not occur in 2024) | Evaluating the effectiveness of sustainability reporting processes and internal controls |

The Management Board takes into consideration the general implications of strategic decisions on sustainability matters through its approach to risk management. Risk tolerance is considered with adherence to the principle that the company's financial stability or reputation is not exposed to intolerable threats or potentially unacceptable drawbacks.

# GOV-3 Incentive Schemes

The Group does not have any incentive schemes or remuneration policies linked to sustainability matters among members of the administrative, management and supervisory bodies. Climate-related considerations are not factored into remuneration of members of the administrative, management and supervisory bodies. This means that 0% of remuneration recognised in the current period is linked to climate-related considerations.

# GOV-4 Statement on Due Diligence

Group companies followed the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct in the establishment of the sustainability due diligence processes.

| CORE ELEMENTS OF DUE DILIGENCE | PARAGRAPHS IN THE SUSTAINABILITY STATEMENT |
|---|---|
| a) Embedding due diligence in governance, strategy and business model | GOV-1 – Sustainability governance<br>GOV-2 – Sustainability matters addressed by management<br>GOV-3 – Incentive schemes<br>SBM-3 – Impacts, risks and opportunities |
| b) Engaging with affected stakeholders in all key steps of the due diligence | GOV-2 – Sustainability matters addressed by management<br>SBM-2 – Interests and views of stakeholders<br>IRO-1 – Materiality assessment |
| c) Identifying and assessing adverse impacts | IRO-1 – Materiality assessment<br>SMB-3 – Impacts, risks and opportunities |
| d) Tracking the effectiveness of these efforts and communicating | Actions under topical disclosures:<br>E1-3 E2-2 E4-3<br>E5-2 S1-4 S4-4 |
| e) Embedding due diligence in governance, strategy and business model | Targets under topical disclosures:<br>E1-4 E5-3 S1-5<br>Metrics under topical disclosures:<br>E1-6 E5-5 S1-14<br>S1-16 S1-17 G1-4 |

# GOV-5 Risk Management and Internal Controls Over Sustainability Reporting

The framework for the Group's reporting on risk management and internal controls over sustainability includes the use of standardised data collection templates to ensure consistency and accuracy across subsidiaries, and validation rules and checks for both manual and software-assisted verification of data completeness and accuracy. Continuous training programmes ensure that employees understand reporting requirements and best practices. Audit trails provide comprehensive documentation of data sources and methodologies to ensure traceability, while role-based access and segregation of duties prevent conflicts of interest and errors.

The Group's systematic approach to risk assessment involves identifying potential issues through document reviews, stakeholder consultations, process mapping and external benchmarking. Each risk is assessed for its severity and likelihood, scored and prioritised into high, medium and low categories to streamline management. The risk management framework is reviewed annually, incorporating feedback from audits and stakeholders to ensure continuous improvement.

In 2024, the main risks identified included inaccurate or incomplete data, insufficient controls to prevent data manipulation and fraud, delayed data availability, technological failures, non-compliance with methodology, and lack of an audit trail. Mitigation strategies for these risks involve audits, validation rules, clear policies and procedures, the setting of clear time frames, robust data management systems, enhanced training and ensuring the traceability and documentation of processes.

The integration of risk assessment findings and internal controls into internal functions is achieved through regular reviews and updating of processes, ongoing training programmes for employees, and governance and oversight by the Audit Committee. The Validation Protocol mandates data owners to confirm the reliability of their submissions and Environmental, Social, Governance (ESG) data controllers to perform random checks, integrating these findings into the overall quality-reporting process.

Periodic reporting to the administrative, management and supervisory bodies includes presenting sustainability reports to the Board for review, regular oversight by the Audit Committee, and internal quality control feedback from various departments. The Validation Protocol also requires the documentation of data-validation results and corrective actions, ensuring that issues identified during the process are systematically addressed.

### Sustainability Reporting Procedure

The document outlines a standardised procedure for preparing an annual sustainability statement for MAXIMA GRUPĖ, compliant with Directive (EU) 2022/2464. It details principles for data consolidation, risk management, internal controls and the sustainability reporting cycle. Key elements include double materiality assessment, data collection and validation, risk mitigation, internal controls and continuous improvement. The document emphasises transparency, accuracy and stakeholder communication, with a structured approach to data aggregation, report compilation, quality assurance.

### ESG Data Validation Protocol

The ESG Data Validation Protocol establishes a systematic approach for validating ESG data for annual sustainability statements. It defines principles, involves the development of checklists for minimum validation processes, and provides methodological support for the assurance of data quality. The protocol applies to all activities under the control of the MAXIMA GRUPĖ, including guidelines for data ownership, source verification, completeness and accuracy checks, as well as detailed checklists for environmental, social and governance data to ensure consistency and reliability.

### ESG Data Processing Procedures

The set of the Company’s six documented procedures outlines a standardised approach for the disclosure of ESG data in an annual sustainability statement. The procedures cover energy-related disclosures, the preparation of GHG Inventory, water-related disclosures, waste-related disclosures, disclosures involving the organisation’s own workforce, and governance-related disclosures.

The procedures define the scope, methodologies and procedures for quantifying indicators, ensuring accuracy and compliance with the ESRS. The document details roles and responsibilities, data collection methods, and the compilation of different indicators and reporting tables.

## SBM-1 Strategy and Business Model

Information on the Group’s principal business activities, products offered, significant markets and employee headcount is available in chapter Business Overview of the Management Report.

Group companies are not active in the fossil fuel (coal, oil and gas) sector, chemical production, controversial weapons, nor cultivation and production of tobacco, with no revenues gained from such activities during the reporting period. None of the products and services that the Group companies provide are banned in the markets where they operate.

# Value Chain

The main operations within our value chain can be broken down into several key activities, each contributing to the overall process of transforming raw materials into final products ready for our customers. The core component of the upstream value chain is inbound logistics, with operations, outbound logistics, marketing and sales, and services being core components of own operations. Our downstream value chain consists of customers, mainly comprising natural persons that visit our physical and online stores to acquire the food and consumer goods we offer.

The following list provides a more detailed breakdown of the core elements of the upstream value chain and own operations:

1. **Inbound logistics** – the initial stage of product-related processes, involving the sourcing and receiving of goods from our various suppliers. This part of the value chain includes not only the finished products, but also raw materials, which fall within the third tier of our supply chain. Raw materials are the building blocks of the products we sell, meaning this stage is a crucial step in our processes. Long-term relationships built over years off collaboration with our suppliers, which produce and distribute food and consumables, help us to secure the inputs we need for our operations. New opportunities and connections with suppliers are built through the work of purchasing departments of the Group's companies.

2. **Operations** – storing and managing inventory, and ensuring product quality. This activity area involves maintaining appropriate temperature conditions for perishable items to prevent spoilage, managing our warehouse inventory to ensure a steady supply of goods, and rigorous quality checks to guarantee that all products meet our high standards.

3. **Outbound logistics** – delivering products from our storage facilities to our retail outlets. It involves the transportation of goods, warehousing at each retail outlet and the shelf-stocking process, ensuring that our products are readily available for customers in each of our stores. This stage also incorporates our last-mile solutions, involving the delivery of products to our customers who shop online.

4. **Marketing and sales** – this stage involves devising and executing pricing strategies, advertising campaigns, promotional offers and attractive in-store displays to assist our customers and communicate the value delivered with each product.

5. **Services** – our responsibility to our customers doesn't end at the point of sale, but extends to offering customer support, handling returns and refunds, and nurturing customer relationships. We manage customer loyalty programmes to reward frequent shoppers and make efforts to address customer feedback or complaints promptly and effectively. Moreover, we offer online food ordering and delivery services, catering to the demand for web-based shopping.

All these core activities are underpinned by numerous supporting processes that each playing a vital role in the management of different kinds of resources, or so-called capitals. These include financial (monetary), manufactured (physical assets), intellectual (knowledge), human (our people), social and relationship resources (relationships with stakeholders), and natural (environmental assets) capitals. By effectively managing these capitals, we can ensure smooth operation across our value chain.

Key actors in the upstream value chain are our direct goods suppliers (producers and distributors), which vary from local to global players. Deeper in the supply chain, going all the way down to the Tier-N level, the farmers who grow the food provide the main building blocks for the goods that reach our customers.

| | WHAT WE RELY ON | HOW WE DISCLOSE IT | | WE CREATE VALUE FOR STAKEHOLDERS THROUGH |
|---|---|---|---|---|
| **Human capital** | Our employees, their skills, engagement, safety and wellbeing | Diversity [S1-9]<br>Remuneration and adequate wages [S1-10, S1-16]<br>Health and safety [S1-5; S1-14]<br>Engagement [S1-2] | **Shareholders and investors** | Financial growth and orientation to sustainable operations |
| **Intellectual capital** | Accumulated know-how and knowledge<br>Talents and innovators, who are fully committed to driving our progress | Training and skills development [S1-4] | **Suppliers and business partners** | Long term partnerships, sharing insights and feedback through engagement practices |
| **Social relationships** | Our clients, who visit our stores and enjoy the convenience that we create<br>Our long-term partners, committed to respect, trust and transparency<br>Our communities that are our neighbours, who shop in our stores and provide localised employees | Product safety and quality<br>Affordability<br>Engaging customers [S4-2]<br>Relationships with suppliers [G1-2] | **Employees** | Diversity and equal opportunities, learning and development, reward and remuneration |
| **Natural capital** | Renewable and non-renewable resources that we use in daily operation and that are a part of products we sell<br>Ecosystem services that enable food production | Climate change [E1-3, E1-4, E1-6]<br>Products and materials [E5-5]<br>Waste [E5-5]<br>Deforestation risk management [E4-3] | **Customers** | Proximity and convenience, shopping experience, quality assurance and affordability, access to services |
| **Manufactured capital** | Our points of sale: brick and mortar stores and e-commerce<br>Technology and logistics that enables movement of goods | Climate change [E1-3, E1-5]<br>Digitalisation and a better shopping experience | **Local communities** | Employment opportunities, collaboration on enhancing the proximities |
| **Financial capital** | Financial resources and access to capital<br>Our capital structure and economic performance | Our financial statements | **Environment** | Science-based targets to reduce climate impact, embedding circularity approaches, assuring deforestation prevention for critical commodities |

# Key Sustainability Goals And Contribution To The Sustainable Development Goals

Acknowledging the importance of reducing its environmental impact, MAXIMA GRUPĖ has set near-term climate change mitigation goals that have been validated by the Science Based Targets initiative (SBTi). Climate change is global, impacting every inhabitant on the planet, meaning everyone should benefit from our ambitions.

MAXIMA GRUPĖ, UAB commits to reduce absolute scope 1 and 2 GHG emissions 42.0% by 2030 from 2021 a base year. MAXIMA GRUPĖ, UAB also commits that 78.3% of its suppliers by emissions covering purchased goods and services, will have science-based targets by 2027.

The main sustainability goals we have set will have different levels of influence for our stakeholders. The goal of climate change mitigation will drive the decarbonisation of supply chains, while requiring us to further invest in the transition to low and zero carbon technologies, ramping up our energy efficiency.

Climate change and biodiversity loss are set to create a more challenging environment for the food production industry, especially the agricultural sector. The transition to more sustainable agricultural practices and less carbon-intensive production processes will align with our Scope 3 targets, creating more opportunities for our direct and indirect suppliers to become more resilient to regulatory risks and nature-related challenges. Our customers and shareholders will benefit from our pursuit of more carbon-efficient processes for our own operations, measured through Scope 1 and 2 emissions, and resulting in a reduction in operational costs. Organic growth embedded in the business strategy is not expected to undermine our efforts to achieve carbon reduction goals, as it is expected that the decarbonisation of national grids will compensate for our growth.

We have analysed our efforts in different sustainability areas that are material to our operations and checked whether our actions and goals are in line with the Sustainable Development Goals, establishing that our actions align with 11 targets contributing to achievement of 7 of the goals.

**Goal 5**
Gender equality

| Target | Indicator | More information |
|---|---|---|
| 5.1 | 5.1.1 | 151 |
| 5.5 | 5.5.2 | 158 |

**Goal 7**
Affordable and clean energy

| Target | Indicator | More information |
|---|---|---|
| 7.2 | 7.2.1 | 126 |

**Goal 8**
Decent work and economic growth

| Target | Indicator | More information |
|---|---|---|
| 8.5 | 8.5.1 | 160 |
| 8.8 | 8.8.1 | 159 |

**Goal 10**
Reduce inequalities

| Target | Indicator | More information |
|---|---|---|
| 10.3 | 10.3.1 | 160 |

**Goal 12**
Responsible consumption and production

| Target | Indicator | More information |
|---|---|---|
| 12.3 | 12.3.1 | 146-147 |
| 12.5 | 12.5.1 | 143 |

**Goal 13**
Climate action

| Target | Indicator | More information |
|---|---|---|
| 13.2 | 13.2.2 | 128 |

**Goal 16**
Peace, justice, and strong institutions

| Target | Indicator | More information |
|---|---|---|
| 16.5 | 16.5.1 | 178 |
| | 16.5.2 | 178 |
| 16.b | 16.b.1 | 160 |

# SBM-2 Our Stakeholders

We define stakeholders as a diverse array of individuals, groups and organisations that either have the capacity to influence or are themselves influenced, whether directly or indirectly, by our business operations, strategic decisions and overall actions. This comprehensive definition underscores the multifaceted nature of our stakeholder relationships, encompassing a broad spectrum of interests and interactions.

To systematically identify and categorise these stakeholders, we employ Mendelow's Matrix, a robust stakeholder identification framework. This matrix serves as a tool that segments stakeholders based on two key dimensions: their level of power and their level of interest. The list of key stakeholders identified through this process is outlined in more detail in this chapter.

Further refining our stakeholder analysis, we categorise them into two types:

Affected stakeholders: this group encompasses those who are, or have the potential to be, impacted by our business activities. The impact, can be either positive or negative, spans a wide range of dimensions, including economic, social and environmental aspects.

Users of sustainability statements: this category includes stakeholders that primarily engage with our organisation through the analysis and use of our sustainability reports and financial statements. These documents are instrumental for them to understanding and evaluating our commitment to sustainable practices and financial health, as well as our strategic direction.

It is important to note that some stakeholder groups may be assigned to both categories, with the overlap reflecting the intricate and sometimes interconnected nature of stakeholder interests. By recognising and addressing the unique needs and concerns of each stakeholder group, we aim to foster robust, transparent and mutually beneficial relationships that support our commitment to sustainable and responsible business practices.

Effective two-way communication enabled through diverse channels is essential for understanding stakeholders' perspectives, concerns and aspirations. This insight is crucial for several reasons, including supporting the informed prioritisation of sustainability efforts and ensuring efficient resource allocation. It also enables a swift response to emerging issues and fosters innovation by leveraging stakeholder feedback to aid the piloting of new products and services.

More than just enabling information exchange, robust two-way communication is a strategic tool that enhances clarity, agility and innovation in sustainability efforts. The insights gathered are used by the relevant departments to refine processes, develop new offerings and prevent misconduct.

The following table maps out our types of stakeholder, their main concerns and the communication channels we use to ensure the flow of information with each of them.

| STAKEHOLDER GROUP | STAKEHOLDER TYPE | AREAS OF CONCERN | HOW WE COMMUNICATE AND ENGAGE |
|---|---|---|---|
| Shareholders and investors | Users of sustainability statements | Financial stability and performance, sustainable performance, continuity of activities, risk management, ethics and transparency | Corporate website, individual meetings, email, phone communication, annual reports, interim financial statements, market news announcements |
| Suppliers and business partners (workers in the value chain) | Affected stakeholders<br>Users of sustainability statements | Delivery terms and conditions, fair payment terms, fair treatment, trustworthiness, ethics and transparency | Corporate website, individual meetings, supplier surveys and audits, email, phone communication, annual supplier events |
| Employees (own workforce) | Affected stakeholders | Working conditions, well-being, benefits, professional development, career opportunities, availability of information, equal opportunities, safety measures | Intranet, employee surveys, feedback channels, internal magazines and other documents, training, company events, continuous communication through internal meetings |
| Customers and end-users | Affected stakeholders | Products (quality, availability, safety, assortment), affordable prices, sustainability, shopping experience, possibility of addressing claims, data protection | Corporate website, social media, promotional magazines, TV, radio and outdoor advertising, customer surveys, newsletters, customer loyalty programmes, feedback, claims channels, direct marketing in stores |
| Local communities (affected communities) | Affected stakeholders | Food waste, impact on environment, social initiatives, investments in infrastructure, local suppliers, ethics and transparency | Corporate website, regular face-to-face communication, various events, social media, TV, radio and outdoor advertising |
| Media | Users of sustainability statements<br>Affected stakeholders | Open dialogue, timely presentation of relevant information, ethics and transparency | Corporate website, corporate publications, press releases, social media, annual reports, sustainability statements, email and phone communication |
| Authorities and public administration | Affected stakeholders | Taxes, reporting, compliance, ethics and transparency | Corporate website, individual meetings, email and phone communication, annual reports and sustainability statements |
| Non-governmental organisations (NGOs) | Users of sustainability statements<br>Affected stakeholders | Environmental and health impacts, social inclusion and accessibility, animal welfare, ethics and anti-corruption | Corporate website, corporate publications, social media, annual reports and sustainability statements, email and phone communication |

# Stakeholder Engagement

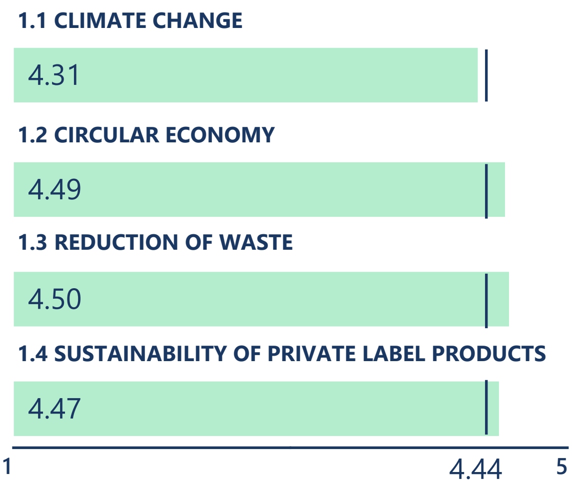
To gain a better understanding of the stakeholders' perspectives and the changes that have occurred since our last engagement process in 2019, we conducted an online survey in 2024. This survey was accessible to all stakeholders for a duration of two weeks across all the countries where the Group operates. We ensured that the questions were consistent for each stakeholder group to maintain comparability.

In the survey, participants were asked to rate the importance of 15 sustainability topics on a scale of 1 to 5. These topics have varying levels of materiality, as determined by our double materiality assessment process. The objective of the survey was to assist us in identifying key focus areas for our medium-term strategy. By collecting and analysing the feedback, we aim to better align our sustainability initiatives with stakeholder expectations and prioritise the areas that matter most to them.

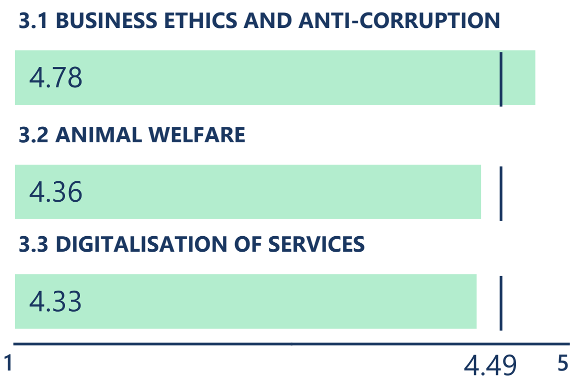
A total of 2,289 respondents completed the survey, with the scores compared against threshold value equating to the average score for three categories of issue into which the 15 sustainability topics were grouped: Environmental, Social, and Governance and Economic Prosperity. Topics for which scores exceeded this threshold were considered most important for stakeholders, with the results communicated to the CEO of MAXIMA GRUPĖ, who is also Chair of the Board.

**2,289**

**NUMBER OF RESPONDENTS**







To ensure a focused approach, we established a rule that no more than half of the topics in each group should be designated as primary focus areas, leading to seven being classified as such.

In the Environmental category, two topics emerged as top priorities for improving environmental sustainability and minimising the ecological footprint: "Reduction of waste" and "Circular economy".

In the Social category, four topics stood out as essential: "Ensuring appropriate working conditions", "Ensuring human rights", "Product safety and quality management" and "Food waste prevention". These topics reflect stakeholder concerns about ensuring employee well-being, fair compensation, product quality and safety, and food waste prevention (food waste is a socioenvironmental issue for which the social aspect was rated in the survey).

In the Governance and Economic Prosperity category, one topic was highlighted: "Business ethics and anti-corruption". This indicates a strong stakeholder emphasis on ethical business practices, and the importance of maintaining integrity and transparency in all operations.

Based on these insights, we have re-evaluated our sustainability goals and targets, placing greater emphasis on areas that are most important to our stakeholders. The remaining topics not shortlisted as primary focus areas will nevertheless continue to be managed on a daily basis to ensure that no significant harm is done to people or the environment. We will establish specific goals and targets in these areas as we further develop sustainable business practices within the Group.

The insights, interests and views of stakeholders communicated to us through different channels influence our strategy and business model by shaping the decisions taken. The recent survey did not highlight any areas that would contradict the business strategy or raise the need for amendments.

## Interests and Views of Key Groups of Affected Stakeholders

### Own Workforce

Our own workforce is a key group of affected stakeholders with whom we communicate through channels established throughout the organisation. Any employee can express their concerns, grievances or proposals, with engagement helping us to understand the appropriate, safe working conditions and the types of strong and transparent business ethics creating an environment that respects human rights. As all these topics are of utmost concern for our employees, we integrate those interests into our strategy and business model through the implementation of appropriate procedures and establishment of good practices.

Group companies have implemented policies and procedures for the prevention of discrimination and harassment, as well as bias-free considerations for hiring and promotion and the provision of equal opportunities. We respect the right of our employees to organise and participate in collective bargaining, while Group companies provide the means for a collective voice to communicate concerns through works councils and trade unions.

### Workers in the Value Chain

Workers in the value chain comprise a key group of stakeholders who can be impacted by the business relationships of Group companies with its direct and indirect suppliers. Business ethics, appropriate and safe working conditions, and human rights due diligence are the key areas on which these stakeholders expect us to focus. All these concerns are evaluated and shape the procedures we implement in our daily operations.

To promote our approach to responsible business practices, we have developed our Supplier Code of Conduct, which outlines the main ethical principles we expect from our suppliers. Introduced in 2019, the code has been updated during the reporting year to reflect the ever-evolving scope of responsible business conduct. Group companies have reserved the right to withdraw from the agreement if Supplier Code of Conduct is violated and the supplier is not willing to initiate remediation actions.

The EU Deforestation-free Products Regulation (EUDR) has highlighted critical commodities associated not only with deforestation but also with human rights violations. As a result, our companies are developing comprehensive due-diligence procedures that will assist in creating more focused preventative actions, ensuring that human rights are not violated along the supply chain of the relevant commodities. We expect the scope to broaden as the maturity of implementation practices increases and new commodities are included. Additionally, upcoming regulation that prohibits the placement of products created using forced labour in the market will give us greater leverage to gather data on Tier-N suppliers.

Workers in the value chain, along with other internal and external stakeholders, can use the channels established by Group companies to report instances of misconduct.

## Affected Communities

When analysing our own operations and value chain, we have established that affected communities are concentrated in Tier-N of the upstream supply chain, particularly in locations where raw materials are harvested. EUDR regulations have identified the critical commodities at the highest risk of human rights and third-party rights violations that are most relevant for the affected communities as stakeholders. Through the implementation of these regulations, we are establishing more robust mechanisms to ensure that respect for the rights of affected communities is upheld. These processes are reshaping supply chain management in our business model.


In line with implementation of the Supplier Code of Conduct, we expect our suppliers to have adequate human rights due diligence processes in place, enabling the identification of adverse impacts, the means for the submission of concerns and access to remediation.

The grievance channels that Group companies have established for external stakeholders are also available to affected communities for raising concerns. Group companies reserve the right to initiate audits and third-party assessments to ensure that suppliers comply with human rights standards.

## Consumers and End-Users

Consumers and end-users comprise the largest group of stakeholders with whom we directly interact on a daily basis. Through engagement, we get a better understanding of the importance of appropriate and safe working conditions, food quality and safety, the prevention of food waste, business ethics and respect for human rights. Additionally, many of our customers highlight the importance of packaging recyclability. We integrate these interests into our strategy and business model through the implementation of appropriate procedures and establishment of good practices, including but not limited to setting goals for the reduction of food waste and pursuing high levels of recyclability for private-label ready-to-eat and ready-to-heat products.

As we respect the rights of our customers, Group companies have established appropriate channels for them to raise concerns and gain access to quality information. These include whistleblower and grievance channels, as well as quality information lines, while customers can also reach us through social media. Group companies have established personal data protection mechanisms to ensure the safety of our customers' personal information, and we respond to and remediate any substantiated complaints regarding human rights, product quality or any other concerns they may raise.

We regularly review consumer feedback and assess our performance to ensure continuous improvements in addressing the concerns and rights of our customers and end users.

# IRO-1 Materiality Assessment

This is the first time a double materiality assessment has been used to establish the sustainability topics that are material for reporting. Previously, the materiality of sustainability-related topics has been evaluated based on the views of stakeholders and impact materiality in line with Global Reporting Initiative (GRI) standards. The issues identified using the double materiality process coincide with previous materiality assessments to a certain degree and incorporate additional topics that were not disclosed previously. For this reason, not all data points are available for previous reporting periods

## Double Materiality Assessment Process

To identify and evaluate material adverse impacts, risks and opportunities, we carried out a thorough double materiality assessment under strict adherence to the standards established by the ESRS. To construct the methodology for this, we referred to the European Financial Reporting Advisory Group's (EFRAG's) conceptual guidance documents.

| | | | | |
|---|---|---|---|---|
| Peer review | Preliminary double materiality assessment | Stakeholder engagement | Finalising the double materiality assessment | Presenting results to the management board |

The assessment was conducted with a focus on sector-agnostic topics, comprising areas or issues that apply across all sectors, as outlined in the ESRS standards. Using a double materiality assessment expands the risk register of the undertaking, further exploring sustainability- and regulatory-related risks to the business.

At the time we conducted it, there were no ESRS sector-specific standards tailored for the retail sector. For these, we therefore turned to the standards of the Sustainability Accounting Standards Board (SASB) for retail and e-commerce, as well as the results of the peer reviews we conduct, to help us identify topics specific to our industry.

To identify unique sustainability-related matters relevant to our Group, we leveraged the collective expertise of our internal working group, complemented by valuable stakeholder insights. This inclusive approach provided a well-rounded perspective, capturing the particular complexities of our organisation, with the materiality assessment spanning all business operations. When we conduct such evaluations, we carry out a more detailed sector-specific review if an initial assessment deems a sustainability topic to be non-material at the overall business level.

The materiality assessment is reviewed in full at least every three years, with partial reviews carried out annually. The results are communicated to the Management Board, and critical impacts, risks and opportunities to the relevant functional units within subsidiary companies, initiating internal improvement and mitigation processes.

# Identification Of Impacts, Risks And Opportunities For Environmental And Governance Matters

## Environmental

The Group's management team has decided that a thorough assessment of the business model for climate-change resilience will be carried out in future reporting periods through a detailed evaluation and scenario analysis of climate-related physical and transitional risks. The decision has been made to allow for appropriate time resources to complete the assessment in due manner. The impacts, risks and opportunities (IROs) have been identified with less depth of evaluation for this reporting year.

In identifying pollution-driven, water-related and circular economy-related impacts, risks and opportunities, we have reviewed the location of all physical sites and the activities taking place. To do this, we have applied elements of the LEAP approach, an acronym that stands for Locate, Evaluate, Assess, Prepare and report, and is a methodology introduced by the Taskforce on Nature-Related Financial Disclosures (TNFD). In the process, we relied on publicly available and industry-accepted benchmarks and proxies. When analysing the upstream value chain, we did not possess enough information to identify physical locations, nor were we able to consult with the affected communities due to limited visibility down to Tier-N – so we relied on proxies to assess materiality here.

We also applied elements of the LEAP method in the assessment of biodiversity-related impacts, risks, dependencies and opportunities, while relying on proxies to establish materiality levels. With the assistance of benchmarks and proxies, we have established that our own operations are not dependent on biodiversity and ecosystems, while our upstream value chains are highly dependent on the state of natural capital, especially at the level of raw agricultural materials. At this stage, we did not assess the transition and physical risks of the upstream value chain.

In evaluating the risks, we have considered supply chain disruptions, increased costs of production, regulatory and reputational risks, and those relating to climate change adaptation and ecosystem dependence.

Some of our physical stores and warehouses are in urbanised locations in or near biodiversity-sensitive areas. None of these sites negatively affect the surrounding areas by leading to the deterioration of natural habitats and the habitats of species or the disturbance of species for which a protected area has been designated. Through our evaluation processes, we concluded that it is not necessary to implement any biodiversity mitigation measures for such sites.

## Governance

To identify impacts relating to business conduct matters, we evaluated the geographies of our operations, focusing in particular on areas of heightened regulatory scrutiny or known challenges associated with business conduct. We reviewed the data available through CSR Risk Check (more details provide in the further sub-chapters) and the Worldwide Governance Indicators to enhance our knowledge and understanding. In addition, we reviewed where the supply chains operate down to Tier 2. Business activities such as sourcing and procurement, supplier relationships and sector-specific matters such as payment practices, fair competition and marketing  have been assessed to capture the whole scope of business practices.

# Our Approach To Impact Materiality Assessment Social And Governance Topics

When it comes to evaluating the materiality of a sustainability impact, we have used its level of severity as our primary guiding principle. The level of severity is a comprehensive measure that takes into account three dimensions: scale, scope and irremediable character. In the case of positive impacts the irremediable character is not assessed.

Each dimension, which we can think of as separate evaluation categories, has been assigned a numerical score from 0 to 5. The severity of an impact is determined by adding up its scores – something that we've simplified by defining five severity levels based on score ranges. A topic is considered material if its total score is 8 or higher, meaning it has significant importance or adverse impacts.

We have also introduced an exception: if any dimension (scale, scope or irremediability) receives the maximum score of 5, the impact is automatically classified as material, even if the total score is below 8. This ensures that critical aspects are not overlooked.

For potential impacts (both positive and negative), we assess likelihood, estimating how probable they are. However, for potential negative human rights impacts, severity outweighs likelihood. If a potential impact scores 8 or more in severity, it is deemed material regardless of its likelihood. This reflects our strong commitment to human rights.

- Scale: this dimension reflects the gravity or seriousness of the impact. It asks the question, how intense or damaging is the impact?
- Scope: this dimension considers the breadth or reach of the impact. It questions how widely dispersed or far-reaching is the impact?
- Irremediable character: this dimension evaluates the potential for reversal or remedy of the impact. It asks, can the impact be mitigated or reversed? And if so, to what extent?

## Our Approach To The Impact Materiality Assessment. Climate Change Topic

To assess the severity of impacts related to climate change, we used the previously described approach, evaluating severity across three dimensions: scale, scope and irremediability. Some climate change and energy-use-related impacts are irreversible — for example, fossil fuels, once burned, are depleted forever, and carbon emissions persist in the atmosphere for decades. Due to this irreversibility, we assigned the highest score of 5 to this category, making the impacts material in our evaluation.

## Our Approach To The Impact Materiality Assessment. Environmental Topics, Other Than Climate Change

The process for assessing the materiality of environmental topics has been performed in line with the recommendations under the Application Requirements of the ESRS. In doing this, we have used the guidance provided in the LEAP approach.

In the Locate phase of our assessment, we carefully identified and evaluated the geographical locations where our operations interact with nature and have, or potentially have, impacts on the environment. Our physical stores, which are direct points of interaction with nature, are distributed across countries where we have operations covering a wide geography, with all these stores located in urbanised territories. This means that our direct environmental footprint is spread across multiple urban areas, reflecting the scope of our operations.

Most of our Tier-1 suppliers, which directly provide goods and services, are in the EU, meaning much of our supply chain's environmental impact occurs there. However, Tier-N suppliers (providers of raw materials) are globally distributed, extending the impact of our value chain beyond the EU.

We have applied elements of the Evaluate and Assess phases of the LEAP approach in combination with proxies (indicators or measurements) to weight up the materiality level of our dependencies and impacts on the environment. The proxies on which we have relied have been sourced through the Science Based Targets for Nature (SBTN) framework, the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool and the WWF Risk Filter Suite tool developed by the World Wildlife Fund (WWF).

These proxies have been used to consider impacts that are not only the result of our own operations, but also the result of business relationships.

## Our Approach To The Financial Materiality Assessment

A financial materiality assessment has been conducted for the first time, evaluating sustainability-related risks and opportunities. In this process, we assessed the same topics we had previously examined in our impact materiality assessment.

As early adopters of this process, we have approached the task of assessing financial materiality in the way we believe is most appropriate given limited market practice. We focused on assessing the triggers, or factors, that could lead to financial effects. These typically belong to one of two groups:

1. Factors relating to our organisation's ongoing use of or access to resources. These can include anything from raw materials and equipment to software and financial capital.

2. Factors relating to our organisation's reliance on various relationships. These can be relationships with suppliers, customers, employees, investors and other stakeholders.

To help us evaluate these factors, we have adopted the concept of "capitals" as classified by the International Integrated Reporting Council (IIRC) in its Integrated Reporting Framework. The concept of capitals helps us capture the range of resources and relationships that our organisation uses and affects. The capitals are divided into six categories: financial, manufactured, intellectual, human, social and relationship, and natural.

Just as in the impact materiality assessment, we have used a qualitative approach and assigned a numerical score, this time from 0 to 4, for each trigger under the relevant capital, with 2 being the threshold to qualify as material. We have determined the financial materiality by the highest score assigned to the trigger of the financial effect, either associated with the continued use of resources or reliance on relationships.

## Use Of Benchmarks And Proxies

To strengthen our process for evaluating materiality, we used the online tool CSR Risk Check, which was developed and is owned by non-governmental organisation MVO Nederland. The tool is an online solution designed to identify and assess potential risks faced by a company with regard to its supply chain operations in specific countries. It helps businesses understand the risks they are exposed to and where they are coming from.

## Sustainability Matters

We have assessed a total of 92 sustainability matters that are universally applicable across sectors (sector-agnostic), as defined explicitly in the ESRS. As the sector-specific ESRS standards were not available at the time of assessment, we supplemented our evaluation by incorporating 8 additional sector-specific sustainability matters. These were selected based on the SASB Materiality Map, peer reviews and the collective expertise of our internal working group.

Furthermore, our internal working group, comprising sustainability managers at Group retail companies, drew on its collective knowledge and expertise to identify 6 additional sustainability matters specific to our organisation (entity-specific). These were also included in the assessment process.

The resulting material impacts, risks and opportunities were aggregated to the level of the sustainability matter to which they related. The table below summarises the material sustainability matters and the parts of value chain in which they are concentrated.

| MATERIAL SUSTAINABILITY MATTER | MATERIALITY TYPE | RELEVANT TOPICAL STANDARD | UPSTREAM VALUE CHAIN | OWN OPERATIONS | DOWNSTREAM VALUE CHAIN |
|---|---|---|---|---|---|
| **SECTOR-AGNOSTIC** | | | | | |
| Climate change management | Double | E1 | ● | ● | |
| Control of air and water pollution | Impact | E2 | ● | ● | |
| Control over intentionally added chemicals | Impact | E2 | ● | | |
| Water and marine resource management | Impact | E3 | ● | ● | |
| Impacts and dependencies on biodiversity and ecosystems | Double | E4 | ● | | |
| Circular economy and waste | Double | E5 | ● | ● | ● |
| Our employees | Double | S1 | | ● | |
| Workers in the value chain | Double | S2 | ● | ● | |
| Our customers | Double | S4 | | ● | ● |
| Responsible business conduct | Double | G1 | ● | ● | |
| **SECTOR-SPECIFIC** | | | | | |
| Food waste | Double | - | | ● | |
| Affordability | Financial | - | | ● | |
| Food safety and quality | Impact | - | | ● | |
| **ENTITY-SPECIFIC** | | | | | |
| Digitalisation | Double | - | | ● | |
| Access to green financing | Financial | - | | ● | |

The material impacts, risks and opportunities identified are disclosed in more detail in sub-chapters that cover different aspects of environmental, social and governance information. For impacts, we provide additional information on time horizons. Such forward-looking information is based on collective knowledge, market trends and other sources, and is associated with a high level of uncertainty.

In deciding which material information to include in the sustainability statement, we evaluated its relevance to the material sustainability matters we identified and whether it meets either the decision-making needs of users or the interests of affected stakeholders — whose main concern comprises impacts relating to Group companies. We also considered the sustainability-related information needs of financial market participants and benchmarking organisations.

A list of data points derive from other EU legislation and information on their location in the sustainability statement is provided in the Additional Information section.

A list of ESRS Disclosure Requirements complied with in preparing the sustainability statement following the outcome of the materiality assessment is also provided in the Additional Information section.

# Environmental Information

As a retailer, we recognise the importance of monitoring and acting in the field of environmental risks, opportunities and impacts. The sector in which we operate is considered a high climate impact sector under the definitions set by the Sustainable Finance Disclosure Regulation (SFDR), meaning that many regulations arising from the EU Green Deal already affect our operations and business model, or will do so in the near future.

Climate action is an umbrella topic covering our energy- and emissions-intensive activities, which we are managing through near-term science-based targets aligned with the Paris Agreement. Due to the specifics of our sector, topics relating to circularity are monitored in terms of food- and non-food-related issues. In addition, we have a reasonable contribution to the use of materials through packaging solutions, especially in our own private label products, so are putting additional efforts into addressing package-related waste.

# Disclosures Pursuant To Article 8 Of Regulation 2020/852 (Taxonomy Regulation)

Under the Regulation (EU) 2020/852 of the European Parliament and of the Council and related Delegated Acts (EU Taxonomy), MAXIMA Group is required to disclose information to the public to what extent its activities are associated with environmentally sustainable economic activities. The Group is engaged in thorough sustainability efforts, with sustainability as an integral part of its business activities.

The main economic activity of MAXIMA Group is retail trade in food and consumables. This activity currently is not included in the list of eligible activities of EU Taxonomy. Therefore, the main activity of MAXIMA Group is out of scope of current EU Taxonomy reporting. However, the Group is involved in secondary economic activities that support retail activities, such as transportation of goods, owning and leasing out buildings, renovating buildings, investing into the energy efficiency equipment and infrastructure for personal mobility. These economic activities are EU Taxonomy-eligible activities in accordance with the EU Taxonomy legislation.

In 2024, the Group reports share of its turnover, capital expenditure and operating expenditure in activities that are EU Taxonomy-eligible. It also reports how much of its turnover, capital expenditure and operating expenditure from EU Taxonomy-eligible activities are EU Taxonomy-aligned. EU Taxonomy-aligned economic activities are activities that contribute substantially to one or more of the environmental objectives set out in EU Taxonomy, do not significantly harm to any of the environmental objectives, are carried out in compliance with the minimum social safeguards and comply with technical screening criteria that have been established by EU Taxonomy. The list of the Group's identified EU Taxonomy-eligible activities is provided below:

| | |
|---|---|
| CCM 4.15 | District heating/cooling distribution |
| CCM 5.1 | Construction, extension and operation of water collection, treatment and supply systems |
| CCM 5.2 | Renewal of water collection, treatment and supply systems |
| CCM 5.3 | Construction, extension and operation of waste water collection and treatment |
| CCM 6.5 | Transport by motorbikes, passenger cars and light commercial vehicles |
| CCM 6.6 | Freight transport services by road |
| CCM 7.1 | Construction of new buildings |
| CCM 7.2 | Renovation of existing buildings |
| CCM 7.3 | Installation, maintenance and repair of energy efficiency equipment |
| CCM 7.5 | Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings |
| CCM 7.6 | Installation, maintenance and repair of renewable energy technologies |
| CCM 7.7 | Acquisition and ownership of buildings |
| CCM 8.2 | Data-driven solutions for GHG emissions reductions |
| CCM 9.3 | Professional services related to energy performance of buildings |
| WTR 2.2 | Urban Waste Water Treatment |
| CE 3.3 | Demolition and wrecking of buildings and other structures |
| CE 3.4 | Maintenance of roads and motorways |
| CE 3.5 | Use of concrete in civil engineering |

The Group examined all the above listed EU Taxonomy-eligible activities to identify how they align with the EU Taxonomy's technical screening criteria and if they substantially contribute to climate change mitigation and climate change adaptation. Further, the Group assessed compliance with "do no significant harm" (DNSH) criteria. The Group also verified compliance with the minimum social safeguards. Equal opportunities and diversity policy, Anti-corruption policy and Code of Business Ethics lay the foundation for ensuring that the Group complies with the minimum social safeguards defined in the EU Taxonomy.

# Accounting Policies

## Turnover

Total Group's turnover corresponds to revenue reported in the Group's consolidated financial statements prepared in accordance with IFRS as adopted by EU.

The turnover KPI indicates what percentage of the Group's revenue is comprised of revenue from the lease of buildings, and e-commerce transportation services. Accounting policy for revenue recognition is disclosed in the consolidated financial statements of the Group.

## Capital Expenditure (Capex)

During the reporting period, total Capex represents the acquisition of property, plant and equipment, intangible assets, investment property and additions to right-of-use assets.

The EU Taxonomy applies to the Group's owned buildings, owned and leased vehicles and investments in energy efficiency equipment and infrastructure for personal mobility. MAXIMA Group installs and maintains a variety of energy efficiency related equipment such as refrigeration, lightening and heating systems, located in stores and warehouses. The Group transports goods to e-commerce customers using either owned or leased vehicles. No Capex has been invested in coal-, oil- or gas-related activities during reporting year 2024.

Capex KPI indicates the proportion of MAXIMA Group's investments into the aforementioned assets relative to the Group's total capital expenditure (including additions to right-of-use assets) over the reporting period.

## Operating Expenditure (Opex)

Total Opex is defined as direct, non-capitalised costs associated with the day-to-day servicing of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets. The Group incurs cost associated with the installation, repair and maintenance of assets, and cost related to transportation services. The Opex KPI indicates the proportion of the aforementioned operating costs within the total costs of the Group.

# Financial Key Performance Indicators

## PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH EU TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

| Financial year 2024 | | | | Substantial contribution criteria | | | | | | DNSH criteria (Does not significant harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code(s) | Turnover, kEur | Proportion of turnover, % | Climate change mitigation, Y, N, N/EL | Climate change adaptation, Y, N, N/EL | Water, Y, N, N/EL | Pollution, Y, N, N/EL | Circular Economy, Y, N, N/EL | Biodiversity, Y, N, N/EL | Climate change mitigation, Y/N | Climate change adaptation, Y/N | Water, Y/N | Pollution, Y/N | Circular Economy, Y/N | Biodiversity, Y/N | Minimum safeguards, Y/N | Proportion of Taxonomy aligned or eligible turnover, 2023, % | Category (enabling activity), E | Category (transitional activity), T |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | - | - | | | | | | | | | | | | | | - | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 1 650 | 0,03% | | | | | | | | | | | | | | 0,02% | | |
| Acquisition and ownership of buildings | CCM 7.7 | 39 774 | 0,65% | | | | | | | | | | | | | | 0,60% | | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 41 424 | 0,68% | | | | | | | | | | | | | | 0,62% | | |
| A. Turnover of Taxonomy eligible activities (A.1+A.2) | | 41 424 | 0,68% | | | | | | | | | | | | | | 0,62% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B) | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities (B) | | 6 056 346 | 99,32% | | | | | | | | | | | | | | | | |
| Total (A+B) | | 6 097 770 | 100% | | | | | | | | | | | | | | | | |

## PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH EU TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

| Financial year 2024 | | | | Substantial contribution criteria | | | | | | DNSH criteria (Does not significant harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code(s) | CapEx, kEur | Proportion of CapEx, % | Climate change mitigation, Y, N, N/EL | Climate change adaptation, Y, N, N/EL | Water, Y, N, N/EL | Pollution, Y, N, N/EL | Circular Economy, Y, N, N/EL | Biodiversity, Y, N, N/EL | Climate change mitigation, Y/N | Climate change adaptation, Y/N | Water, Y/N | Pollution, Y/N | Circular Economy, Y/N | Biodiversity, Y/N | Minimum safeguards, Y/N | Proportion of Taxonomy aligned or eligible CapEx, 2023, % | Category (enabling activity), E | Category (transitional activity), T |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 140 | 0,04% | *Y* | N | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0,14% | E | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 1 605 | 0,49% | Y | N | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0,66% | E | |
| Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 1 745 | 0,54% | 0,54% | - | - | - | - | - | Y | Y | Y | Y | Y | Y | Y | 0,80% | | |
| Of which Enabling | | 1 745 | 0,54% | 0,54% | - | - | - | - | - | Y | Y | Y | Y | Y | Y | Y | | E | |
| *Of which Transitional* | | - | - | - | | | | | | Y | Y | Y | Y | Y | Y | Y | | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| Urban Waste Water Treatment | WTR 2.2 | 17 | 0,01% | | | | | | | | | | | | | | 0,02% | | |
| Transmission and distribution of electricity | CCM 4.9 | 141 | 0,04% | | | | | | | | | | | | | | 0,00% | | |
| Construction, extension and operation of water collection, treatment and supply systems | CCM 5.1 | 63 | 0,02% | | | | | | | | | | | | | | - | | |
| Construction, extension and operation of waste water collection and treatment | CCM 5.3 | 62 | 0,02% | | | | | | | | | | | | | | - | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 585 | 0,18% | | | | | | | | | | | | | | 0,11% | | |
| Construction of new buildings | CCM 7.1 | 0 | 0,00% | | | | | | | | | | | | | | 11,34% | | |
| Renovation of existing buildings | CCM 7.2 | 6 659 | 2,04% | | | | | | | | | | | | | | 1,38% | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 11 397 | 3,50% | | | | | | | | | | | | | | 0,83% | | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 6 | 0,00% | | | | | | | | | | | | | | - | | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 0 | 0,00% | | | | | | | | | | | | | | 0,08% | | |
| Acquisition and ownership of buildings | CCM 7.7 | 51 098 | 15,68% | | | | | | | | | | | | | | 2,79% | | |
| Demolition and wrecking of buildings and other structures | CE 3.3 | 72 | 0,02% | | | | | | | | | | | | | | - | | |
| Maintenance of roads and motorways | CE 3.4 | 18 | 0,01% | | | | | | | | | | | | | | - | | |
| Use of concrete in civil engineering | CE 3.5 | 28 | 0,01% | | | | | | | | | | | | | | - | | |
| Data-driven solutions for GHG emissions reductions | CCM 8.2 | 6 | 0,00% | | | | | | | | | | | | | | - | | |
| Professional services related to energy performance of buildings | CCM 9.3 | 0 | 0,00% | | | | | | | | | | | | | | 0,00% | | |
| Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 70 153 | 21,53% | | | | | | | | | | | | | | 16,56% | | |
| A. CapEx of Taxonomy eligible activities *(A.1+A.2)* | | 71 898 | 22,06% | | | | | | | | | | | | | | 17,36% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B) | | | | | | | | | | | | | | | | | | | |
| Capex of Taxonomy-non-eligible activities (B) | | 253 972 | 77,94% | | | | | | | | | | | | | | | | |
| Total (A+B) | | 325 870 | 100% | | | | | | | | | | | | | | | | |

## PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH EU TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

| Financial year 2024 | | | | Substantial contribution criteria | | | | | | DNSH criteria (Does not significant harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code(s) | OpEx, kEur | Proportion of OpEx, % | Climate change mitigation, Y, N, N/EL | Climate change adaptation, Y, N, N/EL | Water, Y, N, N/EL | Pollution, Y, N, N/EL | Circular Economy, Y, N, N/EL | Biodiversity, Y, N, N/EL | Climate change mitigation, Y/N | Climate change adaptation, Y/N | Water, Y/N | Pollution, Y/N | Circular Economy, Y/N | Biodiversity, Y/N | Minimum safeguards, Y/N | Proportion of Taxonomy aligned or eligible OpEx, 2023, % | Category (enabling activity), E | Category (transitional activity), T |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 38 | 0,02% | Y | N | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0,03% | E | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 126 | 0,06% | Y | N | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0,00% | E | |
| Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 163 | 0,08% | 0,08% | - | - | - | - | - | Y | Y | Y | Y | Y | Y | Y | 0,03% | | |
| Of which Enabling | | 163 | 0,08% | 0,08% | - | - | - | - | - | Y | Y | Y | Y | Y | Y | Y | | E | |
| **Of which Transitional** | | - | - | - | | | | | | Y | Y | Y | Y | Y | Y | Y | | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| District heating/cooling distribution | CM 4.15 | 0 | 0,00% | | | | | | | | | | | | | | - | | |
| Construction, extension and operation of water collection, treatment and supply systems | CCM 5.1 | 2 | 0,00% | | | | | | | | | | | | | | - | | |
| Renewal of water collection, treatment and supply systems | CCM 5.2 | 0 | 0,00% | | | | | | | | | | | | | | 0,24% | | |
| Construction, extension and operation of waste water collection and treatment | CCM 5.3 | 2 | 0,00% | | | | | | | | | | | | | | - | | |
| Urban Waste Water Treatment | WTR 2.2 | 418 | 0,21% | | | | | | | | | | | | | | - | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 2 986 | 1,53% | | | | | | | | | | | | | | 1,35% | | |
| Freight transport services by road | CCM 6.6 | 3 833 | 1,96% | | | | | | | | | | | | | | 1,16% | | |
| Renovation of existing buildings | CCM 7.2 | 2 174 | 1,11% | | | | | | | | | | | | | | - | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 4 846 | 2,48% | | | | | | | | | | | | | | 0,01% | | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 43 | 0,02% | | | | | | | | | | | | | | - | | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 0 | 0,00% | | | | | | | | | | | | | | - | | |
| Acquisition and ownership of buildings | CCM 7.7 | 27 | 0,01% | | | | | | | | | | | | | | - | | |
| Use of concrete in civil engineering | CE 3.5 | 3 | 0,00% | | | | | | | | | | | | | | - | | |
| Data-driven solutions for GHG emissions reductions | CCM 8.2 | 21 | 0,01% | | | | | | | | | | | | | | - | | |
| Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 14 354 | 7,34% | | | | | | | | | | | | | | 2,77% | | |
| A. OpEx of Taxonomy eligible activities (A.1+A.2) | | 14 518 | 7,42% | | | | | | | | | | | | | | 2,80% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B) | | | | | | | | | | | | | | | | | | | |
| Opex of Taxonomy-non-eligible activities (B) | | 181 145 | 92,58% | | | | | | | | | | | | | | | | |
| Total (A+B) | | 195 663 | 100% | | | | | | | | | | | | | | | | |

# E1 Climate Change

-13.2%

Scope 1+2 (market-based) absolute change, compared to baseline

-13.3%

Scope 1+2 (market based) absolute change, YoY

+10.5%

Scope 3 change, YoY

16.0%

Share of Scope 3 Category 1 covered by suppliers with science-based targets

During the reporting year, the focus of the Group companies with regard to climate change management was directed towards the reduction of GHG emissions from its own operations, implementing science-based targets. A more detailed overview of processes and actions is provided throughout the chapter, highlighting key actions in 2024.

# SBM-3 Impacts, Risks And Opportunities

The Group's management has decided that a detailed assessment of the business model's resilience to climate change through an in-depth evaluation and scenario analysis of climate-related physical and transitional risks will commence in upcoming reporting periods. The decision has been made to allow for appropriate time resources to complete the assessment in due manner. For the reporting year, the IROs have been identified with less depth of evaluation.

Upon reviewing the technical documentation for the SBTN framework and the WWF Risk Filter Suite, we were unable to identify any issues with regard to climate change in the downstream value chain of our business that would be associated with the products and services we provide. The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| CLIMATE CHANGE MANAGEMENT | Impact [Own Operation] | Non-renewable energy consumption results in GHG emissions into the atmosphere that increase the pace of climate change. [E1_MI-1] |
| | Impact [Value Chain] | Substantial contribution of food systems to global GHG emissions and depletion of non-renewable energy resources. [E1_VCMI-1] |
| | Risk [Own Operations] | Risks of negative impacts from climate change on infrastructure that may disturb normal operations, including acute climate effects that prevent a building being entered or cause damage to property, frost waves that impact road infrastructure, and acute and chronic hazards that impact the agricultural sector, reducing the availability of the goods. [E1_MR-1] |
| | Risk [Own Operations] | Spikes in energy prices, carbon taxes on energy-inefficient assets, risks of stranded assets. [E1_MR-2] |

The effects of impacts, risks and opportunities relating to climate change are acknowledged by the Group, and managed through implementation practices and measures that contribute to the reduction of energy consumption and GHG emissions. When deemed necessary, Group assets important to business activities are insured against climate-change-driven physical risks and additional adaptation measures might be introduced to ensure long-term resilience. Supply chains are diversified for resilience from impacts on the availability of agricultural products due to low harvests.

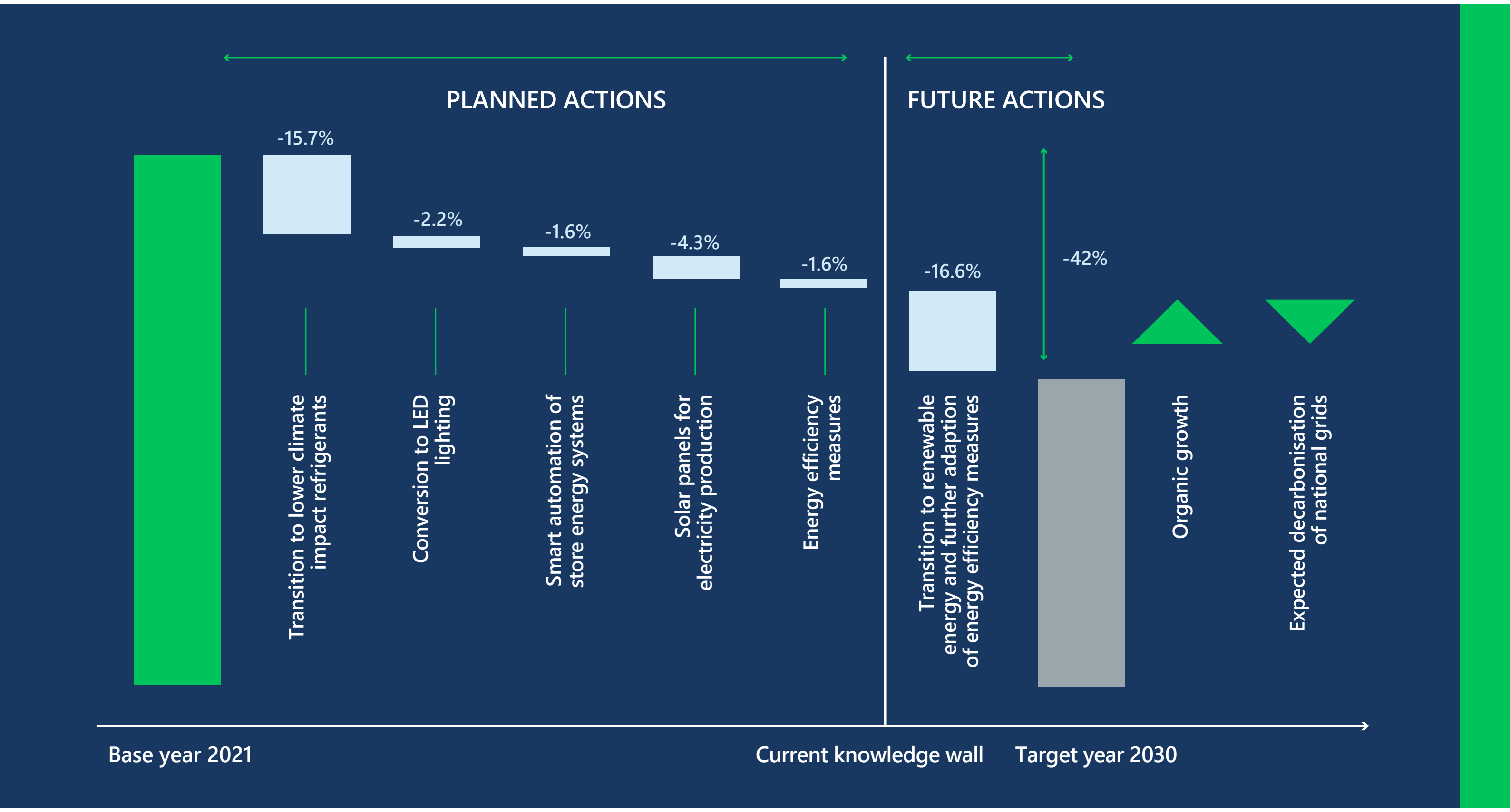
| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| E1_MI-1 | Group GHG emissions contribute to global warming, affecting the environment through extreme weather events and rising sea levels. This in turn harms people and food systems. | Emissions stem from logistics, store operations and refrigeration systems, which are essential to the business model. | Impacts are expected to intensify in the long term (5-15 years) without mitigation efforts taken by supply chain actors. The Group's own operations are expected to reduce impacts through the pursuit of set targets. | The Group is directly responsible through its own operations and indirectly through the upstream value chain. |
| E1_VCMI-1 | Agriculture, land-use change and food production together contribute significantly to global greenhouse gas emissions. High emissions from deforestation, methane from livestock, and nitrous oxide from fertiliser use accelerate climate change, impacting global ecosystems, human health and economies. | Without the introduction of an emissions-based sourcing strategy, the value chain remains carbon-heavy. | Impacts are expected to intensify in the long term (5-15 years) without mitigation efforts taken by supply chain actors. | The Group is indirectly involved through its procurement activities. |

# E1-1 Transition Plan For Climate Change Mitigation

The Group has started to develop a Transitional plan for climate change mitigation, which is anticipated for completion no earlier than 2026. The plan is being developed based on GHG emissions reduction targets verified by the Science Based Targets initiative in alignment with the goal of the Paris Agreement to limit global warming to 1.5 °C. More information is available in the Targets section of the E1 Climate change chapter.

The picture below shows our decarbonisation levers and key actions to achieve Scope 1 and 2 science-based targets. We have a "Current knowledge wall" in our plan that splits our target achievement plan into two parts: action planned already and future action that we have not explicitly planned yet, as our current knowledge is not sufficient to foresee future technological developments and market conditions. However, we foresee that measures will focus on the transition to renewable energy and further adaptation of energy-efficiency solutions. We also expect that any increase in greenhouse gas emissions due to our Group companies' organic growth will be balanced by the pace at which national power grids will become greener. This is based on CRREM (Carbon Risk Real Estate Monitor) models, which are tailored for real estate assets.

Back in 2023, we assessed the preliminary investment needed to achieve our science-based targets pertaining to Scope 1 and 2 emissions. These investments are projected to amount to approximately EUR 100 million between 2023 and 2030. A reasonable share is expected to be Taxonomy-eligible, falling under the Climate Change Mitigation environmental objective. At the time of publishing the sustainability statement, we had not conducted any estimations on the potential alignment of future Capex and Opex with the Taxonomy.




The Group does not fall under the definition for exclusion from the EU Paris-aligned Benchmarks as laid down in Article 12 of Commission Delegated Regulation (EU) 2020/1818. During the reporting period, the Group made no significant Capex investments in coal-, oil- and gas-related economic activities.

## E1-2 Policies

The Group has not adopted policies relating to climate change mitigation and adaptation, energy efficiency, renewable energy deployment or other climate change-related topics, with the relevant policies set to be developed no earlier than 2026. The delay relates to the complexity of implementing such policies within the Group due to different contexts, markets and regulatory environments in the countries of operation.

## E1-3 Actions

Although there are no climate-related written policies at present, Group companies are actively implementing measures that address energy consumption, renewable energy generation and the reduction of GHG emissions. The Group's total GHG footprint amounted to 5,167,645 $tCO_2e$ in 2024, with the biggest share of emissions coming from the value chain for the production of acquired goods (detailed information is provided in the Metrics sub-chapter). As we are yet to perform a detailed evaluation of physical climate risks for our real estate portfolio, our actions in 2024 were limited to insurance against such risks.

Our monitoring of investments in carbon reduction measures is conducted through the EU Taxonomy Regulation framework. We acknowledge that all investments that align with the EU Taxonomy climate change mitigation objective contribute significantly to the reduction of GHG emissions. Additionally, mitigation measures that occur in routine business activities other than hard investments and contribute to GHG emission reduction are systematically disclosed through our GHG inventory, with the specific monetary values of these changes not explicitly quantified. Based on data on eligibility under the EU Taxonomy climate change mitigation objective, a total of EUR 71.9 million in Capex and EUR 14.5 million in Opex was directed towards reduction of climate impacts throughout the whole Group in 2024 (compared with EUR 58.1 million in Capex and EUR 5.5 million in Opex in 2023).

### Renewable Energy Development

In September 2024, MAXIMA Latvia finalised a project to install solar power stations at two stores, which have total nominal capacities of 100 kW and 150 kW respectively. During the year STOKROTKA deployed 35 solar power stations with capacities ranging from 26.4 kW to 50 kW, totalling around 1,700 kW in nominal capacity.

| Total renewable electricity generation from solar power, MWh | | | |
|---|---|---|---|
| 5,456 | 2,103 | 792 | 136 |
| 2024 | 2023 | 2022 | 2021 |

| Number of stores with natural refrigerants ($CO_2$, WL) | | | |
|---|---|---|---|
| 118 | 108 | 72 | 63 |
| 2024 | 2023 | 2022 | 2021 |

In tackling the reduction of purchased energy consumption, we increased the amount of renewable energy we generate to more than 5.4 GWh (compared to 2.1 GWh in the previous year), of which we consumed 89% directly on-site, with the rest exported to the grid. In addition, our own generation of renewable energy enabled us to avoid emissions of 2,257 $tCO_2e$ (1,203 $tCO_2e$ in previous year).

## Transitioning To Lower-Impact Refrigerants

The use of refrigerants is another area in which our engineering teams are taking steps to lower the climate impact of existing systems. GHG emissions arising from refrigerant leakage reached 66,993 $tCO_2e$ in 2024 (compared with 80,339 $tCO_2e$ in 2023). We are steadily increasing the number of stores with natural refrigerants to reduce impacts that arise from such leakages. At the end of 2024 we had 118 stores with water-loop or carbon dioxide-based refrigeration systems (108 in 2023).

## Energy Efficiency

When it comes to our fleet, 99.9% of our owned and operated vehicles are EURO 6 standard for tailpipe emissions. For passenger cars, we have been transitioning away from diesel-run vehicles, with 69% of passenger cars being petrol and hybrid at the end of 2024.

MAXIMA Lithuania has started a process to update the current logistics management module to ensure that product deliveries are optimised, resulting in reduced travel distances and improved loading efficiency of delivery trucks. It is anticipated that the evaluation of alternatives will be completed in 2025 and the update will then begin, subject to the feasibility of implementation.

Since 2016, MAXIMA Latvia has been using an ISO 50001-certified energy management system to improve efficiency across stores, logistics warehouses and offices, ensuring compliance with European and Latvian regulations. In 2024, the company implemented a wide range of energy-saving measures, such as LED lighting installations, equipment upgrades and the use of energy analysers, monitored via the EMCOS reporting system.

## Promotion Of Plant-Based Choices

The “Neapēd Zemeslodi” initiative, supported by MAXIMA Latvia, encourages environmentally friendly eating habits by promoting plant-based diets to reduce the environmental impact of food consumption. As part of this annual January challenge, MAXIMA Latvia expanded its plant-based product range, offering more vegan meals under the “Master’s Quality” (“Meistara Marka”) brand. This led to an increase in customer engagement and satisfaction, while around 30,000 participants joined the initiative in 2024. Success metrics included participant numbers, sales growth in plant-based products and heightened public awareness through media coverage. Participation in this initiative has helped us evaluate, if the plant-based products would be of interest to our customers. MAXIMA Latvia plans to continue supporting this initiative in line with its commitment to sustainability and fostering healthy lifestyles, reinforcing its position as a leader in promoting sustainable choices.

# E1-4 Targets

In March 2023, the Group has committed to set science-based targets which would be validated by the Science Based Targets initiative (SBTi). This decision was not related to any internal policy objective. We chose this approach because we believe it aligns with the best practices for setting climate mitigation goals. By adhering to the guidelines set by the SBTi cross-sector pathway and Corporate near-term criteria with absolute contraction approach, we aim to ensure that our climate mitigation goals are not only ambitious but also scientifically grounded, aligning with the objectives of the Paris Agreement, and include whole value chain, including upstream, own operations, and downstream. Internal stakeholders, including Management Board, have been involved in the whole proves of setting the targets and assessing implementation measures. The official approval has been issued at the end of 2023, and SBTi has classified our Scope 1 and Scope 2 target ambition as in line with a 1.5°C trajectory. The Scope 1 and 2 target is an absolute reduction target, and the Scope 2 is calculated following the market-based approach. The Scope 3 target is an engagement target.

MAXIMA GRUPĖ, UAB commits to reduce absolute scope 1 and 2 GHG emissions 42.0% by 2030 from 2021 a base year. MAXIMA GRUPĖ, UAB also commits that 78.3% of its suppliers by emissions covering purchased goods and services, will have science-based targets by 2027.

Targets were set with application of the same organisational and operational boundaries as in the GHG inventory, ensuring consistency with indicators used for tracking progress. Following SBTi methodology Scope 1+2 target covers 100% of Scope 1+2 emissions, Scope 3 engagement target covers 2/3 of Scope 3 emissions. Adhering to SBTi criteria, we will review and, if necessary, recalculate and revalidate our targets in line with the most recent criteria at least every five years. Additionally, we have set a 5% significance threshold for emission recalculations. No reviews of the baseline were performed during the reporting year.

| | |
|---|---|
| 117,626 | Absolute value of Scope 1+2 (market-based) GHG emission reduction, $tCO_2e$ |
| 42% | Percentage value of Scope 1+2 (market-based) GHG emission reduction (compared with emissions in base year) |

Our selection of 2021 as our baseline year has been scrutinised during the target validation process by SBTi and deemed appropriate given our business-specific circumstances. At the time we submitted our targets for validation, our inventory for 2022 had not been completed. Meanwhile, although we had reliable input data for the 2020 GHG inventory calculation, that year was significantly impacted by the COVID-19 pandemic and thus does not accurately represent our business operations. Using earlier years as a baseline would lead to substantial discrepancies given the significant changes and developments in our operations since then.

Progress is monitored annually, with results presented to the Management Board. Other stakeholders receive information on progress through annual sustainability statements which are presented together with annual financial statements, with progress measured through the comparison of Scope 1 and 2 emissions in the reporting year to those in the baseline year. As of the end of the reporting period, a 13.2% reduction has been achieved. Progress towards engagement goals is assessed by evaluating the maturity of climate action at the supplier level, which is discussed in more detail in the sub-chapter on that subject. The progress achieved towards the engagement target is 16.0%.

Decarbonisation levers are further described in sub-chapter E1-1 – Transition plan for climate change mitigation.

In tackling the reduction of GHG emissions and air pollution associated with the leak of refrigerants, STOKROTKA has set a target that no refrigerants with a global warming potential (GWP) above 2,500 are used in refrigeration equipment by the end of 2026. Our retail companies in the Baltics have set a target that no refrigerants with a GWP above 1,800 should be used in refrigeration equipment by 2030.

# Metrics

## Climate Impact At A Supplier Level

As is evident from our GHG inventory, the goods we offer through our stores and e-commerce have the most significant GHG impact in our organisational footprint. Diving deeper into this category, we have allocated the scale of such emissions to our suppliers based on the amounts of their products sold.

To understand how our suppliers are addressing the impacts associated with their goods and products, we have performed a detailed analysis of publicly available information for initial classification of our biggest suppliers in terms of associated GHG emissions based on the maturity of their climate impact management. We have established that suppliers that already have science-based targets (either SBTi-approved or in line with the 1.5 °C ambition) cover 14.1% of our total Scope 3 GHG emissions, or 16.0% of Scope 3 Category 1 emissions.

| BREAKDOWN OF GOODS AND PRODUCT SUPPLIERS BY MATURITY OF CLIMATE ACTION | AS OF TOTAL GHG SCOPE 3 | | AS OF SCOPE 3 CATEGORY 1 | |
|---|---|---|---|---|
| | COVERAGE IN 2023, % | COVERAGE IN 2024, % | COVERAGE IN 2023, % | COVERAGE IN 2024, % |
| **Have SBTi-approved targets** | 9.1% | 14.1% | 10.2% | 16.0% |
| **Have committed to setting targets under the SBTi** | 0.9% | 3.6% | 1.0% | 4.0% |
| **Have targets in line with the 1.5 °C ambition** | 0.3% | 0.0% | 0.4% | 0.0% |
| **Have GHG reduction targets** | 1.3% | 0.8% | 1.6% | 1.0% |
| **Do not have GHG targets, but have related activities (energy efficiency measures, tracking GHG emissions)** | 1.4% | 12.3% | 1.6% | 13.9% |
| **Have no targets** | 30.5% | 16.1% | 36.3% | 18.2% |
| **Not classified at current stage** | 56.5% | 53.1% | 61.3% | 57.0% |

## Land and agriculture impacts

During the reporting period, we continued to improve our calculation methods for agriculture-related (so-called FLAG – forest, land and agriculture) emissions in our Scope 3. We have used the updated emission factors from the Agribalyse database and introduced new ones sourced from the CarbonCloud database to achieve a higher quality of estimations. The resulting uncertainty is considered moderate to high due to the absence of supplier-specific emission factors.

| FLAG EMISSIONS IN REPORTING YEAR, $tCO_2E$ | TOTAL CAT 1 EMISSIONS | FLAG CAT 1 EMISSIONS | NON-FLAG CAT 1 EMISSIONS |
|---|---|---|---|
| **Food and Beverages** | 3,927,449 | 1,912,214 | 2,015,235 |
| **Non-Food** | 336,678 | Not estimated | Not estimated |

For the first time, we have estimated the breakdown of FLAG emissions into land-use change (LUC) and land management components. The results presented in the table below show that approximately 19% of emissions are related to land-use change, which is a driver for biodiversity-related impacts.

| FLAG BREAKDOWN, $tCO_2E$ | FLAG CAT 1 EMISSIONS | LUC CAT 1 EMISSIONS | LAND MANAGEMENT CAT 1 EMISSIONS |
|---|---|---|---|
| **Food and Beverages** | 1,912,214 | 355,696 | 1,556,518 |

## E1-5 Energy Consumption and Mix

We follow the conservative approach in reporting the renewable share of our energy use, in line with the provisions of ESRS E1-5. We only include renewable energy for which we have Guarantees of Origin attributed. When we consume purchased electricity, we do not therefore include any extra renewable energy share that might be in the country's power grid but isn't specifically claimed through market instruments. We have also not considered the renewable part of fuel used in road transport, even though the countries in which we operate have legal obligations for biofuel to be mixed with diesel and petrol. We have taken the same approach for district heating, for which we do not calculate how much comes from renewable sources in cases where we do not have attribution certificates.

| ENERGY CONSUMPTION AND MIX FOR OUR OWN OPERATIONS[1] MWh | COMPARATIVE, 2023 | REPORTING YEAR, 2024 |
|---|---|---|
| **Fuel consumption from coal and coal products** | 0 | 0 |
| **Fuel consumption from crude oil and petroleum products** | 55,862 | 56,876 |
| **Fuel consumption from natural gas** | 51,089 | 47,216 |
| **Fuel consumption from other fossil sources** | 0 | 0 |
| **Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources** | 370,765 | 386,935 |
| ***Total fossil energy consumption*** | 477,716 | 491,028 |
| ***Share of fossil sources in total energy consumption (%)*** | 73.8% | 74.1% |
| ***Consumption from nuclear sources*** | 29,454 | 30,904 |
| ***Share of consumption from nuclear sources in total energy consumption (%)*** | 4.5% | 4.7% |
| **Fuel consumption from renewable sources** | 0 | 136 |
| **Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources** | 138,412 | 136,080 |
| **The consumption of self-generated non-fuel renewable energy** | 1,867 | 4,862 |
| ***Total renewable and low carbon energy consumption*** | 140,280 | 141,078 |
| ***Share of renewable and low carbon sources in total energy consumption (%)*** | 21.7% | 21.3% |
| ***Total energy consumption*** | 647,450 | 663,009 |

| ENERGY INTENSITY PER NET REVENUE[2] | COMPARATIVE, 2023 | REPORTING YEAR, 2024 | YOY |
|---|---|---|---|
| **In high climate impact sectors[3] (MWh/M EUR)** | 111 | 109 | -2% |

1 Energy-related information is reported as final energy consumption in net calorific value. Default conversion factors have been sourced from DEFRA. Consumption from nuclear sources has been estimated based on AIB (Association of issuing Bodies) data on residual mix of electricity in respective country of operation for year 2022 and 2023 respectively.

2 The energy intensity per net revenue for the year 2023 has been calculated using the total net revenue from Note 19 of the Consolidated financial statements for the year ended 31 December 2023 as the denominator. The energy intensity per net revenue for the year 2024 has been calculated using the total net revenue from Note 19 of the Consolidated financial statements for the year ended 31 December 2024 as the denominator. The total energy consumption is used as the numerator.

3Total energy consumption from activities in high climate impact sectors (NACE sections relevant for the Group: Section G – Wholesale and retail trade and Section L – Real Estate Activities) per net revenue from activities in high climate impact sectors.

# E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

We continue to calculate our GHG emissions inventory in accordance with the GHG Protocol Corporate Standard. The scope of this inventory matches our financial reporting boundaries and uses the operational control consolidation approach. The Group does not have investees (such as associates, joint ventures or unconsolidated subsidiaries), nor contractual agreements that are joint arrangements not structured through an entity for which the Group would have operational control. None of our Group companies fall under the EU Emissions Trading System, meaning that none of our GHG emissions are regulated.

On 3 March 2024, Barbora Polska Sp. z o.o., which provided food delivery services in Poland, ceased operations. This event is not considered significant in terms of impact on GHG emissions, since the share of Group annual emissions of the entity that ceased operations is below a threshold of 5%. No other significant changes have been made in the definition of what constitutes the reporting entity's value chain.

Our inventory includes all greenhouse gases specified in the scope of the GHG Protocol: $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, and $NF_3$. We report biogenic $CO_2$ emissions from the combustion of biomass (wood pellets) separately from Scope 1 emissions. In the case of Scope 1, we assume that all fuels apart from wooden pellets used during the reporting period are 100% fossil fuels. For Scope 2, the applied emissions factors do not include $CH_4$ or $N_2O$, nor specify the biogenic emissions from the combustion and biodegradation of biomass. Meanwhile, in the case of Scope 3, the applied emissions factors also do not specify the biogenic emissions from the combustion and biodegradation of biomass. In addition, our Scope 3 inventory does not account for any removals, purchases, sales or transfers of carbon credits or other GHG allowances. We consider the uncertainty level of GHG emissions in Scope 1 and 2 to be low to medium and due to uncertainties associated with the emission factors.

In calculating our market-based Scope 2 emissions, we apply a zero-GHG emissions factor to electricity that has attributed Guarantees of Origin, representing 28% of our electricity consumption. This market mechanism accounts for 100% of the contractual instruments considered in our Scope 2 calculations.

We have calculated our Scope 3 emissions in adherence with the GHG Protocol Corporate Value Chain Standard, encompassing all categories present in our value chain. We have not excluded any Scope 3 categories, with the complete list available in the table below. Notably, 0% of our Scope 3 emissions inventory was calculated using primary data obtained directly from suppliers or other actors in our value chain, so we consider the results to be associated with a high level of uncertainty.

The thoroughness of our Scope 3 calculations is guided by the materiality of each category, which is assessed based on its proportionate weight relative to our total gross Scope 3 emissions. More detailed information on the methodologies is provided in the next sub-chapter. We use over 2,000 emission factors sourced from reliable, publicly accessible and licensed databases and data providers, including ADEME, Agribalyse, AIB, DEFRA, CarbonCloud, EXIOBASE and IEA.

The emissions for the year 2023 are restated for Scope 1 and Category 5 of Scope 3. That has been carried out after the internal control identified incompleteness in the data for the previous reporting year.

| GHG INVENTORY, $tCO_2e$ (IN THE TABLE, NO MEANS NOT OCCURRING) | RETROSPECTIVE | | | | MILESTONES AND TARGET YEARS | | | |
|---|---|---|---|---|---|---|---|---|
| | BASE YEAR, 2021 | COMPARATIVE, 2023 | REPORTING YEAR, 2024 | YoY | 2025 | 2030 | 2050 | ANNUAL % TARGET/ BASE YEAR |
| Scope 1 GHG Emissions | | | | | | | | |
| Gross Scope 1 GHG emissions | 96,724 | 105,561 | 91,793 | -13.0% | | | | |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) | 0% | 0% | 0% | 0% | | | | |
| Scope 2 GHG Emissions | | | | | | | | |
| Gross location-based Scope 2 GHG emissions | 213,259 | 207,654 | 171,938 | -17.2% | | | | |
| Gross market-based Scope 2 GHG emissions | 183,339 | 174,759 | 151,368 | -13.4% | | | | |
| Significant Scope 3 GHG emissions | | | | | | | | |
| Total Gross indirect (Scope 3) GHG emissions | 4,228,889 | 4,454,832 | 4,924,483 | +10.5% | | | | |
| Category 1. Purchased goods and services | 3,621,985 | 3,960,801 | 4,358,712 | +10.0% | | | | |
| Category 2. Capital goods | 75,742 | 110,209 | 235,239 | +113.4% | | | | |
| Category 3. Fuel and energy-related activities | 69,717 | 54,030 | 49,545 | -8.3% | | | | |
| Category 4. Upstream transportation and distribution | 253,161 | 152,100 | 155,459 | +2.2% | | | | |
| Category 5. Waste generated in operations | 1,511 | 15,124 | 13,120 | -13.2% | | | | |
| Category 6. Business travels | 169 | 158 | 138 | -12.6% | | | | |
| Category 7. Employee commuting | 20,768 | 19,292 | 18,570 | -3.7% | | | | |
| Category 8. Upstream leased assets | NO | NO | NO | NO | | | | |
| Category 9. Downstream transportation | NO | NO | NO | NO | | | | |
| Category 10. Processing of sold products | NO | NO | NO | NO | | | | |
| Category 11. Use of sold products | 157,327 | 123,054 | 78,504 | -36.2% | | | | |
| Category 12. End-of-life treatment of sold products | 3,516 | 3,443 | 1,056 | -69.3% | | | | |
| Category 13. Downstream leased assets | 20,032 | 10,575 | 8,870 | -16.1% | | | | |
| Category 14. Franchises | 4,962 | 6,045 | 5,270 | -12.8% | | | | |
| Category 15. Financial investments | NO | NO | NO | NO | | | | |
| Total upstream Scope 3 emissions | 4,043,052 | 4,311,715 | 4,830,783 | +12.0% | | | | |
| Total downstream Scope 3 emissions | 185,837 | 143,117 | 93,700 | -34.5% | | | | |
| Total GHG emissions | | | | | | | | |
| Total GHG emissions (location-based) | 4,538,872 | 4,768,046 | 5,188,215 | +8.8% | | | | |
| Total GHG emissions (market-based) | 4,508,951 | 4,735,152 | 5,167,645 | +9.1% | | | | |

| OTHER GHG EMISSIONS | REPORTING YEAR, 2024 |
|---|---|
| Scope 1 – Biogenic emissions | 48 $tCO_2e$ |
| Scope 2 – Biogenic emissions | Not available |
| Scope 3 – Biogenic emissions | Not available |

| GHG INTENSITY PER NET REVENUE[4] | COMPARATIVE, 2023 | REPORTING YEAR, 2024 | YoY |
|---|---|---|---|
| Total GHG emissions (location-based) per net revenue ($tCO_2e$/EURm) | 816 | 851 | +4.3% |
| Total GHG emissions (market-based) per net revenue ($tCO_2e$/EURm) | 810 | 847 | +4.6% |

4 The GHG intensity per net revenue for year 2023 has been calculated using the figure from the Revenue line of the Consolidated financial statements for the year ended 31 December 2023 (Note 19) as the denominator. The GHG intensity per net revenue for the year 2024 has been calculated using the value from the Revenue line of the Consolidated financial statements for the year ended 31 December 2024 (Note 19) as the denominator.

## E1-6 GHG Calculation Methods

The global warming potential (GWP) values used in the calculation are based on Intergovernmental Panel on Climate Change (IPCC) assessment reports AR4, AR5 or AR6, depending on the availability of emission factors administered by the providers of databases of such factors.

The methods used to calculate the Scope 3 GHG inventory are in line with the GHG Protocol Corporate Value Chain Standard. Higher tier methods have been used for material categories, with materiality evaluated based on the weight of a relevant category in the Scope 3 inventory.

| SCOPE 3 CATEGORY | MATERIALITY | CALCULATION METHOD | CALCULATION BOUNDARIES |
|---|---|---|---|
| Category 1. Purchased goods | Material | Average-data method | Covers GHG emissions associated with the goods that have been sold in physical stores and e-commerce during the reporting year (cradle-to-gate). |
| Category 1. Purchased services | Not material | Spend-based method | Covers GHG emissions associated with the services purchased during the reporting year. |
| Category 2. Capital goods | Not material | Spend-based method | Covers GHG emissions that are associated with the capital expenditure for the reporting year. |
| Category 3. Fuel and energy-related activities | Not material | Average-data method | Covers GHG emissions related to well-to-tank (WTT) and transmission and distribution (T&D) losses associated with fuel and energy consumption. |
| Category 4. Upstream transportation and distribution | Not material | Distance-based method | Covers GHG emissions from the transportation of goods sold from the manufacturers to distribution centres, and from distribution centres to physical stores. Calculations include WTT emissions. |
| Category 5. Waste generated in operations | Not material | Waste-type-specific method | Covers GHG emissions from waste generated during the organisation's own operations. |
| Category 6. Business travel | Not material | Spend-based method | Covers GHG emissions associated with business travel, excluding travel that has been accounted for in Scope 1 and 2. |
| Category 7. Employee commuting | Not material | Average-data method | Covers GHG emissions of employees commuting to and from work. |
| Category 8. Upstream leased assets | Not occurring | Not occurring | Not occurring. |
| Category 9. Downstream transportation | Not occurring | Not occurring | Not occurring. |
| Category 10. Processing of sold products | Not occurring | Not occurring | Not occurring. |
| Category 11. Use of sold productįs | Not material | Direct use-phase emissions | Covers GHG emissions associated with the use of products that use electricity directly (electrical/electronic equipment). |
| Category 12. End-of-life treatment of sold products | Not material | Waste-type-specific method | Covers GHG emissions related to processing/landfilling for discarded retail packaging for sold goods. |
| Category 13. Downstream leased asseįts | Not material | Asset-specific method | Covers GHG emissions from energy consumption in subleased areas. |
| Category 14. Franchises | Not material | Average-data method | Covers GHG emissions arising from energy consumption in franchįįsed stores. |
| Category 15. Financial investments | Not occurring | Not occurring | Not occurring. |

Inventory for Category 1, the sole material category among Scope 3 emissions, has been compiled using industry average emissions factors applied at product category level, with categories specified as per our internal business intelligence systems. It is planned to further refine the granularity of the calculations relating to GHG inventory using indirect sources of information before starting to transition to direct sources of information.

# E2 Pollution

During the reporting period, there were no major developments in the field of pollution-related matters. Group companies, which continue pollution prevention and control activities, did not encounter any material pollution-related incidents requiring remedial action in 2024. Our internal audits, training programmes and preventive measures are designed to avert such occurrences. Should any future incidents arise, our established protocols will guide immediate response efforts, stakeholder engagement and corrective actions to prevent recurrence.

## SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework and WWF Risk Filter Suite, we were not able to identify any issues regarding pollution in the downstream value chain of our business that would be associated with the products and services we provide. The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| CONTROL OF AIR AND WATER POLLUTION | Impact [Own Operation] | Pollution of ambient air and water bodies from stationary or mobile sources causes adverse impacts on nature and human health. [E2_MI-1] |
| | Impact [Value Chain] | Overfertilisation in agricultural activities results in the pollution of water bodies. [E2_VCMI-1] |
| CONTROL OVER INTENTIONALLY ADDED CHEMICALS | Impact [Value Chain] | Intentional addition of substances of concern and very high concern, as well as microplastics, leads to adverse impacts on health and ecosystems. [E2_VCMI-2] |

Acknowledging the contribution to air pollution from both stationary and mobile sources, Group companies are improving the operated fleet and transitioning to natural refrigerants used in refrigeration equipment. Additionally, recognising the potential for water pollution due to runoff from parking lots, we are ensuring proper maintenance of oil traps to prevent contamination.

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| E2_MI-1 | Emissions to air and water from transportation contribute to reduced quality of air and water bodies, negatively affecting public health, particularly in densely populated areas. | Air and water pollution are connected to store infrastructure and logistics, which are integral parts of the business model. | Negative impacts are ongoing and expected to persist in the 5-to-10-year horizon. | The Group is involved through its direct operations, particularly through its fleet and parking lot infrastructure. |
| E2_VCMI-1 | Excess fertiliser runoff pollutes waterways, harming aquatic life, ecosystem health and communities that rely on clean water. | The business model for non-specialised food retail provides a higher share of conventional agricultural products that rely on the use of fertilisers. | Impacts occur now and persist long-term as nutrients accumulate and ecosystems degrade. | The Group is indirectly involved through its procurement activities. |
| E2_VCMI-2 | Unsafe materials, substances of concern and microplastics can harm users' health and damage ecosystems. | No link to business model or strategy identified. | Negative effects are both immediate and long-term, as harmful substances persist in the environment and supply chains. | The Group is indirectly involved through its procurement activities. |

## E2-1 Policies

Although air and water pollution have been assessed as being material within our operations, the Group has not yet adopted dedicated policies for managing such impacts and risks. The primary sources of pollution in our operations are associated with transport (tailpipe emissions) and refrigerant leakage. The latter is addressed under our climate change mitigation efforts, while tailpipe emissions are managed by selecting the highest-available EURO standard whenever renewing our fleet.

We have identified several pollution-related topics that are also significant in the upstream value chain. However, due to limited visibility into Tier-N suppliers, we have been unable to prioritise the development of dedicated policies in these areas. Most impacts are expected to materialise beyond our Tier-1 suppliers. To address some of these challenges, our revised Supplier Code of Conduct conveys our expectations that our upstream business partners will manage environmental issues with due care. Embedding the reviewed code and subsequent enforcement of compliance are the main actions to be taken to manage pollution-related matters in the value chain. The Supplier Code of Conduct is presented in more detail in chapter G1-2 – Management of relationships with suppliers.

In addition, Group companies have complaint mechanisms that enable stakeholders to report adverse environmental impacts in the upstream value chain that may not have been identified through existing processes.

## E2-2 Actions

### Environmental Management System

During the reporting year, MAXIMA Lithuania undertook a series of key environmental management actions that aligned with their ISO 14001 certification. The company conducted approximately 50 comprehensive internal audits across retail stores, distribution centres and administrative offices. These were focused on evaluating the use of chemical products, ensuring robust spill-prevention measures for oil-based materials, and reviewing other environmental protection practices and controls. The outcome of these actions included better compliance with ISO 14001 standards and early identification of improvement opportunities, both of which contribute to ongoing policy objectives and environmental performance targets. Staff training sessions were also provided during the year via an online training platform, improving our employees' proficiency in chemical handling and spill prevention, and thus reducing the likelihood of environmental incidents.


MAXIMA Lithuania completed a recertification process in March 2025 to reaffirm their commitment to ISO 14001 and extend its validity. This effort is expected to reinforce the organisation's continuous improvement practices and maintain the integrity of its environmental management system. Stakeholders affected by these initiatives include our employees and environmental regulatory bodies, which will benefit from improved environmental practices and compliance standards.

The time horizons for these actions are structured to ensure both short- and long-term improvements. In the short term, MAXIMA Lithuania will complete the recertification process in early 2025 and further enhance its environmental practices. In the longer term, we anticipate ongoing audit cycles, continuous staff development and the sustained adaptation of our environmental management practices to evolving regulations and emerging best practices.

### Control Over Intentionally Added Chemicals

Regarding intentionally added substances of concern and substances of very high concern, including but not limited to microplastics – as outlined in Regulation (EC) 1907/2006 (REACH regulation) – we include requirements in supply contracts to comply with the applicable regulations, including but not limited to REACH regulation. In cases for which contamination above permissible levels is identified through active internal or external testing, the products are recalled.

Taking into consideration the need for access to information, we provide our customers with the option to inquire about the composition of products and the presence of these substances by reaching out to our customer support and quality hotlines. This ensures that our customers are well-informed about the products they purchase.

## E2-3 Targets

As the priority level for the topic is low, no measurable outcome-oriented targets have been set or implemented by the Group during the reporting period. The Group does not track the effectiveness of polices and action in management of pollution.

## Metrics

The Group measures the pollution to air in own operation through entity specific indicator: the EURO standard of the vehicles, that comprise the operated fleet. 99.9% of fleet is of EURO 6 standard for tailpipe emissions.

The Group did not gather information or evaluate any metrics for material pollution-related impacts concentrated in the value chain. We have applied phased-in provisions for value-chain information. Limitations on data gathering arising from the disclosure scope set by the to-be-approved LSME and VSME standards is putting additional constraints on the information we can access in the upstream value chain. When these standards are finally approved, we will be able to identify which information we can gather without putting an unreasonable burden on actors in the value chain.

# E3 Water and Marine Resources

As a retail business, the Group recognises the role the water plays in supporting daily operations. While our activities do not encompass resource-intensive manufacturing processes and our water consumption is primarily confined to the essential needs of our stores, distribution centres and offices, we put effort to reduce water usage. No major developments in the field of water-related matters occurred during the reporting year.

## SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework the WWF Risk Filter Suite, we were unable to identify any sustainability-related concerns about water or marine resources in the downstream value chain of our business that would be associated with the products and services that we provide or make available. The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| **WATER AND MARINE RESOURCE MANAGEMENT** | Impact [Own Operation] | The withdrawal and inefficient use of water in our own operations in regions vulnerable to water stress, droughts and quality-related challenges put stress on ecosystems and/or local communities. [E3_MI-1] |
| | Impact [Value Chain] | Food systems put pressure on water resources and marine capital through high levels of withdrawal and consumption, as well as overextraction. [E3_VCMI-1] |

The business strategy of primarily relying on municipal networks for water withdrawal and wastewater treatment enables a managed approach to this shared resource. Municipal water management enables a high level of control over impacts and risks in the region that may affect the local population and ecosystems.

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| E3_MI-1 | Water withdrawal and inefficient store operations in water-stressed regions contribute to local water scarcity. This can strain ecosystems and reduce water availability. | The Group's need for water usage is tied to the aim of maintaining hygienic conditions. | Water stress impacts are expected to persist in the short to medium term. | The Group is directly involved through its operations in areas at risk. |
| E3_VCMI-1 | Intensive water use in agriculture and food processing strains local water supplies, affecting community access to clean water and degrading aquatic ecosystems. | No link to business model or strategy identified. | Impacts are ongoing and expected to intensify as climate change alters water availability over the medium to long term (5-20 years). | The Group is indirectly involved through its procurement activities. |

## E3-1 Policies

The Group has not adopted dedicated policies for the management of material impacts, risks and opportunities related to water and marine resources. The Group companies rely on municipal water supplies for both sourcing and discharging water at nearly all of its sites across its countries of operation. This approach ensures that our water usage does not interfere with the needs of local communities and ecosystems in a way that deviates from established best practices in urban freshwater management. Given this, we have determined that developing a dedicated water and marine resources policy for our operations is not a high priority.

The Group has not adopted policies or practices related to sustainable oceans and seas. The topic has material impacts and risks that arise from the upstream value chains, but we were unable to set high priority level for development of such policies due to limited Tier-N visibility.

## E3-2 Actions

As the priority level for this topic is low, no action plans were adopted by the Group during the reporting period in relation to water and marine resources. The Group did not implement any dedicated actions with regard to areas at water risk, including in areas of high-water stress, for its own operations or in the value chain. The Group plans to reevaluate the priority of the topic in no longer than three years' time.

## E3-3 Targets

As the priority level for this topic is low, no measurable outcome-oriented targets have been set or implemented by the Group during the reporting period. The Group does not track the effectiveness of polices or actions in the management of water and marine resources.

# Metrics

## E3-4 Water Consumption

In our operations, we do not directly meter water consumption. In most of our stores, we meter only water withdrawals and have separate metering of water effluents. In stores where there is no metering of effluents, the amounts are assumed to be equal to the amount of water withdrawal. The water consumption is then estimated as the difference between withdrawals and effluents. A total of 99.9% of water withdrawal data has been obtained from direct measurements or invoices, with the remaining amount estimated.

| WATER-RELATED INFORMATION | COMPARATIVE, 2023 | REPORTING YEAR, 2024 |
|---|---|---|
| **Total water consumption, $m^3$** | 49,752 | 9,055 |
| ***Of which in areas at water risk, including areas of high-water stress, $m^3$*** | - | - |
| **Water consumption intensity[5], $m^3$/M EUR** | 8.5 | 1.5 |
| **Total water withdrawals, $m^3$** | 853,856 | 850,334 |
| **Total water effluents, $m^3$** | 804,103 | 841,278 |

5Water consumption intensity per net revenue for the year 2023 has been calculated using the total net revenue from Note 19 of the Consolidated financial statements for the year ended 31 December 2023 as the denominator. The volume of water consumption is used as the numerator.

# E4 Biodiversity And Ecosystems

Biodiversity and ecosystems are essential components of natural capital, forming the foundation of all food systems. For Group companies operating in the food retail sector, this places a significant focus on biodiversity and ecosystem-related issues within the upstream value chain.

## E4-1 Consideration Of Biodiversity And Ecosystems In Strategy And Business Model

The resilience of the strategy and business model in relation to biodiversity and ecosystems was not assessed during the reporting period. The decision to postpone the assessment was taken considering the fact that our own operations are not dependent on ecosystem services and that there are no material impacts from our own operations with regard to biodiversity and ecosystems, apart from pollution-related impacts that are already addressed through sustainability matters in disclosures presented in chapter E2 Pollution. The materiality of biodiversity- and ecosystems-related impacts has been established in the upstream value chain. Due to the limited availability of information, the assessment will require more detailed planning for execution and will be considered in later reporting periods.

## SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework and the WWF Risk Filter Suite, we were unable to identify any material impacts, risks or opportunities with regard to biodiversity and ecosystems in the downstream value chain of our business that would be associated with the products and services we offer.

In our own operations, interaction with biodiversity and ecosystems is concentrated at physical locations, comprising our brick-and-mortar stores and warehouses. Due to the nature of operations, the influence zone is rather narrow. Some of our physical stores and warehouses are in or near areas considered sensitive in terms of biodiversity and ecosystems (such as NATURA 2000 sites). Those locations are, however, in urbanised areas, meaning those sites are not considered to negatively affect sensitive areas by leading to the deterioration of natural habitats and habitats of species, as well as disturbance of species for which protected areas have been designated. Drawing upon these arguments, no sites are considered material in terms of impacts on biodiversity and ecosystems. Through our evaluation processes, we did not conclude that it is necessary to implement mitigation measures for biodiversity-related impacts in our own operations.

In the broader value chain, various upstream organisations interact with biodiversity and ecosystems at different levels. We have not, however, yet conducted a detailed mapping of such companies' operational locations as part of preparing this report. Due to the fact that in our business model, biodiversity- and ecosystem-related matters are material in the upstream value chain, transitional and physical risks and opportunities related to biodiversity and ecosystems were not assessed, nor systemic risks explicitly considered. For the same reasons, we were not able to conduct a consultation with the affected communities in the value chain.

We used the ENCORE tool and WWF Risk Filter Suite to assess our dependencies and impacts on nature in terms of biodiversity and ecosystems. For our own operations, the ENCORE tool identified only a very low materiality level of dependencies for the topics under consideration. Based on that tool and the technical documentation for the SBTN framework, the impact of pollution in our own operations is material. The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| **IMPACTS AND DEPENDENCIES ON BIODIVERSITY AND ECOSYSTEMS** | Impact [Own Operation] | Pollution of the environment, having adverse impacts on biodiversity. [E4_MI-1] |
| | Impact [Value Chain] | Food systems (agriculture, manufacturing) contribute to global GHG emissions, land-use and water-use change, driving loss of biodiversity. [E4_VCMI-1] |

Only pollution-related matters have been deemed material for our own operations, with these matters addressed in more detail under disclosures presented in chapter E2 Pollution. The impacts are detailed further in the table below.

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| E4_MI-1 | Pollutants can degrade natural habitats and disrupt ecosystems. This loss of biodiversity reduces ecosystem services such as pollination, water purification and climate regulation, which are vital for human well-being and environmental health. | Pollution originates from operational activities integral to the company's retail business model. See more in chapter E2 Pollution. | Impacts will persist in the long term, with proper environmental management essential for mitigation. | The Group is directly involved through its own activities that cause pollution. Indirect involvement also occurs through business relationships with suppliers and logistics partners, the practices of which may contribute to environmental pollution. |
| E4_VCMI-1 | Upstream food supply chain emissions, land- and water-use change, and deforestation accelerate climate change, leading to habitat loss and altered ecosystems, as well as driving the loss of biodiversity. In turn, this decline affects ecosystem services essential for human well-being. | The business strategy is related to offering a wide variety of food products to meet consumer demand, involving sourcing from suppliers with practices that may not prioritise reductions in emissions. | The negative impacts are ongoing and expected to intensify over the medium term if current practices persist, potentially leading to irreversible biodiversity loss. | The Group is indirectly involved through its business relationships with suppliers in the agricultural and manufacturing sectors. |

## E4-2 Policies

It has been identified that all biodiversity- and ecosystems-related sustainability topics, apart from invasive alien species, are highly material in the upstream value chain, while only pollution is material in our own operations. The management of pollution-related impacts, risks and opportunities in our own operations has been addressed in chapter E2 Pollution.

The majority of impacts are expected to materialise beyond our Tier-1 suppliers. Due to limited Tier-N visibility, we have therefore been unable to prioritise the development of dedicated policies for biodiversity and ecosystems. Currently, data availability in the value chain is limited for several reasons: the phased-in application of the CSRD among companies and provisions for value-chain information, and the limitations on data gathering arising from the disclosure scope set by the draft LSME.

To address some of these challenges, our Supplier Code of Conduct conveys our expectations that our upstream business partners will manage environmental issues with due care. In addition, our complaint mechanisms, developed under due diligence processes, enable stakeholders to report adverse environmental impacts in the upstream value chain that may not have been identified by existing processes.

For the reasons outlined, the Group did not adopt biodiversity and ecosystem protection, sustainable land and agriculture or sustainable oceans and seas policies. Group companies have, however, drafted, or already adopted a Deforestation-free policy.

# Deforestation-Free Policy

## GROUP COMPANIES THAT HAVE ADOPTED THE POLICY

In 2024: MAXIMA Lithuania

Planned for 2025: MAXIMA Latvia; MAXIMA Estonia; MAXIMA Bulgaria; STOKROTKA; MAXIMA International Sourcing

## KEY CONTENTS OF THE POLICY

General objective: the primary goal of the policy is to ensure that all products associated with deforestation and forest degradation made available on the market by the company are sourced sustainably and legally.

Material matters covered: the policy covers a wide range of sustainable-sourcing-related sustainability matters, including direct impact drivers of biodiversity loss through the deforestation-induced land-use change, land-use rights, environmental protection, third-party rights, human rights protected under international law, free, prior and informed consent (in particular, with regard to indigenous people), adherence to tax laws and anti-corruption.

## SCOPE OF THE POLICY AND EXCLUSIONS

Activities: the policy covers sourcing and procurement, supply chain management, and risk assessment and mitigation activities for relevant commodities and relevant products.

Value chain: the policy covers the whole upstream value chain, the organisation's own operations and the downstream value chain to the extent of application of the EUDR regulation (concerning legal entities that directly purchase relevant commodities or relevant products from the Group company).

Geographies: the policy applies to all actors in the value chain regardless of geography.

Affected stakeholder groups: The primary stakeholders affected by this policy are our own employees, as well as business partners and suppliers.

## MOST SENIOR MEMBERS OF THE ORGANISATION ACCOUNTABLE FOR IMPLEMENTATION

Senior management[6] holds ultimate responsibility for ensuring that the policy is implemented and enforced.

## THIRD-PARTY STANDARDS OR INITIATIVES RESPECTED

The policy aligns with the European Union's Regulation (EU) 2023/1115 and references the Accountability Framework Initiative.

## CONSIDERATIONS GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS

The primary stakeholders considered are affected communities, workers in the upstream value chain and nature as a silent stakeholder.

## AVAILABILITY OF THE POLICY

The policy is publicly available on the website of relevant subsidiaries and communicated to suppliers and stakeholders.

## ADDITIONAL CONSIDERATIONS

The policy is directed towards prevention of deforestation, thus addressing material dependencies on forest ecosystems. Its implementation establishes a mechanism for the traceability of relevant products and commodities through the upstream value chain up to the sourcing of raw materials sourcing fields, ensuring negligible risks from deforestation and the violation of legal requirements. In addition, it addresses the social consequences of harvesting practices on communities and indigenous people. Furthermore, the policy gives preference to certification systems that ensure the segregation of supply chains, thereby enabling traceability of the origins of raw materials.  It also sets out commitments to prioritising relevant products certified under internationally recognised responsible management standards to ensure that raw materials are sourced from responsibly managed land plots or, in the case of cattle, from farms, and comply with relevant legal requirements.

6We define senior management as CEO, and persons, that directly report to the CEO and have other persons under their management.

As the Deforestation-free policy is directly linked to EUDR, it addresses the implementation of measures to prevent deforestation – a direct driver of biodiversity loss – and addresses the upstream value chain, where the impacts are concentrated. The regulatory requirements embedded in the policy support traceability throughout the whole supply chain down to the geolocation of production of relevant raw materials through the gathering of traceability data. Compliance with legal requirements addresses the prevention of social consequences of agricultural expansion and deforestation through the prohibition of placement and making available relevant product on the market.

## E4-3 Actions

### Regulation On Deforestation-Free Products

EUDR has become a cornerstone in driving action to protect biodiversity while addressing a broad range of critical issues within supply chains. Beyond combating deforestation, the regulation introduced legality requirements that promote respect for human, labour and third-party rights, as well as the rights of indigenous peoples. It emphasises the importance of free, prior and informed consent, environmental compliance and tackling other pressing challenges that impact sustainability and fairness in global supply chains.

The regulation targets seven commodities – cattle, cocoa, coffee, palm oil, soya, rubber and wood – and prohibits their placement on the market unless proven deforestation-free and legally produced. Non-SME traders must establish due diligence systems to ensure compliance. Initially set for December 2024, enforcement was postponed until December 2025. This change offered an essential window for companies and authorities that faced major delays in appointing competent bodies to align their efforts, ensuring a smoother and more effective implementation of the regulation.

In preparation, in 2024, Group companies allocated dedicated resources to identifying all relevant items in their assortments subject to the regulation. They have worked to assess the inherent risk levels of non-compliance, based on the country of production, and establish robust due diligence procedures aligned with EUDR requirements. Throughout the year, the companies actively engaged with suppliers to raise awareness about the regulation, encountering significant gaps in understanding among stakeholders.

During 2025, Group companies will concentrate on the development and integration of tools that will enable faster and more efficient due diligence processes for the relevant commodities and products. We consider the scope of the EUDR to be essential for current action, while in the future, building on their experience of implementation, Group companies will be well prepared for implementing Forced Labour Products Regulation (FLPR) and Corporate Sustainability Due Diligence Directive (CSDDD).

The management of pollution-related impacts, risks and opportunities in our own operations has been addressed in chapter E2 Pollution.

It should be noted that no biodiversity offsets were used during the reporting year.

## E4-4 Targets

No measurable outcome-oriented targets were set or implemented by the Group during the reporting period, while the effectiveness of polices and action in the topic on biodiversity and ecosystem management was not tracked. Potential targets in this area will be assessed by Group companies during 2025 and 2026 as part of the implementation and continuous improvement of EUDR-related processes.

# Metrics

## E4-5 Impact Metrics Related To Biodiversity And Ecosystem Change

We consider land-use change (LUC) associated with the food products we offer in our stores to comprise the main metric representing the impact on biodiversity and ecosystems. Group companies are indirectly involved through business relationships with suppliers and producers of agricultural products, with the impacts concentrated in the upstream value chain.

LUC is expressed in $tCO_2e$, which is emitted due to land-use change and measured indirectly applying emission factors. The same factors are used to estimate GHG FLAG emissions, applying SBTi and GHG Protocol methodologies, using statistical LUC and levelling deforestation emissions using linear discounting over a 20-year period following a deforestation event.

LUC associated with food products sold totalled 355,696 $tCO_2e$ in 2024, with no comparative figures available because it was calculated for the first time. More details are available in the Metrics sub-chapter of E1 Climate Change.

# E5 Circular Economy

| | |
|---|---|
| +9% | Total amount of waste generated, YoY |
| -15% | Total amount of non-recycled waste, YoY |
| 26.2% | Share of nonrecycled waste in 2024 |
| +20% | Total amount of waste diverted from disposal, YoY |

Group companies are active in the retail sector, with waste management and efficient use of packaging materials among the most important topics in the field of environmental impact mitigation. As food products account for a significant portion of the goods offered in our stores, we track both food and non-food waste generation and handling, and consider this approach to be sector-specific. In chapter E5, we provide total and non-food waste-related information, while in further sector-specific disclosures, we present food waste-related information.

## SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework and WWF Risk Filter Suite, we were not able to identify circular economy issues concentrated in the downstream value chain of our business that would be associated with the products and services we provide and that is not already captured in identified impacts, risk and opportunities in our own operations or upstream value chain, apart from waste. Based on the stakeholder survey, we concluded that packaging and waste handling are the most important concerns for stakeholders. The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES | |
|---|---|---|
| CIRCULAR ECONOMY AND WASTE | Impact [Own Operation] | Placing products that are packed in non-recyclable packaging on the market diminishes the rate of recycling and increases landfill and incineration demand [E5_MI-1]. |
| | Impact [Own Operation] | Generating non-recyclable waste streams thus increases pressure on the environment [E5_MI-2]. |
| | Risk [Own Operation] | Regulatory risks relating to increased taxes for waste management [E5_MR-1]. |
| | Impact [Value Chain] | Depletion of natural resources driven by high use of virgin materials in packaging, while unmanaged demand results in excessive waste [E5_VCMI-1]. |
| | Impact [Value Chain] | Non-recyclable food packaging creates pressure on waste management systems on the consumer side [E5_VCMI-2]. |

The Group acknowledges the environmental impact of placing products with non-recyclable packaging on the market, especially those that are private-label products. Additionally, we track legislative developments in the field of packaging relating to the circular economy. All of this information is considered in the strategy and business model-driven decisions.

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| E5_MI-1 | Products packaged using non-recyclable materials contribute to increased waste that cannot be processed through recycling systems. The accumulation of non-recyclable waste harms ecosystems, contributes to soil and water contamination, and negatively affects human health. | This impact originates from private-label product packaging strategies used by the Group companies. | The negative impacts are ongoing, with the potential to worsen over the medium term if sustainable packaging practices are not adopted. | The Group is directly involved through its activities by making available non-recyclable packaged products in the market. |
| E5_MI-2 | Our own operations generate flows of waste that if not managed with circularity in mind, lead to increased waste streams. This exacerbates landfill use and greenhouse gas emissions from waste decomposition or incineration. | The impact is connected to the business model and is heavily dependent on food safety regulations affecting contact materials. | The negative impacts are present and are expected to increase over the medium term. | The Group is directly involved through private product label packaging and indirectly through making products available on the market. |
| E5_VCMI-1 | The extraction of virgin materials contributes to the depletion of finite resources, undermining the availability of such resources for other applications. | The food retail business model is directly linked to the use of packaging materials that align with food safety regulations. | The negative impacts are ongoing and expected to escalate over the medium term if reliance on virgin | The Group is indirectly involved through its business relationships with suppliers using virgin materials for packaging. |
| E5_VCMI-2 | The use of non-recyclable or excessive packaging results in increased pressure on waste management systems and the environment on the consumer side. | The food retail business model is directly linked to the use of packaging materials that align with food safety regulations. | The negative impacts are ongoing and expected to escalate over the medium term if reliance on non-circular packaging persists. | The Group is indirectly involved through its business relationships. |

## E5-1 Policies

Group companies have not adopted policies relating to the circular economy. Amendments to the Packaging and Packaging Waste Regulation (PPWR) are the key drivers for future developments in the field of packaging circularity, which we consider to be the main aspect for the retail sector. As the amended regulation was finally approved at the end of 2024, we plan to review the direction drawn and finally agreed by the European policymakers and will establish if dedicated policies in the field of the circular economy should be developed by the Group companies.

## E5-2 Actions

### Deposit System Development In Poland

Initially scheduled to begin on 1 January 2025, Poland's deposit system has been delayed by a government decision, with the enforcement pushed back to 1 October 2025. The deposit system will apply to retail outlets larger than 200 square metres and cover items such as aluminium cans and plastic bottles, with the goal of enhancing recycling efforts and reducing environmental impact. The basis for the introduction of the deposit-refund system in Poland was Directive 2019/904 on reducing the impact of certain plastic products on the environment (SUP Directive). It imposed an obligation on Member States to ensure selective collection for recycling purposes.

STOKROTKA is actively preparing for the integration of the deposit system into everyday operations and held a series of consultations in 2024 with Group companies that operate in Baltic region, where national deposit systems have already been functioning for several years. STOKROTKA is currently in the process of selecting suppliers of reverse vending machines, and is preparing the investment plan for implementation.

### Reduction Of Plastic Film In Logistics

In March 2024, MAXIMA Latvia launched an environmental initiative to cut plastic film use in logistics by nearly 50% through improving delivery processes and alternative goods-securing methods. As a result, the amount of plastic film used in 2024 was 41% lower than in the previous year – a change that not only reduces plastic waste but also boosts operational efficiency, freeing up employee time for other tasks. Results are tracked through reductions in plastic use and cost savings, with the initiative expected to yield substantial environmental benefits and smoother logistics. MAXIMA Latvia plans to continue enhancing supply chain sustainability through similar efforts.

## E5-3 Targets

Drawing from the draft proposal for renewal of PPWR, some Group companies decided to set circular economy-related targets corresponding with the draft regulation. The scope of the targets comprises the private-label "Master's Quality" products, which provide ready-to-eat and ready-to-heat offerings to our customers. Both set targets relate to the recycling layer of the waste hierarchy, and align with the consensus of scientific research[7] and the opinion of stakeholders expressed through a survey – highlighting the importance of recyclable packaging. These targets will contribute to the increased use of circular design for packaging to enable recyclability and the use of circular materials.

In the Baltics, our retail companies have set a target of ensuring that 100% of "Master's Quality" packaging is recyclable by 2030. MAXIMA Lithuania and MAXIMA Latvia have set a target to have at least 30% recycled content in "Master's Quality" PET packaging and at least 10% recycled content in other plastic packaging by 2030.

Both targets are measured annually and the progress will be reported in Sustainability Statements.

## Metrics

## E5-5 Resource Outflows – Products And Materials

We consider the packaging for "Master's Quality" products to be the key outflow. We have set targets for this and will evaluate the recyclable content rate, which we plan to track for plastic and paper/cardboard packaging. As the targets were set at the end of reporting period, the relevant Group companies will establish proper data collection workflows to enable them to report on progress during 2025.

## E5-5 Resource Outflows – Waste

A sizeable amount of our non-food waste comes from various packaging materials. These can range from the wrapping and containers in which our products come to the materials used during maintenance or small-scale repair work. Additionally, we deal with operational waste, which includes things like used containers for cleaning supplies, an assortment of paper waste and other miscellaneous waste generated from our daily operations. We do not create radioactive waste during our operations.

Our food waste predominantly consists of items that are no longer fit for sale or consumption. This includes products that have expired, fruits and vegetables that have perished or become spoiled and waste generated from trimming and preparing food.

The waste data we collect covers our own operations, with the amount of waste generated in our value chain not included in the figures we disclose. It should be noted that to a certain extent, the climate-related impacts of packaging are captured in our Scope 3 GHG inventory: Category 1 covers upstream emissions associated with the production of packaging for the goods we sell, while Category 12 includes the impacts that occur during end-of-life treatment for packaging.

7 The scientific consensus leans toward 100% recyclable packaging being a net positive action under well-managed conditions, although the magnitude and reliability of those positive impacts are situation-specific rather than universally guaranteed. There is substantial scientific and regulatory consensus that when proper controls are in place, the use of recycled plastic in food-contact applications can be safe and environmentally beneficial.

The waste data for year 2023 has been restated after the internal control identified an incompleteness of data for the previous reporting year. In 2024, 5.5% of the waste volume was estimated due to a lack of information about actual waste streams.

Further we provide a summarised information on waste, tailored for the needs of the financial market participants, that are subject to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

| TOTAL AMOUNT OF WASTE GENERATED (FOOD AND NON-FOOD), TONS | COMPARATIVE, 2023 | REPORTING YEAR, 2024 | YoY |
|---|---|---|---|
| Total amount of non-recycled waste | 38,126 | 32,375 | -15% |
| Total amount of waste diverted from disposal | 75,644 | 91,132 | +20% |
| Total amount of waste generated | 113,770 | 123,507 | +9% |
| *Total amount of hazardous waste* | 121 | 80 | -34% |
| *Total amount of radioactive waste* | 0 | 0 | - |

The table below summarises the total waste generated, including food and non-food components, by combining the separate data for each.

| WASTE GENERATION AND DISPOSAL, TONS | COMPARATIVE, 2023 | REPORTING YEAR, 2024 |
|---|---|---|
| **Total amount of waste generated** | 113,770 | 123,507 |
| **Total amount by weight diverted from disposal:** | 75,644 | 91,132 |
| ***Hazardous waste:*** | 91 | 74 |
| *preparation for reuse* | - | 0 |
| *recycling* | 88 | 16 |
| *other recovery operations* | 2 | 57 |
| ***Non-hazardous waste:*** | 75,553 | 91,058 |
| *preparation for reuse* | 3,613 | 853 |
| *recycling* | 70,432 | 85,465 |
| *other recovery operations* | 1,508 | 4,740 |
| **Directed to disposal:** | 38,126 | 32,375 |
| ***Hazardous waste:*** | 30 | 7 |
| *incineration* | 22 | 1 |
| *landfill* | 8 | 5 |
| *other disposal operations* | 0 | 0 |
| ***Non-hazardous waste:*** | 38,096 | 32,369 |
| *incineration* | 3,459 | 40 |
| *landfill* | 33,659 | 30,499 |
| *other disposal operations* | 977 | 1,829 |
| **Total amount of non-recycled waste** | 38,126 | 32,375 |
| **Share of non-recycled waste** | 35.5% | 26.2% |

Waste associated with the packaging of sold products, which is generated at the consumer and end-user level, is reported through GHG emissions associated with the end of life of packaging. The climate impact of this packaging totalled 1,056 $tCO_2e$ in 2024. The figures are presented in Category 12 of the Scope 3 GHG emissions inventory and are available in chapter E1-6.

Packaging for the upstream value chain is evaluated through GHG emissions incorporated in Category 1 of Scope 3. The packaging component is not distinguishable from the total number, and no additional data has been collected from companies in the upstream value chain in the first-year reporting cycle under ESRS standards.

## Non-Food Waste Management

We gather information about both hazardous and non-hazardous non-food waste using our internal business systems. We currently have detailed information from waste management companies and tracking systems on how around 81% of total non-food waste is handled, while the remaining part has been estimated using Eurostat data for each country where we operate. We do not include the movement of beverage deposit packaging or reusable packaging such as EURO pallets in the numbers we report. Similarly, we do not include any data on electronic waste collected in our stores from customers.

| NON-FOOD WASTE GENERATED IN OWN OPERATIONS, TONS | COMPARATIVE, 2023 | REPORTING YEAR, 2024 |
|---|---|---|
| **Total amount of non-food waste generated** | 87,206 | 95,293 |
| **Total amount by weight diverted from disposal:** | 61,368 | 71,744 |
| ***Hazardous non-food waste:*** | 91 | 74 |
| *preparation for reuse* | - | 0 |
| *recycling* | 88 | 16 |
| *other recovery operations* | 2 | 57 |
| ***Non-hazardous non-food waste:*** | 61,277 | 71,670 |
| *preparation for reuse* | - | - |
| *recycling* | 59,770 | 66,930 |
| *other recovery operations* | 1,508 | 4,740 |
| **Directed to disposal:** | 25,838 | 23,549 |
| ***Hazardous non-food waste:*** | 30 | 7 |
| *incineration* | 22 | 1 |
| *landfill* | 8 | 5 |
| *other disposal operations* | 0 | 0 |
| ***Non-hazardous non-food waste:*** | 25,808 | 23,543 |
| *incineration* | 2,444 | 14 |
| *landfill* | 22,620 | 22,166 |
| *other disposal operations* | 744 | 1,363 |
| **Total amount of non-recycled non-food waste** | 25,838 | 23,549 |
| **Share of non-recycled non-food waste** | 29.6% | 24.7% |

The amounts of non-food waste have been collected from the internal waste accounting systems of the Group companies. The estimated share of non-food waste in the reporting period amounted to 5.2% of the non-food total.

When splitting the amounts of non-food waste by disposal and treatment methods, the most recent official statistical information provided by Eurostat per country of operation has been used. More granular operations-specific information was not available at the time this report was prepared.

## Sector-Specific Matters In Environmental Pillar

The following chapters cover sector-specific sustainability matters that fall under environmental pillar. As sectoral ESRS standards had not been developed at the time of preparing the sustainability statement, the information disclosed in these chapters follows the general approach for presentation of sustainability-related information.

+6% | Total amount of food waste, YoY

+13% | Food donation, YoY

Food waste contributes to landfill overflow and has significant economic, social and environmental impacts. It incorporates waste relating to resources used in production, transport and storage, while the decomposition of food releases greenhouse gases, fuelling climate change. Additionally, managing food waste incurs financial costs. To address this, Group companies take active measures to minimise food waste.

The main activities we undertake in our daily operations in the area of food waste prevention are focused on avoiding food wastage, as well as donating food and repurposing waste.

## SBM-3 Impacts, Risks And Opportunities

Food waste is defined as food intended for human consumption but that is discarded, directed for recycling or repurposed as animal feed. When evaluating the topic along the value chain, the materiality level has been assessed as highest on the downstream side due to the fact that households are responsible for more than half the food wasted in the EU. The upstream value chain was not evaluated due to the distinct nature of the issue—here, food loss occurs, referring to a reduction in food quantity or quality due to supply chain processes, excluding the retail and consumer stages.

Food waste is a socio-environmental issue and while acknowledging the environmental impact, we have addressed the views of stakeholders on the social side of things. Based on the stakeholder survey, we conclude that food waste is among the most important issues for them. We decided to disclose the information under the environmental pillar, with the resulting material impacts, risks and opportunities described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| **FOOD WASTE** | Impact [own operations] | Food waste contributes to environmental impacts arising from waste handling and the production of goods. |
| | Opportunity [own operations] | Opportunities in the reduction of losses in operations. |

## Policies And Targets

The Group companies have internal procedures and processes that, based on the judgement of the management, enable adequate administration of the material impacts, risks and opportunities that have been discussed in this chapter. No dedicated policies have been developed, as no need for them has been identified after evaluating current practices. The need for policy development is reviewed annually.

Acknowledging the importance of food waste reduction in own operations and taking into consideration expressed views of the internal stakeholders highlighting the importance of putting focus on this matter, our retail companies in the Baltics have set a target to reduce food wate in own operations. This target relates to the prevention layer of the waste hierarchy. In addition, broad scientific consensus from leading international bodies, including UN Sustainable Development Goals, strongly affirms that reducing food waste yields meaningful environmental, economic, and social benefits.

In Baltics our retail companies set a target to reduce food waste in own operations by 30% from a 2023 base year by 2030.

The target progress is monitored annually, with the results publicly communicated in the sustainability report. So far, the food waste of Group retail companies in Baltics has increased by 12% compared to the baseline, with more details provided in the following sub-chapters.

| FOOD WASTE GENERATION IN OWN OPERATIONS, TONS | BASE YEAR, 2023 | REPORTING YEAR, 2024 | CHANGE FROM BASE YEAR |
|---|---|---|---|
| Baltic retail companies | 12,412 | 13,918 | +12% |

## Actions And Metrics

### Responsible Planning


When Group companies manage inventory, close attention is paid to how often and how much our customers buy different products, which helps in figuring out the right amount of each product to order. In 2024, we started using a unified demand forecasting tool (SAP UDF) in Baltics and Bulgaria, which is a substantial upgrade from the existing method and will assist in order planning by allowing more accurate estimates of the impact of promotions and the evaluation of stock levels in stores. By the end of reporting year, a total of 24 stores in Lithuania and all stores in Latvia and Estonia had already implemented the new process, with plans for the remaining stores to follow suit in 2025. When the project is finalised, the Group companies will be able to predict future demand by modelling different parameters, taking into account historical data on sales, promotions and seasonal events. Through implementation of new forecasting techniques, we aim to decrease out-of-stock levels, write-offs and food waste.

## Food Donations

A portion of unsold food products that are safe for consumption are donated to charitable organisations, with Group companies working with partners in their respective countries on this activity. In 2024, MAXIMA Lithuania included all 240 stores in Lithuania in this process. Food is donated every day and later distributed by the charity organisations to vulnerable individuals in need of support and assistance. Donations include not only dry food items, but also fresh food such as vegetables, meat and dairy products. The inclusion of all shops resulted in an increase in the volume of food donated by 45% (from 1,005 tons in 2023 to 1,452 tons in 2024).

In 2024, MAXIMA Latvia established a clear framework for donating food products labelled "Best Before" after the recommended date, ensuring that surplus food that is nonetheless safe and healthy is directed to those in need. This initiative is carried out in compliance with national regulations and involves collaboration with charities, municipal social services and other registered social care providers that offer meals or facilities for preparing food. The donated products include healthy food items carefully selected to meet the nutritional needs of recipients, reinforcing commitment to social responsibility and reducing food waste. The project will continue in 2025, with the number of stores that actively participate in the donation of products expanding from the 74 as at the end of 2024.

| FOOD DONATIONS, TONS | COMPARATIVE, 2023 | REPORTING YEAR, 2024 | YOY, % |
|---|---|---|---|
| **Lithuania** | 1,005 | 1,452 | +45% |
| **Latvia** | 402 | 359 | -11% |
| **Estonia** | 1,091 | 1,378 | +26% |
| **Poland** | 1,229 | 1,018 | -17% |
| **Bulgaria** | 0 | 0 | 0% |
| **Total** | 3,727 | 4,207 | +13% |

## Food waste management

Food waste generated during our operations is managed in such a manner that it has as low an environment impact as possible. Food waste unsuitable for human consumption is either given to farmers or sent for recycling for the production of biogas, biofuels and energy. The remaining amount is directed towards safe utilisation by food waste management service providers. A total of 10% of reported food waste amounts in 2024 has been estimated due to a lack of data.

| FOOD WASTE GENERATED GENERATED (OWN OPERATIONS), TONS | COMPARATIVE, 2023 | REPORTING YEAR, 2024 |
|---|---|---|
| **Total amount of food waste** | 26,564 | 28,213 |
| **Total amount of food waste given to farmers:** | 3,613 | 853 |
| **of which food waste of animal origin** | 804 | 407 |
| **of which fat waste of animal origin** | 4 | 4 |
| **of which food waste of non-animal origin** | 2,805 | 442 |
| **Total amount of food waste sent for recycling (biogas, biofuels and energy)** | 10,663 | 18,534 |
| **of which food waste of animal origin** | 2,507 | 8,614 |
| **of which fat waste of animal origin** | 257 | 268 |
| **of which food waste of non-animal origin** | 7,737 | 9,481 |
| **of which cooking oil waste** | 162 | 171 |
| **Total amount of food waste sent for disposal (not recycled)** | 12,288 | 8,826 |

The gross wight of food waste is reported, meaning the amounts include the weight of the packaging.

# Social Information

## S1 Own Workforce

9.7%

Growth
of average annual
remuneration

EUR 58 million

Annual
benefits
package

53% male and 47% female

Top
management
breakdown

Our Group deeply values its employees, recognising them as the cornerstone of our success. We are committed to nurturing a positive and dynamic workplace culture that inspires motivation, encourages engagement and fosters teamwork. At the heart of our organisational culture lie three fundamental values: awareness, responsibility and self-belief. The culture is designed to celebrate the diverse backgrounds and unique contributions of each individual, and we place a high priority on nurturing personal freedom and individuality within our team. This approach not only creates a more inclusive work environment, but also drives innovation and creativity.

Furthermore, we believe that the skills required for a role extend beyond just technical and professional competencies, with emotional intelligence being equally crucial. We therefore encourage and support our team members in their journey to develop and enhance their emotional intelligence. Our aim is to not just succeed in our business endeavours, but to do so in a manner that is enriching and fulfilling for every member of our team.

Our own workforce consists of our own employees and non-employee workers, with this report covering both groups. Employees can be broken down by functions into several major groups:

1. Store employees – employees who work in retail locations, including cashiers, aisle staff and customer service representatives.
2. Warehouse employees – employees who work in warehouses and distribution centres, who are responsible for activities such as inventory management and logistics.
3. Administrative employees – individuals who working at the headquarters, including those in marketing, finance and human resources, as well as the management teams.

| GENDER SPLIT OF EMPLOYEES[8] | MALE | FEMALE | OTHER | NOT REPORTED | TOTAL EMPLOYEES |
|---|---|---|---|---|---|
| **Lithuania** | 2,668 | 9,724 | - | - | 12,392 |
| **Latvia** | 1,486 | 4,653 | - | - | 6,139 |
| **Estonia** | 779 | 2,334 | 1 | - | 3,114 |
| **Poland** | 1,901 | 10,371 | - | - | 12,272 |
| **Bulgaria** | 529 | 1,966 | - | - | 2,495 |

8 We apply the same methodology for calculating the employee head count for financial and non-financial disclosures, with the total number of employees equal to that provided in the financial statements. Unless otherwise stated, we report all employee numbers as of 31 December of the reporting period.

During the reporting year, we had an average of 2,120 FTE[9] of non-employee workers, who were mainly warehouse workers, shop assistants, order pickers and couriers. Most of these workers are provided by undertakings primarily engaged in employment activities (NACE Code N78).

Throughout the Group companies, there are no employment contracts involving non-guaranteed hours. During the reporting period, changes in the share of permanent and temporary employees, and in full- and part-time employees were not material, while the majority of employees within the Group companies were permanent

| DISTRIBUTION BY EMPLOYMENT TYPE | 2023 | 2024 |
|---|---|---|
| **Permanent employees** | 30,696 | 30,176 |
| **Temporary employees** | 7,132 | 6,236 |
| **Employees with non-guaranteed hours** | - | - |
| **Full-time employees** | 31,206 | 29,851 |
| **Part-time employees** | 6,622 | 6,561 |

## SBM-3 Impacts, Risks And Opportunities

The materiality of matters relating to our own workforce has been assessed in line with the general methodology. Impacts, risks and opportunities are only examined for our own operations according to the nature of the topic. We have referred to the CSR Risk Check tool to review the risks associated with the countries of operation, as identified by organisations through different studies. Our evaluation has covered sustainability matters established under ESRS 1.

No impacts have been identified that arise from transition plans for reducing negative effects on the environment and achieving greener and climate-neutral operations.

Based on CSR Risk Check information, our own operations are not exposed to forced labour, human trafficking, or child labour risks.

The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| **OUR EMPLOYEES** | Impact [own operations] | Unsafe working condition may cause death or serious health damage. [S1_MI-1] |
| | Impact [own operations] | Adverse impact on human and labour right, violating salient and fundamental rights. [S1_MI-2] |
| | Risk [own operations] | Minimum wage increases and competitor actions impose risks to operational costs, employee retention and attraction. [S1_MR-1] |

Group companies prioritise social responsibility in employment practices, ensuring fair treatment, proper compensation and safe working conditions – which are key aspects of fundamental labour rights. Business processes are set out in accordance with national regulations and good practices, ensuring proper management of work-related adverse impacts. Appropriate policies and procedures are implemented in daily operations, shaping the business model to foster a safe and tolerant culture.

9 Detailed methods for calculation of FTE are presented in the metrics sub-chapter S1-7 – Characteristics of non-employees in the undertaking's own workforce.

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| S1_MI-1 | Inadequate safety measures can result in workplace accidents, causing serious injuries or fatalities and adversely affecting employees' physical health. | Directly linked to the business model through the approach to Occupational health and safety (OHS) management. | The negative impacts are current and expected to persist over the medium term without proper management. | Direct involvement through OHS management practices. |
| S1_MI-2 | Actions that violate salient and fundamental human and labour rights lead to social harm and ethical breaches. | Directly linked to the business model through the corporate culture and approach to human capital management. | The negative impacts are current and expected to escalate over the medium term without proper management. | Direct involvement through corporate culture. |

The impacts identified help shape and refine our strategy and business model. We benchmark our wages against industry standards and do not use zero-hour contracting in our employment practices. In response to impacts related to workloads, rest periods, and occupational health and safety measures, we constantly reassess staffing levels, dedicate resources to training and professional development, and upgrade safety protocols. These operational changes help prevent occupational injuries and reduce absenteeism. Similarly, concerns over discriminatory pay practices, harassment and inequality have informed our business functions in terms of conducting pay equity reviews and making amendments to remuneration setting practices. These workforce insights do not merely adjust internal policies or operating procedures, but also shape broader strategic directions. By embedding workforce considerations in our processes, we ensure that human capital factors are integral to the company's overarching strategic direction.

We have identified key workforce-related risks and opportunities linked to our business model: labour market fluctuations challenge talent retention, but drive improvements in wages, training and career growth; health and safety compliance reduces the risk of lost work hours, fines and reputational damage while enhancing productivity; addressing pay equity and non-discrimination builds trust, loyalty and workforce cohesion; skills development mitigates quality and attrition risks while fostering efficiency and innovation; and strict data privacy compliance safeguards against financial and reputational harm, reinforcing stakeholder trust and operational integrity.

We classify human and labour rights impacts as widespread due to the Group's extensive retail presence, while health and safety impacts are linked to individual incidents concentrated at operational sites.

During the assessment, we identified that employees working in e-commerce, warehouses and food production units are at higher risk of negative impacts related to health and safety inherent to the nature of the operational activity. These specific activities are inherently exposed to a wider variety of factors that influence occupational health and safety.

## S1-1 Policies

In Group companies, human rights are respected and ethical business conduct is established through our Equal Opportunities and Diversity Policy and our shareholder's "Vilniaus prekyba" Code of Business Ethics (described in more detail in the G1 Business Conduct chapters).

The Group has not established any dedicated policies that explicitly address trafficking in humans, forced or compulsory labour, or child labour. Issues involving human trafficking and child labour are not material for our own operations, while issues of forced and compulsory labour that are material in the form of modern slavery are addressed in the "Vilniaus prekyba" Code of Business Ethics (described in more detail in the G1 Business Conduct chapters) through fair employment practices and non-discrimination clauses, as well as a general stance against unethical practices that includes opposition to labour exploitation. These provisions also express the principle of respect for human rights.

The grievance and whistle-blower[10] channels established in the Group companies are made available for our own employees to report any instances of misconduct and enable us to monitor compliance with the fundamental rights established under the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

10 More information about whistle-blower mechanisms is available in chapter G-1 Business conduct.

The Equal Opportunities and Diversity Policy is specifically aimed at eliminating discrimination including harassment, promoting equal opportunities and other ways to advance diversity and inclusion, and fostering respect for human rights. The policy does not put forth any commitments relating to inclusion or positive action for people in groups at particular risk of vulnerability in our own workforce.

# Equal Opportunities And Diversity Policy

## GROUP COMPANIES THAT HAVE ADOPTED THE POLICY

MAXIMA International Sourcing; MAXIMA GRUPĖ; FRANMAX; All Group retail companies, except MAXIMA Estonia.

## KEY CONTENTS OF THE POLICY

General objective: to outline key principles for gender equality and non-discrimination, and promote high standards for responsible business conduct.

Material matters covered:  equal treatment and opportunities for all.

## SCOPE OF THE POLICY AND EXCLUSIONS

Activities: the policy applies to all activities within the Group companies, including all aspects of employment such as hiring, working conditions, professional development, performance evaluation and dismissal. It ensures non-discrimination and equal opportunities across all job functions and positions.

Value chain: the policy specifically focuses on the internal operations of Group companies, and does not cover the upstream or downstream value chain.

Geographies: the policy applies to all Group companies regardless of geography.

Affected stakeholder groups: The primary stakeholders affected by this policy are employees of the Group companies.

Grounds for discrimination specifically covered in the policy:  racial and ethnic origin, colour (covered through racial and ethnic origin), sex, sexual orientation, gender identity (covered indirectly through general non-discrimination), disability, age, religion, political opinion, national extraction or social origin, language, membership of associations, and intentions to have children.

## MOST SENIOR MEMBERS OF THE ORGANISATION ACCOUNTABLE FOR IMPLEMENTATION

CEO of the respective Group company.

## THIRD-PARTY STANDARDS OR INITIATIVES RESPECTED

The policy references the Ten Principles of the UN Global Compact.

## CONSIDERATIONS GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS

The policy is fundamentally designed to protect and promote the interests of all Group employees.

## POLICY AVAILABILITY

The policy is available on the intranet and the corporate websites of some of the Group companies.

## POLICY IMPLEMENTATION

The policy is implemented through internal procedures and training that address the prevention of discrimination.

Group companies have established management systems for workplace accident prevention management that enable proper procedures for the implementation of health and safety measures in the workplace. More details about the systems are available in chapter S1-14 Health and safety metrics.

## S1-2 Engaging With Own Workforce And Workers' Representatives

Across the Group companies, employee dialogue and engagement channels vary based on local and national circumstances. Where trade unions or workers' councils are present, the Group upholds employees' right to legal representation without fear of retaliation. Additionally, internal communication channels are available for employees to raise concerns and engage in dialogue. Throughout the Group, the Head of Human Resources or CEO of the company are ultimately responsible for engagement.

MAXIMA Latvia and STOKROTKA conduct annual engagement and satisfaction surveys to further support the process. Meanwhile, MAXIMA Lithuania carries out an annual psychosocial risk assessment in which employees can anonymously express how they feel at work.

HR departments conduct interviews and surveys to better understand any obstacles that may be experienced by vulnerable employee groups and solutions that can be implemented to overcome them. Among other things, Ukrainian refugees who work in Group companies are considered more vulnerable due to their personal circumstances. To help them integrate more easily, the companies ensure these people receive work-related information in an understandable language.

The effectiveness of the engagement process is assessed through surveys, feedback sessions and turnover trends.

## S1-3 Processes For Remediation And Channels To Raise Concerns

Employees can raise concerns through different channels at their disposal. These include hotlines, email channels for reporting grievances, email addresses for whistleblowing, representatives of trade unions or works councils, and reporting to their direct supervisors. Responsible persons evaluate whether employees are aware of and trust the channels through ad hoc surveys, interviews and the feedback they receive.

Investigating a complaint involves analysing its content, verifying the information it contains, interviewing employees who are still working at the company or have left or have been dismissed, interviewing heads of departments, asking security staff to check video footage to verify certain details, trying to identify the people responsible and setting up a complaints investigation committee if deemed necessary. When a report of possible violence and/or harassment is received, a committee of at least three people is always set up to examine the content of the report, investigate the circumstances of the incident and decide on the appropriate action to be taken.

For instances in which a Group company identifies through investigation that a situation has caused or contributed to a material negative impact on its own employees, the relevant unit manager, to the extent of their authorisation, should immediately take actions to ensure the provision of mediation and remediation in due time. When the remediation actions require participation of a higher level of company management, the appropriate people are informed and participate in processes. Meanwhile, appointed employees monitor the implementation of such remediation measures.

When submitting grievances, employees may choose to stay anonymous. In addition, Group companies have implemented whistleblower mechanisms and processes to prevent retaliation against employees who raise concerns. These are described in more detail in chapter G1-1 Business Conduct policies and corporate culture.

# S1-4 Actions

Group companies identify a particular actual or potential negative impact that requires a response through employee surveys, consultations with stakeholders and employee representatives (such as workers' councils and trade unions), grievance mechanisms and internal audits to gather insights into areas of concern. The actions are then developed by relevant departments, allocating human and financial resources with the aim of providing proper management of identified negative or positive impacts. Group companies are guided by the "Vilniaus prekyba" Code of Business Ethics to ensure that their own practices do not cause or contribute to material negative impacts on their own workforce. More information about the Code of Ethics is available in chapter G-1 Business Conduct.

## Training And Skills Development

In Latvia, the "Think – Act – Inspire" (Domā – Dari – Iedvesmo) education development programme for store managers was introduced in July 2024 to improve the skills of store managers, focusing on strategic thinking, operational effectiveness and inspirational leadership. Designed as two-day, in-person training, the programme aims to support store operations, boost customer satisfaction and foster a positive workplace by equipping managers to think more broadly, act intentionally and inspire their teams. The initial phase of the programme concluded in November 2024, with 13 groups and 150 store managers participating. Each manager leaves the programme with at least one practical tool they plan to apply to their daily tasks, ensuring actionable takeaways. Moving forward, we anticipate continuing this programme to further strengthen our management framework based on organisational needs.


MAXIMA Lithuania has introduced an internal initiative called "Maximanija" to enhance understanding of store operations and drive continuous improvement. All head office employees undergo training and work at the cash desk for three days every year, with this hands-on experience providing valuable insights into business processes, customer interactions and operational challenges. A similar initiative was implemented at MAXIMA GRUPĖ, UAB in the first half of 2024. Employees identified practical improvements for enhancing efficiency, productivity and customer experience, with their suggestions collected, assessed for feasibility and implemented across the store network, contributing to better performance and service quality. A total of 13 proposals were selected, with five approaching the final stages of implementation by the end of 2024 and remaining to be put in place during 2025. The initiative will continue in the upcoming periods.

In Poland, the 13th edition of the STOKROTKA Express Manager (SME) development programme was launched in 2024. Its purpose is to develop the competencies of employees towards promotion to the position of Regional Manager. As part of the programme, which lasts five months, selected Store Managers undergo a series of training sessions to prepare them for the role.

### Occupational Health And Safety

MAXIMA Lithuania has initiated a project to enable all regional directors with a higher-education degree to obtain a qualification as occupational health and safety specialists. This qualification will enable them to advise new store directors on OHS documentation and procedures, do spot checks on OHS compliance, and suggest corrective and preventive actions when needed. This project will be finalised in 2025 and contribute to the implementation of the total recordable incident rate (TRIR) target.

## S1-5 Targets

In 2024, retail companies in the Baltics set targets for the number of accidents per hours worked for the 2024-2030 period. The indicator used to track the target, which is equivalent to the TRIR, is calculated as the total number of recordable incidents divided by the total number of hours worked in 2024 multiplied by 1 million. During the stakeholder survey, employees highlighted occupational health and safety as a focus area. Targets were set based on actual performance in previous years.

The goal in the 2024-2030 period is for the average number of accidents per 1 million hours worked to not exceed 6.7 at MAXIMA Lithuania, 4.5 at MAXIMA Latvia and 6.0 at MAXIMA Estonia.

Progress on this target is reported on an annual basis, making it available to all stakeholders. The improvement measures are established and taken by each individual company based on the operational performance, which is tracked by each company's occupational health and safety specialists. More details on the results achieved are provided in chapter "S1-14 – Health and safety metrics".

| | MAXIMA LITHUANIA | MAXIMA LATVIA | MAXIMA ESTONIA |
|---|---|---|---|
| **Rate of recordable work-related accidents (TRIR), 2024** | 8.1 | 5.6 | 6.0 |
| **Long-term average TRIR goal** | 6.7 | 4.5 | 6.0 |

# Metrics

## S1-6 Characteristics Of The Undertaking's Employees

In the countries where our companies operate, the national laws do not allow persons to identify as non-binary on their personal ID documents. Due to this and because the General Data Protection Regulation limits how we can collect personal data, not all Group companies gather information about our employees' gender identities, but only report gender based on what is stated in legal identity documents. The total number of employees in the table below corresponds to that in Note 1 of the financial statements.

**EMPLOYEE HEADCOUNT BREAKDOWN BY GENDER ON 31 DECEMBER 2024**

| GENDER | NUMBER OF EMPLOYEES (HEAD COUNT) |
| --- | --- |
| **Male** | 7,363 |
| **Female** | 29,048 |
| **Other** | 1 |
| **Not reported** | 0 |
| **Total Employees** | 36,412 |

**EMPLOYEE HEADCOUNT BREAKDOWN BY COUNTRY ON 31 DECEMBER 2024**

| GENDER SPLIT OF EMPLOYEES | NUMBER OF EMPLOYEES (HEAD COUNT) |
| --- | --- |
| **Lithuania** | 12,392 |
| **Latvia** | 6,139 |
| **Estonia** | 3,114 |
| **Poland** | 12,272 |
| **Bulgaria** | 2,495 |

**INFORMATION ON EMPLOYEES BY CONTRACT TYPE AND GENDER AS OF 31 DECEMBER 2024**

| GENDER | FEMALE | MALE | OTHER | NOT DISCLOSED | TOTAL |
| --- | --- | --- | --- | --- | --- |
| **Number of employees (head count)** | 29,048 | 7,363 | 1 | 0 | 36,412 |
| **Number of permanent employees (head count)** | 23,985 | 6,190 | 1 | 0 | 30,176 |
| **Number of temporary employees (head count)** | 5,063 | 1,173 | 0 | 0 | 6,236 |
| **Number of non-guaranteed hours employees (head count)** | 0 | 0 | 0 | 0 | 0 |
| **Number of full-time employees (head count)** | 24,083 | 5,767 | 1 | 0 | 29,851 |
| **Number of part-time employees (head count)** | 4,965 | 1,596 | 0 | 0 | 6,561 |

### INFORMATION ON EMPLOYEES BY CONTRACT TYPE BROKEN DOWN BY REGION: AS OF 31 DECEMBER 2024

| | LITHUANIA | LATVIA | ESTONIA | POLAND | BULGARIA |
|---|---|---|---|---|---|
| **Number of employees (head count)** | 12,392 | 6,139 | 3,114 | 12,272 | 2,495 |
| **Number of permanent employees (head count)** | 11,741 | 6,070 | 3,073 | 6,833 | 2,459 |
| **Number of temporary employees (head count)** | 651 | 69 | 41 | 5,439 | 36 |
| **Number of non-guaranteed hours employees (head count)** | 0 | 0 | 0 | 0 | 0 |
| **Number of full-time employees (head count)** | 11,879 | 1,328 | 2,681 | 11,694 | 2,269 |
| **Number of part-time employees (head count)** | 513 | 4,811 | 433 | 578 | 226 |

The employee turnover rate is calculated by dividing the total number of employees who leave – whether voluntarily or through dismissal, retirement or death – by the average number of employees. This average is determined by taking the arithmetical mean of the employee count at the end of the previous reporting year and the end of the current reporting period.

| GENDER | TOTAL NUMBER OF EMPLOYEES, 2024 | TOTAL NUMBER OF EMPLOYEES, 2023 | TOTAL NUMBER OF EMPLOYEES, 2022 | EMPLOYEE TURNOVER, % |
|---|---|---|---|---|
| **Male** | 7,363 | 7,638 | 5,703 | 76.0% |
| **Female** | 29,048 | 30,190 | 12,363 | 41.7% |
| **Other** | 1 | 0 | 0 | 0% |
| **Total** | 36,412 | 37,828 | 18,066 | 48.7% |

On 3 March 2024, Barbora Polska Sp. z o.o. ceased operations. This event impacted the employee turnover rate, making it no longer comparable. For this reason, the additional employee turnover indicator, eliminating Barbora Polska from the calculation, is provided further.

### EMPLOYEE TURNOVER, EXCLUDING BARBORA POLSKA SP. Z O.O.:

| GENDER | TOTAL NUMBER OF EMPLOYEES, 2024 | TOTAL NUMBER OF EMPLOYEES, 2023 | TOTAL NUMBER OF EMPLOYEES, 2022 | EMPLOYEE TURNOVER, % |
|---|---|---|---|---|
| **Male** | 7,363 | 7,487 | 5,552 | 74.8% |
| **Female** | 29,048 | 30,132 | 12,305 | 41.6% |
| **Other** | 1 | 0 | 0 | 0.0% |
| **Total** | 36,412 | 37,619 | 17,857 | 48.2% |

## S1-7 Characteristics Of Non-Employees In The Undertaking's Own Workforce

We report non-employee workers as full-time equivalents. To do this, we add up all the hours worked by contractors from employment service companies (classified under NACE code 78) and self-employed workers. We then divide this total by the number of working hours in a year for a standard employee who works five days a week for eight hours each day. We adjust this calculation for national holidays, but do not account for annual vacation time. During the reporting year, we had an average of 2,120 FTE among non-employee workers.

## S1-8 Collective Bargaining Coverage And Social Dialogue

At the end of the reporting period, 49.4% of total employees in the Group were covered by collective bargaining agreements. There were no agreements for employee representation by the European Works Council (EWC), Societas Europaea (SE) Works Council or Societas Cooperativa Europaea (SCE) Works Council during the reporting period. At the end of January 2024, a trade union was established at UAB "Barbora".

| | COLLECTIVE BARGAINING COVERAGE | | SOCIAL DIALOGUE |
|---|---|---|---|
| COVERAGE RATE | EMPLOYEES – EEA (FOR COUNTRIES WITH >50 EMPL. REPRESENTING >10% TOTAL EMPL.) | EMPLOYEES – NON-EEA (ESTIMATE FOR REGIONS WITH >50 EMPL. REPRESENTING >10% TOTAL EMPL.) | WORKPLACE REPRESENTATION (EEA ONLY) (FOR COUNTRIES WITH >50 EMPL. REPRESENTING >10% TOTAL EMPL.) |
| 0-19% | Estonia, Poland, Bulgaria | | Estonia |
| 20-39% | | | |
| 40-59% | | | |
| 60-79% | | | |
| 80-100% | Lithuania, Latvia | | Lithuania, Latvia, Poland, Bulgaria |

## S1-9 Diversity

Ensuring diversity and equal opportunities is an important part of our business conduct. Throughout our companies, we have a diverse workforce that includes people of various ages, gender identities, backgrounds and other characteristics that we embrace and do our best to support.

| OWN EMPLOYEE SPLIT BY AGE GROUP | <30 YEARS | 30-50 YEARS | >50 YEARS | TOTAL: |
|---|---|---|---|---|
| **Male** | 2,123 | 3,430 | 1,810 | 7,363 |
| **Female** | 4,217 | 14,091 | 10,740 | 29,048 |
| **Other** | 1 | - | - | 1 |
| **Not reported** | - | - | - | - |
| **Total employees** | 6,341 | 17,521 | 12,550 | 36,412 |
| **Distribution** | 17.4% | 48.1% | 34.5% | 100% |

At the end of the reporting period, the gender distribution within our top management stands at 53% males and 47% females. We believe, that this composition aligns well with what is generally considered to be good practice in terms of gender representation in the EU, i.e. adhering to the 60/40 gender-ratio.

In the context of this report, top management has been defined as including individuals who are one and two levels below the administrative and supervisory bodies of each Group company.

| TOP MANAGEMENT BREAKDOWN | HEAD COUNT, PERSONS | DISTRIBUTION, % |
|---|---|---|
| **Male** | 69 | 52.7% |
| **Female** | 62 | 47.3% |
| **Other** | - | 0% |
| **Not reported** | - | 0% |
| **Total Employees** | 131 | 100% |

## S1-10 Adequate Wages

All our companies operate in countries with legally set minimum wages that meet the concept of adequate wages, while we ensure that 100% of our employees are compensated in line with the regulations. The EU Commission is updating the methodologies and approaches to establish minimum salaries, ensuring that actualisation of suitable pay is imbedded in national laws.

During the reporting year, the total average annual remuneration increased by 9.7% compared to previous year, while the annual benefits package (bonuses excluded) has reached EUR 58 million.

## S1-11 Social Protection

All of our employees are covered by social protection through public programmes against loss of income due to major life events, including sickness, unemployment, employment injury and acquired disability, parental leave and retirement.

## S1-14 Health And Safety Metrics

Our health and safety management systems are based on legal requirements in the countries of operation and cover 100% of our employees in every company within our Group. Each company has appointed specialists or divisions responsible for maintaining and implementing OHS standards. Our staff are instructed on our protocols and are advised to halt work in the event of a hazardous situation. Typically, the regulations are outlined in an Internal Rules of Working Procedures handbook within our organisations. If a risk is detected or a situation endangers an employee's safety or health, the three essential actions are to STOP work immediately, REMOVE oneself from the dangerous area and REPORT the incident to a supervisor as soon as feasible.

| WORK-RELATED SAFETY METRICS, OWN WORKFORCE | COMPARATIVE, 2023 | REPORTING YEAR, 2024 | YOY, % |
|---|---|---|---|
| Number of fatalities as a result of work-related injuries and work-related ill health (own employees) | 0 | 0 | 0% |
| Number of high-consequence work-related injuries | 4 | 16 | +300% |
| Number of recordable work-related accidents | 433 | 457 | +6% |
| Rate of recordable work-related accidents (TRIR) | 6.98 | 7.01 | +0% |
| Number of cases of recordable work-related ill health | 27 | 123 | +356% |
| Rate of high-consequence work-related injuries[11] (excluding fatalities) | 0.06 | 0.25 | +281% |

With regard to the training of employees on health and safety, all newly hired employees undergo initial training before they commence work. Other employees are trained at intervals determined by management systems based on the findings of ongoing risk assessments and improvement processes. Typically, internal health and safety training for department heads is conducted at least once every three years, while training in hygiene skills for all company employees is provided at least once every five years. Employees engaged in hazardous jobs, such as manual handling and working with hazardous chemicals, receive internal health and safety training at least once every five years. Workers performing hazardous tasks like operating electric forklift trucks undergo internal health and safety training at least once every three years. Similarly, employees working with potentially dangerous equipment, including lifts/elevators, are trained at least once every three years. External first aid training is provided at least once every five years. A total of 24,648 employees received training on health and safety during 2024.

## S1-15 Work-Life Balance Metrics

100% of our employees, irrespective of age or gender, are entitled to family-related leave (maternity leave, paternity leave, parental leave and carers' leave) through national laws.

| FAMILY-RELATED LEAVE, 2024 | FEMALE | MALE | TOTAL |
|---|---|---|---|
| Number of employees who took family-related leave | 2,281 | 318 | 2,599 |
| Number of employees who were due to return from family-related leave during the reporting period | 1,337 | 293 | 1,630 |
| Number of employees who returned to work after family-related leave ended during the reporting year | 1,024 | 197 | 1,221 |
| Return-to-work rate | 76.6% | 67.2% | 74.9% |
| Percentage of employees who took family-related leave | 7.9% | 4.3% | 7.1% |

11 Calculated as ratio of high-consequence work-related injuries per 1 million hours worked.

## S1-16 Remuneration Metrics

The unadjusted gender pay gap has been calculated as the difference in average pay levels between female and male employees expressed as percentage of the average pay level of male employees. The figures are provided for the whole group and for individual countries of operation. The country breakdown is made available to better understand the differences in pay that related to purchasing power and local circumstances in different countries of operation. The figures provided include only data for Group companies that had more than 150 employees on 31 December 2024.

| REGION | GROUP | LT | LV | EE | PL | BG |
|---|---|---|---|---|---|---|
| **Unadjusted gender pay gap** | 13.3% | 15.0% | 5.8% | 11.3% | 9.9% | 25.4% |

## S1-17 Incidents, Complaints And Severe Human Rights Impacts

During the reporting year, there were no cases of severe human rights violations within our workforce, meaning that no fines, penalties or compensation for damages were incurred.

| | |
|---|---|
| **Total number of incidents of discrimination, including harassment** | 7 |
| **Number of complaints filed through internal channels (own workforce)** | 35 |
| **Number of complaints filed through external channels (own workforce)** | 13 |
| **Number of complaints filed with National Contact Points for OECD multinational enterprises** | 0 |
| **Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above** | 0 |

Disclosure policy: we track and report total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints for amounts above EUR 10,000.

# S2 Workers In Value Chain

The backbone of the food retail industry lies in its upstream value chain, in which a vast and diverse workforce operates on a global scale. These workers play an essential role in performing a wide range of tasks, ensuring that the journey of food products from agricultural fields to production to the customer's table is seamless. The complexity and breadth of this value chain opens a broad spectrum of human-centred impacts, risks and opportunities, making it an important area for attention and ongoing improvement.

## SBM-3 Impacts, Risks And Opportunities

The materiality of workers in value chain topics has been assessed in line with the general methodology. To better understand how workers in the value chain may be affected, we have referred to the CSR Risk Check tool to review the risks associated with the countries of origin of the products (including ingredients) sold in our retail chains, as identified by different organisations through different studies. Our evaluation has covered sustainability matters established by ESRS 1.

Based on the information available to us, we did not identify any actual impacts on value chain workers that we are causing, contributing to or directly linked to. However, we recognise potential reputational risks arising from business relationships with companies that may not adhere to good practices and laws on working conditions, gender equality, human rights and labour rights. These potential impacts inform our strategy, leading us to strengthen our processes and engage more closely with our suppliers to ensure compliance for the most critical commodities that have been identified in the EUDR regulation. This approach mitigates risks and leverages opportunities for enhancing our brand reputation and customer trust.

Workers in the value chain who face a higher risk of adverse impacts on their labour and human rights – including child and forced labour – are primarily those employed by entities in our upstream value chain, such as those involved in commodity harvesting and goods manufacturing. These risks are more prevalent in countries outside the EU. To address this risk, Group companies have introduced a Supplier Code of Conduct. For products that fall under EUDR regulation (made from commodities: coffee, cocoa, cattle, soya, palm oil, rubber and wood), a more detailed risk-based approach through the due diligence system is currently being implemented.

The resulting material impacts, risks and opportunities are described further in this chapter. It should be noted that current visibility on the upstream value chain is limited, while the risks we have identified could not be related to specific groups of value-chain workers as opposed to all value chain workers.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| **WORKERS IN THE VALUE CHAIN** | Risk [own operations] | Reputational risks related to the material matters identified arising from relationships with businesses that do not adhere to good practices and laws in the field of human and labour rights. [S2_MR-1] |
| | Impact [value chain] | Suppliers that do not enforce work-related rights recognised by international standards, nor ensure human rights in the upstream value chain, contribute to severe violation of human and labour rights among value-chain employees. [S2_VCMI-1] |

The Group recognises the importance of having an ethical and responsible supply chain that ensures adequate management of human and labour rights. Group companies have laid down the expected level of responsible supply chain practices in the Supplier Code of Conduct, and have reserved the right to withdraw from an agreement if the code is violated and the supplier is not willing to provide remediation to affected persons. The introduction of the code has resulted in changes of sourcing practices that have become an inseparable part of the retail business model.

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| S2_VCMI-1 | Suppliers that fail to enforce proper working conditions, enforce equal treatment, disregard internationally recognised work-related rights and expose workers to hostile, unsafe, discrimination-driven environments. Such organisations may engage in practices such as forced labour, child labour, denial of freedom of association, and suppression of collective bargaining. | The procurement strategy and responsible sourcing practices have indirect links to value chain risks. | The negative impacts are current. Without proper management and intervention, these issues may escalate over the medium term. | The Group is indirectly involved through its business relationships with suppliers. |

## S2-1 Policies

The Group companies have implemented a Supplier Code of Conduct that embeds respect for human rights, including the labour rights of workers in the value chain. For implementing the code in operations, Group companies have established channels that enable reporting instances of misconduct in the value chain. All such reports are investigated with due care, with mediation processes initiated where deemed necessary to ensure remediation of adverse human rights impacts. More information about the Supplier Code of Conduct is available in chapter G-2 Management of relationships with suppliers.

Additionally, MAXIMA Lithuania has established a Deforestation-free policy, that addresses human and labour rights of the specified commodities at the level of sourcing of raw commodities. More information is available in chapter E4 Biodiversity and Ecosystems.

These policies explicitly align with internationally recognised instruments relevant to value chain workers, including the United Nations Guiding Principles on Business and Human Rights (UNGP). The policies put forward the expectation for suppliers to implement human rights due diligence in line with the UNGP. Suppliers are encouraged to establish such processes proportionate to the size and nature of their operations, focusing on preventing and addressing human rights violations throughout the supply chain.

There have been no reported instances of severe human right violations or non-compliance with the UNGP, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving value chain workers connected to the Group companies.

## S2-2 Engaging With Value Chain Workers

Group companies do not have processes for regular engagement with value chain workers. Credible proxies, such as CSR Risk Filter, and the Business and Human Rights Resource Centre are used to get insights into the situations involving value chain workers. Direct engagement occurs in response to legal requirements or substantiated allegations.

## S2-3 Processes For Remediation And Channels To Raise Concerns For Value Chain Workers

Group companies provide external channels for stakeholders, including value chain employees, to raise concerns and submit grievances. These channels, which are also used for reporting misconduct (with more information available in the sub-chapters of G1 Business Conduct), are publicly accessible and regularly monitored to ensure effectiveness. Group companies maintain active communication with stakeholders, engaging through various channels and responding promptly to their interests and concerns.

While Group companies do not actively engage with value chain workers, they encourage suppliers to implement their own grievance and due diligence mechanisms, which are proportionate to the company size and scope of activities through the Supplier Code of Conduct.

## S2-4 Actions

During the reporting year, our actions with regard to workers in the value chain have concentrated around pursuing compliance with EUDR, which addresses actual adverse impact and material risks related to non-respect of human and labour rights among value-chain workers in the area of relevant high-risk commodities. We consider the set of products within the scope of the regulation as constituting the primary focus area for action in the near-term period and foresee expanding the coverage of products following legislative developments and increased maturity of our own processes. More information is available in chapter E4 Biodiversity and Ecosystems.

During the reporting year, there were no instances for which we would have identified ourselves as causing or contributing to actual adverse impact on value-chain employees that would require mediation or remediation actions. The identification of such instances is primarily based on the reports of misconduct filed through our grievance and whistleblowing mechanisms. In cases for which misconduct were to be reported, Group companies would actively engage in dialogue with the relevant supplier, dedicating appropriate human resources to the process and evaluating which actions should be taken in response to substantiated violations. In cases whereby the supplier has breached the Supplier Code of Conduct, Group companies reserve the right to terminate a contract, if the supplier is not willing to provide remediation.

## S2-5 Targets And Metrics

Group companies have not set specific targets or metrics for managing negative impacts, enhancing positive impacts or addressing material risks and opportunities related to workers in our value chain. This is primarily due to awaiting further guidance on newly introduced regulations, particularly FLPR. These guidelines are expected to provide a structured framework for addressing labour and human rights risks in the upstream value chains.

At this stage, we are prioritising adherence to EUDR regulation for relevant commodities, as we believe this will establish a solid foundation for a risk-based approach to due diligence. By focusing resources on implementing this regulation, we aim to address the most critical commodities and strengthen labour and human rights protections within our supply chain.

Group companies did not establish any specific metrics that track the progress of targets or actions in the field of workers in the value chain.

# S4 Consumers And End-Users

Customer satisfaction is key to our success, benefiting both internal and external stakeholders. We are committed to providing high-quality, affordable products that exceed customer expectations. We are also dedicated to enabling our customers to make choices that are healthier and more sustainable by providing a broad selection of products that are beneficial for them and the environment. Whether our customers are in search of fresh food products, organic items or eco-friendly household goods, we strive to make it straightforward for them to make choices.


## SBM-3 Impacts, Risks And Opportunities

The materiality of consumers and end users in relation to sustainability matters has been assessed in line with the general methodology. Our evaluation covered all consumers that might be affected and included the matters established under ESRS 1.

Different groups of our customers have varying levels of exposure to impacts identified during the materiality assessment process. We considered those different groups during the evaluation process to capture the severity of different impacts.

### GENERAL CONSUMERS PURCHASING FOOD AND CONSUMER GOODS

Our retail stores offer products that may be inherently harmful if misused or consumed in excess. These include tobacco products, alcoholic beverages and foods high in sugar, salt or fats, which can increase the risk of chronic diseases. All of our consumers rely on accurate and accessible product information available through the relevant labelling system, user manual or ingredients catalogues to make informed decisions and use products safely. Information on allergens, nutritional content, expiration dates and safe operation of devices is essential to safeguard our customers' health from possible harm.

### CUSTOMERS USING LOYALTY PROGRAMMES

Customers that have enrolled in our loyalty programmes or that use our online shopping platforms provide personal data that requires dedicated data protection measures. The way we handle this personal data is related to the customers' rights to privacy and data protection. Socially and financially vulnerable individuals may be more affected by targeted marketing and promotional offers that could influence their purchasing decisions. Our marketing practices consider different groups of customers that tailor an offering in such a manner as to prevent the communication of misleading information or unresponsible purchasing habits.

### CUSTOMERS PURCHASING PRODUCTS FOR CHILDREN

Products intended for children require special consideration due to their vulnerability. Parents and caregivers depend on us to provide safe products with appropriate age recommendations and safety warnings to prevent accidents or health issues.

The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| OUR CUSTOMERS | Impact [own operations] | Personal data safety breaches resulting in leaks of personal information. [S4_MI-1] |
| | Impact [own operations] | Discriminatory practices that have a negative impact on a person, including those arising from biases or limited accessibility for handicapped persons. [S4_MI-2] |
| | Risk [own operations] | Reputational damage and fines in the event of irresponsible marketing practices. [S4_MR-1] |
| | Impact [value chain] | Without access to (quality) information, customers may use the products in a damaging way, acquiring products to which they are allergic. [S4_VCMI-1] |

The Group companies take the safety and well-being of their customers and end-users seriously. We recognise the critical importance of protecting personal data to prevent breaches that could compromise sensitive information. As part of our commitment to data security, we implement robust measures to safeguard personal data in compliance with applicable regulations. We are committed to preventing discrimination and bias in our operations and services, while we also strive to make our stores accessible to individuals with disabilities and ensure our products remain affordable for socially vulnerable groups.

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| S4_MI-1 | Breaches of personal data safety can lead to unauthorised access and leakage of customers' personal information. This can result in identity theft, financial fraud and loss of privacy. | The impact originates from the Group companies' data management practices. Reliance on digital systems and online transactions is integral to the business model. | The impacts are current, while it is expected that the materiality will increase in the medium term. | The Group is directly involved through its handling of customer data. |
| S4_MI-2 | Discrimination in customer services or marketing can alienate certain groups, leading to unequal treatment. | The Group companies' policies and practices may not adequately address diversity and inclusion, leading to unintentional biases. | The impacts are current and are expected to persist in the medium term. | The Group is directly involved through its customer service practices, employee behaviours and marketing strategies. |
| S4_VCMI-1 | Without access to accurate and comprehensive product information, customers may misuse products or unknowingly purchase items to which they are allergic, potentially resulting in health hazards. | Linked to the Group's strategy on providing detailed product information, clear labelling and a business focus on considerations linked to customer health and | The impacts are current and the materiality is expected to increase in the medium term. | The Group is directly involved through its private-label product-labelling practices, and indirectly in the case of branded products. |

The identified material impacts associated with our operations and products were differentiated based on whether they are widespread or systemic, and whether they are related to individual incidents or specific business relationships. Personal data breaches were considered systemic impacts because they stem from potential vulnerabilities within data management systems that could potentially affect all customers. The lack of access to quality information leading to damaging product use is a widespread impact that affects a large number of customers across all regions. Food safety issues that impact consumer health comprise both widespread and systemic impacts; these concerns can broadly affect consumers, and may potentially arise from systemic issues within supply chains and quality control processes.

Discrimination practices arising from biases and accessibility challenges for people with disabilities are systemic impacts that stem from store design, which may impact these groups. Negative impacts caused by misleading marketing and greenwashing are related to individual incidents and specific business relationships, typically resulting from specific marketing campaigns or actions by certain business partners rather than being widespread or systemic. Group companies are committed to addressing these negative impacts by implementing necessary systemic changes, enhancing processes and taking proactive measures to prevent widespread harm.

## S4-1 Policies

# Privacy Policy

**GROUP COMPANIES THAT HAVE ADOPTED THE POLICY**

Retail and e-commerce Group companies; MAXIMA International Sourcing; FRANMAX

**KEY CONTENTS OF THE POLICY**

General objective: the Privacy Policy defines the procedures and purposes for collecting and processing personal data and the scope of the data, as well as informing persons who use the company's services or visit its website of their rights.

Material matters covered: privacy of all consumers and end users.

**SCOPE OF THE POLICY AND EXCLUSIONS**

Activities: handling of personal data defined in the policy.

Value chain: the policy specifically focuses on the operations of Group companies, and does not cover the upstream or downstream value chain.

Geographies: the personal data is mainly processed within the EU, yet some information from website visits may be processed or shared with companies inside and outside the EEA – including the US – through services such as Google Analytics and Facebook ads.

Affected stakeholder groups: consumers are the primary stakeholders affected by this policy.

**MOST SENIOR MEMBERS OF THE ORGANISATION ACCOUNTABLE FOR IMPLEMENTATION**

CEO

**THIRD-PARTY STANDARDS OR INITIATIVES RESPECTED**

The policy commits to upholding relevant legislation on data protection in the EU. It does not explicitly reference third-party standards or initiatives.

**CONSIDERATIONS GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS**

The policy considers the interests of customers and their privacy-related rights.

**AVAILABILITY OF THE POLICY**

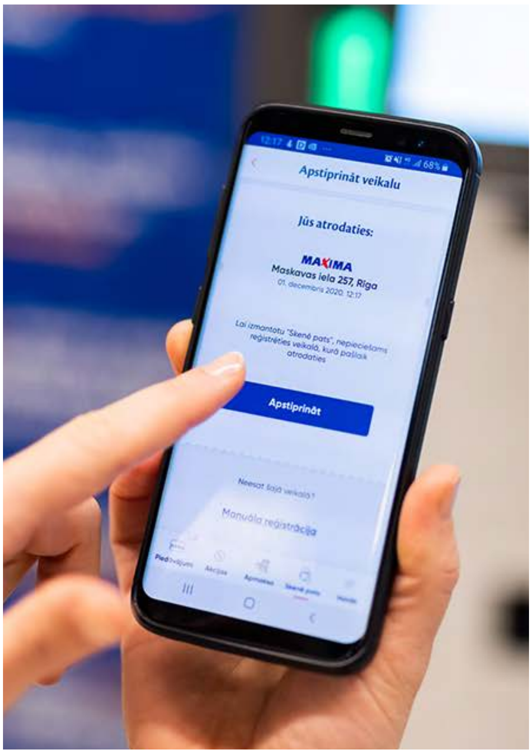
The policy is published on the Group companies' websites, ensuring public access and transparency.

Group companies do not have a separate dedicated human rights policy that explicitly addresses consumers and end-users. The grievance and whistleblower channels, comprising hotlines established at the companies, are made available for customers and end users to report any instances of misconduct and enable us to monitor alignment with fundamental rights established under the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The channels are accessible through the company websites, with additional information available on ways to communicate with us at in-store information desks and on the packaging for our private-label products.

As a responsible business, we respect the human rights of our customers and end-users, and address any instance of substantiated non-compliance or violation of human rights that we have caused or to which we have contributed. Appropriate measures are established based on the nature of the negative impact and implemented by the relevant functions within the Group companies that are in the position to address the issue raised or identified and monitor the implementation.

## S4-2 Engaging With Customers

In the Group, we prioritise ensuring that all our interactions with customers are characterised by honesty, transparency and timeliness. We use a variety of channels to disseminate information to our customers, including newspapers, weekly flyers, customer magazines, television advertisements and our official websites. Recognising the diverse preferences of our customer base, we also engage with them through social media platforms such as Facebook, LinkedIn and Instagram. This approach allows us to connect with those customers that prefer the immediacy and convenience of social media.




While the specific communication tools available may vary by country, we ensure that customers across all regions can contact us, ask questions and provide feedback. In most countries, we offer several options for customers to reach out to us, including by phone and email, in person at our stores, through our loyalty app and via various social networks. This comprehensive approach to customer communication reflects our commitment to accessibility and responsiveness, allowing us to effectively meet the needs and preferences of our diverse customer base. Head of Customer Support or Director of the Retail Department are usually responsible for ensuring the engagement processes are active.

To better understand the specific circumstances of particularly vulnerable groups, we engage with different non-governmental organisations and monitor the information that reaches us through grievance and whistleblower channels.

The effectiveness of engagement channels is assessed by relevant communications departments at the Group companies, applying selected indicators for evaluation that differ depending on the type of engagement tool used. The results are communicated to the company management.

## S4-3 Processes For Remediation And Channels To Raise Concerns For Customers

Complaints and reports filed by our customers and end users through grievance and whistleblower channels available either directly or anonymously are thoroughly investigated. This process involves analysing the content of the complaint, verifying its facts, interviewing relevant employees, asking security staff to check video footage to verify certain facts, and setting up a complaints investigation committee if deemed necessary.

In instances for which a Group company identifies that it has caused or contributed to a material negative impact on customers and end users, the relevant unit manager, to the extent of their authorisation, will immediately take actions to ensure the provision of mediation and remediation in due time. When remediation actions require the participation of a higher level of company management, such persons are informed and participate in the processes. Appointed employees monitor the implementation of such remediation measures.

Group companies do not have dedicated processes to assess whether customers and end-users are aware of and trust processes through which complaints, grievances and reported instances of misconduct are submitted. Internal evaluations based on how actively our customers file reports suggests that the channels have an appropriate level of visibility and accessibility.

## S4-4 Actions

Group companies identify a particular actual or potential negative impact that requires response through customer surveys, consultations with stakeholders and NGOs, and grievance mechanisms. Related actions are then developed by relevant departments, with the aim of properly addressing any negative impacts identified. For instances in which an adverse impact has occurred, remediation is provided and responsible persons appointed based on the nature of the impact oversee the implementation and effectiveness of the outcomes.

When tensions arise between preventing or mitigating negative impacts and meeting other business objectives, Group companies rely on established decision-making processes and ethical considerations to guide actions. The companies are prepared to accept short-term limitations on sales or marketing strategies if they pose a credible risk to consumer interests. To ensure proper use of customer data, we rely on internal processes and privacy policies that ensure our handling of data is in line with regulations and best practices.

### Access To Information

We place extra emphasis on fulfilling our customers' needs for access to information on the quality and composition of our products. To cater to these needs in our non-prepacked-goods sections, we have introduced QR codes that provide comprehensive details about the products, including information about allergens. Additionally, customers can obtain information they require directly from our staff or by calling the contact numbers provided on product labels. In the event of a public recall, in line with our internal procedures we display recall notices in our stores, whereby customers can return the product for a refund.

### Leading Retailer In Latvia

In July 2024, MAXIMA Latvia was recognised as the leading retailer for customer services in Latvia for the fourth consecutive year, according to an independent study by European customer service improvement company Dive Group. The study, conducted in May and June 2024 using the mystery shopper method, awarded MAXIMA Latvia a high customer service rating of 91.98%. The evaluation covered various criteria, including shopping environment, consultant communication, additional sales skills and courtesy during the service process.

## S4-5 Targets And Metrics

Group companies did not set specific long-term targets related to managing negative impacts, advancing positive impacts, or addressing material risks and opportunities in relation to customers and end-users. The Group companies operate in such a manner that operational functions set quarterly targets that address the identified IROs through dedicated, relevant and timely actions.

### Consumer Privacy

Group companies track the total number of breaches involving personally identifiable customer information to assess the overall effectiveness of internal processes with regard to their personal data safety. To ensure proper management of risks associated with private data, among other measures, the companies carry out training for employees – especially those associated with higher risk due to their function. During the reporting period, a total of 2,084 employees considered to perform functions at risk of personal data breaches received training on cybersecurity, GDPR, personal data handling and other related fields.

### Sector-Specific Matters In The Social Pillar

The following chapters cover sector-specific sustainability matters that fall under the social pillar. As sectoral ESRS standards had not been developed at the time the sustainability statement was prepared, the information disclosed in the chapters aligns with the general approach for presentation of sustainability-related information.

## SBM-3 Impacts, Risks And Opportunities

Materiality has been assessed in line with the general methodology, while impacts, risks and opportunities have been examined for our own operations. The results are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| **AFFORDABILITY** | Risk [own operations] | Financial risks associated with sustaining offerings at low prices. |
| **FOOD SAFETY AND QUALITY** | Impact [own operation] | Food offerings that are not safe or of low quality have negative impacts on the health of consumers. |

## Policies And Targets

The Group companies have internal procedures and processes that, based on the judgement of the management, enable adequate management of the material impacts, risks and opportunities discussed in this chapter. No dedicated policies have been developed, as no need for such policies has been identified after evaluating the current practices. The need for policy development is reviewed annually.

Group companies have not set any long-term targets connected to the material impacts, risks or opportunities identified for retail sector-specific social matters. The Group companies operate in such a manner that operational functions set quarterly targets. These targets address the IROs identified through dedicated, relevant and timely actions.

## Actions And Metrics

### Product Safety And Quality

At our stores, product safety is our top priority across all categories we offer in our assortment, whether it involves food or non-food products. We are acutely aware that our customers depend on us to supply products that are safe for use and consumption, and we have implemented a range of measures to ensure that our products adhere to the highest safety standards. Our entire Group adheres to the HACCP food safety management system, ensuring compliance in every aspect.

We maintain stringent policies and procedures that mandate our suppliers to submit all necessary documentation demonstrating their products' compliance. These include safety data sheets, organic or eco-certifications and any other pertinent certifications. To verify the safety and quality of our products, we carry out both scheduled and ad hoc laboratory tests. Furthermore, we conduct supplier audits to confirm that their manufacturing environments and safety assurance processes align with our high standards. We also have specialised teams dedicated to monitoring and swiftly addressing any issues related to our products. By placing a strong emphasis on product safety and quality, we strive to foster trust with our customers and uphold a favourable reputation in the marketplace.

To ensure product quality and safety, Group companies perform in-house and outsourced fit-for-use tests in addition to supplier tests. Samples are taken from production and examined by independent testing labs or in-house labs for specific technical and chemical parameters. We also rely on our Quality and Food Safety team and external auditors to implement related procedures and assess relevant indicators. At our own or partner warehouses, we apply comprehensive quality control procedures for the acceptance of fresh foods such as fruit, vegetables and fresh meat. This involves assessing various parameters to determine quality issues such as cold-chain temperature violations and inconsistencies in product appearance and smell. Only goods that pass all assessments are made available for sale. These measures ensure quality across the entire supply chain.

| | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| **PRODUCT SAFETY ASSESSMENTS THROUGH SAMPLING** | **FOOD** | **NON-FOOD** | **TOTAL** | **FOOD** | **NON-FOOD** | **TOTAL** |
| **Total number of samples analysed** | 2,505 | 676 | 3,181 | 2,104 | 334 | 2,438 |
| **Of which samples of private-label products** | 1,839 | 676 | 2,515 | 797 | 334 | 1,131 |
| **Own control samples analysed** | 2,401 | 517 | 2,918 | 1,947 | 284 | 2,231 |

Following our stringent product safety and quality assurance procedures, a total of 264 food safety recalls were made during the reporting period, compared with 82 in 2023.

MAXIMA International Sourcing continued participating in international schemes for more sustainable sourcing and maintained Roundtable for Sustainable Palm Oil (RSPO), Ecolabel and Rainforest Alliance licences. The company's private label products, which comply with the stringent requirements of the aforementioned schemes, are marked with seals that signify conformity, and communicate traceability and responsible sourcing of core ingredients.

During 2024, a new "Quality Checked by J. S. Hamilton" seal was introduced on some of MAXIMA International Sourcing's fresh meat, poultry, fish and seafood, and milk private label products under the "Well Done" brand. The seal signifies that additional quality and food safety checks have been conducted by the J. S. Hamilton laboratory, ensuring the highest quality standards for private label products.

In 2024, MAXIMA Lithuania expanded the functionality of handheld terminals and the software solution for the food safety system. After doing that, our internal quality inspectors and experts can check both the shelf life of products and goods, and the quality of fruit and vegetables using the same terminals previously used only to check price labels. This has reduced the time needed to carry out monthly quality audits by around 80 hours, and has enabled swift and paperless data exchange.

## Affordability At The Core Of Business

The affordability of the products we offer is part of our business. All Group companies put dedication, effort, time and knowledge into ensuring that the most affordable offerings meet the needs of different customers: from the socially vulnerable to families to people on the move, the idea is that everyone should be able to find a perfect fit.

In 2024, MAXIMA Lithuania placed a strong emphasis on price reductions, launching a variety of campaigns to offer lower prices to customers. These initiatives included weekly and monthly promotions on selected goods, as well as a dedicated campaign providing a 50% discount on non-food items when purchasing two or more of them. According to research by PRICER.LT in 2024, the average basket of the cheapest groceries in MAXIMA Lithuania's shops was the least expensive among competitors in Lithuania every month in which this was measured, meaning the company consistently offered the most affordable grocery basket throughout the year.

In 2024, STOKROTKA launched a new campaign called "Cheap is here." Under this, the company brings the offerings of its stores closer to customers based on attractive prices, freshness and comprehensiveness. To provide customers with lower prices, we have introduced new initiatives, including additional coupons that further reduce the amount due. STOKROTKA also introduced the "Cheaper is not possible" campaign, part of which enabled selected products to be bought for PLN 0.01 when the total value of purchased goods passed a set threshold. In addition, STOKROTKA reduced the regular prices of more than 600 products, with the new lower prices covering products from both well-known brands and private labels.

# Governance Information

## G1 Business Conduct

### SBM-3 Impacts, Risks And Opportunities

The materiality of sustainability matters relating to business conduct has been assessed in line with the general methodology. Our evaluation covered all consumers that might be affected and included sustainability matters that established by ESRS 1.

The resulting material impacts, risks and opportunities are described further in this chapter.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| RESPONSIBLE BUSINESS CONDUCT | Impact [own operations] | A bad corporate culture impacts human and labour rights through possible violation of international treaties and responsible business practices. [G1_MI-1] |
| | Impact [own operations] | Inappropriate Payment practices have a substantial impact on the business continuity of suppliers, especially SMEs, due to shortages in cashflows. [G1_MI-2] |
| | Risk [own operations] | Regulatory risks or lost market access due to corruption scandals or political and social instability. [G1_MR-1] |
| | Impact [value chain] | Inappropriate business conduct practices by actors in the value chain cause adverse impacts on people and nature. [G1_VCMI-1] |

| | IMPACT ON PEOPLE AND ENVIRONMENT | LINK TO STRATEGY AND BUSINESS MODEL | TIME HORIZON | NATURE OF INVOLVEMENT |
|---|---|---|---|---|
| G1_MI-1 | An unhealthy corporate culture that neglects ethical standards can lead to violations of human and labour rights. Such a culture undermines international treaties and responsible business practices. | The impact originates from leadership decisions and organisational culture. | Negative impacts are current and will persist in the medium term. | The Group is directly involved through its internal practices and culture. |
| G1_MI-2 | Delayed payments or unfavourable payment terms can strain suppliers' cash flows, especially when it comes to small- and medium-sized enterprises. This may lead to operational difficulties and, in severe cases, business failure. | Directly linked to the business model through payment practices. | The negative impacts are current and may intensify during the medium term if not managed. | The Group is directly involved through its financial practices and contractual terms. |
| G1_VCMI-1 | Without adequate standards of business practice in the value chain, misconduct and human rights violations in deep-tier suppliers may go unreported and unmanaged. | By not requiring or encouraging suppliers to establish responsible business conduct practices, critical accountability matters become unmanageable. | Negative impacts are current and will persist in the medium term. | The Group is indirectly involved through its relationships with suppliers. |

# G1-1 Business Conduct Policies And Corporate Culture

In the dynamic landscape of everyday operations, each entity within our Group adheres to a conduct framework characterised by fairness, ethical practices and strict compliance with the legal statutes of their respective operational jurisdictions. This commitment forms the bedrock of our organisational ethics.

Central to our business conduct approach are three core policies: our Equal Opportunities and Diversity Policy, Anti-Corruption Policy and Supplier Code of Conduct. These policies are not merely procedural documents; they are the crystallised result of three decades of corporate evolution within our Group and are aligned with the foundational principles of our shareholder's "Vilniaus prekyba" Code of Business Ethics. The policies define our general operational philosophy, ensuring alignment with our core values and business objectives, and serve as a framework for our governance in the sustainability field, ensuring accountability and adherence to our commitments towards stakeholders. This Code of Business Ethics, together with the Anti-Corruption Policy, sets out a zero-political-contributions approach throughout the Group companies' operations.

## Code of Business Ethics

The "Vilniaus prekyba" Code of Business Ethics sets ethical standards for responsible and transparent business conduct. The policy addresses risks related to labour rights, fair employment, non-discrimination, anti-corruption, customer protection and environmental responsibility. Compliance with the policy is monitored through established reporting channels that allow employees and stakeholders to raise concerns about violations.

The policy applies to all employees and business operations across all markets, with no exclusions relating to geographies or business activities. It covers internal operations and relationships with business partners, customers, suppliers and other external stakeholders.

Accountability for the policy's implementation rests with the company's senior management team, ensuring that ethical standards are upheld at all levels. The policy considers stakeholder interests by promoting fair treatment, safety and transparency. It is available to employees and relevant stakeholders through internal and external communication channels.

Together, these policies disclose guiding principles, ensuring that our governance framework operates not only within the realm of regulatory compliance, but also upholds the highest standards of ethical and responsible business practices.

Our dedication extends beyond mere policy approval, and we actively engage in educating our employees and business partners about our commitments. This educational initiative is a cornerstone of our corporate responsibility, ensuring that all parties involved are not only aware of our policies, but are also aligned with their principles and objectives.

To facilitate understanding and adherence, we have ensured that these policies are readily accessible, being available on both our public websites and our intranet portals. Moreover, we conduct annual training sessions for our employees across the Group, designed to reinforce our policies and ensure their consistent application across all our subsidiaries regardless of geographic location.

The functions most at risk of corruption and bribery are the purchasing, supply chain management and real estate management departments. These functions are monitored and overseen by robust controls within our companies through established lines of defence, including but not limited to internal, financial, and compliance controls, as well as internal audit. Senior management is informed about all instances of fraud or corruption, alongside the Audit Committee.

### General Features Of The Whistle-Blowing Mechanism In The Group:

Registering a submission by a person

Pseudonymizing the personal data of the whistleblower

Assessing the prima facie conformity of the report and providing an assessment to the responsible person, who evaluates the subbmision and makes a decision.

If the submission is confirmed to be prima face valid, the committee processes the submission within 2-3 days.

The committee must make a decision no later than 3 months from the date of receipt of the submission.

If the information provided by the whistleblow-er is recognized as true, the committee decides on further actions, such as applying disciplinary punishments, making amendments to internal at procedures, etc.

Informing the person of the decision to either recognize or not recognize the submission as a whistleblower's report within 3 days

Informing the whistleblower about the progress of the report's examination within 2 months

Informing the whistleblower about the final decision

All our new employees are introduced to the policies cited above during the onboarding process. The training topics include an introduction to policy and an overview of corruption, competition law, abuse of dominant positions, conflicts of interest, gifts and other favours, nepotism and backroom politics.

Until 1 September 2024, Estonian law lacked comprehensive, cross-sectoral regulation for whistleblower protection. Estonia's respective law, the Act on Protection of Persons Who Report Work-Related Breaches of European Union Law, came into force on that date. Group companies operating in that market did not therefore previously have a channel implementing whistleblower protection confirming to Directive (EU) 2019/1937. Estonian companies have approved the appropriate policies and mechanisms at the start of 2025.

Remaining companies in the Group with over 50 employees have established different whistleblower mechanisms that are most appropriate taking into account national circumstances, with a strong commitment to investigate business conduct incidents promptly, independently and objectively.

Group companies did not put forth dedicated policies that address animal welfare. Compliance with animal-welfare-related national regulation is embedded in supply contracts through requirements to comply with the applicable rules. Additional quality control measures, such as on-site audits, are carried out by Group companies, including examining compliance with animal-welfare-related regulations as part of general checks.

## G1-2 Management Of Relationships With Suppliers

We expect our suppliers to conduct their business ethically and transparently, making sure their products are made fairly and with minimal environmental impact. To support this, we introduced a Supplier Code of Conduct back in 2020. This code outlines how our Group's businesses aim to work sustainably with suppliers by promoting ethical, professional and fair practices. That includes respecting human rights, adhering to business ethics and protecting the environment. Our suppliers must comply with all relevant laws and regulations in their countries, treat their employees with fairness and respect, and ensure a safe and healthy workplace. Furthermore, we require our suppliers to follow environmental laws and standards, and be responsible for their environmental footprint. The Supplier Code of Conduct was revised during the reporting period and updated to highlight expectations to follow key international good-practice documents setting the standards for respect of human and labour rights. The revised version will be adopted by the Group companies during first half of 2025.

Most of our supply chain is managed by local Group retail companies, whereby product selection, negotiation and procurement processes are handled at the country level, with the aim of enhancing regional and local sourcing. The remaining products in the supply chain are managed by MAXIMA International Sourcing, which is responsible for centralised sourcing. That organisation offers purchasing and negotiation services to Group companies, and develops private label brands. Acting as a wholesaler, MAXIMA International Sourcing buys goods from suppliers and delivers them to operators either via a warehouse or directly. This centralised delivery model significantly improves operational efficiency and allows the Group to exercise better control over the quality of its products and services.

# Supplier Code Of Conduct

## GROUP COMPANIES THAT HAVE ADOPTED THE POLICY

Revised version: MAXIMA Lithuania; MAXIMA GRUPĖ.

Year 2020 version: remaining retail Group companies; MAXIMA International Sourcing; FRANMAX.

## KEY CONTENTS OF THE POLICY

The Supplier Code of Conduct outlines the minimum standards that suppliers must meet, aimed at promoting ethical and responsible business conduct, respect for human rights, environmental responsibility and fair labour practices within the Group's value chain. The primary objectives include ensuring sustainable and responsible practices, protecting human rights and mitigating risks of unethical behaviour across the supply chain.

## SCOPE OF THE POLICY AND EXCLUSIONS

This code applies to all suppliers and subcontractors within MAXIMA Group's value chain across all geographical locations where it operates. The policy covers a wide range of stakeholders, including suppliers, subcontractors and, indirectly, their employees, communities and local environments. There are no explicit exclusions stated within this policy.

The revised version of the policy explicitly addresses human trafficking, forced labour and child labour.

## THIRD-PARTY STANDARDS OR INITIATIVES RESPECTED

The revised version of the code aligns with recognised international standards and frameworks. These include the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration, the International Bill of Human Rights and the principles of the UN Global Compact, which encompass human rights, labour, environmental and anti-corruption principles.

## CONSIDERATIONS GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS

In developing this code, the Group has given due consideration to the interests of stakeholders, aiming to create a fair, respectful and ethical environment within the supply chain. The policy's requirements are intended to align with internal and external stakeholder expectations for environmental responsibility, human rights protection and ethical business conduct.

## AVAILABILITY OF THE POLICY

The code is available on the corporate website as an addendum to the contracts.

## POLICY IMPLEMENTATION

Group companies reserve the right to conduct assessments, inspections and audits to confirm that suppliers adhere to the code and the standards explicitly mentioned in it.

In addition to the Supplier Code of Conduct, Group companies have introduced a Deforestation-Free Policy, detailed further in chapter E4 Biodiversity and Ecosystems. This policy establishes a mandatory requirement for suppliers of relevant products to support our commitment to due diligence of supply chains. Suppliers must enable Group companies to audit their due diligence systems, ensuring transparency and compliance. These audits gather critical information to confirm that the products are produced legally and are free from deforestation or forest degradation.

## G1-3 Prevention And Detection Of Corruption And Bribery

The fundamental principles for prevention and detection of corruption and bribery are laid down in the Anti-Corruption policy. The policy is implemented by Group companies through the introduction of processes integrated into daily operations.

# Anti-Corruption Policy

### GROUP COMPANIES THAT HAVE ADOPTED THE POLICY

All retail Group companies; FRANMAX; MAXIMA GRUPĖ.

### KEY CONTENTS OF THE POLICY

General objective: the policy aims to establish fundamental principles and guidelines to prevent corruption within Group companies, promoting integrity, transparency and accountability. It focuses on ensuring compliance with laws and maintaining high ethical standards in business conduct.

Material matters covered: the policy addresses significant risks, such as corruption, conflicts of interest and unethical procurement practices. It enforces a zero-tolerance approach to bribery, influence peddling and nepotism – activities that could damage the Group's reputation and operations.

### SCOPE OF THE POLICY AND EXCLUSIONS

Activities: the scope of the Corruption Prevention Policy is broad and applies to all employees within the Group companies, including members of management, supervisory bodies and committees, as well as individuals engaged through civil contracts or other arrangements, regardless of the nature or form of their relationship with the Group.

Value chain: the policy encompasses all activities and operations across the Group's upstream and downstream value chain, ensuring that corruption prevention measures are implemented uniformly.

Geographies: the policy applies to all Group companies regardless of geography.

Affected stakeholder groups: the primary stakeholders affected by this policy are employees (including management, supervisory bodies and committees), business partners and suppliers, regulatory bodies and public sector officials.

### MOST SENIOR MEMBERS OF THE ORGANISATION ACCOUNTABLE FOR IMPLEMENTATION

The management of each Group company is accountable for implementation of the policy, taking responsibility for setting the tone for ethical conduct and ensuring that the policy's principles are adhered to within their areas of responsibility.

### THIRD-PARTY STANDARDS OR INITIATIVES RESPECTED

The policy commits to upholding relevant legal standards and principles, including national and international laws relating to anti-corruption. It does not explicitly reference third-party standards or initiatives.

### CONSIDERATIONS GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS

The policy considers the interests of several key stakeholders, including employees, business partners, suppliers, contractors and public sector entities. In setting the policy, there is a clear emphasis on creating a fair, transparent and corruption-free business environment that benefits all stakeholders involved with the Group.

### AVAILABILITY OF THE POLICY

The policy is published on the Group companies' websites, ensuring public access and transparency.

Dedicated training on corruption prevention is carried out by the Group companies, ensuring that the required knowledge and understanding is fostered among employees. Meanwhile, all current and newly joining employees are acquainted with the Anti-corruption Policy. The companies have identified a total of 1,264 persons to be performing functions considered at risk from corruption or bribery. Of that number, a total of 485 employees received dedicated training on corruption and bribery prevention during 2024.

## G1-4 Incident Of Corruption And Bribery

We actively engage in monitoring the implementation of our anti-corruption policy at all levels, and strongly encourage and support the reporting of any activities that may pose a risk of misconduct. To ensure the safety and confidence of our employees, we guarantee protection and anonymity for those who come forward. During the reporting period, there was 1 case of abuse of rights confirmed through internal investigation and employment relationships with the employee concerned have been terminated. The case did not result in fines for the Group companies.

To mitigate risks, Group companies conduct security inspections when corruption concerns arise, with dedicated employees reviewing agreements to ensure consistency across contracts, invoices and procurement tenders. Regular training reinforces ethical standards, while internal audits and investigations help identify and address potential breaches. Violations are met with appropriate disciplinary actions, from warnings to termination or, when necessary, legal proceedings.

The outcomes of the investigations are communicated to the management board at Group level and to the audit committee. During the reporting year, there were no convictions relating to violation of anti-corruption or anti-bribery laws that resulted in fines.

## G1-6 Payment Practices

Group companies have established internal controls and procedures, that ensure prevention of late payments. Our payment practices are in line with applicable national regulations that, among others, transpose and implement the Unfair Trading Practices Directive, while 100% of payments are aligned with standard payment terms, with more information on payment terms available in Note 18 of the financial statements. As of the end of the reporting period, there has been 1 outstanding legal proceeding for late payments.

## Animal Welfare

In November 2024, MAXIMA Latvia transitioned entirely to using cage-free eggs in the preparation of its “Master’s Quality”(“Meistara Marka”) meals, highlighting its commitment to sustainable and ethical food production. With this change, all fresh shell eggs and boiled eggs used in these dishes now come exclusively from cage-free hens. With this transition, we mark a point at which all of our “Master Quality” products in the Baltics have abandoned the use of fresh and boiled caged-hen eggs in their production, reducing the negative impact on animal welfare.

Other animal-welfare-related issues are currently addressed through the enforcement of EU regulations on such matters through the introduction and monitoring of animal welfare requirements in product supply contracts.

## Entity-Specific Matters In The Governance Pillar

The following chapters addresses entity-specific sustainability matters that fall under the governance pillar. The information disclosed in these chapters aligns with the general approach for the presentation of sustainability-related information.

# SBM-3 Impacts, Risks And Opportunities

Materiality has been assessed in line with the general methodology. Impacts, risks and opportunities were examined for our own operations. We have summarised the results of the assessment in the table below.

| MATERIAL SUSTAINABILITY MATTER | | ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES |
|---|---|---|
| **DIGITALISATION** | Impact [own operation] | Digital services that are not accessible to all groups of customers can violate people's rights or contribute to exclusion. |
| | Risk [own operations] | Risks associated with falling behind on technological advancement. |
| | Opportunity [own operations] | Opportunities to reduce operating expenditure through development and deployment of digital solutions. |
| **ACCESS TO GREEN FINANCING** | Opportunities [own operations] | Opportunities to access green financing under more favourable conditions compared to conventional financing. |

## Policies And Targets

The Group companies have internal procedures and processes that, based on the judgement of the management team, enable adequate management of the material impacts, risks and opportunities that have been discussed in this chapter. No dedicated policies have been developed, as no need for such policies has been identified after evaluating current practices. The need for policy development is reviewed annually.

The Group companies did not set any long-term targets connected to the material impacts, risks or opportunities identified for entity-specific governance matters. The companies operate in such a manner that operational functions set quarterly targets. These targets address the identified IROs through dedicated, relevant and timely actions.

## Actions And Metrics

### Digitalisation And A Better Shopping Experience

We are constantly evolving, embracing new digital technologies to make shopping more seamless and enjoyable for our customers. As part of this effort, we are embracing innovative technologies and upgrading our infrastructure. Highlights include self-checkout options like Scan&Go and an intuitive mobile app to enhance our loyalty programme experience.

Building on the success of 2023, we expanded the rollout of new self-checkout terminals throughout 2024. These advanced systems streamline the process by reducing employee interactions with terminals, making checkout faster and more convenient for our shoppers. In fact, an impressive 38.5% of our customers opted for self-checkout last year (40.8% in 2023).

To better serve our diverse customer base, we offer multiple ways to participate in our loyalty programmes—whether through a traditional physical loyalty card or our easy-to-use mobile app. These tailored options ensure everyone can access personalised discounts and rewards in the way that suits them best.

| | | |
|---|---|---|
| 6.7m | Loyalty programme members: | (6.2m in 2023) |
| 4,268 | Self-service checkout units: | (3,304 in 2023) |

Group companies are constantly monitoring the markets for green financing schemes and supporting mechanisms to assist the transition to more sustainable operations and harness new financing opportunities.

# Additional Information

During the double materiality assessment, the list of material topics has been updated to reflect the results of the evaluation process. There have been no fundamental changes compared to the topics deemed material in previous reporting periods. For reference, we provide a list of material topics from the previous reporting periods below:

| MATERIAL TOPICS, 2019-2023 | |
|---|---|
| People | A. Diversity and equal opportunity |
| | B. Learning and development |
| | C. Employee wellbeing and benefits |
| | D. Occupational health and safety |
| Customers | A. Product safety and quality |
| | B. Private label |
| | C. Better shopping experience |
| | D. Engaging customers |
| Environment | A. Climate action |
| | B. Materials and waste management |
| | C. Water |
| Supply chain | A. Partnership with suppliers |
| | B. Responsible sourcing |
| | C. Locality |
| Communities | A. Local communities |
| | B. Food donations |
| | C. Encouraging education |
| | D. Supporting those in need |
| | E. Promoting healthier lifestyle |

# IRO-2 List Of Data Points That Derive From Other Eu Legislation

| DISCLOSURE REQUIREMENTS AND RELATED DATAPOINTS | | PAGE NUMBER |
|---|---|---|
| ESRS 2 GOV-1 | Board's gender diversity | 76 |
| ESRS 2 GOV-1 | Percentage of board members who are independent | 75 |
| ESRS 2 GOV-4 | Statement on due diligence | 97 |
| ESRS 2 SBM-1 | Involvement in activities related to fossil fuel activities | 99 |
| ESRS 2 SBM-1 | Involvement in activities related to chemical production | 99 |
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| ESRS 2 SBM-1 | Involvement in activities related to cultivation and production of tobacco | 99 |
| ESRS E1-1 | Transition plan to reach climate neutrality by 2050 | 121 |
| ESRS E1-1 | Undertakings excluded from Paris-aligned benchmarks | 121 |
| ESRS E1-4 | GHG emission reduction targets | 124 |
| ESRS E1-5 | Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) | 126 |
| ESRS E1-5 | Energy consumption and mix | 126 |
| ESRS E1-5 | Energy intensity associated with activities in high climate impact sectors | 126 |
| ESRS E1-6 | Gross Scope 1, 2, 3 and total GHG emissions | 126 |
| ESRS E1-6 | Gross GHG emissions intensity | 128 |
| ESRS E1-7 | GHG removals and carbon credits | Not applicable |
| ESRS E1-9 | Exposure of the benchmark portfolio to climate-related physical risks | Phase-in applied |
| ESRS E1-9 | Disaggregation of monetary amounts by acute and chronic physical risk | Phase-in applied |
| ESRS E1-9 | Location of significant assets at material physical risk | Phase-in applied |
| ESRS E1-9 | Breakdown of the carrying value of real estate assets by energy-efficiency classes | Phase-in applied |
| ESRS E1-9 | Degree of exposure of the portfolio to climate-related opportunities | Phase-in applied |
| ESRS E2-4 | Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil | Not material |

| DISCLOSURE REQUIREMENTS AND RELATED DATAPOINTS | | PAGE NUMBER |
|---|---|---|
| ESRS E3-1 | Management policies for water and marine resource impacts, risks and opportunities | 133 |
| ESRS E3-1 | Dedicated policy | 133 |
| ESRS E3-1 | Sustainable oceans and seas policy | 133 |
| ESRS E3-4 | Total water recycled and reused | Not material |
| ESRS E3-4 | Total water consumption in m3 per net revenue on own operations | 134 |
| ESRS 2- SBM 3 - E4 paragraph 16 (a) i - activities negatively affecting biodiversity sensitive areas | | 153 |
| ESRS 2- SBM 3 - E4 paragraph 16 (b) - material negative impacts with regard to land degradation, desertification or soil sealing | | 135 |
| ESRS 2- SBM 3 - E4 paragraph 16 (c) - operations that affect threatened species | | 135 |
| ESRS E4-2 | Sustainable land / agriculture practices or policies | Value chain phase-in |
| ESRS E4-2 | Sustainable oceans / seas practices or policies | Value chain phase-in |
| ESRS E4-2 | Policies to address deforestation | 137 |
| ESRS E5-5 | Non-recycled waste | 143 |
| ESRS E5-5 | Hazardous waste and radioactive waste | 143 |
| ESRS 2- SBM3 - S1 | Risk of incidents of forced labour | 149 |
| ESRS 2- SBM3 - S1 | Risk of incidents of child labour | 149 |
| ESRS S1-1 | Human rights policy commitments | 150-151 |
| ESRS S1-1 | Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8 | 150-151 |
| ESRS S1-1 | Processes and measures for preventing trafficking in human beings | Not material |
| ESRS S1-1 | Workplace accident prevention policy or management system | 158 |
| ESRS S1-3 | Grievance/complaints handling mechanisms | 152 |
| ESRS S1-14 | Number of fatalities and number and rate of work-related accidents | 159 |
| ESRS S1-14 | Number of days lost to injuries, accidents, fatalities or illness | Not material |
| ESRS S1-16 | Unadjusted gender pay gap | 160 |
| ESRS S1-16 | Excessive CEO pay ratio | Not disclosed |

| DISCLOSURE REQUIREMENTS AND RELATED DATAPOINTS | | PAGE NUMBER |
|---|---|---|
| ESRS S1-17 | Incidents of discrimination | 160 |
| ESRS S1-17 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | 160 |
| ESRS 2- SBM3 – S2 | Significant risk of child labour or forced labour in the value chain | 161 |
| ESRS S2-1 | Human rights policy commitments | 162 |
| ESRS S2-1 | Policies related to value chain workers | 162, 176 |
| ESRS S2-1 | Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines | 162 |
| ESRS S2-1 | Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8 | 162, 176 |
| ESRS S2-4 | Human rights issues and incidents connected to the upstream and downstream value chain | 162 |
| ESRS S3-1 | Human rights policy commitments | Not material |
| ESRS S3-1 | Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD guidelines | Not material |
| ESRS S3-4 | Human rights issues and incidents | Not material |
| ESRS S4-1 | Policies related to consumers and end-users | 166 |
| ESRS S4-1 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | 167 |
| ESRS S4-4 | Human rights issues and incidents | 168 |
| ESRS G1-1 | United Nations Convention against Corruption | 173-174, 177 |
| ESRS G1-1 | Protection of whistleblowers | 174 |
| ESRS G1-1 | Fines for violation of anti-corruption and anti-bribery laws | 178 |
| ESRS G1-4 | Standards of anti-corruption and anti-bribery | 176-178 |

# IRO-2 ESRS Disclosure Requirements Index

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| **ESRS 2 - General Disclosures** | | | |
| BP-1 | General basis for preparation of sustainability statements | 92 | |
| BP-2 | Disclosures in relation to specific circumstances | 92-93 | |
| GOV-1 | The role of the administrative, management and supervisory bodies | 75-77[12]<br>93-95<br>194-196[13] | |
| GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 96 | |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | 97 | |
| GOV-4 | Statement on due diligence | 97 | |
| GOV-5 | Risk management and internal controls over sustainability reporting | 98-99 | |
| SBM-1 | Strategy, business model and value chain | 9-11[14]<br>99-102 | |
| SBM-2 | Interests and views of stakeholders | 103-107 | |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 120, 130, 132, 135-136, 140-141, 145, 149-150, 161-162, 164-166, 169, 172, 179, 180 | 1st year phase-in applied to Data Point ESRS2.SBM-3 48(e) |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 108-112 | |
| IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | 184-191 | |
| MDR-P | Policies adopted to manage material sustainability matters | 146, 169, 179 | |
| MDR-A | Actions and resources in relation to material sustainability matters | 146-147<br>169-171<br>, 179 | |

12 Incorporation by reference of data point GOV-1 21 (a, b, d, e)
13 Incorporation by reference of data point GOV-1 21 (c)
14 Incorporation by reference of data point SBM-1 40 (a through c)

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| MDR-M | Metrics in relation to material sustainability matters | 125, 132, 145, 147, 169-171, 179 | |
| MDR-T | Tracking effectiveness of policies and actions through targets | 146, 169, 179 | |
| ESRS E1 - Climate Change | | | |
| E1.GOV-3 | Integration of sustainability-related performance in incentive schemes | 97 | |
| E1-1 | Transition plan for climate change mitigation | 121 | The Group has not developed a transitional plan for climate change mitigation. It is anticipated that the plan will be developed not earlier than 2026. |
| E1.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 120 | The management of the Group has decided that a detailed assessment will commence in future periods. The decision has been made to allow for appropriate time resources to complete the assessment in due manner. |
| E1.IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | 109-110 | The management of the Group has decided that a detailed assessment will commence in future periods. The decision has been made to allow for appropriate time resources to complete the assessment in due manner. |
| E1-2 | Policies related to climate change mitigation and adaptation | 122 | |
| E1-3 | Actions and resources in relation to climate change policies | 122-123 | |
| E1-4 | Targets related to climate change mitigation and adaptation | 124 | |
| E1-5 | Energy consumption and mix | 126 | |
| E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions | 127-129 | |
| E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | - | The Group did not acquire GHG removal credits or finance any GHG mitigation projects. |
| E1-8 | Internal carbon pricing | - | The Group did not apply any internal carbon pricing schemes. |

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| E1-9 | Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | - | The Group applied a first-year transitional period for disclosure, following ESRS 1 Appendix C provisions. |
| ESRS E2 - Pollution | | | |
| E2.IRO-1 | Description of the processes to identify and assess material pollution-related impacts, risks and opportunities | 109-110 | |
| E2-1 | Policies related to pollution | 131 | |
| E2-2 | Actions and resources related to pollution | 131-132 | |
| E2-3 | Targets related to pollution | 132 | |
| E2-4 | Pollution of air, water and soil | - | Disclosure requirement deemed not material. |
| E2-5 | Substances of concern and substances of very high concern | - | Disclosure requirement deemed not material. |
| E2-6 | Anticipated financial effects from pollution-related impacts, risks and opportunities | - | Disclosure requirement deemed not material. |
| ESRS E3 - Water and Marine Resources | | | |
| E3.IRO-1 | Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities | 109-110 | |
| E3-1 | Policies related to water and marine resources | 133 | |
| E3-2 | Actions and resources related to water and marine resources | 134 | |
| E3-3 | Targets related to water and marine resources | 134 | |
| E3-4 | Water consumption | 134 | Data point E3-4 28(c through d) is deemed not material. |
| E3-5 | Anticipated financial effects from water and marine resources-related impacts, risks and opportunities | - | Disclosure requirement deemed not material. |
| ESRS E4 - Biodiversity and Ecosystems | | | |
| E4-1 | Transition plan and consideration of biodiversity and ecosystems in strategy and business model | 135 | Value chain phase-in applied. |

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| E4.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | - | The disclosure requirement has been deemed not applicable because in terms of impacts on biodiversity and ecosystems, there were no sites of own operations identified that were negatively affecting biodiversity and ecosystems. |
| E4.IRO-1 | Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities | 109-110 | |
| E4-2 | Policies related to biodiversity and ecosystems | 136-138 | |
| E4-3 | Actions and resources related to biodiversity and ecosystems | 138 | Value chain phase-in applied. |
| E4-4 | Targets related to biodiversity and ecosystems | 138 | |
| E4-5 | Impact metrics related to biodiversity and ecosystems change | 139 | Data point ESRS E4-5 (35) and Data point ESRS E4-5 (38) have been deemed not applicable due to the indirect nature of involvement with impacts on biodiversity and ecosystems through the upstream value chain. |
| E4-6 | Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities | - | Disclosure requirement deemed not material. |
| ESRS E5 - Resources and Circular Economy | | | |
| E5.IRO-1 | Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | 109-110 | |
| E5-1 | Policies related to resource use and circular economy | 141 | |
| E5-2 | Actions and resources related to resource use and circular economy | 141-142 | |
| E5-3 | Targets related to resource use and circular economy | 142 | |
| E5-4 | Resource inflows | - | Disclosure requirement deemed not material. |
| E5-5 | Resource outflows | 142-143 | Data point ESRS E5-5 36 (a through c) deemed not material. |
| E5-6 | Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities | - | The Group applied a first-year transitional period for disclosure, following ESRS 1 Appendix C provisions. |

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| ESRS S1 - Own Workforce | | | |
| S1.SBM-2 | Interests and views of stakeholders | 106 | |
| S1.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 149-150 | |
| S1-1 | Policies related to own workforce | 150-152 | |
| S1-2 | Processes for engaging with own workers and workers' representatives about impacts | 152 | |
| S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | 152 | |
| S1-4 | Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 153-154 | |
| S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 154 | |
| S1-6 | Characteristics of the undertaking's employees | 155-156 | |
| S1-7 | Characteristics of non-employee workers in the undertaking's own workforce | 157 | |
| S1-8 | Collective bargaining coverage and social dialogue | 157 | |
| S1-9 | Diversity metrics | 157-158 | |
| S1-10 | Adequate wages | 158 | |
| S1-11 | Social protection | 158 | |
| S1-12 | Persons with disabilities | - | Disclosure requirement deemed not material. |
| S1-13 | Training and skills development metrics | - | 1st year phase-in applied to Disclosure Requirement following provisions of ESRS 1 Appendix C. |
| S1-14 | Health and safety metrics | 158-159 | Data point S1-14 88 (e) is deemed not material. |

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| S1-15 | Work-life balance metrics | 159 | |
| S1-16 | Compensation metrics (pay gap and total compensation) | 160 | Data point S1-16 97(b) Annual total remuneration ratio has been omitted for confidentiality reasons. |
| S1-17 | Incidents, complaints and severe human rights impacts | 160 | |
| ESRS S2 - Workers in the Value Chain | | | |
| S2.SBM-2 | Interests and views of stakeholders | 106-107 | |
| S2.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 161-162 | |
| S2-1 | Policies related to value chain workers | 162 | |
| S2-2 | Processes for engaging with value chain workers about impacts | 162 | |
| S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns | 162-163 | |
| S2-4 | Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action | 163 | |
| S2-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 163 | |
| ESRS S3 - Affected Communities | | | |
| S3.SBM-2 | Interests and views of stakeholders | - | Sustainability matter is not material. |
| S3.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | - | Sustainability matter is not material. |
| S3-1 | Policies related to affected communities | - | Sustainability matter is not material. |
| S3-2 | Processes for engaging with affected communities about impacts | - | Sustainability matter is not material. |
| S3-3 | Processes to remediate negative impacts and channels for affected communities to raise concerns | - | Sustainability matter is not material. |

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| S3-4 | Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | - | Sustainability matter is not material. |
| S3-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | - | Sustainability matter is not material. |
| ESRS S4 - Consumers and End-users | | | |
| S4.SBM-2 | Interests and views of stakeholders | 107 | |
| S4.SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business mode | 164-166 | |
| S4-1 | Policies related to consumers and end-users | 166-167 | |
| S4-2 | Processes for engaging with consumers and end-users about impacts | 167 | |
| S4-3 | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | 167-168 | |
| S4-4 | Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions | 168 | |
| S4-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 170-171 | |
| ESRS G1 - Business Conduct | | | |
| G1.GOV-1 | The role of the administrative, supervisory and management bodies | 75-77[15] | |
| G1.IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 109-110 | |
| G1-1 | Corporate culture and Business conduct policies and corporate culture | 173-174 | |

[15]Incorporation by reference of data point G1.GOV-1 5 (a, b)

| INDEX | DISCLOSURE REQUIREMENT TITLE | PAGE | REASONS FOR OMISSION |
|---|---|---|---|
| G1-2 | Management of relationships with suppliers | 175-176 | |
| G1-3 | Prevention and detection of corruption and bribery | 177-178 | |
| G1-4 | Confirmed incidents of corruption or bribery | 178 | |
| G1-5 | Political influence and lobbying activities | - | Disclosure requirement deemed not material. |
| G1-6 | Payment practices | 178 | ESRS G1-6 (33 a) – the disclosure of average days to pay invoice is considered to be confidential business information, that shall not be disclosed. |

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# Other Information

# Information About Securities

As of 31 December 2024, MAXIMA GRUPĖ had EUR 240 million bond issue outstanding. The bonds are listed on the Euronext Dublin and Nasdaq Vilnius stock exchanges.

| NAME OF ISSUER | NOMINAL VALUE | AMOUNT OUTSTANDING AT NOMINAL VALUE | ISIN CODE | MATURITY |
|---|---|---|---|---|
| MAXIMA GRUPĖ, UAB | EUR 100,000 | EUR 240 million | XS2485155464 | 12 July 2027 |

The shares of MAXIMA GRUPĖ are owned by the sole shareholder UAB "Vilniaus prekyba". The Competencies of the General Meeting of Shareholders do not differ from those specified in the Law on Companies of the Republic of Lithuania. There is only one shareholder that has the rights provided in the Law on Companies. There are no shareholders that own special rights. No voting rights limitations apply.

The Company does not hold its own shares (neither the Company itself nor its subsidiaries have any shares in the Company). During the reporting period, the Company did not purchase or dispose of its own shares.

# Information About Material Subsidiaries

The Company does not have branches or representative offices. Information about material subsidiaries is disclosed in Note 1 of the consolidated financial statements of the Group.

# Positions of the Members of the Supervisory Board

| SUPERVISORY BOARD MEMBER | POSITION | LEGAL ENTITY CODE | ADDRESS |
|---|---|---|---|
| **Matas Kasperavičius (Chairman)** | CFO at UAB "Vilniaus prekyba" | 302608755 | Ozo str. 25, Vilnius, Lithuania |
| | Member of the Audit Committee at AKROPOLIS GROUP, UAB | 301066547 | Ozo str. 25, Vilnius, Lithuania |
| | **Experience**<br>Financial, investment and management experience at diverse companies, including consulting firms | | |
| | **Education**<br>Economics, Vilnius University | | |
| **Paulius Mencas** | CEO and Member of the Management Board at UAB "Vilniaus prekyba" | 302608755 | Ozo str. 25, Vilnius, Lithuania |
| | Chairman of the Management Board at EUROAPOTHECA, UAB | 300854822 | Ozo str. 25, Vilnius, Lithuania |
| | Member of the Board at Stichting Trivialis | 58595988 | Parnassusweg 819, 1082LZ Amsterdam, the Netherlands |
| | Member of the Board at Stichting Novitus | 60599499 | Parnassusweg 819, 1082LZ Amsterdam, the Netherlands |
| | Member of the Management Board at Swedish Pharmacy Holding AB | 559390-0854 | BOX 7264, 103 89 Stockholm, Sweden |
| | Member of the Management Board at Apoteksgruppen i Sverige AB | 559390-0854 | BOX 7264, 103 89 Stockholm, Sweden |
| | Member of the Management Board at Apoteksgruppen i Sverige Holding AB | 556773-4156 | BOX 7264, 103 89 Stockholm, Sweden |
| | Member of the Management Board at Apoteksgruppen Detaljist AB | 556481-5966 | BOX 7264, 103 89 Stockholm, Sweden |
| | Chairman of the Management Board at Euroapotheca Holding SWE AB | 556773-4727 | BOX 7264, 103 89 Stockholm, Sweden |
| | Member of the Management Board at Kronans Apotek AB | 556787-2048 | BOX 30094, SE-104 25 Stockholm, Sweden |
| | **Experience**<br>Legal work, administrative and management experience at diverse companies and law firm | | |
| | **Education**<br>Law, Vilnius University and King's College London | | |
| **Nerijus Maknevičius** | Member of the Management Board at UAB "Vilniaus prekyba" | 302608755 | Ozo str. 25, Vilnius, Lithuania |
| | CEO at GALIO GROUP, UAB | 302414120 | Kintų str. 11, Vilnius, Lithuania |
| | Member of the Management Board at GALIO ASSET MANAGEMENT, UAB | 302633242 | Kintų str. 11, Vilnius, Lithuania |
| | Chairman of the Management Board at AKROPOLIS GROUP, UAB | 302533135 | Ozo str. 25, Vilnius, Lithuania |
| | Chairman of the Management Board at Akropolis Real Estate B.V. | 34297777 | Herikerbergweg 238 Luna ArenA, Amsterdam, 1101CM, Netherlands |
| | Chairman of the Management Board at NDX Group, UAB | 126211233 | Ozo str. 25, Vilnius, Lithuania |
| | Member of the Board at Stichting Trivialis | 58595988 | Parnassusweg 819, 1082LZ Amsterdam, the Netherlands |
| | Member of the Board at Stichting Novitus | 60599499 | Parnassusweg 819, 1082LZ Amsterdam, the Netherlands |
| | **Experience**<br>Legal work, administrative and management experience at diverse companies and law firm | | |
| | **Education**<br>Law, Vilnius University | | |

# Positions Held by the Members of the Management Board

| MANAGEMENT BOARD MEMBER | POSITION | LEGAL ENTITY CODE | ADDRESS |
|---|---|---|---|
| Manfredas Dargužis (Chairman) | CEO at MAXIMA GRUPĖ, UAB | 301066547 | Ozo str. 25, Vilnius, Lithuania |
| | Member of the Management Board at UAB "Vilniaus prekyba" | 302608755 | Ozo str. 25, Vilnius, Lithuania |
| | CEO at FRANMAX, UAB | 302670810 | Savanorių ave. 5, Vilnius, Lithuania |
| | **Experience**<br>Experience in the asset management industry in various management positions | | |
| | **Education**<br>BSc in Banking and International Finance, CAAS Business School in London | | |
| Agnė Voverė | CEO at MAXIMA International Sourcing, UAB | 305005100 | Savanorių ave. 16-1001, Vilnius, Lithuania |
| | **Experience**<br>2004-2023 // Managerial positions at various Vilniaus prekyba group companies, mostly related to the retail sector | | |
| | **Education**<br>Strategic Management, Marketing Strategy and Management, Leadership: Power and Sensemaking, ISM University of Management and Economics<br>Classics and Classical Languages, Literatures, and Linguistics, Vilniaus University | | |
| Arūnas Zimnickas | President of the Management Board at EMPERIA HOLDING Sp. z o.o. | 0000849797 | 02-566 Warsaw, ul. Puławska 2B, Poland |
| | President of the Management Board at Stokrotka Sp. z o.o. | 0000016977 | 20-209 Lublin, ul. Projektowa 1, Poland |
| | **Experience**<br>2008-2023 // Diverse management positions at MAXIMA Group related retail companies | | |
| | **Education**<br>Economics and International Business, Vilnius University | | |
| Jolanta Bivainytė | CEO and Chairwoman of the Management Board at MAXIMA LT, UAB | 123033512 | Naugarduko str. 84, Vilnius, Lithuania |
| | Member of the Management Board at RADAS, UAB | 303053737 | Savanorių ave. 16-102, Vilnius, Lithuania |
| | Chairwoman of the Management Board at Stichting Novitus | 60599499 | Parnassusweg 819, Amsterdam, North Holland 1082 LZ, Netherlands |
| | Member of the Management Board at Stichting Trivialis | 58595988 | Parnassusweg 819, Amsterdam, North Holland 1082 LZ, Netherlands |
| | **Experience**<br>1992-2024 // Diverse management positions at Vilniaus prekyba group companies and related companies, mostly in the retail sector | | |
| | **Education**<br>Finance, Vilnius University | | |

# Positions Held by the Members of the Management Board

| MANAGEMENT BOARD MEMBER | POSITION | LEGAL ENTITY CODE | ADDRESS |
|---|---|---|---|
| Karolina Zygmantaitė | CEO (sole member of the Management Board) at MAXIMA Latvija SIA | 40003520643 | Latgales str. 257, Riga, Latvia |
| | **Experience**<br>Financial, administrative and management experience at diverse companies, including audit firm | | |
| | **Education**<br>Accounting, Audit, Business/Management, Vilnius University | | |
| Petar Petrov Pavlov | CEO at MAXIMA BULGARIA EOOD | 131324923 | Botevgradsko Shose blvd. 247, Poduyane Distr., fl. 2, Sofia, Bulgaria |
| | CEO at DEVELOPER BULGARIA EOOD | 200369978 | Botevgradsko Shose blvd. 247, Poduyane Distr., fl. 2, Sofia, Bulgaria |
| | CEO at MMS PROJECTS EOOD | 175363447 | Botevgradsko Shose blvd. 247, Poduyane Distr., fl.2, Sofia, Bulgaria |
| | CEO at DC BG EOOD | 200713219 | Botevgradsko Shose blvd. 247, Poduyane Distr., fl. 2, Sofia, Bulgaria |
| | CEO at MA Bulgaria EOOD | 204882743 | Botevgradsko Shose blvd. 247, Poduyane Distr., fl. 2, Sofia, Bulgaria |
| | CEO at TERNATE EOOD | 208096193 | Botevgradsko Shose blvd. 247, Poduyane Distr., fl. 2, Sofia, Bulgaria |
| | **Experience**<br>2005-2023 // Diverse management positions at MAXIMA BULGARIA EOOD | | |
| | **Education**<br>Law, Sofia University St. Kliment Ohridski | | |
| Lauryna Šaltinė | CFO at MAXIMA GRUPĖ, UAB | 301066547 | Ozo str. 25, Vilnius, Lithuania |
| | **Experience**<br>2018-2022 // Finance positions at MAXIMA LT, UAB<br>Experience in corporate finance at advisory firms and public sector consultancies | | |
| | **Education**<br>Economics and Business, Stockholm School of Economics in Riga | | |

# Nasdaq Structured Table for Disclosure

## Report by MAXIMA GRUPĖ, UAB on compliance with the Code of Corporate Governance for the Companies Listed on Nasdaq Vilnius

MAXIMA GRUPĖ, UAB (the "Company"), acting in compliance with paragraph 24.5 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies Listed on Nasdaq Vilnius (the "Code"), as well as its specific provisions or recommendations. In cases of non-compliance with the provisions or recommendations of this Code, the Company specifies this along with the reasons for such non-compliance. In addition, other explanatory information is provided in this form.

## 1. Free-form Summary of the Company's Corporate Governance

The Company's governance bodies are:

- the General Meeting of Shareholders (the sole shareholder is "Vilniaus prekyba");
- the Audit Committee;
- the Management Board;
- the Chief Executive Officer.

The General Meeting of Shareholders elects the Management Board, which is composed of 8 members elected for a term of 4 years. At the end of the reporting period and also on the date of signing this report, the Management Board was comprised of 7 members.

The Audit Committee is composed of 3 members who are elected by the General Meeting of Shareholders for a term of 4 years. There are 2 independent members on the Audit Committee (the Chair is an independent member). The Audit Committee reports to the General Meeting of Shareholders. The Audit Committee's functions are established by legal acts of the Republic of Lithuania, the Bank of Lithuania, and by the Audit Committee Regulations approved by the Company's General Meeting of Shareholders.

Additional information about the Company's governance, activities of the Management Board and the Audit Committee, the composition of the Management Board, internal control and risk management systems and other essential matters related to the Company's governance is provided in the Company's consolidated management report for the financial year ending 31 December 2024.

## 2. Structured Table for Disclosure

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| **Principle 1: General meeting of shareholders, equitable treatment of shareholders and shareholders' rights** The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders. | | |
| 1.1. All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed. | Not applicable | The Company has the sole shareholder. |
| 1.2. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders. | Yes | All the Company's shares are ordinary registered shares, granting the same rights. |
| 1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares. | Not applicable | The Company only offers bonds publicly, shares are not publicly offered. |
| 1.4. Exclusive transactions that are particularly important to the company, such as the transfer of all or almost all assets of the company, which in principle would mean the transfer of the company, should be subject to the approval of the general meeting of shareholders. | No | The Company's General Meeting of Shareholders has the competence envisaged in the Law on Companies of the Republic of Lithuania. Additional competence referred to in this paragraph is not included in the Articles of Association. As the Company has the sole shareholder, granting such competence to the General Meeting of Shareholders is not relevant. |
| 1.5. Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest. | Not applicable | The Company has the sole shareholder. |
| 1.6. With a view to ensuring the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared in advance for the general meeting of shareholders should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the company website. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed. | Not applicable | The Company has the sole shareholder, and there are no shareholders living abroad. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| 1.7. Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot. | Yes | The sole shareholder may vote in writing. |
| 1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases, the security of transmitted information must be ensured, and it must be possible to identify the participating and voting person. | Not applicable | The Company has the sole shareholder. |
| 1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included on the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided. | Yes | Every candidate must declare what positions they hold and how their other activities are related to the Company and to other persons associated with the Company, as well as his/her educational background and work experience.<br><br>Information on any proposed audit company is also provided to the shareholder prior to the adoption of the sole shareholder's decision. |
| 1.10. Members of the company's collegial management body, heads of the administration or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to become members of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included on the agenda of the general meeting of shareholders. | Yes | When needed, members of the Company's collegial body, heads of the administration and other competent persons related to the Company who can provide information related to the agenda of the General Meeting of Shareholders. |
| **Principle 2: Supervisory Board**<br>**2.1. Functions and liability of the supervisory board**<br>The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies, as well as continuously providing recommendations to the management bodies of the company.<br>The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system. | | |
| 2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit of and in the interests of the company and its shareholders and represent their interests, having regard for the interests of employees and public welfare. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
| --- | --- | --- |
| 2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without any external influence from the persons who elected them. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all of the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| **2.2. Formation of the supervisory board** The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance. | | |
| 2.2.1. The members of the supervisory board elected by the general meeting of shareholders should collectively ensure a diversity of qualifications, professional experience and competences and seek gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| 2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.2.3. Chair of the supervisory board should be a person whose current or past positions constitute no obstacle to carry out their activities impartially. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure the impartiality of the supervision. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.2.4. Each member should devote sufficient time and attention to perform her or his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit her or his other professional obligations (particularly with regards to management positions in other companies) so that they do not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend fewer than half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.2.5. When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.2.6. The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |
| 2.2.7. Every year, the supervisory board should carry out an assessment of its activities. This should include an evaluation of the structure of the supervisory board, its work organisation and its ability to act as a group; an evaluation of the competence and work efficiency of each member of the supervisory board; and an evaluation of whether the supervisory board has achieved its objectives. At least once a year, the supervisory board should make public relevant information about its internal structure and working | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| **Principle 3: Management Board**<br>**3.1. Functions and liability of the management board**<br>The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups. | | |
| 3.1.1. The management board should ensure the implementation of the company's strategy, approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy. | Yes | The Company's strategy was approved by the Supervisory Board. Its implementation is ensured by the Management Board and the CEO of the Company. |
| 3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs inter alia the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development. | Yes | The Management Board performs the functions assigned to it by the Law on Companies of the Republic of Lithuania and by the Company's Articles of Association. The Management Board takes into account the needs of the Company's shareholder, employees and other interest groups, striving to achieve sustainable business development. |
| 3.1.3. The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers. | Yes | The Management Board ensures compliance with the applicable laws and the Group's internal policy. It also establishes risk management and control measures to ensure the regular and direct accountability of the CEO. |
| 3.1.4. Moreover, the management board should ensure that the measures included in the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards. | Yes | The Company has various instruments in place to ensure a high level of internal controls, ethics and compliance management measures, such as:<br>• internal audit is accountable to the Audit Committee;<br>• the majority of the Audit Committee is composed of independent members;<br>• the Company has the Code of Ethics;<br>• the Company has the Corruption Prevention Policy. |
| 3.1.5. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence. | Yes | The Management Board adopts the decision to appoint the CEO after proper examination of the candidates' qualifications, experience and competence. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| **3.2. Formation of the management board** | | |
| 3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders, should collectively ensure the required diversity of qualifications, professional experience and competences and seek gender equality. With a view to maintaining a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks. | Yes | The members of the Management Board collectively have broad experience, qualifications, knowledge and competencies. The representation of both genders on the Management Board is ensured as much as possible. More detailed information about the experience and qualifications of the members of the Management Board is provided in the Company's consolidated management report. |
| 3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and any potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on a yearly basis, collect the data on its members referred to in this paragraph and disclose it in the company's annual report. | Yes | Information about candidates for the Management Board is provided to the sole shareholder of the Company in advance, without violating personal data protection requirements. Information about the members of the Management Board is provided in the Company's consolidated management report. |
| 3.2.3. All new members of the management board should be familiarised with their duties and the structure and operations of the company. | Yes | New members of the Management Board are acquainted with the most important information about the Company, including their duties and the structure and operations of the Company. |
| 3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office, to ensure the necessary development of professional experience and sufficiently frequent reconfirmation of their status. | Yes | Members of the Management Board are elected for a 4-year term and can be re-elected. New members of the Management Board appointed during a term of the Management Board are appointed for the remaining term of the Management Board. |
| 3.2.5. Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision. | Yes | The current and past positions held by the Chair of the Management Board are not an obstacle for him to act impartially. Information about other positions held by the Chair of the Management Board is included in the Company's consolidated management report. |
| 3.2.6. Each member should devote sufficient time and attention to perform her or his duties as a member of the management board. Should a member of the management board attend fewer than half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof. | Yes | Every member of the Management Board devotes sufficient time to the performance of their duties. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| 3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent, it should be announced which members of the management board are deemed to be independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances. | Not applicable | Members of the Company's Management Board are not subject to the requirement of independence. |
| 3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board. | Yes | The General Meeting of Shareholders of the Company has the competence to approve the amount of remuneration to the members of the Management Board for their activity and participation in the meetings of the Management Board. |
| 3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests. | Yes | To the best of the Company's knowledge, all of the members of the Management Board act in good faith, with care, and responsibly, for the benefit of the Company and its shareholder, and represent their interests with due regard to other stakeholders. The members of the Management Board are subject to confidentiality obligations. |
| 3.2.10. Every year the management board should carry out an assessment of its activities. It should include an evaluation of the structure of the management board, its work organisation and ability to act as a group; an evaluation of the competence and work efficiency of each member of the management board; and an evaluation of whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data. | No | There is no formal practice for the Management Board to assess its own activities. |
| **Principle 4: Rules of procedure of the supervisory board and the management board of the company** | | |
| The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies. | | |
| 4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations of the company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives and specify the reasons for this. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| 4.2. It is recommended that meetings of the company's collegial bodies should be held at regular intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterruptable resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter. | Yes | Meetings of the Management Board are held regularly and at intervals that ensure the uninterrupted resolution of essential matters. |
| 4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting, so that a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened, all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such changes or supplements to the agenda or there are certain issues that are important to the company and require immediate resolution. | Yes | Members of the Company's collegial bodies are informed in advance about meetings that are convened and have sufficient time to become familiar with the relevant materials. |
| 4.4. In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making processes, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and closely cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or their remuneration are discussed. | Not applicable | As of 14 October 2024, the Company's Supervisory Board has been dissolved. |

**Principle 5: Nomination, remuneration and audit committees**

**5.1. Purpose and formation of committees**

The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board, which performs the supervisory functions by ensuring that decisions are based on due consideration and helps organise its work in such a way that the decisions it takes would be free of material conflicts of interest.

Committees should exercise independent judgement and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.

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|---|---|---|
| 5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board that performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees. | Yes/No | The Audit Committee has been formed in the Company. Nomination and remuneration committees are not formed as the Management Board or the sole shareholder itself performs these functions when necessary, and it was decided not to form such committees. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| 5.1.2. Companies may decide to set up less than three committees. In such cases, companies should explain in detail why they have chosen the alternative approach and how the chosen approach corresponds with the objectives set for the three different committees. | No | The Audit Committee has been formed in the Company. Nomination and remuneration committees are not formed as the Management Board or the sole shareholder itself performs these functions when necessary, and it was decided not to form such committees. |
| 5.1.3. In cases established by the legal acts, the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such cases, the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole. | Yes | Taking into account the small number of managerial positions in the Company, it was decided not to form three separate committees, and these functions are performed by the sole shareholder, where necessary, in accordance with their respective competences, as prescribed by law. |
| 5.1.4. Committees established by the collegial body should normally be composed of at least 3 members. Subject to the requirements of the legal acts, committees may also comprise just 2 members. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees. | Yes | When necessary, the Company's Management Board, or the sole shareholder, performs the functions that would be assigned to nomination and remuneration committees. |
| 5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee, defining its role and specifying its rights and duties, should be made public at least once a year (as part of the information disclosed by the company about its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of existing committees about their composition, the number of meetings and attendance over the year, as well as the main directions of their activities and performance. | Yes | The Audit Committee is composed of 3 members, 2 of whom are independent. These members were selected based on their competences.<br>The Audit Committee's regulations have been approved by the sole shareholder according to the applicable regulations of the Bank of Lithuania. However, the Audit Committee approves its own annual plan, which outlines the main directions of its activities. The Audit Committee submits its activity reports to the sole shareholder. Information about the composition, activities and functions of the Audit Committee is published in the Company's consolidated management report. |
| 5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in a committee's meeting only if invited by the committee. A committee may invite or request that certain employees of the company or experts participate in a meeting. The chair of each committee should have the ability to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee. | Yes | The Audit Committee may invite selected persons to its meetings. The Chair of the Audit Committee has the ability to directly communicate with the sole shareholder, if necessary. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| **5.2. Nomination committee** | | |
| 5.2.1. The key functions of the nomination committee should be as follows:<br>1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body approves them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected;<br>2) to assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of their members, and provide the collegial body with recommendations on how any required changes should be achieved;<br>3) to devote the attention necessary to ensure succession planning. | Not applicable | This committee is not formed in the Company. These functions are performed by the sole shareholder of the Company, where applicable. |
| 5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the company or the heads of the administration, the manager of the company should be consulted and granted the right to submit proposals to the Nomination Committee. | Not applicable | This committee is not formed in the Company. These functions are performed by the sole shareholder of the Company, when necessary. |
| **5.3. Remuneration committee** | | |
| 5.3.1. The main functions of the remuneration committee should be as follows:<br>1) to submit to the collegial body for approval proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration. Such policy should include all forms of remuneration, including fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments, as well as conditions that would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so;<br>2) to submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration to ensure that they are consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned;<br>3) to review, on a regular basis, the remuneration policy and its implementation. | Not applicable | This committee is not formed in the Company. These functions are performed by the sole shareholder of the Company, when necessary. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| **5.4. Audit committee** | | |
| 5.4.1. The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee. | Yes | The Audit Committee performs the functions in the Company that legal acts prescribe for it. |
| 5.4.2. All members of the committee should be provided with detailed information about specific issues regarding the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches. | No | The representatives of the Company's administration regularly participate in meetings of the Audit Committee and provide it with detailed information regarding any relevant issues. |
| 5.4.3. The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), and internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present. | Yes | As needed, the Audit Committee can and does invite any representative of the Company and external auditors to its meetings. |
| 5.4.4. The audit committee should be informed about the internal auditor's work programme and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work programme of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group. | Yes | The Audit Committee meets with the internal auditors and receives information about internal audit results, recommendations and their implementation, as well as approving the work plan for the internal audit. The Audit Committee also regularly holds meetings with external auditors and receives information about audit status and results and about any relationships between the Company, the Group and the external auditor. |
| 5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions. | Yes | The Audit Committee examines whether the Company complies with applicable regulations governing the ability of employees to lodge a complaint or anonymously report to the Company suspicions of any potential violations. |
| 5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once every six months, at the time that annual and half-yearly reports are approved. | Yes | The Company's Audit Committee submits its activity report to the sole shareholder at least once a year, at the time when annual financial statements are approved, and at other times at the request of the sole shareholder or whenever the Audit Committee deems necessary. |

**Principle 6: Prevention and disclosure of conflicts of interest**

The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. If such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of the conflict of interest, indicate the nature of the interests and, where possible, their value. | Yes | The members of the Company's supervisory and management bodies have a duty to avoid conflicts of interest situations. If such a situation occurs, the individual involved must notify other members of the same body or the body of the Company that elected him/her or the Company's sole shareholder of the conflict of interest, indicate the nature of the interests and, where possible, their value. |
| **Principle 7: Remuneration policy of the company**<br>The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy. | | |
| 7.1. The company should approve and post their remuneration policy on the company's website; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy. | No | The Company does not have an approved remuneration policy determining the remuneration of members of the governance bodies. Legal acts do not impose such an obligation, as only the Company's bonds are traded publicly. However, the Company has approved the remuneration policy applicable to all its employees. |
| 7.2. The remuneration policy should include all forms of remuneration, including fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments, as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments. | No | The Company does not have an approved remuneration policy determining the remuneration of members of the governance bodies. Legal acts do not impose such an obligation, as only the Company's bonds are traded publicly.<br>The remuneration policy for employees defines the regulation of different forms of remuneration. |
| 7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that the members of collegial bodies that perform supervisory functions should not receive remuneration based on the company's performance. | No/Yes | The Company does not have an approved remuneration policy determining the remuneration of members of the governance bodies. Legal acts do not impose such an obligation, as only the Company's bonds are traded publicly. |
| 7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and, in general, should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance. | No | The Company does not have an approved remuneration policy determining the remuneration of members of the governance bodies. Legal acts do not impose such an obligation, as only the Company's bonds are traded publicly.<br><br>Termination payments are made on the basis and according to the provisions of the Labour Code of the Republic of Lithuania and certain agreements. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| 7.5. In the event that a financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested for at least three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate them for any costs related to the acquisition of shares. | Not applicable | No financial incentive scheme is applied in the Company. |
| 7.6. The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy with respect to the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. Any information of this nature should not include any details that have commercial value. Particular attention should be paid to any major changes in the company's remuneration policy compared with the previous financial year. | No | The Company does not have an approved remuneration policy determining the remuneration of members of the governance bodies. Legal acts do not impose such an obligation, as only the Company's bonds are traded publicly. |
| 7.7. It is recommended that the remuneration policy or any major changes to the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders. | No | The Company does not have an approved remuneration policy determining the remuneration of members of the governance bodies. Legal acts do not impose such an obligation, as only the Company's bonds are traded publicly. |
| **Principle 8: Role of stakeholders in corporate governance** The corporate governance framework should recognise the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle, the concept of "stakeholders" includes investors, employees, creditors, suppliers, clients, the local community and other individuals who have certain interests in the company concerned. | | |
| 8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected. | Yes | The Company ensures that the rights and lawful interests of stakeholders are protected. |
| 8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorised capital, involvement of creditors in corporate governance in the case of a company's insolvency, etc. | Yes | Stakeholders participate in the corporate governance of the Company in the manner established by law. |
| Stakeholders participate in the corporate governance of the Company in the manner established by law. | Yes | Stakeholders are provided with relevant information in the manner established by law. |
| 8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function. | Yes | The contact details for an anonymous hotline are published on the Company's website in accordance with the Corruption Prevention Policy. Individuals can report violations of the provisions of legal acts and norms of conduct committed by executives or employees of the Company and the companies directly or indirectly controlled by the Company. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| **Principle 9: Disclosure of information**<br>The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company. | | |
| 9.1. In accordance with the company's procedures regarding confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following: | | |
| 9.1.1. operating and financial results of the company; | Yes | This information is published in the Company's consolidated financial statements and consolidated management report. |
| 9.1.2. objectives and non-financial information of the company; | Yes | This information is published in the Company's consolidated management report. |
| 9.1.3. persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary; | Yes | This information is published in the Company's consolidated financial statements. |
| 9.1.4. members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration; | Yes | This information is published in the Company's consolidated management report. As the legal acts do not require the disclosure of the remuneration to the members of the Company's supervisory and management bodies, this information is not disclosed. |
| 9.1.5. reports of the existing committees on their composition, number of meetings and attendance by members during the past year, as well as the main directions and results of their activities; | Yes | This information is published in the Company's consolidated management report. |
| 9.1.6. potential key risk factors, the company's risk management and supervision policy; | Yes | This information is published in the Company's consolidated management report. |
| 9.1.7. the company's transactions with related parties; | Yes | This information is published in the Company's consolidated financial statements. |
| 9.1.8. main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.); | Yes | The relevant information is published in the Company's consolidated management report. |
| 9.1.9. structure and strategy of corporate governance; | Yes | This information is published in the Company's consolidated management report. |
| 9.1.10. initiatives and measures relating to the social responsibility policy and anti-corruption initiatives, significant current or planned investment projects.<br><br>This list is deemed to be the minimum and companies are encouraged not to restrict themselves to the disclosure of information included in this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts. | Yes | This information is published in the consolidated sustainability statement of the Company and its group, which is part of the Company's consolidated management report. |

| PRINCIPLES/ RECOMMENDATIONS | YES/NO/ NOT APPLICABLE | COMMENTS |
|---|---|---|
| 9.2. When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies. | Yes | Consolidated information is disclosed. |
| 9.3. When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information about the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company, as well as potential conflicts of interest that could affect their decisions, should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7. | Yes | The information about professional experience, qualifications and potential conflicts of interest, if any, of the members of the Company's supervisory and management bodies and the Chief Executive Officer is disclosed. As the legal acts do not require the disclosure of the remuneration to the members of the Company's supervisory and management bodies and the CEO, this information is not disclosed. |
| 9.4. Information should be disclosed in such a manner that no shareholders or investors are discriminated against in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time. | Yes | Information is disclosed through securities exchanges in Lithuania and Ireland. |
| **Principle 10: Selection of the company's audit firm**<br>The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm. | | |
| 10.1. With a view to obtain an objective opinion about the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm. | Yes | The Company's and the Group's annual financial statements and the financial information provided in the consolidated management report are audited. |
| 10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if a supervisory board is not formed at the company, by the management board of the company. | Yes | The Company's auditor is selected through a tender procedure. The Audit Committee supervises the tender procedure. Regarding the opinion of the Audit Committee, the Management Board proposes an audit firm to the sole shareholder. |
| 10.3. In the event that the audit firm has received remuneration from the company for non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if a supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders. | Yes | The Company discloses information about the amounts it has paid the auditor for non-audit services in its consolidated management report. |

# Other Supporting Information

## Definitions

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| LFL | (like-for-like): same store revenue growth (not taking new or renovated stores into account). |
| EBITDA | profitability measure, calculated by adjusting net profit by income tax expenses, depreciation and amortisation, finance income and costs, impairment and write-off of property, plant and equipment, investment properties, intangible assets and right-of-use assets, and profit from disposal of subsidiaries. |
| NET DEBT | borrowings and lease liabilities less cash and cash equivalents. |
| FIXED ASSETS | property, plant and equipment and investment property |

# Abbreviations

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| ADEME | Agence de l'Environnement et de la Maîtrise de l'Énergie |
| AIB | The Association of Issuing Bodies |
| CSDDD | Corporate Sustainability Due Diligence Directive (EU) 2024/1760 |
| CSRD | Corporate Sustainability Reporting Directive (EU) 2022/2464 |
| DEFRA | Department for Environment, Food & Rural Affairs |
| EFRAG | European Financial Reporting Advisory Group |
| ENCORE | Exploring Natural Capital Opportunities, Risks and Exposure |
| ESRS | European Sustainability Reporting Standards (EU) 2023/2772 |
| EXIOBASE | Environmentally Extended Supply-Use Table and Input-Output Table |
| FLPR | Forced Labour Products Regulation 2024/1937 |
| GHG | Greenhouse gases |
| GRI | Global Reporting Initiative |
| IEA | International Energy Agency |
| ILO | International Labour Organisation |
| IRO | Impacts, risks and opportunities |
| LEAP | Locate, Evaluate, Assess, Prepare and report |
| LSME | Sustainability reporting standards for Listed Small, Medium Enterprises |
| LUC | Land-use change |
| NGO | Non-governmental organisation |
| OECD | The Organisation for Economic Co-operation and Development |
| PPWR | Packaging and Packaging Waste Regulation (EU) 2025/40 |
| SBTi | Science Based Targets initiative |
| SBTN | Science Based Targets for Nature |
| SFDR | Sustainable Finance Disclosure Regulation (EU) 2019/2088 |
| UNGP | The United Nations Guiding Principles on Business and Human Rights |
| VSME | Voluntary sustainability reporting standards for Small, Medium Enterprises |
| WWF | World Wildlife Fund |